Treasury Minutes Progress Report

Update to the Government responses to the Committee of Public Accounts on Sessions 2010-12, 2012-13, 2013-14, 2014-15, 2015-16, 2016-17, 2017-19 and 2019

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Updates on the Government responses to the Committee of Public Accounts Sessions 2010-12 to 2019

Treasury Minutes Progress Report

Update to the Government responses to the Committee of Public Accounts on Sessions 2010-12, 2012-13, 2013-14, 2014-15, 2015-16, 2016-17, 2017-2019 and 2019

This publication reports on progress to implement recommendations from the Committee of Public Accounts that have been accepted by Government.

This is the 13th edition in the series of progress reports since Session 2010-12. Details of Committee recommendations that were implemented previously, can be found in earlier progress reports and the original Treasury Minute response, referenced within this publication.

Progress on the implementation of agreed recommendations by the Government to the Committee of Public Accounts: Session 2010-12

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Recommendations fully resolved

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Recommendations fully resolved

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Seventeenth Report of Session 2010-12

Department for Education

Academies Programme

Introduction from the Committee

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.

Relevant reports

- NAO report: *The Academies Programme* - Session 2010-12 (HC 288)
- PAC report: *The Academies Programme* - Session 2010-12 (HC 552)
- Treasury Minutes: March 2011 (Cm 8042)
- Treasury Minutes Progress Report: July 2012 (Cm 8387)
- Treasury Minutes Progress Report: July 2014 (Cm 8899)
- Treasury Minutes Progress Report: March 2015 (Cm 9034)
- Treasury Minutes Progress Report: July 2016 (Cm 9320)
- Treasury Minutes Progress Report: January 2017 (Cm 9407)
- Treasury Minutes Progress Report: October 2017 (Cm 9506)
- Treasury Minutes Progress Report: January 2018 (Cm 9566)
- Treasury Minutes Progress Report: July 2018 (Cm 9668)
- Treasury Minutes Progress Report: March 2019 (CP 70)
- *Treasury Minutes Progress Report*: February 2020 (CP221)

Update to the Government response to the Committee

There were eight recommendations in this report. As of the last Treasury Minute Progress Report (CP 221), seven recommendations have been implemented. One recommendation remained work in progress, as set out below.

6: PAC conclusion: *The Department has failed to collect all the financial contributions due from sponsors.*

6: PAC 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 agrees with the Committee’s recommendation.

Target implementation date: January 2021
Original implementation date: March 2011

6.2 Given the very different nature of the capital contribution agreements made with each of the sponsors, the process has been both complex and lengthy. Of the original £146 million pledged, the department has secured contributions or other agreements for over 93% of agreed sponsor contributions, as at the end of September 2020. The delivery expectations of sponsors have changed significantly since the time when financial contributions were first agreed.

6.3 The department has been working to bring the remaining capital contributions to a conclusion but unfortunately it has not been possible to conclude our work in time to meet the deadline for this update. Departmental officials and legal counsel have been entirely focused on the COVID-19 emergency response and ensuring that the education system is supported during this challenging time. However, the department continues to take action to bring this to a conclusion and fully expect to be able to provide a full response in January 2021.

6.4 The department has also written to the Chair of the Committee on 13 October 2020 explaining the reasons for the delay in implementing the recommendation.
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Progress on the implementation of agreed recommendations by the Government to the Committee of Public Accounts: Session 2012-13

Recommendations fully resolved

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2	Mobile technology in policing
3	Efficiency & reform in Government corporate functions through shared service centre
4	Completion and sale of High Speed 1
5	Regional Growth Fund
6	Renewed alcohol strategy
7	Immigration: the points based system – student route
8	Managing early departures in central Government
9	Preparations for the London 2012 Olympic and Paralympic Games
10	Implementing the transparency agenda
11	Improving the efficiency of central government office property
12	Off payroll arrangements in the public sector
13	Financial viability of the housing sector: introducing Affordable Home Programme
14	Assurance for major projects
15	Preventing fraud in contracted employment programmes
16	Securing the future financial sustainability of the NHS
17	Management of diabetes in the NHS
18	Creation and sale of Northern Rock
19	HMRC Annual Report and Accounts 2011-12
20	Offshore electricity transmission: a new model for delivery infrastructure
21	Ministry of Justice language service contract
22	BBC: Off payroll contracting and severance package for the Director General
23	Contract management of medical services
24	Nuclear Decommissioning Authority: managing risk at Sellafield
25	Funding for local transport: an overview
26	Multilateral Aid Review
27	HM Treasury Annual Report and Accounts 2011-12
28	Franchising Hinchingbrooke Health Care Trust / Peterborough & Stamford Hospitals
29	Tax avoidance: tackling marketed avoidance schemes
30	Excess Votes 2011-12
31	Lessons from cancelling the Intercity West Coast franchise competition
32	Managing the defence inventory
33	Work Programme outcome statistics
34	Managing budgeting in Government
35	Restructuring the National Offender Management Service
36	HM Revenue and Customs customer service
37	Whole of Government Accounts 2010-11
38	Managing the impact of housing benefit reform
39	Progress in making NHS efficiency savings
40	London 2012 Olympic and Paralympic Games: post games review
41	Managing the expansion of the Academies Programme
42	Planning economic infrastructure
43	Report number not used by the Committee
44	Tax avoidance: the role of large accountancy firms

Progress on the implementation of agreed recommendations by the Government to the Committee of Public Accounts: Session 2013-14

Updates on recommendations reported as work in progress

Recommendations fully resolved

	Report Title
1	Equipment Plan 2012-2022 and Major Projects Report 2012
2	Early Action Landscape Review
3	Financial Sustainability of Local Authorities
4	Tax Credits error and fraud
5	Responding to change in Jobcentres
6	Improving Government procurement and the impact of Governments ICT savings initiatives
7	Cup Trust and tax avoidance
8	Regulating consumer credit
9	Tax avoidance – Google
10	Redundancy and severance payments
12	Capital funding for new school places
13	Civil Service Reform
14	Integration across Government / Whole Place Community Budgets
15	Provision of the out of hours GP service in Cornwall
16	FiReControl – update report
17	Administering the Equitable Life Payment Scheme
18	Carrier Strike: the 2012 reversion decision
19	Dismantled National Programme for IT in the NHS
20	BBC's move to Salford
21	Police procurement
22	High Speed 2 – a review of early programme preparation
23	Progress in tackling tobacco smuggling
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
40	Maternity services in England
41	Gift Aid and other tax reliefs on charitable donations

Recommendations fully resolved

#	Report Title
42	Regulatory effectiveness of the Charity Commission
43	Progress at Sellafield
44	Student Loan repayments
45	Excess Votes 2012-13
46	Emergency admissions – managing the demand
47	Contracting out public services to the private sector
48	Local Council Tax support
49	Confiscation Orders
50	Rural Broadband Programme
51	Programmes to help families facing multiple challenges
52	BBC Digital Media Initiative
53	Managing the prison estate
54	COMPASS – provision of asylum accommodation
55	NHS waiting times for elective care in England
56	Establishing free schools
57	Ministry of Defence Equipment Plan 2013-2023 and major Projects Report 2013
58	Probation Landscape Review
59	Criminal Justice System
60	Promoting economic growth locally
61	Education Funding Agency and the Department for Education 2012-13 Financial Statements

Eleventh Report of Session 2013-14

Department of Health and Social Care

Managing NHS hospital consultants

Introduction from the Committee

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 NHS workforce. In 2011-12, the total employment cost of consultants was £5.6 billion, some 13% of NHS employment costs.

In October 2003, the Department introduced a new consultant contract with an explicit objective of increasing consultants' pay. In return the contract was intended to provide: a new career structure and remuneration package for consultants; a stronger contract framework to allow managers to better plan consultants' work; and better arrangements for consultants' professional development. By 2012, an estimated 97% of consultants were on the contract.

Relevant reports

- NAO report: *Managing NHS hospital consultants* – Session 2012-13 (HC 885)
- PAC report: *Managing NHS hospital consultants* - Session 2013-14 (HC 358) (incorporating HC 1030 of Session 2012-13)
- Treasury Minutes: September 2013 (Cm 8697)
- Treasury Minutes Progress Report: March 2015 (Cm 9034)
- Treasury Minutes Progress Report: July 2016 (Cm 9320)
- Treasury Minutes Progress Report: October 2017 (Cm 9506)
- Treasury Minutes Progress Report: January 2018 (Cm 9566)
- Treasury Minutes Progress Report: July 2018 (Cm 9668)
- Treasury Minutes Progress Report: March 2019 (CP 70)
- *Treasury Minute Progress Report*: February 2020 (CP 221)

Update to the Government response to the Committee

There were six recommendations in this report. As of the last Treasury Minute Progress Report (CP 221), two recommendation had been implemented and five recommendations remained work in progress One recommendation has now been implemented as set out below.

1: PAC conclusion: ***The significant increase in consultant pay did not improve productivity.***

1: PAC 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 agrees with the Committee's recommendation.

Target implementation date: Spring 2022
Original implementation date: from 2015

1.2 The department's intention is to introduce amended contractual arrangements for consultants that support productivity growth. Consultants play a key role in driving productivity improvements and this should be considered in the context of their role in wider multi-disciplinary teams. Negotiations with the British Medical Association (BMA) to reform the contract have been ongoing in some form since 2013. While the department is not currently negotiating reform of the full contract, it is progressing with negotiations with the BMA to implement the new performance pay scheme replacing local CEAs. Performance pay will be implemented from 2022. It is the department's ambition that the reforms will link to productivity growth by motivating staff and rewarding excellence.

1.3 Beyond contractual reform, the national Getting it Right First Time programme is designed to improve medical care in the NHS by reducing unwarranted variations in the way services are delivered. The clinician led programme reviews surgical and medical specialties to share best practice and identify changes to improve care and patient outcomes and deliver efficiencies to make the best use of consultant time. This programme is supported by the Model Hospital, a digital information service to help NHS providers improve productivity and efficiency.

1.4 Through its work on the development of the NHS People Plan, NHS England and Improvement have looked at how the NHS can spread good practice and support continuous improvement by identifying actions that are known to have the biggest impact in releasing time for care. This work will draw together innovation and good practice to promote and enable changes to ways of working that enable teams to improve quality and work more efficiently.

2: PAC 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.***

2: PAC 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 agrees with the Committee's recommendation.

Target implementation date: Spring 2022
Original implementation date: April 2016

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 exploring how the contract can do more to support those specialties and individuals with the most onerous working patterns.

2.3 The discussions have explored more flexible and professional approaches to working that would support consultants as clinical leads of multi-disciplinary teams. This includes the replacement of a clause which enables consultants to opt out from non-emergency (and in some cases emergency) work in the evenings and weekends and the provision of contractual safeguards. Although not currently progressing, we continue to engage with BMA with the aim of renegotiating the consultant contract in due course. It remains the department's ambition for consultants to be paid at agreed contractual rates for all NHS work.

3: PAC conclusion: ***Information on consultants' performance is inadequate.***

3: PAC 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 agrees with the Committee's recommendation

Recommendation Implemented

3.2 The Consultant/Clinical Outcomes programme ran between financial year 2012 and 2019. Healthcare Quality Improvement Partnership (HQIP) facilitated a number of NHS England and NHS Improvement commissioned national audits and independent national audits to publish consultant level outcomes in the public domain (Choices and myNHS). The publication covered 27 clinical specialties, over 250 clinical indicators and 1.5 million episodes of care.

3.3 Funding for the facilitated programme ceased in financial year 19-20 with the cessation of the MyNHS website. The audits continue to publish the consultant outcomes data on their individual web sites. Further development of consultant outcomes in being taken forward by the National Clinical Indicators Programme under the auspices of DHSC.

4: PAC conclusion: ***Consultants' performance is not managed effectively.***

4: PAC 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 agrees with the Committee's recommendation.

Target implementation date: Spring 2022
Original implementation date: April 2016

4.2 The department is seeking contractual changes that would link pay progression to job planning and an objective based performance assessment process. Discussions with the BMA have been on going in some form since 2013, however full contract reform is not currently progressing.

4.3 The department is moving forward with negotiations to implement a nationally agreed contractual performance pay scheme. with the trade unions. Proposals are being developed to revise local performance pay, with the aim of linking this more closely to job plan objectives and good clinical outcomes.

4.4 Mandatory revalidation also engages doctors in a process that provides a framework for continuous improvements on the quality of their practice.

4.5 The NHS Long Term Plan includes a commitment that NHS Improvement will support all NHS providers to deploy e-job planning for the clinical workforce by 2021 to help ensure staff use their time optimally to provide patient care.

5: PAC conclusion: ***Clinical Excellence Awards do not always reflect exceptional performance.***

5: PAC 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 agrees with the Committee's recommendation.

Target implementation date: April 2022
Original implementation date: April 2016

5.2 New interim arrangements for local Clinical Excellence Awards covering the period 2018 to 2021 were introduced from April 2018. These awards have since extended to 2022. New awards are for between one and three years maximum. This will ensure that those in receipt of new awards are demonstrating current excellent performance. Under these arrangements, previously awarded Local Clinical Excellence Awards will become subject to a review process from 2022 onwards.

5.3 Proposals for a revised approach to local performance pay post 2022, are being developed as part of the ongoing negotiations with the BMA. The intention is to reward those consultants who contribute the most, including by linking performance to an objective based performance assessment process. The proposals have also looked at linking performance pay to the achievement of organisational objectives - recognising the critical role that consultants play in the success of an organisation.

5.4 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*'. These will be progressed to the same timetable as changes to local arrangements.

Progress on the implementation of agreed recommendations by the Government to the Committee of Public Accounts: Session 2014-15

Recommendations fully resolved

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1	Personal Independence Payment
2	Help to Buy equity loans
3	Tax reliefs
4	Monitor: regulating NHS Foundation Trusts
5	Infrastructure Investment: the impact on consumer bills
6	Adult social care in England
7	Managing debt owed to central Government
8	Crossrail
9	Whistleblowing
10	Major Projects Authority
11	Army 2020
12	Update on preparations on smart metering
13	Local government funding – assurance to Parliament
14	DEFRA: oversight of three PFI waste projects
15	Maintaining strategic infrastructure: roads
16	Early contracts for renewable electricity
17	Child Maintenance 2012 Scheme: early progress
18	HMRC progress in improving tax compliance and preventing tax avoidance
19	Centre of Government
20	Reforming the UK border and immigration system
21	Work Programmes
22	Out of hours GP services in England
23	Transforming contract management
24	Procuring new trains
25	Funding healthcare – making allocations to local areas
26	Whole of Government Accounts
27	Housing benefit fraud and error
28	Lessons from major rail infrastructure programmes
29	Foreign National Offenders
30	Managing and replacing the Aspire contract
31	16-18-year-old participation in education and training
32	School oversight and intervention
33	Oversight of the Private Infrastructure Development Group
34	Financial sustainability of local authorities
35	Financial sustainability of NHS bodies
36	Implementing reforms to civil legal accountancy firms
37	Planning for the Better Care Fund
38	Tax avoidance: the role of large accountancy firms (follow up)
39	UK's response to the outbreak of ebola virus disease in West Africa
40	Excess Votes 2013-14
41	Financial support for students at alternative higher education providers
42	Universal Credit
43	Public Health England's grant to local authorities

Recommendations fully resolved

	Report Title
44	Children in care
45	Progress in improving cancer services and outcomes in England
46	Update on Hinchingbrooke Health Care NHS Trust
47	Major projects Report 2014 and the Equipment Plan 2014 to 2024 and reforming defence acquisition
48	Strategic flood risk management
49	Effective management of tax reliefs
50	Improving tax collection
51	Care services for people with learning disabilities and challenging behaviour
52	Work of the Committee of Public Accounts
53	Inspection in home affairs and justice

Progress on the implementation of agreed recommendations by the Government to the Committee of Public Accounts: Session 2015-16

Updates on recommendations reported as work in progress

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Recommendations fully resolved

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2	Disposal of public land for new homes
3	Funding for disadvantaged pupils
4	Fraud and error stocktake
5	Care leavers transition to adulthood
6	HM Revenue and Customs performance in 2014-15
7	Devolving responsibilities to cities in England: Wave 1 City Deals
8	Government's funding of Kids Company
9	Network Rail 2014-2019 rail investment
11	Strategic financial management in defence and military flying training
12	Care Quality Commission
13	Overseeing the financial sustainability in the further education sector
14	General Practice Extraction Service
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
20	Cancer Drugs Fund
21	Reform of the Rail Franchising Programme
22	Excess Votes 2014-15
23	Financial sustainability of fire and rescue services
24	Services to people with neurological conditions: progress review
25	Corporation Tax Settlements
26	Common Agricultural Policy Delivery Programme
27	e-borders and successor programmes
28	Access to general practice
29	Making whistleblowing policy work
30	Sustainability and financial performance of acute hospital trusts
31	Delivering major projects in Government
32	Transforming contract management: progress review
33	Contracted out health and disability assessments
34	Tackling tax fraud
35	Department for International Development – responding to crisis
36	Use of consultants and temporary staff
37	Financial management of the European Union budget in 2014
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 sized enterprises

Tenth Report of Session 2015-16

Department of Health and Social Care / Ministry for Housing, Communities and Local Government

Care Act first phase reforms and local government new burdens

Introduction from the Committee

Between 2010–11 and 2015–16 central Government reduced funding to local authorities by around 37% in real terms. Local authorities have tried to protect spending on key areas, like adult social care, but given this scale of cuts have been less able to do so over time. Placing unfunded new requirements on local authorities puts pressure on them either to increase locally raised income or reduce spending on existing activities. The New Burdens Doctrine is the Government's commitment to assess and fund extra costs for local authorities from introducing new powers, duties and other government-initiated changes. The Department for Communities and Local Government oversees and coordinates how the Government applies the Doctrine.

Through the Care Act, the Government aims to reduce reliance on formal care, promote independence and well-being and give people more control over their own care and support. The Department of Health is responsible for achieving these objectives. The Government has calculated that new responsibilities under the Care Act will cost local authorities £470 million in 2015-16 to carry out and the NAO has estimated that the Care Act Phase 1 will cost £2.5 billion to implement from 2013–14 and 2019–20.

Relevant reports

- NAO report: *Care Act first-phase reforms* - Session 2014-15 (HC 82)
- NAO report: *Local Government Burdens* - Session 2014-15 (HC 83)
- PAC Report: *Care Act first-phase reforms and local government new burdens* Session 2015-16 (HC 412)
- Treasury Minutes: March 2016 (Cm 9220)
- Treasury Minutes Progress Report: October 2017 (Cm 9506)
- Treasury Minutes Progress Report: January 2018 (Cm 9668)
- Treasury Minutes Progress Report: March 2019 (CP 70)
- *Treasury Minutes Progress Report*: February 2020 (CP 221)

Update to the Government response to the Committee

There were six recommendations in this report. As of the last Treasury Minute (CP 221), five recommendations have been implemented and one recommendation remains work in progress, as set out below.

1: PAC conclusion: ***As local authorities implement new burdens placed on them by government, such as the Care Act, there is a risk that people will not get the support they need, and existing services will be adversely affected before government detects and responds to problems.***

1b: PAC recommendation: ***The Department of Health's planned review of the Care Act should examine whether local authorities are meeting their statutory duties and assess additional cost pressures, including on other public services and on carer's themselves.***

1.1 The government agrees with the Committee's recommendation.

Target implementation date: Spring 2021
Original implementation date: September 2019

1.2 It is for local authorities to ensure their statutory duties are met. The department has commissioned a comprehensive programme of research to evaluate and inform the ongoing implementation of the Care Act 2014. This research programme consists of five separate studies that will enhance our understanding of how the Act is being implemented, including the costs associated with delivering different forms of support, for example more personalised services. One of the five studies is specifically focused on the impact of the Care Act and on the support that carers receive. The research projects have been completed and the department has started to receive final project reports back from academics.

1.3 The reports on Care Act implementation and on prevention and capacity building activities in local authorities have been published: - *Implementing the Care Act 2014: Building social resources to prevent, reduce or delay needs for care and support in adult social care in England*. The report on market shaping and personalisation will be published in November 2020, and the report on the impact on carers will be published by the end of the year.

1.4 In addition to this dedicated research programme the department is also continuing to work with NHS Digital to ensure that national data collections support the monitoring of the Care Act and its cost. Data collections are kept under review to ensure the department collects the data required to monitor implementation with minimum cost and burden.

Nineteenth Report of Session 2015-16

Department for Work and Pensions

Universal Credit – progress review

Introduction from the Committee

In February 2015, the previous Committee of Public Accounts published *Universal Credit: progress update,* based on evidence from the Department for Work and Pensions and HM Treasury and a report by the Comptroller and Auditor General. The Department accepted the Committee's recommendations. However, we felt that the Department's responses were rather weak and lacked specifics, and we were not convinced that it is committed to ensuring there is real clarity on this important programme's progress. As a result, the Committee recalled both the Department and HM Treasury to discuss a number of issues that concerned the Committee, particularly around the business case, the continuing risks of delay, and the lack of transparency and clear milestones.

Relevant reports

- NAO report: *Universal Credit – progress update* – Session 2014-15 (HC 786)
- PAC report: *Universal Credit: progress update* - Session 2014-15 (HC 810)
- Treasury Minutes: July 2015 (Cm 9091)
- PAC report: Universal Credit: progress update – Session 2015-16 (HC601)
- Treasury Minutes: March 2016 (Cm 9327)
- Treasury Minutes Progress Report: October 2017 (Cm 9506)
- Treasury Minutes Progress Report: January 2018 (Cm 9566)
- Treasury Minutes Progress Report: July 2018 (Cm 9668)
- *Treasury Minutes Progress Report:* February 2020 (CP 211)

Update to the Government response to the Committee

There were five recommendations in this report. As of the last Treasury Minute (CP 211), one recommendation has been implemented and the department disagreed with three recommendations. One recommendation remained work in progress which has now been implemented as set out below.

5: PAC conclusion: ***The Department has an extensive evaluation programme but the impacts on claimants remain very uncertain.***

5: PAC recommendation: ***The Department should explain clearly how actual employment impacts and rates of alternative payment arrangements compare with the exceptions set out in its recently approved outline business case. As Universal Credit rolls out to a wider range of people and locations, the Department should significantly broaden the base of its evaluations and regularly update its assessment of the programmes costs and benefits to take account of this.***

5.1 The government agrees with the Committee's recommendation.

Recommendation implemented

5.2 The department considers that it has undertaken activity to support this recommendation. The department is expanding the assessment of the employment impacts of Universal Credit to a wider range of client groups. This will cover impacts for an out of work claimant group in UC Full Service and will then be extended to a wider range of groups. The department plans to report on this work in 2021 and is considering how best to disseminate this analysis.

5.3 The department has now published statistics on Alternative Payment Arrangements (APAs) that are now available on 'statxplore' – the department's online tool for publishing statistical data.

5.4 As mentioned in a previous update, the Business Case assumptions are for steady state, across all claimant types, so a final assessment of UC against these assumptions will be made at the end of the Programme.

5.5 To date, in year / next year actual and forecast investment and recurrent costs and benefits have been reported to the Programme Board. From September this will be extended to include whole life information. Quarterly updates are also provided to the Infrastructure and Projects Authority via the Government Major Projects Portfolio report. In addition, there are regular meetings with HM Treasury to discuss operational costs and agree on progress and priorities.

Thirty-Eighth Report of Session 2015-16

Ministry for Housing, Communities and Local Government

Extending the Right to Buy to housing association tenants

Introduction from the Committee

The Department for Communities and Local Government has announced its intention to give 1.3 million tenants of housing associations—through voluntary agreement with the housing association sector—the opportunity to buy their home at Right to Buy levels of discount; finance this policy through the sale of high-value council homes as these fall vacant, with the funding to be obtained from local authorities through an annual payment; and ensure a new home is provided for each one sold by housing associations on at least a one-for-one basis, as well as ensuring additional homes are provided for those sold by local authorities, with at least two additional affordable homes provided for each one sold in London. Provisions in the Housing and Planning Bill 2015–16 (the Bill) will enable the voluntary agreement to be implemented.

Relevant reports

- NAO Memorandum: *Extending the Right to Buy* - March 2016
- CLG Report: *Housing associations and the Right to Buy* - Session 2015-16 (HC 370)
- PAC Report: *Extending the Right to Buy to housing association tenants* - Session 2015-16 (HC 880)
- Treasury Minutes: July 2016 (Cm 9323)
- Treasury Minutes Progress Report: October 2017 (Cm 9506)
- Treasury Minutes Progress Report: January 2018 (Cm 9566)
- Treasury Minutes Progress Report: July 2018 (Cm 9668)
- Treasury Minutes Progress Report: March 2019 (CP 70)
- *Treasury Minutes Progress Report*: February 2020 (CP 221)

Update to the Government response to the Committee

There were five recommendations in this report. As of the last Treasury Minute (CP 221), the department disagreed with one recommendation and one recommendation has been implemented. The remaining three recommendations remain work in progress as set out below.

1a: PAC conclusion: ***The Department has presented Parliament with little information on the potential impacts of the legislation required to implement this policy.***

1a: PAC recommendation: ***The Department should publish a full impact assessment containing analysis in line with the guidance on policy appraisal in HM Treasury's Green Book, to accompany the proposed secondary legislation, setting out the impact of this policy on Housing Benefit and Universal Credit.***

1.1 The government agrees with the Committee's recommendation.

Target implementation date: Autumn 2020
Original implementation date: Winter 2016

1.2 As announced in the August 2018 Social Housing Green Paper, the government has confirmed its intention to repeal the legislation in the Housing and Planning Act 2016. If implemented the legislation would have led to local authorities selling off vacant, higher value council homes. The previously proposed secondary legislation will not be introduced, and the provisions in the Act will be repealed as soon as Parliamentary time allows. No impact assessment of the higher value assets policy is therefore required.

1.3 The department is currently running a large-scale pilot of the Voluntary Right to Buy involving housing associations from across the East and West Midlands. This will be fully evaluated after the pilot has been completed and subsequent policy decisions will be taken in the light of that evaluation. The department expects the full evaluation to complete in Autumn 2020.

2: PAC conclusion: ***It is not clear how this policy will be funded in practise, or what its financial impacts might be.***

2a: PAC recommendation: ***The Department should, by the time of the Autumn Statement in 2016, publish a full analysis showing how this policy is to be funded, provide a clear statement of where financial and other risks lie, and spell out its contingency plan if its policies prove not to be fiscally neutral.***

2.1 The government agrees with the Committee's recommendation.

Target implementation date: Autumn 2020
Original implementation date: Autumn 2017

2.2 The Midlands pilot is testing how the Voluntary Right to Buy policy works at scale, including its more complex aspects – such as the portability of discounts and the one-for-one replacement of homes sold – which were not tested in the initial, small-scale pilot. The pilot will be fully evaluated after completion, and future funding for the scheme will be considered in the 2020 Spending Review and future spending reviews. As set out above the government is no longer proceeding with the High Value Assets policy to fund the discounts for the Right to Buy extension.

3: PAC conclusion: ***The commitment to replace homes sold under this policy or at least a one-for-one basis will not ensure that these will be like-for-like replacements as regards size, location or tenure.***

3: PAC recommendation: ***The Department should publish data on:***

- ***where replacement homes are built, what size and type of tenure they are, and when they are completed (not merely started) for: housing association homes sold under the extended Right to Buy.***
- ***where replacement homes are built, what size and type of tenure they are, and when they are completed (not merely started) for: higher-value council homes sold to finance the extended Right to Buy.***
- ***where replacement homes are built, what size and type of tenure they are, and when they are completed (not merely started) for: homes sold under the reinvigorated Right to Buy.***

3.1 The government agrees with the Committee's recommendation.

Target implementation date: Autumn 2020
Original implementation date: Winter 2017

3.2 The department will collect data on one-for-one replacement through the Midlands pilot, which will be published when it is available.

Progress on the implementation of agreed recommendations by the government to the Committee of Public Accounts: Session 2016-17

Updates on recommendations reported as work in progress

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Ninth Report of Session 2016-17

Ministry of Defence

Service Family Accommodation

Introduction from the Committee

Because of the requirement that service personnel are mobile and the remote nature of many of the locations in which they serve, all regular service personnel are entitled to subsidised accommodation. Those meeting specific criteria, relating primarily to marital status and number of dependent children, are entitled to Service Family Accommodation. Service families greatly value their subsidised accommodation and consider it an important aspect of military life. The Armed Forces Covenant contains a government commitment that service personnel and their families are to be provided with good quality accommodation, in the right location and at a reasonable price.

The management of some 50,000 Service Family Accommodation units in the UK is the responsibility of the Defence Infrastructure Organisation within the Ministry of Defence, which is responsible for delivering the estate that the Department needs to enable its military personnel and civilian staff to live, work, train and deploy at home and overseas. It does this primarily through contracting with private sector providers to build, upgrade and maintain its estate. The private sector provider with responsibility for maintaining Service Family Accommodation, through the National Housing Prime contract, and for administering the charging system for that accommodation is CarillionAmey. In April 2016, the Department introduced a new system for determining the rental charges that Service Families pay for their accommodation, called the Combined Accommodation Assessment System.

Relevant reports

- NAO report: *Service Family Accommodation*
- PAC report: Service Families Accommodation – Session 2016-17 (HC 77)
- *Treasury Minutes :* November 2016 (Cm 9351)
- *Treasury Minutes Progress Report* : October 2017 (Cm 9506)
- *Treasury Minutes Progress Report:* January 2018 (Cm 9566)
- *Treasury Minutes Progress Report* : July 2018 (Cm 9668)
- *Treasury Minutes Progress Report*: March 2019 (CP 70)
- *The Outsourcing Playbook*: Central government Guidance on Outsourcing Decisions and Contracting: February 2019

Update to the Government response to the Committee

There were eight recommendations in this report. As of the last update in Treasury Minute (CP 70), seven recommendations had been implemented and one remains work in progress as set out below.

3: PAC conclusion: ***The Department has repeated failings that this Committee has seen only too often in other government contracts. In particular, it too easily assumed CarillionAmey had the capacity to deliver, did not do enough to make sure the contract would meet user needs, and agreed a penalty regime that is ineffective in incentivising performance.***

3: PAC recommendation: ***When letting future contracts, the Department must ensure it has done enough to test contractors' ability and capacity to deliver the services at the price agreed, that it has captured and taken account of the views of service users, and that the proposed Key Performance Indicators in the contract are clearly backed up with robust financial penalties and incentives.***

3.1 The government agrees with the Committee's recommendation.

Target implementation date: November 2021
Original implementation date: December 2019

3.2 The government agrees the need for robust approaches to supplier scrutiny, tender assessment, incentivisation and contract management. The government has researched best practice across all sectors to develop the new Future Defence Infrastructure Service (FDIS) contracts, consulting extensively with military families and the Families Federations to ensure the new housing contracts meet the needs of the Armed Forces and their families. Key changes are:

(i) Increasing competition and incentivising resilience, innovation and improvement.

(ii) Specifying industry standards & planned maintenance as core requirements.

(iii) Contracting for 85% and targeting 95% of faults to be fixed first time, to address a major frustration of families, incentivising suppliers to improve capability and spares holdings.

(iv) Close monitoring of recall performance (ie return visits because of failed repairs).

(v) Incentivising preventative maintenance by price per property, not per visit.

3.3 FDIS will promote competition and supply chain resilience, delivering a more flexible and responsive maintenance policy to materially improve the experience of Service families. The first housing contract is scheduled to be in service in November 2021.

3.4 The government recognises the Committee's concerns about due diligence and contract management and has been bringing increased focus onto the need to improve the department's commercial skills, grouped around three major themes:

(i) Strengthening the governance, accountabilities and commercial operating model across the ddepartment;

(ii) Investing in senior commercial leadership, with new talent hired in from across business sectors with the majority being via the Cabinet Office and Government Commercial Organisation (GCO);

(iii) Developing commercial skills through a comprehensive training programme; testing and accrediting staff to evidence standards through the GCO or the ddepartment's assessment processes, linked to their contractual authority and financial delegations.

3.5 The department has a Contract Management Handbook, updated in June 2019. The Government's Outsourcing Review studied recent outsourcing exercises, to define robust future approaches, principles, practices and policies. The *Outsourcing Playbook* (OP) was published in February 2019 and work is ongoing to embed the approach into departmental policy.

Thirtieth Report of Session 2016-17

Department for International Development

St Helena Airport

Introduction from the Committee

St Helena is a small self-governing UK overseas territory in the South Atlantic, previously only accessible by sea. The Department is funding a £285.5 million design, build and operate contract for an airport on St Helena to improve the island's accessibility and to support development of the tourism industry, with the ultimate aim of the island becoming self-sufficient. The airport is now built, and the St Helena Government had planned to start operating it in May 2016. However, test flights in April 2016 revealed dangerous wind conditions on the airport approach, an effect known as 'wind shear'. While the airport has since handled a small number of flights, the wind conditions have precluded operation of the planned commercial service.

Relevant reports

- *NAO report: Realising the benefits of St Helena Airport Session 2016-17 (HC 19)*
- *PAC report: St Helena Airport Session 2016-17* (HC 767)
- *Treasury Minute*: March 2017 (Cm 9429)
- *Treasury Minutes Progress Report* October 2017 (Cm 9506)
- *Treasury Minutes Progress Report* January 2018 (Cm 9566)
- *Treasury Minutes Progress Report* July 2018 (Cm 9668)
- *Treasury Minutes Progress Report* March 2019 (CP 70)
- *Treasury Minutes Progress Report* February 2020: (CP 221)

Update to the Government response to the Committee

There were five recommendations in this report. As of the last Treasury Minute progress report (CP 221), four recommendations were implemented, and one recommendation remained work in progress and is now implemented as set out below.

4: PAC conclusion: ***The Committee is extremely sceptical about the Department's projected tourism figures and the island's ability to support such growth in the tourist industry.***

4: PAC recommendation: The Department should re-calculate its projected tourism figures to provide an updated assessment of progress towards economic self-sufficiency and the consequent reduction in the Department's subsidy.

4.1 The government agrees with the Committee's recommendation.

Recommendation implemented

4.2. Following completion of the airport, the number of arrivals by air to St Helena in both 2018 and 2019 was higher than the number of arrivals by the RMS St Helena in any previous year. While projections of tourist numbers supporting the business case were based on assumptions drawn from comparator remote islands and predicted an annual growth rate of 16.9%, actual tourist arrivals since the airport became operational in 2017 show an increase of 52% in 2018 and a further increase of 19% in 2019 when compared to the baseline of average leisure arrivals on the island between 2010 and 2017.

4.3. The St Helena Government commissioned a refreshed assessment of the tourism strategy based on actual air passenger data commencing in December 2019. This made a number of important recommendations in areas such as tourism marketing, targeting single travellers, promoting dual centre holidays (such as to Cape Town and St Helena), and encouraging the hotel sector to co-operate more closely with international tour operators.

4.4. South Africa’s response to the COVID-19 pandemic has led to the temporary suspension of the scheduled air service between South Africa and St Helena, and no tourists or other short term-visitors have been able to arrive on St Helena since March 2020. The outlook for a resumption of tourism arrivals at the levels of 2018 and 2019 is as uncertain as it is for tourism globally. The department will continue to work with the St Helena Government on what the implications of post-COVID-19 global tourism trends will mean for St Helena’s economy when they are better understood.

Thirty-Fifth Report of Session 2016-17

Home Office

Upgrading Emergency Services Communication

Introduction from the Committee

The 107 police, fire and ambulance services in Great Britain currently communicate using the Airwave radio system. The system is currently provided by Airwave Solutions Limited, a company acquired by Motorola Solutions Inc in 2016, under contracts that now expire in 2019. In 2011, the Government set up the Emergency Services Mobile Communications Programme to look at options to replace Airwave.

The programme is run by the Home Office, but it is co-funded by the Department of Health, and the Scottish and Welsh Governments. The chosen option to replace Airwave is called the Emergency Services Network (ESN). ESN will provide emergency services with better mobile data capabilities and save money by sharing an existing and enhanced commercial 4G mobile data network instead of building a dedicated public service network. In 2015, the programme awarded contracts to Motorola Solutions Inc and Everything Everywhere (EE) to provide the core elements of the new system and the current plan is that all emergency services transition on to ESN by end-December 2019. By that time, £1.2 billion will have been spent developing the ESN and a further £1.4 billion on running down Airwave. The estimated cost once ESN is fully operational is a further £2.6 billion between 2020 and 2032.

Relevant reports

- NAO report: *Upgrading Emergency Services Communications: Emergency Services Network* Session 2016-17 (HC 627)
- PAC report: *Upgrading Emergency Services Communications* – Session 2016-17 (HC 770)
- Treasury Minute: March 2017 (Cm 9433)
- Treasury Minutes Progress Report: October 2017 (CM 9506)
- Treasury Minutes Progress Report: January 2018 (CM 9566)
- Treasury Minutes Progress Report: July 2018 (CM 9668)
- Treasury Minutes Progress Report: March 2019 (CP 70)
- *Treasury Minutes Progress Report*: February 2020 (CP 221)

Update to the Government response to the Committee

There were five recommendations in this report. As of the last Treasury Minutes Progress Report (CP 221), three recommendations were work in progress, and two were implemented. Updates on the three recommendations that remain work in progress are set out below.

1: PAC conclusion: ***It seems unlikely that the ambitious target date for delivering the Emergency Services Network will be met.***

1: PAC recommendation: ***The Department should reassess the business case timescales, update milestones for delivery and work with emergency services to update transition plans so all parties agree they are deliverable. It must take responsibility for convincing services to switch to ESN but also be clear at what point it will mandate the switchover. The Department should report to the Committee on progress by September 2017.***

1.1 The government agrees with the Committee’s recommendation.

Target implementation date: March 2021
Original implementation date: Autumn 2017

1.2 The department produced an ESN Business Case in 2019 which was put through governance alongside the decision to extend the Change Authorisation Notes (CANs) with Motorola and EE but it was not based on sufficiently detailed and assured technical delivery or user deployment plans to achieve widespread sign off. This version of the business case did however ensure that there was an updated financial profile and delivery window against which the programme is now delivering.

1.3 The department has now re-baselined the ESN plan that sets out the activities to revise and take forward the ESN Full Business Case (FBC) in conjunction with senior users.

1.4 Due to COVID-19, the revising of the programme's Business Case was paused from March 2020. Prior to this, delays with baselining the integrated programme plan on which the updated FBC will be based had resulted in delays to the timescale for the refreshed FBC. These delays were as a result of the complex integration of supplier, departmental and user delivery activities and associated plans. FBC refresh activity has now resumed. The revised FBC includes a value for money options analysis, including the option to stop ESN and extend Airwave.

1.5 Whilst development of the refreshed FBC was on hold, the programme continued to engage with senior user and funding sponsor body representatives, providing both the draft Strategic Case and the detail of non-core costs which will fall to various bodies over the coming years. The revised FBC will be completed by Autumn 2020 and will then go through various governance channels for approval.

2: PAC conclusion: ***Despite the prospect of delay the Department has not budgeted for an extended transition period or put in place detailed contingency arrangements to manage this risk.***

2: PAC recommendation: ***The Department should budget for the cost of an extended timeframe and put in place arrangements for Airwave contract extensions as required. The Department should update the Committee on these provisions by September 2017.***

2.1 The government agrees with the Committee's recommendation.

Target implementation date: March 2021
Original implementation date: December 2017

2.2 Due to delays in the implementation of ESN, the department has negotiated extensions to the Airwave contract, which is currently to the end of 2022, three years later than provided for in the original contract.

2.3 The ESN's plan and the critical path has been re-baselined which may further impact the Airwave shutdown date. The uncertainty around Airwave shutdown is dependent on several factors such as the users' deployment plans and the completion of ESN in the London Underground.

2.4 The current contract provides for extension, but the price of such an extension will need to be negotiated and aligned with the finalised deployment plan and the programme FBC, which is being developed in conjunction with user organisations.

3: PAC conclusion: ***Good communications can make the difference between life and death for both emergency services personnel and the public but the technology ESN will rely on is not yet proven.***

3: PAC recommendation: ***The Department should put in place adequate and independent testing of the technology required for ESN to make sure it works under pressure in a live environment. The Department must also address the real security concerns about communications on the London Underground and other underground systems and update the Committee on the outcome.***

3.1 The government agrees with the Committee's recommendation.

Target implementation date: November 2020
Original implementation date: Summer 2018

3.2 The reset of the contracts has clarified the roles of all parties in the testing process for ESN. This combined with the rigour of the technical gate process has improved the quality of testing generally across the supplier base. Technical problems with ESN Direct products have highlighted the need for additional field testing, which will be built into the test strategy for future products in line with the recommendations in a report conducted by the Independent Assurance Panel on Direct 1 Lessons Learned,

3.3 There are five key testing phases to prove the ESN solution to the users:

- Testing in Reference (on test systems) to prove functionality;
- Testing in Live to prove non-functionality behaviour of solution on the network;
- Validation to test solution against operational processes;
- Evaluation to prove the solution in operational scenarios - this will involve deploying the solution to department's assurance partners;
- Local user testing to prove the solution works / integrates for each individual user organisation.

3.4 Since late 2017, Transport for London (TfL) have been installing the new cabling infrastructure necessary to support 4G communications in the underground environment. To date, cables have been laid in 90% of tunnels and 33% of stations. TfL are currently procuring a Concessionaire that will complete this work and implement and manage a Neutral Host Infrastructure (NHI) as part of their Telecoms Commercialisation Programme (TCP); this will enable EE to provide ESN and all mobile network operators to provide 4G services for TfL's passengers whilst traveling underground.

Thirty-Ninth Report of Session 2016-17

Department for Business, Energy and Industrial Strategy

Consumer funded energy policies

Introduction from the Committee

Our electricity system is undergoing a radical transformation in response to two challenges: the need to maintain a secure energy supply and the need to reduce carbon emissions. These challenges arise because demand for electricity is expected to increase over the next two decades while many of the UK's existing coal and nuclear power stations will shut. At the same time, the government wants a growing proportion of electricity to come from low-carbon sources like wind, solar energy and nuclear power to meet its climate change targets.

Most government policies to promote and manage this transition involve placing obligations on energy suppliers with the resultant costs being funded by consumers through their energy bills. To help control these costs, in 2011 the Treasury and the Department for Business, Energy and Industrial Strategy (BEIS) created the Levy Control Framework (the Framework). The Framework sets yearly caps on the forecast costs of three government schemes to support low-carbon generation that are funded by consumers: the Renewables Obligation, Feed in Tariffs, and Contracts for Difference. The Framework requires the Department to take early action to reduce costs if forecasts exceed the cap. The cap is £4.9 billion for 2016–17 rising to £7.6 billion for 2020–21. In 2016 Framework costs constituted £64 of the typical household's yearly energy bill.

Relevant reports

- NAO Report: *Controlling the consumer-funded costs of energy policies: the Levy Control Framework* Session 2016-17 (HC 725)
- PAC Report:- *Consumer-funded Energy Policies* Session 2016-17 (HC 773)
- Treasury Minutes : March 2017 (Cm 9433)
- *Treasury Minutes Progress Report* : October 2017 (Cm 9506)
- *Treasury Minutes Progress Report* : January 2018 (Cm 9566)
- *Treasury Minutes Progress Report* : July 2018 (Cm 9668)
- *Treasury Minutes Progress Report:* March 2019 (CP70)
- *Treasury Minutes Progress Report* : February 2020 (CP 221)

Update to the Government response to the Committee

There were six recommendations in this report. As of the last Treasury Minute update (CP 221), five recommendations have been implemented. and one recommendation remains work in progress, as set out below.

4: PAC conclusion: ***The Department does not publish enough information on the Framework and has not produced, as promised, annual reports on consumer funded energy schemes.***

4: PAC recommendation: ***The Department should report much more openly and regularly on the Framework and also publish a consumer prices and bills report annually in an easily understandable format so that consumers can see clearly what they are paying. The next edition should be published before April 2017. It should also publish a clear account of the assumptions underpinning Framework forecasts each time those forecasts are published.***

4.1 The government agrees with the Committee's recommendation.

Target implementation date: Spring 2021
Original implementation date: Spring 2017

4.2 The department was aiming to publish a report on the impact of energy policies on consumer bills in spring 2019. However, following the change of government and the need to update the department's internal modelling to reflect updated electricity and gas statistics issued over the course of 2019, the department has been assessing the options available to publish a report in 2020. Since March, the department has been focused and mobilised towards responding to the impacts of COVID-19, which delayed progress on this issue. The department intends to publish this information to fulfil this recommendation, with the aim of issuing a publication in the first quarter of 2021 and following the publication of the Energy White Paper.

Forty-Second Report of Session 2016-17

Department for Work and Pensions

Benefit sanctions

Introduction from the Committee

A benefit sanction is a reduction or suspension of benefit payments because a claimant has not met conditions for receiving benefit. For example, Jobseeker's Allowance claimants are required to attend jobcentre appointments and the Department for Work and Pensions may sanction people who fail to attend them. The Departments uses sanctions for two reasons: to encourage more people to comply with conditions and to penalise claimants for not meeting their responsibilities. The Department believes that complying with conditions helps some claimants find work. A typical sanction lasts four weeks and means a Jobseeker's Allowance claimant loses around £300. In 2015, the last year for which there is complete data, the Department imposed 400,000 sanctions on benefit claimants.

Relevant reports

- NAO report: *Benefit sanctions* - Session 2016-17 (HC 628)
- PAC report: *Benefit sanctions* - Session 2016-17 (HC 775)
- Treasury Minutes: October 2017 (Cm 9505)
- Treasury Minutes Progress Report: January 2018 (Cm 9566)
- Treasury Minutes Progress Report: July 2018 (Cm 9668)
- Treasury Minutes Progress Report: March 2019 (CP 70)
- *Treasury Minutes Progress Report:* February 2020 (CP 211)

Update to the Government response to the Committee

There were five recommendations in this report. As of the last Treasury Minute (CP 211), two recommendations were implemented, two will not be implemented, and one recommendation remained in progress and is now implemented as set out below:

2: PAC conclusion: *Sanctions are imposed inconsistently on claimants by different jobcentres and providers.*

2: PAC recommendation: *The Department should monitor variation in sanction referrals and assess reasons for the differences across jobcentres. It should monitor the use and take-up of protections for vulnerable groups, reporting back to the Committee by the end of 2017.*

2.1 The government agrees with the Committee's recommendation.

Recommendation implemented

2.2 The department continues to conduct analysis on geographical variations of sanctions rates and submits its findings to the quarterly Senior Operations Board. Ad-hoc work on variation has been completed. The findings indicate the Universal Credit (UC) sanction rate of the median jobcentre in Great Britain has reduced substantially from 8.5% in March 2018 to 2.3% in August 2019. The degree of variation between jobcentres has also reduced substantially in this period. This period of low and stable sanction rates coincides with the completion of the roll-out of UC full-service at the end of 2018. The *published report in full can be found here*.

2.3 The department's previous Treasury Minute response addressed the subject of the use and take-up of protections for vulnerable groups and at a local level it continues to monitor that protections are applied appropriately.

Fifty-Second Report of Session 2016-17

Home Office

Upgrading emergency services communications - recall

Introduction from the Committee

The Government is planning to replace the Airwave system currently used by police, fire and ambulance services in Great Britain (the emergency services) with a new Emergency Services Network (ESN). ESN is a high-risk programme that aims to roll out new technology, untried anywhere else in the world, to an ambitious timetable across all emergency services. The Committee published a report in January 2017 that concluded it was unlikely that the December 2019 target date for delivering ESN would be met and that the Department needed to reassess its timescales. It also concluded that the Department had not budgeted for delays, nor put in place detailed contingency plans to manage them.

Following the Committees evidence session in November 2016 the Department told the Committee that ESN will be delayed by 9 months until September 2020. It has also now come to light that extending the Airwave contracts, the Department's sole mitigation against delay in putting the new system in place, might not be possible. In January, Motorola informed the Committee that Vodafone, a key supplier to Airwave, will from March 2020 stop providing an important piece of infrastructure that airwave requires to function, essentially turning it off. This raised the possibility that emergency services may not be able to communicate with each other after March 2020 until transition to ESN is complete in September 2020. The Committee therefore recalled the Department to give further evidence in February 2017.

Relevant reports

- NAO report: *Upgrading emergency service communications: the Emergency Services Network* Session 2016-17 (HC 627)
  PAC report: *Upgrading emergency service communications* – Session 2016-17 (HC 770)
- PAC report: *Upgrading emergency service communications: recall* – Session 2016-17 (HC 997)
- *Treasury Minutes*: October 2017 (Cm 9505)
- *Treasury Minutes Progress Report*: January 2018 (Cm 9566)
- *Treasury Minutes Progress Report*: July 2018 (Cm 9668)
- *Treasury Minutes Progress Report*: March 2019 (CP 70)
- *Treasury Minutes Progress Report, February 2020* (CP 221)

Update to the Government response to the Committee

There were four recommendations in this report. As of the last Treasury Minute (CP 70), two recommendations were implemented and two remained work in progress, both of which are now implemented as set out below.

3: PAC conclusion: ***It is extremely disappointing that the Department's risk management and assurance arrangements did not pick up earlier the risk that emergency services communications could be unsupported from April to September 2020.***

3: PAC recommendation: ***Given the warning to the Department that it was underestimating the risks, it must review all the current risks to the programme and be realistic and open about these. The Department cannot afford to be caught off-guard again. The suppliers must accept their share of responsibility and ensure they are upfront about problems in delivering the network.***

3.1 The government agrees with the Committee's recommendation.

Recommendation implemented

3.1 An update with regards to this recommendation was provided to the Committee *via a letter in July 2020*.

3.2 Revised procedures for risks have been implemented across all levels of programme governance. Escalations are now agreed by the relevant Senior Leadership Team (SLT) member and risks are regularly reviewed at the relevant governance forum. Risk management and assurance arrangements are now regularly reviewed to keep them under continuous improvement during the lifetime of the programme.

4: PAC conclusion: ***Providing emergency services communications underground is a significant and imminent risk to this programme but the Department has not yet finalised how ESN will work underground.***

4: PAC recommendation: ***TfL and the Department must, as a matter of urgency, work together to ensure that there will be coverage that enables the emergency services to contact each other underground. It needs to ensure that there are no delays to reaching an agreement with suppliers as this may have knock-on effects on the programme. The Committee expects regular updates on progress in resolving this issue. The Department should work with regions to review the existing transition roll-out plan so that those regions are best prepared to move first.***

4.1 The government agrees with the Committee's recommendation.

Recommendation implemented

4.2 An update with regards to this recommendation was provided to the Committee *via a letter in July 2020*.

4.3 Since late 2017, Transport for London (TfL) have been installing new cabling infrastructure necessary to support 4G communications in the underground environment. To date, cables have been laid in 90% of tunnels and 33% of stations. TfL are currently procuring a Concessionaire that will complete this work and implement and manage a Neutral Host Infrastructure (NHI) as part of their Telecoms Commercialisation Programme (TCP); this will enable EE to provide ESN and all mobile network operators to provide 4G services for TfL's passengers while traveling underground.

4.4 TCP contract award is expected in December 2020 slightly later than planned, due to COVID-19. The successful Concessionaire will work with EE, who will be instructed through contractual Change Request to provide ESN services in London Underground, which will be completed by December 2022.

4.5 TfL are currently running a pilot of commercial 4G services on the Jubilee Line between Westminster and Canning Town. Throughout this section of the underground, passengers can make and receive calls and use data services on a mobile device whilst on a tube train, on platforms and throughout the station (except Waterloo and London Bridge). The 4G Pilot will also deliver ESN but this service remains untested at present due to COVID-19. The aim of the pilot is to prove the technical design and demonstrate services available in the future as well as providing valuable learning that will be shared with the Concessionaire for the implementation of the NHI.

Sixty-First Report of Session 2016-17

Department of Health and Social Care

Access to General Practice: progress review

Introduction from the Committee

General practitioners (GPs) work with nurses and other staff to treat and advise on a range of illnesses, manage patients' conditions in the community and refer patients to hospital treatment or social care where appropriate. Most of the contact that people have with the NHS is with their general practice, and this is the first step for most patients in diagnosing and treating health conditions. There are around 42,000 doctors employed in some 7,600 general practices in England. In 2015–16, £9.5 billion was spent on general practice, once the costs of out-of-hours services and dispensing drugs are included.

The Department is ultimately accountable for securing value for money from spending on general practice. Until April 2015, NHS England commissioned general practice services directly, but it is now delegating more responsibility to local clinical commissioning groups, with 88% (194 of 209) now having a greater role. Practices are typically owned and managed by an individual GP or group of GPs. Core general practice services are commissioned through contracts with GP practices, with most practices holding either a General Medical Services (GMS) contract (64% of practices) or a Personal Medical Services (PMS) contract (32% of practices). The contract stipulates core services that practices must provide, and core hours when patients should be able to access services. The Department and NHS England have a number of key objectives relating to access to general practice, including evening and weekend access for all patients by 2020 and 5,000 additional doctors in general practice by 2020.

Relevant reports

- NAO Report: *Improving patient access to general practice* - Session 2016-17 (HC 913)
- PAC Report: *Access to General Practice: progress review* - Session 2016-17 (HC 892)
- Treasury Minutes: October 2017 (Cm 9505)
- Treasury Minutes Progress Report: January 2018 (Cm 9566)
- Treasury Minutes Progress Report: July 2018 (Cm 9668)
- Treasury Minutes Progress Report: March 2019 (CP 70)
- Treasury Minutes Progress Report: *February 2020* (CP 221)

Update to the Government response to the Committee

There were six recommendations in this report. As of the last Treasury Minute (CP 221), five recommendations have been implemented and one recommendation remains work in progress below.

5: PAC conclusion: ***Since the Committee's previous report a year ago, there has been no progress on increasing the number of GPs.***

5: PAC recommendation: ***NHS England and Health Education England should keep the Committee updated on progress against the targets to increase the number of GPs, including in rural and historically hard-to-recruit areas, as set out in the GP Forward View.***

5.1 The government agrees with the Committee's recommendation.

Target implementation date: December 2020

5.2 A full time equivalent (FTE) of 33,515 doctors were working in general practice in June 2020, a decrease of 600 FTE over the preceding year (-529 headcount). However, it should be noted NHS Digital has advised the completeness of the GP workforce data has been adversely impacted by COVID-19 meaning the June 2020 data may be less accurate than data collected in the preceding year. Early retirement and lower participation rates remain key issues for GPs.

5.3 Investment to achieve the government's manifesto commitment to 6,000 more doctors in general practice was confirmed in the March 2019 Budget. The "Update to the GP contract agreement 2020/21 to 2023/24" set out initial delivery plans including at least £1.5 billion in additional funding over four years for a range of new and expanded recruitment and retention programmes for GPs, and expansion of the Additional Roles Reimbursement Scheme to relieve pressure on GPs through the recruitment of 26,000 additional primary care staff.

5.4. DHSC and NHSEI are leading a Bureaucracy Review to tackle the issues contributing to workload due to conclude in winter. The Annual Allowance pension tax changes, announced as part of the budget in March 2020 and which came into effect on 6 April 2020, are also expected to improve retention and participation rates.

5.5. HEE are set to exceed the increased target of 3,500 GP specialty training places this year, with an increase to 4,000 places planned from 2021-22. The Targeted Enhanced Recruitment Scheme continues to encourage GP trainees into hard-to-recruit locations, with 800 places to be available by 2022.

5.6. The COVID-19 pandemic has been an extremely challenging time and has triggered significant transformation in general practice, including widespread triaging and remote consultations. The government will now work with relevant stakeholders to ensure these innovations can be sustained while supporting patient access and providing attractive general practice jobs.

Progress on the implementation of agreed recommendations by the Government to the Committee of Public Accounts: Session 2017-19

Updates on recommendations reported as work in progress

Recommendations fully resolved

	Report Title
1	Tackling online fraud and error
2	Brexit and the future of customs
4	Clinical correspondence handling at NHS Share Business Services
7	Brexit and the UK border
10	High Speed 2: Annual Report and Accounts
11	Homeless households
12	HMRC Performance in 2016/17
13	NHS continuing healthcare funding
15	Offender monitoring tags
16	Government borrowing and the Whole of Government Accounts
18	Exiting the European Union
19	Excess Votes 2016-17
20	Update on the Thameslink Programme
23	Alternative higher education providers
26	Governance and departmental oversight of the Greater Cambridge Greater Peterborough Local Enterprise Partnership
27	Government contracts for community rehabilitation companies
29	Sustainability and transformation in the NHS
30	Academy schools' finances
31	Future of the National Lottery
34	Exiting the European Union: Department for Business, Energy and Industrial Strategy
35	Rail franchising in the UK
37	Exiting the European Union: Department for Environment, Food and Rural Affairs and Department for International Trade
39	Defence Equipment Plan 2017-2027
41	Government risk assessments relating to Carillion
43	Clinical correspondence handling in the NHS
45	Higher education market
49	Progress in tackling online VAT fraud
51	BBC commercial activities
52	Converting schools to academies
56	Transforming courts and tribunals
57	Supporting Primary Care Services: NHS England's contract with Capita
61	MOD Nuclear Programme
62	Spending on generic medicines in primary care
66	HMRC's performance in 2017-18
71	Department of Health and Social Care accounts 2017-18
74	Whole of Government Accounts for year end 31 Mar 2017
75	Pre-appointment hearing – preferred candidate for Comptroller and Auditor General – No recommendations to answer
79	Excess Votes 2017-18
80	Capita's contract with the Ministry of Defence
84	Bank of England's central services – recommendations for BoE
87	Renewing the EastEnders set – recommendations for BBC
88	Transforming children's services
90	BBC Engagement with Personal Services – recommendations for BBC
92	Crossrail: progress review
106	Eurotunnel and the UK border: out of court settlement with Eurotunnel

Third Report of Session 2017-19
Department for Business, Energy and Industrial Strategy
Hinkley Point C

Introduction from the Committee

The Government sees Hinkley Point C and other planned nuclear projects as central to its strategic aim of managing the energy 'trilemma' ensuring a secure supply of energy that is affordable for consumers while helping the UK meet its statutory target to reduce carbon dioxide emissions by 80% in 2050 compared with 1990 levels. The Department for Business, Energy & Industrial Strategy therefore agreed a deal to support construction of Hinkley Point C in September 2016.

The deal is with NNB Generation Company (HPC) Limited (NNBG), which is owned 66.5% by Electricite de France (EDF) and 33.5% by China General Nuclear Power Group (CGN). The deal guarantees that NNBG will receive £92.50 (2012 prices), linked to inflation, for each megawatt hour (MWh) of Hinkley Point C's electricity for 35 years, with electricity bill payers paying top ups if the market price is lower. The Department expects that the power station will be the first in a series of deals for new nuclear power stations and will generate around 7% of the UK's electricity from the mid-2020s. NNBG expects it will cost £19.6 billion to build Hinkley Point C; and the Department estimates that top-up payments will cost consumers around £30 billion over the 35-year contract. The Department estimates that between £10 and £15 of the average annual household electricity bill (in 2012 prices) will go towards supporting Hinkley Point C up to 2030.

Relevant reports

- NAO report: *Hinkley Point C* - Session 2017-18 (HC 40)
- PAC report: *Hinkley Point C* - Session 2017-19 (HC 393)
- Treasury Minutes: *January 2018* (Cm 9565)
- *Treasury Minutes Progress Report : July 2018 (Cm 9668)*
- *Treasury Minutes Progress Report*: March 2019 (CP 70)
- *Treasury Minutes Progress Report* : February 2020 (CP 221)

Update to the government response to the Committee

There were six recommendations in this report. As of the last Treasury Minute update (CP 221), four recommendations have been implemented. two recommendations remained work in progress, one of which is now implemented as set out below.

2: PAC conclusion: ***No one was protecting the interests of energy consumers in doing the deal.***

2: PAC recommendation: ***By March 2018, the Department should tell the Committee how it will ensure there is an independent and transparent assessment of the impacts on consumers, including the impacts on the poorest households, when agreeing future energy infrastructure deals that are paid for through consumers' bills.***

2.1 The government agrees with the Committee's recommendation.

Target implementation date: Spring 2021
Original implementation date: Spring 2018

2.2 The government has a strong, professional Analysis function, who are involved in the production of impact assessments for new policies, including Regulatory Impact Assessments (RIAs), in accordance with guidelines set out in HM Treasury's Green Book guidelines for evaluation and appraisal. RIAs for the department's policies are submitted to the Regulatory Policy Committee (RPC), which offers independent advice and scrutiny of the proposals. The department is also required to produce Post-Implementation Reviews (PIR) to review legislation and regulation following its implementation, which may involve externally commissioned work. The department also works with independent experts where appropriate, such as forming a Panel of Technical Experts to bring industry and academic knowledge to challenge and support methodological decisions.

2.3 The department was aiming to publish a report on the impact of energy policies on consumer bills in spring 2019. However, following the change of government and the need to update the department's internal modelling to reflect updated electricity and gas statistics issued over the course of 2019, the department has been assessing the options available to publish a report in 2020. Since March, the department has been focused and mobilised towards responding to the impacts of COVID-19, which delayed progress on this issue. The department intends to publish this information to fulfil this recommendation, with the aim of issuing a publication in the first quarter of 2021 and following the publication of the Energy White Paper.

5: PAC conclusion: ***There is uncertainty over whether the project will be completed on time.***

5: PAC recommendation: ***The Department should ensure it publishes its 'Plan B' for achieving energy security, while at the same time delivering on its decarbonisation and affordability ambitions, before the end of this year and should review and revise it every year in light of the latest progress at Hinkley Point C.***

5.1 The government agrees with the Committee's recommendation.

Recommendation Implemented

5.2 The department agrees that ensuring homes and businesses have a secure electricity supply they can rely on now and in the future is a priority.

5.3 The principal tool for managing risks to security of supply is the Capacity Market. The target capacity to be secured through Capacity Market auctions already factors in a wide range of non-delivery risks, including delays to new build generation projects. The Capacity Market auction targets can take account of new or varied risks as they become apparent. There are two auctions for each delivery year - a four year ahead (T-4) auction which secures the bulk of capacity needed in a given year, and a one year ahead (T-1) auction specifically intended to 'top-up' the capacity already secured.

5.4 National Grid Electricity System Operator (ESO), in its capacity as the Capacity Market Delivery Body, provides annual recommendations on target capacity for the following year's auctions in its Electricity Capacity Report and this advice is reviewed by an independent Panel of Technical Experts. This informs the Secretary of State's final decision on how much capacity to auction.

5.5 Hinkley Point C's target delivery year is 2025. The Delivery Body's Electricity Capacity Report for 2020 recommended a target capacity for a T-1 auction for the 2021-22 delivery year, and a T-4 auction for the 2024-25 delivery year. The Report also considered the potential availability of, and delivery risks for, Hinkley Point C in alignment with the Future Energy Scenarios 2020.

5.6 The potential availability of, and delivery risks for, Hinkley Point C will be kept under annual review by the Delivery Body in the preparation of future Electricity Capacity Reports, and subsequently by the Secretary of State in making final decisions on how much capacity to target in future T-4 and T-1 auctions.

Fifth Report of Session 2017-19

Department of Health and Social Care / Ministry of Justice
HM Treasury

Managing the costs of clinical negligence in hospital trusts

Introduction from the Committee

The NHS, including NHS trusts and foundation trusts are legally liable for any clinical negligence by their employees. Since 1995, NHS Resolution (the operating name of NHS Litigation Authority from April 2017) has provided indemnity cover for clinical negligence claims against trusts in England, through its Clinical Negligence Scheme for Trusts. The Department of Health oversees NHS Resolution and develops policy to manage the costs of clinical negligence. NHS Resolution is responsible for dealing with claims, including funding defence costs, and any legal costs or damages that become payable.

From 2006–07 to 2016–17, the number of clinical negligence claims registered with NHS Resolution each year doubled, from 5,300 to 10,600. Annual cash spending on the Scheme quadrupled over this period, from £0.4 billion to £1.6 billion. The estimated cost of settling future claims has risen from £51 billion in 2015–16 to £60 billion in 2016–17. There are two main factors contributing to the rising costs. First, increasing damages for a small but stable number of high-value, mostly maternity-related claims. These accounted for 8% of all claims in 2016–17, but 83% of all damages awarded. Second, increasing legal costs resulting from an increase in the number and average cost of low-value claims. Over 60% of successful claims resolved in 2016–17 had a value of less than £25,000.

Relevant reports

- NAO report: *Managing the costs of clinical negligence in trusts* - Session 2017-19 (HC 305)
- PAC report: *Managing the costs of clinical negligence in hospital trusts* – Session 2017-19 (HC 397)
- Treasury Minutes: March 2018 (Cm 9575)
- Treasury Minutes Progress Report: July 2018 (Cm 9668)
- Treasury Minutes Progress Report: March 2019 (CP 70)
- *Treasury Minutes Progress Report*: February 2020 (CP 221)

Update to the Government response to the Committee

There were six recommendations in this report. As of the last Treasury Minute (CP 221), four recommendations have been implemented, one recommendation disagreed with and one recommendation remained work in progress, as set out below.

2: PAC conclusion: ***The Government has been slow and complacent in its response to the rising costs of clinical negligence.***

2: PAC recommendation: ***The Department, the Ministry of Justice, and NHS Resolution must take urgent and coordinated action to address the rising costs of clinical negligence. This includes reviewing whether current legislation remains adequate, and reporting back to the Committee by April 2018; continuing to focus on actions to reduce patient harm, in particular, harm to maternity patients; and appraising further measures to reduce the legal costs of claims, for example whether mediation should be mandated for certain types of claims.***

2. The government agrees with the Committee's recommendation.

Target implementation date: Spring 2021
Original implementation date: September 2018

2.1 The continued rises in clinical negligence costs are unsustainable and the government is committed to addressing this. In 2019-20 the total cost of clinical negligence claims managed by NHS Resolution (NHSR) was £2.32 billion. The department is working with the Ministry of Justice, HM Treasury, Cabinet Office and NHS Resolution (NHSR) to understand cost drivers and explore possible solutions. However, this is a complex issue and the work is ongoing. The department will bring forward a publication in due course.

2.2 Nonetheless, the government and the NHS have taken significant steps forward. The department is considering the proposals of the Civil Justice Council on fixed recoverable costs for clinical negligence claims up to £25,000 and will consult on next steps. The Patient Safety Strategy, published in July 2019, sets out what the NHS will do to continuously improve patient safety and, for the first time, includes a specific focus on clinical negligence. NHSR continues to improve its resolution of claims by for example robust challenge of in appropriate legal costs and more widespread use of mediation. In 2019-20 there were 427 cases which used mediation.

2.3 NHSR has established the Clinical Negligence Scheme for Coronavirus to meet liabilities arising from the special healthcare arrangements put in place to respond to the Coronavirus pandemic. It will be some time before the department can be certain about patterns of claims resulting from COVID-19, but the department and NHSR are monitoring the situation closely.

Sixth Report of Session 2017-19

Home Office

Growing threat of online fraud

Introduction from the Committee

The growth of the internet and advances in digital technologies have created great opportunities for innovation and economic growth, but also more opportunities for online crime. Online criminals can target thousands of victims at the same time, causing financial and emotional harm to people and harm to businesses' finances and reputations. In the year to September 2016 there were an estimated 1.9 million incidents of cyber-related fraud in England and Wales. The true cost of online fraud is unknown but is likely to be billions of pounds a year. The Home Office is responsible for preventing and reducing crime, including online fraud. Many other bodies also play a role, including the police, banks and Action Fraud (which is run by the City of London Police). In 2016 the Department set up the Joint Fraud Taskforce to improve collaboration between all bodies in tackling online fraud.

Relevant reports

- NAO report: Online Fraud - Session 2017-19 (HC 45)
- PAC report: The Growing Threat of Online Fraud – Session 2017-19 (HC 399)
- Treasury Minutes: March 2018 (Cm 9575)
- Treasury Minutes Progress Report: July 2018 (Cm 9668)
- Treasury Minutes Progress Report: March 2019 (CP 70)
- Treasury Minutes Progress Report: February 2020 (CP 221)

Update to the Government response to the Committee

There were six recommendations in this report. As of the last Treasury Minute (CP 221), one recommendation remained work in progress, which has now been implemented, as set out below.

1: PAC conclusion: ***Banks do not accept enough responsibility for preventing and reducing online fraud and there is no data available to assess how well individual banks are performing.***

1: PAC recommendation: ***The Department should set out minimum standards for banks to follow on preventing online fraud and on protecting bank customers and require banks to report to the Government on their performance. The Department should press the banking industry to make relative online fraud vulnerability performance data publicly available. The Committee expects the Department to provide a plan for publication of this data by Spring 2018. The Committee encourages banks to develop a voluntary scheme in the meantime to be more open with customers about the extent of fraud and how they are tackling it.***

1.1 The government agrees with the Committee's recommendation.

Recommendation implemented

1.2 The department now considers this recommendation has been implemented. In consultation with key public sector partners, including HM Treasury, and representatives from industry, including Cifas and UK Finance, work has been completed to provide the public with details of steps the banking industry is taking to prevent online fraud.

1.3 Hosted on the Financial Conduct Authority's (FCA) website, there is now an easy-to-access comparator tool of all the major online retail banks' measures and responses to tackling online fraud. Key topics covered are the controls each bank has in place, how they are educating their customers, how they contact customers and the collaborative action they take to tackle online fraud. This is in addition to the regular information that banks are obliged to submit to the FCA in their regulatory function.

1.4 New measures have also been implemented to provide stronger barriers to online fraud through banks. This has included the voluntary Contingent Reimbursement Model Code which became effective on 28 May 2018. It sets new and uniform standards for anti-fraud measures and care of customers. All customers transferring money from Payment Service Providers (PSP) that are signatories to the Code will be reimbursed if they are the victim of an Authorised Push Payment (APP) fraud and have met the requisite level of care. It also includes Confirmation of Payee checks.

1.5 Despite initial slippage from March 2019, in June 2020 the largest online UK retail banks met the revised deadline to implement Confirmation of Payee checks. These aim to reduce the risks of misdirected payments (both fraudulent and erroneous) by checking the name provided by the payer with the name of the payee. Coverage is estimated at 90% of the country's total online payments, with smaller banks expected to follow suit. Whilst implementation has been recent, it is expected to have a significant effect on plugging a key system vulnerability that APP fraudsters exploit.

Eighth Report of Session 2017-19

Ministry of Justice / Department of Health and Social Care

Mental health in prisons

Introduction from the Committee

There were 84,674 adults in prison in England and Wales in 2016–17, between 10% and 90% of whom are thought to have mental health issues. Rates of self-inflicted deaths and self-harm in prisons have risen significantly in the last five years, suggesting that mental health and overall well-being in prison has declined. There were 120 self-inflicted deaths in prison in 2016 and 40,161 incidents of self-harm, the highest on record. Prisoners with mental health issues face huge challenges in our prison system which witnesses told us that the current prison environment is often ill equipped to deal with.

HM Prison and Probation Service (HMPPS) is responsible for the management and operation of prisons in England and Wales and ensuring that the prison environment is safe, secure and decent. The Ministry of Justice is responsible for prison policy and commissioning services in prisons. NHS England is responsible for healthcare in prisons, both for physical and mental health. In 2016–17, NHS England spent an estimated £400 million providing healthcare in adult prisons in England, of which it estimates £150 million was spent on mental health services and substance misuse services, although it could not provide an exact figure.

Relevant reports

- NAO report: *Mental health in prisons* – Session 2017-19 (HC 42)
- PAC report: *Mental health in prisons* – Session 2017-19 (HC 400)
- Treasury Minutes: *March 2018 (Cm 9575)*
- Treasury Minutes Progress Report: *July 2018 (Cm 9668)*
- Treasury Minutes Progress Report: *March 2019 (CP70)*
- Treasury Minutes Progress Report: *February 2020 (CP 221)*

Update to the Government response to the Committee

There were ten recommendations in this report. As of the last Treasury Minute Progress Report (CP 221) eight recommendations had been implemented and the department disagreed with one recommendation. One recommendation remains work in progress as set out below.

5: PAC conclusion: ***It is a disgrace that too many prisoners wait far too long to be transferred to hospital or secure units.***

5: PAC recommendation: ***HM Prison and Probation Service and NHS England should, by the end of January 2018, publish quarterly data on the number of prisoners transferred to hospital or secure units, how many prisoners are waiting at the time of publication, and how long both groups have waited.***

5.1 The government agrees with the Committee's recommendation.

Target implementation date: Winter 2020
Original implementation date: Autumn 2020

5.2 The planned publication in March 2020 has been impacted by the COVID-19 pandemic. Publication is now anticipated in Winter 2020.

5.3 The strategic reporting tool to monitor and track assessments under the Mental Health Act (MHA) and waiting periods for transfer has been impacted by the COVID-19 pandemic. Data collections are expected to commence in the second half of 2020-21.

5.4 The 2018-19 NHS Benchmarking audit undertaken on 28th February 2019, has been published on the *NHS Benchmarking website*.

Ninth Report of Session 2017-19

Department for Transport

Sheffield to Rotherham tram-trains

Introduction from the Committee

Tram-trains are vehicles that can operate across both street tramways and the national rail network. The Department for Transport identified that tram-trains offer the potential to reduce the cost of transport services and create growth by improving access to city centres. In 2009, it announced a pilot project between Sheffield and Rotherham to test the new technology and assess the potential to extend it to other cities. Network Rail is responsible for modifying the national rail sections of the route, while other organisations are responsible for modifying the tram network and purchasing the tram-train vehicles. The Department has provided the bulk of the funding for Network Rail's work and for the project as a whole.

The original budget for Network Rail's work was £15 million, which was expected to be completed by the end of 2015. However, Network Rail identified significant cost increases and delays in November 2014 and July 2016. On the first occasion, the Department's Permanent Secretary allowed the project to proceed and agreed to fund the revised cost of £48.6 million. On the second occasion, the Rail Minister approved the project to continue despite the Permanent Secretary's recommendation to cancel, but asked Network Rail to meet the funding shortfall. Network Rail now expects the project to cost £75.1 million and to complete its works in May 2018. We pay credit to Clive Betts MP for pursuing this issue and alerting the National Audit Office to his concerns.

Relevant reports

- *NAO report*: The Sheffield to Rotherham tram-train project: investigation into the modification of the national rail network - Session 2017-19 (HC 238)
- *PAC report:* Sheffield to Rotherham tram-trains – Session 2017-19 (HC 453)
- *Treasury Minutes*: March 2018 (Cm 9575)
- *Treasury Minutes Progress Report*: July 2018 (Cm 9668)
- *Treasury Minutes Progress Report*: March 2019 (CP 70)
- *Treasury Minute Progress Report*: February 2020 (CP 221)

Update to the Government response to the Committee

There were five recommendations in this report. As of the last Treasury Minute (CP 221), four recommendations have been implemented and one recommendation remains work in progress as set out below.

4: PAC conclusion: The Department and Network Rail have not evaluated how the lessons learned during this pilot project could reduce the costs of future tram-train schemes.

4b: PAC recommendation: The Department should publish its formal evaluations of the project, including a full assessment of the project as a whole, not just the Network Rail elements.

4.1 The government agrees with the Committee's recommendation.

Target implementation date: Spring 2021
Original implementation date: October 2020

4.2 The stated October 2020 target date was towards the end of the pilot; however, this did not allow enough time for undertaking a thorough review, consideration of the pilot, writing the report and clearing this through all required processes. The pilot is now due to be finalised in late October 2020, after which, the full review will commence with an intention to publish the evaluations of the project, including a full assessment of the project as a whole by Spring 2021.

Fourteenth Report of Session 2017-19

Ministry of Defence

Delivering Carrier Strike

Introduction from the Committee

The Ministry of Defence is buying two new aircraft carriers, a fleet of new Lightning II jets and an airborne radar system called Crowsnest fitted to Merlin helicopters. Deploying a single carrier, a squadron of jets and Crowsnest is referred to as Carrier Strike. The Department expects to spend over £14 billion on this equipment up to 2021, when Carrier Strike is to be first used in military operations. Between 2021 and 2026, the Department will then introduce the second carrier and more jets, and complete trials and training to enable the carriers to undertake a range of roles such as acting as helicopter carriers or transporting troops. This represents the full Carrier Enabled Power Projection capability.

The Department is planning for the carriers and jets to be in use for 50 and 40 years respectively, and the Government considers they will form a significant part of its response to changes in global security. The previous Committee reported on Carrier Strike in 2013, concluding that the Department faced major challenges around the affordability of the programme. In November 2013, the Department re-baselined the contract, agreeing a price of £6.212 billion for both carriers with the manufacturing consortium, the Aircraft Carrier Alliance. The Carrier Strike programme is a very high priority for the Department, and we expect to return to it as the programme progresses towards being operational in 2021.

Relevant reports

- NAO report: *Delivering Carrier Strike* Session 2016-17 (HC 1057)
- PAC report: *Delivering Carrier Strike* Session 2017-19 (HC 394)
- *Treasury Minutes* March 2018 (Cm 9596)
- *Treasury Minutes Progress Report* July 2018 (Cm 9668)
- *Treasury Minutes Progress Report* March 2019 (CP 70)
- *Treasury Minute Progress Report* February 2020 (CP 221)

Update to the Government response to the Committee

There were six recommendations in this report. As of the last Treasury Minute (CP 221), one recommendation has been implemented and three recommendations remain works in progress, as set out below.

1: PAC conclusion: Value for money will only be achieved if the carriers are flexibly and fully deployed.

1: PAC recommendation: ***In firming up its plans, the Department must ensure they are designed to use the carriers flexibly and to the fullest extent possible in order to secure value for money from the investment. The Committee will continue to monitor this.***

1.1 The government agrees with the Committee's recommendation.

Target implementation date: December 2020

1.2 In January 2018, the department agreed a policy statement for Carrier Enabled Power Projection which articulated the flexible use of the Capability, within the constraints of available resource. This policy has been written in order to give the Front-Line Commands the ability to coherently plan the routine use of the capability, whilst acknowledging the requirement to use it in response to crises and significant global events. The department will now continue to revise and refine its plans, using this policy as a benchmark.

1.3 The department is continuing the detailed planning for the preparations and conduct of the first operational deployment of the Capability in 2021, which will be supported by US Marine Corps F-35B embarked in HMS Queen Elizabeth. The department has agreed to pursue a high level of interoperability with its allies, which will maximise the flexibility of the Carriers in line with the Strategic Defence Review 2015 stated objective of 'International by design'.

2: PAC conclusion: Changes in the naval fleet and the availability of other vessels at particular times may limit how the carriers can be used.

2: PAC recommendation: ***In the event of unforeseen events in the manufacture of the Type 26 frigates creating a capability gap, the Department should write to the Committee setting out how it will manage the impacts.***

2.1 The government agrees with the Committee's recommendation.

Target implementation date: December 2027

2.2 If unforeseen events in the Type 26 programme create a capability gap, the department will write to the Committee as requested. At all times, the availability of accompanying naval warships and support vessels are considered in the ambition and scope of planned deployments.

4: PAC conclusion***: There is uncertainty over some support and operational costs, which are not fully included within current budgets.***

4: PAC recommendation: ***The Department must develop its estimate of the costs of supporting and operating Carrier Strike and we will expect more detailed estimates when we undertake a follow-up inquiry.***

4.1 The government agreed with the Committee's recommendation.

Target implementation date: June 2022
Original implementation date: December 2020

4.2 The cost estimates for use of the whole Carrier Strike capability continue to mature, as the department gains increased experience of running both the Carriers and the aircraft. However, trials and test periods are not representative of routine running operations and so the department will refine the cost estimate model over coming years. The department is gathering data from practical experience, in addition to analysing data from US F-35 deployments, to further refine the costs of supporting the Carriers.

4.3 The department routinely updates cost estimates for supporting and operating Lightning aircraft, based upon the F-35 Joint Programme Office annual cost estimate. These costs are incrementally approved and budgeted for on an annual basis, looking 10 years into the future.

4.4 The department does not currently separate out Carrier Strike specific costs given that a Carrier Strike Group consists of a scalable set of capabilities. Following the first operational deployment in 2021, the department will have the necessary data to understand more fully the costs of supporting and operating the capability. However, some provisional better estimates will be provided in December 2020. This was reflected in the recent NAO report *Carrier Strike - Preparing for Deployment* which reported that the department is developing a fuller understanding of what Carrier Strike will cost to operate and support in the future.

4.5 Given the complexity of the data to be gathered, and the timing of the first Carrier Strike Group deployment, a revised Target Implementation date of June 2022 is appropriate for this recommendation.

Seventeenth Report of Session 2017-19

Department for Education

Retaining and developing the teaching workforce

Introduction from the Committee

At November 2016, some 457,300 teachers worked in state-funded schools in England. During the preceding year, 43,830 teachers (10.1% of the workforce) joined the workforce, including 24,120 newly qualified teachers and 14,200 qualified teachers returning to the state-funded sector. Over the same period, 42,830 teachers (9.9% of the workforce) left the workforce, including 7,760 who retired and 34,910 who left for reasons other than retirement. The school-age population has been growing, increasing the need for teachers. The number of pupils of primary and nursery age in state-funded schools increased by 598,000 (14.6%) in the six years to January 2017, and this larger number is now moving into secondary education. After a reduction between 2011 and 2015, the number of pupils of secondary school age has since begun to increase and is forecast to rise by 540,000 (19.4%) between 2017 and 2025.

The Department for Education is accountable for securing value for money from spending on education services. Schools spend around £21 billion a year on teaching staff, more than half of their total spending. The Department has a range of initiatives aimed at improving the quality of teachers, supporting the retention of teachers and ensuring that teachers are deployed where they are needed most. The Department spent £35.7 million on these activities in 2016–17.

Relevant reports

- NAO report: *Retaining and developing the teaching workforce* – Session 2017-19 (HC 307)
- PAC report: *Retaining and developing the teaching workforce* – Session 2017-19 (HC 460)
- Treasury Minutes: March 2018 (Cm 9596)
- Treasury Minute Progress Report: July 2018 (Cm 9668)
- Treasury Minutes Progress Report: March 2019 (CP 70)
- *Treasury Minutes Progress Report*: February 2020 (CP 221)

Update to the Government response to the Committee

There were nine recommendations in this report. As of the last Treasury Minute (CP 221), six recommendations have been implemented, three recommendations remained work in progress, of which one has now been implemented, as set out below.

3: PAC conclusion: *Schools are struggling to recruit teachers of the right quality, particularly in some subjects and some parts of the country.*

3c: PAC recommendation: *The Department should help schools more to recruit teachers of the right quality. In particular, it should work with the school's sector to share good practice in implementing flexible working to help attract former teachers to return to the profession.*

3.1 The government agrees with the Committee's recommendation.

Recommendation implemented

3.2 The department has implemented the Committee's recommendation and is committed to supporting schools to establish school cultures that value flexible working at all career stages. The department established an advisory group made up of sector experts and stakeholders in 2019. The group has supported the department to develop a suite of good practice resources for schools, the first wave of which were published in October 2019. The resources include a document on the benefits of flexible working, three case studies on effective flexible working practice, and a video exploring one school's approach.

3.3 The department has also improved the evidence base for flexible working through an independent research project and has published two reports so far: a *literature review* and *findings from a nationwide survey*. It also ran a pilot in which a small number of schools were supported to develop flexible working practice, and plans to publish a report on the findings in due course.

3.4 Although the department has implemented this recommendation, it will continue to work with the sector to understand what support is most needed by schools. It intends to update its guidance on flexible working in schools later in 2020. Additionally, the department plans to launch Flexible Working Ambassador Schools (FWAS), which will champion flexible working and share successful practice in schools – this was delayed due to COVID-19.

3.5 The department is also continuing to work with stakeholders to learn from new forms of flexibility which schools have introduced in direct response to COVID-19. A newly-funded project, in partnership with Timewise, should generate further resources to be shared nationally with schools.

4: PAC conclusion: ***The Committee is concerned that the cost of living, in particular housing costs, is making it difficult to recruit and retain teachers in some parts of the country.***

4: PAC recommendation: ***The Department should set out how it will take account of the housing requirements for teachers, particularly in high-cost areas, in order to support recruitment and retention. It should take a more strategic role, particularly as this is an issue that goes across Whitehall, when considering initiatives to support teachers to ensure that funding for these has a real impact.***

4.1 The government agrees with the Committee's recommendation.

Target implementation date: September 2021
Original implementation date: September 2019

4.2 The department knows housing can be an issue for teachers in areas of short supply and used the pilot on releasing surplus education land for housing to test whether there is clear and sufficient demand for accommodation on school sites.

4.3 By September 2021, the department will have more fully explored the housing requirements, through engaging with landowners on the pilot, and testing the feasibility of the options considered. The department has been working closely with Homes England and the Greater London Authority to develop a model of partnership which could be extended to future opportunities on the education estate, beyond the pilot.

4.4 Initial engagement suggested some interest in schemes providing teacher housing. However, subsequent detailed discussions with potential schools and site owners has not provided evidence of wider demand for teacher accommodation on school sites; therefore, it has not been possible so far to establish the quantum or type of housing required.

4.5 The pilot showed additional complicating factors around delivering teacher homes on the pilot sites. The primary aim of the pilot is to maximise land receipts in order to pay for necessary school building improvement works. Selection of candidate sites was based on scope for addressing that need. Local affordable housing targets need to be met on each site, but this impacts on land values. Because most authorities do not give teacher accommodation priority within their affordable housing targets, including it in a development further depresses value and reduces capital receipts, making it harder to pay for the works that are the primary aim. This is more challenging when the department is unable yet to identify clear demand for that teacher accommodation. The department is working closely with the Ministry of Housing, Communities and Local Government (MHCLG) on this.

4.6 The department will consider how the experience from this pilot can inform future teacher housing programmes. If there is clear and sufficient evidence of demand, the department will work with MHCLG to explore whether it would be possible for teacher housing on school sites to benefit from the current proposals on which MHCLG is consulting, seeking to reduce the burden of full planning permission when it applies to schools and social infrastructure development more broadly.

5: PAC conclusion: ***The Department could not explain why the quality of teaching varies so much across the country, and what action it would take to improve quality in the Midlands and the North of England in particular.***

5: PAC recommendation: ***The Department should conduct more work to understand why there are regional differences in teaching quality (for example by engaging more with school leaders in those regions where quality could be most improved) and, in light of its findings, set out how it proposes to improve the quality of teaching in the Midlands and the North of England specifically.***

5.1 The government agrees with the Committee's recommendation.

Target implementation date: September 2021
Original implementation date: December 2020

5.2 The department is committed to ensuring professional development for teachers and is delivering a range of activity to improve the quality of teaching, which will be rolled out nationally in September 2021. For example, the Early Career Framework (ECF) will underpin an entitlement to a funded, two-year structured support package for early career teachers, linked to the best available evidence. Early rollout of the ECF will take place from autumn 2020 in the North-East, Bradford, Doncaster, and Greater Manchester, with national rollout from September 2021. Providers will also offer a one-year induction programme for 3,000 additional early career teachers running from autumn 2020 to autumn 2021, with a focus on disadvantaged communities.

5.3 The department has invested £30 million in scholarships to drive take-up of National Professional Qualifications (NPQs) in the local authority areas where children are making the least progress, many of which are in the Midlands or North of England. Specialist National Professional Qualifications (NPQs) will also be rolled out nationally in September 2021 and will drive up teacher quality by offering clearer career progression.

5.4 In addition to these fundamental national reforms which are being targeted in the North and the Midlands, other measures have now been put in place to achieve this recommendation, for example:

- The Opportunity Area programme has provided support and investment to 12 areas to tackle regional inequalities – seven are in the North and the West Midlands. A successful project in North Yorkshire has increased teacher supply and quality by filling over 100 vacancies across 28 schools and securing more Teach First placements.
- The last wave of the Strategic School Improvement Fund (SSIF) provided £6.6 million to schools in the Midlands or North of England, to improve school performance and pupil attainment, including professional development for teachers.
- The department is funding curriculum hubs to raise the standard of teaching in specific subjects and these now have national and regional coverage. The maths hubs programme includes 12 maths hubs and £8 million specifically for the North of England. There are maths hubs in the North West, North East, Yorkshire, West Midlands and East Midlands. The English hubs programme includes £6.6 million for ten hubs in the North of England and £5.5 million for eight hubs covering the Midlands.
- The department is investing up to £24 million through the Opportunity North East programme, which is running from 2019 to 2022: this will support schools to recruit, retain and develop great teachers and leaders in the North East of England.

Twenty-First Report of Session 2017-19

Department for Business, Energy and Industrial Strategy

Nuclear Decommissioning Authority's Magnox contract

Introduction from the Committee

Between 2012 and 2014, the Nuclear Decommissioning Authority (NDA) ran a procurement exercise for services to decommission 12 sites: two nuclear research sites and 10 Magnox sites. The NDA awarded the 14-year contract to Cavendish Fluor Partnership (CFP). It was then taken to court after Energy Solutions, part of a consortium that bid for the contract but lost, lodged legal claims. After nearly two years of litigation, the High Court ruled that the NDA had wrongly decided the outcome of the procurement process, and the NDA settled legal claims of nearly £100 million.

While defending the legal claims, the NDA was going through a process of consolidation with CFP - a truing up between what the contractor was told to expect at the 12 sites and what it actually found on taking over responsibility for the sites. Under the contract consolidation had to be concluded within 12 months, but this timeline was extended by the parties and remained unresolved for over two and a half years. During this time, the expected costs of decommissioning the sites increased from £3.8 billion as per CFP's winning bid in 2014 to £6.0 billion in 2017. In March 2017, the NDA decided to terminate the contract with CFP nine years early because there was a "significant mismatch" between the work it specified in the contract and the actual work that needed to be carried out on the sites. The government has commissioned an independent inquiry into these events which is expected to report its findings in early 2018.

Relevant reports

- NAO report: *The Nuclear Decommissioning Authority's Magnox Contract* – Session 2017-19 (HC 408)
- PAC report: *The Nuclear Decommissioning Authority's Magnox Contract* - Session 2017-19(HC 461)
- *Treasury Minutes: May 2018* (Cm 9618)
- *Treasury Minutes Progress Report*: *March 2019* (CP 70)
- *Treasury Minutes Progress Report*: February 2020 (CP 221)

Update to the government response to the Committee

There were six recommendations in this report. As of the last Treasury Minute update, two of these have been implemented and four remain work in progress.

1: PAC conclusion: ***The Nuclear Decommissioning Authority designed, and HM Treasury and the Department for Business, Energy & Industrial Strategy approved, an overly complex and opaque procurement process.***

1: PAC recommendation: ***The Cabinet Office, NDA and the Department should each set out how they have changed advice and guidance, as a result of the lessons from the Magnox procurement, on how best to evaluate bids to ensure that future procurements are fair, transparent and open to effective scrutiny.***

1.1 The government agrees with the Committee's recommendation.

Target implementation date: Winter 2020
Original implementation date: Spring 2019

1.2 At the time of writing, the independent inquiry into the Magnox contract has yet to publish its full findings and recommendations. The Magnox Inquiry was delayed by a judicial review process that only completed in Dec 2019 and was subject to a further appeal. With the conclusion of legal proceedings against the inquiry in August 2020 it expects to publish its report before the end of 2020. However, the government will provide details to the Committee of the improvements made to advice and guidance for future procurement activity. These improvements are based on recommendations made in the *Magnox Inquiry Interim Report*, published in October 2017, which set out some immediate recommendations for the way in which any future NDA procurement should be run. These recommendations were fully accepted by the NDA and included ensuring less complexity in competition rules, making sure that information provided to bidders is as complete as possible, and to fully test competition rules before they go live.

1.3 As set out in the *April 2019 letter from the department*, once the findings of the Magnox Inquiry Final Report have been published, the NDA and wider government will ensure that future procurement methodology is improved further and advice is updated, to ensure the mistakes made in awarding the Magnox procurement failure are not repeated. Progress on changes to advice and guidance by the NDA and the department will be included as part of the planned report on implementation of the findings of the independent Magnox Inquiry.

3: PAC conclusion: ***The NDA dramatically under-estimated the scale and cost of decommissioning the Magnox sites, which ultimately led to the early termination of the contract.***

3: PAC recommendation: ***To address the Committee's concerns about NDA's oversight of taxpayer's money on existing and future contracts, the NDA should set out clearly to the Committee how it will develop and maintain the right information on the state of its sites. It should do so within 6 months of the publication of the Government's Independent Inquiry.***

3.1 The government agrees with the Committee's recommendation.

Target implementation date: Winter 2020
Original implementation date: Spring 2019

3.2 As noted above, the independent inquiry into the Magnox Contract has yet to publish its findings as of the time of writing (the Magnox Inquiry is currently delayed by judicial review and has not delivered its report) –To be able to account for the recommendations within it, the target implementation date for this recommendation has been amended to Winter 2020-21, in anticipation of publication of the report in Autumn 2020. This will be reviewed in line with the actual publication date.

5: PAC conclusion: ***The Department's oversight, through UKGI, failed to challenge and escalate issues as they emerged or to ensure that appropriate governance was in place at the NDA.***

5: PAC recommendation: ***The Department should report back to the Committee by July 2018 on its work to review and strengthen its oversight of the NDA, ensuring it addresses the issue of having appropriate procurement and contracting expertise.***

5.1 The government agrees with the Committee's recommendation.

Target implementation date: Winter 2020
Original implementation date: Spring 2019

5.2 The department wrote to the Committee in August 2018 and again in May 2019, setting out the actions it has taken thus far to review and strengthen the oversight of the NDA by the department. Further actions may be taken following the conclusion of the departmental Review of the NDA which is expected to be completed no later than Winter 2020-21.

6: PAC conclusion: ***The catalogue of failures throughout the Magnox contract highlights key lessons to be learned by both the NDA and central Government.***

6: PAC recommendation: ***Within 6 months of its publication, the NDA and the Department should submit a report to the Committee on what progress they have made on implementing the recommendations of the Independent Inquiry.***

6.1 The government agrees with the Committee’s recommendation.

Target implementation date: Winter 2020
Original implementation date: Spring 2019

6.2 The NDA and the department will fully embed any new learning and recommendations from the Magnox Inquiry Final Report and the Committee’s report into the department and NDA’s wider improvement programme. The department and the NDA will submit a report to the Committee, detailing the progress they have made on implementing the recommendations from the Magnox Inquiry Final Report within six months of its publication. As the report has not yet been published, the target implementation date has been amended to reflect the expectation of it being published before the end of 2020.

Twenty-Second Report of Session 2017-19

Department for Education

Monitoring, inspection and funding of Learndirect Ltd.

Introduction from the Committee

Learndirect Ltd is the UK's largest commercial further education provider, engaging with around 75,000 learners each year. Most of its funding comes from the Education and Skills Funding Agency (ESFA), but it also has contracts with several other government bodies, for which it is sometimes the sole supplier. In the 2016–17 academic year, the company received £121 million from all of its central government contracts, of which £106 million (88%) was from ESFA. Ofsted planned to inspect Learndirect Ltd in November 2016, but agreed to defer the inspection because the company was negotiating the sale of its apprenticeships business, a sale which did not ultimately take place, despite there being widespread concern about Learndirect Ltd's performance.

Ofsted finally carried out its inspection in March 2017, the same time that ESFA issued the company with a notice of serious breach of contract for falling below expected levels of service, and rated the company's overall effectiveness as 'inadequate'. Learndirect Ltd made a formal complaint about the timing and conduct of the inspection, followed by a legal challenge. These steps were unsuccessful, but they delayed the publication of Ofsted's report until mid-August 2017. The government bodies contracting with Learndirect Ltd have since had to make decisions about their ongoing dealings with the company. ESFA decided to continue funding Learndirect Ltd through to July 2018, and it is possible that the company may retain some government contracts beyond that date.

Relevant reports

- NAO report: *Investigation into the circumstances surrounding the monitoring, inspection and funding of Learndirect Ltd* - Session 2017-19 (HC 646)
- PAC report: *The monitoring, inspection and funding of Learndirect* - Session 2017-19 (HC 875)
- Treasury Minutes: May 2018 (Cm 9618)
- Treasury Minutes Progress Report: March 2019 (CP 70)
- *Treasury Minutes Progress Report*: February 2020 (CP 221)

Update to the Government response to the Committee

There were five recommendations in this report. As of the last Treasury Minute (CP 221) three recommendations had been implemented and two remained work in progress one of which has now been implemented, as set out below.

1: PAC conclusion: *Learndirect Ltd has received hundreds of millions of pounds of public money, while neglecting its learners in pursuit of profit and frustrating the Ofsted inspection regime with delaying tactics and spurious legal action.*

1: PAC recommendation: *The Government should learn the lessons from the failure of Learndirect Ltd, in particular concerning the need to understand how many Government contracts a company holds at a given time and how well it is performing against each of those contracts.*

1.1 The government agrees with the Committee's recommendation.

Recommendation implemented

1.2 The government recognises the need to understand better its contractual relationship with suppliers and is taking a number of steps to improve this information. This is being led by the Government Commercial Function (GCF), the cross-government network of commercial professionals. The GCF has developed a tool which provides departments with spend and contract data on suppliers across central government – the Contract and Spend Insight Engine (CaSIE). CaSIE currently includes over 42,000 live agreements with over 35,000 suppliers.

1.3 The department is collating its supplier and contract information on a central commercial system (with the exception of certain Education and Skills Funding Agency (ESFA) agreements that, due to their nature, are stored on a separate system specific to ESFA). The central commercial system contains over 1,700 live – and over 1,800 historic – contract and grant agreements. Integration with the department's finance system (since May 2020) supports the identification of missing contract information. Department for Education contracts published to Contracts Finder are captured by the CaSIE system.

1.4 In accordance with the *Outsourcing Playbook* (published February 2019), GCF collect and analyse performance information on the critical contracts of central government departments. In September 2020, the department provided its first KPI return to GCF against nine critical contracts. The *KPI performance of 121 of the government's most important contracts* was published (for the first time) on 24 September 2020.

1.5 The department continues to embed its commercial operating model to improve visibility and commercial oversight of contracts and suppliers. It has worked with the GCF to develop a Contract Management Model detailing the activities required for effective contract management and the role of the commercial function to provide oversight of "Gold" and "Silver" contracts. The department plans to implement this model by Quarter1 2021-22.

1.6 In line with the Contract Management Model developed, accountability for contract (and grant) performance will remain with policy/delivery teams in the department. A Contract Management Centre of Excellence has been established to provide best-practice guidance, tools and advice to contract managers.

2: PAC conclusion: ***Having awarded Learndirect Ltd several vital contracts for a variety of public services, the Government was then restricted in its ability to take decisive action when the company's apprenticeships provision began to fail.***

2: PAC recommendation: ***The Department for Education and other Government bodies should develop a framework for identifying any risk that a commercial provider becomes so large and essential to the delivery of public services that it cannot be allowed to fail, or requires special treatment if it begins to do so. The Cabinet Office should report back to the Committee on progress with developing that framework by the end of December 2018, and the Department for Education should do so separately by the start of the next academic year.***

2.1 The government agrees with the Committee's recommendation

Target implementation date: March 2021
Original implementation date: September 2019

2.2 The government has taken steps to identify and monitor large and essential suppliers across government. The Cabinet Office monitors strategic suppliers through a network of Crown Representatives and the Strategic Partnering Programme.

2.3 The Cabinet Office is working with central government departments to improve capability in the management of critical and strategic suppliers. It has developed, with departments and a number of industry experts, a best practice guide and toolkit for departmental Strategic Supplier Relationship Management (SSRM). The Cabinet Office recognises the need to develop a comprehensive risk framework for large and essential suppliers and its letter to the Committee of 21 December 2018 explained the framework that was in place and the steps being taken to bolster it.

2.4 The department is tiering its contracts using the Cabinet Office Tiering Tool, which indicates contract criticality ("Bronze", "Silver" or "Gold"). This work is currently 80% complete.

2.5 The department's Commercial and Finance teams are developing a framework to identify the department's most critical suppliers based on the criticality of their contracts (as per the tiering above), the availability of alternative providers and other relevant considerations. This framework will be applied and, as per the *Outsourcing Playbook*, the outcomes will be used to inform the on-going monitoring of supplier financial health and resolution planning (including business continuity and internal contingency planning).

2.6 The department's pilot SSRM programme was successfully implemented in 2019, focussing on six strategic suppliers, with support from Government Commercial Function and their appointed consultancy. This programme will continue to develop as further strategic suppliers are identified using the Cabinet Office toolkit for SSRM.

Twenty-Fourth Report of Session 2017-19

Department of Health and Social Care

Care Quality Commission: regulating health and social care

Introduction from the Committee

The Care Quality Commission (the Commission) is the independent regulator of health and adult social care in England and has two main purposes: to make sure health and social care services provide people with safe, effective, compassionate, high-quality care; and to encourage providers to improve the quality of care. It is accountable to Parliament and sponsored by the Department of Health and Social Care (the Department). The Commission regulates providers across three sectors: hospitals, adult social care, and primary medical services. It registers, monitors and inspects providers, and publishes its assessments and provider ratings. The Commission can also take enforcement action when care falls below fundamental standards.

The Committee of Public Accounts has reported twice before on the Commission, in 2012 and 2015. In 2012, the Committee raised serious concerns about the Commission's governance, leadership and culture. In 2015, it reported that the Commission had made substantial progress since 2012, but there remained issues with: staffing levels; the accuracy and timeliness of inspection reports; its capacity to take on new responsibilities; and how it measured its own performance. The Commission has since introduced a new five-year strategy, which includes a move to a more intelligence-driven regulatory approach. The Commission's funding is set to reduce by 13% between 2015-16 and 2019-20.

Relevant reports

- NAO report: *Care Quality Commission regulating health and social care* - Session 2017-19
- (HC 409)
- PAC report: *Care Quality Commission: regulating health and social care*– Session 2017-19 (HC 465)
- Treasury Minutes: May 2018 (Cm 9618)
- Treasury Minutes Progress Review (CP 70)
- *Treasury Minutes Progress Report*: February 2020 (CP 221)

Update to the Government response to the Committee

There were six recommendations in this report. As of the last Treasury Minute (CP 221), five recommendations have been implemented and one remained work in progress. The final recommendation has now been implemented as set out below.

5: PAC conclusion: *The Commission's ambition for a more intelligence-driven regulatory approach, including reducing the frequency and depth of its inspections, is heavily dependent on improving its information systems.*

5: PAC recommendation: *The Commission should ensure that its digital and information collection infrastructure is in place and working as expected before fully extending the inspection periods in its frequency-based inspection regime planned for 2019–20.*

5.1 The government agrees with the Committee's recommendation.

Recommendation implemented

5.2 Several data collection programmes have been changed or paused due to COVID-19.

5.3 In May 2020, CQC launched its Emergency Support Framework (ESF) as part of their regulatory approach during the pandemic. The ESF provides a structured framework for discussion between inspectors and providers, it covers: Safe care and treatment; Staffing arrangements; Protection from abuse; and Assurance processes, monitoring, and risk management. CQC developed a new digital platform to capture information and use it to monitor risk and identify where providers may need extra support.

5.4 CQC have introduced a transitional methodology internally, this began roll out to providers from 6th October. This will draw from the 5 key questions CQC have asked previously. It involves some visits and some remote assessment of data and makes use of the new technology developed during the pandemic. This framework will run until early 2021 by which time CQC expect to have developed an early version of its future regulatory approach.

5.5. CQC have recommenced evaluation of the Annual Regulatory Review programme. which CQC use to prioritise its inspections, looking at whether the quality of a provider's services have changed. Research was conducted during August 2020 with draft findings reported to the Primary Services Directorate Chief Inspector and leadership team at the end of August. It is anticipated that a final report will be available in Autumn 2020.

5.6 CQC launched a new digital service in November 2019 to receive feedback about experiences of health and care services. Testing was successful and is now at public beta stage. CQC will have its government Digital Service (GDS) live assessment on 6 October. Passing that assessment will allow the CQC to remove the 'beta' branding and describe it as a live service in GDS.

5.7 The Provider Information Return work, the process the CQC uses to collect information about a provider's services, is now complete. CQC are assured that its current information collection infrastructure is in place and working as expected.

Twenty-Fifth Report of Session 2017-19

Department Business, Energy and Industrial Strategy / UK Government Investments

The sale of the Green Investment Bank

Introduction from the Committee

The UK is committed to moving to a greener economy. As part of this, in 2012, the Government established the UK Green Investment Bank plc (GIB) to help address a lack of private investment in the green economy needed to meet the UK's climate change obligations. GIB was designed to provide public money to, and encourage private investment in, green infrastructure projects such as windfarms and waste and bioenergy projects. The Government set up GIB as a public company, with the Department for Business, Innovation and Skills – now the Department for Business, Energy and Industrial Strategy – as the sole shareholder.

In June 2015, the Government decided that it could not afford further public investment in GIB, and announced it was considering a sale and other means of bringing private capital into GIB. In March 2016, it launched a process to sell GIB. UK Government Investments (UKGI) ran the sale process. The Government sold GIB in August 2017 to a consortium led by the Australian banking group, Macquarie, for £1.6 billion.

Relevant reports

- NAO report: *The Green Investment Bank* - Session 2017-19 (HC 619)
- PAC report: *The sale of the Green Investment Bank* – Session 2017-19 (HC 468)
- Treasury Minutes: May 2018 (Cm 9618)

Update to the Government response to the Committee

There were six recommendations in this report. As of Treasury Minute May 2018 (Cm 9618), four recommendations had been implemented and the department disagreed with one recommendation. One recommendation remained work in progress, as set out below.

5: PAC conclusion: *Without any legally binding commitments, Green Investment Group's (GIG) future impact on the UK's climate change goals is uncertain.*

5: PAC recommendation: *The Department should, by 31 December 2020, write to the Committee with a detailed explanation of GIG's activities and performance in the UK, including: against the intentions Macquarie made to the Secretary of State in April 2017; its impact on the UK's climate change goals; and the effectiveness of the special share arrangements.*

5.1 The government agrees with the Committee's recommendation.

Target implementation date: December 2020

5.2 The department will write to the Committee with its assessment of GIG's activities and performance in the UK by December 2020.

Twenty-Eighth Report of Session 2017-19

Ministry of Defence

Ministry of Defence: acquisition and support of defence equipment

Introduction from the Committee

Non-competitive procurement of defence equipment
There can be valid reasons for the department using a non-competitive approach to procurement, including national security considerations and because there is only one suitable supplier. However, in the absence of competition it is more difficult for the department to be sure that it is paying the best possible price. In 2014, the Single Source Contract Regulations were introduced to increase transparency around contract costs. The Single Source Regulations Office was also established to make recommendations to the Secretary of State on the contract profit rates and to issue guidance on costs that can be claimed by suppliers.

Support arrangements and cannibalisation of navy equipment
The Royal Navy operates ships, submarines and helicopters to meet the United Kingdom's defence requirements. They are complex systems with many parts, requiring the Navy to have spares to be used either during scheduled maintenance or if the original parts break unexpectedly. DE&S puts in place support arrangements for equipment, but when parts are unavailable, the department can authorise that parts are taken from other vessels, a longstanding process known as 'cannibalisation'.

Contingent liabilities
In negotiating contracts, the department needs to identify any potential contingent liabilities. These are potential uncertain obligations that may arise if certain events happen. They are frequently indemnities built into contracts during negotiations that limit the liability of private sector firms and require HM Government to cover the remaining costs. Because of the possible cost implications for the taxpayer, contingent liabilities require scrutiny by HM Treasury and Parliament. Departments must comply with long established procedures for notifying the Treasury and Parliament before entering into contracts containing contingent liabilities.

Relevant reports

- NAO report: *Improving value for money in non-competitive procurement of defence equipment* - Session 2017-19 (HC 412)
- NAO report: *Investigation into equipment cannibalisation in the Royal Navy* – Session 2017-19 (HC 525)
- PAC report: *Ministry of Defence: acquisition and support of defence equipment* Session 2017-19 (HC 724)
- *Treasury Minutes* : May 2018 (Cm 9618)
- *Treasury Minutes Progress Report* : March 2019 (CP 70)
- *Treasury Minutes Progress Report* February 2020 *(CP 221)*

Update to the Government response to the Committee

There were twelve recommendations in this report. As of the last Treasury Minute (CP 221), six recommendations have been implemented, the department disagreed with three recommendations and the remaining three recommendations are now implemented, as set out below.

1: PAC conclusion: ***The Department lacks a coherent approach to increasing competition in its equipment procurement and, as a consequence, is struggling to make progress in reducing the level of single source procurement.***

1: PAC recommendation: ***The Department needs to have a clear strategy for increasing competition which will see real savings materialise. The Committee is not pushing for competitive procurement on every occasion as it recognises that there can be valid reasons sometimes for why single source procurement may be appropriate. Nevertheless, the Committee look to the Department, frontline Commands and project teams to take a competitive approach where it is best, and to seek strategic opportunities to stimulate the market in order to reduce the number of occasions when it uses single source procurement.***

1.1 The government agrees with the Committee's recommendation.

Recommendation implemented

1.2 The department's default procurement policy is to compete its requirements although there will still be valid reasons why single source procurement may sometimes be appropriate. Notwithstanding this the department has taken steps to improve scrutiny within the approvals process, including the decision on whether a procurement needs to follow a competitive or non-competitive path, ensuring there is always a rigorous justification to pursue a single source route.

1.3 The department has implemented a new Approach to Investment Decisions (MAID) and Acquisition Transformation, aligning with the cross-government 3-stage approvals model, i.e. a Strategic Outline Case, an Outline Business Case and a Full Business Case. The new Strategic Outline Case will give decision-makers the earliest visibility and opportunity to influence all aspects of programmes, including the procurement route. Scrutiny by decision-makers will be aided by a more consistent and transparent approach, with the introduction of tools like the Generic Evidence Table (GET) and the Specific Evidence Table (SET).

1.4 The new process was launched in the summer of 2019 and from April 2020 all Investment Decision Approvals (Cat A-D) must follow the 3-stage model as standard. These changes have been reflected in an update of JSP 655 - Defence Investments Decisions.

2. PAC conclusion: ***There are still too many contracts outside the Single Source Contract Regulations and some suppliers are still failing to cooperate.***

2a: PAC recommendation: ***The Committee expects to see the Department meet its target of 100% of all eligible contracts brought within the regulations by 2019–20.***

2.1 The government agrees with the Committee's recommendation.

Recommendation implemented

2.2. All new single source contracts are covered by the regulations unless they meet one or more of the criteria for exclusion or are specifically exempted by Secretary of State, in which case they are not eligible. There have been a small number of such exemptions to date, and the department is committed to keeping the number low. Existing contracts can be eligible to come under the regulations on amendment by agreement of both the supplier and the Secretary of State. The department has therefore met this target.

2.3 The department has set an ambition to increase the proportion of all single source contracts that come under the regulations by increasing the number of eligible contracts. Parliament has already passed secondary legislation that has the effect of widening the eligibility criteria, and further changes are being considered as part of the current review of the legislation. The department has put in place robust internal mechanisms to ensure that we seek to bring existing contracts under the regulations when they are amended, unless there are compelling reasons not to do so.

2c: PAC recommendation*: In defence procurement, where public scrutiny is often limited because of security concerns, it is particularly important that the Single Source Regulations Office has effective oversight.*

2.4 The government agrees with the Committee's recommendation.

Recommendation implemented

2.5 The department has already introduced changes to the legislation through three Statutory Instruments, which both improve the operation of the regime and extend its reach. The department has also brought forward the next review of the legislation which will provide further opportunities to extend the regime.

Thirty-Second Report of Session 2017-19

Department of Health and Social Care

Cyber-attack on the NHS

Introduction from the Committee

On Friday 12 May 2017, a global ransomware attack, known as WannaCry, affected more than 200,000 computers in at least 100 countries. Those affected by the cyber-attack faced a ransom demand to unlock their devices. In the UK, the NHS was particularly affected with about 80 of 236 NHS trusts across England suffering disruption, because they were either infected by the ransomware or had turned off their devices or systems as a precaution. WannaCry also infected another 603 NHS organisations including 595 GP practices. The NHS had to cancel almost 20,000 hospital appointments and operations, and five accident and emergency departments unable to treat some patients had to divert them to other hospitals. At 4pm on 12 May, NHS England declared the cyber-attack a major incident and implemented its emergency arrangements to maintain health and patient care. On the evening of 12 May, a cyber-security researcher activated a kill-switch so that WannaCry stopped locking devices.

Relevant reports

- NAO report: *Investigation* – *WannaCry cyber-attack and the NHS* - Session 2017-19 (HC 414)
- PAC report: *Cyber-attack on the NHS* – Session 2017-19 (HC 787
- Treasury Minutes: June 2018 (Cm 9643)
- Treasury Minute - February 2019
- *Treasury Minutes Progress Report* February 2020 (CP221)

Update to the Government response to the Committee

There were six recommendations in this report. As of the last Treasury Minute (CP 221), five recommendations have been implemented and one recommendation remained work in progress which is now implemented as set out below.

5: PAC conclusion: ***Not all local bodies have the means to update and protect systems without disrupting the ongoing delivery of patient care.***

5: PAC recommendation: ***The Department and its arm's-length bodies should set out how local systems can be updated whilst minimising disruption to services, and provide guidance and support to do this; ensure that all IT suppliers and suppliers of medical equipment to the NHS are accredited and that local and national contracts include standard terms to maintain and protect NHS devices and systems from cyber-attack; and ensure that local and national workforce plans include a focus on IT and cyber skills.***

5.1 The government agrees with the Committee's recommendation.

Recommendation implemented

5.2 NHS Digital (NHSD) has *aligned advice and guidance* on updating local systems with the National Cyber Security Centre.

5.3 The national roll-out of Microsoft Windows 10 to all NHS organisations was piloted and tested by NHSD to inform advice, guidance and support for NHS organisations by minimising disruption to services. NHSD continually updates NHS organisations about cyber vulnerabilities through their alert system, alongside advice on proportionate actions to mitigate those risks.

5.4 The mandatory Data Security and Protection Toolkit requires local organisations to ensure that information technology system providers have appropriate accreditation. NHSX has developed procurement frameworks that ensure cyber security is considered when selecting suppliers. NHSX will continue to review these cyber security requirements working with NHSD to issue guidance for local contracts.

5.5 In respect of connected medical devices (CMDs), NHSD has worked with NCSC to publish *guidance on protecting digital devices* to assist organisations in protecting those. NHSD has undertaken a survey of Health and Care organisations on securing CMDs. This work informs future initiatives to improve the security of CMDs and the cyber security approach in the future regulation of CMDs as these develop.

5.6 The NHS Long Term Plan sets out the importance of enabling a capable, digitally literate workforce to ensure security of NHS systems and data and to drive digital advances. Regional plans are being developed for recruitment of technical cyber resources across Sustainability and Transformation Partnership and Integrated Care System areas.

Thirty-Third Report of Session 2017-19

Department for Business, Energy and Industrial Strategy

Research and development funding across Government

Introduction from the Committee

Expenditure on research and development includes exploratory research to acquire new scientific knowledge, applied research to solve specific problems, and translational research to develop new products or processes. In 2015, the UK spent £31.6 billion on research and development, including £8.75 billion of public funding and £15.5 billion of spending by business. The Government has announced plans to increase research funding and aims to spend an extra £7 billion over the five years to 2021–22. The Department for Business, Energy and Industrial Strategy (BEIS) is responsible for the majority of Government investment in research, which it funds principally through its research councils, Innovate UK and the Higher Education Funding Council for England (HEFCE). Around a third of public funding for research comes from other Departments. From April 2018, a new body, UK Research and Innovation (UKRI) will bring together the research councils, Innovate UK and the research functions of HEFCE. UKRI will be accountable to BEIS.

Relevant reports

- NAO report: *Cross Government funding of research and development* - Session 2017-19 (HC 564)
- PAC report: *Research and development funding across Government* – Session 2017-19 (HC 668)
- *Treasury Minutes*: June 2018 (Cm 9643)
- *Treasury Minutes Progress Report* March 2019 (CP70)
- *Treasury Minutes Progress Report* February 2020 (CP 221)

Update to the government response to the Committee

There were seven recommendations in this report. As of the last Treasury Minute update (CP 221), five recommendations had been implemented. two recommendations remained work in progress, both of which are now implemented as set out below.

1: PAC conclusion: *BEIS does not know how it will achieve the target of increasing total UK investment in research and development, while at the same time compensating for any potential loss of research funding following EU exit.*

1: PAC recommendation: *To avoid the Government having to make a disproportionately high contribution to future UK research funding, BEIS should develop a clear strategy for increasing total UK investment to 2.4% of GDP, which addresses issues such as under-funding by business and the potential loss of EU funding.*

1.1 The government agrees with the Committee's recommendation.

Recommendation implemented

1.2 At Budget in March 2020, the Chancellor announced that government investment in Research & Development (R&D) will increase to £22 billion per year by 2024-25, putting the UK on track to reach 2.4% of GDP being spent on R&D across the UK economy by 2027. The increase in investment in R&D will include funding for any continued participation in EU science programmes or EU replacement schemes.

1.3 The *UK R&D Roadmap* published on 1 July 2020 (shows the government's commitment to R&D and explores how it can build on the UK's strengths while posing challenging questions about R&D priorities and how the government can ensure the R&D system is fit for purpose now and in the future. Over the coming months the government will develop the proposals in this Roadmap into a comprehensive R&D plan.

1.4 Negotiations to associate to both Horizon Europe and Euratom are ongoing. The government has made clear in the R&D Roadmap that it aims to maintain a close and friendly relationship with our European partners, seeking to agree a fair and balanced deal for participation in EU R&D schemes. The government will make a final decision once it is clear whether such terms can be reached. If the government does not formally associate to these programmes, it will implement ambitious alternatives as quickly as possible from January 2021 and address the funding gap.

1.5 With the publication of the R&D Roadmap this recommendation has been implemented.

7: PAC conclusion: ***Government lacks a complete picture of who is funding what, and the results of government-funded research, meaning it risks missing gaps and overlaps in research programmes or a shared understanding of outcomes.***

7: PAC recommendation: ***UKRI should work with other Departments to determine options for developing a cross-Government database of research projects and write to the Committee with a progress update by September 2018.***

7.1 The government agrees with the Committee's recommendation.

Recommendation Implemented

7.2 Improving the tracking of research was an identified priority when launching UKRI. UKRI continues to make good progress on analysing and extracting value from its own data and external data. UKRI continues to develop and add to its Data Hub with additional data sets including companies, patents, and open access information. All UKRI's funded grants are published on Gateway to Research and are publicly available.

7.3 UKRI has written to the Committee on this topic and on the broader themes of this report.

7.4 Government Office for Science (GO-Science) has continued working with departments to clarify their research requirements though the Areas of Research Interest (ARI) statements. ARI statements have been used to establish greater co-ordination between departments and increasing academic engagement with departmental research priorities. GO-Science is considering how to build upon this to increase cross-government coherence.

7.5 GO-Science and the Economic and Social Research Council (ESRC) have appointed two 'ARI Fellows', funded by the ESRC, allowing government to improve the dialogue between academia and policy officials in answering research needs. COVID19, however, has significantly impacted the Fellows' ability to undertake their planned engagement activity, specifically the delivery of workshops and stakeholder engagement.

7.6 Departments have also begun incorporating COVID questions into their refreshed ARIs; The Foreign and Commonwealth Office and Food Standards Agency have already published these and the Department for International Trade is due to follow suit next month.

Thirty-Sixth Report of Session 2017-19

Home Office

Reducing modern slavery

Introduction from the Committee

Modern slavery encompasses slavery, servitude and compulsory labour and human trafficking. In 2014 the Home Office estimated that there were between 10,000 and 13,000 potential victims of modern slavery in the UK in 2013, and in 2013 it estimated that the overall social and economic cost to the UK of human trafficking for sexual exploitation alone was £890 million. The Department introduced the Modern Slavery Strategy in 2014 with the aim of significantly reducing the prevalence of modern slavery. This was followed by the Modern Slavery Act in 2015. While the Department is the policy lead for managing the UK's response to modern slavery, a range of public sector organisations are involved in delivering the strategy, alongside businesses and non-governmental organisations (NGOs). The Department funds and manages the process for identifying victims, known as the National Referral Mechanism. It also manages a contract for support services for potential victims of modern slavery in England and Wales, currently run by the Salvation Army.

Relevant reports

- NAO report *Reducing Modern Slavery*: Session 2017-19 (HC 630)
- PAC report *Reducing Modern Slavery*: Session 2017-19 (HC 866)
- *Treasury Minutes: June 2018*:(Cm 9643)
- *Treasury Minutes: Progress Report- March 2019*: (CP 70)
- *Treasury Minutes: Progress Report- February 2020*: (CP 221)

Update to the Government response to the Committee

There were seven recommendations in this report. As of the last Treasury Minute (CP 221), seven recommendations remained work in progress and two are now implemented as set out below.

1: PAC conclusion: ***The Home Office has no means of monitoring progress or knowing if its Modern Slavery Strategy is working and achieving value for money.***

1: PAC recommendation: ***In order to effectively track whether its Modern Slavery Strategy is working and prioritise funding and activities, the Department should set targets, actions, a means of tracking resources, and clear roles and responsibilities within the programme and report back to the Committee by December 2018.***

1.1 The government agrees with the Committee's recommendation.

Target implementation date: Winter 2020
Original implementation date: December 2018

1.2 The Home Office *wrote to the Committee* with an update in July 2020.

1.3 The department has taken significant steps to address this recommendation. In March 2020, the department published statutory guidance under Section 49 of the Modern Slavery Act 2015, providing a clear framework of support for victims of modern slavery. The guidance clarifies the roles and responsibilities of public services, frontline staff and local stakeholders and sets out the support victims are entitled to and how this is accessed.

1.4 There has been a focus on being able to collect much more granular and robust data as part of the new Modern Slavery Victim Care Contract (MSVCC) which was awarded in June 2020, for example on performance measures and the needs of victims. In addition, three of the Key Performance Indicators in the new contract will be published, demonstrating the department's commitment to increased transparency around the contract. .

1.5 To finalise the implementation of this recommendation, the department will continue to work with other government departments (OGDs) to develop an enhanced performance framework for the modern slavery strategy. The department will work to implement this by Winter 2020.

2: PAC conclusion: ***There are gaps in Department's understanding of modern slavery in the UK which could impact on prevention work.***

2: PAC recommendation: ***The Department should continue its work to gain a better understanding of the crime, the victims and the perpetrators, in order to target its prevention work effectively. It must take account of the potential impact of other factors such as the exit from the EU.***

2.1 The government agrees with the Committee's recommendation.

Recommendation implemented

2.2 The Home Office *wrote to the Committee* with an update in July 2020.

2.3 The department has fully implemented this recommendation and will continue this work as part of a 'business as usual' approach.

2.4 In July 2019, the government announced it would invest £10 million to establish a new Modern Slavery Policy and Evidence Centre (MS PEC). The Modern Slavery Unit is a member of the MS PEC Advisory Group, offering advice and guidance to the Centre. This year the Centre launched two research calls looking into the current support system for victims and survivors, and the impact of COVID-19 on modern slavery. The department will continue working with the Centre to strengthen the evidence base on the nature and scale of modern slavery in the UK.

2.5 The former Modern Slavery Police Transformation Unit (MSPTU) facilitated increased information exchange between forces, law enforcement agencies and NGOs. This year, the department is providing further funding of £2 million through the Modern Slavery and Organised Immigration Crime Programme (formerly MSPTU) to support the police response to modern slavery, including improving identification of victims.

2.6 The department also continues to build the evidence base through international programmes. The Modern Slavery Fund works in high risk countries from where victims are regularly trafficked to the UK, and the Modern Slavery Innovation Fund tests innovative approaches to build evidence on what works.

2.7 The department is undertaking user research, engaging directly with survivors to better understand their recovery needs and experience in the National Referral Mechanism (NRM). These findings will provide an evidence base for any improvements the department introduces to support system in future.

2.8 The department will continue to work with European partners to eradicate modern slavery no matter what shape department's relationship with the EU takes and will discuss future arrangements on law enforcement and judicial cooperation in criminal matters.

3: PAC conclusion: ***The Department's hands-off approach to businesses' compliance with its transparency in supply chains legislation is not working.***

3: PAC recommendation: ***The Department should take immediate action to ensure that its Transparency in Supply Chains legislation is more effective. It needs to drive up compliance, by actively administering and monitoring compliance and should write to the Committee by April 2019 setting out what progress it has made and its latest estimate of compliance and demonstrating how this is improving transparency. The Department should consider publishing itself a list of companies who have complied and not complied with the legislation, rather than relying on NGOs to police the system.***

3.1 The government agrees with the Committee's recommendation.

Recommendation implemented

3.2 The Home Office [wrote to the Committee]() with an update in July 2020.

3.3 The department has fully implemented this recommendation and continues to take great strides to drive up compliance.

3.4 Through its letter campaigns to approximately 16,000 businesses in 2018 and 2019, the department wrote twice to the CEOs of businesses in scope of the legislation, with guidance on how to meet their obligations. The campaigns appear to have increased the number of statements published. The department has also undertaken an audit of compliance against these organisations and is considering its approach towards non-compliance.

3.5 In 2019, the department consulted on measures to strengthen the transparency provisions in the Modern Slavery Act 2015. The measures aim to increase compliance, improve the quality of reporting and level the playing field for responsible businesses. The government will publish its response to this shortly.

3.6 The government is creating a digital reporting service (due to launch in early 2021) for businesses' modern slavery statements. This will allow the government to monitor and increase compliance and enable civil society, investors and consumers to easily access and scrutinise businesses' modern slavery statements.

3.7 In March 2020 the UK became the first country to publish a Government Modern Slavery Statement setting out the steps taken to identify and prevent modern slavery in its own supply chains. Individual ministerial departments will publish their own annual statements from 2021.

3.8 The department will continue to drive forward this work and cement its global leadership on increasing transparency in supply chains.

4: PAC conclusion: ***Reform of the National Referral Mechanism has taken too long and the current system does not allow the Government to understand and deal with modern slavery effectively.***

4: PAC recommendation: ***By January 2019 the Department should ensure that the reformed NRM system enables it to collect and analyse data to understand the crime, the businesses and the sectors where prevalence is highest, and, where victims consent, to understand what happens to victims after they leave the NRM.***

4.1 The government agrees with the Committee's recommendation.

Target implementation date: Winter 2020
Original implementation date: Summer 2019

4.2 The Home Office [wrote to the Committee]() with an update in July 2020.

4.3 The department has delivered significant reforms to the NRM which have enabled us to collect data to better inform us of the crime and its victims. For example, in 2019, the department launched a digital referral form to be used by all First Responders, and, in January 2020, introduced an integrated digital system which is used by all caseworkers in the Single Competent Authority (SCA). The system makes it easier for those on the frontline to refer victims into support by providing a single point for referrals across the UK and seeks to support an effective and efficient case management process. It also aims to provide richer data to better understand referrals to inform future needs for the NRM system and the department's wider understanding of the threat from modern slavery.

4.4 The department will continue to ensure, through the recently established NRM Transformation Programme, that victim identification and support processes enable effective data collection and analysis.

4.5 The department is currently undertaking user research, engaging directly with survivors, to better understand their recovery needs and their experience in the NRM. As part of this research, The department is reaching out to survivors who have already received their positive Conclusive Grounds decisions, including those who have already exited the NRM, to gain an insight on survivors' experiences as they start reintegrating into local communities.

4.6 The department will continue to work to strengthen data and implement this recommendation by Winter 2020. This will include working with the MSPEC and the wider modern slavery sector to encourage further research into longer-term outcomes for victims.

5: PAC conclusion: ***The Committee is very concerned that victims are waiting far too long to receive National Referral Mechanism decisions, causing distress and anxiety to vulnerable people, and increasing the costs of the victim care contract.***

5: PAC recommendation: ***Within six months, the Department should write to the Committee setting out what actions the competent authorities are taking to reduce the time potential victims wait for a decision, and how the reformed NRM will reduce decision making times further, including what the target time for a conclusive decision will be.***

5.1 The government agrees with the Committee's recommendation.

Target implementation date: Autumn 2020
Original implementation date: Spring 2019

5.2 The Home Office *wrote to the Committee* with an update in July 2020.

5.3 Work to reduce waiting times continues to be implemented, however, the challenges regarding decision-making timescales are now being addressed as part of the recently established NRM Transformation Programme. This programme will deliver a series of changes to optimise the current system in order to bring decision-making timescales down.

5.4 The SCA was launched in April 2019, to handle all NRM cases and provide high quality, timely decisions for victims. In August 2019, a new digital referral form was launched and in January 2020 the digital case-working element of the system came online. This has transformed how all the caseworkers in the SCA work and has helped them make decisions more efficiently for victims by reducing duplication of information, improving data sharing and supporting a more streamlined process.

5.5 There has been an unprecedented increase in the number of potential victims referred into the NRM. In 2019, 10,627 potential victims were referred: a 52% increase from 2018. In response, the department has surged resources into case-working teams to ensure victims receive the decisions they need to access tailored support as quickly as possible. Wherever possible, the department will make initial decisions on referrals within five working days.

5.6 The department has increased the number of NRM caseworkers and will further do so going forward. A clear objective of the work in this area is to create a sustainable system which can handle the large increases in referrals seen in recent years.

5.7 While the NRM Transformation Programme will address this work, the department will write to the Committee providing further details of the specific arrangements being put in place to reduce decision-making times in the shorter-term during Autumn 2020.

6: PAC conclusion: ***In the absence of clear care standards and an inspection regime, the Department has no way of knowing that victims are receiving adequate care.***

6: PAC recommendation: ***The Department should, as a matter of urgency, put in place care standards for the current victim care contract. It should also contract for, or put in place itself, an inspection regime to ensure that all care reaches these standards.***

6.1 The government agrees with the Committee's recommendation.

Target implementation date: Winter 2020
Original implementation date: Spring 2019

6.2 The Home Office *wrote to the Committee* with an update in July 2020.

6.3 The department has worked with the Care Quality Commission (CQC) to develop an inspection framework based on CQC's five key lines of enquiry to assess the quality of support provided to victims in England and Wales who are supported through the Victim Care Contract. This framework is based on the Trafficking Survivor Care Standards and developed further with the input of stakeholders and support providers in the current Victim Care Contract and support providers interested in bidding for future contracts. In Autumn 2019, the department and CQC piloted inspections based on this framework within the current VCC. This framework is now complete.

6.4 The department is currently working to embed this regime in the new MSVCC, with the intention to begin inspections as soon as the contract goes live in Winter 2020/21. An inspection regime will enable the department to ensure accommodation provided through the Service, and the related support, is appropriate. The inspection regime will also inspect Outreach Services to ensure quality and consistency of provision.

6.5 The MSVCC has been drafted to ensure that the Supplier must comply with the inspection regime and engage collaboratively with inspectors. The Home Office's inspection regime supplier will provide individual reports for each accommodation and outreach inspection and will publish an independent annual report summarising the overall findings on MSVCC support.

7: PAC conclusion: ***The extreme variation between police forces' referral rates suggests that some forces are not treating modern slavery as seriously as others.***

7: PAC recommendation: ***The Department needs to work with the National Crime Agency, the Crown Prosecution Service, the Independent Anti-Slavery Commissioner, Police and Crime Commissioners, local police forces and local authorities to urgently develop a set of clear, practical steps and good practice guidance to understand why there are regional variations in tackling the issue and how these can be reduced.***

7.1 The government agrees with the Committee's recommendation.

Target implementation date: Winter 2020
Original implementation date: Spring 2019

7.2 The Home Office *wrote to the Committee* with an update in July 2020.

7.3 The department continues to engage regularly with the Independent Anti-Slavery Commissioner and the Anti-Slavery Coordinator for Wales to ensure that government is held to account and delivers a comprehensive, joined up modern slavery response. For example, the department facilitated quarterly meetings with the Devolved Administrations to ensure good practice is shared across the UK.

7.4 The former MSPTU has also supported police forces and Police and Crime Commissioners in sharing good practice. This included utilising Modern Slavery Coordinators based in Regional Organised Crime Units to provide specialist expertise in investigations and prosecutions. The MSPTU also produced and disseminated guidance on effective investigations, including sharing lessons learned to improve the quality of police investigations. In addition, the MSPTU undertook research to look at police force structures to identify gaps in the response and have provided forces with recommendations on where improvements can be made to align the national response and reduce force variations.

7.5 The government will work to finalise the implementation of this recommendation by Winter 2020, at which point the government will also be able to review the progress of the new National Slavery and Trafficking Targeting Centre, which is funded through the National Crime Agency and operates out of the Modern Slavery and Organised Immigration Crime Programme. The Centre was launched in August 2020 and aims to drive the delivery of a more efficient, effective and coordinated operational law enforcement response to Modern Slavery. Its first strand of work will be to develop intelligence on key organised crime groups operating across police force areas, including those involved in sexual exploitation.

Thirty-Eighth Report of Session 2017-19

Department of Health and Social Care / Ministry of Housing, Communities and Local Government

Adult Social Care Workforce in England

Introduction from the Committee

The adult social care workforce in England comprises around 1.5 million workers across more than 20,000 organisations. In 2016–17, local authorities spent around £15 billion commissioning care, mostly from independent providers. Between 2010–11 and 2016–17, spending on care by local authorities reduced by 5.3% in real terms. Turnover and vacancy rates across the care workforce are high. Care providers have difficulty recruiting and retaining workers, particularly to the roles of care worker, registered manager and nurse. In December 2017, the Department of Health and Social Care began consulting on a new strategy for the care and health workforce. Its previous strategy for the care workforce has not been updated since 2009. The Government has promised a Green Paper by July 2018 on the future funding of adult social care for older adults.

Relevant reports

- NAO report: *Adult Social Care Workforce in England* – Session 2017-19 (HC 714)
- PAC report: *Adult Social Care Workforce in England* – Session 2017-19 (HC 690)
- Treasury Minutes: July 2018 (Cm 9667)
- Treasury Minutes Progress Report: March 2019 (CP 70)
- *Treasury Minutes Progress Report*: February 2020 (CP 221)

Update to the Government response to the Committee

There were six recommendations in this report. As of the last Treasury Minute (CP221), two recommendations were implemented and four recommendations remained work in progress, as set out below.

1: PAC conclusion: ***Although the Department of Health and Social Care recognises that the adult social care sector is under financial pressure and has been for some years, it currently has no credible plans for how care could be sustainably funded.***

1: PAC recommendation: ***The forthcoming Green Paper must not be the start of yet another protracted debate about the future funding of care. The Department should establish quickly the funding local authorities need to commission care at fair prices, to support a workforce of the right size and shape to deliver a sustainable care sector in the long-term. It should publish a credible plan, by the end of 2018, and implement it swiftly.***

1.1 The government agrees with the Committee's recommendation.

Target implementation date: Winter 2020
Original implementation date: Autumn 2019

1.2 The government's current priority for adult social care is for everyone who relies on care to get the care they need throughout the COVID-19 pandemic. The government continues to ensure this happens as it cautiously eases lockdown restrictions and are determined to protect all carers and people receiving care.

1.3 The government has now made £3.7 billion available to local authorities so they can address pressures on local services caused by the pandemic, including in adult social care. On 18 September 2020, the department published its Adult Social Care Winter Plan setting out key elements of national support available for the social care sector for winter 2020 to 2021, as well as main actions for local authorities, NHS organisations and providers. This includes supporting the wellbeing of the workforce and working with the care sector to monitor and respond to vacancy and absence levels.

1.4 This does not diminish the need for a long-term plan for social care. Putting social care on a sustainable footing, where everyone is treated with dignity and respect, is one of the biggest challenges that our society faces. There are complex questions to address, which require full considerations in light of the current circumstances

3: PAC conclusion: ***Future immigration policy after leaving the EU will potentially affect the care sector.***

3: PAC recommendation: ***The Department needs to understand fully the impact that the UK's departure from the EU and future immigration policy, could have on the care workforce at both the national and local levels. It should put plans in place to address any shortfalls that might arise, to ensure that there is sustainable workforce to meet the populations' future care needs.***

3.1 The government agrees with the Committee's recommendation.

Target implementation date: January 2021
Original implementation date: December 2019

3.2 The Health and Care Visa forms part of the existing Tier 2 (General) route, the main route for highly skilled workers, and will make it easier, cheaper and quicker for health and social care professionals who meet the criteria to come and work in the UK.

3.4 Social care occupations eligible for the Health and Care Visa include social workers, occupational therapists and nurses. Under the new Points-Based Immigration System, senior care workers will be able to come to the UK under the new Skilled Worker route.

3.5 The department recognises that the future immigration system poses challenges in social care. The Migration Advisory Committee has been clear that migration should not be seen as the solution to the challenges facing the sector. The department is taking action to improve the status of jobs in social care and attract more domestic workers. This includes an ongoing recruitment campaign and a funded training offer for new recruits and volunteers coming into the sector.

3.6 In April, the government announced an unprecedented Action Plan for the adult social care sector, ensuring we have the staff we need, and that those in the sector feel both valued and supported for the crucial role they continue to play in our national effort to respond to COVID-19, as well as caring for the most vulnerable in our society.

4: PAC conclusion: ***Most people working in care are unregulated, which limits the development of a well-trained and professionalised workforce.***

4: PAC recommendation: ***The Department should set out in the forthcoming workforce strategy how it intends to professionalise the care workforce further and consider a mandatory minimum standard for training as part of this.***

4.1 The government agrees with the Committee's recommendation.

Target implementation date: Spring 2021
Original implementation date: Autumn 2018

4.2 The delivery of quality care depends on a growing and valued workforce, equipped with the right knowledge, skills, values and leadership.

4.3 Many social care professionals, including social workers, occupational therapists, and registered nurses, are professionally regulated. While the wider workforce of care workers is not statutorily regulated in England, there are proportionate safeguards for care recipients and staff set out in health and care legislation including a Disclosure and Barring Service (DBS) check as part of employer checks and controls, and a requirement for managerial registration with CQC. All care workers are expected to achieve a Care Certificate, based on a voluntary set of 15 standards, before working without direct supervision. Working with the sector, the government will introduce new specialist Certificate modules, starting in 2020 with dementia, lone working, mental health, and autism.

4.4 The government will continue to work with the sector to support the development of a united health and social care workforce, by improving career pathways and increasing prospects for career progression in and between social care and health; encouraging continuous development and improvement and building a sustainable learning culture. The government will set out its plans to support the social care workforce following the Spending Review.

5: PAC conclusion: ***The low amount of funding given to Skills for Care limits the scope and reach of the workforce development initiatives it runs and the extent of its strategic support to the care sector.***

5: PAC recommendation: ***The Department should establish and secure the funding Skills for Care needs both to support the training and development of the care workforce fully and to implement the forthcoming workforce strategy.***

5.1 The government agrees with the Committee's recommendation.

Target implementation date: April 2021
Original implementation date: April 2019

5.2 The department works alongside partners in the sector to ensure the workforce has enough people to meet increasing demands, with the right skills, knowledge and behaviours to deliver quality, compassionate care.

5.3 The department funds Skills for Care to support recruitment, retention, and workforce development. This includes the £12 million Workforce Development Fund to support development training, supporting employers to access training and qualifications for their people. Skills for Care has delivered activity supporting the COVID-19 response, including rapid induction of new recruits and other COVID-19 related training, support for Registered Managers, and sector intelligence to support planning. The department continues to support apprenticeships in the social care sector as they offer an excellent opportunity for employers to develop existing staff and train new staff as part of high-quality training programmes.

5.4 In the last update, the department signalled that any future strategy around supporting the workforce would be subject to the outcome of the 2020 Spending Review. The department will continue to review the potential impacts of increased funding for training and development for the social care workforce.

5.5 A key part of developing the social care workforce is tackling barriers to closer working with NHS staff and creating pathways that enable care staff to work across both settings. The NHS People Plan 20/21 emphasises the need for closer partnership at every level in order to ensure social care has the support it needs in preparation for winter and future outbreaks. This builds on the collaboration evidenced during the COVID-19 response.

Fortieth Report of Session 2017-19

Department for Business, Energy and Industrial Strategy

Renewable Heat Incentive in Great Britain

Introduction from the Committee

The Department for Business, Energy and Industrial Strategy (BEIS) launched the Non-domestic and Domestic Renewable Heat Incentive (RHI) schemes in Great Britain in 2011 and 2014 respectively. Their objectives are to increase the production of renewable heat and reduce carbon emissions in Great Britain, and to develop domestic supply-chains of renewable and low-carbon heat. These objectives are designed to help the UK meet its ambitious targets for producing renewable energy (sourcing 15% of energy demand from renewables by 2020) and reducing carbon emissions (reduce greenhouse gas emissions by at least 80% by 2050 compared to levels in 1990). The independent Committee on Climate Change advise that meeting long-term carbon targets may be impossible without a near complete elimination of carbon emissions produced by heating homes and businesses, the majority of which currently use fossil fuels.

The Renewable Heat Incentive is designed to encourage households and businesses to switch from fossil fuel heating systems to renewable and low-carbon alternatives. It provides funding to participants to invest in a range of technologies including biomass boilers, heat pumps and anaerobic digestion plants, which produce biomethane injected into the natural gas grid. The costs of the RHI are met by the UK taxpayer from general taxation, unlike most other schemes to support low carbon sources of energy which are funded through people's energy bills.

The RHI is a demand-led scheme which, although it can be accessed by anyone, is targeted at those households and businesses which are not connected to the gas grid. Of the 26 million homes and 5.6 million businesses in Great Britain, the majority are on the gas grid. Around 1.1 million homes and 62,000 business premises are off the gas grid and use oil and liquefied petroleum gas for heating. The RHI is open to new applications until March 2021. Final payments to participants in the current scheme will run to at least 2040–41, by which time the scheme is expected to have cost the taxpayer £23 billion.

Relevant reports

- NAO report: *Low carbon heating of homes and businesses and the Renewable Heat Incentive* - Session 2017-19 (HC 779)
- PAC report: *Renewable Heat Incentive in Great Britain* – Session 2017-19 (HC 696)
- *Treasury Minutes* : July 2018 (Cm 9667)
- *Treasury Minutes Progress Report:* March 2019 (CP 70)
- *Treasury Minutes Progress Report*: February 2020 (CP 221)

Update to the Government response to the Committee

There were ten recommendations in this report. As of the last Treasury Minute update (CP 221), seven recommendations had been implemented with one remaining work in progress. This is now implemented as set out below.

2: PAC conclusion: ***Take-up of the RHI was woefully low in large part because the Department failed to understand what consumers want and the barriers to participation in the scheme.***

2a: PAC recommendation: ***As part of its new framework to support heat policy, the Department should address the issues of affordability for people less able to pay upfront costs, and how best to inform and influence the homeowners being targeted.***

2.1 The government agrees with the Committee's recommendation.

Recommendation Implemented

2.2 The department understands that a barrier to uptake under the Renewable Heat Incentive ('RHI') has, in part, been the high up-front cost of renewable heating technologies, and has carried out qualitative research with consumers to understand barriers to take-up of under the Domestic RHI.

2.3 To address the issue of affordability for people less able to pay, the government introduced the Assignment of Rights policy as part of the Domestic RHI from June 2018. This is designed to overcome the upfront cost barrier by allowing third party investors to fund the purchase and installation of renewable heating systems and receive the rights to RHI payments.

2.4 In Budget 2020, the government announced that a new Clean Heat Grant will be introduced to support heat pumps and biomass boilers following the closure of the Domestic RHI. The scheme will provide targeted support to households and SMEs, where upfront cost is often the key barrier. The consultation on the Clean Heat Grant closed in July 2020 and the department is preparing a government response.

2.5 The Clean Heat Grant will be one of a series of targeted initiatives by government to support low-carbon heat and energy efficiency in domestic and non-domestic buildings. The government has also announced a Green Homes Grant, which will fully-fund home energy efficiency and low carbon heat measures for those on the lowest incomes and part-fund them for other consumers, and intends to publish a Heat and Buildings Strategy later this year, which will set out additional measures

Forty-Second Report of Session 2017-19

Home Office

Modernising the Disclosure Barring Service

Introduction from the Committee

The Home Office helps safeguard children and vulnerable adults by providing employers with a service that lets them see safeguarding information, such as details of criminal records, about people who want to work with children or vulnerable adults. Employers use this service to help them decide who to employ. The safeguarding service is run by the Disclosure and Barring Service (DBS), an arm's length body set up by the Home Office in 2012. When DBS was created, the Home Office wanted to modernise what was previously a paper-based service and launch a new product, the update service, that it assumed people would choose to use in large numbers. Together, these were intended to make DBS cheaper to run for both government and DBS's customers and to provide a better service for employers and the individuals whose records are checked.

Relevant reports

- NAO report: Investigation into the Disclosure and Barring Service - Session 2017-19 (HC 715)
- PAC report: Modernising the Disclosure and Barring Service - Session 2017-19 (HC 695)
- Treasury Minutes: July 2018 (Cm 9667)
- Treasury Minutes Progress Report: March 2019 (CP 70)
- *Treasury Minutes Progress Report* February 2020 (CP 221)

Update to the Government response to the Committee

There were six recommendations in this report. As of the last Treasury Minute (CP 221), the department had disagreed with one recommendation, four were implemented and one remained work in progress. The one remaining recommendation is set out below.

1: PAC conclusion: ***The modernisation of DBS is currently over four years late and £229 million over its original budget, with no agreed date for completion.***

1a: PAC recommendation: ***The Home Office should write to the Committee before Parliament's summer recess, setting out the outcome of the negotiations with TCS, a clear and realistic timetable for when modernisation will be completed, and details of the cost implications for DBS and the Home Office.***

1.1 The government agrees with the Committee's recommendation.

Target implementation date: November 2020
Original implementation date: September 2020

1.2 The Home Office *wrote to the committee* before summer recess 2020.

1.3 Negotiations with TCS remain open. A court date related to the ticket price provision has been delayed due to the impact of COVID-19. DBS will provide an update to the committee when court proceedings recommence.

1.4 DBS transitioned successfully to its new suppliers on 28 March 2020 without disruption to DBS live services.

1.5 DBS's new IT supplier, CGI have provided a technology roadmap, architecture principles and priorities for modernisation and cost implications. DBS updated the Committee on the outline plan on the

28 September. The DBS will now produce a detailed plan, including associated costings, which DBS have committed to sharing with the Committee by the end of November.

1.6 DBS continues to be supported by Home Office, the Government Legal Department and its external legal advisers.

Forty-Fourth Report of Session 2017-19

Department for Health and Social care

Reducing emergency admissions

Introduction from the Committee

NHS England defines an emergency admission to be "*when admission is unpredictable and at short notice because of clinical need*". In 2016–17, there were 5.8 million emergency admissions, up by 2.1% on the previous year. The growth in emergency admissions is mostly made up of older people. NHS England and partners have developed a number of national programmes that aim, among other objectives, to reduce the impact of emergency admissions. These programmes include the urgent and emergency care programme, the new care models, and the Better Care Fund. There has also been an increase in the number of people being readmitted in an emergency shortly after an initial inpatient stay. Readmission rates can indicate the success of the NHS in helping people to recover effectively from illnesses or injuries. One study estimates that emergency readmissions have risen by 22.8% between 2012–13 and 2016–17 but NHS England does not itself record readmission rates.

Relevant reports

- NAO report: *Reducing emergency admissions* - Session 2017-19 (HC 833)
- PAC report: *Reducing emergency admissions* - Session 2017-19 (HC 795)
- Treasury Minutes: October 2018 (Cm 9702)
- Treasury Minutes Progress Report: March 2019 (CP 70)
- *Treasury Minutes Progress Report*: February 2020 (CP 221)

Update to the Government response to the Committee

There were five recommendations in this report. As of the last Treasury Minute (CP 221), three recommendations have been implemented. Two recommendations remained work in progress, one of which has been implemented as set out below.

1: PAC conclusion: *Nearly one and a half million emergency admissions could be avoided with better preventive care outside hospitals.*

1: PAC recommendation: *NHS England should identify gaps in capacity in primary and community health care and set out how it intends to fill those gaps. It should also consider the impact of pressures on social care provision on emergency admissions and use this understanding to inform discussions with the Ministry of Housing, Communities and Local Government and HM Treasury about the Green Paper on future funding of social care.*

1.1 The government agrees with the Committee's recommendation.

Target implementation date: Spring 2021
Original implementation date: Autumn 2020

1.2 The *NHS Long Term Plan* created a new national programme called 'Community Health and Ageing Well'. A key part of the work is to introduce services that deliver an urgent community response within two hours of a referral across England, seven days a week.

1.3 Seven accelerator sites (one for each regional area of the NHS in England) have been testing community urgent care approaches in their local areas since April 2020. This will result in a national model that all other NHS areas will implement from April 2021, in conjunction with the new Long-Term Plan funding for local systems.

1.4 NHS Digital has upgraded the Community Services Data Set to record services delivered to the national standards of urgent care services received within two hours of referral and two days for reablement support. This upgrade went live on 1 July 2020. Over the coming year, all publicly funded community service providers will be submitting greater levels of data to national system, which will allow a fuller understanding of NHS activity throughout England.

5: PAC conclusion: ***Poor data on day case emergency care and readmissions stops NHS England knowing if its efforts to reduce emergency admissions are helping or potentially harming patients.***

5: PAC recommendation: ***NHS England and NHS Improvement should improve data they collect and that hospitals record so that by the end of 2018 care can be tracked and publicly reported, together with a clear statement of what is a harmful level of readmissions for people's care.***

5.1 The government agrees with the Committee's recommendation.

Recommendation implemented

5.2 NHS England and NHS Improvement maintains that it is not possible to come up with a meaningful statistical definition of what constitutes a "harmful" level of readmissions. Factors which may influence readmission include age, complexity of condition, comorbidities etc – meaning that it is difficult to establish what an acceptable level of readmission across all conditions is. Improvements in NHS care means that more people with complex conditions survive to be discharged so a rise in emergency readmissions should not be interpreted as a decline in the quality of care. Furthermore, the rise in same day emergency care has further complicated assessing a meaningful rate of readmission

5.3 For emergency admissions, NHS Digital has reinstated publication of emergency readmissions indicators via the *CCG outcomes indicator set*. Details of methodological changes made in April 2020, based on consultation with the emergency readmissions indicator working group, can be found at the *NHS Digital website*.

5.4 All Type 1 emergency departments are now providing Emergency Care Data Set (ECDS) submissions. *The NHS Operational Planning and Contracting Guidance 2020/21*, which was published in January 2020, required providers to ensure that SDEC activity is recorded on ECDS or Admitted Patient Care (APC) data set and not as outpatients, to allow activity to be fully counted.

Forty-Sixth Report of Session 2017-19

HM Treasury and Infrastructure and Projects Authority

Private Finance Initiatives

Introduction from the Committee

The Government has been using the Private Finance Initiative (PFI) for over 25 years to build public infrastructure assets (particularly schools, hospitals and roads) and deliver services linked to the asset. In PFI deals the public sector enters into a contract with a private company specifically created to deliver the asset. The private company raises the finance needed to fund the asset from debt and equity investors. Once the asset is constructed and available for use, the taxpayer makes annual payments to the private company over the length of the contract, typically 25 to 30 years. These annual payments cover debt and interest repayments, shareholder dividends, asset maintenance, and in some cases other services like cleaning.

There are currently over 700 PFI and PF2 contracts in operation, with around £60 billion of assets built using them. Public bodies paid £10.3 billion to private companies under these contracts in 2016–17. Even if the Government does not enter into any new PFI-type deals it will pay private companies a further £199 billion between April 2017 until the 2040s for existing deals, in addition to some £110 billion already paid. In 2012, the Treasury replaced the PFI model with PF2 to address some of the previous Committee's criticisms of PFI, including inflexibility and lack of transparency. So far only six PF2 projects have been commissioned, with another two projects in the pipeline

Relevant reports

- NAO report: *PFI and PF2* - Session 2017-19 (HC 718)
- PAC report: *Private Finance Initiatives* – Session 2017-19 (HC 894)
- Treasury Minutes: October 2018 (Cm 9702)
- Treasury Minutes Progress Report March 2019 (CP 70)
- *Treasury Minutes Progress Report* February 2020 (CP 221)

Update to the Government response to the Committee

There were six recommendations in this report. As of the last Treasury Minute (CP 221), two recommendations have been implemented and the department disagreed with three recommendations. One recommendation remains work in progress, as set out below.

1: PAC conclusion: ***It is unacceptable that after more than 25 years the Treasury still has no data on benefits to show whether the PFI model provides value for money.***

1a: PAC recommendation: ***The Treasury and IPA should, by April 2019, publish the results of their work in collecting data on the benefits of PFI, and set out what they will do to evaluate the value for money of PFI projects currently in operation in the absence of benefits data.***

1.1 The government agrees with the Committee's recommendation.

Target implementation date: Autumn 2020
Original implementation date: Summer 2019

1.2 The government agrees that value for money is of primary importance and applies a strict scrutiny process to projects. It also recognises the Committee's concerns about the absence of data on the performance of PFI or PF2. In response to the Committee's recommendation, the IPA has collated data provided by the Department for Education and the Department of Health and Social Care covering a very large number of assets. This has been a complex and cross-cutting process, involving both government departments and different data sets.

1.3 The report is currently undergoing clearance but has been delayed by concerns over the quality of some of the data and therefore the ability to draw robust conclusions. The government intends to publish the results of this exercise by the end of 2020, alongside the annual data release on Public Private Partnerships.

Forty-Seventh Report of Session 2017-19

Department for Education

Delivering STEM skills for the economy

Introduction from the Committee

STEM stands for science, technology, engineering and mathematics. In education, it means the study of these subjects, either exclusively or in combination. In employment, it refers to work that involves the application of STEM knowledge and skills, an appropriate qualification in a STEM subject, or a particular industry or sector, such as pharmaceuticals, construction or aerospace. Since the early 2000s, there have been growing concerns about the supply of STEM skills in the workforce, focusing on achieving increased productivity and economic growth in an era of rapid technological change. Exit from the European Union could also affect the availability in the workforce of people with the requisite STEM skills.

Responsibility in Government is spread across a number of Departments. The Department for Education (DFE) is responsible for the main learning routes - schools, colleges, apprenticeships and higher education institutions - and is also responsible for generating research on skills needs. The Department for Business, Energy and Industrial Strategy (BEIS) develops insights into key business sectors, and leads a STEM inspiration programme, encouraging young people to consider STEM careers. Other Departments also play an important role. Between them, Government Departments spent almost £1 billion between 2007 and 2017 on initiatives to encourage more take-up of STEM subjects.

Relevant reports

- NAO report: *Delivering STEM (science, technology, engineering and mathematics) skills for the economy* – Session 2017-19 (HC 716)
- PAC report: *Delivering STEM skills for the economy*– Session 2017-19 (HC 691)
- Treasury Minutes: October 2018 (Cm 9702)
- Treasury Minutes Progress Report: March 2019 (CP 70)
- *Treasury Minutes Progress Review*: February 2020 (CP 221)

Update to the Government response to the Committee

There were eight recommendations in this report. As of the last Treasury Minute (CP 221), five recommendations have been implemented and the department disagreed with one recommendation. Two recommendations remained work in progress. Both are now implemented as set out below.

1: PAC conclusion: *BEIS and DFE do not currently have sufficient understanding of what specific skills businesses really need or how Brexit will affect the already difficult task of ensuring the supply of STEM skills in the workforce.*

1: PAC recommendation: *Following publication of the Migration Advisory Committee report in September 2018, BEIS and DFE should, within six months, set out the further steps they will take to ensure that STEM skills shortages are addressed.*

1.1 The government agrees with the Committee's recommendation.

Recommendation implemented

1.2 The government remains committed to supporting STEM sectors and tackling particular shortages of STEM skills as set out in the Industrial Strategy.

1.3 In January 2019, the government provided evidence to the independent Migration Advisory Committee's (MAC) review of the Shortage Occupation List (SOL), resulting in key STEM technical

1.4 occupations being added to the SOL in spring 2019. These were implemented through amendments to the Immigration Rules on 6 October 2019.

1.5 In March 2020, the Home Secretary asked the MAC to review the SOL and in June 2020 the department provided evidence to support this process. The MAC published their report on 29 September 2020, with recommendations that include the addition of laboratory technicians, veterinary nurses and pharmacists to the key STEM occupations that are already included on the SOL.

1.6 Further information on the government's approach to addressing the requirements of the Research and Development workforce is set out in the *UK Research and Development Roadmap*, published by BEIS on 1 July 2020. This includes the attraction, retention and development of a diverse pool of talent, nationally and internationally at all levels.

6: PAC conclusion: ***The Committee is concerned about the quality of careers advice in schools and colleges.***

6: PAC recommendation: ***DFE should make better use of data on career destinations and salaries to incentivise young people to work towards careers in particular STEM sectors where there is higher need. As part of its plans to improve the quality of careers advice, DFE should work with Ofsted to consider rating the quality of advice provided in schools.***

6.1 The government agrees with the Committee's recommendation.

Recommendation implemented

6.2 Good careers education and guidance is vital to supporting young people to make decisions about their future.

6.3 Gatsby Benchmark 4 states that all teachers should link curriculum learning with careers. STEM subject teachers should highlight the importance of STEM subjects for a wide range of future career paths.

6.4 Through the Careers & Enterprise Company (CEC), we are working to disseminate localised Labour Market Information (LMI) to schools and colleges. In July 2020, CEC launched a STEM toolkit for Careers Leaders which contains STEM and LMI specific resources that can be used to highlight the relevance of STEM subjects to pupils.

6.5 Delivering his Summer Economic Update the Chancellor announced a plan to support jobs focussing on skills and young people. This included £32m to help more people receive advice from the National Careers Service.

6.6 The Office for Students website *Discover Uni and Discover Unistats* was launched on 12 September 2019. It contains information to support prospective students in deciding whether, where and what to study, as well as information on the employment outcomes and earning from the Destinations of Leavers from Higher Education (DLHE) survey and the Longitudinal Education Outcomes (LEO) dataset.

6.7 From September 2019, Ofsted introduced new arrangements for school inspections. Inspections make four graded judgements including personal development, which includes career guidance. This includes an expectation that schools will use the Gatsby Benchmarks to develop and improve their provision and ensure all pupils receive unbiased careers information.

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Forty-Eighth Report of Session 2017-19

HM Treasury

Exiting the EU: the financial settlement

Introduction from the Committee

The Government is negotiating the terms of the UK's withdrawal with the European Union (EU). As part of this, the Government intends to agree what the UK will pay towards the financial commitments and liabilities the EU entered into when the UK was a member state, known as the financial settlement. This will be part of the withdrawal agreement, alongside citizens' rights and the impact on the Northern Ireland border. The government has stated that it aims for the settlement to be fair and in accordance with the law and spirit of a continuing partnership with the EU.

HM Treasury, on behalf of the UK Government, has been leading negotiations with the European Commission (the Commission) on the financial settlement. In December 2017, the government and the Commission published a joint report on the progress of negotiations on the UK's withdrawal. This set out the principles they had agreed would underpin the financial settlement. In January 2018, the Treasury estimated that the value of the financial settlement would be between £35 billion and £39 billion. In March 2018, the Government and the Commission set out further details on how the settlement will be calculated and paid, in a draft of the withdrawal agreement. Parliament will vote on the finalised withdrawal agreement, including the terms of the financial settlement, and a framework for the UK's future relationship with the EU, in late 2018. The UK will then leave the EU on 29 March 2019. This is the Committee's first examination of the financial settlement, which we will continue to watch closely.

Relevant reports

- NAO report: *Exiting the EU: The financial settlement* Session 2017-19 (HC 946)
- PAC report: *Exiting the EU; the financial settlement* Session 2017-19 (HC 973)
- *Treasury Minutes* : October 2018 (Cm 9702)
- *Treasury Minutes Progress Report*: March 2019 (CP70)
- *Treasury Minutes Progress Report*: February 2020 (CP221)

Update to the Government response to the Committee

There were 6 recommendations in this report. As of the last Treasury Minute (CP221), five had been implemented, and one remained work in progress, which has now implemented as set out below.

5: PAC conclusion: ***The Committee is concerned that the Treasury has not set out how it will assure Parliament and the taxpayer that future settlement payments will be made accurately.***

5: PAC recommendation: ***The Treasury should, within four months of our report, set out the assurance arrangements that it has put in place to ensure that the UK does not pay more than it owes, including how and when it will appoint its auditors. The Treasury should ensure that the UK continues to have sufficient input into the key EU institutions responsible for ensuring the accuracy of the EU's financial information, particularly the European Court of Auditors, until the transition period finishes.***

5.1 The government agrees with the Committee's recommendation.

Recommendation implemented

5.2 The EU Withdrawal Agreement, signed on 24 January 2020, gives the UK audit rights with respect to the implementation of the financial provisions of the withdrawal agreement. The application of these rights will be a significant source of assurance for Parliament in respect of payments under the financial settlement. The government has developed detailed proposals to give effect to these rights in the implementation period, and these will be finalised with the EU once Parliament has approved the withdrawal agreement. The Treasury will provide details of the finalised arrangements to Parliament in the course of reporting on the settlement.

5.3 In its March 2019 update (CP70), the government reported that discussions with the EU would be concluded once Parliament had approved the Withdrawal Agreement. As the Article 50 period was extended to 31 January 2020, the target implementation date was therefore updated.

5.4 On 14 July 2020, the government published the *European Finances Statement for 2019*, which describes the EU Budget for 2019. In Annex E, the Statement sets out assurance arrangements that HM Treasury has put in place to ensure that the UK does not pay more than it owes.

Fiftieth Report of Session 2017-19

Ministry of Housing, Communities and Local Government

Financial Sustainability of Local Authorities

Introduction from the Committee

Since 2010–11 successive governments have reduced funding to English local authorities as part of their efforts to reduce the fiscal deficit. By 2017–18 government funding to authorities had fallen by 49.1% in real terms. Over the same period, local authorities have faced growing demand for key services such as adult and children's social care, and housing services, alongside new cost pressures such as the National Living Wage. While local authorities have coped well in absorbing these costs, there is now growing evidence of pressure in the system. Local authorities are increasingly reliant on unsustainable measures such as reducing debt costs or drawing down their reserves. Local authorities with social care responsibilities overspent their service budgets by over £1 billion in 2016–17, and there is evidence of service reductions across a number of areas such as waste collection, libraries and bus services.

The department is responsible for the financial framework for local government which covers the distribution of government funding alongside other factors such as arrangements for business rates retention, council tax, and commercial investment. The Department also takes the lead on assessing the funding requirements of local authorities as part of Spending Reviews and supporting the financial sustainability of the sector by changing the overall financial framework if required. A number of other government departments are responsible for policies and services that are delivered by local authorities. For instance, the Department for Education has policy responsibility for children's social care services delivered by local authorities.

Relevant reports

- NAO report: *Financial sustainability of local authorities* - Session 2017-19 (HC 834)
- PAC report: *Financial sustainability of local authorities* - Session 2017-19 (HC 970)
- *Treasury Minutes: October 2018* (Cm 9702)
- *Treasury Minute Progress Report* – March 2019 (CP70)
- *Treasury Minute Progress Report* – February 2020 (CP 221)

Update to the Government response to the Committee

There were eleven recommendations in this report. As of the last Treasury Minute (CP 221), the government disagreed with three recommendations, seven were implemented, and one remained work in progress and is now implemented as set out below.

3: PAC conclusion: ***The Department does not have a consistent and transparent method to assess financial risk in local authorities.***

3b: PAC recommendation: ***The Department should take a more transparent approach to the next spending review and publish its projections for demand and spending by service area once the spending review has concluded, together with its monitoring of outcomes against these projections.***

3.1 The government agrees with the Committee's recommendation.

Recommendation Implemented

3.2 In the government's response to the Committee, the department agreed to publish data in relation to projections for demand and spending following the 2019 Spending Review. In a *letter to the Committee* dated 4 May 2020, the Permanent Secretary annexed a note publishing details of the methodology used to project demand and spend for the 2019 Spending Round, along with the volume and unit cost drivers used for each service area and the proportion of growth in expenditure accounted for by the volume and cost drivers.

3.3 The published data represent projections for 2020-21 conducted in summer 2019 for the 2019 Spending Review, and do not reflect additional COVID-19 pressures. These will be accounted for, where relevant, in projections for the 2020 Spending Review.

Fifty-Third Report of Session 2017-19

Ministry of Defence

Ministry of Defence’s contract with Annington Property Limited

Introduction from the Committee

The Ministry of Defence offers subsidised housing for its service personnel and their families as part of the overall remuneration package. In 1996, the Ministry of Defence sold 999-year head leases on 55,000 houses to Annington Property Limited (Annington) and then rented them back on 200-year underleases. The main purpose of the deal was to transfer ownership of the bulk of the married quarters estate to the private sector; secure funds for upgrading work and improve the management of the estate. Initially, the Department has received a 58% adjustment to open market rents for the first 25 years of the contract, which reflected among other things that it continued to have responsibility for maintaining the properties. However, the Department is between £2.2 billion and £4.2 billion worse off over the first 21 years of the contract than if it had retained ownership. This is largely because it has missed out on house price rises, which have been substantially higher than it predicted.

Relevant reports

- NAO report: *Ministry of Defence's arrangement with Annington Property Limited* Session 2017-19 (HC 762)
- PAC report: *Ministry of Defence’s contract with Annington Property Limited* Session 2017-19 (HC 974)
- *Treasury Minutes* October 2018 (Cm 9702)
- *Treasury Minutes Progress Report* March 2019 (CP 70)
- *Treasury Minutes Progress Report* February 2020 (CP 221)

Update to the Government response to the Committee

There were six recommendations in this report. As of the last Treasury Minute (CP 221), four recommendations had been implemented and two recommendations remained work in progress, as set out below:

1: PAC conclusion: ***The Department’s 1996 deal with Annington Property Limited provided little protection for taxpayers, who have lost billions of pounds, while enabling Annington to make excessive returns.***

1: PAC recommendation: ***In its response to this report, the Government should confirm that all its future deals will contain effective protections for the taxpayer that were noticeably absent in this sale. In respect of the Annington deal, the Department must make the most of a bad situation. As well as securing the best possible outcome from the rent negotiations, it should work with Annington to extract the maximum value from the estate, including via estate development opportunities, options to release sites, and agreements around the use of utilities.***

1.1 The government agrees with the Committee’s recommendation.

Target implementation date: Spring 2021
Original implementation date: November 2018

1.2 The department provided a written response to the Committee on 30 November 2018 outlining plans to improve commercial capacity and relations with Annington.

1.3 Following the completion of the on-site inspection of properties across the 27 Defence sites, the department and Annington were unable to agree a number of elements of the valuation and proceeded to a process of binding arbitration for four of the twenty-seven representative sites. The hearing concluded on

14 July 2020 with the award expected in late September. The hearing covered a complicated range of issues. A further hearing for a second batch of eight sites is scheduled for February 2021.

5: PAC conclusion*: It is scandalous that the Department still holds so many empty properties at a time of a national housing shortage and has made almost no progress in 20 years in reducing the number.*

5: PAC recommendation: ***The Department should develop a plan and timetable for reducing the number of empty properties to a more acceptable level, with a target of getting down to, at most, 10% voids in three years' time. It should write to the Committee with details of its plan by 30 November 2018.***

5.1 The government agrees with the Committee's recommendation.

Target implementation date: March 2022

5.2 The department has continued to reduce the number of vacant properties across the UK Defence Estate from 11,500 to 10,431 at March 2020. Two main factors have caused the shortfall against forecast of 9,200:

- Continued decline in take-up of Service Family Accommodation (SFA), driven partly by the success of the Forces Help to Buy Scheme, enabling over 20,000 Service Personnel to purchase their own homes,

- The freeze on Service Personnel assignments as a result of COVID-19, affecting the disposal of properties in the first quarter of this year.

5.3 The implementation of a Void Reduction Plan, reviewed quarterly by the Chief of Defence People, is enabling the reduction of vacant properties. Its aim is to dispose of properties by increasing the number of hand-backs to Annington, whilst meeting an increased demand from eligible Service Personnel, and a short-term sub-let programme which helps alleviate the UK's housing shortage and provide reinvestment funding.

5.4 In certain locations the disposal of SFA is dependent on wider MOD estate rationalisation; any delays to departmental plans may impact adversely on planned disposal dates. COVID-19 has also restricted the department's ability to hand back properties to Annington. In contrast, the recently announced Fiscal Stimulus funding will allow the department to upgrade c900 SFA in areas of high demand, enabling these properties to be allocated to Service families, reducing the department's reliance on privately rented properties.

5.5 The target is to reduce the number of voids to 12.15% by 31 March 2021 and to 10% by Autumn 2021.

Fifty-Fifth Report of Session 2017-19

Department for Work and Pensions

Employment and Support Allowance

Introduction from the Committee

Employment and Support Allowance (ESA) is a benefit that the Department for Work and Pensions (the Department) pays to people who have limited capability to work owing to disability or illness. In 2016–17, the Department paid out around £15 billion in ESA to approximately 2.4 million people. In 2011, the Department began reassessing people who were claiming older-style benefits such as Incapacity Benefit and transferring those eligible to ESA. In November 2017, the media reported that around 70,000 people who had been transferred to ESA had been underpaid because they had been awarded ESA based on their National Insurance contributions only, when they might also have been entitled to ESA on income grounds and extra premium payments. The Department announced on 14 December 2017 that it had established a special team to contact the people affected and pay back the money they are owed. It expects to pay around £340 million in arrears by April 2019.

Relevant reports

- NAO report: *Errors in Employment and Support Allowance* Session 2016-17 (HC 837)
- PAC report: *Employment and Support Allowance* – Session 2017-19 (HC 975)
- Treasury Minutes: October 2018 – Session 2017-2019 (Cm9702*)*
- Treasury Minutes Progress Report: March 2019 (Cm 9700)
- *Treasury Minutes Progress Report*: February 2020 (CP 211)

There were eight recommendations in this report. As of the last Treasury Minute (CP 211), five recommendations had been implemented, the department disagreed with two recommendations and one recommendation remained work in progress which has now been implemented as set out below.

6: PAC conclusion: *The Committee is still not convinced that the Department is serious about reducing the £1.7 billion underpayments claimants miss out on each year.*

6a: PAC recommendation: *The Department should, by the end of November 2018 publish statistics on how many claimants are affected by over and under payments.*

6.1 The government agrees with the Committee’s recommendation

Recommendation implemented

6.2 The department publishes statistics on the levels of fraud and error in the benefit system each year. The data includes estimates of the proportion of claims with overpayments and underpayments. In the most recent publication (2019-2020) these figures were referenced in the main publication document, where there had been significant changes from the year before.

6.3 Having accepted the recommendation, the department undertook a feasibility study to see if this could be delivered. The outcome of that feasibility study indicated that at this time we are unable to do so, as it would be too complex to compile and publish robust claimant figures. This is due to people being able to claim more than one benefit at a time, caseload changes throughout the year and the way in which benefits are measured. Once Universal Credit is fully implemented, resulting in fewer people claiming multiple benefits, the department may be in a better position to look at this again.

Fifty-Eighth Report of Session 2017-19

Cabinet Office

Strategic Suppliers

Introduction from the Committee

Carillion, a major supplier to the public sector, collapsed on 15 January 2018. Nine days later, the House of Commons debated and agreed a Resolution that required the Government to release confidential risk assessments of its main suppliers to this Committee. The risk assessments relate to companies with contracts across several Government Departments worth more than £100 million per year or deemed significant to a sector - designated as Strategic Suppliers by Government. There are currently 27 Strategic Suppliers providing services across the public sector. The risk assessments, compiled every six weeks by Crown Representatives in the Cabinet Office, highlight significant concerns about performance against contracts; summarise financial and market information; and assign a Red-Amber-Green (RAG) risk rating.

The risk assessments provided to this Committee offer an assessment of each company's financial status and performance against contracts, which are encapsulated in a Red-Amber-Green (RAG) rating, augmented by a Black 'High Risk' or exemplary Platinum rating. The documents are compiled by each company's Crown Representative. The Cabinet Office considers publication of the documents could affect market confidence and harm companies. The Committee published a report on the Government risk assessments relating to Carillion on 23 May 2018.

Relevant reports

- PAC report: *Government risk assessments relating to Carillion* – Session 2017-19 (HC 1045)
- PAC report: *Strategic Suppliers* – Session 2017-19 (HC 1031)
- Treasury Minutes: October 2018 (CM 9702)
- *Treasury Minutes Progress Report*: March 2019 (CP 70)
- *Treasury Minutes Progress Report*: February 2020 (CP 221)

Update to the Government response to the Committee

There were eighteen recommendations in this report. As of the last Treasury Minute (CP 221), fifteen recommendations have been implemented and the department disagreed with one recommendation. Two recommendations remained work in progress, one of which is now implemented as set out below.

Competition in the market / Encouraging and managing competition

Outsourcing / Improving contracts

8: PAC conclusion: ***The introduction of a standard contract is welcome and appropriate for the majority of typical procurements. When the Government procurements are more complex, a more flexible and intelligent approach to contracting is required.***

8c: PAC recommendation: ***Government should look at the lifetime cost and value of a contract, not just the bottom line at the point the contract is commissioned. Government needs to get better at managing contracts through their life. To do this it needs to facilitate significant uplift in skills.***

8.1 The government agrees with the Committee's recommendation.

Target implementation date: March 2023
Original implementation date: December 2019 (for gold contracts) and March 2022 overall

8.2 Good progress has been made in upskilling staff who manage contracts. As of August 2020, just over 10,000 people have registered for training with just over a 7,000 having achieved accreditation at various levels. For all gold and silver contracts (those deemed most significant and critical) 2,200 people have been identified in departments and 400 have commenced their journey. Face to face training has paused due to COVID-19 and the programme is developing virtual versions of the training to be able to restart in November 2020. Due to the COVID-19 delay, the programme deadlines are being reviewed with a possible 12-month extension to March 2023. Any changes will be shared with the Committee when agreed with the Civil Service Board.

Price, quality and value

10: PAC conclusion: ***The current procurement environment encourages Government and suppliers to place too much emphasis on price at the expense of quality. Tendering exercises must have an appropriate quality threshold and contracting bodies need to have sufficient understanding of the market to identify bids that are too low to enable the supplier to sustainably deliver to the required standard.***

The Committee's evidence suggests that some companies have bid at a price that provides little or no margin with the expectation that subsequent variations will enable them to make a reasonable return.

The Committee has real concerns about a race to the bottom in pricing. A number of suppliers are now going through corporate cleansing and refusing to bid for contracts where the profit margins are low. Such cleansing has not stopped them doing this in the past. Too often suppliers will also pass cost-cutting down the supplier chain without due regard for long-term implications. Government has to be an intelligent customer and be clearer about the impact of pricing models on the long-term delivery of a project. A saving today can simply shunt costs into the future.

Social Value Act

11: PAC conclusion: ***Cabinet Office is obliged to consider wider social benefits of procurements under Section 3 of the Public Services (Social Value) Act. The underuse of the Act could be taken as further evidence that cost overrides any other consideration Government makes in awarding contracts. The enthusiasm of suppliers to see the Act better used gives Government an open goal to achieve more social value.***

10-11: PAC recommendation: ***The Committee recommends that there be an expectation of including a social value evaluation in Government procurements and that contracting bodies provide the Cabinet Office with an explanation if they wish to remove the provisions. Government should, as part of every procurement tender, require plans to add social value and ensure social value is a weighted criterion for contract awards. Government should enshrine winning bidders' social value commitments into contracts and agree appropriate KPIs for monitoring delivery. The Committee recommends the Government include terms in their standard contracts that provide assurance that the company has appropriate corporate governance and corporate social responsibility policies in place.***

10.1 The government agrees with the Committee's recommendation.

Recommendation implemented

10.2 The Cabinet Office launched the Social Value model, for taking account of social value in the awarding of central government contracts, in September 2020.

Fifty-Ninth Report of Session 2017-19

Ministry of Defence

Skills shortages in the Armed Forces

Introduction from the Committee

The Armed Forces need sufficient skilled personnel to meet the Government's defence objectives and respond to the rapidly changing threats to the UK. The Ministry of Defence (the Department) is considering the capabilities and skills needed within the Armed Forces to meet these threats. However, in January 2018 it had 137,300 trained regulars, 8,200 (or 5.7%) fewer than it needed, and it will increasingly need more regulars with technical and digital skills. It faces external competition to recruit and retain the specialist skills that it needs at a time when it is already managing significant financial pressures. In 2016–17, the Department spent £9.6 billion on military personnel, which is 27% of the overall defence budget. Economic, social, cultural and demographic changes within the United Kingdom also mean that the Department must think differently about how it recruits and retains personnel. It therefore faces significant challenges in developing the skilled personnel it needs to meet the future ambitions for the Armed Forces and exploit its investment in new equipment.

Relevant reports

- NAO report*: Ensuring sufficient skilled military personnel* - Session 2017-19 (HC 947)
- PAC report: *Skills shortages in the Armed Forces* – Session 2017-19 (HC 1027)
- *Treasury Minutes* December 2018 (CM 9740)
- *Treasury Minutes Progress Report* February 2020 (CP 221)

Update to the Government response to the Committee

There were eight recommendations in this report. As of the last Treasury Minute (CP 221), one recommendation was disagreed, six recommendations were implemented, and one recommendation remained work in progress which is now implemented as set out below.

1: PAC conclusion: The Department does not have a clear view on how it will secure and retain the skills it needs in the future.

1: PAC recommendation: *Following publication of the Modernising Defence Programme in Summer 2018, the Department should develop and implement a workforce strategy to close existing skill gaps and secure the new skills that it needs. This should include an assessment of its ability to compete in recruitment markets for more specialist skills, particularly in the light of the UK's exit from the European Union.*

1.1 The government agrees with the Committee's recommendation.

Recommendation implemented

1.2 The Defence People Strategy released in March 2020 outlines 4 strategic objectives: an adaptable and sustainable workforce; maximise the use of talent across the workforce; provide attractive offers that access and retain the right talent; and, a stronger, more effective and collaborative People Function. The department has created a People Portfolio to understand and bring together activity, and strategic People issues are now considered in future capability decisions.

1.3 To accelerate the rate of recovery of skills shortages and explore new ways of attracting, retaining and managing talent the department has established Securing Skills in Defence (SSiD) with the following aims:

- Development and delivery of a pan-Defence skills framework that will ultimately operate across the Whole Force. A common architecture has been designed to meet the people capabilities required for the future, specifically enabling Defence to pro-actively identify and respond to skills gaps quicker and more effectively;

- The Enterprise Approach tests how Defence can work with industry partners to co-create and co-own solutions to shared skills problems.

- Widening the talent pool through alternative routes to entry. This programme of work aims to strengthen existing policies, as well as create new policy, to enable the Armed Forces to recruit people into roles other than at base rank.

1.4 The ability of Defence to compete in markets for key skills remains continually under review as part of the overall workforce strategy. It will be informed by the outcome of the Integrated Review, post COVID-19 labour market and the future relationship with the EU.

Sixtieth Report of Session 2017-19

Department for Education / Ofsted

Ofsted's inspection of schools

Introduction from the Committee

The Office for Standards in Education, Children's Services and Skills (Ofsted) plays a vital role in making sure that children in schools across England receive the quality of education that they deserve. We recognise that Ofsted's budget has been cut significantly in recent years, and the amount it spent on inspecting the schools sector fell by 52% in real terms between 1999–2000 and 2017–18. However, this has led Ofsted and the Department for Education to focus narrowly on the cost of inspection, rather the value of getting independent assurance about schools' effectiveness. There have been clear shortcomings in Ofsted's performance—it has completed fewer inspections than planned, it has failed to meet its targets for how often schools should be inspected, and schools are being left for longer between inspections. Ofsted now inspects good schools through just a short one-day inspection, and, under legislation, outstanding schools are exempt from routine re-inspection altogether. Ofsted is therefore not providing the level of independent assurance about the quality of education that schools and parents need.

As well as reporting on individual schools, HM Chief Inspector's role includes advising ministers about the quality of schools. Championing standards is an important part of any independent inspector's remit, and we were disappointed that HM Chief Inspector seemed reluctant to offer her views about wider issues affecting the school system. For its part, the Department needs to be clearer about what the purpose of inspection is and where responsibility for improving underperforming schools lies.

Relevant reports

- NAO report: *Ofsted's inspection of schools* – Session 2017-19 (HC 1004)
- PAC report: *Ofsted's inspection of schools* – Session 2017-19 (HC 1029)
- Treasury Minutes: December 2018 (Cm 9740)
- *Treasury Minutes Progress Report*: February 2020 (CP 221)

Update to the Government response to the Committee

There were eight recommendations in this report. As of the last Treasury Minute (CP 221), six recommendations were implemented, and two recommendations remain work in progress. as set out below.

2: PAC conclusion: ***It is unacceptable that so many schools are exempt from re-inspection and so have not been inspected for six or more years.***

2: PAC recommendation: ***The Department should re-examine the rationale for exempting schools graded outstanding from routine re-inspection, and report back to us on its assessment in December 2018.***

2.1 The government agrees with the Committee's recommendation.

Target implementation date: January 2021
Original implementation date: December 2018

2.2 The department has re-examined the rationale for exempting schools graded outstanding from routine re-inspection. On 1 September 2019, the government announced its intention to remove the exemption from routine inspection that applies to schools judged 'outstanding' by Ofsted. A consultation on this matter was published on 10 January 2020 and closed on 24 February 2020. The government response to the consultation was delayed because of the COVID-19 pandemic and was published on 1 October. The draft regulations have been laid and will be subject to parliamentary approval. It is intended that Ofsted's routine inspections will restart in January 2021, with that date being kept under review and to begin inspections of outstanding schools and colleges alongside this.

7: PAC conclusion: ***The system for school accountability and improvement is muddled, leading to confusion for schools and parents, and inefficiency where roles overlap.***

7: PAC recommendation: ***As part of its review of accountability, the Department should make clear where responsibility for school improvement lies. The Department, working with Ofsted, should also assess whether the balance of spending is right between different parts of the system for school accountability and improvement, including between Ofsted and the regional schools' commissioners.***

7.1 The government agrees with the Committee's recommendation.

Target implementation date: December 2020
Original implementation date: September 2019

7.2 On 3 May 2019, the then Secretary of State announced the outcome of the consultation on identifying schools for support. Since September 2019, the department has no longer published or used the floor or coasting standards, and instead has used a new single, transparent method for identifying schools eligible for improvement support – an Ofsted grade of 'Requires Improvement'. This is an important step in creating a clearer, simpler accountability system to help reduce undue pressure on school leaders, which can lead to excessive workload that distracts teachers from teaching.

7.3 The department is continuing to review spending for school accountability and improvement through the 2020 Spending Review process which is expected to conclude by December 2020. As part of this process, the department is working with Ofsted to ensure alignment of their respective proposals for expenditure over the next spending review period.

Sixty-Third Report of Session 2017-19

Department of Health and Social Care / Ministry of Housing, Communities and Local Government

Interface between health and adult social care

Introduction from the Committee

People with social care needs also have healthcare needs; good social care can prevent ill health and speed up hospital discharge. The health and social care sectors need to work closely to provide people with joined up, efficient care. However, the sectors differ markedly in their structure, funding and culture. The NHS commissions and provides healthcare services that are largely free at the point of use. Local authorities commission social care from a range of mainly private providers. Social care services are means-tested, with many people funding some or all their care. The NHS and social care operate under different legislation, and therefore different financial decision-making and accountability regimes. The Department of Health and Social Care (the Department) is responsible for policy relating to health and adult social care in England, while the Ministry of Housing, Communities and Local Government (Ministry) is responsible for the local government finance and accountability systems. The accountability for the NHS at a national level lies with NHS England and the Department.

Relevant reports

- NAO report: *The Health and Social Care Interface* – Session 2017-19 (HC 950)
- NAO report: *Developing New Care Models Through NHS Vanguards* – Session 2017-19 (HC 1129)
- PAC report: *Interface Between Health and Adult Social Care* – Session 2017-19 (HC 1376)
- *Treasury Minutes Progress Report*: February 2020 (CP 221)

Update to the Government response to the Committee

There were six recommendations in this report. As of the last Treasury Minute Update (CP 221), one recommendation was disagreed, three were implemented and two recommendations remained work in progress, as set out below.

2: PAC conclusion: ***The current legislative framework makes it unnecessarily difficult for local areas to pool funds and work together, causing additional cost and wasted resources.***

2: PAC recommendation: ***The Department of Health and Social Care and the Ministry of Housing, Communities and Local Government should ensure that their 10-year plans and the social care green paper address the challenges to integration presented by fragmented funding and separate means testing affecting people who receive adult social care, including consideration of any legislative change needed.***

2.1 The government agrees with the Committee's recommendation

Target implementation date: November 2020
Original implementation dates: December 2018

2.2 Integration is at the heart of the NHS Long Term Plan and the government has been clear that Adult Social Care is one of its top priorities and that it will set out its plans to fix the crisis in social care once and for all. The government's current priority for adult social care is for everyone who relies on care to get the care they need throughout the COVID-19 pandemic. Putting social care on a sustainable footing, where everyone is treated with dignity and respect, is one of the biggest challenges that our society faces. There are complex questions to address, to which full consideration will be given in the light of the current pandemic circumstances.

2.3 The government established the [Better Care Fund] (BCF) to enable the pooling of budgets across health and social care, which encourages joint working and drives integrated care.

2.4 To provide certainty for local areas so that they can plan ahead, the government confirmed in the 2019 spending round that the BCF and the improved Better Care Fund are continuing in 2020-21 and has confirmed local funding allocations.

2.5 The government's response to COVID-19 has meant that publishing the Better Care Fund Policy Framework and Planning Requirements for 2020-21 has been delayed but we continue to review how the BCF can best support the closer integration of health and care. As part of the ongoing COVID-19 response, local areas have been encouraged to pool additional funding for enhanced discharge between the NHS and the Adult Social Care Sector.

2.6 NHS England and NHS Improvement considered the legislative barriers to integrated care in their recommendations to government and Parliament on NHS primary legislation, published in September 2019. The government's immediate focus is on delivering the ongoing response to COVID-19. The government is continuing to develop legislation to help the NHS implement its Long-Term Plan and respond to future challenges. It will want to work with the system on any proposals for legislative change.

6: PAC conclusion: ***There is a wide gap in pay and career structure between people who work in the NHS compared with social care.***

6: PAC recommendation: ***The Department should ensure its workforce plan addresses the previous criticisms made by the Committee and make sure it tackles the longstanding barriers between health and social care, particularly disparity in pay and conditions and the transfer of pension arrangements.***

6.1 The government agrees with the Committee's recommendation

Target implementation date: March 2021
Original implementation date: December 2018

6.2 The government agrees that it is important to tackle the barriers between the health and social care sectors and help maximise opportunities for integration of health and social care, including a more joined up workforce. While the NHS People Plan primarily focussed on how to ensure the best possible experience for NHS staff, there are key areas where the Plan impacts on social care and the wider health system. The department and the social care sector are working with the NHS on these touch points, including joint workforce planning to provide positive outcomes for the integrated health and care system and the populations they serve.

6.3 The government does not set the levels of pay or determine wider terms and conditions for the social care workforce. However, we recognise that rates of pay and wider reward packages are in part determined by overall levels of funding for the social care system. Putting social care on a sustainable footing, where everyone is treated with dignity and respect, is one of the biggest challenges that we face as a society. including its workforce, for the longer term.

6.4 Transfers of pension benefits between the Local Government Pension Scheme and NHS Pension Scheme are permitted and are governed by the public-sector transfer club scheme.

Sixty-Fourth Report of Session 2017-19

Department for Work and Pensions

Universal Credit

Introduction from the Committee

The Department for Work & Pensions (the Department) is introducing Universal Credit to replace six means-tested benefits. The Department started work on Universal Credit in 2010 with an original completion date of October 2017. However, the government 'reset' the programme in 2013, following a series of problems managing the programme and developing the necessary technology. The Department introduced a twin-track approach in November 2013. It started to develop its long-term digital solution, known as 'full service', alongside making use of the systems it had built before the reset for its 'live service' (available mainly to single unemployed claimants with straightforward claims).

Since the Department began rolling out full service in May 2016 there have been several further delays to the programme, which is now unlikely to complete before 2023. By the end of March 2018 the Department had spent £1.3 billion of the £2 billion it expects to invest in the programme by 2024–25, and by June 2018, 980,000 people (around 12% of the expected caseload) were claiming Universal Credit. A further 7.5 million people are still to come onto the new benefit before the programme completes.

Relevant reports

- NAO report: *Rolling out Universal Credit* – Session 2017-19 (HC 1123)
- PAC report: *Universal Credit* – Session 2017-19 (HC 1183)
- Treasury Minute: *Universal Credit* – Session 2017-19 (CP18)
- *Treasury Minutes Progress Report* February 2020 (CP 211)

Update to the Government responses to the Committee

There were eight recommendations in this report. As of the last Treasury Minute (CP211), six recommendations were implemented and two recommendation remained work in progress, both of which have now been implemented as set out below:

5: PAC conclusion: *Universal Credit is pushing costs onto the local organisations that support claimants - including local authorities, housing associations, and foodbanks.*

5: PAC recommendation: *The Department should set out what it will do to understand and measure the additional costs and burdens for local organisations and what it will do to ensure organisations can cope as the number of claimants on Universal Credit increase.*

5.1 The government agrees with the Committee's recommendation.

Recommendation implemented

5.2 The department considers that it has taken the necessary steps to fulfil this recommendation. In preparing for moving legacy claimants to Universal Credit (UC), the department actively works with around 80 stakeholders across a broad range of organisations, providing an opportunity for stakeholders to understand and contribute to shaping policy and programme priorities. As well as holding regular discussion groups, the department also updates organisations through different channels, including GOV.UK and newsletters.

5.3 At a local level, the department works with partner organisations and key stakeholders to maintain existing escalation routes so we can work as a local community and/or join up services to support our most vulnerable claimants.

5.4 Where appropriate, the government continues to provide new burdens funding arising from any new policies that impact on Housing Benefit. This includes funding the process for uplifting Local Housing Allowance rates to the 30th percentile and the additional earnings disregard that came into effect from April 2020.

5.5 To ensure that local authorities can cope with the increase in UC claimants during the pandemic, the department took action to ease pressure on them. The action taken includes: setting up a virtual team to manage issues and handle queries from local authorities related to welfare delivery and COVID-19; issuing a weekly bulletin to local authorities to communicate changes; making changes to management information and data capture requirements to reduce pressure; and providing guidance on how local authorities can support claimants who are unable to obtain or supply evidence to verify claim details.

5.6 The impact of COVID-19 has meant that the department will be considering the impact on its plans and as work recommences (i.e. to move existing claimants to UC), the department will monitor the impact on local authorities and organisations.

7: PAC conclusion: We are seriously concerned about the Department's ability to transfer around 4 million people from existing welfare benefits to Universal Credit without causing further hardship to claimants.

7: PAC recommendation: ***We will be challenging the Department again on its preparedness for managed migration. It is more important that the Department gets migration right than it unthinkingly sticks to its timetable. Before it goes ahead it must be transparent about:***

- ***the criteria it must meet before going ahead;***
- ***how it will demonstrate that this will not result in a deterioration of service quality or the creation of further hardship for claimants;***
- ***what metrics it will use to assess whether the migration is working; and***
- ***how it will maintain quality throughout migration and have clear criteria to slowdown.***

7.1 The government agrees with the Committee's recommendation.

Recommendation implemented

7.2 In July 2019, following necessary legislation being laid, the government commenced the Move to Universal Credit pilot to inform plans for the next phase of the Universal Credit Programme, including agreeing the success criteria. The pilot involved moving a very small number of existing legacy claimants, who had not had a change in circumstances, across to Universal Credit. It launched in the area served by Harrogate Jobcentre and continued for several months.

7.3 However, following the outbreak of COVID-19, and the increase in Universal Credit new claims since the middle of March 2020, the decision was made to suspend the pilot. Since the outbreak of COVID-19, the volume of claims has risen significantly. Published statistics show that in March 2020, there were just over 3 million people on Universal Credit. By 13 August 2020, that number was 5.6 million.

7.4 Despite this exceptional and unprecedented increase in demand, the system responded well and continues to do so, with around 90% of claimants receiving their payments on time and in full. This period of economic turbulence has demonstrated the resilience and robustness of the system to handle large volumes of claims.

7.5 The department considers that it has demonstrated the activity and intent required to support the recommendation. The updates to Parliament and stakeholders on the department's progress to move legacy claimants to Universal Credit will follow recommencement of the activity to move legacy claimants to Universal Credit and the department will incorporate into that the criteria and metrics to inform the plan to complete the implementation of Universal Credit as the Committee suggested.

Sixty-Fifth Report of Session 2017-19

Department for Business, Energy & Industrial Strategy

Nuclear Decommissioning Authority: risk reduction at Sellafield

Introduction from the Committee

Sellafield is the Nuclear Decommissioning Authority's largest and most hazardous site, home to a number of ageing facilities that store radioactive materials that pose a hazard to people and the environment. Decommissioning these facilities is challenging: the NDA estimates it will cost £91 billion and take around 100 years to decommission and clean up the Sellafield site. Sellafield also stores 40% of the global stock of plutonium. The Department for Business, Energy & Industrial Strategy funds and is accountable, with the NDA, for reducing risks and delivering value for money at Sellafield. The Department has delegated its oversight of the NDA to UK Government Investment (UKGI).

The Committee last examined progress at Sellafield in March 2015 and found that major programmes and projects to reduce risk at Sellafield were significantly behind schedule and over budget. We also questioned whether the NDA's contract with Nuclear Management Partners (NMP), the private consortium responsible for managing the Sellafield site was delivering value for money. In 2016, the NDA cancelled its contract with NMP and turned Sellafield Limited, the company that runs the site, into a direct subsidiary. We welcome the news that Sellafield Limited and the NDA have since started to make changes to improve the way they run the Sellafield Site.

Relevant reports

- PAC report: *The Nuclear Decommissioning Authority: risk reduction at Sellafield* – Session 2017-19 (HC 1375)
- PAC report: *The Nuclear Decommissioning Authority's Magnox contract* - Session 2017–19 (HC 461)
- NAO report: *The Nuclear Decommissioning Authority: Progress with reducing risk at Sellafield* – Session 2017-19 (HC 1126)
- *Treasury Minutes:* January 2019 (CP 18)
- *Treasury Minutes Progress Report* : February 2020 (CP221)

Update to the government response to the Committee

There were seven recommendations in this report. As of the last Treasury Minute update (CP 221), three of these had been implemented with four remaining work in progress, one of which is now implemented as set out below.

2: PAC conclusion: *The NDA and Sellafield Limited have not analysed the constraints they say prevent faster risk reduction at Sellafield.*

2: PAC recommendation: *The NDA should, with Sellafield Limited, analyse the impact these perceived constraints have on further progress at the site. It should write to the committee within six months and explain how it is going to use this new understanding in preparation for the next spending review, the upcoming revision of the Sellafield Performance Plan and the NDA's new strategy.*

2.1 The government agrees with the Committee's recommendation.

Recommendation implemented

2.2 The NDA, with Sellafield Limited, has carried out work to further identify and to articulate the constraints to additional and faster progress on the Sellafield site. The NDA has written to the Committee identifying how and where this work will be used to inform future plans, including the 2020 Spending Review and NDA strategy.

4: PAC conclusion: ***Given the complexity, cost and long-term nature of the work at the site, the NDA's and the Department's assurance is not providing appropriate oversight of, and challenge to Sellafield Limited's performance.***

4: PAC recommendation: ***The NDA and the Department should write to the Committee to set out clearly how assurance and oversight will be strengthened. They should do this within six months of the publication of the government's independent inquiry into the failed Magnox Contract.***

4.1 The government agrees with the Committee's recommendation.

Target implementation date: Winter 2020
Original implementation date: Summer 2019

4.2 Upon release of the final report from the Magnox Inquiry, the NDA in conjunction with the department, will update the Committee on the progress that has been made on implementing its recommendations, within six months of the report's publication.

4.3 The department and the NDA understand the Committee's position, but also believe that an appropriate balance must be struck between effective oversight and allowing the NDA and Sellafield Limited to deliver. This balance is something that will be subject to ongoing review between the department and the NDA supported by the Review of the NDA and the Magnox Inquiry. Changes to improve oversight may be identified from the final report from the Magnox Inquiry following conclusion of legal proceedings, and the conclusion of the NDA Review delayed due to COVID-19 both are due by Winter 2020. The objective of any such change will be to ensure that the NDA has the most effective arrangement in place, and the roles and responsibilities of each organisation are clearly stated.

5: PAC conclusion: ***Central government's oversight of the NDA is not holding the NDA to account effectively.***

5: PAC recommendation: ***Once the tailored review is complete, the Department should write to the Committee setting out the findings and recommendations of the review, and its plan for implementing them. In particular, in conjunction with the Cabinet Office, they should consider whether UKGI is playing any useful role. In its response, the Department must set out in detail how it intends to solve the problem.***

5.1 The government agrees with the Committee's recommendation.

Target implementation date: Winter 2020
Original implementation date: January 2020

5.2 The Cabinet Office is currently developing a new programme of ALB reviews to be carried out over the next number of years. The department continues to prepare for a formal review of the NDA and is in discussions with the Cabinet Office over the format, status and timing of the review. The department expect that the review will be completed in the winter of 2020-21. The findings and recommendations of the review will be made publicly available on the GOV.UK website, and the department will write to the Committee with its implementation plan.

5.3 The department will consider - in conjunction with Cabinet Office - the role of UK Government Investments (UKGI) but does not support the Committee's view that UKGI is an unnecessary extra layer. Acting as the government's shareholder, UKGI is uniquely able to draw on its extensive expertise in corporate governance and corporate finance to hold NDA's performance to account against the policy requirements of the department. The department also does not support the assertion that it lacks nuclear operational expertise; officials working within the department's Energy and Security Directorate bring skills from many areas of the nuclear and other industry sectors. A key part of the NDA's role as the UK's strategic nuclear decommissioning authority is to assure the work of its site licence companies; duplicating NDA's expertise in BEIS would be more likely to hamper than improve arrangements. The department does agree that the roles of the department, UKGI and NDA can be better defined.

6: PAC conclusion: ***We are not convinced that the NDA is achieving the wider economic benefits that would help justify the vast amounts of public investment at Sellafield.***

6: PAC recommendation: ***The NDA should, within 12 months, strengthen and publish its socio-economic strategy, outlining the opportunities for the wider economy and how it will realise those opportunities.***

6.1 The government agrees with the Committee's recommendation.

Recommendation implemented

6.2 The NDA's current strategy considers the positive opportunities of decommissioning for the wider economy. For example, almost one-third of its supply chain spend is with small and medium enterprises (SMEs). Analysis carried out on this expenditure shows that it benefits firms throughout the UK.

6.3 The NDA has a legal duty to give encouragement and support to activities that benefit the social and economic life of the communities near its sites. The NDA has commissioned and *published three studies* on the impact of its activities on the economies near its sites, covering Sellafield, Magnox and Dounreay. These provide robust data on the specific social and economic impacts that are likely as the NDA's sites continue through their lifecycle. Data obtained from these assessments will be used to ensure investment decisions are made based on clear evidence of need or opportunity. The NDA has published its updated socio-economic strategy, outlining the opportunities for the wider economy and plans for their realisation.

Sixty-Seventh Report of Session 2017-19

The Home Office

Financial sustainability of police forces in England and Wales

Introduction from the Committee

There are 43 territorial police forces in England and Wales. Each force is headed by a Chief Constable, with authority over all operational policing decisions and staff. Chief Constables report to an elected Police and Crime Commissioner. In consultation with their Chief Constables, Commissioners set objectives for forces in an annual police and crime plan, and allocate the funds needed to achieve these objectives.

The Department is responsible for assessing how much funding forces need; deciding how much the policing system receives as a whole; allocating grants to Police and Crime Commissioners (who decide how much goes to police forces and how much to other initiatives to reduce crime); and maintaining a system of local accountability that assures Parliament that forces spend their resources with regularity, propriety and achieve value for money.

The Department estimates that total police funding in 2018–19 will be £12.3 billion, of which central government is funding £8.6 billion and local government (through the police precept collected alongside council tax) £3.6 billion. Total funding to police forces has fallen by 19% in real terms since 2010–11, with central government funding dropping by 30%. While most spending decisions are made locally, the Department must have enough information to make good decisions about the level and nature of funding it provides and be in a position where it can get assurance that forces are not at risk of becoming financially unsustainable.

Relevant reports

- NAO report: *Financial sustainability of police forces in England and Wales 2018* - Session 2017–19 (HC 1501)
- PAC report: *Financial sustainability of police forces in England and Wales* - Session 2015–16 (HC 288)
- PAC report: *Financial Sustainability of police forces* – Session 2017-19 (HC 1513)
- Treasury Minute: *Sixty-Seventh Report of Session 2017-19* (CP 79)
- *Treasury Minutes Progress report* February 2020 (CP 221)

Update to the Government response to the Committee

There were five recommendations in this report. As of the last Treasury Minute one recommendation was disagreed with, two were implemented and two recommendations remained work in progress, one of which is now implemented as set out below.

1: PAC conclusion: ***The Department's lack of a comprehensive picture of all the demands forces face undermines its ability to know what resources forces need.***

1: PAC recommendation: ***The Department should develop better measurements of both crime and non-crime demand for police services and use these to inform their bid for funding in the next Spending Review. HMICFRS should write to the Committee setting out insights of the demands on police services drawn from the first set of Force Management Statements within three months.***

1.1 The government agrees with the Committee's recommendation.

Recommendation implemented

1.2 The Home Office *wrote to the Chair of the Committee* in July 2020 to provide an update on actions relating to this recommendation. These actions are summarised below.

1.3 The government considers that improved demand data and analysis is critical for more effective policing as demand changes. Improvements must be adopted at force level and nationally and can be used for local operational decisions, as well as to inform broader national priorities.

1.4. The department has made good progress in this area and has updated the Committee on its ongoing work. This has included:

- A new structure of national governance has been established to provide national oversight of the law enforcement system. The National Policing Board, chaired by the Home Secretary, and the Crime and Policing Performance Board and Strategic Change and Investment Board, both chaired by the Policing Minister, provide a forum to set strategic direction and enable the discussion of emerging issues, including changes in demand.
- The department is conducting a new and detailed analysis of activity unit costs within policing to enhance the department's understanding of crime and non-crime demand in the system.
- During the COVID-19 pandemic, the Home Office and National Police Chiefs' Council have worked hand-in-hand to analyse crime data in near-real time and assess the potential impact of COVID-19 and lockdown on future crime trends.

1.5 To further support this work, the department is also drawing on the work of Her Majesty's Inspectorate of Constabulary and Fire and Rescue Services (HMICFRS), including Force Management Statements (FMSs), that were introduced in 2018 for the first time. The department and HMICFRS have updated the Committee on the progress with FMSs and will continue to work closely together to understand what insights future tranches of FMSs can bring to the department's understanding of national police demand.

3: PAC conclusion: ***Even though the Department's approach to allocating funding to Commissioners has been out-of-date and ineffective for several years, the Department still has no firm plan to change it.***

3: PAC recommendation: ***The Department must urgently commit to reviewing the funding formula, and after consultation, deploy a new funding formula as soon as practicable.***

3.1 The government agrees with the Committee's recommendation.

Target implementation date: December 2022
Original implementation date: March 2022

3.2 The government undertook substantial work with police stakeholders in 2016 and 2017 to develop the technical aspects of a potential new funding formula. Good levels of technical progress were made by early 2017. This work was paused in the summer of 2017 due to the General Election. Ministers then decided to focus the department's work on overall changes in demand on the police and looking at whether the overall quantum of funding for policing was adequate ahead of the 2018-19 police funding settlement. As a result, the funding formula work was not resumed.

3.3 The government has acknowledged that the current funding formula is out of date and has already committed that any new formula would be subject to a full public consultation. The department does not assume that changing the funding formula is a silver bullet for improving force financial resilience. Police and Crime Commissioners and their predecessors have made long-term choices in areas like precept based on the current model. It is essential that any change in the funding formula is well planned, with proper transition arrangements to ensure that the department does not implement changes which could leave a force financially unsustainable.

3.4 The department's priority in 2019-20 was to create an evidence base with the sector to determine the overall size of funding to be provided to the police service. This resulted in the commitment to deliver an additional 20,000 police officers and the Chancellor of the Exchequer set out the government's plans for funding this uplift for 2020-21 in his statement of 4 September 2019 on the 2019 Spending Round. To ensure forces were quickly informed of their recruitment targets for year 1, the police funding formula was used to allocate the first 6,000 officers. Options for revisiting funding allocation and distribution to forces for years 2 and 3 are being considered in the context of the 2020 Spending Review and subsequent spending reviews.

Sixty–Eighth Report of Session 2017-19

Department for Environment Food and Rural Affairs

Defra's Progress towards Brexit

Introduction from the Committee

A full six months after our previous report and, as negotiations continue, the department must still address a range of scenarios, including Exit without a deal in March 2019, and a negotiated Exit with an implementation period lasting until the end of 2020, or possibly longer. In all its policy areas it must plan to have in place systems that will be appropriate for each scenario.

Some of the Department's plans rely on the EU to grant concessions to allow continuity of trade in the event of a no – deal Exit. For example the UK is seeking continued participation in the European Chemicals agency. Without this, exporters of chemical products would need to re-register their products with the Agency. Without this exporters of chemical products would need to re-register their products with the Agency and may face a long wait while their registrations are processed. Exports to the EU of animals and animal products would require export health certificates that have to be signed off by vets that are not yet in place. The Department plans that food imports from the EU will be waved through into the UK without checks and hopes that the EU will reciprocate for UK food exports.

On its engagement with stakeholders, we reported in May 2018 that the scope of the Departments EU Exit programme remains uncertain and dependent on decisions yet to be taken. This uncertainty is making it difficult for the Department to engage and communicate effectively with businesses and stakeholders.

The Department needs to lay 86 Statutory Instruments by the end of January in order to ensure legislation is in place when the UK leaves the EU.

Relevant reports

- NAO report: *Progress in Implementing EU Exit* - Session 2017-19 (HC 1498)
- PAC report: *Defra's Progress towards Brexit* - Session 2017-19 (HC 1514)
- *Treasury Minutes: January* 2019 (CP 18)
- *Treasury Minutes Progress Report*: February 2020 (CP 221)

Update to the Government response to the Committee

There were eight recommendations in this report. As of the last Treasury Minute (CP 18), two recommendations were implemented, the department disagreed with four recommendations and one recommendation remained work in progress, which has now been implemented as set out below:

5: PAC conclusion: ***The Department has very little time left to get the necessary statutory instruments (SIs) on to the statute book in time for EU Exit, putting quality and parliamentary scrutiny at risk.***

5: PAC Recommendation: ***The Cabinet Office should prioritise EU statutory instruments across government to ensure the drafting of those of highest priority is completed to the proper quality standard, and that there is time for proper parliamentary scrutiny ahead of EU Exit.***

5.1 The government agrees with the Committee's recommendation

Recommendation implemented

5.2 The government has undertaken extensive work to ensure that all the necessary legislation to provide for a functioning domestic statute book by 31 December 2020 will be in force.

5.3 The Parliamentary Business and Legislation Cabinet Committee has central oversight of all secondary legislation to ensure better planning and monitors departments' progress on Statutory

Instruments (SIs). Cabinet Office oversees work to prioritise critical SIs that need to be laid ahead of the end of the Transition Period and continues to work closely with the departments responsible for laying these SIs, including the Department for Environment, Food and Rural Affairs. All this legislation is subject to comprehensive scrutiny by Parliament.

5.4 In response to the COVID-19 pandemic and its impact on the parliamentary timetable, departments have taken steps to consider whether any non-legislative alternatives can be put in place or if certain statutory instruments can be laid after the Transition Period. This will allow more time for departments to quality assure their work and for Parliament to scrutinise essential legislation appropriately.

Sixty-Ninth Report of Session 2017-19

Department for Education / HM Treasury / UK Government Investments

Sale of student loans

Introduction from the Committee

Government's student loan portfolio is growing rapidly. The total outstanding face value of English loans—considering accrued interest, deducting cancellations and repayments already made—rose from £89 billion in March 2017 to £102 billion in March 2018. The Department forecasts it to reach around £465 billion, 2018-19 prices, in the late 2040s. Government expects only 55–60% of the value of the loans to be repaid: some borrowers will not reach the threshold level of income for repayment and others will not have fully repaid the loan by the time it matures. The Treasury is concerned about the growth in the loan book and the resulting exposure of public finances to the risks within the portfolio. As government has a wider policy not to hold assets unless there is a policy reason for continued public ownership, in 2013 it announced a programme to sell-off a portion of its student loan book and to raise about £12 billion by 2022. In December 2017 the Government completed its first sale of loans to private investors, achieving £1.7 billion from 1.2 million loans held by over 410,000 borrowers. HM Revenue & Customs and the Student Loans Company will continue to administer the loans and collect repayments leaving the borrowers unaffected by the sale.

On 10 October 2018, the Government announced the second sale under the programme.

Relevant reports

- NAO report: *The sale of student loans* – Session 2017-19 (HC 1385)
- PAC report: *The sale of student loans* – Session 2017-19 (HC 1527)
- *Treasury Minute*: March 2019 (CP 56)
- *Treasury Minute Progress Reports*: February 2020 (CP 221)

Update to the Government response to the Committee

There were eight recommendations in this report. As of the last Treasury Minute (CP 221), two recommendations were disagreed, two recommendations were implemented, and four recommendations remained work in progress, one of which has been implemented. Three recommendations have since been superseded. Provided below is further information on the recommendations which remain work in progress; 1b, 3a, 5a, and 5b.

1: PAC conclusion: ***The Treasury and the Department for Education have not made clear how this transaction decreases the long-term risk to the public finances.***

1b: PAC recommendation: ***Once the education funding review is complete, the Department and the Treasury should review how the disposal strategy can most effectively decrease the long-term risk to the public finances.***

1.1 This recommendation by the Committee has been superseded.

Target implementation date: Recommendation superseded

1.2 The Post-18 Education and Funding Review was completed in May 2019. Following government's *review of the student loan sale programme*, it was announced at Budget 2020 that government will not make further sales of student loans.

3: PAC conclusion: ***The uncertainty over future repayments undermines the government's ability to accurately value the loan book.***

3a: PAC recommendation: *Within six months, the Department should provide the Committee with updates on: how it has tested and, if necessary, refined the model to improve its accuracy; how this affects the timing of the sale programme; and specifically whether future sales would be better deferred until the model's accuracy is tested further.*

3.1 This recommendation by the Committee has been superseded.

Target implementation date: Recommendation superseded

3.2 As set out in *correspondence to the Committee on 14 May* and *23 July 2019*, the government stated its confidence that its Transition-based Earnings and Repayment Model (TERM) was fit for purpose. TERM performance has been within acceptable tolerance levels for both Sale 1 and Sale 2 and the government continues to review on an ongoing basis.

3.3 Following government's *review of the student loan sale programme*, it was announced at Budget 2020 that government will not make further sales of student loans.

5: PAC conclusion: *The PAC are concerned about the lack of transparency to the public and Parliament surrounding this sale.*

5a: PAC recommendation: *UKGI should review how it balances transparency with any perceived risks to value for money. It should write to us within six months with the outcome of its review and include an assessment of the impact of non-disclosure of investors.*

5.1 The government agrees with the Committee's recommendation.

Recommendation implemented

5.2 UKGI *wrote to the Committee* within six months on 16 May 2019, with the outcome of its review regarding the disclosure of investors. This set out the government's conclusion that it is not in the public interest to release investor names from past or future sales for securitisations because doing so would impact value for money by likely reducing the proceeds achieved.

5.3 Following government's *review of the student loan sale programme*, it was announced at Budget 2020 that government will not make further sales of student loans. It remains the government's view that it is not in the public interest to release investor names from past sales.

5b: PAC recommendation: *For this first sale the Department should at a minimum disclose publicly the number and type of investors. It should seek permission from all investors to release their names and do so where possible. For future sales there must be a presumption to release investor names, unless there is an evidenced and quantified risk to value for money in doing so.*

5.4 This recommendation by the Committee has been superseded.

Target implementation date: Recommendation superseded

5.5 Government has taken steps to improve transparency around the investors in the sales. For Sale 2, the government revised its report to Parliament to include the number and type of investors in the sale. Sale 1 saw allocations made to 36 institutional investors across the 4 notes and involved the same investor types as set out in the Sale 2 report.

5.6 Following government's *review of the student loan sale programme*, it was announced at Budget March 2020 that government will not make further sales of student loans.

Seventieth Report of Session 2017-19

Department for Transport/ Cabinet Office

Department for Transport's implementation of Brexit

Introduction from the Committee

The Department is responsible for preparing the transport system for when the UK leaves the EU (including maintaining transport connectivity between the UK and the EU). The Department's responsibilities cover areas of vital importance to citizens and business spanning, for example, road, rail, maritime and air access routes to Europe. The Department reports on 17 EU Exit work streams (which largely overlap with 28 internal Departmental projects), out of more than 300 being delivered across government. The 17 work streams involve projects to deliver the changes required to the transport system to enable the UK's exit from the EU. They range, for example, from managing the transport consequences of potential disruption at ports, the permit and licensing regimes that will be in force once the UK leaves the EU through to making plans for setting new car emissions targets.

The Department spent £1.6 million on EU Exit work in 2016–17 and £5 million in 2017–18. It has an allocation of £75.8 million in 2018–19 and plans to spend an additional £30-£35 million on Project Brock. The Department aims to pass 66 Statutory Instruments (SIs) through Parliament by 29 March 2019, of which it regards 61 as essential. At the time the Committee took evidence on 24 October 2018, 19 had been laid in the House.

Relevant Reports

- NAO report: *Implementing the UK's Exit from the European Union: Department for Transport* – Session 2017-19 (HC 1125)
- PAC report: *Department for Transport's implementation of Brexit* – Session 2017-19 (HC 1657)
- *Treasury Minutes*: March 2019 (CP 56)
- Treasury Minute Progress Report (CP 221)

Update to the Government response to the Committee

There were six recommendations in this report. As of the last Treasury Minutes (CP 221), five recommendations have been implemented. One recommendation remained work in progress and is now implemented below.

3: PAC conclusion: *There is danger that the required legislation will neither be subject to proper scrutiny, nor passed in time for EU exit.*

3: PAC recommendation: *As recommended in the Committee's recent report on DEFRA's preparations, the Cabinet Office should prioritise EU statutory instruments across Government to ensure the drafting of those of highest priority is completed to the proper quality standard, and that there is time for proper Parliamentary scrutiny ahead of EU Exit.*

3.1 The government agrees with the Committee's recommendation.

Recommendation implemented

3.2 The government has undertaken extensive work to ensure that all the necessary legislation to provide for a functioning domestic statute book by 31 December 2020 will be in force.

3.3 The Parliamentary Business and Legislation Cabinet Committee has central oversight of all secondary legislation to ensure better planning and monitors departments' progress on statutory instruments (SIs). Cabinet Office oversees work to prioritise critical SIs that need to be laid ahead of the end of the Transition Period and continues to work closely with departments responsible for laying these SIs, including Department for Transport. All this legislation is subject to comprehensive scrutiny by Parliament.

Seventy-Second Report of Session 2017-19

Department of Health and Social Care

Mental health Services for children and young people

Introduction from the Committee

One in eight five to 19 year olds are thought to have a diagnosable mental health condition. According to a recent NHS survey, the number of five to 15 year olds with a mental disorder has increased over time: rising from 9.7% in 1999 and 10.1% in 2004 to 11.2% in 2017. Mental health issues affect the life chances of individuals in many ways, including their physical health, education and work prospects. The Department of Health & Social Care (the Department) is responsible for mental health policy. NHS England oversees the commissioning of NHS-funded services, either directly or through local clinical commissioning groups. In 2017–18 NHS England and local groups spent around £1 billion on children and young people's mental health services. A range of other bodies—including in schools, public health, local authorities, social care and youth justice services—also have an important role to play in supporting children and young people's mental health.

Launched in March 2015, Future in Mind is the government's cross-departmental vision for children and young people's mental health services and support. Currently, a number of programmes take forward these ambitions, including: the NHS's Five Year Forward View for Mental Health (the Forward View); the accompanying workforce development programme Stepping Forward to 2020/21 (Stepping Forward), led by Health Education England; and joint work by the Department and the Department for Education in response to Transforming Children and Young People's Mental Health Provision: a Green Paper (the Green Paper).

Relevant reports

- NAO report: *Improving children and young people's mental health services* – Session 2017-19 (HC 1618)
- PAC report: *Mental health services for children and young people* – Session 2017-19 (HC 1593)
- Treasury Minutes: April 2019 (CP 79)
- *Treasury Minutes Progress Report*: February 2020 (CP 221)

Update to the Government response to the Committee

There were ten recommendations in this report. As of the last Treasury Minute (CP 221), seven recommendations had been implemented, one disagreed with and two recommendations remain work in progress, as set out below.

1: PAC conclusion: ***Most young people with a mental health condition do not get the treatment they need, and under current NHS plans this will still be true for years to come, while many face unacceptably long waits for treatment.***

1b: PAC recommendation: ***From April 2019 to April 2022, the Department and NHS England should provide annual updates to the Committee on:***

- ***progress in implementing and evaluating the pilot schemes for the Mental Health Support Teams in schools.***

1.1 The government agrees with the Committee's recommendation.

Target implementation date: April 2021
Original Implementation date: April 2020

1.2 Due to the COVID-19 pandemic pressures, the department did not provide a Treasury Minute update in April 2020. The department will provide annual updates in April 2021 and April 2022, as required.

1.3 As part of its NHS Long Term Plan commitment to ensure that by 2023-24 at least a further 345,000 children and young people aged 0-25 years can access mental health care, NHS England and NHS Improvement (NHSEI) is working to deliver new mental health support teams in schools and colleges.

1.4 In December 2018, 25 areas were selected to deliver 59 teams. Twelve areas were also piloting a 4-week waiting time to provide faster access to NHS mental health services for children and young people who need expert care. The first cohort of the new workforce are now embedded within the new teams.

1.5 A further 123 teams commissioned in 2019-20 are in their training and set up phase. In May 2020, NHSEI confirmed a further 58 areas where 104 new teams will be developed during 2020-21. The first cohort of the 2020-21 trainee educational mental health practitioners will start their training in universities across England in the autumn. A second cohort will begin training in early 2021.

1.6 The National Institute for Health Research and Health Services and Delivery Research Policy Research Programme have commissioned the Brace Rapid Evaluation Centre and the Policy Innovation and Evaluation Research Unit to carry out a robust, independent evaluation of the implementation of core proposals within the 'Transforming children and young people's mental health provision: a green paper'. The protocol for this evaluation was published in 2019. Plans for the evaluation are being reviewed to account for the impacts of COVID-19 on fieldwork. Any revisions will be included in an updated evaluation protocol.

2: PAC conclusion: ***Getting the right workforce in place is the biggest barrier to the government's ambitions for children and young people's mental health services.***

2: PAC recommendation: ***As part of the annual update to the Committee, the Department, NHS England and Health Education England should report on its progress in expanding the children and young people's mental health workforce, setting out any changes they may have made to plans or targets and knock-on effects to other parts of the Five Year Forward View. It should also include an update on recruitment and retention rates for the mental health workforce and make an assessment on any knock-on effect on other professions e.g. nursing and midwifery.***

2.1 The government agrees with the Committee's recommendation.

Target implementation date: April 2021
Original implementation date: April 2020

2.2 No official published NHS Digital statistics are available specifically for the children and young people's mental health workforce. NHS Digital introduced the new mental health workforce statistics in December 2018 using the definition for mental health workforce that was agreed across Arm's Length Bodies. This covers only those NHS staff who work directly on mental health services for people of all ages.

2.3 Health Education England, however, commissioned NHS Benchmarking last year to complete a national benchmarking study of the children and young people's Mental Health workforce. This is published on Health Education England's website.

Seventy-Third Report of Session 2017-19

Department for Education

Academy accounts and performance for year ended 31 August 2017

Introduction from the Committee

There are now around 7,500 academy schools in England, educating about 3.8 million pupils. Academy schools are part of charitable bodies called academy trusts. Most academy schools are in trusts that manage more than one school. Academy trusts have more freedoms and responsibilities than local authority maintained schools. They can, for example, set staff pay and conditions, and determine their own curriculum, and they are directly responsible for financial as well as educational performance. Academy trusts are directly funded by, and accountable to, the Department via the ESFA. The Department provided funding of £20 billion to academy trusts in 2017–18.

In November 2018, the Department published the second academy sector annual report and accounts. This consolidated the accounts of all 3,054 academy trusts and set out the financial position and performance of the academy school sector for the academic year from 1 September 2016 to 31 August 2017. Because of additional evidence provided by the Department to support the recognition and valuation of land and buildings, the Comptroller & Auditor General reduced the extent to which his audit opinion was qualified on the 2016/17 academy sector annual report and accounts. The Department has committed to publish the accounts for 2017/18 before the summer Parliamentary recess in 2019 and to address the remaining issues in order to achieve an unqualified audit opinion.

Relevant reports

- DFE Report: *Academy Schools Sector in England:consolidated annual report and accounts – year ending 31 August 2017* - Session 2017-19 (HC 1701)
- PAC report: *Academy accounts and performance* – Session 2017-19 (HC 1597)
- *Treasury Minutes*: April 2019 (CP 79)
- *Treasury Minutes Progress Reports*: February 2020 (CP 221)

Government Response to the Committee

There were seven recommendations in this report. As of the last Treasury Minute (CP 221), six recommendations had been implemented. One recommendation remained work in progress which has now been implemented, as set out below.

2: PAC conclusion: *The Department is not adequately meeting the needs of users in presenting financial information about academy trusts.*

2: PAC recommendation: *The Department should:*

- ***write to us by March 2019 setting out the work it has done to understand better who the users of the academy sector annual report and accounts are and what information they need.***
- ***include in the annual report for the academy schools sector for 2017/18 an analysis of the financial performance of academy trusts of different sizes and geographical locations, and an analysis of trends in trusts' in-year deficits as well as cumulative deficits.***

2.1 The government agrees with the Committee's recommendation.

Recommendation implemented

2.2 *The 2018-19 Academy school sector annual report and accounts* (SARA) were published in July 2020, and additional financial analysis was incorporated showing the geographic spread of academies and an analysis of trusts in deficit by Regional School Commissioner area which supplemented the analysis of trusts in cumulative deficit by size of trust introduced in the 2017-18 SARA. The department would welcome the opportunity to meet the new Committee to discuss this further if required.

2.3 The 2018-19 SARA represents the first SARA prepared without an audit qualification on the data delivered to a pre-recess timetable, thus improving the reliability of the data being presented. The department continues to consider the needs of its stakeholders and will run a similar stakeholder engagement exercise on the 2018-19 SARA as it did for 2017-18 to identify furthers areas of improvement.

Seventy-Sixth Report of Session 2017-19

Local Government Spending

Ministry of Housing, Communities and Local Government

Introduction from the Committee

Local authorities provide a wide range of services; for example, parks, libraries, waste collection and temporary accommodation for homeless people. English local authorities spent £39.7 billion on providing services in 2016-17. Spending on social care is taking up an increasing proportion of this spend, leaving less for other services. Spending on services other than social care fell by 32.6% between 2010-11 and 2016-17. The overall levels of funding available to local authorities and the methodology for distributing funding is set by government. The Ministry of Housing, Communities and Local Government (the Department) has overall responsibility within central government for local authorities' funding. This includes bringing together information about the impact of funding reductions on financial and service sustainability, assessing the funding requirements of local authorities as part of spending reviews and supporting the financial sustainability of the sector by changing the overall funding framework if required. The Department supports HM Treasury on decisions about funding for local government, both long-term decisions at spending reviews and shorter-term decisions in between. We and previous Committees have scrutinised how the Department has fulfilled this role on several occasions since 2010, seeking assurance about service levels, service quality and financial sustainability. While the Department asserts that it has improved its understanding of the sector and its insight into the pressures it is under, it has not been open enough to demonstrate to us that this is the case and has rejected some of our recommendations for improvement.

Relevant reports

- NAO report: *Financial sustainability of local authorities 2018* – Session 2017-19 (HC 834)
- PAC report: *Local Government Spending* – Session 2017-19 (HC 1775)
- *Treasury Minute* – April 2019 (CP 79)
- *Treasury Minutes Progress Report* February 2020 (CP221)

Update to the Government response to the Committee

There were six recommendations in this report. As of the last Treasury Minute (CP 221), one recommendation was disagreed with, one recommendation remained work in progress, and four recommendations had been implemented. Recommendation one remains work in progress.

1: PAC conclusion: ***Central government financial support for local government continues to be characterized by one-off, short-term initiatives, which do not provide value for money, rather than a meaningful long-term financial plan for the sector.***

1: PAC recommendation: ***The Department should work with local authorities to collect and analyse evidence on the impacts on value for money and the implications for service users of providing funding through one-off funding streams announced late in the budgetary cycle rather than through long-term funding arrangements.***

The Department should, within 12 months, write to the Committee detailing the findings from this work and how it will use this evidence base to ensure that both its own funding schemes and those of other departments are structured and announced in a way that delivers maximum value for money.

1.1 The government agrees with the Committee's recommendation.

Target implementation date: Spring 2021
Original implementation date: April 2020

1.2 The department agrees that an improved evidence base for understanding the impact of multiple funding streams on local authorities will be helpful in structuring future support to the sector.

1.3 Spending Review 2020 provides an opportunity to assess local authority pressures. The department will work across government to cost services – both in terms of inflationary and demographic pressures and new service requirements – to ensure sector sustainability

1.4 The department intends to use the Spending Review as an opportunity to review central government grants paid to local authorities outside the Local Government Finance Settlement. It recognises the need for flexibility and acknowledges that local authorities best understand local needs.

1.5 The department has considered the need to develop further research on recent social care grants. A decision was taken by ministers in February to not commission this work. At this point, the National Audit Office (NAO) intended to conduct a study on grant funding for local authorities, and Ministers concluded that they should not commission separate work on this issue, but should continue working with the sector and consider the findings of the NAO report. The NAO have since cancelled this study as their work programme was reshaped to accommodate work focused on the COVID-19 pandemic.

1.6 The department will consider this issue in the round following the conclusion of the 2020 Spending Review.

Seventy-Seventh Report of Session 2017-19

Ministry of Defence

The Defence Equipment Plan 2018-2028

Introduction from the Committee

Since 2012, the Department has published an annual Statement on the affordability of its 10-year Equipment Plan (the Plan). This followed a period of poor financial management, when a significant gap developed between forecast funding and costs across defence. In its 2018 Plan, the Department forecasts £193.3 billion of equipment and support costs between 1 April 2018 and 31 March 2028. This exceeds its £186.4 billion budget, which includes a £6.2 billion contingency, by £7.0 billion. The Department estimates that, should all identified risks materialise, the budget and cost difference for the Plan would widen to £14.8 billion, although this could still be optimistic. The Plan accounts for over 40% of the entire defence budget and the Department needs to manage it effectively to ensure the Armed Forces have the equipment they need to meet their objectives. In January 2018, the government announced the Modernising Defence Programme (MDP), a review of defence capabilities, aimed at making the Equipment Plan affordable. However, the MDP has been slow to conclude, with the Department now delaying financial decisions until the Spending Review 2019. If the Spending Review is delayed until 2020, the risks to capability and the transformation agenda become critical.

Relevant reports

- Ministry of Defence report: *The Defence Equipment Plan 2018*
- NAO report: *The Equipment Plan 2018-28* – Session 2017-19 (HC 1621)
- PAC report: *Defence Equipment Plan 2018-28* – Session 2017–19 (HC 1519)
- Ministry of Defence report: *Refreshing Defence Industrial Policy*
- Ministry of Defence report: *Annual Report and Accounts 2018 - 2019*
- *Treasury Minutes* April 2019 (CP 79)

Update to the Government response to the Committee

There were ten recommendations in this report. As of the last Treasury Minute (CP 221), three recommendations remained work in progress. Two of which are now implemented as set out below.

1: PAC conclusion*: The Department's Equipment Plan remains unaffordable as government continues to delay decisions on its priorities, and on whether to increase funding or stop, delay or scale back programmes.*

1a: PAC recommendation*: As soon as possible, government must produce an affordable Equipment Plan by: Providing clarity on its priorities and the subsequent decisions made to stop, delay, and scale back areas of the defence programme to make the Equipment Plan affordable.*

1.1 The government agrees with the Committee's recommendation.

Target Implementation Date: Winter 2020
Original implementation date: January 2020

1.2 The department acknowledged the existing financial difficulties with the ten-year equipment plan. However, the department stayed within budget again last year and strives to reduce the future affordability gap. The department has placed additional controls on £7.7 billion of planned spending to ensure that the Plan comes in within budget and is continuing to pursue an efficiencies programme with the target of £12.6 billion over ten years.

1.3 Long-term affordability will be reviewed in the context of the ongoing Integrated Review and Spending Review.

1.4 The department is also continuing its work to improve financial management, to understand where it can be more efficient and enable more robust financial planning going forward.

6: PAC conclusion: ***HM Treasury's requirement for departments to live annually within their means hinders the Department's ability to plan for the long-term.***

6a: PAC recommendation: ***The Department should use the Spending Review 2019 as an opportunity to explore longer-term budgeting arrangements in certain areas such as nuclear programmes and shipbuilding maintenance and improvements planning.***

6.1 The government agrees with the Committee's recommendation.

Recommendation implemented

6.2 At the Spending Review of 2019, the Ministry of Defence received an additional £2.2 billion for 2019-20 and 2020-21. This additional funding will enable a world-class Armed Forces, modernising and meeting the intensifying threats and risks. This includes prioritising investment in key capabilities, such as shipbuilding, offensive cyber and the nuclear deterrent. The funding was allocated in line with the department's normal financial and capability planning processes. Longer term budgeting arrangements will then be explored in the context of the Spending Review/Integrated Review, in discussion with the Treasury and Cabinet Office.

6b: PAC Recommendation: ***The Department should report back to the Committee on how the extra funding settlement for nuclear and anti-submarine warfare in October 2018 was allocated and spent.***

6.3 The government agrees with the Committee's recommendation.

Recommendation implemented

6.4 The department *wrote to the committee* on 27 May 2020 to confirm that the £436 million allocated for nuclear projects had been spent on the Dreadnought programme and that the £15 million additional funding allocated in Budget 2018 for 2019-20 had been spent on enhancing anti-submarine warfare capabilities.

Seventy-Eighth Report of Session 2017-19

Cabinet Office and HM Treasury

Improving government planning and spending

Introduction from the Committee

Through spending reviews, HM Treasury (the Treasury) sets spending limits for departments over approximately three to five years, by reference to fiscal forecasts from the independent Office for Budget Responsibility (OBR). The last spending review, in 2015, allocated £4 trillion for total public spending for the five years to 2020–21 and the next review is due in 2019. The Treasury controls spending through its 20 spending teams, which make up around one fifth of the Treasury's total workforce. Departments, led by accounting officers, plan and deliver their objectives and are accountable for their delegated budgets. The Cabinet Office monitors the delivery of departments' objectives and government policy. It oversees departmental planning and since 2015 has required departments to prepare an annual internal business plan, known as a single departmental plan (SDP). SDPs set out how departments will carry out their objectives, deliver services and track performance. In 2016, the previous Committee recommended that the Treasury and Cabinet Office work together on an approach that would ensure value for money across government, in time for the next spending review.

Relevant reports

- NAO report: *Improving government's planning and spending framework* – Session 2017-19 (HC 1679)
- PAC report: *Improving government planning and spending* – Session 2017-19 (HC 1596)
- *Treasury Minutes May* – Session 2017-19 (CP 97)
- *Treasury Minutes Progress Report* – Session 2017-19 (CP 221)

Update to the Government response to the Committee

There were six recommendations in this report. As of the last Treasury Minute (CP 221) three recommendations had been implemented, and recommendations 2, 3 and 4 remained work in progress. Two of these have now been implemented as set out below.

2: PAC conclusion: ***The Treasury and Cabinet Office's overall approach to planning and spending can encourage short-term decisions rather than long-term sustainability, which risks value for money.***

2: PAC recommendation: ***When issuing guidance for the next spending review and future SDPs the Treasury and the Cabinet Office should require departments to show how their plans and funding bids deliver long-term, sustainable value for money. They should report back to the Committee on this, demonstrating how they ensured SDPs were central to spending review decision-making for each department.***

2.1 The government agrees with the Committee's recommendation.

Target implementation date: Winter 2020
Original implementation date: Winter 2019

2.2 The Chancellor launched the Comprehensive Spending Review (CSR) process in July 2020, although the timing and scope of the review were kept under consideration as the impacts of Covid-19 developed. In October 2020, the Chancellor and the Prime Minister decided to conduct a one-year Spending Review (SR), setting departments' resource and capital budgets for 2021-22, and devolved administrations' block grants for the same period. Multi-year NHS and schools' resource settlements will be fully funded, as will priority infrastructure projects.

2.3 In line with the *joint Treasury and Cabinet Office letter of 7 August* to the Chair, the SR will introduce a new approach to delivering outcomes to ensure that departments are delivering value for money.

2.4 The joint letter also highlighted that effective internal planning, prioritisation and performance management remain a priority for government; but that in light of the operational impact of Covid-19 and the continued uncertainty the government faces in recovery, it was agreed with Ministers not to request departments to publish Single Departmental Plans for this financial year. However, the government will continue to centrally support departments' internal planning processes and to monitor performance.

2.5 The Treasury and Cabinet Office will write to the Committee following the conclusion of the Spending Review, setting out how planning and performance information was central to ensuring funding bids delivered long-term sustainable value for money. As part of this response they will also set out more detailed plans for taking forward an improved planning and performance system, which will support delivery of outcomes in the long-term.

3: PAC conclusion: ***The PAC is frustrated that the Treasury and Cabinet Office's lack of action to prevent departments working in silos has, in some cases, led to cost-shunting and poorer services for the public.***

3: PAC recommendation: ***In advance of the 2019 Spending Review, the Treasury and the Cabinet office should write to explain what they will do to incentivise joint departmental plans and delivery, clearly stating how this is different from their previous approach. Given the importance of SDPs to the 2019 Spending Review and the commitment of joined-up working, the Cabinet Office should share SDPs across departments.***

3.1 The government agrees with the Committee's recommendation.

Recommendation implemented

3.2 In line with the *joint Treasury and Cabinet Office letter of 7 August* to the Chair, this year's Spending Review will look across departmental boundaries and encourage collaboration between departments when considering priorities and appropriate policy measures. It highlighted the Treasury's support for joint spending proposals including different models of accountability and delivery, building on lessons from the Shared Outcomes Fund announced at SR19; the intention to formulate cross-cutting outcomes in areas where closer working between departments could help to achieve better results; as well as the launch of cross-cutting reviews in key areas such as the Integrated Security, Defence, Development and Foreign Policy Review (Integrated Review) and the Net Zero review to inform key areas in the longer term and in specific cases at SR20.

4: PAC conclusion: ***The PAC are concerned that, unless management of planning and spending are brought together more effectively, the next spending review will not fully address the problems surrounding the financial sustainability of the public sector.***

4: PAC recommendation: ***In advance of the next spending review, the Treasury and the Cabinet Office should write to the Committee to explain how they will work together, along with functions and departments, to better challenge the realism of departments' plans and the wider effect on sustainable public services.***

4.1 The government agrees with the Committee's recommendation.

Recommendation implemented

4.2 The *joint Treasury and Cabinet Office letter of 7 August* to the Chair, set out a continuous commitment of working with the functions to ensure that departments' plans are realistic and deliverable. It set out how the Treasury and Cabinet Office continue to work together to embed the Public Value Framework, to help departments assess how effectively funding is turned into delivery; and embed Functional Standards to drive capability improvement and consistent practices and ways of working in delivering a successful Spending Review, Government Functions will play a central role in preparing key spending proposals and assessing their deliverability to improve the quality of funding bids.

4.3 Further, ensuring all departments have appropriate structures and processes in place to deliver their outcomes and commitments is a key focus at the Spending Review. To support this departments are working with functional experts on key programmes and we are ensuring deliverability and feasibility is integrated into the planning and spending process. For example, by requiring departments to use the Infrastructure and Projects Authority deliverability checklist in their spending proposals and undertaking deliverability risk assessments as part of the appraisal process. For capital spending proposals and the outcomes they are intended to support, the Treasury will draw on support from the Infrastructure and Projects Authority to scrutinise departments' strategic, economic and affordability analysis as well as robustness of delivery plans. Further scrutiny will be applied by a technical appraisal panel on the analysis of specific capital proposals where required.

Eighty-First Report of Session 2017–19

Department for Transport / HM Treasury

Rail management and timetabling

Introduction from the Committee

The Department for Transport (the Department) is responsible for setting the strategic direction for the rail industry in England and Wales, including improving access to the railway for people with disabilities. It funds Network Rail to maintain and enhance rail infrastructure (£47.9 billion between 2019 and 2024). The Department also funds and oversees significant rail improvement programmes led by organisations created to manage these programmes, including High Speed Two (High Speed Two Limited) and Crossrail (Crossrail Limited; a wholly owned subsidiary of Transport for London). The Department contracts private sector companies to run train services through a system of franchising and, along with the Office of Rail and Road, holds these companies to account for their performance. The Department currently oversees 14 franchises. If franchises fail or are terminated, the Department can bring these back under government control until a new franchise can be let. In May 2018, timetable changes were introduced affecting 46% of train times across the rail network. The Department's management of the rail industry led to unacceptable disruption lasting for many weeks across the south-east and north of England. The Department is also responsible for overseeing and funding investment in the strategic road network, primarily through its Road Investment Strategy which is expected to cost £12.8 billion between 2015 and 2020.

Relevant reports

- PAC report*: Rail management and timetabling* – Session 2017-19 (HC 1793)
- Department for Transport report: *The Inclusive Transport Strategy* – July 2018
- *Treasury Minutes*: May 2019 (CP 97)
- *Treasury Minute Progress Report*: February 2020 (CP 221)

Update to the Government response to the Committee

There were seven recommendations in this report. As of the last Treasury Minute (CP 221), one recommendation was disagreed, and one recommendation remained work in progress. Progress against this recommendation has been outlined below.

1: PAC conclusion: The Department did not ensure, as it should have done, that those responsible for the railway are clear about their roles and that they work together effectively. This has contributed to major disruption and misery for passengers.

1: PAC recommendation: As part of its response to the ongoing rail review, the Department must set out once and for all a clear governance and accountability structure for the railway, including what the Department retains responsibility for and how it will gain assurance that the wider system is functioning as it intends.

4.1 The government agrees with the Committee's recommendation.

Target implementation date: Spring 2021
Original implementation date: Autumn 2019

4.2 The Williams Rail Review was in the final stages of drafting at the outbreak of COVID-19. The government views the purpose of the reforms as important as ever, but further work is underway with Keith Williams to reflect the impact of COVID-19 on the sector.

4.3 The department remains committed to delivering wholesale reform of the rail industry to put the priorities of passengers – primarily running trains on time and in comfort – first. The department is continuing to examine a range of options to reform the railways, including how modernisation plans can be accelerated in the light of a changed post-COVID-19 world.

4.4 The government will publish a White Paper with details on the government's plans for rail reform once the course of the pandemic becomes clearer.

Eighty-Second Report of Session 2017–19

The Home Office

Windrush generation and the Home Office

The Home Office (The Department) and its agencies (UK Visas and Immigration, Immigration Enforcement and Border Force) manage the UK immigration system: setting immigration policy; deciding who has the right to stay; and encouraging and enforcing the removal of illegal migrants. Between 1948 and 1973, nearly 600,000 Commonwealth citizens came to live and work in the UK with the right to remain indefinitely. But many were not given any documentation to confirm their immigration status, and the Home Office kept no records. In the last ten years, successive governments have introduced the "compliant environment" where the right to live, work and access services including benefits and bank accounts in the UK is only available to people who can demonstrate their eligibility to do so. Towards the end of 2017 the media began to report stories of members of the Windrush generation being denied access to public services, being detained in the UK or at the border, or being removed from, or refused re-entry to, the UK. This has been referred to as the Windrush scandal.

Relevant reports

- NAO report: *Handling of the Windrush situation,* Session 2017–19 (HC 1622)
- PAC report: *Windrush generation and the Home Office*, - Session 2017–19 (HC 518)
- *Treasury Minute* Session 2017-19 (CP113)
- *Treasury Minute Progress Report* **-** February 2020 (CP 221)

Update to the Government response to the Committee

There were nine recommendations in the report. As of the last Treasury Minute (CP 221) two recommendations were disagreed, three recommendation was implemented, and four recommendations remained work in progress two of which are now implemented as set out below.

1: PAC conclusion: ***For many years, the Home Office has failed to protect people's legal rights to live, work and access services and benefits in the UK.***

1: PAC recommendation: ***The Department must protect and prioritise people's rights to residency or citizenship when designing, delivering and monitoring its immigration policies and systems. It should report back to us in 6 months on how it is putting impact assessments and external consultations at the core of its policy making to identify how new immigration policies could affect people and how to mitigate against the risk of unintended consequences. It should also report back to us on how it is addressing the findings of Wendy Williams's lessons learned review.***

1.1 The government agrees with the Committee's recommendation.

Recommendation implemented

1.2 The department wrote to the Committee with an update on the Policy Assurance Framework, which was launched in early 2019, and was revised following feedback from policy officials, with accompanying guidance updated. This is a continuous process and will continue to be reviewed throughout the process of policy making.

1.3 Consultation documents and impact assessments have been produced for major policies within the Borders, Immigration and Citizenship System, including for the design of legal migration routes, and for the Department's White Paper on the UK's future skills-based immigration system.

1.4 The department continues to engage on the future immigration system with a series of external stakeholders and has established a Vulnerability Advisory Group including charities, law practitioners and migrant support groups to ensure department's policy development takes into account the requirements of those most in need.

1.5 Since its publication in March, the department has also reflected on the Windrush Lessons Learned Review (WLLR) and considered what more is needed to put in place to ensure innocent people are protected. The department's overarching ambition is to create an immigration system which is more accessible to all its customers, and in particular, those who are vulnerable or have high needs.

1.6 The department has accepted the recommendations in the WLLR and set out how it intends to implement them in its Comprehensive Improvement Plan published on 30 September 2020.

1a: PAC recommendation: ***It should redesign and test its application processes and systems with applicants and staff to ensure they are accessible and easy to use. It should report back to the Committee in 12 months on the progress it has made, including a description of the testing it has done and how it is identifying and managing risks.***

1.7 The government agrees with the Committee's recommendation.

Recommendation implemented

1.8 The department's immigration application platform, Access UK, is designed in accordance with the patterns and standards of the Government Digital Service, thus ensuring compliance with standards on usability and accessibility. The department continues to improve this, and the navigation of its services based on greater knowledge of customer need, learning from customer feedback and the department's ongoing customer insight work.

1.9 As part of the work on designing department's new immigration system, the department is seeking to simplify a number of routes used by Home Office customers – including study and work. Application forms are being simplified to reduce the complexity of questions and evidence customers are required to supply. The department has both a customer insight and customer research team, working together to ensure it can gather as much feedback as possible, and then reflecting on feedback to provide further improvements.

1.10 In relation to staff, the department continues to roll out a new immigration case work system, Atlas. The system has been designed to ensure simplicity and ease of navigation. The department has engaged with staff and received feedback during the design and development phase and conducted testing work with end users to understand changes that may be required for operational areas. The department continues to receive positive feedback on how easy the Atlas services are to use.

2: PAC conclusion: The Department is making life-changing decisions on people's rights, based on incorrect data from systems that are not fit for purpose.

2: PAC recommendation: ***In its design and roll-out of Atlas, the Department should prioritise improving the quality of its data. Alongside its Treasury Minute response, the Department should write to us setting out specific plans for data cleansing, migration of the existing case files and controls around the input of new data.***

2.1 The government agrees with the Committee's recommendation.

Target implementation date: March 2021
Original implementation date: March 2020

2.2 The full roll-out of Atlas has been delayed as a result of COVID-19 and the department has adjusted the target implementation date of this recommendation to March 2021. However, in terms of addressing data quality issues, the department has recently established a Data Quality Board whose purpose is to continually review immigration data issues as they are identified and ensure suitable remediation measures are in place.

2.3 This is in addition to the data cleansing team the department has previously updated the Committee on, whose work across BICS to clean up data sets and has already resulted in the removal of incorrect duplicate records.

2a: PAC recommendation: ***In 6 months' time, the Department should write to us with an update on how its system for EU citizens to confirm their status is working, to ensure they do not face the same issues as the Windrush generation.***

2.4 The government agrees with the Committee's recommendation.

Recommendation implemented

2.5 The EU Settlement Scheme continues to learn lessons from Windrush by ensuring that all EU citizens eligible and granted under the Scheme will have an immigration status enshrined in UK law which they can use to demonstrate their right to work, study and access housing and benefits. The application process is streamlined, user-friendly and accessible to all prospective applicants.

2.6 The scheme has been fully open since 30 March 2019. It is a free Scheme which enables EEA and Swiss citizens resident in the UK, and their family members, to obtain the status they will require in order to live and work in the UK after 30 June 2021 (or after 31 December 2020 if there is a no deal exit). Up to 30 September 2020, the department has received over 4.06 million applications and granted status to 3.88 million EEA nationals and their family members.

2.7 The issue for some members of the Windrush generation was that they did not have documentation to evidence their legal immigration status in the UK. That is why it is crucial that EU citizens apply to the EU Settlement Scheme to obtain the immigration status they need to continue living in this country.

2.8 This will provide them with secure evidence of their status which will ensure that, in years to come, they can access their rights and entitlements here.

3: PAC conclusion: It was a dereliction of duty for the Department not to monitor the impact of its compliant environment policy on vulnerable members of our society.

3: PAC recommendation: ***In its Treasury Minute response to this report the Department should explain its monitoring and evaluation regime for compliant environment measures. It must set out how it intends to incorporate information collected from people affected by the system, not just from those administering it.***

3.1 The government agrees with the Committee's recommendation.

Recommendation implemented

3.2 The department routinely collects management information for the proactive Compliant Environment sanctions which are underpinned by data-sharing and the department's civil penalty regimes. In part, this information is made public, the department publishes Transparency Data and the non-compliant employers list and engages regularly at official level with other government departments and public partners to monitor and support the delivery of the measures.

3.3 The department is taking forward further evaluation activity in this area on a phased basis, prioritising the work now underway to further evaluate the impact of the right to rent scheme in operation across England. This activity includes a range of methodologies, including a call for evidence, literature review and mystery shopping exercise to test for impact on discrimination by landlords and lettings agents.

3.4 As set out in the Comprehensive Improvement Plan, The department aims to complete the ongoing right to rent evaluation by summer 2021. Initial analysis of data and evidence on the compliant environment will be completed by autumn 2021. Long-term evaluation will be ongoing, and timescales will be determined by the outcomes from the initial analysis.

Eighty-Third Report of Session 2017-19

Department of Health and Social Care

Clinical Commissioning Groups

Introduction from the Committee

Clinical Commissioning Groups (CCGs) are responsible for planning and commissioning most of the hospital and community NHS services in their local areas. CCGs are led by a Governing Body made up of GPs, other clinicians and lay members. They replaced primary care trusts in April 2013. In 2018, there were 195 CCGs. In 2017–18, CCGs spent £81 billion primarily on purchasing health services for their local populations. Of this, approximately 1.4% (£1.1 billion) was spent on CCGs' running costs.

Since commissioning was introduced into the NHS in the early 1990s, there have been several changes to the structure of NHS commissioning organisations. Most recently, more emphasis has been placed on the wider geographical planning of health services with the introduction of Sustainability and Transformation Partnerships. The most advanced partnerships have become Integrated Care Systems. CCGs are engaging increasingly in joint working. There have been eight formal mergers of CCGs since 2013 and most now share an accountable officer. The NHS Long Term Plan set out that Integrated Care Systems will cover the whole of England by 2021 resulting in a significant reduction in the number of CCGs, with CCGs covering a larger population.

Relevant reports

- NAO report: *A review of the role and costs of clinical commissioning groups, Session 2017–19, HC 1783, 18 December 2018.*
- PAC report: *Clinical Commissioning Groups – Session 2017-19 (HC 1740) 8 March 2019*
- Government document: *NHS Long Term Plan* – January 2019
- *Treasury Minutes*: May 2019 (CP 97)
- Treasury Minutes Progress Report: *February 2020* (CP 221)

Update to the Government response to the Committee

There were five recommendations in this report. As of the last Treasury Minute (CP 221), five recommendations remained work in progress, four of which are now implemented, and one remains work in progress as set out below.

5: PAC conclusion: *Delivery of the NHS Long Term Plan will be slowed without legislative changes.*

5: PAC recommendation: *The Department should ensure that required legislative changes are developed and brought forward in a timely way so that progress on the NHS Long Term Plan is not delayed.*

5.1 The government agrees with the Committee's recommendation.

Target implementation date: Winter 2021
Original implementation date: Spring 2020

5.2 The government has been clear that its priority is to support the NHS in its delivery of operational priorities and the NHS Long Term Plan. In September 2019, the NHS set out its recommendations to government and Parliament for an NHS Bill following an open public engagement exercise.

5.3 The government's immediate focus is on delivering the ongoing response to COVID-19. The department is continuing to develop legislation to help the NHS implement its Long Term Plan and respond to future challenges; the exact date for introduction of this will be subject to future parliamentary time. The department will want to work with the system on any proposals for legislative change.

Eighty-Fifth Report of Session 2017-19

Ministry of Housing, Communities and Local Government and Department of Health and Social Care

Auditing Local Government

Introduction from the Committee

Public bodies spending taxpayers' money are accountable for their stewardship of the resources entrusted to them. In 2017–18, 495 local authorities, local police and local fire bodies were responsible for approximately £54 billion of net revenue spending, and 442 local NHS bodies received funding from the Department of Health & Social Care of approximately £100 billion. These local bodies should account properly for their use of resources and manage themselves well. In 2017–18 local public bodies spent about £64 million on external audit, which provides independent assurance on how public money is used and accounted for.

Taxpayers expect that the auditor will be able to confirm that accounts have been properly prepared and that local bodies have arrangements to manage their business and finances. When they cannot, auditors can qualify their opinion on the accounts or their conclusion on the arrangements to secure value for money. Local auditors also have a range of additional reporting powers and duties to provide information or to prompt action in certain circumstances and are expected to use their public reporting powers to highlight failings. These are important tools for the auditor to bring attention to issues that need to be addressed as they require the body to consider and respond to the issue(s) in public.

Relevant reports

- NAO report: *Local auditor reporting in England 2018* – Session 2017-19 (HC 1864)
- PAC report: *Auditing local government* – Session 2017-19 (HC 1738)
- Treasury Minutes: *May 2019* (CP 97)
- Treasury Minutes*: February 2020* (CP 221)
- Sir Tony Redmond's independent review: *Local authority financial reporting and external audit*

Update to the Government response to the Committee

There were five recommendations in this report. As of the last Treasury Minute (CP 221) two recommendations have been implemented and three remain work in progress as set out below.

1: PAC conclusion: ***Local auditors are identifying significant weaknesses in an increasing number of local bodies' arrangements to secure value for money, with limited consequences for the local bodies themselves. In 2017–18, more than 1 in 5 local public bodies did not have proper arrangements in place.***
The numbers are worst for local NHS bodies such as clinical commissioning groups and hospital trusts, where local auditors qualified 38% of their conclusions in respect of value for money arrangements.
While most of the audited bodies who responded to the NAO's information request claim to have plans in place to address the weaknesses highlighted, only 5% could say they had fully implemented their plans. Even where local auditors use their additional reporting powers to draw the public's attention to a particular issue, this still does not always lead to immediate action.
Central government departments also need to do more to hold local bodies to account for their performance and management arrangements; at present there is no direct consequence of receiving a qualified report from a local auditor.

1: PAC recommendation: ***Departments should set out, by the end of September 2019, clear expectations of how local bodies should respond to weaknesses reported by local auditors in 2018–19, including the potential consequences for local bodies who fail to improve.***

MHCLG response:

1.1 The government agrees with the Committee's recommendation.

Target implementation date: Autumn 2020
Original Implementation date: April 2020

1.2 On 29 October 2019, the Ministry for Housing, Communities and Local Government (MHCLG) wrote to local authorities setting out its expectation that local bodies should respond publicly to weaknesses identified by local auditors as legally required. In its previous response MHCLG also committed to consider what further actions might be needed in relation to this recommendation by April 2020, and in doing so, would consider the findings and recommendations of Sir Tony Redmond's independent Review of Local Authority Financial Reporting and External Audit and the National Audit Office review of its *Code of Audit Practice* and *associated guidance*.

1.3 Sir Tony Redmond's review was originally expected to report in Spring 2020. However, due to the COVID-19 pandemic, there was a pause and the report was instead published on 8 September. The department's response to that review later in 2020 will set out its plans for any further action on the Committee's recommendation.

DHSC response: (provided for February 2020 TM Progress Report)

Recommendation implemented

1.4 The department, through NHS England and NHS Improvement, consulted with local NHS bodies and the National Audit Office on a *guidance document* developed in light of this recommendation, which was formally published in December 2019.

1.5 The guidance describes for local NHS bodies their requirements in relation to the local audit, assurance and reported by local auditors and potential consequences of non-compliance with the frameworks in place accountability frameworks, including the expectations as to how local bodies should respond to weaknesses.

2: PAC conclusion: ***Departments are not doing enough to act on the performance information they gather and provide local bodies with an overview of issues that could help them strengthen their arrangements. Local bodies should take auditors' concerns seriously and address them promptly, but there appear to be few consequences for those who do not. Central government departments can and do gather information about the issues on which local auditors report. But when significant concerns are highlighted at individual bodies, central departments are not doing enough to make sure that local bodies take prompt corrective action, or to share learning that could help other bodies avoid the same problems.***

2: PAC recommendation: ***Departments should report by the end of September 2019 on how they have made use of the information gathered through their monitoring arrangements in 2018–19 to:***

- ***identify concerns and examples of good practice for wider sharing; and***
- ***challenge local bodies to demonstrate they are strengthening their arrangements.***

MHCLG response:

2.1 The government agrees with the Committee's recommendation.

Target implementation date: Autumn 2020

Original Implementation date: April 2020

2.2 MHCLG is continuing to work to improve its role in challenging authorities that receive non-standard audit reports to ensure councils are taking appropriate action to address the issues raised. To that end, in May and June 2020, MHCLG published a guide to the use of the intervention and inspection powers in the Local Government Act 1999 and guidance about local authority culture and governance of lessons that can be learned from recent statutory and non-statutory interventions. The department also *wrote to the Committee* in January setting out proposed improvements to its risk and oversight arrangements.

2.3 The department wrote in October 2019 to inform the Committee about the delays in the publication of audit opinions. In this letter, the department stated it would consider what further action is needed after reviewing the findings of Sir Tony Redmond's independent review. The department's response to the review later in 2020 will include plans for any further action on the Committee's recommendation in this respect.

DHSC Response (provided for February 2020 TM Progress Report)

Recommendation implemented

2.4 Since the introduction of the Consolidated Provider Account in 2018, local audit reports for all NHS providers have been individually published in this account, correlating audit conclusions with internal monitoring. This exercise will continue. Local audit conclusions also inform the layers of universal, targeted and mandated support provided for NHS providers. The NAO is consulting on changes to its Code of Audit Practice to apply from April 2020 which proposes to replace the auditor conclusion on arrangements over use of resources with more detailed commentary. One risk associated with this change is that it may be more difficult for the department to correlate these findings in the future.

2.5 In the NHS England Group national and regional intervention can be triggered where financial issues are identified through routine reporting and/or qualified audit opinions. This can include the development of recovery plans, the conducting of external financial, capability and capacity reviews, the appointment of a turnaround director and inclusion in national delivery programmes. Auditor reports feed into the internal assessments of each Clinical Commissioning Group which include a published performance rating. A financial resilience website exists to support entities and give them access to the information they require.

2.6 Further detail regarding the use of information gathered by NHS England and Improvement was provided to the committee on 25 July 2019.

5: PAC conclusion: ***The Committee is concerned that, as partnership working becomes more complex, accountability arrangements will be weakened, and the performance of individual local bodies will become less transparent. Local public bodies are increasingly working in partnership to provide public services and these arrangements are becoming more complex. These are often non-statutory arrangements and can involve NHS bodies (commissioners and providers), local authorities and other public or private organisations.***
Over the last three years, concerns over partnership working arrangements have increasingly been a reason for local auditors qualifying their value for money conclusions. But local auditors can only report on the arrangements in place within the individual bodies they audit, so only provide a partial view of how a partnership is performing. Central departments currently say little in their Accountability Systems Statements about how they use information reported by local auditors. It is crucial, that central departments explain in overall terms what assurance they take from local audit findings and ensure that partnership funding arrangements and lines of accountability are absolutely clear and transparent.

5: PAC recommendation: ***Departments should, in their next accounting officer systems statements, expand on:***

• the use of the assurance provided by local auditors; and

• how they will get assurance in areas not covered by local audit, such as how partnerships are held to account for joint decisions and responsibilities

5.1 The government agrees with the Committee’s recommendation.

MHCLG Response

Target implementation date: Autumn 2020
Original Implementation date: July 2019

5.2 In its previous response the department indicated that the next Accounting Officer System Statement would expand on these issues as requested by the Committee.

5.3 The System Statement will be published alongside the MHCLG Annual Report and Accounts 2019-20. However due to the COVID-19 pandemic publication is now expected in Autumn 2020.

DHSC Response

Target implementation date: Autumn 2020
Original implementation date: September 2019

5.4 The National Audit Office Code of Practice, supplemented by the Auditor Guidance Notes, assists and informs local auditor approach to partnership working in non-statutory arrangements. The guidance offered to local auditors confirms that accountability cannot be transferred to third parties. Partnership working therefore falls within the scope of local audit.

5.5 The department has considered how the Accounting Officer System Statement can be meaningfully expanded in this area and considers it could more clearly explain the existence and operation of such non-statutory partnerships in the Group and signpost the frameworks through which arrangements are held accountable by the system and local auditors. The revised Accounting Officer System Statement (AOSS) was due to be published in April 2020. The publication of the AOSS was delayed as a result of re-prioritisation of resources and staff to assist with the department’s response to the COVID 19 pandemic. Work has now recommenced with a view to having this published in Autumn 2020. The updated AOSS is currently in draft and expands on both the use of the assurance provided by local auditors and how assurance is obtained in areas not covered by local audit.

Eighty-Sixth Report of Session 2017–19

Department for Transport, Cabinet Office and Department for Environment, Food and Rural Affairs

Brexit and the UK border: further progress review

Introduction from the Committee

The Committee examined the Government's preparedness for Brexit, particularly should there be no deal with the EU before the end of March, throughout 2018. In eight reports, the Committee expressed concern about the pace of progress and departments' lack of urgency. This remained our key concern when we took evidence in February 2019 from the Department for Transport and the Department for the Environment, Food & Rural Affairs, just 7 weeks before the UK would leave the EU.

The Department for Transport (DfT) is responsible for preparing the transport system for when the UK leaves the EU, including maintaining transport connectivity between the UK and the EU via road, rail, maritime and air. The Department for the Environment, Food & Rural Affairs (Defra) is one of the departments most affected by Brexit, with almost all of its areas of responsibility framed by EU legislation, including imports and exports of food, animals and animal products and regulation of the chemical industry. The impact of exiting the EU on the movement of freight at the border forms a key part of preparations within both Departments.

During autumn 2018, the government updated its planning assumptions relating to freight crossing the border should no deal be agreed with the EU. By the end of October, departments agreed a revised worst-case assumption that the normal flow of goods across the short channel crossings could be reduced by up to 87 per cent, with the situation persisting for up to six months. In response to the changed assumptions, DfT developed options to mitigate the risks to freight transport of the UK leaving the EU without a deal. DfT decided to procure additional ferry capacity at ports other than those at the short straits – the Dover to Calais channel crossings.

To ensure that services would be in place in time for 29 March 2019, DfT used an unusual exemption to usual procurement processes which allowed it to act outside normal procurement rules on the basis that it was dealing with an emergency. The DfT approached nine companies and after receiving no compliant bids in the first round it opened up bidding the next weekend for 8 days and received three bids. The DfT signed contracts with these three companies. Two of these, Brittany Ferries and DFDS, are long-established ferry companies. The third, Seaborne Freight, is a start-up company which did not operate any services at the time of procurement. Seaborne had not passed normal due diligence. The three contracts were due to provide additional freight capacity equivalent to 11% of the normal flow across the short crossings.

On 9 February 2019, DfT announced that it was terminating the contract with Seaborne Freight. The procurement was also subject to a legal challenge from Eurotunnel. On 1 March it was reported that the Department for Transport had come to a £33 million settlement with Eurotunnel in that case. We are seeking information on the costs and implications of the settlement with the Department.

Relevant reports

- NAO Memorandum: *The UK border: preparedness for EU exit update October 2019* - Session 2019-20 (HC 98)
- PAC Report: *Brexit and the UK border: further progress review* – Session 2017-19 (HC 1942)
- Treasury Minutes: June 2019 (CP 113)
- Treasury Minutes Progress Report: February 2020 (CP 221)

Update to the Government response to the Committee

There were four recommendations in this report. As of the last Treasury Minute (CP 221), three recommendations had been implemented and one recommendation remained work in progress, which is now implemented as set out below:

8: PAC conclusion: ***Departments have responded to the pressure to prepare for a no-deal Brexit by resorting to taking action which is far from business-as-usual. Whether a deal is reached with the EU or not, this pressure will eventually ease.***

8c PAC recommendation: ***If a deal is reached with the EU, then the Government should ensure that the time, money and effort which has gone into planning for a potential no deal is used to learn lessons and deliver longer-term improvements to how departments operate.***

8.1 The government agrees with the Committee's recommendation.

Recommendation implemented

8.2 EU Exit has posed a number of significant challenges for the government, affecting all departments and creating a significant additional body of work that required considerable cross-Whitehall coordination and redeployment of resources.

8.3 The government has responded with new structures and processes to facilitate collective agreement, enhance cross-government oversight and ensure close working between departments on key policy areas that cut across departmental boundaries.

8.4 Having already drawn on some of these innovations in its response to the COVID-19 pandemic, the government remains determined to extract all of the lessons it can from the experience of preparing for EU Exit and is ensuring that these are put into practice as it prepares for the end of the Transition Period on 31 December 2020.

Eighty-Ninth Report of Session 2017-19

Department for Business, Energy and Industrial Strategy

Public cost of decommissioning oil and gas infrastructure

Introduction from the Committee

The UK's offshore oil and gas reserves are running out. As a result, oil and gas companies are increasingly decommissioning assets that are no longer extracting resources profitably. Decommissioning means plugging and abandoning wells and removing structures, such as platforms, to return the seabed to its natural state as far as possible in accordance with international regulations. Oil and gas companies have spent more than £1 billion on decommissioning in each year since 2014. The OGA expects decommissioning to cost between £45 billion and £77 billion overall, with most expenditure in the next 20 years. HMRC estimates that taxpayers will contribute £24 billion to the cost of decommissioning through tax reliefs. Taxpayers are additionally liable for the cost of decommissioning assets that oil and gas companies cannot afford to decommission themselves. The Department has overall responsibility for the safe, cost-effective and environmentally sensitive decommissioning of offshore oil and gas infrastructure. In 2015, it established the OGA to work with oil and gas companies to reduce the overall cost of decommissioning. The Department also monitors the financial health of oil and gas companies and can require companies to set aside money to pay for future decommissioning if it thinks there is a risk of the bill falling to taxpayers.

Relevant reports

- NAO report: *Oil and Gas in the UK - Offshore Decommissioning* – Session 2017 – 19 (HC 1870)
- PAC report: *Public Cost of decommissioning oil and gas infrastructure* – Session 2017-19 (HC 1742)
- Department publication: *Clean Growth Strategy – published in October 2017*
- Department publication: *UK Carbon Capture Usage and Storage deployment pathway: an action plan* – published in November 2018
- *Treasury Minutes* – June 2019 (CP 113)
- *Treasury Minutes Progress Report* – February 2020 (CP 221)

Update to the government responses to the Committee

There were six recommendations in this report. As of the last Treasury Minute update (CP 221), four recommendations had been implemented and two recommendations remain in progress.

3: PAC conclusion: *The Department does not yet have a clear plan to ensure the UK maximises the benefit of developing exportable decommissioning skills and resources.*

3: PAC recommendation: *The Department should set out by July its strategy for maximising the economic benefit of the development and export of decommissioning skills and resources.*

3.1 The government agrees with the Committee's recommendation.

Target implementation date: Autumn 2020
Original implementation date: Autumn 2019

3.2 The government shares the views of the Committee in respect of the opportunity for the UK to become a leader in decommissioning skills and technology that can be exported to other oil and gas producing regions of the world. The department launched a call for evidence in March 2019 on '*Strengthening the UK's offshore oil and gas decommissioning industry*'.

3.3 The aim of the call for evidence is to allow government, industry and the Oil and Gas Authority (OGA) to assess the relative strengths of the UK decommissioning industry and provide a strategic, coordinated approach, to take advantage of the global opportunities that will arise in the coming decades.

3.4 The department, in conjunction with other relevant government departments, is undertaking analysis of the evidence. As previously indicated to the Committee the intention was to respond to this call for evidence by Autumn 2019. This was delayed as a result of the general election and then subsequently by COVID-19, so it is now intending to publish the Government Response in the Autumn of 2020.

5: PAC conclusion: ***Government support for oil and gas may become incompatible with its long-term climate change objectives.***

5: PAC recommendation: ***The Department should set out as part of its energy White Paper, expected during 2019, how it will continue to ensure that government support for oil and gas remains compatible with its wider energy objectives.***

5.1 The government agrees with the Committee's recommendation.

Target implementation date: Autumn 2020
Original implementation date: Summer 2019

5.2 The Secretary of State intends to publish an Energy White Paper in the Autumn of 2020. The White Paper will set out the basis for an orderly transition away from extracting fossil fuels. While oil and gas will continue to be important during the energy transition, there is now an onus on only continuing exploration and production in a way that is consistent with the net zero ambition.

5.3 This orderly transition could be achieved through the diversification of oil and gas producers into clean growth sectors and the application of the knowledge and experience in the supply chain to new technologies such as carbon capture utilisation and storage and renewables.

Ninety-First Report of Session 2017-19

Department of Health and Social Care and NHS England

NHS financial sustainability: progress review

Introduction from the Committee

The Department of Health & Social Care (the Department) has overall responsibility for healthcare services. It is accountable to Parliament for ensuring that its spending, as well as spending by NHS England, NHS Improvement, other arm's-length bodies and local NHS bodies, is contained within the overall budget authorised by Parliament. For the NHS to be sustainable, it needs to manage patient demand, the quality and safety of services, and remain within the resources given to it. Most of the funding allocated to the Department is given to NHS England to plan and pay for NHS services. In 2017–18, this amounted to £109.5 billion, with most of this spent by 207 clinical commissioning groups (CCGs) which purchased services from 232 NHS trusts and NHS foundation trusts (trusts).

In June 2018, the Prime Minister announced a long-term funding settlement for the NHS, which will see NHS England's budget rise by an extra £20.5 billion by 2023–24, this equates to an average annual real-terms increase of 3.4%. The Government asked NHS England to produce a 10-year plan that aims to ensure that this additional funding is well spent. The NHS Long Term Plan was published in January 2019 and is designed to show how the NHS aims to achieve several tests and priorities set by the government.

Relevant reports

- NAO report: *NHS financial sustainability -* Session 2017-19 (HC 1867)
- PAC report: *NHS financial sustainability: progress review* - Session 2017-19 (HC 1743)
- Government report: *NHS Long Term Plan*
- *Treasury Minutes*: June 2019 (CP113)
- *Treasury Minutes Progress Report*: February 2020 (CP221)

Update to the Government responses to the Committee

There were eight recommendations in this report. As of the last Treasury Minute (CP 221), four recommendations were implemented, one was disagreed with and three recommendations remained work in progress, one of which is now implemented as set out below.

1: PAC conclusion: ***Although the NHS nearly achieved financial balance in 2017–18, this overall picture masks the significant disparities in financial performance of individual trusts and CCGs.***

1: PAC recommendation: ***National bodies need to ensure that planning guidance for 2020–21 clarifies the arrangements and timeline for achieving annual financial balance as well as dealing with historic debt, in those organisations with the largest deficits. NHS England should write to us by September 2019 to provide an update on how this guidance is progressing.***

1.1 The government agrees with the Committee's recommendation.

Recommendation implemented

1.2 In January 2020, NHS England and NHS Improvement published the *NHS Operational Planning and Contracting Guidance 2020/21.* NHS Systems, local areas consisting of clinical commissioning groups and NHS providers, were expected to deliver aggregate financial balance in 2020-21. However, the operational planning process was subsequently suspended on 17 March 2020 as part of the response to COVID-19 and alternative arrangements were introduced to ensure NHS providers were reimbursed for their costs.

1.3 On 2 April NHS England wrote to all NHS providers setting out reforms to both the *cash and capital regimes*. These changes included issuing new Public Dividend Capital (PDC) to repay over £13 billion of historic debt.

2: PAC conclusion: ***The NHS will not be able to deliver on the Long Term Plan unless it addresses staffing shortages.***

2: PAC recommendation: ***The Department should write to the Committee by July 2019, setting out how issues with the recruitment and retention of NHS staff will be addressed and reflected in the workforce strategy.***

2.1 The government agrees with the Committee's recommendation.

Target implementation date: Spring 2021
Original implementation date: Spring 2019

2.2 The government has made commitments to expand the NHS workforce, with pledges for 50,000 more nurses and 6,000 more GPs, in Parliament.

2.3 The NHS published an interim *NHS People Plan* in June 2019, setting out the strategy and immediate actions to grow the NHS workforce and support the delivery of the *NHS Long Term Plan*. This was followed on 30 July 2020 by *We are the NHS: People Plan for 2020/21 - action for us all*, which sets out practical actions for employers and the system to support the wellbeing of NHS staff and strengthen retention for the remainder of 2020-21.

6: PAC conclusion: ***The success of integrated care systems may be impeded because they are not statutory bodies, and so rely on the goodwill and effective relationships of the organisations involved.***

6: PAC recommendation: ***The Department, with NHS England and NHS Improvement, should write to us by July 2019 defining the governance arrangements for effective integrated care systems; detail how they will align individual NHS bodies' responsibilities to improve system management including assumptions regarding suggested legislative changes, and how they will support those areas where partnership working is less well developed.***

6.1 The government agrees with the Committee's recommendation.

Target implementation date: Winter 2021
Original implementation date: Summer 2019

6.2 The target implementation date above is subject to future Parliamentary time.

6.3 The *NHS Operational Planning and Contracting Guidance 2020/21* set out national expectations for systems.

6.4 Building on the requirements set out in the *NHS Long Term Plan,* in September 2019, the *NHS published a set of recommendations for legislative changes* that would enable the NHS to go faster and further in realising the ambitions set out in the *NHS Long Term Plan*. The government is considering the NHS' recommendations thoroughly and will bring forward proposals in due course. This will include measures to tackle barriers the NHS has told government it faces, and the lessons learnt from the COVID-19 response.

6.5 The response to COVID-19 has also demonstrated the value of Integrated Care Systems (ICS), with systems organising themselves on ICS footprints to collaborate.

Ninety-Third Report of Session 2017–19

The Home Office

Disclosure and Barring Service: progress review

Introduction from the Committee

The Home Office helps safeguard children and vulnerable adults by providing employers with a service that lets them see safeguarding information, such as details of criminal records, about people who want to work with children or vulnerable adults. Employers use this service to help them decide who to employ. The safeguarding service is run by the Disclosure and Barring Service (DBS), an arm's length body set up by the Home Office in 2012, which brought together the previous Criminal Records Bureau (CRB) and the Vetting and Barring Scheme (VBS).

When the DBS was created, the Home Office wanted to modernise what was previously a paper-based service and launch a new product ("the Update Service") that it assumed people would choose to use in large numbers. The Update Service would enable users to use one DBS certificate across a number of organisations with the same disclosure level, rather than apply separately for each one. This was intended to make DBS cheaper to run for both government and DBS's customers and to provide a better service for employers and the individuals. We reported in May 2018 on the failure of the DBS and the Home Office to modernise these services. Since then, the modernisation programme has not been completed.

Relevant reports

- NAO report: *Investigation into the Disclosure and Barring Service - Session 2017–19* (HC 715)
- PAC report: *Modernising the Disclosure and Barring Service - Session 2017–19* (HC 695)
- *Treasury Minutes*: July 2019 (CP 151)
- PAC report: Disclosure and Barring Service: progress review – Session 2017-19 (HC 2006)
- *Treasury Minutes Progress Review* (February 2020) (CP 221)

Update to the Government responses to the Committee

There were six recommendations. As of the last Treasury Minute (CP 221), three recommendations remained work in progress. All three recommendations have now been implemented as set out below:

1: PAC conclusion: *Efforts to modernise the DBS are a further example of contracting failure within the Home Office.*

1b: PAC recommendation: *In the same letter, the Home Office should also assess the strength of the DBS's confidence expressed at the evidence session that the new supplier will be able to pick up TCS's role quickly and effectively.*

1.1 The government agrees with the Committee's recommendation.

Recommendation Implemented

1.2 An *update letter was sent to the Committee* in July 2020.

1.3 The target implementation date was changed to allow new contracts to be let, transition to take place and a post-transition assessment of service levels to be carried out. These are all now complete.

1.4 The new suppliers started delivering services on 28 March 2020 following service transfer from Tata Consultancy Services (TCS). Client Global Insight (CGI) and Hinduja Global Solutions UK Limited (HGS), are providing IT and customer contact services, and have continued to increase their understanding of the services in parallel to delivering them.

1.5 Many of the former TCS staff transferred to CGI and HGS under TUPE which has provided good service continuity and mitigated the new suppliers' knowledge gaps.

1.6 Service transfer occurred shortly after the March 2020 had been introduced as a result of COVID-19. Both suppliers have experienced COVID-19 related resource issues but have been working in line with agreed standards since the start of April 2020. The transfer from TCS of their former office accommodation within Liverpool also assisted transition and provided some additional levels of resilience and contingency.

1.7 The service transition programme came to a formal close on the 28 September 2020.

2: PAC Conclusion: ***DBS is not yet in a position to set out a convincing longer-term vision for its services and is no further forward with modernisation than it was at the beginning of the process in 2012.***

2: PAC Recommendation: ***By the end of 2019, DBS should write to us with details of its achievements against benefits promised in the 2012 business case, the strategy it will have in place for further service improvements, and actions it will take to achieve them.***

2.1 The government agrees with the Committee's recommendation.

Recommendation Implemented

2.2 The actions associated with this recommendation were complete except for the (Disclosure and Barring Service) DBS strategy. The delay in the implementation date was linked to challenges relating to COVID-19, the strategy has been approved by a Home Office Minister and DBS sent a copy to the Committee on 11 August 2020.

2.3 The strategy sets out a 5-year programme in support of DBS' purpose and vision with strategic priorities of: quality; people; and profile.

2.4 Key strategic deliverables include: a disclosure platform infrastructure refresh; the development of the barring portal; and new mobile technology for DBS' customers that will provide information about its services, eligibility of checks and service levels, acting as a digital guide to the DBS.

2.5 The DBS Board will oversee the delivery of this strategy working closely with the Home Office.

3: PAC conclusion: ***We are concerned about the extent to which the Home Office will take responsibility for turning around the DBS modernisation programme.***

3.1 The government notes the Committee's comments.

4: PAC conclusion: ***As a result of our May 2018 evidence session and report, the Home Office has now taken action to review the fees charged to the public and employers by the DBS given the surpluses the DBS had amassed over a number of years.***

4a: PAC recommendation: ***The Home Office should provide the Committee with its lessons learned review as soon as possible after the transition between contractors has been completed. Although it was the Department's intention after our last inquiry to provide a review once the DBS modernisation project has been delivered, given the length of time it is taking the Department should review and update the Committee sooner. This exercise should be clear as to how lessons will be applied to other projects managed by the Home Office – particularly given our concerns over the Emergency Services Network programme.***

4.1 The government agrees with the Committee's recommendation.

Recommendation Implemented

4.2 The lessons learnt review was provided to the Committee in July 2020. The review produced eighteen recommendations, categorised in the following key areas:

- Business case and transformation vision
- Commercial Setup
- Programme Mobilisation
- Programme Delivery and Business Change
- Internal Skills and Capability
- Supplier Relationship Management
- HO/ALB Relationship

4.3 The recommendations were incorporated into the DBS new supplier procurement phase. This is now successfully been completed and has commenced closure.

4.4 The findings have been shared with the Home Office Portfolio and Project Delivery Directorate, the department's Project Delivery leadership community, and will be used by members of the Portfolio and Investment Committee in its scrutiny of new change investment proposals to ensure that the lessons are learnt for future programmes.

Ninety-Fourth Report of Session 2017-19

Ministry of Justice

Transforming rehabilitation: progress review

Introduction from the Committee

Probation services are designed to protect the public and reduce reoffending by supervising offenders in the community, overseeing their rehabilitation and ensuring that they understand the impact of their crimes on victims. The Ministry of Justice (the Ministry), through HM Prison & Probation Service (HMPPS), is responsible for probation services in England and Wales. As at September 2018, 257,000 offenders were supervised by probation services. In 2013, the Ministry embarked on a major reform of probation services to deliver a 'rehabilitation revolution'. It created 21 privately owned Community Rehabilitation Companies (CRCs) to manage low- and medium-risk offenders and the public sector National Probation Service (NPS) to manage those posing higher risks. CRC owners took over in 2015, but as early as 2017 the Ministry had to amend its contracts with CRCs to increase their income and stabilise failing services. In July 2018 the Ministry announced it would terminate its contracts with CRCs 14 months early, in December 2020.

In February 2019, Working Links, the owner of three CRCs, went into administration followed by Interserve, the owner of five CRCs, which went into administration in March 2019. The Ministry has consulted on its future model for probation, but it has not yet made decisions about what will replace the current failing system. This project has been beset by major difficulties from its outset and whilst we appreciate the Ministry's acknowledgement that it was wrong to set its original timescale, it remains to be seen how it will manage to minimise additional costs while at the same time delivering a radically redesigned reform programme.

We are also very concerned about the impact of the failures of the Through the Gate (TTG) services on both offenders and victims. TTG services were intended to provide support and minimise the risk of reoffending by helping offenders to find employment and stable accommodation as well as helping with financial and emotional support. However, TTG services have consistently failed to deliver or meet required quality standards. Offenders have been let down by a lack of understanding in how to offer tailored support, poor staff training, a focus on meeting targets rather than specific needs and an unacceptable failure in providing stable and suitable accommodation.

Relevant reports

- NAO report: *Transforming rehabilitation: progress review* – Session 2017-19 (HC 1986)
- PAC report: *Transforming rehabilitation: progress review* – Session 2017-19 (HC 1747)
- *Treasury Minutes*: July 2019 (CP151)
- *Treasury Minutes Progress Report*: February 2020 (CP221)

Update to the Government responses to the Committee

There were six recommendations in this report. As of the last Treasury Minute (CP 221), five recommendations were implemented, and one recommendation remained work in progress. This remains ongoing.

3: PAC conclusion: ***The Ministry will not make sustained progress with reducing reoffending until it can provide the support offenders desperately need on leaving prison, including securing stable accommodation.***

3: PAC recommendation*: The Ministry, working with the Reducing Reoffending Board should report back to this Committee, by the end of June 2019, setting out a cross-government strategy to reduce reoffending, and how it will measure whether this is working.*

3.1 The government agrees with the Committee's recommendation.

Target implementation date: Winter 2020
Original implementation date: Summer 2020

3.2 The department agrees that reoffending is a complex issue that requires a strategic response. During the COVID-19 pandemic, the department has seen strong cross-government working, particularly with the Department for Work and Pensions (DWP) and the Ministry for Housing, Communities and Local Government (MHCLG) to provide benefits and accommodation support to prison leavers. The department also works closely with health partners to ensure individuals receive treatment for drug addiction and support with mental health issues.

3.3 The department continues to make progress toward our Single Departmental Plan commitment to reduce reoffending and improve offenders' life chances. Plans are being developed for the new Prisoner Education Service focussed on work-based training and skills. It will build on the New Futures Network's success in brokering links with employers, consolidate good practice and ensure smooth transitions from prison to the community. Elsewhere, three offender accommodation pilots have been operating since August 2019, with over 320 individuals enrolled. They will enhance the department's understanding of how accommodation and wrap-around support can improve reoffending outcomes. From June 2021, the unified model of probation will work with the voluntary and private sector to rehabilitate offenders.

3.4 The COVID-19 period impacted the department's plans to publish a strategy in summer 2020, through diverting resource onto ensuring the safety of prisoners and putting in place support for those leaving prison during the outbreak. Nonetheless, the department has outlined the strategic direction on reoffending in the recent Sentencing White Paper, centred on accommodation, employment and substance misuse, and will write to the committee with further details before the end of 2020. These priorities are reinforced by the Prime Minister's Criminal Justice System Taskforce, which considers the prevention of crime and drives progress on cross-government reoffending plans.

Ninety-Fifth Report of Session 2017–19

Cabinet Office and Department for Work and Pensions

Accessing public services through the Government's Verify digital system

Introduction from the Committee

The Government Digital Service (GDS), part of the Cabinet Office, created Verify as a cross-government approach to identity assurance. It was intended to be the default way for people to prove their identities, so they could securely access online government services, such as claiming tax back and receiving benefit payments. Verify went live in May 2016, although earlier work to develop an identity assurance strategy and framework started in 2011. The programme contracts out verification services to five 'identity providers', all private sector companies, who receive payments based on the number of people they sign up as Verify users. GDS spent £154 million on Verify and its predecessor programme from April 2011 to September 2018. In October 2018, the Cabinet Office announced that government funding would stop in March 2020. After this time, GDS intends that the private sector will take over responsibility for Verify, including for investment to ensure its future delivery.

Relevant Reports

- NAO Report: *Investigation into Verify* – Session 2017-19 (HC 1926)
- PAC Report: *Accessing public services through the Government's Verify digital system* – Session 2017-19 (HC 1748)
- *Treasury Minutes:* October 2019 (CP 176)

Update to the Government response to the Committee

There were seven recommendations in this report. As of the last Treasury Minutes (CP 176), five recommendations have been implemented and the department disagreed with one recommendation. One recommendation remains work in progress, as set out below:

5: PAC conclusion: ***The Cabinet Office and GDS have no meaningful plan for what will happen to Verify post-2020.***

5: PAC recommendation: ***Alongside its Treasury Minute response, the Cabinet Office and GDS should write to the Committee by the summer recess setting out the detailed plan for how Verify's services will be maintained after 2020, including how government services using Verify will be protected from unaffordable cost increases.***

5.1 The government agrees with the Committee's recommendation.

Target implementation date: Autumn 2020
Original implementation date: Autumn 2019

5.2 The government's Written Ministerial Statement on 29 April 2020 stated that the funding for the GOV.UK Verify programme would be extended up to September 2021.

5.3 With discussions continuing and further cross government alignment on the next steps for GOV.UK Verify, the Cabinet Office is not in a position to confirm next steps at this stage. Therefore, the Cabinet Office will write again to the Committee before the end of 2020 to provide a further update.

Ninety-Sixth Report of Session 2017-19

Department of Health and Social Care

Adult Health Screening

Introduction from the Committee

Health screening is an important way of identifying potentially life-threatening illnesses at an early stage. Health screening programmes in England currently cover a range of conditions including different types of cancer, foetal and new-born screening, diabetes and abdominal aortic aneurism. This report focuses on four of the 11 screening programmes operating in England: screening for bowel, breast and cervical cancers and abdominal aortic aneurism. In 2017–18, almost 8 million people were screened for these conditions at a cost of £423 million. The Department is ultimately responsible for the delivery of health screening in England. It has delegated responsibility for health screening to NHS England, via an annual public health functions agreement. NHS England commissions and manages local screening providers; it also manages some of the IT that supports delivery of the programmes. Public Health England supports the Department and NHS England with expert advice, analysing and producing data; managing some of the IT that supports delivery of the programmes; and undertaking quality assurance work on the screening programmes to make sure that certain standards are met.

In May 2018 the then Secretary of State for Health and Social Care announced there had been a failure in the system that invites women for screening, affecting some 450,000 women. This number turned out to be closer to 122,000 but nonetheless raised concerns about health screening programmes. In October 2018, NHS England became aware of a similar issue on the cervical screening programme, with 43,220 women not receiving letters inviting them for a cervical cancer screening and a further 4,508 not being sent their results letters.

Relevant reports

- NAO report: *Investigation into the management of health screening*, Session 2017–19, (HC 1871),
- PAC report: *Adult health screening* – Session 2017-19 (HC 1746)
- *Independent Breast Screening review* – (HC 1799) December 2018
- *Independent Review of National Cancer Screening Programmes in England* Interim report by Professor Sir Mike Richards
- *Treasury Minutes:* July 2019 (CP 151)
- *Treasury Minutes Progress Report*: February 2020 (CP 221)

Update to the Government responses to the Committee

There were five recommendations in this report. As of the last Treasury Minute (CP 151), two recommendations remained work in progress, one of which is now implemented as set out below.

2: PAC conclusion*: It is unacceptable that NHS England has continually failed to hold local screening providers to account for their poor performance.*

2: PAC recommendation: *By the summer recess, the NHS England must write to the Committee to set out how it is going to hold local screening providers to account against their agreed targets and standards. It should also set out its targets for improving the performance of local providers over the next 12 months.*

NHS England has a duty to make the public aware that the 14-day target is not based on clinical need. In the same letter, it should outline to the Committee how it intends to raise awareness.

2.1 The government agrees with the Committee’s recommendation.

Recommendation implemented

2.2 NHS England wrote to the Committee to set out how it holds local NHS screening providers to account against their agreed targets and standards. This is the last action in successfully implementing the recommendation.

2.3 Having restored normal functioning of all NHS screening programmes impacted by COVID-19, the letter sets out the targets that have been achieved over the last 12 months to improve performance and uptake.

2.4 Several communications have been issued to screening service providers and commissioners regarding breaches of the cervical screening results 14-day turnaround time performance standard, including a comprehensive communications pack, which was circulated to commissioners in June 2019.

2.5 To further reinforce these messages, additional communication and guidance was issued in August 2019 to NHS England regional commissioning teams for onward cascade across the system, so that women attending for their cervical appointment could be made aware of the delays and be reassured that any delays had minimal clinical risk in relation to the quality of results.

5: PAC conclusion: ***We are extremely doubtful that NHS England will be able to successfully bring the failing IT system that supports the cervical programme back in-house, remove the backlog of samples that are waiting to be tested, and roll-out a new testing regime in just 6 months' time.***

5: PAC recommendation: ***NHS England should set out a clear plan for how it intends to deliver this inherently risky project on time without making the service provided to women undergoing screening even worse.***

5.1 The government agrees with the Committee's recommendation.

Target implementation date: February 2021
Original implementation date: December 2020

5.2 HPV primary screening was fully implemented within the NHS Cervical Screening Programme in England on 2 December 2019.

5.3 The backlog of samples that accumulated during the implementation of HPV primary screening have been cleared and turnaround time performance has improved considerably.

5.4 As part of the wider transformation of primary care support services, a revised cervical cancer screening IT call-recall system is being developed to replace the 83 separate instances of the NHAIS (National Health Application and Infrastructure Services) system, which is due to be decommissioned. Governance arrangements have been established within NHS England and NHS Improvement to oversee the switchover to the new system.

5.5 The cervical screening IT system continues to be developed at pace. There has been some impact on delivery of the new system due to COVID-19. Detailed re-baselining is currently underway, and this will be completed by mid-August. The minimum viable product that will allow migration of NHAIS, will be delivered by end of February 2021.

Ninety-Seventh Report of Session 2017-19

Ministry of Housing, Communities and Local Government

Local Government Governance and Accountability

Introduction from the Committee

Local politicians and council officers operate within a governance framework of checks and balances to ensure that local authorities' decision-making is lawful, informed by objective advice, transparent and consultative. Some parts of local governance are locally defined, but core components of the statutory framework of legal duties and financial controls are overseen by the Ministry of Housing, Communities & Local Government (the Department). The Department is responsible for: ensuring that this framework contains the right checks and balances and changing the system if necessary. The Secretary of State also has powers to intervene in cases of perceived governance failure. The framework includes: officers with statutory powers and responsibilities; internal checks and balances such as audit committees and internal audit; and external checks and balances such as external audit and sector-led improvement overseen by the Local Government Association.

These arrangements represent a significant reduction in the level of central oversight in recent years following the government's decision to abolish the Audit Commission and the Standards Board for England as part of a broader reform of local audit, inspection and reporting. The new, more localised framework has had to function effectively at a time when the process of governance itself is more challenging and complex because of new arrangements such as shared services, outsourcing and commercial activities. Reduced resources mean that delivery of change programmes and dealing with financial pressures can be crucial to the financial viability of an authority. This makes the implications of governance failure more significant.

Relevant reports

- NAO report: *Local Authority Governance* – Session 2017-19 (HC 1865)
- PAC report: *Local Government Governance and Accountability:* – Session 2017-19 (HC 2077)
- *Treasury Minutes*: July 2019 (CP 151)
- *Treasury Minutes Progress Report* February 2020 (CP 221)

Update to the Government responses to the Committee

There were eight recommendations in this report. As of the last Treasury Minute (CP 221), four recommendations remained work in progress, one of which is now implemented as set out below.

2: PAC conclusion: ***The Department does not know why some local authorities are raising concerns that external audit is not meeting their needs.***

2: PAC recommendation: ***The Department's proposed review of the work of independent auditors should be conducted independently and should ensure that concerns from some local authorities over current fee levels and the contribution of external audit are examined fully and rigorously. The review should make an assessment of whether external audit is providing an effective service and meeting the needs of local authorities.***
PAC Recommendation: ***If the review identifies an 'expectation gap' as a factor underlying local authorities' concerns with external audit, then the Department should identify how these unmet expectations can be met.***

2.1 The government agrees with the Committee's recommendations.

Target implementation date: Autumn 2020
Original implementation date: April 2020

2.2 In its previous response to the Committee, the Ministry for Housing, Communities and Local Government (the department) confirmed that the scope of the independent Redmond Review would include an assessment as to the effectiveness and value of external audit as well as considering any perceived ‘expectation gap’.

2.3 The Review recommendations (September 2020) and revised NAO guidance accompanying the new Code of Audit Practice (April 2020) provide the department with a considered view as to whether more might be needed in this area. Sir Tony Redmond’s report, delayed by COVID-19, was published on 8 September 2020. The department’s strategic response is due by year end and will set out its plans for any further action on the Committee’s recommendation in relation to the expectations gap and how it might be resolved.

4: PAC conclusion: ***The Department’s monitoring is not focused on long-term risks to council finances and therefore to services.***

4: PAC recommendation: ***The Department should assess and monitor the scale of long-term risk that authorities might have exposed themselves to through their commercial investments and ventures.***

4.1 The government agrees with the Committee’s recommendation.

Target implementation date: December 2020
Original implementation date: Autumn 2019

4.2 The department conducted a *Post Implementation Review of Changes to the Local Authority Capital Finance Framework* over summer 2019 and published its findings in April 2020. The NAO also conducted a study into *local authority commercial investment* which was published 13 February 2020, and was the subject of a PAC hearing in May 2020.

4.3 The department is taking forward a comprehensive landscape review of borrowing and investment activity in the sector, a key aim of which is to improve its understanding of the nature, scale and risks of commercial investment activity. The department had planned to take this project forward in early 2020; however, this work was paused earlier in 2019 due to the COVID-19 pandemic. This project has now started, and the department plans to have concluded the first data collection exercise by the end of this year. The outcome of the review will be used to inform the department’s future data collections.

5: PAC conclusion: ***There is a complete lack of transparency over both the Department’s informal interventions in local authorities with financial or governance problems and the results of its formal interventions.***

5a: PAC recommendation: ***The Department should set out how it will improve transparency over its engagement on governance issues with individual local authorities, including a review of the information the LGA is required to publish under its sector-led improvement work funded by the Department.***

5.1 The government agrees with the Committee’s recommendation.

Target implementation date: Summer 2021
Original implementation date: Spring 2020

5.2 The Local Government Association (LGA) delivers the ‘Corporate Peer Challenge’ process, where elected members and senior council officers from different councils carry out a broad review of how a council is doing, as a core part of its sector-led improvement work. Part of the Corporate Peer Challenge offer is an expectation that councils will publish the findings of the process, and how they intend to use the feedback from peers. The department has completed a review of documentation already published and the requirements on the LGA for publication of information under the sector-led improvement programme. Discussions with the LGA about findings have necessarily been paused due to the COVID-19 pandemic.

5b: PAC recommendation: ***The Department should set out how it will improve transparency over its engagement on governance issues with individual local authorities, including the steps the Department will take to publish information and learning following formal intervention.***

5.3 The government agrees with the Committee's recommendation.

Recommendation Implemented

5.4 Formal, or statutory, interventions are highly transparent. The powers are set out in sections 10 to 15 of the Local Government Act 1999. Best value inspections, which seek to establish the evidence base for a statutory intervention, are normally announced to Parliament and the resulting report is published. Any decision to intervene under Best Value powers is subject to formal consultation and parliamentary debate. Commissioners' reports are published regularly during the intervention together with the Secretary of State's responses. The decision to end an intervention is subject to similar rigorous scrutiny, including a consultation process.

5.5 The department has published the following information and lessons following interventions:

- On 18 September 2019 the *lessons learned review by Rotherham Commissioners*
- On 7 May 2020 *Statutory intervention and inspection: a guide for local authorities*
- On 15 June 2020 *Addressing cultural and governance failings in local authorities: lessons from recent interventions*
- On 3 July two documents setting out *lessons learnt from year one of the Northamptonshire County Council statutory intervention* and
- *lessons learnt from year two of the Northamptonshire County Council statutory intervention*

Ninety-Eighth Report of Session 2017-19

Department for Education

The Apprenticeships Programme: progress review

Introduction from the Committee

Apprenticeships are jobs that combine work with training and can play a vital role in helping people to develop the skills that the economy and society needs. The content of each apprenticeship is set out in either a 'framework' or a 'standard'. Frameworks are being phased out in favour of standards, which are designed by groups of employers from the relevant sector, and set out the knowledge, skills and behaviours that apprentices will need to acquire. By December 2018 around 360 of a potential 600 standards had been approved.

The Department is accountable for the apprenticeships programme in England. The Education and Skills Funding Agency (the ESFA) is responsible for apprenticeships policy and funding, and for overseeing delivery of the programme. The Institute for Apprenticeships & Technical Education, which was set up in April 2017, is responsible for ensuring the quality, consistency and credibility of apprenticeships, including helping employers to develop apprenticeship standards and approving the standards.

In 2017–18, the Department spent £1.6 billion on the apprenticeships programme, out of a budget of £2.0 billion. Since April 2017, employers with an annual pay bill of more than £3 million have been required to pay an apprenticeship levy of 0.5% of their pay bill. The total value of levy contributions for England in 2017-18 was just under £2 billion.

Relevant reports

- NAO report: *The apprenticeships programme* – Session 2017-19 (HC 1987)
- PAC report: *The apprenticeships programme: progress review* Session 2017-19 (HC 1749)
- *Treasury Minute*: July 2019 (CP 151)
- *Treasury Minutes Progress Reports*: February 2020 (CP 221)

Update to the Government responses to the Committee

There were eight recommendations in this report. As of the last Treasury Minute (CP 221), five of these have been implemented and three remain work in progress, as set out below.

1: PAC conclusion: ***The Department has not set out what productivity gains it is expecting from the programme.***

1: PAC recommendation: ***The Department should publish the level of improvement in the skills index that it is aiming to achieve in the short and long term.***

1.1 The government agrees with the Committee's recommendation.

Target implementation date: December 2021

1.2 The department measures the contribution of the apprenticeship programme to productivity through the 'Skills Index' and other secondary measures including the earnings outcomes for apprentices and employer perspectives. In future years, the department will use the Index to determine trends in the value ascribed to apprenticeships compared to equivalent levels of learning across further education and in demonstrating the impact of ggovernment wide-reaching technical education reforms. The ddepartment will expand its reporting accordingly in the annual benefits progress reports. The department has begun the process of setting out its new business case and reviewing the programme benefits realisation plan and will be proposing that Ministers set an ambition for Skills Index improvements.

3: PAC conclusion: ***The Department's approach to widening participation among under-represented groups has been inadequate.***

3a: PAC recommendation: ***The Department should set more stretching diversity targets, covering BAME (black, Asian and minority ethnic) apprentices and those with a learning difficulty, disability or health problem, for 2020/21 and beyond.***

3.1 The government agrees with the Committee's recommendation.

Target implementation date: December 2021

3.2 After the 2020 Spending Review, the department will set out a new business case and review and update its benefits realisation strategy. This will reset the programme's ambitions and measures, including widening participation and improving social mobility. It will be for Ministers to decide these, reflecting that it is employers who make decisions about the apprentices they employ.

4: PAC conclusion: ***The programme is not supporting smaller employers well enough.***

4 PAC recommendation: ***The Department should set out how it will ensure that smaller employers can benefit fully from the programme, including considering whether to protect funding for non-levy-paying employers and assessing the feasibility of deploying expired levy funds to support skills development in particular parts of the country.***

4.1 The government agrees with the Committee's recommendation.

Target implementation date: December 2021

4.2 In January 2020, the department gave smaller employers that do not pay the levy access to all aspects of the apprentice service. This means they can now select an apprenticeship standard, choose their training provider, and reserve funding for apprenticeships through the service. In response to the COVID-19 pandemic, the department extended the transition period, during which non-levy employers have the choice of accessing funding for new apprentices through either the service or through a training provider with a government-procured contract. Instead of ending in August 2020, transition has been extended until 31 March 2021 so all new apprenticeship starts, regardless of employer size, will be routed through the service from 1 April 2021.

4.3 The department's transition plans include refining its service system and capabilities, supporting sector readiness through communications and engagement, delivering a transformed employer support service, and trialling spend and compliance controls. For example, in July 2020 the department increased the number of apprentices that non levy employers can start through the service, from 3 to 10 each year, allowing employers to recruit more apprentices for their businesses through the apprenticeship service, whilst accessing additional COVID-19 response support incentives. The department is also now planning for a potentially significantly changed provider and employer market due to the pandemic.

4.4 The budget the department receives pays for the entirety of the apprenticeships programme. When levy funds expire it does not increase the department's budget or reduce its financial commitment for apprenticeships. It is therefore not feasible to deploy employers' expired levy funds as set out in the recommendation.

Ninety-Ninth Report of Session 2017–19

Cabinet Office

Cyber Security in the UK

Introduction from the Committee

UK citizens and businesses increasingly operate online to deliver economic, social and other benefits, and the Government aspires to be a world leader in digital economy and putting its services online. This makes the UK and its citizens more vulnerable to various risks when operating on the internet, collectively known as cyber-attacks. These attacks continue to increase and evolve. The Government's view is that these risks can never be eliminated but can be managed to the extent that the opportunities provided by digital technology, such as reducing costs and improving services, outweigh the disadvantages.

Since 2010, the Government has taken a central lead in ensuring that the UK effectively manages its exposure to cyber risks. The Cabinet Office has led this work, through successive National Cyber Security Strategies. The current National Cyber Security Strategy runs from 2016 to 2021. It has a £1.9 billion budget. One part of delivering the Strategy is the National Cyber Security Programme, which has a budget of £1.3 billion. The Strategy has 12 strategic outcomes. The Programme's objectives mirror these strategic outcomes. The Department currently assesses that one strategic outcome is on track to complete by March 2021. None of the remaining 11 strategic outcomes are currently due to be achieved by 2021, and the Department has 'low confidence' in the quality of the evidence that underpins the assessment of progress against many of these.
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Relevant reports

- NAO Report: *Progress of the 2016-2021 National Cyber Security Programme* – Session 2017-19 (HC 1988)
- PAC Report: *Cyber Security in the UK* – Session 2017-19 (HC 1745)
- *Treasury Minute: CP 176* - Session 2017-19

Update to the Government responses to the Committee

There were five recommendations in this report. As of the last Treasury Minute (CP 176), three recommendations were implemented, and two remain work in progress, as set out below.

1: PAC conclusion: *The UK is particularly vulnerable to the risk of cyber-attacks.*

1: PAC recommendation: *The Department should ensure another long-term coordinated approach to cyber security is put in place well in advance of the current Strategy finishing in March 2021.*

1.1 The government agrees with the Committee's recommendation.

Target implementation date: March 2021

1.2 The Deputy National Security Advisor *wrote to the Committee* and provided them with a response to this recommendation in November 2019.

1.3 The department is leading a whole of government approach to planning for cyber security post March 2021. This work is feeding into and being guided by the 2020 Spending Review and Integrated Review.

2: PAC conclusion: *The Department cannot justify how its approach to cyber security is delivering value for money.*

2: PAC recommendation: ***The Department should ensure that, to support any follow on, long-term and coordinated approach to cyber security, it produces a properly costed business case.***

2.1 The government agrees with the Committee's recommendation.

Recommendation implemented

2.2 The Deputy National Security Advisor *wrote to the Committee* and provided them with a response to this recommendation in November 2019.

2.3 A costed business case on cyber security setting out a long-term, coordinated approach is being developed as part of the 2020 Spending Review.

3: PAC conclusion: ***The Department lacks the robust evidence base it needs to make informed decisions about cyber security.***

3: PAC recommendation: ***The Department should write to the Committee by November 2019 setting out what progress it is making in using evidence-based decisions in prioritising cyber security work. This should include plans for undertaking a robust 'lessons learnt' exercise to capture all relevant evidence from the current Strategy and Programme to support any future approach to cyber security.***

3.1 The government agrees with the Committee's recommendation.

Recommendation implemented

3.3 The Deputy National Security Advisor *wrote to the Committee* and provided them with a full response in November 2019.

4: PAC conclusion: ***The Department has not been clear what the Strategy will actually deliver by 2021.***

4: PAC recommendation: When the Department publishes its costed plan in Autumn 2019 for its future approach to cyber security it should also set out what the existing Strategy and Programme should deliver by March 2021, and the risks around those areas where it will not meet its strategic outcomes and objectives.

4.1 The government agrees with the Committee's recommendation.

Target implementation date: Autumn 2020

4.2 The Deputy National Security Advisor *wrote to the Committee* and provided them with a response in November 2019.

4.3 Further information on progress of the existing strategy and programme will be published in the next progress report in Autumn 2020. For national security reasons, full details of the risks and gaps in the government's progress will not be made available.

4.4 Details of cyber funding post March 2021 will be released as part of wider 2020 Spending Review decisions. Costed plans will be produced as part of the business case. For national security reasons, published costs will not be disaggregated.

5: PAC conclusion: ***Government has not yet done enough to enhance cyber security throughout the economy and better protect consumers.***

5: PAC recommendation: The Department should write to the Committee by November 2019, outlining how it intends to influence the different sectors in the economy—for example, retail—to provide consumers with information on their cyber resilience. As part of this it should outline how they intend to measure success in protecting consumers. This should also form part of its approach to cyber security after 2021.

5.1 The government agrees with the Committee's recommendation.

Recommendation implemented

5.2 The National Cyber Security Strategy proposed a shift in the government's approach away from solely providing information, towards removing as much of the burden of ensuring cyber resilience as possible from citizens and businesses. Work continues to be undertaken with a number of the current strategic objectives to influence different sectors.

5.3 The Deputy National Security Advisor *wrote to the Committee* and provided the Committee with a full response in November 2019.

One-Hundredth Report of Session 2017-19

Department of Health and Social Care and NHS England

NHS waiting times for elective and cancer treatment

Introduction from the Committee

In England, patients have the right to receive consultant-led elective (or non-urgent) treatment within 18 weeks of their referral (usually by a GP). For patients urgently referred for suspected cancer, they have the right to a first outpatient appointment within two weeks. To ensure patients' rights, the Department of Health and Social Care (the Department) has set performance standards for the percentage of patients to be treated within the maximum time a patient should wait for treatment. For example, 92% of patients should wait no more than 18 weeks for their elective treatment from the date of their referral (if treatment is needed), and 93% of patients should be seen by a cancer specialist within two weeks of being urgently referred by a GP for suspected cancer. The NHS has also pledged that 85% of patients who are subsequently diagnosed with cancer should be treated within 62 days of the date of their original referral, normally by their GP.

The Department holds NHS England to account for national performance against these standards. In turn, NHS England holds clinical commissioning groups (CCGs) to account for meeting the standards for their local populations. CCGs are responsible for enforcing waiting times standards through contracts with service providers, mostly NHS trusts and foundation trusts. NHS Improvement regulates and supports trusts to achieve waiting times standards.

Relevant reports

- NAO report: *NHS waiting times for elective and cancer treatment* - Session 2017-19 (HC 1989)
- PAC report: *NHS waiting times for elective and cancer treatment* - Session 2017-19 (HC 1750)
- Treasury Minute: *October 2019* *(CP 176)*

Update to the Government responses to the Committee

There were seven recommendations in this report. As of the last Treasury Minute (CP 176), one recommendation was disagreed with, and six recommendations remained work in progress, as set out below.

1: PAC conclusion: ***The NHS is failing to meet key waiting times standards for cancer and elective care, and its performance continues to decline.***

1: PAC recommendation*: NHS England should set out, by December 2019, how, and by when, it will ensure that waiting times standards for elective and cancer care will be delivered again.*

1.1 The government agrees with the Committee's recommendation.

Target implementation date: Spring 2021
Original implementation date: April 2020

1.2 The target implementation date of Spring 2021 is under review given ongoing COVID-19 restoration work and is also dependent on Spending Review outcomes.

1.3 The approach to restoring comprehensive services following the first wave of COVID-19 was set out on 31 July 2020. NHS organisations are making substantial progress in restoring activity levels, including for elective and cancer services, following the impact of COVID-19. The volume of planned surgery has now more than doubled since the peak of COVID-19 inpatient demand. During March to July 2020, cancer treatments were successfully sustained at 85% of usual levels, given that for some patients their clinicians decided that least risk option would be to pause their treatments for a short period. Cancer treatment volumes have increased even further since then and are now at near normal levels.

1.4 Trusts, working with GP practices, have been asked, between them, to ensure that patients whose planned care has been disrupted by COVID receive clear communication about how they will be looked after, and who to contact in the event that their clinical circumstances change. Clinically urgent patients should continue to be treated first, with next priority given to the longest waiting patients, specifically those breaching or at risk of breaching 52 weeks.

1.5 To further support the recovery and restoration of elective services, the NHS has signed a national contract to give access for NHS patients to most independent hospital capacity until March 2021.

2: PAC conclusion: ***The Department of Health & Social Care has allowed NHS England to be selective about which standards it focuses on, reducing accountability.***

2: PAC recommendation: ***The Department of Health & Social Care and NHS England should clarify to the Committee by December 2019:***

- ***how NHS England will be held accountable for achieving waiting times standards now and in the future; and***
- ***what additional support NHS England and NHS Improvement will put in place to help local NHS bodies to meet waiting times standards.***

2.1 The government agrees with the Committee's recommendation.

Target implementation date: Spring 2021
Original implementation date: Autumn 2019

2.2 The 2020-21 mandate to NHS England and NHS Improvement reflects the unprecedented challenge facing the NHS as a result of COVID-19. It includes five high level objectives, including an objective on implementing the NHS Long Term Plan which itself encompasses commitments on waiting time standards.

2.3 The mandate makes clear that expectations on the amount of progress to be made on the wider objectives in 2020-21 will have to take account of the need to focus on managing COVID-19.

2.4 The NHS Operational and Planning Guidance for 2020-21 is being reviewed in light of the COVID-19 pandemic. Around £90 million of service development funding has been earmarked for Cancer Alliances in 2020-21 to support the delivery of improved operational performance and the Long-Term Plan commitments required by the Planning Guidance.

2.5 In supporting cancer services following the COVID-19 pandemic, the NHS is also:

- running public information campaigns ("Help Us Help You") encouraging people with worrying symptoms to contact their GP.
- working with clinicians and Cancer Alliances to design and publish clear guidance on adapting referral pathways during the pandemic.
- continuing to support the development and expansion of cancer 'hubs' to maintain essential and urgent cancer treatment and diagnostics, including use of the independent sector.
- accelerating the implementation of innovative approaches that will help recovery, such as the expansion of stereotactic ablative radiotherapy, and use of faecal immunochemical testing to support clinical triage.
- providing clear and up-to-date management data on referrals, treatment and backlog levels through Cancer Alliances, including additional analysis on inequalities.
- leading sector-wide engagement on recovery for cancer services, including with 40+ cancer charities, patients, clinicians, Cancer Alliances and regional teams, and establishing a new cancer recovery taskforce to support recovery.

2.6 In expanding elective activity post-COVID, next steps for the remainder of 2020-21 include:

- supplementing physical outpatient appointments with phone and virtual appointment where a clinically appropriate and accessible alternative exists; and
- giving patients more control over their care by adopting a patient-initiated follow-up approach across major outpatient specialties, and collaboration between primary and secondary care to treat patients without the need for an onward referral.

3: PAC conclusion: ***We are concerned that NHS England's review of waiting times will not be enough to ensure a clear understanding of, and strong accountability over, the performance of the NHS.***

3: PAC Recommendation: ***The Department of Health & Social Care should ensure that any changes to current waiting times standards:***

- ***help to improve patient outcomes and patient experiences;***
- ***do not water down current standards to make them easier to meet; and***
- ***are communicated clearly to the public, so that patients understand what they can expect of the NHS.***

3.1 The government agrees with the Committee's recommendation.

Target implementation date: Spring 2021
Original implementation date: April 2020

3.2 The review of standards for cancer and elective care is clinically led to unsure that any changes promote safety and outcomes; drive improvements in patients experience; are clinically meaningful, accurate and practically achievable; ensure the sickest and most urgent patients are given priority; ensure patients get the right service in the right place; are simple and easy to understand for patients and the public; and not worsen inequalities.

3.3 The COVID-19 pandemic adds to the impetus for improved standards, and the timeline for each of the workstreams is being developed to support the ongoing recovery and restoration work.

3.4 Clinical recommendations will be made to government for consideration, and changes to the standards will only be made based on clinical evidence and after public consultation. Any changes to the standards will only be with the agreement of government for final approval. Clinical evidence and patient safety remain at the forefront of any decision to change the standards

5: PAC conclusion: ***Bottlenecks in hospital capacity are having a detrimental impact on how long patients wait for treatment.***

5: PAC recommendation: ***NHS England and NHS Improvement should evaluate and report back to the Committee on how the NHS plans to ensure that it has the required diagnostic and bed capacity to meet patient demand in the medium to long term. They should also set out, in the short term, how they will support local bodies to improve their patient flow through the health system and reduce unwarranted variation.***

5.1 The government agrees with the Committee's recommendation.

Target implementation date: Summer 2021

5.2 NHS England and NHS Improvement recognise the urgent need to rapidly restore services back towards pre-COVID-19 levels and limit the backlog to ensure patients receive the care and treatment they need. A drop in the waiting list by over half a million people was recorded between February and April, and a significant increase is anticipated over the second half of the year. It is of course too early to state when waiting times will return to pre-pandemic levels, as the pace at which the NHS can recover will be dependent on a number of factors that remain uncertain including the future of the pandemic's second wave.

5.3 As highlighted, the *NHS Help Us Help You campaign* has led to a steady improvement in patients accessing services and we have accelerated work to achieve restoration of key elective and diagnostic services. NHS England and NHS Improvement are working with Royal Colleges, local systems and front-line teams to innovate and expand services. This is targeted at, but not limited to, five immediate priority areas: endoscopy, imaging, outpatients, theatre productivity and cancer services.

5.4 On 31 July 2020, NHS England and NHS Improvement wrote to the system with a number of actions for the next phase of the response to COVID-19, including (but not limited to) the following:

- ensuring that sufficient diagnostic capacity is in place in COVID-secure environments, including through the use of independent sector facilities, and the development of Diagnostic Hubs
- increasing endoscopy capacity, including through the release of endoscopy staff from other duties, separating upper and lower GI (non-aerosol-generating) investigations, and using CT colonography to substitute where appropriate for colonoscopy.
- expanding the capacity of surgical hubs to meet demand and ensuring other treatment modalities are also delivered in COVID19-secure environments.
- putting in place specific actions to support any groups of patients who might have unequal access to diagnostics and/or treatment, and
- resuming screening programmes.

6: PAC conclusion: ***The NHS still does not understand sufficiently what is driving demand for referrals for elective treatment.***

6: PAC recommendation: ***As we recommended in March 2019, NHS England and NHS Improvement should, by September 2019, write to us to set out how they will help local bodies to better understand the demand for care, and to plan their services accordingly to better meet the needs of their local patients.***

6.1 The government agrees with the Committee's recommendation.

Target implementation date: Spring 2021
Original implementation date: September 2019

6.2 As noted in the NHS' previous letter to the Committee in September 2019, the NHS Operational Planning and Contracting Guidance 2019/20 and the associated operational planning process is the key mechanism through which NHS England mandates NHS organisations to develop operational plans to deliver our key priorities, including for waiting times. It also produces and provides a number of enabling tools to support local organisations through the annual planning process and plan demand accordingly. The planning process and timetable for the remainder of the 2020-21 financial year is currently being developed and will include a requirement for specific plans on bed and diagnostic capacity

6.3 By the end of September 2020, activity levels had as intended reached 80% of 2019-20 levels for overnight elective procedures and higher still for imaging diagnostics. Elective waiting lists and performance are being managed at a system level as well as at trust level to ensure fair access and effective use of facilities. Patients should continue to be treated in order of clinical priority, with the next priority given to the longest waiting patients. To support further the recovery and restoration of elective services, a modified national contract will be in place giving access to most independent hospital capacity until March 2021.

6.4 It is likely the future nature of demand for elective services will be affected by the current pandemic and therefore will differ from the trends seen in pre-COVID-19 times (e.g. the increased backlog, chronic conditions and other social/economic effects). We will therefore be assessing our current analytical approach, given the changing demand drivers and heightened uncertainty.

7: PAC conclusion: ***NHS England has not yet identified how it will manage the variety of factors that could affect the success of its plans to better manage elective care***

***7: PAC Recommendation:** The Department, NHS Improvement and NHS England should, by December 2019, clarify to us:*

- ***How they are going to develop a fit-for-purpose workforce to ensure that the ambition to reduce face-to-face appointment by one-third is going to be achieved.***
- ***How they are going to ensure access to care is maintained if the number of outpatient appointments is not reduced as planned.***

7.1 The Government agrees with the Committee's recommendation.

Target implementation date: Spring 2021
Original implementation date: December 2019

7.2 In responding to COVID-19, the NHS has supported local health systems to deliver a step change in access to telephone and video outpatient consultations. With funding available this has seen almost every NHS secondary care provider able to offer video appointments, and the protection of patient access to care via virtual means during a period of social distancing. The broader benefits of this approach, as well as any challenges to overcome, continue to be monitored and acted upon as the NHS seeks to embed and sustain the option of virtual appointments into the future. *Guidance on virtual consultations for clinicians has been issued.*

7.3 Alongside the publication of *We are the NHS: People Plan for 2020/21 - action for us all*, we have asked all systems to develop a local People Plan to ensure our workforce plans put looking after our people at the heart of activities over the remainder of 2020-21.

One Hundred and First Report of Session 2017-19

Ministry of Defence

Submarine defueling and dismantling

Introduction from the Committee

The Ministry of Defence (the Department) has committed to handling its retired nuclear-powered liabilities responsibly, disposing of them "as soon as reasonably practicable". This includes removing the irradiated nuclear fuel (defueling), storing the submarines safely, taking out the radioactive parts (dismantling), and then recycling the boat. To date, the Department has not yet disposed of any of its 20 submarines retired since 1980, with nine still containing irradiated fuel. It has spent £500 million on storage and maintenance in that time. On behalf of the Department, the Submarine Delivery Agency (the Agency) manages several interdependent projects to ensure there is the necessary space, infrastructure, skills and regulatory approvals for the work. In July 2018, the Department told us that although it had previously deferred dismantling submarines for reasons of affordability, this was no longer acceptable on safety and reputational grounds.

Relevant reports

- NAO report: *Investigation into submarine defueling and dismantling* Session 2017-19 (HC 2102)
- PAC report: *Submarine defueling and dismantling* Session 2017-19 (HC 2041)
- Treasury Minutes report October 2019 (CP 176)
- *Treasury Minutes Progress Report* February 2020 (CP 221)
- *Submarine Delivery Agency Corporate Plan 2019-2022*
- *Defence Equipment Plan 2019* 27 February 2019
- *The United Kingdom's future nuclear deterrent: the 2019 update to Parliament:* 20 December 2019

Update to the Government responses to the Committee

There were eight recommendations in this report. As of the last Treasury Minute (CP 221), one recommendation was implemented, one disagreed, and six recommendations remained work in progress, all of which have now been implemented as set out below:

1: PAC conclusion: *The continual failure to progress submarine disposal has created an unacceptable and unnecessary problem for the Department.*

1: PAC recommendation: *To ensure the task receives the attention it deserves, the Department and its partners must maintain the recently established momentum by regularly monitoring progress with these projects at senior level, and continuing to provide information on developments via the Department's annual update to Parliament on the future nuclear deterrent.*

1.1 The government agrees with the Committee's recommendation.

Recommendation implemented

1.2 The department has submarine disposal related milestones with the Submarine Delivery Agency (SDA), which continue to be reviewed via the established governance processes. This includes the quarterly SDA Performance and Risk Review led by the Permanent Secretary and the Vice-Chief of the Defence Staff, which considers the SDA's corporate effectiveness. Senior programme oversight is also provided from the Defence Nuclear Executive Board as required.

1.3 The 2019-20 milestones reflected the department's commitment to submarine disposal related projects. This commitment is set out in the *SDA Corporate Plan 2019-2022*, including at Annex A that summarises the SDA Key Performance Indicators. Information on developments was provided in the *2019 Update to Parliament* on the future nuclear deterrent.

2: PAC conclusion: *The Department has yet to resolve significant uncertainties affecting the projects that are needed in order to avoid future space constraints and meet its commitments.*

2: PAC recommendation: *To avoid running out of space and to meet its commitments, the Department must achieve the milestones it has set itself over the next ten years, including by having commercial arrangements agreed for defueling by the end of 2019. It should report to us on progress with both the defueling and dismantling projects by 31 March 2020.*

2.1 The government agrees with the Committee's recommendation.

Recommendation implemented

2.2 There remains sufficient capacity in Devonport dockyard to store safely laid-up submarines until the mid-2030s, including the last three operational Trafalgar Class submarines. Beyond this, the requirements for future laid up submarines are being considered by the SDA.

2.3 The Permanent Secretary *wrote to the Committee* on 27 March 2020 setting out the commercial arrangements in place, and the progress with both projects. This highlighted that a new Qualifying Defence Contract for the Defuel, De-equip, and Lay-up facility project was placed with Babcock in December 2019, and initial dismantling of the second submarine, HMS Resolution, completed in March 2020 within scheduled time and under budget. Approximately 50% more low level radioactive waste was removed from HMS Resolution with demonstrable performance improvements over the first submarine, HMS Swiftsure.

3: PAC conclusion: *The Department has repeatedly made decisions on short-term affordability grounds which have increased costs in the longer-term and led to poor value for money.*

3: PAC recommendation: *Where it has made decisions on affordability grounds that affect disposal-related projects, the Department should detail the targets, timescales and success indicators in its annual nuclear deterrent report to Parliament how these impact on progress towards establishing a routine programme of disposals, as well as how it will manage the risks to value for money.*

3.1 The government agrees with the Committee's recommendation.

Recommendation implemented

3.2 The department remains committed to the disposal of laid-up nuclear submarines and will continue to consider departmental priorities in accordance with established processes.

3.3 The *Defence Equipment Plan 2019* set out the department's commitment to funding these projects to deliver best value for money to the taxpayer. The 2019 Plan noted the good progress the department was making by putting in place the necessary facilities, processes and technical solutions to demonstrate steady state disposal of laid-up submarines as soon as possible. An update on project developments was also provided in the *2019 Update to Parliament* on the future nuclear deterrent.

4: PAC conclusion: *The Commission remain unconvinced that funds will be available for disposal-related projects, or that the Department has done everything it can to secure potential funds.*

4a: PAC recommendation: ***To sustain momentum behind this work, the Department must provide certainty over longer-term funding as soon as possible.***
It should do this by:

- ***urgently clarifying department-wide priorities and making decisions to delay, defer or descope areas of the programme so as to plan funding on a longer-term basis;***

4.1 The Government agrees with the Committee's recommendation.

Recommendation implemented

4.2 Financial provision has been made for the management of our current and future laid up submarines including defueling (where necessary) and dismantling. The *Defence Equipment Plan 2019* set out the department's priorities and funding plans, including the commitment to funding the defueling and dismantling projects to deliver best value for money to the taxpayer.

4b: PAC recommendation:

- ***being clearer on the priority of disposal-related projects and how this may change over time;***

4.3 The government agrees with the Committee's recommendation.

Recommendation implemented

4.4 The department remains committed to the safe, secure and cost-effective defueling and dismantling of all our decommissioned nuclear submarines as soon as practicably possible.

4.5 The priority of submarine disposal related projects within the Nuclear Enterprise is established and monitored through existing governance arrangements, corporate documentation and key performance indicators summarised in the *SDA Corporate Plan 2019-2022*. Senior oversight is provided at the quarterly SDA Performance and Risk Review led by the Permanent Secretary and the Vice-Chief of the Defence Staff, and from the Defence Nuclear Executive Board as required.

6: PAC conclusion: ***The Department's ability to achieve value for money depends on managing complex commercial risks and relationships.***

6: PAC recommendation: ***The Department should report to us by 31 March 2020 to confirm that it has in place the appropriate commercial arrangements it needs and that good value for money will be delivered for the taxpayer.***

6.1 The government agrees with the Committee's recommendation.

Recommendation implemented

6.2 The Permanent Secretary *wrote to the Committee* on 27 March 2020 setting out the commercial arrangements in place and the approach to delivering good value for money for the taxpayer.

One Hundred and Second Report of Session 2017-19

Ministry of Defence

Military Homes

Introduction from the Committee

In 1996, the Ministry of Defence (the Department) sold 55,000 service family homes, on a 999-year lease, to Annington Property Limited (Annington) and agreed to rent them back for up to 200 years. Rent review negotiations, with new rents due to take effect from 2021 onwards, may result in a significant increase in rental costs on this estate as, to date, the Department has benefitted from a 58% downwards adjustment of rent. In September 2017, the Department announced that by June 2019 it would terminate five years early its contract with Capita to manage the estate on its behalf, due to poor performance. Contractors providing maintenance for service family homes under the existing contract have failed to meet key performance targets over an extended period, leading to high levels of complaints. In 2018, survey results showed that only 51% of service personnel were satisfied with their accommodation. The new Future Accommodation Model (FAM) is designed to give service personnel more choice of accommodation. Pilots have been delayed and are now only due to start in 2019 and full roll-out will begin, at the earliest, in 2022. The number of empty properties held by the Department was over 10,000 in 2018, roughly the same as 21 years before. We have reported four times in recent years on service family accommodation and will continue to keep a close eye on developments.

Relevant reports

- NAO report: *The Ministry of Defence's arrangement with Annington Property Limited* Session 2017–19 (HC 762)
- NAO memorandum: *Service Family Accommodation update* January 2017
- PAC report: *Ministry of Defence's contract with Annington Property Limited,* Session 2017–19, (HC 974)
- *Treasury Minutes* (CP 176) October 2019

Update to the Government responses to the Committee

There were six recommendations in this report. As of the last Treasury Minute (CP 176), four recommendations were implemented and two recommendations remained in progress, one of which is now implemented, as set out below.

1: PAC conclusion*: Difficult negotiations with Annington about future rent levels on the estate lie ahead later in 2019 and will have a critical impact on the Department's whole accommodation strategy.*

1: PAC recommendation*: We expect the Department to negotiate hard on behalf of the taxpayer who was badly let down by the terms of the original deal. It should provide us with regular updates on progress with the site review process, as well as agreement on other elements of the negotiations, initially in September 2019.*

1.1 The government agrees with the Committee's recommendation.

Target implementation date: Spring 2021
Original implementation date: September 2019

1.2 The parties have been unable to agree the new rent and associated abatement and have proceeded to a process of binding arbitration, with an arbitral panel chaired by Lord Neuberger and supported by two chartered surveyors. The first hearing to determine the site rent for four of the twenty-seven representative sites and the new discount rate to be applied to all the sites in the corresponding four baskets concluded on 14 July 2020.

1.3 A further hearing for a second batch of eight sites is scheduled for February 2021.

4: PAC conclusion: the delivery of a modern and flexible accommodation model is still a distant prospect, over three years after its announcement.

4: PAC recommendation: ***The Department should provide the PAC with updates on the Future Accommodation Model, initially in Summer 2020, to confirm that the pilots are under way, to explain how they will capture the varied circumstances in which service personnel and their families live.***

4.1 The government agrees with the Committee's recommendation.

Recommendation implemented

4.2 The department provided a written response to the Committee on 27 July 2020 confirming that the pilots of the Future Accommodation Model (FAM) are underway.

4.3 The FAM pilots began at Her Majesty's Naval Base Clyde on 30 September 2019, Aldershot Garrison on 31 January 2020 and RAF Wittering on 1 June 2020 and the department is now collecting data and evidence to inform decision making. This will include lived experience evidence from Service personnel and their families though surveys and feedback as well as quantitative data about how personnel choose to live across pilot sites.

4.4 The collected data and evidence feeds core monthly reporting and a review of key Pilot (and other) data will be undertaken on a yearly basis. This yearly analysis provides a detailed and strategic review of key FAM questions, including: understanding Pilot cost drivers, detailed demographic analysis of Service personnel eligibility and take-up of the various accommodation options, key satisfaction themes across groups of Service personnel and accommodation options, and an understanding of the efficiency of the operating model and lived experienced of Service personnel as they passed through the FAM process.

One Hundred and Third Report of Session 2017-19

Ministry of Housing, Communities and Local Government

Planning and the broken housing market

Introduction from the Committee

The planning system helps government and local authorities determine where and what type of new homes should be built. It also helps identify which geographical areas need to be protected or enhanced and assesses whether proposed developments are suitable and will benefit the economy and communities. The Department sets national policy for the planning system which is detailed in the National Planning Policy Framework. Its objective for housing is to "support the delivery of a million homes by the end of 2020 and half a million more by the end of 2022 and put us on track to deliver 300,000 net additional homes a year on average." Implementing that policy is largely devolved to local authorities that perform two functions: producing a local plan that sets out the location and types of houses to be built in their areas; and considering applications for housing developments. The Planning Inspectorate is an executive agency of the Department. It examines local authorities' local plans to check they are sound and meet legal requirements; and hears appeals against rejected planning applications.

Relevant reports

- NAO report: *Planning for new homes* – Session 2017-19 (HC 1923)
- PAC report: *Planning and the broken housing market* - Session 2017-19 (HC 1744)
- *Treasury Minute: October 2019* (CP 176)

Update to the Government responses to the Committee

There were seven recommendations in this report. As of the last Treasury Minute (CP 176), the government disagreed with three recommendations and four remained work in progress all of which are now implemented, as set out below.

2: PAC conclusion: ***Fewer than half of local authorities have an up-to-date local plan in place, despite the Department stressing the importance of a 'plan-led system' for development.***

2: PAC recommendation: ***By the end of 2019, the Department should write to us detailing what additional interventions it will make when local authorities fail to produce local plans. These interventions should include a range of 'carrot and stick' measures of support and penalties.***

2.1 The government agrees with the Committee's recommendation.

Recommendation implemented

2.2 With plan preparation now taking an average of 7 years, the *Planning for the Future White Paper* published on 6 August 2020 proposes a range of reforms to simplify the role of Local Plans which, taken together, would greatly simplify and shorten the plan-making and development process, ensuring more land comes through the system and does so at pace.

2.3 The White Paper proposes that local authorities that fail to do what is required to get their plan in place, or keep it up to date, would be at risk of government intervention. A range of intervention options will be available, including the issuing of directions and preparation of a plan in consultation with local people. Updated intervention criteria are proposed: decisions on intervention would have regard to: the level of housing requirement in the area; the planning context of the area, including any co-operation to get plans in place across local planning authority boundaries and any exceptional circumstances presented by the local planning authority.

2.4 The department's proposals for Local Plan reform would require primary legislation followed by secondary legislation. The proposals allow 30 months for new Local Plans to be in place.

2.5 These reforms sit alongside the statement made by the Secretary of State earlier in 2020, in which he set a deadline of December 2023 for all local plans to be in place.

3: PAC conclusion: ***The Planning Inspectorate's performance is poor and detracts from efforts to deliver 300,000 new homes a year.***

3: PAC recommendation: ***By the end of 2019, the Department should set out for us detailed actions and milestones for the Planning Inspectorate's performance improvements across the full range of all its services.***

3.1 The government agrees with the Committee's recommendation.

Recommendation implemented

3.2 The department provided detailed actions and milestones for the Planning Inspectorate's performance improvements across the full range of all its services in the Permanent Secretary's *letter to the Committee* dated 10 February 2020.

3.3 The department was able to report strong progress by the Planning Inspectorate in achieving its actions and milestones across the range of its services, including the three key initiatives of their Transformation Programme, Performance Recovery Programme and implementation of the Rosewell Review. This has resulted in significant improvements for users of the Planning Inspectorate's services.

4: PAC conclusion: ***The system to get contributions from developers to the cost of infrastructure is not working effectively, and too often favours developers at the expense of local communities.***

4: PAC recommendation: ***The Department should continuously monitor whether its reforms to the Community Infrastructure Levy and section 106 are having the impact that is necessary and adjust or adapt accordingly.***
It should update us by the end of 2019 on the impact of those reforms already in place, and on the progress of implementing those that were in development at the time of our evidence session.

4.1 The government agrees with the Committee's recommendation.

Recommendation implemented

4.2 On 6 August 2020, the government published research into the *value and use of developer contributions in England in 2018-19*. The research found that in 2018-19, £7 billion was agreed through developer contributions, which represents an increase in the aggregate value agreed since 2016-17 of 9% in real terms. It also found that there is widespread agreement that policy changes delivered through the Community Infrastructure Regulations represent a positive change to policy and practice on developer contributions. However, delays still remain a hallmark of the system and delivery on section 106 planning obligations has slowed.

4.3 The department recognises the challenges the development industry is facing due to the COVID-19 pandemic and in July 2020 it amended the Community Infrastructure Levy (CIL) Regulations 2010 to give CIL charging authorities the discretion to defer payments and to credit accrued late payment interest from SME developers experiencing financial difficulties.

4.4 To simplify processes further, save time and ensure development pays its way, as part of the *Planning for the Future White Paper* on wider reform, the department has also published a proposal to introduce a new nationally-set 'Infrastructure Levy' to replace section 106 and the Community Infrastructure Levy. The department will aim for the new Levy to raise more revenue than under the current system of developer contributions and deliver at least as much – if not more – on-site affordable housing as at present. This reform will enable us to sweep away months of negotiation of Section 106 agreements and the need to consider site viability.

6: PAC conclusion: ***The PAC are concerned that the Department and local authorities are not doing enough to prevent poor build quality of new homes*****.**

6a: PAC recommendation: ***By October 2019, the Department should set out how it will work with local authorities, developers, and other agencies on how they will prevent, penalise and compensate for poor residential build quality.***

6.1 The government agrees with the Committee's recommendation.

Recommendation implemented

6.2 The government is committed to improving safety and standards in all buildings. The government continues to make progress in remediation, with work on over 70% of ACM clad high rise buildings now started or completed and a new £1 billion Building Safety Fund opened to meet remediation costs for other unsafe cladding systems while our proposals in the *draft Building Safety Bill* published on 20 July 2020 will move building safety from a passive system to a proactive one where developers and building owners take responsibility.

6.3 Proposals include introducing a new regulatory system, with a new Regulator enforcing the stringent new regime for buildings in scope and overseeing a unified building-control profession, strengthened enforcement across all buildings and greater accountability, with a new duty holder structure, making clear responsibilities for complying with the new requirements.

6.4 The Bill imposes a duty on everyone involved in design or building work to ensure they are competent to carry out their role and establishes a committee with the Regulator to oversee work to improve competence across the sector. The department is working with an industry-led group as they develop proposals to improve competence.

6.5 The draft Bill includes provisions introducing the New Homes Ombudsman scheme and protect leaseholders from unfair costs through the Building Safety Charge.

6.6 The department is continuing to reform building regulations. In July 2020, it published an enhanced *Manual to the Building Regulations*. The department has also proposed an ambitious uplift in the energy efficiency of new homes through the introduction of a Future Homes Standard from 2025.

One Hundred and Fourth Report of Session 2017-19

Department for Transport and Highways England

Transport infrastructure in the South West

Introduction from the Committee

In its 2014 Road Investment Strategy the Department said it aimed to upgrade the entire A303 and A358 road corridor to dual carriageway standard over the next 14 years, through eight individual projects. It committed £2 billion to starting three of these projects, including the A303 between Amesbury and Berwick Down, by March 2020. The A303 and A358 road corridor has more than 35 miles of single carriageway, with high levels of traffic and slow and unreliable journeys. Congestion is highest on the section of road by Stonehenge. The Amesbury to Berwick Down (or 'Stonehenge tunnel') project involves building a tunnel of 3.3km (just over 2 miles) beneath the World Heritage Site at Stonehenge. The Department and Highways England expect the project to reduce congestion, improve the setting of the World Heritage Site and support economic growth in the South West of England. The Amesbury to Berwick Down project is still at an early stage of development, and Highways England has yet to begin procuring contractors. However, the Department and Highways England have undertaken extensive preliminary work on site and consultation with stakeholders, leading to an expected cost range of £1.5 billion to £2.4 billion (including VAT). The Department and Highways England expect the upgraded road section to be open to traffic by December 2026.

Relevant reports

- PAC report: Transport infrastructure in the South West – Session 2017-19 (HC 1753)
- Treasury Minutes: October 2019 (CP 176)

Update to the Government response to the Committee

There were six recommendations in this report. As of the last Treasury Minute (CP 176), four recommendations were implemented, and two recommendations remained work in progress, both of which have now been implemented as set out below.

2: PAC conclusion: It will be extremely challenging to deliver the South West road improvements to cost and time. The Department does not have a good track record in delivering major projects.

2: PAC recommendation: The Department and Highways England should write to us in six months with an update on the Stonehenge tunnel and A358 projects, including updated cost estimates, risk assessments, and an up to date schedule and confirmation of the latest planned open to traffic dates.

2.1 The government agrees with the Committee's recommendation.

Recommendation implemented

2.2 The department *wrote to the Committee* in September 2020 outlining progress against this recommendation, reasons for delay and steps being taken to address it. Highways England's Development Consent Order (DCO) application for a new two-lane dual carriage way for the A303 between Amesbury to Berwick Down is currently with the Secretary of State for determination. Following a recent archaeological find within the Stonehenge World Heritage Site, it was necessary to further extend the decision deadline from April 2020 to November 2020 to enable further consultation before determination.

2.3 Highways England is undertaking a review to understand the impact of this delay on the project schedule and costs. The department will commit to providing a further update to the Committee by the end of March 2021 following announcement of the DCO decision and once the impact of the delay has been assessed.

6: PAC recommendation: The Department should write to us by the end of December 2019 with an update on progress with the South West Rail Resilience Programme, how it is working to resolve any local disagreements and the latest schedule for completion.

6: PAC conclusion: While the government is committed to building a new sea wall at Dawlish and other elements of the South West Rail Resilience Programme, there remains much to be resolved in respect of the nearby work required to protect the railway line.

6.1 The government agrees with the Committee's recommendation.

Recommendation implemented

6.2 The department *wrote to the Committee* in January 2020 with an update on progress with the South West Rail Resilience Programme, in particular the construction of the first phase of a new sea wall at Teignmouth, which had commenced in Autumn 2019.

One Hundred and Fifth Report of Session 2017-19

Ministry of Housing, Communities and Local Government

Local Enterprise Partnerships: progress review

Introduction from the Committee

Local Enterprise Partnerships (LEPs) are private sector-led partnerships between businesses and local public sector bodies. There are 38 LEPs in England, each supporting the delivery of government policies to support local economic growth. The government has committed £12 billion in local growth funding to local areas in England between 2015–16 and 2020–21, and of this £9.1 billion has been allocated through Growth Deals negotiated between central government and individual LEPs. The Department is accountable overall for the Local Growth Fund and the delivery systems within which LEPs operate and invest public funds. The Department considers LEPs are key to developing local industrial strategies which will be used as a gateway for accessing future funding after the UK exits the European Union, through the proposed UK Shared Prosperity Fund.

Relevant reports

- NAO report: *Investigation into the governance of Greater Cambridge Greater Peterborough Local Enterprise Partnership* – Session 2017-2019 (HC410)
- PAC report: *Local Enterprise Partnerships: progress review* – Session 2017-2019 (HC1754)
- Treasury Minute *October 2019* (CP 176)

Update to the Government responses to the Committee

There were six recommendations in this report. As of the last Treasury Minute (CP 176), all six recommendations remained work in progress, two of which are now implemented, as set out below.

1: PAC conclusion: ***Despite spending up to £12 billion of taxpayers' money, the Department has no real understanding of the impact which the Local Growth Fund has had on local economic growth.***

1: PAC recommendation***: In the absence of national evaluation, the Department should use the performance data it receives from LEPs to build a national picture of what is working most effectively in boosting growth and use this to inform the design and plans for evaluation of the UK Shared Prosperity Fund.***

1.1 The government agrees with the Committee's recommendation.

Recommendation implemented

1.2 The Ministry of Housing, Communities and Local Government (the department) maintains oversight of the Local Growth Fund by receiving quarterly performance data from LEPs and uses this to inform assessments of delivery as part of its annual assurance process. The department also uses this monitoring information to support the design and plans for future funding programmes.

1.3 The department expects LEPs to undertake evaluation at a local level. To support this the department issued further guidance on LGF evaluation principles and best practice guidance in September 2019. The department will review thematic impact and common local growth metrics across local growth funding programmes to inform the design of future programmes.

1.4 Information on the contribution LEPs are making to local economic growth is also captured in the delivery plan and annual report that each LEP is required to publish. The department will use the information to inform the development of future programmes.

1.5 The UK Shared Prosperity Fund will target the challenges faced by places across the country and its investment will be supported by strong evidence about what works at the local level.

1.6 The need to continue to build this strong evidence base is informing our design and plans for the evaluation of the UKSPF. The department are also working to understand the changing needs of local and regional economies and tailor our response to the impact of COVID-19.

1.7 Details on the design and operation of the fund are due to be announced after the 2020 Spending Review.

2: PAC conclusion: ***The Department has improved the assurance framework for LEPs but there is a long way to go before all LEPs are held to account and their work scrutinised effectively.***

2: PAC recommendation: ***The Department should set out how it is going to assess local capacity to scrutinise LEPs' activities and how it will facilitate LEPs' accountability to their local areas.***

2.1 The government agrees with the Committee's recommendation.

Target implementation date: Autumn 2020
Original implementation date: October 2019

2.2 In the *National Local Growth Assurance Framework* published in January 2019, the government set out a requirement for LEPs to adopt local scrutiny arrangements to ensure that decisions have the necessary independent and external scrutiny in place. In *Strengthened Local Enterprise Partnerships*, (July 2018) the government also set out a new requirement for LEPs to hold Annual General Meetings open to the public to ensure the communities that they represent can understand and influence the economic plans for the area. These steps, alongside additional public documentation such as Delivery Plans and End of Year Reports, are increasing LEP accountability to their local areas.

2.3 In Strengthened Local Enterprise Partnerships, the government stated it would commission independent research to better understand the capability and capacity of LEPs. The research started in February 2019 and will provide further insights into the extent to which LEPs are engaging with local authority scrutiny. The department will also engage with the local government sector to explore in more detail their experience of LEP scrutiny and will then determine whether further actions are required.

2.4 The independent research, entitled *Local Enterprise Partnerships Capacity and Capabilities Assessment*, is now completed and published. The department is taking both this research, and feedback from the local government sector as to LEP scrutiny, into consideration in developing the Devolution and Local Recovery White Paper.

3: PAC conclusion: ***There are entrenched difficulties with LEPs' overlapping geographical boundaries which are supposed to be resolved by April 2020.***

3: PAC recommendation: ***The Department should set out a clear timetable showing how it will meet the April 2020 deadline and what action it will take if local authorities fail to agree on overlapping boundaries.***

3.1 The government agrees with the Committee's recommendation.

Target implementation date: Autumn 2020
Original implementation date: April 2020

3.2 In Strengthened Local Enterprise Partnerships, government announced that each LEP must remove its overlaps by April 2020 and submit a proposal to government on its geography by the end of September 2018. The department stated in this announcement that it was for LEPs, working closely with local stakeholders, to reconfigure their geographies in order to meet the future roles and responsibilities.

3.3 Following proposals from each LEP on 28 September 2018, 24 of 38 LEPs had no overlapping geographies. This was because they either never existed or because they had jointly proposed to remove their overlaps. Following a series of meetings and agreements facilitated by the department, a further nine local solutions were agreed, meaning there are now 33 of 38 LEPs without overlaps. There are now only two areas of the country where overlapping geographies remain, the West Midlands (Stoke-on-Trent and Staffordshire, Worcestershire, Greater Birmingham and Solihull LEPs) and on the Humber (Humber and Greater Lincolnshire LEPs).

3.4 The department will continue to facilitate local agreement to a solution through collaboration agreements which set out how areas will work together once the overlap is removed. The department withheld additional capacity funding from LEPs which still had overlaps.

3.5 Some overlaps still exist, and so are being considered as part of the Local Recovery and Devolution White Paper which is currently being developed.

4: PAC conclusion: ***LEP boards are not yet sufficiently representative of their local areas.***

4: PAC recommendation: ***Within the next 12 months, the department should work with LEPs to agree a broader set of diversity targets for LEP boards. This should include targets that reflect the make up of local businesses in their areas.***

4.1 The government agrees with the Committee's recommendation.

Recommendation implemented

4.2 Through Strengthened Local Enterprise Partnerships, the government set all LEPs challenging targets to improve the representativeness of their boards. All LEPs are working towards the target of boards being one-third women by 2020 and equal male/female representation by 2023. The department also set out its expectation that all LEPs would move to a board structure where two-thirds of members are from the private sector. To strengthen transparency the department also requires LEPs to publish a diversity statement on their website explaining how the LEP will ensure representation at board and sub-board level which is reflective of their local business community (including geographies, gender and protected characteristics). All LEPs were compliant in reaching the April 2020 deadline.

4.3 The department looks to LEPs to ensure that they understand the makeup of businesses in their area and where necessary put in place steps to ensure that their board represents this diversity. The department holds LEPs to account for this through our annual assurance processes.

5: PAC conclusion: ***LEPs continue to underspend their funding allocation each year, calling into question their capacity to deliver complex projects.***

5: PAC recommendation: ***The Department should write to us within three months to set out the results of its analysis of LEP capacity and how it will use this information to improve LEPs' delivery of complex projects.***

5.1 The government agrees with the Committee's recommendation.

Target implementation date: Autumn 2020
Original implementation date: October 2019

5.2 In Strengthened Local Enterprise Partnerships, the government stated it would commission an independent research benchmarking of the capability and capacity of LEPs against best practice, so that performance requirements match resources available. This research started in February 2019. The department is now in receipt of the published research, entitled Local Enterprise Partnerships Capacity and Capabilities Assessment, The findings of the research do not give rise to any significant concerns about the capacity and capability of LEPs to deliver on what is currently expected of them.

5.3 The department is considering the findings of the research as it develops the Local Recovery and Devolution White Paper.

6: PAC conclusion: ***There is a risk that funding allocated on the basis of local industrial strategies may not go to areas with the greatest need.***

6: PAC recommendation: ***The Department should support LEPs to develop robust local industrial strategies based on the economic need of their areas and clearly set out how they will ensure a balance between supporting both high performing areas and areas which are lagging behind.***

6.1 The government agrees with the Committee's recommendation.

Target implementation date: December 2020
Original implementation date: Spring 2020

6.2 The government has worked with all places, through the Cities and Local Growth Unit (MHCLG/BEIS) to develop *Local Industrial Strategies* (LIS) across England. The government's policy prospectus, published in October 2018, set out the objectives, policy rationale and approach to developing strategies.

6.3 The government has formally agreed seven Local Industrial Strategies for the following areas: West Midlands; the Greater Manchester; the Oxford-Cambridge Arc, consisting of Buckinghamshire, Cambridgeshire & Peterborough, Oxfordshire and South East Midlands; and the West of England.

6.4 The government's focus remains on the immediate public health response to coronavirus and continuing to support the economy. Places have been developing their own thinking on local economic recovery. The department is working with LEPs, MCAs and other local partners to ensure places build on priorities identified through the LIS and address new issues which have arisen as a result of the crisis, which LISs were not designed to consider - including for example, how to restart the economy whilst maintaining social distancing. This intelligence, combined with ongoing analysis of the impacts of the health crisis, should guide strategic recovery thinking.

6.5 Some regions are likely to be harder hit than others, so we will continue to work on the levelling up agenda, building on the strengths of places. The government will empower places to drive local economic growth and plans for this will be published through the Devolution and Local Recovery White Paper. The government will also set out the approach to future local growth funding at the upcoming 2020 Spending Review.

One Hundred and Seventh Report of Session 2017-19

Ofwat, Ofgem, Ofcom and the Financial Conduct Authority

Consumer Protection

Introduction from the Committee

Access to good quality and affordable water, energy, communications and financial services is essential for people to live and function in modern society. In 2017, UK households spent a total of around £140 billion purchasing these services mostly from private companies. The characteristics of some markets mean that, left to their own devices, they risk failing to meet the needs of consumers or other areas of public interest, such as the environment. Each sector is therefore overseen by a regulator to ensure that services are provided in a way that protects consumers and meets public policy objectives. The four main regulators of these sectors — Ofwat, Ofgem, Ofcom and the Financial Conduct Authority (FCA), respectively — were set up to be directly accountable to Parliament, and each has a primary statutory duty to protect the interests of consumers.

Relevant reports

- NAO report: *Consumer Protection* - Session 2017-19 (HC 11992)
- PAC report: *Regulating to protect consumers in utilities, communications and financial services markets*– Session 2017-19 (HC 1752)
- Treasury Minutes: *October 2019* (CP 176)

Regulators' responses to the Committee

There were 9 recommendations in this report all of which are now implemented, as set out below.

A joint response from the Financial Conduct Authority (FCA), Ofcom, Ofgem and Ofwat to the recommendations below was provided to the Committee in December 2019 which was *published by the Committee* in March 2020.

The government supports the approach taken by the Regulators the Financial Conduct Authority (FCA), Ofcom, Ofgem, and Ofwat) in response to each of the PAC's recommendations.

1: PAC Conclusion: *Consumers are facing serious problems with accessing essential services: affordability constraints, difficulties accessing the best deals, and confusing and often incomprehensible bills.*

1.1 The Regulators noted the Committee's conclusion.

2: PAC Conclusion: *The regulators take different and often inconsistent approaches to common consumer issues, and are not fully utilising the mechanisms they have to collaborate to produce tangible benefits.*

2a: PAC recommendation*: The four regulators should develop a mechanism for working together to develop consistent approaches to common problems for consumers across all four sectors, developing joint strategies where appropriate.*

2.1 The Regulators agree with the Committee's recommendation.

Recommendation implemented

2.2 Please refer to the *response provided to the Committee* in December 2019.

2b: PAC recommendation: ***Each of the regulators should write to us by the end of 2019 explaining the specific joint projects they expect to complete and what metrics they are using to measure the impact on consumers' lives.***

2.3 The Regulators agree with the Committee's recommendation.

Recommendation implemented

2.4 Please refer to the *response provided to the Committee* in December 2019.

3: PAC Conclusion: ***Government and regulators need to work more closely together to overcome barriers to effectively protecting consumers.***

3a: PAC recommendation*: Using the mechanism outlined in recommendation one, the four regulators and their relevant policy departments should work together to identify and where possible address legal or policy barriers to protecting consumers.*

3.1 The Regulators agree with the Committee's recommendation

Recommendation implemented

3.2 Please refer to the *response provided to the Committee* in December 2019.

3b: PAC recommendation*: Based on the joint work on legal and policy barriers, each regulator should write to us by the end of 2019 outlining the approach they have taken and work done with their relevant policy departments. Specifically:*

(a) Ofwat should update us on the work they have done into introducing an independent ombudsman in the water sector;

(b) Ofgem should update us on how they will approach the question of how to fund decarbonisation; and

(c) All regulators should update us on work done to identify what legislative changes would be appropriate to enable better data sharing.

3.3 The Regulators agree with the Committee's recommendation.

Recommendation implemented

3.4 Please refer to the *response provided to the Committee* in December 2019.

4: PAC Conclusion: ***Regulators are not clear enough about what they are trying to achieve for consumers.***

4. PAC Recommendation: Each regulator should set out, by the end of 2019, more specific, measurable, and understandable aims for consumer outcomes in their sector. Where quantitative success measures are not appropriate, regulators should articulate why this is the case and how they plan to measure progress

4.1 The Regulators agree with the Committee's recommendation.

Recommendation implemented

4.2 Please refer to the *response provided to the Committee* in December 2019.

5: PAC Conclusion*: The regulators do not yet have a good enough understanding of their own impact and effectiveness in protecting consumers.*

5a: PAC Recommendation: Regulators should work together to develop common principles and methodological approaches to measuring their effectiveness and impact on consumers

5.1 The Regulators agree with the Committee's recommendation.

Recommendation implemented

5.2 Please refer to the *response provided to the Committee* in December 2019.

5b: PAC Recommendation: Each regulator should write to us by the end of 2019 setting out the progress they have made on this and how their understanding of the consumers they serve has improved.

5.3 The Regulators agree with the Committee's recommendation.

Recommendation implemented

5.4 Please refer to the *response provided to the Committee* in December 2019.

6: PAC Conclusion*: Regulators' publicly available information is not sufficiently useful or accessible for consumers and other stakeholders.*

6a: PAC Recommendation: Each regulator should take steps to enhance the clarity and transparency of publicly available information, including annual reports, and the usability of their websites.

6.1 The Regulators agree with the Committee's recommendation.

Recommendation implemented

6.2 Please refer to the *response provided to the Committee* in December 2019.

6b. PAC Recommendation: Each regulator should report back to us by the end of 2019 on the action they have taken to make their public information more accessible and engaging.

6.3 The Regulators agree with the Committee's recommendation.

Recommendation implemented

6.4 Please refer to the *response provided to the Committee* in December 2019.

One Hundred and Eighth Report of Session 2017-19

The Home Office

Emergency Services Network: Further Progress Review

Introduction from the Committee

In 2015, the Home Office (the Department) set out to replace the Airwave radio system, which is currently used by all 107 emergency service organisations in England, Scotland and Wales to communicate in the field. The replacement system, the Emergency Services Network (ESN), is intended to be as least as good as Airwave, add 4G mobile data capabilities and be far cheaper. The Department is responsible for the delivery of the ESN programme, which is also co-funded by the Department of Health & Social Care, the Scottish and Welsh Governments, and the organisations that will use it. In 2015, the Department awarded contracts for the main parts of ESN to EE and Motorola and appointed KBR to be the Department's delivery partner. ESN was due to be completed by December 2019 at which point Airwave, owned by Motorola since 2016, would be turned off.

In September 2018, the Department announced that it would reset ESN and would launch it in several stages. This involved changes throughout the programme, including a renegotiation of contracts with EE and Motorola and delaying the point at which ESN is expected to replace Airwave to December 2022. The cost of building and running ESN until 2037 is now expected to be £9.3 billion, an increase of £3.1 billion since the 2015 business case.

Relevant reports

- NAO report: *Progress delivering the Emergency Services Network,* Session 2017–19, (HC 2140)
- PAC report: *Emergency Services Network, Further Progress Review,* Session 2017-19 (HC 1755)
- *Treasury Minutes Report:* October 2019 (CP 176)

Update to the Government responses to the Committee

There were six recommendations in this report. As of the last Treasury Minute (CP 176), six remained work in progress, four of which are now implemented as set out below.

1: PAC conclusion: ***Despite extending the Emergency Services Network (ESN) by 3 years and increasing its budget by £3.1 billion, the Department has still not got a grip on whether it can deliver the programme.***

1: PAC recommendation***: The Department should set out, by October 2019 a detailed, achievable, integrated programme plan including a realistic date for turning off Airwave and the cost of any extension of Airwave that may be needed and update the Committee when this plan is ready.***

1.1 The government agrees with the Committee's recommendation.

Recommendation implemented

1.2 The programme's plan was re-baselined in the first quarter of 2020 to take account of:

- Lessons learnt from delivery of ESN Direct 1 (and impact of associated delays);
- New contracts with third parties delivering vehicles / air devices, control rooms (ICCS) and handheld device.
- Work undertaken over the summer of 2019 with users to develop an outline deployment plan (set of assumptions).

1.3 This plan is now supported by detailed underpinning plans that are integrated together through dependencies. The critical path remains unchanged following this detailed planning. There are ongoing discussions around deployment and control rooms activities where plans are still being refined to enable validation of assumptions around the Airwave National Shut Down Date. The Programme has done a prioritisation exercise with its users and suppliers with regards to the COVID-19 pandemic and as far as possible will protect the critical path which has held well so far.

2: PAC conclusion: *An unhealthy, 'good news' culture in the Department meant it failed to heed warning signs that the programme was undeliverable.*

2: PAC recommendation: The Department should write to the Committee by October 2019 setting out the steps that it has taken to: improve senior oversight of the programme; ensure assumptions are subject to appropriate challenge; and to make sure the findings of independent assurance reviews are widely shared and taken seriously.

2.1 The government agrees with the Committee's recommendation.

Recommendation implemented

2.2 The department has reviewed ESN's governance and management structure to ensure it will support the delivery phase of the programme. The governance structure has been reviewed and implemented following consultation with the suppliers, users and the funding sponsoring bodies. Senior oversight has been strengthened as part of this review by establishing regular meetings with Motorola, EE and Deloitte senior management teams and Home Office's senior leaders.

2.3 The Independent Assurance Panel have agreed a programme of work based upon the challenges currently being faced by the introduction of ESN. Outcomes from these reviews are now disseminated across the department and with the Programme Board and will both aid and provide assurance to the Home Office Accounting Officer and the Senior Responsible Owner (SRO).

3: PAC conclusion: *The Department's mismanagement of the programme means the emergency services do not yet have confidence that ESN will provide a service that will meet their needs.*

3: PAC recommendation: *The Department should, without delay, agree with users a set of specific and detailed criteria that will be used to determine when ESN is ready to replace Airwave, and who will ultimately decide when those criteria are met.*

3.1 The government agrees with the Committee's recommendation.

Target implementation: October 2020
Original implementation date: October 2019

3.2 Before ESN services are deployed at scale, the department will work closely with the user community to understand how deployment of ESN will work. There will be a period of testing and assurance where a series of tests and trials will demonstrate that ESN is safe, followed by the period of Transition onto ESN and off Airwave. Deployment plans are being put in place.

3.3 Confidence in the solution is growing within the emergency services as they use ESN in an operational environment. The decision to replace Airwave with ESN will be taken by the department and users collectively. Users will not be asked to use ESN rather than Airwave until they are satisfied that it is safe to do so.

4: PAC conclusion*: We are not convinced that the Department has the plans or the skills needed to integrate the different elements of ESN into a coherent service.*

4: PAC recommendation: ***Before contracting with a new delivery partner, the Department should analyse the skills and tasks needed to integrate ESN, how any skills gaps will be filled, and how lessons from the failure of the KBR contract will be applied to the new delivery partner contract.***

4.1 The government agrees with the Committee's recommendation.

Recommendation implemented

4.2 The department worked to redefine the operating and organisation model for the next phase of the programme, to ensure it had the right capability, capacity, tools and processes to execute the delivery of ESN. This work took account of both the lessons learned from the KBR contract and the IPA's best practice guidance.

4.3 The new Delivery Partner contract is a more flexible and agile advisory and delivery service contract than the previous arrangement with KBR. The department used the Crown Commercial Services Management Consultancy 2 Framework to put in place a contract which enables a dynamic scaling of supplier resource and supports utilisation of civil servant or specialist contracted capability as necessary. It is non-exclusive and non-committal, providing the greatest flexibility to adapt to the department's requirements. The contract will provide the benefit of development opportunities and enable a bespoke apportionment of risk and reward between the department and the Delivery Partner.

4.4 The Delivery Partner contract was awarded to Deloitte and the contract was signed in August 2019. Work is ongoing with Senior Home Office leadership and the SRO to define the future role and operating model.

4.5 A capability review has been completed by the Independent Assurance Panel. This review has been made available to the Senior Leadership Team to take forward any recommendations identified by the panel.

5: PAC conclusion: ***Based on past failures to manage its contractors, we are concerned about the Department's ability to manage the significant commercial risks facing the programme, including those presented by Motorola's position as supplier to ESN and owner of Airwave.***

5: PAC recommendation: ***The Department should write to the Committee by October 2019 setting out how it will manage the risks presented by Motorola's position and the possible need to extend Airwave until it can be replaced by ESN.***

5.1 The government agrees with the Committee's recommendation.

Recommendation implemented

5.2 The department has strengthened its engagement with Motorola senior management in the US in order to drive home the critical importance of this contract to the emergency services, including several meetings at permanent secretary level. The department is also working closely with a wide range of international partners who are undertaking a similar programme to the Emergency Services Mobile Communications Programme (ESMCP) to keep it abreast of progress and share lessons learned.

5.3 To ensure that the contract will be managed appropriately, the department has been through a process of strengthening the contract management services. This involved the development of an updated contract management handbook and plan, the rollout of training across the technical and delivery team and increasing the number and calibre of commercial staff supporting the department.

6: PAC conclusion: ***Delays to the Department's revised business case for ESN and the prospect of further increases in cost raises doubts over the value for money case for ESN.***

6: PAC recommendation: ***The Department should ensure it delivers a revised and approved business case, which both the emergency services and the other funders of ESN support, by the end of 2019 at the latest. The business case should include an appraisal of when continuing to spend money on ESN ceases to be value for money and should set out a 'plan B' for what would happen if that point was reached.***

6.1 The government agrees with the Committee's recommendation.

Target implementation: March 2021
Original implementation date: March 2020

6.2 The department produced an ESN Business Case in 2019 which was put through governance alongside the decision to extend the Change Authorisation Notes (CANs) with Motorola and EE but it was not based on sufficiently detailed and assured technical delivery or user deployment plans to achieve widespread sign off. This version of the business case did, however, ensure that there was an updated financial profile and delivery window against which the programme is now delivering.

6.3 The department has now re-baselined the ESN plan that sets out the activities to revise and take forward the ESN Full Business Case (FBC) in conjunction with senior users.

6.4 Due to COVID-19, the revising of the programme's business case was paused in March 2020. Prior to this, delays with baselining the integrated programme plan on which the updated FBC will be based had resulted in delays to the timescale for the refreshed FBC. These delays were as a result of the complex integration of supplier, departmental and user delivery activities and associated plans. FBC refresh activity has now resumed. The revised FBC includes a value for money options analysis, including the option to stop ESN and extend Airwave.

6.5 Whilst development of the refreshed FBC was on hold, the programme continued to engage with senior user and funding sponsor body representatives, providing both the draft Strategic Case and the detail of non-core costs which will fall to various bodies over the coming years. The revised FBC will be completed by the autumn of 2020 and will then go through various governance channels for approval.

One Hundred and Ninth Report of Session 2017-19

Department for Transport

Completing Crossrail

Introduction from the Committee

Crossrail is a major programme to run new rail services between Reading and Heathrow Airport, through a new underground section beneath central London, to Shenfield in Essex and Abbey Wood in south-east London. When complete, the new railway will be around 73 miles (118km) long, with around 26 miles (42km) of new tunnels. Ten new stations are being built and a further 31 are being improved. Crossrail will serve around 200 million passengers per year. The Department for Transport (the Department) and Transport for London (TfL) are jointly sponsoring the programme. Crossrail Limited is an arm's-length body specifically created to deliver the programme and is wholly-owned by TfL. The Crossrail programme has been allocated £17.6 billion of funding, £2.8 billion more than the £14.8 billion agreed in the 2010 Spending Review. The programme sponsors and Crossrail Ltd had planned to start running services through the central section in December 2018 and to start a full east-west service from December 2019. In April 2019, Crossrail Ltd announced that it plans to start running services on the central section between October 2020 and March 2021. It still does not yet have a date for when a full east-west service will start. This report builds on our April 2019 report, Crossrail: Progress review.

Relevant reports

- NAO report: *Completing Crossrail* – Session 2017-19 (HC 2106)
- PAC report: *Completing Crossrail* – Session 2017-19 (HC 2127)
- *Treasury Minutes*: October 2019 (CP 176)

Update to the Government response to the Committee

There were seven recommendations in this report. As of the last Treasury Minute (CP 176), one recommendation was implemented, and six recommendations remained work in progress, all of which are now implemented as set out below.

1: PAC conclusion: Completion of the programme is well behind schedule and it remains uncertain when the entire railway will be open.

1: PAC recommendation: The Department and Crossrail Ltd should inform us as soon as they know when they expect the full railway to open.

1.1 The government agrees with the Committee's recommendation.

Recommendation implemented

1.2 The report *Lessons from transport for the sponsorship of major projects* (April 2019) (the 'major projects review') identified that major projects should avoid setting committed in-service dates before there is positive evidence that it is realistically achievable. Crossrail Ltd (Crossrail) has implemented this lesson and is now using evidenced ranges until delivery becomes more certain, providing periodic updates to the Committee. Crossrail announced in July 2020 that they would not be able to meet the opening window of summer 2021 for passenger services on the central section between Paddington and Abbey Wood, and issued a *written update to the Committee* immediately following the announcement. Crossrail is currently reviewing and updating their delivery schedule; a further update will be provided to the Committee once this is complete.

3: PAC conclusion: Crossrail Ltd's failure to manage effectively the high number of main contractors needed for the programme contributed to substantial cost increases and delays.

3: PAC recommendation: As it examines its other projects and programmes, the Department and its delivery bodies' commercial teams should review their commercial and contractual models, including where risk sits, to gain assurance that commercial and contractual approaches protect value for money.

3.1 The government agrees with the Committee's recommendation.

Recommendation implemented

3.2 The Department for Transport (the department) has robust contractual and contractual models in place and has recently embedded within its existing commercial models, the *Cabinet Office Outsourcing Playbook* - which details new policies on how to deliver outstanding public services. Furthermore, the department's commercial assurance function will continue to assure commercial models and contracts alongside its assurance function of business cases. These assurance reviews are in line with Cabinet Office guidance and best practice in managing commercial contracts.

4: PAC conclusion: Crossrail Ltd continued to pay its executives bonuses, even as the programme was going off track.

4a: PAC recommendation: Before the end of the year, the Department should: carry out and publish the results of a full review of pay, including redundancy arrangements, at its delivery bodies;

4.1 The government agrees with the Committee's recommendation.

Recommendation implemented

4.2 The department wrote to the Committee in September 2020 setting out the senior remuneration frameworks and delegations for Highways England, High Speed 2 and Network Rail and summarising the key conclusions from senior pay framework reviews undertaken with the Delivery Bodies in 2018 and 2019.

4b: PAC recommendation: Before the end of the year, the Department should: set out how it will ensure that remuneration in its delivery bodies aligns with the overall success of projects, and how it will maintain appropriate control and oversight of executive remuneration.

4.4 The government agrees with the Committee's recommendation.

Recommendation implemented

4.5 The department *wrote to the Committee* in September 2020 setting out the senior remuneration frameworks and delegations for Highways England, High Speed 2 and Network Rail and summarising the key conclusions from senior pay framework reviews undertaken with the Delivery Bodies in 2018 and 2019.

5: PAC conclusion: Despite it being a key learning point from previous projects, the Department failed to ensure Crossrail Ltd gave enough attention to planning and integrating the programme.

5: PAC recommendation: In order to assure itself about how its delivery bodies are managing major rail projects and bringing them into passenger service, the Department should better understand what a fully integrated plan comprises. To do this, it should build on the work now being done by Crossrail Ltd.

5.1 The government agrees with the Committee's recommendation.

Recommendation implemented

5.2 In light of the COVID-19 pandemic, Crossrail has completed an update to its Delivery Control Schedule, its integrated plan, to reflect its updated estimates of how long it will take to complete the project. The Crossrail learning legacy programme is seeking to capture lessons learnt across the programme including fully integrated planning. These lessons will be shared across all delivery bodies managing major rail projects. HS2 has adopted an integrated plan for delivery into service and is actively learning lessons from Crossrail and other projects.

6: PAC conclusion: It is unacceptable that the Department devolved so much accountability for taxpayers' money on this major programme.

6: PAC recommendation: The Department should examine whether its oversight of its existing delivery bodies provide it with appropriate accountability and governance arrangements over the life of programmes and set its arrangements out in accountability systems statements for its major programmes.

6.1 The government agrees with the Committee's recommendation.

Recommendation implemented

6.2 The department's Project Delivery Implementation Programme looked in detail at the governance and accountability arrangements in place for the delivery of major projects in the department, including through delivery bodies. Key conclusions of that work have now been implemented including:

- a new Project Portfolio Office has been established to ensure best practice is implemented across the portfolio including in relation to governance and accountability;
- the remit of the department's Investment Committee has been expanded to ensure the progress and delivery arrangements for major projects are regularly reviewed at all key points in their lifecycle;
- the department has agreed a new Senior Responsible Officer letter template with the Infrastructure and Projects Authority to bring greater clarity around accountabilities and has commissioned new letters for all major projects.

6.3 Additionally, the department is updating its Accounting Officer System Statement, which sets out the accountability relationships and processes within the department, making clear who is accountable for what at all levels. This is expected to be completed by March 2021.

One Hundred and Tenth Report of Session 2017-19

Ministry of Housing, Communities and Local Government and Cabinet Office

Sale of public land

Introduction from the Committee

The UK Government is a major land holder. In 2016–17, the total value of central Government-owned land and property was estimated at £179 billion. The Government manages these assets through the Government Estate Strategy. It has been reducing the size of its estate for several years owing to a policy to sell assets where it considers they no longer serve a public purpose. The Government has two main disposal targets: a *proceeds* target whereby the government plans to "*deliver £5 billion of receipts between 2015 and 2020 through the release of surplus public sector land and property across the UK*"; and a *land for new homes* target known as the Public Land for Housing Programme, whereby the Government aims to "*increase housing supply by releasing surplus public sector land for at least 160,000 homes*" in England between 2015 and 2020. This programme follows an earlier target to release enough land for 100,000 new homes between 2011 and 2015.

The Cabinet Office is responsible for the Government's estate strategy and for the proceeds target, while the Ministry of Housing, Communities and Local Government (MHCLG) is responsible for leading the new homes target. Individual Departments are responsible for pursuing their own targets that contribute to the overall totals, while also ensuring that individual sales represent value for money. The Treasury is responsible for setting Departmental budgets which are net of the proceeds expected from land disposals.

This is the third time the Committee has reported on the Department's Public Land for Housing Programme. In 2015, the Committee concluded that MHCLG could not demonstrate the success of the 2011–2015 programme in addressing the housing shortage or achieving value for money. In 2016, the Committee recognised that improvements had been implemented in the 2015–2020 programme, but warned that the Government would fail to deliver land for 160,000 homes by 2020 unless it significantly accelerated the rate at which land for new homes is made available.

Relevant reports

- NAO report: *Investigation into the government's land disposal strategy and programmes* Session 2017-19 (HC2138)
- PAC report: *Sale of Public Land* Session 2017-19 (HC2040)
- Treasury Minutes: *Government response to the Committee of Public Accounts on the Ninety-Fifth and on the Ninety-Ninth to the One Hundred and Eleventh reports from Session 2017-19*

Update to the Government responses to the Committee

There were nine recommendations in this report. As of the last Treasury Minute (CP 176), two were disagreed with, and seven remained work in progress. Three of these are now implemented and four remain work in progress as set out below.

1: PAC conclusion: ***The Government has wasted a once-in-a-generation opportunity to alleviate the nation's housing crisis by failing to develop a strategy for public land disposal.***

1a: PAC recommendation: ***By October 2019, the Cabinet Office should write to the Committee to set out a clear strategy for how the Government will meet its proceeds and land for new homes targets. This should include over-arching aims and clear outcomes.***

1.1 The government agrees with the Committee's recommendation.

Recommendation implemented

1.2 Sir John Manzoni *wrote to the Committee on 21 October 2019* setting out how *the* Government Estate Strategy 2018 sets clear aims for proceeds and land for housing. This response demonstrated how the Cabinet Office works collaboratively across government to support departments in delivering the aim of £5 billion in receipts from surplus public land in 2015-2020. The Cabinet Office was confident that government would meet the £5 billion receipts target by March 2020.

1.3 The Public Land for Housing Programme 2015-2020 handbook 2018, sets out formal challenge and monitoring arrangements, including those for management oversight to check, challenge and drive delivery. The Ministry of Housing Communities and Local Government published a *Progress Report* 2015-20 in May 2019 which set out that, although departments have identified sufficient land for over 160,000 homes, these will be released to a longer timeframe than the end of the current Programme in March 2020.

1b: PAC recommendation: ***The Cabinet Office should also outline how its strategy for meeting the proceeds and land for new homes targets will impact and feed into: housing policy, estates strategy, asset management and Government budgeting*.**

1.4 The government agrees with the Committee's recommendation.

Recommendation implemented

1.5 Sir John Manzoni *wrote to the Committee on 21 October 2019* to confirm that the Cabinet Office strategy for meeting the proceeds target links to a range of measures. The Office of Government Property in Cabinet Office sets estate strategy and property standards, including for asset management. The *Government Estate Strategy* sets objectives for the estate to be an enabler to deliver better outcomes for the public and details how we will:

- Use the power of our estate to energise the housing market, create supportive infrastructure and release surplus land for house building and support development, including on brownfield land; and

- Deliver value by embedding better asset management principles across government by adopting a more commercial approach to asset management, with the financial and strategic tools to deliver property projects that can drive efficiencies and deliver transformational change.

1.6 Government departments set out annually in their Strategic Asset Management Plans (SAMPs) how their estate will develop to meet individual departments' strategic objectives and support government objectives, including the volume and pace of land brought forward for housing. The annual SAMP process ensures that financial requirements associated with departments' assets are evaluated and considered as part of government financial planning and budgeting processes.

1.7 Homes England are working to increase the pace of delivery of its public land. Where viable, Homes England's land is also used as a lever to promote modern methods of construction, good design, and participation by SME builders.

2: PAC conclusion: ***Government's lack of evidence underpinning the two disposal targets means that the programmes were set up to fail.***

2: PAC recommendation: ***For future housing programmes, the government should set targets that are challenging but fully supported by a clearly explained rationale and robust evidence on what is achievable*.**

2.1 The government agrees with the Committee's recommendation.

Target implementation date: Spring 2021
Original implementation date: September 2020

2.2 As announced by the Prime Minister on 30 June 2020, a review of public sector land will inform a new, ambitious cross-government strategy, that will look at how public sector land can be managed and released so it can be put to better use. This will include home building, improving the environment, contributing to net zero goals and injecting growth opportunities into communities across the country. The department will therefore write to the committee following the review.

4: PAC conclusion: ***The Committee is concerned by the Ministry of Housing, Communities and Local Government's failure to translate surplus land into new homes and are struggling to see how this could improve in the coming years.***

4 PAC recommendation: ***The Ministry for Housing, Communities and Local Government should write to the Committee by October 2019 outlining the actions it will take, and the tools it will use, to accelerate the number of homes built on the land released. The Committee also expects the correspondence to include more detail on the barriers to releasing land and how it proposes to overcome these barriers.***

4.1 The government agrees with the Committee's recommendation.

Target implementation date: Spring 2021
Original implementation date: September 2020

4.2 As before, as announced by the Prime Minister on 30 June 2020, a review of public sector land will inform a new, ambitious cross-government strategy, that will look at how public sector land can be managed and released so it can be put to better use. This will include home building, improving the environment, contributing to net zero goals and injecting growth opportunities into communities across the country. The department will therefore write to the committee following the review setting out the barriers to releasing land, what action government will take to make the process more efficient and actions to accelerate the number of homes built on the land released.

5: PAC conclusion: ***It is unacceptable that the Ministry of Housing, Communities and Local Government pays so little attention to how the release of public land could be used to deliver affordable homes including social homes for rent.***

5: PAC recommendation: ***The Ministry for Housing, Communities and Local Government should write to the Committee by October 2019 explaining how it pursues its affordable homes policy. The Committee expects this to include how the land disposal target fits into the overarching strategy for affordable homes and how the Department will interact with local government to deliver this important objective.***

5.1 The government agrees with the Committee's recommendation.

Target implementation date: Spring 2021
Original implementation date: September 2020

5.2 As before, as announced by the Prime Minister on 30 June 2020, a review of public sector land will inform anew, ambitious cross-government strategy, that will look at how public sector land can be managed and released so it can be put to better use. This will include home building, improving the environment, contributing to net zero goals and injecting growth opportunities into communities across the country. The department will therefore write to the Committee following the review setting out the approach to affordable homes on public sector land.

5.3 Data on the number of affordable homes planned by type was included in the *data release* published in February 2020.

7: PAC conclusion: ***Gaps at all levels in the Government's data on what it is achieving against the disposals targets means there is an unacceptable lack of transparency in how it is performing.***

7a: PAC recommendation: ***The Ministry for Housing, Communities and Local Government should better define and justify what it means by terms such as 'homes' and 'new affordable homes'.***

The Ministry for Housing, Communities and Local Government should fulfil its duty by reporting regularly to Parliament on performance, including an annual progress update and regular data releases throughout the year—quarterly or half-yearly. These updates should include the number and type of housing delivered against each definition—such as affordable homes—and the proceeds from land sales.

7.1 The Government agrees with the Committee's recommendation.

Target implementation date: Spring 2021
Original implementation date: September 2020

7.2 The department published an update to the *Public Land for Housing Technical Handbook*, which included clarifying the terms 'homes and 'new affordable homes' in February 2020.

7.3 Management information on programme performance was also published as *a data release* in February 2020. This covered progress made by departments on disposing land for housing up to end June 2019 and data on progress on delivering homes sold for housing through both the 2011-15 and 2015-20 Public Land for Housing programmes to end March 2019. Data on the number of affordable homes planned by type was also included in the publication.

7.4 The department is committed to delivering a further final report on the 2015-2020 Land for Homes Programme, which will include a full breakdown of data for the 2015-2020 programme and data on the number of homes delivered up to the end of March 2020.

7b: PAC recommendation: ***The Cabinet Office should maintain the frequency of its reporting and include information on land purchasers, and an explanation where sites have been sold for a £1 or less.***

7.5 The government agrees with the Committee's recommendation.

Recommendation implemented

7.6 The Cabinet Office is committed to publishing an annual *Transparency Report* showing details of all commercial sales of central government surplus land in the preceding financial year. The Cabinet Office *published the latest report* on 5 February 2020, detailing sales from April 2018-March 2019 and confirming total sales between April 2015 and March 2019 of £4.62 billion.

7.7 The Transparency Report for 2018-19 includes analysis of the buyers of public land and shows the percentage of public land sites purchased by each category of buyer during 2018-19, further improving the transparency of sales made during the year. The publication also included explanations on why some departmental assets were sold for £1 or less.

One Hundred and Eleventh Report of Session 2017-19

HM Treasury

Funding for Scotland, Wales and Northern Ireland

Introduction from the Committee

HM Treasury is responsible for operating the funding framework for the devolved administrations of Scotland, Wales and Northern Ireland, and for calculating the funding attributable to each nation. Initial funding allocations are based on the funding the devolved administrations received in the previous year, plus a population-based share of funding for changes in planned UK government spending. HM Treasury uses the Barnett Formula to calculate these changes. As part of this, it compares the functions and services provided by UK government departments with those provided by the devolved administrations, assigning comparability factors to each UK government department and its spending programmes depending on the extent that their services are devolved.

When there are changes in the UK government's plans which increase spending in England for services and activities devolved to Scotland, Wales and Northern Ireland, additional funding is allocated to the devolved administrations. Ministers also allocate funding directly to Scotland, Wales and Northern Ireland, such as the funding provided for City Deals. But these direct allocations of funding, which are made outside of the Barnett formula, do not trigger changes in funding for England or other nations.

Spending per head on public services varies significantly across England, Scotland, Wales and Northern Ireland. In 2017–18, spending per head in Northern Ireland was highest at £11,190 per head, followed by Scotland at £10,881 per head and Wales at £10,397 per head. England is lowest at £9,080 per head.

Relevant reports

- NAO report: *Investigation into devolved funding* Session 2017-19 (HC 1990)
- PAC report: *Funding for Scotland, Wales and Norther Ireland* – Session 2017-19 (HC 1751)
- HM Treasury: *Statement of Funding Policy (2015 and seventh edition)*: funding the Scottish Parliament, National Assembly for Wales and Northern Ireland Assembly
- *Treasury Minutes* - October 2019 (CP 176)

Update to the Government response to the Committee

There were seven recommendations in this report. As of the last Treasury Minute (CP 176) one recommendation was implemented and six recommendation remained work in progress as set out below.

1: PAC conclusion: ***Arrangements for funding the devolved administrations are increasingly complex and there is a lack of transparency about how funding decisions are made.***

1a: PAC recommendation*: At future Spending Reviews, HM Treasury should publish more detailed and transparent information about its funding decisions and the elements that make-up the funding allocated to the devolved administrations.*

1.1 The government agrees with the Committee's recommendation.

Target implementation date: Autumn 2020 Spending Review – 25 November

1.2 HM Treasury already publishes detailed and transparent information about its funding decisions at Spending Reviews. This includes publishing an updated Statement of Funding Policy to explain the devolved administration funding arrangements. The *Statement of Funding Policy (2015 and seventh edition)* was published alongside the 2015 Spending Review, with an addendum published at the 2019 Spending Round to highlight a small number of key changes since 2015. The Statement of Funding Policy sets out all the devolved administration funding sources and provides detailed information about the inputs used within the Barnett formula (including UK government departmental comparability factors and population numbers). In addition to this HM Treasury jointly published the *Scottish Government fiscal framework* and *Welsh Government fiscal framework* with the respective devolved administrations, which explain how the Barnett formula-based block grants are adjusted alongside tax and welfare devolution. In addition to this we have now published three *Block Grant Transparency documents* that set out how the devolved administrations funding has changed since the 2015 Spending Review.

1.3 At the 2020 Spending Review on the 25th November, HM Treasury will publish additional information in the Statement of Funding Policy about devolved administration funding provided outside the Barnett formula.

1b: PAC recommendation*: At future Spending Reviews, HM Treasury should publish evidence of its assessment that the current block grant continues to be the optimum way of allocating funding to meet the needs of the UK as a whole.*

1.4 The government agrees with the Committee's recommendation.

Target implementation date: 2020 Spending Review – 25th November

1.5 The Barnett formula-based block grants have been retained by successive governments since they were introduced. In recent years, the government's 2017 manifesto committed to retain the Barnett formula to underpin the calculation of devolved administration block grants, while the formula was embedded within fiscal frameworks agreed with the Scottish and Welsh governments in 2016.

1.6 To respond to the Committee's recommendation, HM Treasury will publish an updated assessment of the rationale for these arrangements in the Statement of Funding Policy at the 2020 Spending Review.

2: PAC conclusion: *Ministers' ability to allocate funding outside of the Barnett formula without consequential payments to other nations makes it impossible to determine whether funding decisions are based on need.*

2: PAC recommendation: *At future Spending Reviews, HM Treasury should publish information to explain how it has ensured that funding decisions are prioritised according to the needs of citizens across the UK.*

2.1 The government agrees with this recommendation.

Target implementation date: 2020 Spending Review – 25th November

2.2 HM Treasury already explains how its funding decisions for UK government departments help to deliver its responsibilities to citizens across the UK. This includes publishing information about multi-year funding decisions made at Spending Reviews, as well as explaining decisions made in between Spending Reviews (for example at Budgets). HM Treasury additionally publishes detailed information about funding through the annual Parliamentary Estimates process.

2.3 While the Barnett formula and tax/welfare block grant adjustments are mechanically applied to changes in UK government tax and spending, at the 2020 Spending Review HM Treasury will publish additional information in the Statement of Funding Policy about any further funding provided to the devolved administrations. This will include an explanation of how the needs of citizens across the UK have been taken into account.

3: PAC conclusion: *HM Treasury does not know whether the block grant funding it allocates to the nations adequately reflects the needs of citizens across the UK.*

3: PAC recommendation: *Ahead of the upcoming Spending Review, HM Treasury should write to the Committee with details of its analysis of the impact of rolling forward a large part of block grant (historic) funding and the impact that slower relative population growth could have on funding per head across the UK.*

3.1 The government agrees with this recommendation.

Target implementation date: Autumn 2020
Original implementation date: Spending Review 2020

3.2 While the impact of relative population growth is reflected in the country and regional spending data published in *Public Expenditure Statistical Analyses*, HM Treasury will write to the Committee in advance of the 2020 Spending Review explaining the impact of relative population growth on funding per head under the Barnett formula.

4: PAC conclusion: ***HM Treasury's decisions about how to finance the UK government's spending plans affect the funding allocated to the devolved administrations and their ability to plan and manage their finances.***

4b: PAC recommendation***: HM Treasury should engage with the devolved administrations sooner on the comparability factors included in its Statement of Funding Policy to ensure that they have the opportunity to review the status of devolved and reserved functions before policy is finalised.***

4.3 The government agrees with this recommendation.

Target implementation date: 2020 Spending Review – 25th November

4.4 HM Treasury is already engaging with the devolved administrations to ensure they have more time to input into the process to update the Statement of Funding Policy in advance of the 2020 Spending Review. In addition, despite the fast-track nature of the 2019 Spending Round, discussions took place on the extent to which comparability factors needed to be updated due to changes in UK government structures since 2015.

5: PAC conclusion: ***We are concerned by the uncertainty for devolved administrations caused by the UK government's postponement of the Spending Review and the absence of a decision on how it will replace existing EU funding.***

5: PAC recommendation***: On conclusion of discussions and negotiations about allocating replacement EU funding, HM Treasury should write to the Committee with details of its proposals.***

5.1 The government agrees with this recommendation.

Target implementation date: 2020 Spending Review – 25th November

5.2 The UK government is providing certainty through the implementation period. Beyond this, HM Treasury and relevant policy departments (notably the Department for Environment, Food and Rural Affairs and the Ministry of Housing, Communities and Local Government) have been engaging with the devolved administrations and the arrangements will be set out for the Committee when finalised.

One Hundred and Twelfth Report of Session 2017-19

Cabinet Office

Brexit Consultancy Costs

Introduction from the Committee

As part of the Government's preparations for the UK to leave the European Union, Departments have used consultants to fill specific skills gaps and meet immediate staffing needs, for example to provide programme and project management support. Each Department is responsible for deciding whether to use consultants and how to use them. The Cabinet Office is responsible, however, for improving the efficiency of all spending on consultancy across Government and has an approval process for any contracts above certain limits. In April 2018, the Cabinet Office set up a central call-off arrangement to help Departments access consultancy services to support their preparations for Brexit. The Cabinet Office analyses overall Government spending on consultancy services as part of its broader role of helping to improve the efficiency of the use of these services.

Relevant Reports

- NAO Report: *Departments use of consultants to support preparations for EU Exit* – Session 2017-19 (HC 2105)
- PAC Report: *Brexit Consultancy Costs* – Session 2017-19 (HC 2342)
- *Treasury Minute* January 2020 (CP 210)

Update to the Government responses to the Committee

There were four recommendations in this report. As of the last Treasury Minute (CP 210), one recommendation was implemented and three remained work in progress all of which are now implemented, as set out below.

1: PAC conclusion: *Departments have again proved overly secretive with their preparations for Brexit, taking far too long to publish details of their consultancy contracts and then failing to meet their own basic standards of transparency.*

1: PAC recommendation: The Cabinet Office and the Department for Exiting the European Union should commit to making the government's preparations for Brexit transparent; this should include making information on the degree of progress made against the various work streams available and timely publication of details on contracts awarded to support Brexit.

1.1 The government agrees with the Committee's recommendation.

Recommendation implemented

1.2 The government agrees that the Cabinet Office should commit to making the government's preparations for Brexit transparent and that departments should ensure timely publication of details on contracts awarded. To this end, the government has proactively released information about the state of its preparation for EU Exit. The Department for Exiting the European Union (DexEU) published a comprehensive assessment of *No-Deal Readiness* on 8 October 2019. This 155-page document sets out in one place - and in aggregate form - what would have changed if we left without a deal and what the government was doing to get ready. Furthermore, the government has proactively made public details of large parts of its preparations, through the 106 Technical Notices published in the autumn of 2018, as well as through communications campaigns, No Deal legislation and National Audit Office (NAO) reporting. This is principally in areas where citizens and businesses need to take action to prepare for leaving the EU, or be aware of the government's preparations, as well as where changes to legislation are required.

1.3 The NAO report (*Departments' use of consultants to support preparations for EU Exit*) analysis included contracts published by the Cabinet Office and other departments. The average of 119 days is based on 40 contracts published by the Cabinet Office, Department for Environment, Food and Rural Affairs (Defra), DExEU, HM Revenue and Customs (HMRC), Home Office and Highways England.

3: PAC conclusion: ***The Committee is concerned that the bulk of Brexit consultancy contracts by value have been awarded to a small group of big firms and that the Cabinet Office seems overly-complacent about this despite previous government commitments to contract with more small and medium-sized enterprises.***

3: PAC recommendation: ***The Cabinet Office should write to the Committee within three months setting out what it will do to incorporate a wider range of consultancy firms, including SMEs, in future frameworks.***

3.1 The government agrees with the Committee's recommendation.

Recommendation implemented

3.2 The Cabinet Office has written to the Committee.

Lot 3 of the EU Exit arrangement was procured from the *Management Consultancy Framework* (MCF) and has been in use since February 2019. It includes a number of SMEs and the most up to date spend figures are below:

Supplier	SME	No. of engagements	Total spend (£m)
Reed	No	19	3.220
Methods	Yes [1]	9	0.560
PwC Operate	No	4	0.821
RedQuadrant	Yes	3	0.045
North Highland	No	2	0.735
Harmonic	Yes	2	0.235
Prederi	Yes [2]	2	0.150
Total		**41**	**£5.766m**

[1] *Methods have been successful in winning business across HMG and are not likely to meet the definition of an SME for much longer.*

[2] *Prederi have been acquired by BearingPoint and are currently run as a standalone business. BearingPoint is not an SME.*

It should be noted that demand for services via Lot 3 has not been as high as anticipated and that furthermore some of the smaller firms have not always been able to meet the demand, even when given advance notice of upcoming requirements.

3.4 The Crown Commercial Service (CCS) issued a Prior Information Notice to the market in October 2019 as it started to design the next iteration of the management consultancy framework, which will go live in September 2021 and replace both MCF and MCF2. The department is currently conducting extensive customer and market engagement and sharing data on the usage of MCF and MCF2 in order to come up with a solution that meets the diverse, complex and demanding requirements of government, whilst balancing the ability of the market to meet those requirements with the policy aims of increasing SME spend. This engagement has had SME specific sessions via the Management Consultancies Association SME group, via the Cabinet Office SME forum and it has also held one on one meetings with around 10 SME firms with a continuing programme of engagement. There has been a strong preference from both customers and the market for fewer suppliers on the future framework than there is currently, as higher numbers put buyers off using the framework, and reduce the win percentage for suppliers.

3.5 It should be noted that whilst CCS is responsible for the design of frameworks for common goods and services across the public sector, it is individual departments or other contracting authorities that run a further process to select suppliers to carry out the work itself. With this and the government's policy objectives in mind, CCS is running 'Communities of Practice' sessions where a range of best practice topics will be explored, including how to ensure the appropriate suppliers are used for the variety and diversity of requirements that exist across government.

4: PAC conclusion: ***There is a longstanding and widening discrepancy between Cabinet Office and departmental data on consultancy spending across Government.***

4a: PAC recommendation: ***The Cabinet Office must urgently address the increasing inconsistencies in the reporting of consultancy and professional services spending across government, ensuring that its own overall spend matches up with that reported by departments. In its Treasury Minute response to this report, the Cabinet Office should clearly set out the reasons for the discrepancies and the accurate figures.***

4b: PAC recommendation: ***The Cabinet Office should work with departments to establish a shared definition of consultancy, ensuring that this is sufficient to exercise effective control over this area of expenditure.***

4.1 The government agrees with the Committee's recommendations.

Recommendation implemented

4.2 A comprehensive set of data standards has been developed and launched across the function to improve the quality and alignment of departmental commercial data. These standards are published on GOV.UK, and include guidance on how to collect contract and supplier data. They highlight the requirement for category data to be captured against every contract using standardised classification vocabularies.

4.3 Work has been completed on a platform to combine contract data with spend data (from Contracts Finder and Bravo respectively). This allows for interactive filtering of these data sets by supplier, organisation and category.

4.4 Automatic interfaces are being built across central government departments. This work will deliver a more complete view of contract data across central government. This programme of work is on track for delivery by the end of the 2020-21 financial year (March 2021).

One Hundred and Thirteenth Report of Session 2017–19

Department for Transport / HM Treasury

Network Rail's sale of railway arches

Introduction from the Committee

In February 2019, Network Rail completed a £1.46 billion sale of a commercial property portfolio to Telereal Trillium and Blackstone Property Partners. The portfolio consists of 5,261 rental spaces across England and Wales that Network Rail judged are not essential for running the railway. The portfolio is concentrated in the London area (60% by number of rental spaces) and most properties are converted railway arches (70% by number of rental spaces). It was sold on a 150-year leasehold basis. The sale is part of Network Rail's response to a funding shortfall in its investment programme for the period 2014 to 2019. Network Rail was reclassified as a public sector body in 2014, which prevented it from raising capital in the financial markets, as it had been able to in the past. Network Rail was responsible for preparing and executing the sale. The Department for Transport gave final approval, as Network Rail's shareholder, and HM Treasury was involved in setting the sale objectives, including the budgetary impacts of the transaction, and agreed the final decision to sell.

Relevant reports

- NAO report: *Network Rail's sale of railway arches* – Session 2017-19 (HC 2137)
- PAC report: *Network Rail's sale of railway arches* – Session 2017-19 (HC 2230)
- *Treasury Minutes*: January 2020 (CP 210)

Update to the Government response to the Committee

There were five recommendations in this report. As of the last Treasury Minute (CP 210), three recommendations were disagreed, one recommendation was implemented and one recommendation remained work in progress, which has now been implemented as set out below.

2: PAC conclusion: *Network Rail and the Department did not engage with tenants early enough, and only obtained non-binding commitments to protect tenants' interests.*

1b:* PAC recommendation*: Network Rail should write to us in twelve months' time with an update on how the new owners have performed against its non-binding commitments, including how the tenants' charter put in place by the new owners is supporting existing tenants being treated fairly.

2.1 The government agrees with the Committee's recommendation.

Recommendation implemented

2.2 Network Rail (NR) *wrote to the Committee* in September 2020 setting out the developing relationship between NR and The Arch Company (TAC), as well as the response by TAC to the pressures on tenants caused by COVID-19 related trading issues. The letter also provides an update on the performance by TAC against KPIs set in place, tenant engagement and other elements of the Tenants Charter.

One Hundred and Fourteenth Report of Session 2017-19

Ministry of Housing, Communities and Local Government and Homes England

Help to Buy: Equity Loan scheme

Introduction from the Committee

The Ministry of Housing, Communities and Local Government (the Department) introduced the Help to Buy: Equity Loan scheme in April 2013 to address a fall in property sales following the financial crash of 2008 and the consequent tightening of regulations over the availability of high loan-to-value and high loan-to-income mortgages. Originally intended to last three years, in 2015 the Department announced the extension of the scheme to 2021. The scheme has two principal aims: to help prospective homeowners obtain mortgages and buy new-build properties; and, through the increased demand for new-build properties, to increase the rate of house building in England.

Homes England administers the scheme on behalf of the Department. Home buyers receive an equity loan of up to 20% (40% in London since February 2016) of the market value of an eligible new-build property, interest free for five years. The loan must be paid back in full on sale of the property, within 25 years, or in line with the buyer's main mortgage if this is extended beyond 25 years. The scheme enables buyers to purchase a new-build property with a mortgage of 75% (55% in London) of the value of the property. The current scheme, which will run to March 2021, is not means-tested and is open to both first-time buyers and those who have owned a property previously. Buyers can purchase properties valued up to £600,000. A new scheme, to follow on immediately from the current scheme for two years to March 2023, will be restricted to first-time buyers and will introduce lower regional caps on the maximum property value, while remaining at £600,000 in London.

Relevant reports

- NAO report: *Help to Buy: Equity loan scheme – progress review*. Session 2017-19 (HC 2216)
- PAC report: *Help to Buy: Equity loan scheme* Session 2017-19 (HC 2046)
- Government independent review: *Evaluation of the Help to Buy Equity Loan Scheme 2017* published in October 2018
- *Treasury Minute* January 2020 (CP 210)

Update to the Government responses to the Committee

There were ten recommendations in this report. As of the last Treasury Minute (CP 210), the government disagreed with two recommendations and eight recommendations remained work in progress, of which four are now implemented, as set out below.

1: PAC conclusion: ***Help to Buy has increased the supply of new homes and boosted the house-building sector.***

1: PAC recommendation: ***The Department should identify the lessons that can be learned from the success of Help to Buy and how these can be applied to future housing schemes***

1.1 The government agrees with the Committee's recommendation.

Recommendation implemented

1.2 The Ministry of Housing, Communities and Local Government (the department) has carried out two independent evaluations to enhance our understanding of how the scheme has met its objectives and how it has worked for customers, builders and lenders. Lessons learned from the success of Help to Buy included designing schemes that are easy to understand and access and providing a fair and transparent balance of risk and return between individual customers and taxpayers at large. These have continued to be applied to the new Help to Buy scheme due to run from 2021 to 2023. These lessons can be applied to further housing schemes.

2: PAC conclusion: ***While Help to Buy has helped many people to buy properties who otherwise would not have been able to, a large proportion of those who took part did not need its help.***

2: PAC recommendation: ***The Department should report to the Committee in spring 2020 on the impact it expects changes to the scheme to have from 2021 and how it will ensure that regional price caps work effectively across regions.***

2.1 The government agrees with the Committee's recommendation.

Target implementation date: Autumn 2020
Original implementation date: Spring 2020

2.2 The impact of COVID-19 has disrupted the market and the department is in the process of evaluating how the future scheme design will interact with the future housing market, which remains highly uncertain. Engagement with developers in planning for the new scheme has continued but focus has necessarily shifted to managing the current scheme and understanding the impact on operations. The department will therefore aim to respond to this recommendation in autumn 2020.

3. PAC conclusion: ***The Department has allowed the scheme to become a semi-permanent feature of the housing market and has not yet thought through the changes needed to improve the value to be achieved from the new scheme.***

3a: PAC recommendation: ***The Department should undertake a further evaluation of the scheme to understand its value and necessity from 2017***

3.1 The government agrees with the Committee's recommendation.

Target implementation date: Autumn 2021

3.2 As set out in our response of December 2019, the department has committed to undertake a further evaluation in the second half of 2021.

3c: PAC recommendation: ***The Department should report back to the Committee in spring 2020 on how it is working with developers to plan the new scheme from 2021, so that it addresses concerns about developers' behaviour and achieves at least as much value.***

3.3 The government agrees with the Committee's recommendation.

Target implementation date: October 2020

3.4 Homes England has continued to work closely with house builders and other stakeholders (e.g. mortgage banks and building societies) on the operational policy development of the new Help to Buy scheme 2021-23.

3.5 Regular stakeholder roundtables have always featured in Homes England engagement and these continued during 2019.

3.6 The Secretary of State's February 2020 announcement set out further policy details of the new scheme. These included: new measures to improve the energy efficiency standards of homes, clamp down on bad practice (such as unfair leasehold terms) and provide further safeguards for customers. Further details are set out in the *letter of 12 October 2020* from the CEO of Homes England. Homes England has conducted three builder roundtables (and three with mortgage lenders). These have been used to: brief participants on details and the anticipated timetable for implementation and to take feedback. All have been well supported by stakeholders and the feedback gathered has been extremely helpful to Homes England's operational development.

3.7 Dates are now being proposed for further engagement in autumn and winter as the new scheme moves into its anticipated first implementation stages this summer.

4. PAC conclusion: ***The Department's lack of curiosity over why and how buyers are redeeming their loans gives rise to uncertainty over whether the Department will make a return on its investment.***

4: PAC recommendation: ***The Department should, by the end of December 2019, publish an analysis of the reasons for people redeeming to date – who, when, where, how and why.***

4.1 The government agrees with the Committee's recommendation.

Recommendation implemented

4.2 In February 2020, Homes England published redemption statistics from April 2013 to March 2020 at: *redemption statistics from April 2013 to March 2020* Homes England are due to publish redemption statistics from April 2013 to March 2020 in the forthcoming 2019-20 Homes England Annual Report and Accounts.

5. PAC conclusion: ***The Department's decision to keep equity loans as unregulated products means there is insufficient protection for buyers.***

5a: PAC recommendation: ***The Department should write to the Committee by the end of December 2019 to explain how it intends to put in place better consumer protection arrangements for similar products in the future.***

5.1. The government agrees with the Committee's recommendation.

Recommendation implemented

5.2 The department's response in December 2019, followed by the *letter of 3 January 2020* from the CEO of Homes England, set out the measures being taken by Homes England on consumer protection. Further details are set out in the letter of 12 October 2020 from the CEO of Homes England: end to end core customer conduct programme and control framework; dedicated resource to provide oversight on Mortgage Administration and Agent contractual and operational requirements and dedicated specialist resource in assurance, compliance and conduct risk.

5.3 In 2021, Homes England is undertaking further work to improve the customer journey, loan administration and data quality. Homes England's Transformation team have been working on delivery of three key projects on behalf of Help to Buy:

- Customer Journey - Creating a new application process for Help to Buy - including end user facing services and back office application processing systems used by Agents and Homes England staff. This includes consolidating and streamlining our guidance content onto GOV.UK which is currently across multiple sites.
- Loan Admin - Designing what the future looks like for loan administration and preparing for the onboarding of a new loan administration system and servicing agent in 2021.
- Data - Creating a single reliable source for Help to Buy data and documents

5.4 Homes England's Transformation team have recently obtained Government Digital Service (GDS) assessment approval for their work on the alpha stage of the Help to Buy Equity Loan Apply Journey.

5b: PAC recommendation: ***As part of its next evaluation, the Department should examine the new-build premium, and the impact Help to Buy has had in relation to this.***

5.5 The government agrees with the Committee's recommendation.

Target implementation date: Autumn 2021

5.6 As set out in the response of December 2019, the department has committed to undertake a further evaluation in the second half of 2021. This will examine new-build premium and the impact of Help to Buy.

5.7 The independent evaluation of 2015-2017 also looked at the relationship between the scheme and the New Build Premium. It found no clear link between the scheme and increasing new-build premiums. Assessing the new-build premium is complex; and the evaluation found differences regionally and by property type. The government's investment with Help to Buy has grown more slowly than the market, which may reflect new-build premium, though not to the extent that has previously been speculated (15% to 20%).

7. PAC conclusion: ***The Help to Buy scheme is not making homes more affordable for society in general or helping address other pressing problems in the housing sector.***

7: PAC recommendation: ***The Department should report back to the Committee by the end of December 2019, setting out how its different housing policies and initiatives work together to address England's housing crisis.***

7.1 The government agrees with the Committee's recommendation.

Recommendation implemented

7.2 The government is taking comprehensive action to address England's housing crisis, which has heightened due to the COVID-19 pandemic.

7.3 To support home buyers, homeowners and renters in the immediate response to the pandemic, the government has: amended home-moving regulations; supported lenders in providing mortgage holidays/payment deferrals ; worked to suspend possession proceedings for six months; amended the period for serving landlord possession notices; and issued comprehensive guidance for landlords and tenants.

7.4 This builds upon unprecedented economic support to help prevent people getting into financial hardship, including boosting the welfare safety-net by £9.3 billion.

7.5 On 30 June, the Prime Minister announced a package that sets an ambitious cross-government strategy to build more homes, improve the environment, and inject growth opportunities across the country, including:

- £12 billion Affordable Homes Programme to support up to 180,000 new affordable homes for ownership and rent over the next 8 years;
- Allocating the £400 million Brownfield Land Fund to MCAs;
- £450 million boost to the Home Building Fund to diversify the market and support smaller developers access finance;
- Radical reform through the Planning White Paper, to make the planning system clearer, more accessible and more certain for others.

7.6 To increase housing supply, the government has committed to introduce a new Single Housing Infrastructure Fund (SHIF).

7.7 These measures build on the 2017 Housing White Paper that set out a strategy to reform the housing market and boost the supply of new homes in England.

One-Hundred and Fifteenth Report of Session 2017-19

Department of Health and Social Care

Penalty Charge Notices

Introduction from the Committee

Each year, around 1.1 billion prescription items are dispensed, and 39 million dental treatments undertaken. Some people are exempt from paying if they have a valid reason (for example they are under 16 or they receive certain benefits). In 2017–18 around 89% of prescription items dispensed and around 47% of dental treatments were claimed as exempt from charges. Those who claim a free prescription or dental treatment without a valid reason, whether fraudulently or in error, could be issued with a Penalty Charge Notice (PCN). A PCN has two components—the original cost of the prescription or dental treatment and a penalty charge of up to £100. The NHS estimates that it lost around £212 million in 2017–18 from people incorrectly claiming exemption from prescription and dental charges. The Department of Health & Social Care (the Department) is the policy owner for this area. NHS England is the service owner, and commissions the NHS Business Services Authority (NHSBSA) to administer the loss recovery service for prescriptions and dental treatments. NHSBSA also has a contract with Capita to issue a proportion of dental PCNs.

Since 2014, NHSBSA has managed the distribution of 5.6 million PCNs with a total value of £676 million. Of these £133 million (20%) were collected, £297 million (44%) were resolved without a penalty charge being paid; and £246 million (36%) remain outstanding.

Relevant reports

- NAO report: *Investigation into penalty charge notices in healthcare* - Session 2017-19 (HC 2141)
- PAC report: *Penalty charge notices in healthcare* - Session 2017-19 (HC 2038)
- Treasury Minutes: *January 2020* (CP 210)

Update to the Government response to the Committee

There were six recommendations in this report. As of the last Treasury Minute (CP 210), the government disagreed with one recommendation and five recommendations remained work in progress - three of which have been implemented as set out below.

1: PAC conclusion: ***Patients are finding it extremely difficult to understand whether or not they are entitled to free prescriptions or dental treatment.***

1: PAC recommendation*: The Department of Health and Social Care should set out how it will make exemptions more readily intelligible for all claimants, based on evidence of how users complete applications.*

The Department should work more closely with the Department for Work & Pensions to improve the information provided to benefit claimants about whether they are entitled to free prescriptions. Specifically, it should investigate the feasibility of DWP indicating whether claimants are entitled to free prescriptions or dental treatment in the letters it sends to claimants about eligibility for benefits.

1.1 The government agrees with the Committee's recommendation.

Target implementation date: September 2021
Original implementation date: September 2020

1.2 The government has made strenuous efforts to make exemptions more readily intelligible to all claimants, as demonstrated by the national 'check before you tick' communications campaign and the update of the paper version of the FP10 prescription form to include an exemption tick box for use by eligible Universal Credit claimants.

1.3 Responding to the COVID-19 pandemic has put unprecedented pressure on the Department of Health and Social Care (DHSC) and has necessitated the reallocation of staffing resources and the reprioritisation of work. The Department for Work and Pensions (DWP) has also had to re-prioritise resources to ensure that the unprecedented increase in Universal Credit claimants were paid and supported during this time. Owing to COVID-19 response, activity across government some previously planned work has been delayed.

1.4 No further significant communications activity on NHS charges and exemptions is currently planned, to avoid detracting from government Coronavirus communications. However, related information continues to be available and accessible in the 'NHS Help with Health Costs' section of the NHS Business Services Authority (NHSBSA) website at www.nhsbsa.nhs.uk. Materials and messaging from the national 'check before you tick' communications campaign also remain in the public domain.

1.5 To take account of the current situation, the implementation date associated with this recommendation has been revised.

2: PAC conclusion*: NHSBSA's presumption of guilt means penalty charge notices are issued too readily, particularly where vulnerable people are concerned.*

2: PAC recommendation: ***In six months' time, the Department should write to the Committee to establish when it plans to introduce the additional checking stage in the PCN process and the timeline for doing so.***

In the same letter, the Department should set out how this will reduce the proportion of PCNs that are later overturned and identify claimants who may be particularly vulnerable.

2.1 The government agrees with the Committee's recommendation.

Recommendation implemented

2.2 A joint letter from DHSC, NHS England and NHS Improvement and the NHS Business Services Authority (NHSBSA) was sent to the Committee in July 2020 containing the information requested.

2.3 This letter confirmed that the additional stage in the Penalty Charge Notice (PCN) process was introduced in February 2020. Therefore, when the NHSBSA is unable to verify someone who has claimed exemption from NHS prescription or dental treatment charges was entitled to do so, it issues an initial enquiry letter instead of a PCN.

2.4 The initial enquiry letter encourages recipients to contact the NHSBSA, while minimising any anxiety or undue stress to people who receive it, including those from vulnerable groups.

2.5 The additional stage gives recipients the opportunity to contact the NHSBSA and discuss their circumstances, which may remove the need for a PCN to be issued. A snapshot taken several weeks after the process change, showed that approximately 24 per cent of the people who received an enquiry letter went on to contact the NHSBSA and confirm they have a valid exemption. Accordingly, early indications are that the addition of the initial enquiry letter is serving to reduce the proportion of PCNs that are later overturned.

2.6 The NHSBSA is able to monitor the new PCN process and future improvement work will be guided by user insight and feedback.

4: PAC conclusion*: The Committee is highly sceptical that real-time exemption checks will be rolled out soon.*

4: PAC recommendation: ***NHS England and NHSBSA should pursue real-time checking as a priority, and should write to us with the results of the pilots, confirming a timetable for implementation and the cost of the real-time checking project.***

4.1 The government agrees with the Committee's recommendation.

Target implementation date: September 2021
Original implementation date: March 2020

4.2 On 15 July 2020, a joint letter from DHSC, NHS England and NHS Improvement and the NHS Business Services Authority (NHSBSA) was sent to the Committee containing an update on real time exemption checking (RTEC).

4.3 RTEC continues to be pursued as a priority under the NHSBSA's stewardship. As at 1 August 2020, RTEC was live in 1027 community pharmacy premises across six pharmacy software suppliers.

4.4 RTEC currently confirms NHSBSA held exemptions, with work ongoing on an application programme interface (API) to incorporate checking of DWP benefit related exemptions. As at 1 August 2020, API development work had enabled checking of legacy benefits and the lower qualifying income threshold of Universal Credit. This functionality is live and piloting in 5 pharmacy premises, with further roll out expected in due course. Work has begun on the final stage of the API development, to enable checking against both qualifying income thresholds of Universal Credit.

4.5 It is estimated that the combined cost of the RTEC project, from 1 April 2016 to 30 March 2021, is £3 million. Ongoing NHSBSA costs for RTEC have been estimated at £100,000 per year. Ongoing DWP costs for hosting and maintenance of the API, are linked to usage and will start after the build is complete. Such costs are expected to be in the region of £90,000 per year once RTEC is fully rolled out.

5: PAC conclusion*: Where there is clear evidence that people are persistently committing fraud by making false claims, NHSBSA has failed to take effective action.*

5: PAC recommendation: *By December 2019, NHSBSA should evaluate the cost-effectiveness of spending more time and resources pursuing repeat offenders and write to us with the result of this work. In doing so, it should tell us the number of such cases that are being actively pursued.*

5.1 The government agrees with the Committee's recommendation.

Recommendation implemented

5.2 A joint letter from DHSC, NHS England and NHS Improvement and the NHSBSA was sent to the Committee on 15 July 2020.

5.3 NHSBSA has expanded its repeat offender team and intends to dedicate more time and resources towards pursuing repeat offenders in 2020-21 and beyond. As the Committee is aware, the work of the NHSBSA repeat offender team involves face-to-face interviews with members of the public and associated travel, which has understandably been impacted by the COVID-19 outbreak.

6: PAC conclusion: *The PCN process, as it stands, is not working efficiently or effectively.*

6: PAC recommendation: *Having acknowledged that the PCN process needs improving, NHS England and NHSBSA should write to us in a year's time to explain how they have made the process more humane and cost-effective.*

6.1 The government agrees with the Committee's recommendation.

Recommendation implemented

6.2 Since the findings of the National Audit Office's investigation into penalty charges in healthcare were published on 14 May 2019, all relevant bodies including the DHSC, NHS England and NHS Improvement and NHSBSA have been working together to further improve the PCN process.

6.3 During the intervening period a raft of improvement actions have been implemented. The national 'check before you tick' communications campaign has raised public awareness of the need to have a valid exemption in place in order to claim free NHS prescriptions and dental treatment. The paper version of the FP10 prescription form has been updated to include an exemption tick box for use by eligible Universal Credit claimants. The NHSBSA has moved to a 3-stage PCN process with the addition of an initial enquiry letter, expanded its repeat offender team and made significant progress with the introduction of real time exemption checking, which is now live in over 1,000 community pharmacy premises in England.

6.4 Together these actions have gone a long way towards tackling the concerns expressed by the Committee about penalty charges in healthcare and delivering on related recommendations. To ensure that the necessary improvements are fully realised, post Coronavirus the dedicated oversight group will continue to meet regularly. This group will ensure actions linked to live recommendations are implemented, monitor and evaluate actions that have been delivered and identify further opportunities for improvement going forward.

One Hundred and Sixteenth Report of Session 2017-19

The Home Office

English language test for overseas students

Introduction from the Committee

The Home Office (the Department) designs and administers the points-based visa system which allows students from outside the European Economic Area to study in the UK. Most of these students must support their visa application by achieving a pre-determined level on a licensed and approved Secure English Language Test (SELT). The Test of English for International Communication (TOEIC), administered by the American provider ETS, was an approved SELT between 2011 and 2014. In 2014, however, a BBC Panorama investigation exposed wide-scale organised cheating on TOEIC tests, leading the Department to establish a Gold Command team in February 2014. The Department then took action against over 50,000 individuals. At least 11,356 of these people have since voluntarily left the UK, while the Department has removed or refused re-entry to the UK to at least 2,859 individuals. Hundreds, possibly thousands, continue to protest their innocence. Since April 2014, at least 12,500 appeals involving individuals matched to invalid or questionable TOEIC certificates have been heard by the courts. 40% of people making appeals to the first-tier tribunal have won their appeal. However, the Department continues to rely upon the evidence provided by ETS. To date, the Home Office has not taken any further steps to support individuals who are affected by its actions.

Relevant reports

- NAO report: *Investigation into the response to cheating in English language tests* Session 2017–19 (HC 2144)
- PAC report: *English language tests for overseas students* - Session 2017-19 (HC 2039)
- Treasury Minute: *Government response to the Committee of Public Accounts on the One Hundred and Twelfth to One Hundred and Nineteenth reports*: Session 2017-19 (CP 210)

Update to the Government responses to the Committee

There were five recommendations in this report. As of the last Treasury Minute (CP 210), two recommendations were implemented, one disagreed with and two remained work in progress both of which are now implemented, as set out below.

3: PAC conclusion: *The Home Office's commercial relationship with ETS meant it had insufficient recourse to claim compensation.*

3: PAC recommendation: *The Home Office should, within six months of this report, review its arrangement with overseas partners, including redress mechanisms in the event of contractor failure, and write to the Committee with its results.*

3.1 The government agrees with the Committee's recommendation.

Recommendation implemented

3.2 The Home Office (the department) has in place within its concession agreements, including overseas partners, governance structures that review performance and contract management each month. This includes identifying and managing any potential risks or issues that could arise during service delivery.

3.3 The department has introduced a number of safeguards under the Secure English Language Test (SELT) arrangements, for example, SELT providers attend performance review meetings held by the Home Office, submit monthly and annual performance reports and arrange for an independent auditor to undertake and confirm specific requirements set by the Home Office are being met.

3.4 Following a procurement process which began in 2018, new concessions are now becoming operational, and secure English language testing is resuming in line with government advice in different countries around the world, and the UK, with the necessary social distancing measures in place. As a result of this procurement the department has four suppliers for UK tests and four for overseas tests which mitigates any risk of single supplier failure.

5: PAC conclusion*: As with the Windrush scandal, the Home Office has once again not done enough to identify the innocent and potentially vulnerable people who have been affected.*

5: PAC recommendation: *The Home Office should address its lack of curiosity and establish safeguards to protect innocent people in the future, including ensuring that senior leadership do more to promote a culture of curiosity.*

5.1 The government agrees with the Committee's recommendation.

Recommendation implemented

5.2 The department has already embarked on a series of reforms over the last 30 months.

5.3 Since its publication in March, the department has also reflected on the *Windrush Lessons Learned Review (WLLR)* and considered what more the department needs to put in place to ensure the department is protecting innocent people. The department's overarching ambition is to create an immigration system which is more accessible to all its customers, in particular, those who are vulnerable or have high needs.

5.4 The department has accepted the recommendations in the WLLR and, on 30 September 2020, published a *Comprehensive Improvement Plan* setting out how it intends to implement them.

One Hundred and Seventeenth Report of Session 2017-19

HM Treasury / Department for International Development / Foreign and Commonwealth Office / Department for Business, Energy and Industrial Strategy

The effectiveness of Official Development Assistance expenditure

Introduction from the Committee

In 2010, the coalition government committed to spending 0.7% of UK gross national income on overseas aid—known as Official Development Assistance (ODA)—from 2013 onwards. This is the proportion of a nation's income that the United Nations has said developed countries should aim to spend on overseas aid. In 2017, ODA expenditure was over £14 billion.

In 2015, the Department for International Development (DFID) and HM Treasury introduced a new strategy for the UK's ODA spending. This proposed that while DFID would remain the UK's primary channel for ODA expenditure, a greater proportion would be administered by other government departments, cross-government funds and other bodies. It also established four objectives for ODA spending, and emphasised the need to demonstrate that it was securing value for money. Departments are responsible for managing their ODA expenditure, with each Accounting Officer responsible for the proper stewardship of their department's ODA budget. HM Treasury is responsible for setting each department's ODA budget.

Relevant Reports

- NAO report: *The effectiveness of Official Development Assistance expenditure*– Session 2017-19 (HC 2218)
- PAC report: *The effectiveness of Official Development Assistance expenditure* – Session 2017-19 (HC 2048)
- NAO report: *Managing the Official Development Assistance target*– Session 2017-19 (HC 243)
- Treasury Minutes: *January 2020* Session 2019 (CP 210)

Update to the Government response to the Committee

There were ten recommendations in this report. As of the last Treasury Minute (CP 210), two recommendations were implemented, and eight recommendation remained work in progress, one of which has now been implemented as set out below:

1: PAC conclusion: ***HM Treasury's focus on the effectiveness and value-for-money of ODA expenditure has been weak.***

1a: PAC recommendation: ***HM Treasury should take the following steps to ensure it is effectively overseeing the effectiveness of ODA spending:***

(a) Develop its framework for monitoring progress against the Aid Strategy to incorporate value for money;

1.1 The government agrees with the Committee's recommendation.

Target implementation date: Autumn 2020

1.2 HM Treasury places the same strong focus on the value for money and effectiveness of ODA spending as it does all government expenditure. In May 2018, the department published *UK Official Development Assistance: value for money guidance*, produced jointly with DFID (the former Department for International Development) for ODA spending departments. It scrutinises all relevant business cases for evidence of value for money and effectiveness. In addition, as with all public expenditure, the department's approval is essential for novel, contentious or repercussive spend.

1.3 The UK *Aid Strategy* monitoring framework was developed in response to calls from the National Audit Office that government should bring together information to demonstrate impact against the objectives of the Aid Strategy as a whole, to sit above programme and sector-level monitoring and evaluation.

1.4 The monitoring framework was not intended to comprehensively monitor implementation across the full range of government ODA programmes, but rather to provide regular snapshots of progress against the Aid Strategy's objectives through a range of input, output and outcome indicators (i.e. effectiveness).

1.5 As part of the 2020 Spending Review the Treasury has been exploring the future iteration of the monitoring framework, considering the development of the Integrated Review. The change to a single year Spending Review means this approach will need to be reviewed. Departments SR20 bids have been shaped by the Integrated Review's development and the Treasury will continue to consider how government can improve its assessment of the value for money and effectiveness of its strategy for development spending.

1.6 However, there are likely to be challenges in making direct value for money comparisons between different types of policy spending (green climate finance versus maternal health versus supporting refugees and asylum seekers, for example) given the significant differences in objectives and outcomes. Rather, value for money is considered on a more granular programme and sector level, and in this way, comparisons can more easily be made to inform spending decisions.

1b: PAC recommendation: ***and (b) Make sure that departments have set up frameworks for assessing value for money at the business case stage of new programmes.***

1.7 The government agrees with the Committee's recommendation.

Target implementation date: Autumn 2020 (in line with Spending Review timings)
Original implementation date: Summer 2020

1.8 There are two components to this. Departments are expected to provide evidence at business case stage of how the preferred delivery option is value for money. They are also expected to provide evidence of how they will assess whether a programme is in practice delivering value for money in terms of its outcomes once it has begun. For example, the DFID business case process requires teams to set out evidence that the option chosen is the best value for money for delivering specified impacts and outcomes and to describe the systems in place for ensuring value for money is delivered in practice. DFID has worked with other government departments to share best practice for doing this and the successor department, the Foreign, Commonwealth and Development Office (FCDO) will continue to do so.

1.9 As part of the 2020 Spending Review, the Treasury will consider how it can ensure departments continue to set up appropriate frameworks for assessing value for money.

1c: PAC recommendation: ***and (c) Complete a full assessment of the impact of other government departments having more responsibility for ODA expenditure in time for the next spending review.***

1.10 The government agrees with the Committee's recommendation.

Target implementation date: Autumn 2020 (in line with 2020 Spending Review timings)

1.11 In consultation with other departments, the department will assess:

i) the objectives of diversifying ODA spending across other government departments;
ii) what has been achieved through doing this, including case studies of where there is evidence that ODA programming has been more effectiveness as a consequence of the diversification of funding across government departments;
iii) challenges in managing the ODA budget across government and lessons learnt for the next spending review period.

1.12 This will be completed ahead of the conclusion of the 2020 Spending Review.

1d: PAC recommendation: ***and (d) Allocate a significant proportion of ODA on the basis of joint bids.***

1.13 The government agrees with the Committee's recommendation.

Target implementation date: Autumn 2020 (in line with 2020 Spending Review timings)

1.14 Departments working together using their respective expertise and experience is crucial to achieve the government's objectives for ODA spending.

1.15 There are several policy areas in which departments currently work closely together to achieve the government's ODA objectives, including on climate, research, health, security and prosperity.

1.16 Since the Committee's recommendation in September 2019, the Foreign and Commonwealth Office and DFID merged to become the Foreign, Commonwealth and Development Office (FCDO) on the 2 September 2020. The merger is designed to increase strategic coherence across international spend in a way that reduces the need for joint bids.

1.17 The scope of the 2020 Spending Review has changed from a multi-year to a single year review. Individual departments and HM Treasury will review and determine the areas of ODA spending that remain appropriate for joint bids within this new scope. Departmental spending would still be overseen through the usual accounting officer process, as set out in public spending rules.

2: PAC conclusion: ***It is not clear how HM Treasury will, in the future, make use of the Department for International Development's expertise to support the allocation and oversight of ODA expenditure.***

2: PAC recommendation: ***Working with HM Treasury, DFID should set out the steps it will take to increase its involvement in allocating ODA expenditure and overseeing its overall effectiveness.***

2.1 The government agrees with the Committee's recommendation.

Target implementation date: Autumn 2020

2.2 As with all public expenditure, HM Treasury allocates ODA funding to departments at each spending review. There are no plans to change this.

2.3 The new Foreign, Commonwealth and Development Office (FCDO) will take on the former DFID's responsibilities on the administration of ODA, alongside HM Treasury.

2.4 The former DFID's role consulting and advising other departments on their capability and proposals will be taken forward by the new FCDO. Work to advise departments on their ODA capability will continue as departments prepare their bids for the 2020 Spending Review.

2.5 Through the current *Integrated Review of Security, Defence, Development and Foreign Policy* and the 2020 Spending Review, HM Treasury, working closely with FCDO, will seek to strengthen the governance and overall effectiveness of ODA across government.

3: PAC conclusion: ***There will be a significant risk to value for money if last minute decisions to re-allocate ODA are made due to a no deal Brexit.***

3: PAC recommendation: ***HMT and DFID should set out a clear plan of how they will make sure that the UK meets its legal obligation to the ODA target under a no deal scenario, ensuring that partners, such as the World Bank, are prepared to receive and spend additional funds at short notice and according to vfm principles.***

3.1 The government agrees with the Committee's recommendation.

Recommendation implemented

3.2 The UK left the European Union (EU) on 31 January 2020 as stipulated in the Withdrawal Agreement (WA). As part of the legally binding financial settlement, the UK is committed to continue to pay its share of EU programme decisions taken up to 31 December 2020 of the EU Budget Heading 4 (external actions), the European Development Fund (EDF), the EU Trust fund for Africa (EUTF Africa) and the Facility for Refugees in Turkey (FRIT). As those EU development programmes will continue to be implemented over the coming years, the UK's residual ODA contribution to the EU will gradually reduce until around 2026-27.

3.3 The new FCDO, in coordination with HM Treasury, will take account of the residual financial commitments as part of the government's regular spending reviews (SR), with the upcoming 2020 Spending Review. As with all ODA spending, precautions will be taken to ensure that ODA continues to be spent in line with value for money principles and meets the government's strategic objectives. The FCDO will monitor the residual UK ODA contributions to the EU regarding efficiency and effectiveness based on sound value for money principles.

4: PAC conclusion: ***Departments have not done enough to get measures and data in place to assess the impact of their programmes*.**

4: PAC recommendation: ***All ODA spending departments should report back to us in 6 months' time on the extent to which they will increase the proportion of their ODA-funded programmes that use performance measures based on impacts and outcomes.***

4.1 The government agrees with the Committee's recommendation.

Target implementation date: Autumn 2020
Original implementation date: May 2020

4.2 Unfortunately, this recommendation was not implemented in May 2020. However, departments will provide responses in relation to the delay directly to the Committee.

4.3 More widely, as part of the 2020 Spending Review, the government will finalise and publish medium-long term outcomes for public services and metrics which can be used to measure performance against them.

4.4 The varied nature of ODA policy areas and the differing contexts that policy programmes operate in means that effectiveness is best measured through a combination of input, output and outcomes measures.

4.5 Departments will be doing everything they can to evaluate programmes effectively, and robust systems need to be in place to provide assurance that programmes are delivering longer term impacts. All departments have systems in place for monitoring the impact of their programmes, though these will necessarily differ in nature depending on the context and operating environment.

4.6 All legacy DFID and FCO programmes are subject to annual review, including an assessment of progress towards their planned impact and outcomes, and a final evaluation of outcomes and impact at programme completion. Since the creation of the new Foreign, Commonwealth and Development Office, the new department has been working to establish a consistent approach to the measurement of impacts and outcomes and take forward work initiated in DFID to strengthen outcome measurement with new review templates and guidance to support this focus.

6: PAC conclusion: ***The dramatic increase in the FCO's ODA spending raises questions about its focus and priorities.***

6: PAC recommendation: ***The FCO should, in time to inform future spending allocations, complete a strategic review of the impact of ODA funding on its purpose and priorities.***

6.1 The government agrees with the Committee's recommendation.

Target implementation date: Autumn 2020

6.2 Since the Committee's recommendation in September 2019, the context for this recommendation has significantly changed when the FCO and DFID merged to become the Foreign, Commonwealth and Development Office on the 2 September 2020.

6.3 FCDO brings together the development expertise from DFID with the diplomatic reach and clout of the FCO to ensure we place our world-class development programmes at the heart of our foreign policy; placing it at the centre of international policy and capability. Through the 2020 Spending Review and the concurrent Integrated Review of Security, Defence, Development and Foreign Policy, the government is examining our strategic policy aims and ensuring we have the right structures and capabilities in place to deliver them as the FCDO is established. The future balance of development and foreign policy within the new FCDO was a primary consideration for both the Integrated Review and the Spending Review, and a key outcome of both reviews. The FCDO has submitted a single Spending Review bid to HM Treasury, which sets out a new balance, is distinct from either predecessor department, and which draws on the expertise and experience of both.

One Hundred and Eighteenth Report of Session 2017-19

Cabinet Office and Department for Digital, Culture, Media and Sport

Challenges in using data across Government

Introduction from the Committee

Responsibility for government data sits across departments: The Department for Digital, Culture, Media and Sport (DCMS) has responsibility for data policy. The Government Digital Service (GDS), part of the Cabinet Office, has responsibility for data skills and standards. The Data Advisory Board (chaired by the Chief Executive of the Civil Service with a membership of permanent secretaries) has a senior cross-government oversight role. Individual departments are responsible for managing their data and for funding and carrying out data improvement projects. In June 2018, the government announced that DCMS would produce a national data strategy, which it expects to publish in 2020. The strategy intends to 'position the UK as a global leader on data' and to cover how data is used in business and the wider economy as well as in government. It is the twelfth in a series of reports and strategies on using and sharing data across government dating back to 1999.

Relevant Reports

- NAO Report: *Challenges in using data across government* – Session 2017-19 (HC 2220)
- PAC Report: *Challenges in using data across government* – Session 2017-19 (HC 2492)
- *Treasury Minute Progress Report*: January 2020 (CP 210)

Update to the Government responses to the Committee

There were six recommendations in this report. As set out in Treasury Minute (CP 210), the government disagreed with one recommendation and five recommendations remained work in progress. Three of these are now implemented and two remain work in progress.

1: PAC conclusion: *Leadership of initiatives to improve data is fragmented and unclear.*

1: PAC recommendation: *As a matter of urgency, Cabinet Office and DCMS should appoint a Chief Data Officer for government, to act as a single point of accountability for government's use of data.*

1.1 The government agrees with the committee's recommendation.

Target implementation date: Winter 2020
Original implementation date: Spring 2020

1.2 Transforming the use of government data for improved policy-making decisions and joined up, trusted services delivery is a key priority for this government. The government agrees that strong leadership and accountability for data use across government is key to achieving this. The government stated in the 2017 Government Transformation Strategy that it would hire a Chief Data Officer by 2020. This remains the government's proposed timeline for the appointment. The thinking around the title and senior support for the role has however evolved.

1.3 On 22 July 2020, the Prime Minister made a Written Ministerial Statement transferring functions for the government's use of data from the Department for Digital, Culture, Media and Sport (DCMS) to the Cabinet Office with effect from 1 August 2020. The transfer includes responsibility for data sharing (including coordination of Part 5 of the Digital Economy Act 2017), data ethics, open data and data governance, as they relate to government use of data. Subsequently, the government has published the government's mission in the National Data Strategy, which sets out 5 key areas of reform: unlocking the value of data across the economy; securing a pro-growth and trusted data regime; transforming government's use of data to drive efficiency and improve public services; ensuring the security and resilience of the infrastructure on which data relies; and championing the international flow of data.

1.4 To ensure this plan is driven from the centre of government, Cabinet Office has already started strengthening the leadership of the Digital, Data and Technology (DDaT) Function by approving the recruitment of a Government Chief Digital Officer (GCDO) at Permanent Secretary level. They will lead the DDaT Function and Profession and the next phase of digital transformation across government, of which government's use and sharing of data will be a key and integral workstream. And, to lead the Government Digital Service's (GDS) vital role delivering this mission, the government will recruit a new Chief Executive at Director General level to reinvigorate GDS's core strength as a builder of high quality, innovative digital products and support the GCDO leading the DDaT Function for the rest of government.

2: PAC conclusion: *DCMS and Cabinet Office have made little progress in developing the data strategy since they announced it over a year ago.*

2: PAC recommendation: *The Cabinet Office should write to the Committee by 31 March 2020 setting out how Government plans to improve its use of data; including priorities, milestones and accountabilities.*

2.1 The government agrees with the Committee's recommendation.

Recommendation implemented

2.2 Since the Cabinet Office *wrote to the Committee in April 2020*, the National Data Strategy has been published. It outlines an ambitious and radical transformation of the approach to using data across government, driving major improvements in the way information is efficiently managed, used and shared. To succeed, a whole-government approach is needed for best practice and standards required to drive value and insights from data and the creation of an appropriately safeguarded, joined-up and interoperable data infrastructure to support this. The right skills and leadership is also needed within the public sector to understand and unlock the potential of data.

2.3 This transformation will only be possible and sustainable if it is developed within a robust ethical framework of transparency, safeguards and assurance which builds and maintains public trust in the government's use of data. The National Data Strategy sets out the government's intention to:

- run a national engagement campaign on the societal benefits of the use of government data
- explore appropriate and effective mechanisms to deliver more transparency on the use of algorithmic assisted decision making within the public sector
- work in partnership with the Centre for Data Ethics and Innovation (CDEI) and other leading organisations in the field of data and AI ethics to pilot approaches to algorithmic transparency this year, and consider what would be needed to roll them out across the public sector
- explore the role of privacy enhancing technologies to enhance consumer control and confidence
- explore further measures to ensure appropriate fairness, transparency and trustworthiness in private and third sector data use
- leverage the government's position as a founding member of the newly established Global Partnership on AI, collaborating with the government's international partners and drawing upon the expertise and recommendations on this agenda from the Responsible AI and the UK co-chaired Data Governance Working Group.

2.4 The National Data Strategy also commits to developing world-leading capability in data and data science across central and local government. The aim is that leaders understand its role, expert resources are widely available, staff at all levels have the skills they need, and a 'data-sharing by default' approach across government tackles the culture of risk aversion around data use and sharing. With further measures to be announced as part of the Digital Strategy and through the National Skills Fund, the government will:

- prioritise bringing in and building the right skills across government
- recruit leaders with data and digital skills across government to build a strong representation of technical, policy, legal and analytical data experts in the centre of government

- train 500 analysts across the public sector in data science by 2021, through the Data Science Campus at the Office for National Statistics (ONS), the Government Analysis Function and the Government Digital Service
- deliver the range of actions to be outlined in the Public Sector Data Science Capability Audit
- review data training available to all civil servants and develop proposals to enhance and extend this offering
- design a career pathway for data expertise in government
- agree a shared definition of data expertise across central government
- review the needs of local government in having the capabilities to manage, use and disseminate data

3: PAC conclusion: ***Rather than mandating an approach to good data use and sharing, DCMS and Cabinet Office are relying on winning the 'hearts and minds' of other departments.***

3: PAC recommendation: ***The Cabinet Office and DCMS should check progress against their plans to improve government's use of data and review the merits of mandating a consistent approach. They should make sure that the strategy builds in ways to monitor compliance and the Chief Data Officer should hold departments to account.***

3.1 The government agrees with the Committee's recommendation.

Recommendation implemented

3.2 The National Data Strategy sets out a clear strategy for transforming government's use of data to drive efficiency and improve public services. It recognises the need for a whole-government approach led from the centre in strong partnership with organisations. As part of Budget 2020, the Chancellor announced an initial investment of £16.4 million over the next three years in the government's own use of data.

3.3 The recent transfer of functions has put clear accountability in one organisation for all aspects of government's use of data, from setting the strategy and policies, through to implementation with and through DDaT leaders in departments. The creation of a Government Chief Digital Officer (GCDO) at Permanent Secretary level, a Central Digital and Data Office sitting in Cabinet Office, and a Chief Executive for the Government Digital Service provide the senior leadership needed to ensure meaningful engagement and monitor compliance across government.

4: PAC conclusion: ***The Cabinet Office has not developed a useful set of standards to support effective use of data across government.***

4: PAC recommendation: ***The Cabinet Office and the Government Digital Service should identify and prioritise the top 10 data standards that would benefit government. It should specific their use in new systems from 1 April 2020 and monitor implementation by other departments.***

4.1 The government agrees with the Committee's recommendation.

Recommendation implemented

4.2 The 2020 Budget settlement included funding for a Data Standards Authority (DSA), which has been established and is being led by GDS. The DSA will bring departments together to:

- determine data standards to use across government
- drive adoption
- improve collaboration on data

4.3 The DSA will also address implementation incentives across government and make departments accountable for applying standards. The DSA works closely with ONS and other public sector bodies.

4.4 The government has also allocated funding for a 'discovery' into the viability of an integrated data platform for the UK, working alongside the DSA. An integrated data platform securely links and anonymises administrative data for analysis and research purposes. GDS are also developing new standards via the Open Standards Board.

4.5 Additionally, the new Digital Identity Unit, which is a collaboration between DCMS and Cabinet Office will help bring the public and private sector together, and ensure interoperable standards, specifications and schemes are adopted.

4.6 Further to the government's last update to the Committee, the first six months have seen the delivery of critical groundwork for the DSA. Governance for the DSA has been established in the form of a Steering Board and a supporting Peer Review Group. These governance bodies bring together subject matter experts from across government and have determined a core work programme and priority categories (for example, metadata, identifiers, transport, and data types). The government is working through priority projects, such as COVID19 response, to extract use cases where specific data standards need to be identified and adopted. An initial package of 3 metadata standards was published in August 2020 by the DSA. The DSA has also driven uptake of the API catalogue, to improve understanding and reuse of existing government APIs.

5: PAC conclusion: ***Ageing IT systems across government make it difficult for it to use data effectively and efficiently.***

5: PAC recommendation: ***The Cabinet Office and DCMS should identify the main ageing IT systems that, if fixed, would allow government to use data better. They should ensure that whenever departments replace or modify these systems, this is done with full consideration of how the systems will support better use of data in government.***

5.1 The government agrees with the Committee's recommendation.

Target implementation date: Winter 2020
Original implementation date: Spring 2020

5.2 The government's legacy IT estate poses a significant challenge to the delivery of its citizen services and existing funding processes have failed to prevent the creation of legacy IT.

5.3 To identify the systems that are most at risk, the Permanent Secretary of the Cabinet Office has hosted a series of Challenge Sessions with the heads of several major government departments. Departments declared their largest legacy risks and detailed their remediation plans for these. Departments have also been requested to report on their legacy IT maturity during the 2020 spending review and the Cabinet Office will be tracking progress throughout.

5.4 The department is onboarding remaining departments onto the digital and technology pipeline process, ensuring all departments share a view of upcoming digital and technology spend, and helping to identify legacy within those departments. Teams have been deployed into the Department for Environment, Food and Rural Affairs, Home Office and Cabinet Office to support this work, with HM Customs and Revenue to follow in the next three months. Discovery work has taken place to look at how departments track their hardware and software assets with GDS working alongside National Cyber Security Centre(NCSC) colleagues, with the aim of sharing best practice and monitoring and remediating legacy issues early.

5.5 GDS are leading on a package of training for departments to improve capability, including providing guidance on legacy remediation. Government Security Group are also reviewing the HM Treasury Green Book guidance to support departmental business cases seeking to address legacy issues. Crown Representatives are working with HMG's strategic suppliers to identify what support they can provide and to understand best practice from outside of government.

One Hundred and Nineteenth Report of Session 2017-19

The Home Office

Serious and Organised Crime

Introduction from the Committee

The Home Office (the Department) has overall responsibility for serious and organised crime policy, strategy and funding. The National Crime Agency (NCA) leads and coordinates UK law enforcement's response to serious and organised crime. It has identified eleven major serious and organised crime threats: child sexual exploitation and abuse; modern slavery and human trafficking; organised immigration crime; illegal drugs; illegal firearms; organised acquisitive crime; money laundering; fraud and other economic crime; international bribery, corruption and sanctions contravention; and cyber-crime. Serious and organised crime is planned, coordinated and committed by people working individually, in groups, or as part of transnational networks. The Home Office works with over 100 organisations to tackle serious and organised crime, including elected Police and Crime Commissioners (PCCs), police forces, Regional Organised Crime Units (ROCUs), the NCA and a range of international, national and local organisations.

Serious and organised crime is estimated to cost the UK economy at least £37 billion a year, and more people are thought to be killed as a result of serious and organised crime every year than all other national security threats combined. There are at least 4,500 organised criminal groups active in the United Kingdom. In 2013 the Home Office launched a strategy for dealing with serious and organised crime based on the '4Ps' model used in counter-terrorism. This model focuses on 4 elements:

- **prevent** people getting involved in crime;
- **pursue** and disrupt illegal activities once they have happened;
- **protect** society against crime; and
- **prepare** for when crime occurs so the impact can be mitigated.

In 2018 the Home Office produced a new strategy retaining the same '4P' model. This aimed to address shortcomings in the 2013 strategy by doing more work to prevent people committing serious and organised crime, developing data exploitation capabilities, and improving the way funding is allocated.

Relevant reports

- NAO report: *Tackling serious and organised crime* Session 2017–19 (HC 2219)
- PAC report: *Serious and Organised Crime* Session 2017-19 (HC 2049)
- *Treasury Minute Report* Session 2017–19 (CP210)
- *Letter from Home Office Permanent Secretary to PAC Chair* 16 January 2020
- *Letter from Home Office Permanent Secretary to PAC Chair* 9 April 2020
- *Letter from Home Office Permanent Secretary to PAC Chair* 16 July 2020

Update to the Government response to the Committee

There were seven recommendations in this report. As of the last Treasury Minute (CP 210), all seven remained work in progress, four of which are now implemented as set out below:

1: PAC conclusion: ***Government has not yet achieved its objective of moving its focus away from pursuing criminals and it is not prioritising activities that might stop serious and organised crime happening in the first place.***

1: PAC recommendation: ***The Home Office should set out clear plans to support an increase in effective preventative activity across the law enforcement system and provide an update to the Committee within six months.***

1.1 The government agrees with the Committee's recommendation.

Recommendation implemented

1.2 The department's [update to the Committee](#) dated 16 July 2020, set out the significant funding and range of activity that is ongoing to prevent involvement in serious and organised crime (SOC) across threats. This includes significant investments; £220 million in early intervention, £70 million for violence reductions units, £30 million for measures to prevent child sexual abuse. It includes a national network of cyber prevent officers and specialist support for young people at risk of being drawn into county lines drugs gangs. The department will be delivering up to £1 million of investment in 2020-21 for one-to-one casework support to young people and their families who are affected by county lines exploitation in the three largest exporting forces (London, Merseyside and West Midlands). The department is providing £200,000 to fund the Missing People SafeCall service which provides 24/7 advice and support to children, young people and families/carers who have concerns about county lines exploitation. £7.8 million (including match funding) has been awarded to the department by DCMS for vulnerable children's charities.

1.3 These are not just short-term commitments but are mainstreamed as part of the department's approach to protecting the public from SOC threats as well as preventing involvement in SOC. The £200 million investment in the Youth Endowment Fund is a 10-year investment to ensure those most at risk are given the opportunity to turn away from violence and lead positive lives.

2: PAC conclusion: ***The Home Office and the National Crime Agency's ability to understand the scale of the threat from serious and organised crime is weakened because they do not use data effectively.***

2: PAC recommendation: ***Within six months, the Home Office and NCA should provide an update on their understanding of the highest priority threats from serious and organised crime and what new insights the National Data Exploitation Centre (NDEC) is providing.***

2.1 The government agrees with the Committee's recommendation.

Recommendation implemented

2.2 The National Assessment Centre (NAC) has continued to grow its capability, producing in excess of 70 assessments by the end of 2019-20. The NAC has redesigned its National Strategic Assessment, moving it from a threat focussed product to a more cross cutting product, focussing on poly-criminality and the enablers of serious and organised crime that have been identified as the significant factors from NAC data collection. The NAC has worked closely with the National Data Exploitation Centre (NDEC) to utilise its increased capability, for example establishing an estimate of the numbers of individuals involved in SOC and will be working on a methodology to assess illicit commodity demand in the coming year.

2.3 The NDEC is providing new insights into SOC based on data analytics. Key areas of analysis include enhanced intelligence, money laundering and finding unknown criminal networks involved in financial crime. This led to thematic outputs on countries and organisations involved in money flows, and the discovery of over 300 potential new networks. The NDEC has also provided analysis on the ways on which SOC has exploited COVID-19 opportunities. The NDEC is progressing to develop deeper analysis of the threat through a 'threat radar' of high priority nominals and groups, improving data analysis and intelligence in the areas of economic crime, child sexual exploitation and organised immigration crime.

3: PAC conclusion: ***Constraints created by current funding arrangements for law enforcement bodies make it harder to tackle serious and organised crime.***

3: PAC recommendation: ***As soon as possible, or as part of the Spending Review, the Home Office should agree with HM Treasury a way to provide greater certainty on how multi-year police programmes will be funded and administered.***

3.1 The government agrees with the Committee's recommendation.

Target implementation date: Winter 2020
Original implementation date: Summer 2020

3.2 As set out in the department's *July update to the Committee*, the government remains committed to exploring ways to reform the funding structures for SOC. That work is ongoing, including through consideration of recommendations made by Sir Craig Mackey's Independent Review of SOC. The Review was asked to identify the capabilities, governance and funding needed ahead of a Spending Review.

3.3 Due to the public health and economic emergency from COVID-19 pandemic, the Chancellor announced on 24 March 2020 that the Spending Review would be delayed from July. The department continue to work closely with operational partners to explore all possible avenues to provide the investment and certainty that the system needs.

3.4 Further information will be provided on this recommendation after the 2020 Spending Review in the autumn.

4: PAC conclusion: ***The Home Office still does not know how successful it has been at reducing serious and organised crime.***

4: PAC recommendation: ***The Home Office and NCA should write to the Committee within six months, setting out what progress has been made in developing its performance measures, and what the impact of this has been.***

4.1 The government agrees with the Committee's recommendation.

Recommendation implemented.

4.2 As *updated to the Committee in July*, top level outcome metrics have been established for the highest priority threats to ensure clarity of performance requirements. A performance framework has been developed that links these to clear mission statements, agreed by the National Strategy Implementation Group (NSIG), which themselves are linked to the priorities set out in the NCA's National Strategic Assessment, ensuring join up across the SOC system. The department is also including system metrics alongside the threat-based metrics to provide an overview of the current state of the threat and the department's response.

4.3 Six-monthly updates on performance continue to be provided to the SOC NSIG to ensure scrutiny and accountability. In between these six-monthly updates the department is running deep dives into performance against specific threats and / or system issues, beginning with cybercrime and child sexual exploitation. These regular updates prompt meaningful conversations about how the system is performing on the ground, and where SOC NSIG and the wider system needs to focus its efforts.

5: PAC conclusion: ***The PAC are concerned that a lack of clarity about the roles and responsibilities of the organisations involved in tackling serious and organised crime hinders the effectiveness of their activities.***

5: PAC recommendation: ***The Home Office should develop a clear statement of roles and responsibilities at a local, regional and national level and provide an update to the Committee within three months. This should be underpinned by guidance for PCCs on their role.***

5.1 The government agrees with the Committee's recommendation.

Target implementation date: Autumn 2020
Original implementation date: Summer 2020

5.2 As updated most recently in July 2020, through ongoing work on system reform, strengthening the NCA and through a review of Police and Crime Commissioners, the department is carefully considering roles, responsibilities and governance across the local, regional and national tiers and opportunities to enhance connectivity between them. This work is directly relevant to this recommendation. The department will update the Committee as soon as possible with a clear indication on implementation.

6: PAC conclusion: ***The Home Office is not using the levers it has to manage the complex law enforcement system effectively.***

6a: PAC recommendation: ***As soon as possible after the spending review, or within six months of this report, it should review the Strategic Policing Requirement, which sets out the threats that require a coordinated policing response. This should consider the local needs and capabilities of forces and not be a one-size fits all approach.***

6.1 The government agrees with the Committee's recommendation.

Target implementation date: Winter 2020
Original implementation date: Autumn 2020

6.2 The department remains committed to reviewing the Strategic Policing Requirement this year. However, the response to the COVID19 pandemic has changed the landscape and Home Office officials have been therefore re-planning the approach and timeline.

6.3 Subject to sufficient recovery from the COVID19 response and consequent capacity in policing, the review of the Strategic Policing Requirement is scheduled to commence in the autumn of 2020.

6b: PAC recommendation: ***The Home Office should also write to the Committee to explain how it is rationalising governance groups and making decision making more transparent.***

6.4 The government agrees with the Committee's recommendation.

Recommendation implemented

6.5 Since the Committee's report, a number of governance groups have closed or merged. To further improve and rationalise SOC governance, the department has worked with operational partners to ensure policy and operational ownership is clear and consistent across SOC threat types. Under this rationalisation the Strategic Action Plans for each threat will be divided into policy and operational objectives and ownership of all working level policy objectives will be held within Whitehall-chaired governance boards whilst operational objectives will be governed by the Strategic Governance Groups chaired by the NCA. These reforms will ensure clear lines of ministerial oversight of policy work whilst protecting the operational independence of law enforcement partners going forward.

6.6 The department has worked to clarify the relationship between the National Strategy Implementation Group (NSIG) SOC and economic crime governance and to improve linkages between these groups. The department have also provided further advice to the NSIG SOC community on how the National Security Council and the Crime and Justice Taskforce fits into the SOC governance system.

6.7 During the review of SOC governance, the department has found that the complexity and volume of governance largely reflects the complexity and breadth of activity associated with the response to tackling serious and organised crime. Governance systems are continually under review, but this recommendation can now be closed.

Progress on the implementation of agreed recommendations by the Government to the Committee of Public Accounts: Session 2019

Updates on recommendations reported as work in progress

First Report of Session 2019

Department of Health and Social Care

NHS Property Services

Introduction from the Committee

NHS Property Services Limited was established in December 2011 as part of the reforms to the health system to manage, maintain and improve NHS properties in England then owned by 10 strategic health authorities and 151 primary care trusts. It is a company wholly owned by the Secretary of State for Health and Social Care and began activity in April 2013.

NHS Property Services' portfolio consists of about 2,900 properties (about 12% of the NHS estate by floor space) with an estimated value of £3.8 billion. More than 60% of its properties are health centres, surgeries or clinics. It has almost 7,000 tenants, half of which are NHS trusts and GPs. It has three main roles: acting as a landlord to manage the estate; providing strategic estates management; and providing facilities management services.

Relevant Reports

- NAO report: *Investigation into NHS Property Services Limited* - Session 2017-19 (HC 2222)
- PAC report: *NHS Property Services* – Session 2019 (HC 200)
- *Treasury Minute* – January2020 – Session 2019 (CP 210)

Update to the Government responses to the Committee

There were five recommendations in this report. As of the last Treasury Minute (CP 210), the five recommendations remain work in progress.

1: PAC conclusion: ***NHS Property Services was set-up to fail: it was created with a muddled objective – it does not have the same powers as a commercial landlord but is expected to run parts of the estate for the Department of Health and Social Care and it inherited a range of long-standing issues.***

1: PAC recommendation*: The Department should ensure that its current review addresses the recommendations set out below and should report back to the Committee on progress by July 2020.*

1.1 The government agrees with the Committee's recommendation.

Original implementation date: July 2020

1.2 The department's current review is looking at process and system improvements to the operational performance of NHS Property Services (NHSPS). The department and NHS England and NHS Improvement (NHSE/I) are already committed to delivering improvements to occupancy and charging arrangements for post April 2020. All the recommendations in this Public Accounts Committee report are already being addressed as part of the current review and the department will report back to the Committee on progress by July 2020.

2: PAC conclusion: ***The lack of rental agreements in place undermines NHS Property Services' ability to manage its estate effectively and drive maximum value either in income or in public benefit.***

2: PAC recommendation: ***Within two months the Department should set out a clear timetable for NHS Property Services to agree tenancy details with all tenants by July 2020. This will require:***

- ***proper transparency between NHS Property Services and tenants on the basis for all proposed charges;***
- ***national bodies to ensure that tenants fully engage with the process to agree tenancy arrangements;***
- ***an agreement from national bodies of any funding arrangements required to meet agreed obligations;***
- ***an agreed process for making changes to tenancy arrangements and billing.***

2.1 The government agrees with the Committee's recommendation.

Original implementation date: February 2020

2.2 The department has worked closely with (NHSE/I) and NHSPS to agree an action plan to address the level of debt and increase the number of occupancy agreements in place. A joint letter from the department and NHSE/I setting out these measures will be issued to NHS Commissioners and Providers in early 2020.

2.3 NHSPS is undertaking a programme of work to have deemed occupancy agreements in place for 90% of its tenants for the 2020/21 financial year. A "deemed agreement" seeks to agree the occupancy area and rental charges.

2.4 A "check-in" process was introduced by NHSPS earlier in 2019 to enable it to meet face to face with its tenants to discuss and agree the Annual Charging Schedules and to understand whether charges are disputed. The Annual Charging Schedules include all charges (rent, rates, services and facilities management). NHSPS has committed to issue Annual Charging Schedules for 2020/21 ahead of the new financial year for the first time to agree with tenants.

2.5 Local commissioners are fully funded for the local health care requirements including reasonable premises costs. From 2016/17 NHSPS moved to charge market rental for premises and the department injected an extra £127m into the NHSE/I mandate to fund contribute to this.

2.6 The department convenes a monthly Programme Leadership and Escalation Group meeting with NHSE/I and NHSPS to oversee the joint plans to agree occupancies and reduction in debt. NHSE/I Regional teams will where possible help NHSPS resolve disputes involving NHS tenants (but not GPs), which comprise circa 55% of NHSPS's customers.

3: PAC conclusion: ***Outstanding debt from tenants has almost tripled to £576 million.***

3: PAC recommendation: ***The Department should set NHS Property Services clear debt recovery targets for current year debt and agree an approach for historic debt. The Department should clarify whether tenants are being expected to carry liabilities in their accounts while disputes are ongoing.***

3.1 The government agrees with the Committee's recommendation.

Original implementation date: February 2020

3.2 A joint letter from the department and NHSE/I setting out measures to address current year and historic debt will be issued to NHS Commissioners and Providers in early 2020. As part of the joint action plan, the department has set clear debt reduction targets for the end of March 2020 to be achieved by NHSPS.

3.3 Tenants of NHSPS have been segmented by customer group. For NHS tenants there is an agreed escalation process also involving regional NHSE/I teams.

3.4 For General Practices, NHSE/I is working with NHSPS and commissioners (CCGs) to implement direct payments for reimbursable costs (primarily rent, business and water rates). The agreements will be voluntary between a commissioner and Practice. DHSC chairs a panel with NHSE/I representation which considers escalations involving non-NHS tenants (ie including GPs) on a case-by-case basis.

3.5 In respect of NHS tenants carrying liabilities during disputes, the department and NHSE/I expect a prudent assessment of liabilities in accordance with generally accepted accounting practice. Where necessary disputes will be resolved on a case by case basis.

4: PAC conclusion: ***NHS Property Services has not got the balance right between local initiatives and incentives and national control.***

4: PAC recommendation: ***The Department and NHS Property Services should engage local areas as how best to maintain and improve their local estate. As part of this:***

- ***the Department should consider the benefits of developing a shared incentive plan that guarantees local areas a percentage of the disposal value of any local property disposals by March 2020;***
- ***NHS Property Services should engage more with local bodies in making decisions about their local estate; and***
- ***NHS Property Services should review whether its mix of inhouse and outsourced facilities management contracts delivers value for money to both the taxpayer and local tenants.***

4.1 The government agrees with the Committee's recommendation.

Original implementation date: April 2020

4.2 The department is considering whether any changes should be made to its policy on the disposal of surplus NHSPS sites. The current policy is that capital receipts from the sale of surplus sites are reinvested in backlog maintenance in the NHSPS estate, according to needs and priorities on a national basis.

4.3 NHSPS works closely with local commissioners and providers to optimise the estate and where appropriate to release properties surplus to local healthcare requirements for sale.

4.4 Where properties are vacant for over six months without a defined future healthcare use, NHSPS will seek to market the property to mitigate ongoing costs locally. Following standard public sector practice, NHSPS must first place a property on the Register of Surplus Public Sector Land (ePIMS) for 40 working days, during which time other public sector bodies, including local authorities, can express interest in the site.

4.5 The department already sets annual targets for NHSPS' operating costs, including stretching cost efficiency targets. It is for NHSPS to demonstrate that it is providing value for money services to its tenants, whilst maintaining operational properties to meet health and safety standards, and how best this can be achieved ie through using in-house staff or external suppliers.

5: PAC conclusion: ***There is not a level playing field for all NHS tenants in terms of the rent paid and compulsion to pay it.***

5: PAC recommendation: ***The Department needs to move towards a more equitable model of charges, with transparency about any subsidies that are received, and ensure that tenants and commissioners are funded at an equitable level.***

5.1 The government agrees with the Committee’s recommendation.

Target implementation date: July 2020

5.2 The department agrees that there is an equity issue if GPs in NHSPS owned properties do not pay for a fair proportion of services and the 80% of GPs in either owned or third party lease properties do have to meet these equivalent costs from their contract income.

5.3 The purpose of agreeing formal occupancy agreements is to identify and set out payment responsibilities fairly, clearly and unambiguously.

5.4 NHSPS is funded solely from charges based on the occupation of properties and consumption of services they provide. There is no direct link between NHSPS charges and commissioner funding allocations.

5.5 NHSPS has the normal range of legal enforcement mechanisms that any property- owner would have to recover debt which include suing for recovery, asking courts to agree lease terms and ultimately eviction. Equally, their tenants should not be hit with unreasonable fees. The legal merits of each dispute need to be considered on a case-by-case basis. The department would prefer that these issues were resolved through engagement using the mechanisms set out above.

Second Report of Session 2019

Ministry of Justice and HM Courts and Tribunal Service

Transforming Courts and Tribunals: progress review

Introduction from the Committee

HM Courts & Tribunals Service (HMCTS) is an executive agency of the Ministry of Justice, responsible for the administration of criminal, civil and family courts and tribunals in England and Wales. Against a backdrop of financial and operational pressure to improve the administration of the justice system, in 2016, HMCTS established a six-year (now extended to seven), £1.2 billion change programme to modernise and upgrade the courts and tribunals system. The reforms aim to alter the way criminal, family and civil courts and tribunals operate by introducing new technology, working practices and changing the way HMCTS uses its buildings and staff. By 2023, HMCTS expects that 2.4 million cases per year will be dealt with outside physical courtrooms and it will employ 5,000 fewer staff. HMCTS expects to save £244 million a year from these changes, which will come from lower administration and judicial costs, fewer physical hearings and running a smaller court estate.

Relevant reports

- PAC report: *Transforming Courts and Tribunals* – Session 2017-19 (HC 976)
- NAO report: *Transforming Courts and Tribunals*: a progress update – Session 2017-19 (HC 2638)
- PAC report: *Transforming Courts and Tribunals: progress review* Session 2019 (HC 27)
- *Treasury Minutes*: January 2020 (CP 210)

Update to the Government responses to the Committee

There were six recommendations in this report. As of the last Treasury Minute (CP 210), six remained work in progress two of which are now implemented, as set out below.

1: PAC conclusion: *Reforms are continuing to fall behind schedule: we are not convinced that it is possible for HMCTS to deliver everything promised in the current timeframe.*

1: PAC recommendation: *HMCTS should write to the Committee once it finalises its next business case to set out the proposed alternative arrangements if plans cannot be achieved within current timeframes, including what projects could be eliminated, reduced or delayed if reforms come under further pressure.*

1.1 The government agrees with the Committee's recommendation.

Target implementation date: November 2020
Original implementation date: July 2020

1.2 The HM Courts and Tribunal Service (HMCTS) *wrote to the Chair on the 20 July 2020* with an interim update, and have committed to provide a full response in November 2020 once the business case has been agreed with HM Treasury.

1.3 HMCTS is focussed on delivering the intended scope of the portfolio within the agreed timeframe (i.e. by the end of 2023) and remain confident that this is achievable and the right thing to do. However, HMCTS is unable to respond fully to this recommendation at this point as HMCTS is currently in the process of completing the next business case (Portfolio Business Case 6), which will look at different options for delivering the remainder of Reform. For example, in light of the impact of COVID-19, the department is reviewing its property strategy, and Courts and Tribunals Service Centre plans in particular, which may result in changes to the scope of the portfolio.

1.4 The business case is due to be finalised and taken to HM Treasury in November 2020. Once a preferred option has been agreed, an update will be provided on any impacts that this has on plans or changes to the strategic priorities of reform.

2: PAC conclusion: ***HMCTS risks undermining public confidence in the fairness of the justice system by proceeding with its reforms without sufficiently demonstrating it understands the impact on justice outcomes or people.***

2: PAC Recommendation: ***HMCTS and the Ministry should write to the Committee by July 2020 demonstrating how evaluations will influence implementation of future services, including, where possible, an assessment of how reforms are affecting justice outcomes. It should map out the links between planned evaluations and its reform delivery plan to demonstrate how learning will influence future developments and deployments of services.***

2.1 The government agrees with the Committee's recommendation.

Target implementation date: December 2020
Original implementation date: July 2020

2.2 HMCTS *wrote to the Chair of the Committee* on the 20 July 2020 with an interim update. A full response will be provided in December 2020.

2.3 HMCTS is carrying out an overarching evaluation of the HMCTS Reform Programme to understand what effect Reform has had on outcomes (for example, hearing outcomes, sentence and financial awards), access to justice (such as ability and speed to which court users can effectively pursue a case), and cost to users (such as travel time and time wasted). The framework for the overarching evaluation of the HMCTS Reform Programme will now be published in December 2020 and the interim report in 2022.

2.4 In addition to the overarching evaluation, HMCTS is working to develop a project-level evaluation strategy for the Reform Programme. This work will complement the activity of the overarching evaluation, and we will coordinate and align our approaches to maximise the benefits for both overarching and project-level evaluations. The strategy will be developed by the end of 2020.

2.5 HMCTS also has a rigorous process to test and iterate new services to make sure they work for users, with a faster feedback loop which means that services are tested and adapted before implementation. They do this by conducting research directly with court and tribunal users to understand what they need, service by service. HMCTS use insight from observations of the user experience, management information data (e.g. complaints data and reasons for calling) and feedback from users to make changes in real time. This ranges from small changes, for example changes to content to better explain document upload, through to the addition of new features in a service to improve the user journey, for example including self-referrals in the digital support pilot.

3: PAC conclusion: ***HMCTS did not adequately consider how previous court closures impacted on access to the justice system, particularly for vulnerable users.***

3: PAC recommendation: ***HMCTS should set out what it will do to make sure that the needs of vulnerable users are considered in future closure decisions. Where access issues are apparent, it should put in place measures to compensate for difficulties, such as providing taxi vouchers in advance.***

3.1 The government agrees with the Committee's recommendation.

Recommendation implemented

3.2 Continuing to provide effective access to justice is a top priority and HMCTS will only bring forward any future proposals for closing sites where it considers that accessibility by vulnerable users can be maintained.

3.3 To date, the assessment of the impact on vulnerable users from court closures is that existing mitigations have been sufficient to ensure access to justice and that journey times have remained reasonable. HMCTS will consider on a case by case basis whether there are any additional measures that it needs to put in place to make sure that access is maintained and will include these in any consultation proposals.

3.4 HMCTS will pay close attention to the needs of vulnerable users when making any future decisions about its operational estate. It publishes equality impact statements alongside consultations and seeks comments on them. It promotes its consultations to support organisations such as Citizens Advice, the Witness Service and Victim Support to make sure that the department has an opportunity to consider their views on our proposals.

4: PAC conclusion: *HMCTS has improved how it communicates with stakeholders, but many still do not feel listened to, undermining trust in reform.*

4: PAC recommendation: *HMCTS should set out what it will do to shift its engagement with key stakeholders from broadcasting information to genuinely listening and responding to feedback. It should provide examples where this engagement has resulted in change.*

4.1 The government agrees with the Committee's recommendation.

Target implementation date: Winter 2020
Original implementation date: March 2020

4.2 HMCTS set out its *stakeholder engagement strategy* and has been updating this each year, *including 2020*.

4.3 Since the start of the COVID-19 pandemic, HMCTS has increased routine engagement activities with groups outside of the organisation, engaging actively and early on in processes as new arrangements are introduced in courts and tribunals in response to the crisis. As part of this, *a number of working groups involving key stakeholders* have been established around priority thematic areas, including restarting jury trials, ways to improve utilisation of the existing HMCTS estate such as extended 'COVID operating hours' and Nightingale courts, as well as safely increasing magistrates' courts hearings, among others.

4.4 These forums now regularly bring together different stakeholders to provide input on jurisdictional or thematic issues, and ensure their important perspectives are listened to and applied when taking decisions or setting direction on matters that impact those they represent.

4.5 The *routine engagement activity and forums* have continued to act as an important pillar of reform programme engagement. To demonstrate examples of where this engagement has resulted in change, as directly recommended by the Committee, HMCTS recently published on GOV.UK the first tranche of *case studies designed to demonstrate the impact of this activity*. These will be added to frequently and routinely over time, including demonstrating the impact of our COVID-19 work outlined above, and will continue to make them publicly available.

4.6 As part of HMCTS' letter to *the Chair of the Committee* on 7 April 2020, plans were outlined to better quantify the stakeholder engagement activity that is taking place at every level of the programme. While stakeholder engagement intensified during the pandemic, implementation of a new process for officials to record and quantify those interactions was paused. This autumn, the department will start to embed this process, where it is feasible to do so. This will provide more consistent information about the engagement the department is undertaking.

5: PAC conclusion*: HMCTS cannot demonstrate claimed savings are attributable to reforms so taxpayers cannot be confident they are getting what was promised.*

5: PAC recommendation: *HMCTS should write to the Committee by the start of its next phase (May 2020) with a plan demonstrating how it intends to measure and monitor benefits arising from reform. This should fully set out the evidence it will use to link reforms and benefits.*

5.1 The government agrees with the Committee's recommendation.

Recommendation implemented

5.2 HMCTS wrote to the Chair [wrote to the Chair] on the 20 July providing a full update as summarised below.

5.3 Measuring and monitoring benefits is a crucial component of the governance of the Reform Programme. In response to this recommendation HMCTS have further developed their approach to benefits management.

5.4 Specifically, HMCTS has:

- adopted a consistent approach and set of principles for benefits management to be applied at each stage of delivery, across all projects in the Reform programme. This ensures, for instance, that all projects are using the same robust methodology to identify and quantify benefits at the beginning of projects and are producing a standardised set of products to define, measure and monitor benefits.
- defined the roles and responsibilities across the organisation for measuring and monitoring the delivery of benefits.
- implemented assurance processes to validate the achievement of benefits for the programme.
- provided each project within Reform with a framework to measure achievement of benefits, including a common set of metrics to use as the starting point for measuring whether the benefits have been delivered. HMCTS have also defined standard categories for different types of benefits (e.g. admin savings, sales proceeds, wider economic benefits).

6: PAC conclusion: ***The Ministry of Justice is facing a potentially huge spike in demand from changes to sentencing and increased funding for the Police, which risks placing increased strain on already stretched services.***

6: PAC recommendation: ***The Ministry should report back to the Committee in six months, setting out how it plans to maintain and improve services in the face of rising demand in the justice system. The plans should cover:***

- ***Court and tribunal services;***
- ***Prisons; and***
- ***Probation.***

6.1 The government agrees with the Committee's recommendation.

Target implementation date: April 2021
Original implementation date: August 2020

6.2 Since the response to the Committee's report, the Ministry of Justice (the department) has been focusing on managing the response to and recovery from the COVID-19 pandemic and has been regularly assessing the impacts on demand and supply across its systems to inform its planning.

6.3 The department has been successful in introducing emergency measures to keep the system running and responding to urgent demand. The department did not close courts and was able to maintain access to justice for most urgent and sensitive cases. The department scaled up its audio and video capability to enable remote hearings, and some of the smaller tribunals are now able to manage their caseloads. Despite this, backlogs have built up in areas that need many in-person hearings to work well. The department is moving forward with nightingale courts and COVID-19 operating hours to increase physical courts capacity to address this need.

6.4 The department acted quickly to protect the prison estate from the spread of the virus and to enable the safe functioning of probation services. In prisons, the programme of new temporary accommodation and maximising safe releases created the headroom that was needed to quarantine new entrants, isolate symptomatic prisoners, and shield the vulnerable. In probation, all National Probation Service regions moved to working under exceptional delivery models, including for offender management and court work.

6.5 The department is continuing to assess this picture to ensure it can respond to changing demand as the system moves into recovery, including understanding the impacts of wider government policy such as increased police recruitment on the justice system.

6.6 The department will write to the Committee in April 2021 setting out its future plans to maintain and improve services.

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
November 2020	Session 2010-12: updates on 1 PAC reports Session 2013-14: updates on 1 PAC reports Session 2014-15: updates on 0 PAC reports Session 2015-16: updates on 3 PAC reports Session 2016-17: updates on 7 PAC reports Session 2017-19: updates on 73 PAC reports Session 2019: updates on 2 PAC reports	CP 313
February 2020	Session 2010-12: updates on 2 PAC reports Session 2013-14: updates on 1 PAC reports Session 2014-15: updates on 0 PAC reports Session 2015-16: updates on 3 PAC reports Session 2016-17: updates on 14 PAC reports Session 2017-19: updates on 71 PAC reports	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	CP 70
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
July 2012	Session 2010-12: updates on 28 PAC reports	Cm 8387
January 2012	Session 2010-12: updates on 13 PAC reports	Cm 8271