



HM Treasury

Treasury Minutes

Government responses to the Committee of Public Accounts on the Fortieth to the Forty-Fourth reports from Session 2019-21

CP 420

April 2021





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

April 2021

CP 420



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

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Fortieth Report of Session 2019-21

Department for Environment, Food and Rural Affairs

Achieving government's long-term environmental goals

Introduction from the Committee

In June 2011, government set the ambition for this to be the first generation to leave the natural environment of England in a better state than it inherited it, and to help protect and improve the global environment. In January 2018, government published its 25 Year Environment Plan, setting out its intent to improve the natural environment, both for the direct benefits this would bring, and also to support its influence overseas and position the UK as a global environmental leader. The decision to leave the EU added another angle to the case for a long-term environmental plan, as historically much of the UK's environmental policy has been shaped by participation in EU Directives. The Environment Plan included ten overarching goals covering issues such as clean air, clean and plentiful water, and thriving plants and wildlife. The Department for Environment, Food & Rural Affairs (the Department) has lead responsibility for all environmental policy areas apart from climate change mitigation, for which the Department for Business, Energy & Industrial Strategy has the policy lead. Other parts of government also have important roles to play in achieving government's environmental goals.

Based on a report by the National Audit Office, the Committee took evidence, on Thursday 3 December 2020 from the Department for the Environment, Food & Rural Affairs. The Committee published its report on 3 February 2021. This is the government's response to the Committee's report.

Relevant reports

- NAO report: [Achieving government's long-term environmental goals](#) – Session 2000-00 (HC 958)
- PAC report: [Achieving government's long-term environmental goals](#) – Session 2019-21 (HC 927)

Government responses to the Committee

1: PAC conclusion: *Given it is nine years since government first set the ambition to improve the natural environment within a generation, progress is disappointing.*

1: PAC recommendation: *Within a month of the Environmental Bill being passed, the Department should write to the Committee setting out its timetable for:*

- *setting coherent long-term objectives for those areas of the Environment Plan that will not be put on a statutory footing by the Environment Bill; and*
- *setting interim milestones for all its environmental goals*
- *developing and reporting on a complete set of environmental outcome indicators framework;*
- *Government should provide an annual update against this timetable, as part of its environmental progress reports.*

1.1 The government agrees with the Committee's recommendation.

Target implementation date: By the end of 2021 (as Parliamentary time allows).

1.2 The Department for Environment, Food and Rural Affairs (the department) agrees with the importance of setting out a timetable as per the recommendation.

- The department's first suite of long-term targets will be laid before Parliament by October 2022. The related interim targets, covering at least 5 years, will be included in a revised Environment Plan, to be published by January 2023.
- The government will conduct its first 5-yearly review of the Environment Plan by January 2023, as required by the current *Environment Bill*. This will consider progress, and further measures needed, towards environmental improvement.
- The Environment Bill's targets framework allows for long-term targets to be set on any aspect of the natural environment, or people's enjoyment of it.
- The Environment Bill requires the government to lay annual progress reports before Parliament and update the Outcome Indicator Framework (OIF) that will describe what has been done and whether the natural environment has improved over the reporting period. Additionally, progress under the Environment Plan will be monitored by the new Office for Environmental Protection (OEP).
- The OIF incorporates the breadth of best available technical expertise across the Defra group and beyond. The department plans to report on over 40 indicators in the 2021 update. The development of indicators requires innovative and entirely new scientific research and development in complex areas. The department is aiming to finalise all 66 indicators by 2024, however, adequate lead-in times are required to ensure sufficient high-quality data is available for transparent and robust analysis.

2: PAC conclusion: *The Department for Environment, Food & Rural Affairs has the policy responsibility for the environment, but not the clout to hold other departments to account or manage trade-offs between policy areas.*

2: PAC recommendation: *After the new cross-government environment board has been in operation for six months, the Department and Cabinet Office should carry out a review and report back to the Committee on the board's effectiveness to assess whether it has achieved a step-change in accountability and ownership for the environment across government. The review should include whether it has been effective in managing trade-offs between policy areas and in assessing the effectiveness of environmental policies across departments.*

2.1 The government agrees with the Committee's recommendation.

Target implementation date: June 2021 with an initial assessment, (and by July 2022 with a further, fuller assessment).

2.2 The department agrees to write to the Committee after six months with its first assessment of the effectiveness of the Cross-Government 25 Year Environment Plan Board.

2.3 The purpose of the Cross-Government Board is to focus directly on delivery of the ten goals set out in the Environment Plan. Given the long-term nature of environmental policies, and the corresponding lengthy lead-in time to develop such policies, the department also proposes reporting back to the Committee by July 2022 with a fuller assessment.

2.4 Only with every department working together to implement the Environment Plan and by aligning policy and resources can the government begin to shift the dial on the degradation of the natural environment. Trade-offs and opportunities that engage other government departments will be escalated to the Cross-Government Board. The Board will be responsible for overseeing and coordinating action to implement the Environment Plan and associated requirements under the Environment Bill. The Board will also assess and manage strategic risks and issues that may impair the government's ability to achieve its domestic implementation of environmental goals.

3: PAC conclusion: *Government still does not have a good grip of the total costs required to deliver its environmental goals and funding so far has been piecemeal.*

3: PAC recommendation: *In parallel with developing clear objectives to meet environmental goals, the Department should work together with the Treasury to review and outline the total costs required to meet these goals, and how these will be paid for, akin to the Treasury's Net Zero review.*

3.1 The government agrees with the Committee's recommendation.

Target implementation date: January 2023 (to align with the next Environmental Improvement Plan).

3.2 The establishment of new legally binding targets through the Environment Bill incorporates a robust framework for developing the economic case for action towards achieving the long-term goals of the Environment Plan.

3.3 Developing the costs and milestones towards the long-term legally binding targets will need to be iterative, given the range of activity supporting delivery of the Environment Plan, and emerging policy requirements. The annual progress reports and 5-yearly reviews of the environmental improvement plans will be used to build up the overall picture on performance and planning. There must also be consideration of the distributional impacts of targets and impact on domestic priorities, for example the impacts on consumers, specific sectors and regions.

3.4 The department has costed proposals and business cases for major programmes supporting air quality and cleaner transport, delivering major waste reforms towards a more circular economy, supporting woodland creation and improving flood resilience. Consultation on specific legally binding targets under the Environment Bill for biodiversity, waste, air and water will be supported by robust economic impact assessments to ensure value for money and deliverability, including expected costs to government and business associated with meeting targets individually and in aggregate. The department will work with HM Treasury to determine the costs of meeting the legally binding targets, details of which will be published in October 2022.

4: PAC conclusion: *Skills gaps in departments and arm's length bodies jeopardise government's capacity to deliver on its environmental ambitions.*

4a: PAC recommendation: *The Department and the Treasury should work together to:*

- establish what skills gaps exist, across the key delivery partners and sectors, which are likely to inhibit government's progress in achieving its environmental ambitions;***

4.1 The government agrees with the Committee's recommendation.

Target implementation date: By end of 2021.

4.2 The department is working with HM Treasury, cross-government and with other delivery partners to understand and develop the skills required to deliver across environmental outcomes. It recognises there is significantly more required to assess the skills required and the capability and capacity available to deliver the long-term ambition.

4.3 Since publication of the Environment Plan, additional investment has been secured to increase capacity and focus on the environment to make progress across the Defra group.

4.4 Natural England recognises the Environment Bill and the Environment Plan as key components of their 'People Strategy 2019-2023'. As a science-led, science-based organisation with a significant proportion of staff from professional scientific backgrounds, Natural England recognises the importance of applying science to understand how a wider whole ecosystem works.

4.5 Environment Agency strategic workforce planning has previously identified skill gaps in some critical areas of the business and have sought to implement measures to manage and mitigate these risks. The Agency continually reviews whether further interventions are needed to maintain and develop a skilled workforce.

4.6 In addition to the work of the Defra group, the government will develop a wider skills and capability plan and approach to help provide long term capability improvements to help progress towards the long-term ambitions.

4b: PAC recommendation: *The Department and the Treasury should work together to:*

- assess the impact of targeted interventions such as the Green Recovery Challenge Fund on safeguarding 'green' jobs.***

4.7 The government agrees with the Committee's recommendation.

Target implementation date: September 2022

4.8 From a broader cross-sector perspective, the National Lottery Heritage Fund, as delivery body for the Green Recovery Challenge Fund, will be comprehensively evaluating Round 1 of the Fund, which will be completed by September 2022. This will include full assessment of jobs created and safeguarded by the projects supported by the Fund. Defra is closely involved in steering this work, and HM Treasury is overseeing as part of project governance arrangements.

5: PAC conclusion: *Environmental impacts are still not being taken into account in spending decisions.*

5: PAC recommendation: *Alongside the next Comprehensive Spending Review, the Treasury should publish analysis showing: how the full value of environmental impacts has been taken into account, and the impact of spending decisions on meeting government's long-term environmental goals.*

5.1 The government agrees with the Committee's recommendation.

Target implementation date: April 2022

5.2 HM Treasury recognises its important role in supporting the delivery of the government's climate and environmental objectives. Both the Stern and the [Dasgupta Reviews](#), on the economics of climate change and biodiversity respectively, were commissioned by the Treasury. Its [Net Zero Review](#) will also be published later in 2021.

5.3 At spending reviews, departments are required to assess the costs and benefits of their proposals – including climate and environmental impacts – following the framework set out in the Green Book. Treasury spending teams consider these impacts when assessing the strategic importance and value for money of any proposal.

5.4 HM Treasury continuously improves the Green Book in line with the latest scientific evidence. In 2018, the Green Book and its supplementary guidance were revised with support from the Natural Capital Committee to require more comprehensive appraisal of environmental impacts following a natural capital approach. Resources such as Defra's Enabling a Natural Capital Approach (ENCA) make data, guidance and tools available to support policymakers. The Treasury is also currently conducting an expert-led review of the environmental discount rate.

5.5 Spending Review 2020 guidance required departments to include the greenhouse gas emissions of bids, and their impact on meeting Carbon Budgets and Net Zero. Guidance also sought qualitative commentary on the impact of delivery of the 25 Year Environment Plan. HM Treasury is currently reviewing the learning from this exercise and considering what additional information should be published following the next spending review to support public understanding of the role the Treasury plays in meeting government's environmental objectives.

6: PAC conclusion: *We are concerned that the new Office for Environmental Protection will inherit a backlog of cases and remain to be convinced that it will be sufficiently independent.*

6: PAC recommendation: *The Department should write to the Committee to set out what steps it is taking to minimise the delay between the passing of the Environment Bill and the establishment of the Office for Environmental Protection. As is the case with the Climate Change Committee, the Office for Environmental Protection should have a mandate to report directly to Parliament.*

6.1 The government agrees with the Committee's recommendation.

Target implementation date: By April 2021

6.2 The Permanent Secretary for the department has written on the 25 March 2021, to the Committee chair explaining that the government is setting up the Office for Environmental Protection (OEP) in interim form from July 2021, before Royal Assent of the Environment Bill.

6.3 The interim OEP will be led by the Chair-designate, Dame Glenys Stacey, plus other non-executive directors selected through a current public appointment process and the interim Chief Executive-designate. Following the Environment Bill's Royal Assent, this group will become the Board of the OEP as an independent legal entity.

6.4 The interim OEP will assume and build upon the functions of an interim secretariat which has operated in Defra from 1 January 2021. As well as receiving complaints about compliance with environmental law and monitoring progress under the Environment Plan, as this secretariat has been, the Interim OEP will be able to:

- publish an independent assessment of progress on the Environment Plan;
- develop the OEP's strategy and enforcement policy;
- take decisions on operational matters like staff recruitment, accommodation and facilities;
- determine approaches for how the OEP will form and operate, establishing its character, ways of working and voice.

6.5 This ensures the OEP can use its full powers as soon as they are commenced following Royal Assent.

6.6 The OEP and the CCC have similar constitutions. Both are sponsored by, but legally separate from, government departments. The OEP will report to Parliament on its functions and its findings from monitoring environmental progress and the implementation of environmental law. This means the OEP, while accountable to Ministers, will be operationally independent and provide reports to Parliament.

Forty-First Report of Session 2019-21

Department for Education

COVID 19: the free school meals voucher scheme

Introduction from the Committee

At January 2020, 1.44 million children in England were eligible for free school meals, representing 17.3% of all pupils. The Department funds free school meals with the aim of ensuring that disadvantaged pupils have a healthy lunch that will support their learning and development. State schools are legally responsible for providing free school meals to eligible pupils. Pupils may be eligible if their parent or carer is in receipt of specified income-related benefits, including Universal Credit.

On 18 March 2020, the Government announced that, in response to the COVID-19 pandemic, schools in England would close on 20 March 2020 for all pupils except vulnerable children and children of key workers. On 31 March 2020, the Department announced a national free school meals voucher scheme, as a temporary substitute for the normal arrangements. The vouchers were worth £15 per week, for each eligible child.

The Department awarded a contract to run the voucher scheme to a private contractor, Edenred without tender under the emergency procurement rules. Schools participating in the scheme ordered electronic codes (eCodes) online that could be converted into shopping vouchers for families to use at nominated supermarkets. The number of supermarket chains taking part in the scheme rose from six at the start to 10 by 29 June 2020. The scheme ran until the end of the school summer holiday and over 90% of state schools registered to use the scheme. The Department spent £384 million on the scheme.

Based on a report by the National Audit Office, the Committee took evidence on 17 December 2020 from the Department for Education (the Department) and Edenred (UK Group) Ltd (Edenred) about the free school meals voucher scheme, which ran from 1 April 2020 to the end of the school summer holiday. The Committee published its report on 5 February 2021. This is the government's response to the Committee's report.

Relevant reports

- NAO report: [Investigation-into-the-free-school-meals-voucher-scheme](#) – Session 2019-21 (HC 1036)
- PAC report: [COVID 19: the free school meals voucher scheme](#) – Session 2019-21 (HC 689)

Government responses to the Committee

1: PAC conclusion: *The Department's failure to understand how schools and parents would use the scheme contributed to delays in getting vouchers to families.*

1: PAC recommendation: *The Department should take on board lessons from the scheme and ensure, in designing services intended to be used by schools and parents, that:*

- *it properly user-tests new systems and engages with front line school leaders and representatives to better identify likely problems before they are launched; and*
- *there is sufficient call centre capacity to meet maximum expected demand at the start, which can be stood down or increased further as needed.*

1.1 The government agrees with the Committee's recommendation.

Recommendation implemented

1.2 In response to the COVID-19 national lockdown announced in March 2020, the department launched the national voucher scheme to support pupils eligible for benefits related free school meals

where they were learning from home during term time. One of the challenges of setting up at pace is that the department could not undertake the level of user testing that would usually occur, so the department iterated and sharpened processes and guidance on a daily basis. The scheme's supplier Edenred significantly improved their systems following feedback from school leaders, teachers and families. This scheme delivered over £380m support to children and their families. The first period of this scheme ended in August 2020, as schools reopened to all pupils in the autumn term.

1.3 Following the national lockdown announced in January 2021, the department launched a national voucher scheme for the second time. The department used Edenred's improved voucher ordering and redemption systems from 2020. This was accompanied with updated user guidance and frequently asked questions based on the learning from the 2020 scheme.

1.4 When this scheme launched on 18 January 2021, the national voucher scheme supplier Edenred had an experienced external customer service firm in place. Edenred had an artificial intelligence arrangement to answer automatically frequently asked email queries, leaving staff to respond to non-regular queries within one working day. Orders were processed well within the agreed service standard of 4 days, and vouchers sent to parents well within the 24 hour service standard. When the scheme closed in March 2021, no performance issues had been identified and performance had consistently met or exceeded the agreed Key Performance Indicators.

2: PAC conclusion: *The Department was surprisingly unconcerned about whether Edenred was profiting from the voucher scheme at taxpayer's expense, and missed potential opportunities to reduce the cost or share in the profits.*

2: PAC recommendation: *The Department should strengthen its commercial skills, taking advice from the Crown Commercial Service, and take opportunities to renegotiate terms when it changes or extends contracts, in order to secure better value for the taxpayer.*

2.1 The government disagrees with the Committee's recommendation.

2.2 Following a period of growth over the last two years, the department's commercial function is staffed with commercial specialists, of which a large proportion of its senior staff are fully accredited and employed by the Government Commercial Organisation. The department have undertaken an extensive exercise to fully train staff in commercial category management and best practice, in addition to formal accreditation from our professional body CIPS. In addition to this, the department works closely and collaboratively across the Government Commercial Function, including bodies such as Crown Commercial Service (CCS), to share best practice and training opportunities and benefit from cross government commercial leverage.

2.3 The department acted swiftly and decisively to address a requirement arising out of extraordinary circumstances, using a fully validated CCS framework supplier, who had been appointed through a successful competitive tender. The contract meant that nothing more than the cost of the redeemed vouchers would be funded. The speed with which action was required, meant that a re-negotiation of some of the terms was not practicable and reliance was placed on the terms previously agreed with CCS on this occasion. However, in recognition of the potential volume, it was agreed with the supplier that no management fee would be paid for the service and a rebate to CCS was also included within the terms of the agreement that provided a usage linked payment back to CCS. Steps were also taken to receive assurances from the supplier that the margin being made on this activity was reasonable. It is the department's standard practice to seek full disclosure of costs from a supplier where a contract is to be awarded without use of a competitive procedure. The department is confident that significant value that has been obtained in order to secure better value for the taxpayer.

2.4 When setting up the new scheme in 2021, the department improved the terms from the 2020 scheme and Edenred achieved a lower overall cost to the taxpayer for the running of the service. The department is also working with Crown Commercial Service to launch a cross-government and wider public sector tender for retail vouchers, including food vouchers, that can be used by Central Government and UK public sector bodies.

3: PAC conclusion: *The Department did not have the information it needed to manage Edenred's performance and understand whether the scheme was meeting the needs of families.*

3: PAC recommendation: *The Department should collect complete management information specified in contracts from the outset, monitor performance as well as activity, and use this information to manage contracts effectively.*

3.1 The government agrees with the Committee's recommendation.

Recommendation implemented

3.2 During the 2020 scheme, the department collected management information twice daily from Edenred. Due to the pace at which the scheme was set up and the ongoing development activity on the system in the early days, the department did not require Edenred to provide all of the performance measures specified in the contract. Instead, the department worked with Edenred in daily calls to drive improvements and prioritise activity to optimise the service for all users. Through this, the department was able to advise schools of best practice, improve customer service support and ensure appropriate technical improvements were made to the system.

3.3 The National Audit Office report recognised that interventions by the department and Edenred led to improved scheme performance. For example, the time taken to process eCode orders dropped from an average of 4.93 days in April 2020 to 0.16 days in July 2020. Average waiting times to access Edenred's website fell to virtually zero by July 2020 – from an average in late April 2020 of over 42 minutes for schools and over 12 minutes for parents. Edenred's surveys of school administrators and parents also indicate satisfaction levels grew over the course of the scheme.

3.4 From the launch of the new national voucher scheme on 18 January 2021, the department gathered complete daily management information throughout the course of the scheme. The department also monitored performance against the key performance indicators (KPIs) on a weekly basis. When the scheme closed in March 2021, no performance issues had been identified and performance had consistently met or exceeded the agreed KPIs

4: PAC conclusion: *The Department did not do enough to assess how far families had to travel to supermarkets in the scheme and whether coverage was adequate to meet needs.*

4: PAC recommendation: *In implementing future policies, the Department should ensure it robustly evaluates geographic coverage and likely travelling time for people to access services.*

4.1 The government agrees with the Committee's recommendation.

Recommendation implemented

4.2 Before launching the 2020 national voucher scheme, the department worked with the Department for Environment, Food and Rural Affairs to check there was at least one participating retailer in each local authority. National Audit Office analysis confirms that the vast majority of families had easy access to one or more stores who were part of the national scheme, but the department recognised that there would be limitations for some families, especially in rural areas.

4.3 The department aimed to achieve the best geographical coverage possible for stores accepting the vouchers. The department worked with Edenred to increase the number of supermarket chains participating in the scheme, and this has risen from six to eleven. At the start of the 2020 scheme, the vouchers could be used in around 6,000 stores. As a result of adding new retailers to the scheme, this increased to over 9,000 stores by the end of the scheme.

4.4 Where eligible families could not access any of the supermarkets involved in the scheme, schools could consider other options: for example, making their own voucher arrangements with other local stores. Schools could apply to reclaim the additional costs incurred through the department's *exceptional costs fund*— the same arrangement was put in place for the period of national lockdown commencing from 4 January 2021, with an amendment to the terms of claim back in that schools with an in-year surplus can also now claim.

5: PAC conclusion: *Limitations in the data shared between the Department and the Department for Work & Pensions meant that support for vulnerable families with children eligible for free school meals could not be routed through the benefits system*

5: PAC recommendation: *The Department should work with the Department for Work & Pensions to explore how data sharing could be improved to allow government to support families with children eligible for free school meals more flexibly and responsively.*

5.1 The government agrees with the Committee's recommendation.

Recommendation implemented

5.2 Data sharing is in place between the department and the Department for Work & Pensions (DWP) to support the verification of free school meal claims, where local authorities are able to check parent/pupil eligibility using the department's Eligibility Checking Service. However, this is not directly linked to funding. Schools pay for free school meals from their core funding. A factor value of £450 is included in the national funding formula for each eligible pupil, although local authorities have freedom to set their own local funding formulae for schools in their areas using the allocations made to them through the national funding formula.

5.3 In March 2020, the department explored working with DWP and HM Revenue & Customs, to support families with children eligible for free school meals by increasing relevant benefit payments during the periods in which children were learning from home. This option was discounted as additional funding could not be specifically targeted to eligible pupils within the timeframe required, and vouchers would better ensure that children continued to receive healthy and nutritious food.

5.4 The department works closely with DWP and other relevant departments on an ongoing basis, to ensure that government is providing support to children, young people and their families in the most effective manner. The department will continue to work with DWP to consider if and where data sharing may improve the support available for families with children eligible for free school meals.

Forty-Second Report of Session 2019-21

Department of Health and Social Care, Public Health England and Cabinet Office

COVID-19: Government procurement and supply of Personal Protective Equipment

Introduction from the Committee

In responding to the COVID-19 pandemic, government departments and public bodies have needed to procure enormous volumes of goods, services and works with extreme urgency, particularly personal protective equipment (PPE). The pandemic had an extraordinary impact on global demand and supply of PPE. Demand rocketed in March 2020 and, at the same time, global supply declined. The result was an extremely overheated global market, with desperate customers buying huge volumes of PPE often from new suppliers and pushing up prices. The Cabinet Office issued information and guidance on public procurement regulations in response to the pandemic, highlighting that departments and public bodies were able to procure goods, services and works with extreme urgency using regulation 32(2)(c) of The Public Contracts Regulations 2015. This regulation allows departments and public bodies to make direct awards of contracts to any supplier if they have an urgent requirement for goods, services or works due to an emergency, without undergoing a formal competition, subject to meeting certain criteria.

By 31 July 2020, the government had awarded over 8,000 contracts for goods and services in response to the pandemic, with a value of £18 billion. Most of these contracts (over 6,900) were for PPE. The PPE contracts had a combined value of more than £12 billion and committed the Department for Health and Social Care (the department) to buying around 32 billion items of PPE. The Department was working to build up a stockpile of PPE capable of lasting four months, in addition to meeting immediate needs. To identify suppliers that could provide this PPE, to support new UK manufacturers that had not previously made PPE, and to distribute the PPE to care providers, the Department created a new, parallel supply chain.

Based on two reports by the National Audit Office, the Committee took evidence, on 14 December 2020, from the Department of Health and Social Care, Public Health England and the Cabinet Office. The Committee published its report on 10 February 2021. This is the government's response to the Committee's report.

Relevant reports

- NAO report: [Investigation into government procurement during the COVID-19 pandemic](#) - Session 2019-21 (HC 959)
- NAO report: [The supply of personal protective equipment \(PPE\) during the COVID-19 pandemic](#) - Session 2019-21 (HC 961)
- PAC report: [COVID-19: Government procurement and supply of Personal Protective Equipment](#) - Session 2019-21 (HC 928)

Government responses to the Committee

1: PAC conclusion: Government's response to the need to very quickly procure PPE and other goods and services opened up significant procurement risks.

1: PAC recommendation: Government should ensure all the Boardman review recommendations are applied across government departments and procuring bodies. The Cabinet Office should write to us by July 2021 outlining its progress in implementing the recommendations of the Boardman review and a timetable for implementing any outstanding recommendations.

1.1 The government agrees with the Committee's recommendation.

Target implementation date: July 2021

1.2 The government takes its obligations around transparency, integrity, and ensuring value for money extremely seriously, and it is important that the public has confidence in the government's ability to manage taxpayers' money correctly. Work has already begun to implement the 28 specific recommendations from the [Boardman Report](#), which has three broad themes:

- existing procurement law and policy for contracting in a time of crises;
- the Cabinet Office's own organisational process and governance in relation to this law and guidance; and
- the management of actual and perceived conflicts of interest in a procurement context.

1.3 In January 2021, the Cabinet Office published its updated policy on [procurement in an emergency](#), to provide commercial teams across government with further information on the risks inherent in direct award without competition.

1.4 In response to the recommendations, the Cabinet Office's own Commercial Team is developing new processes and procedures to strengthen Cabinet Office systems, which will be supported by an accessible training offer for staff.

1.5 The Government Commercial Function is developing policy and guidance to augment existing processes in place to manage actual and perceived conflicts of interest and which will be applicable to all central government departments, their executive agencies and non-departmental public bodies. This will set out the roles and responsibilities of those involved in decision making, risk management and how provisions may be applied to suppliers. The Cabinet Office's own policy on managing actual and perceived conflicts of interest will build on this broader policy, for specific application across Cabinet Office.

2: PAC conclusion: While government had plans and a stockpile of PPE, this proved inadequate for the COVID-19 pandemic.

2: PAC recommendation: The Department must improve its approach to managing and distributing stocks of PPE to ensure the correct equipment gets to those who need it, when they need it. The Department should write to us by July 2021 to confirm that:

- **Stockpiles hold everything required as specified in the Department's plans.**
- **Stock is checked regularly and there is a process for monitoring and replacing stock before it is out-of-date.**
- **Stock is held in locations from which it can be distributed quickly when required**
- **There are contingency plans to secure new items of clinical equipment which may be needed at short notice.**

2.1 The government agrees with the Committee's recommendation.

Target implementation date: July 2021

2.2 The department purchased personal protective equipment (PPE) in line with modelled demand covering; all potential customer groups and relevant categories of PPE, worst-case scenario assumptions guidance.

2.3 The government has increased UK manufacturing capability so UK firms can meet future demand at short notice.

2.4 The department now holds a four-month stockpile of COVID-critical PPE to mitigate against demand fluctuations. A flexible UK logistics network has been developed, using long and short-term storage facilities. The department has a network of warehouses that hold, pick and distribute PPE. These draw stock from an array of short notice, onshore storage facilities, together with our offshore warehouses in China.

2.5 Stock is tracked, monitored and managed at a product-level across the UK to meet upcoming requirements; a rolling stock take is conducted in core warehouses. Processes are in place to review the quality of all the PPE the government has bought. This process determines whether products are suitable to be released to the frontline. Any that cannot, are subject to further investigation.

2.6 The department will make information available in due course confirming the future approach for the stockpile management of PPE.

2.7 The department is reviewing its countermeasures for disease outbreaks and pandemics, including PPE. This review will revisit the recommended specifications and volumes based on expert advice. It will build on the experience of COVID-19 to recommend procurement, storage, monitoring and distribution models to ensure that stock is in good quality and can be rapidly deployed in sufficient quantities when needed.

3: PAC conclusion: *The high-priority lane was not designed well enough to be a wholly effective way of sifting credible leads to supply PPE.*

3: PAC recommendation: *The Cabinet Office and the Department should by July 2021 publish the lessons it has learnt from the procurement of PPE during the pandemic for future emergencies and disseminate these lessons to the wider government commercial function. This should include guidance for determining what is considered a credible offer and how this is communicated to potential suppliers.*

3.1 The government agrees with the Committee's recommendation.

Target implementation date: July 2021

3.2 The government has consistently stated that it will review its response to procurement during the pandemic and learn lessons from its response to this unprecedented event.

3.3 The Cabinet Office's updated policy on [procurement in an emergency](#) includes further information on managing the risks inherent in direct award without competition and guidance on additional processes or criteria used in selecting suppliers for direct award of contracts.

3.4 Further work is currently underway and will be used to inform the Cabinet Office and the department as they continue to work together to draw out the lessons learned from the procurement of PPE during the pandemic. The departments plan to complete the work by the end of July so that they are then in a position to disseminate findings to the wider Government Commercial Function.

4: PAC conclusion: *The Department's focus on supporting hospitals meant assistance to social care providers was neglected.*

4: PAC recommendation: *The Department should write to the Committee by the end of April 2021 to explain how it will revise its emergency response plans so that they include who will be supported, how and when. This must give appropriate weight to all sectors of health and social care, as well as occupations outside these sectors which are also at risk.*

4.1 The government agrees with the Committee's recommendation.

Target implementation date: April 2021

4.2 Protecting the social care sector has been a government priority throughout the pandemic. The government provided a diverse support package to the social care sector, starting with a 7 million-item push to support immediate shortages. Support was further bolstered out through dedicated wholesales, release of PPE to local resilience forums and setting up of the National Supply Disruption Response (NSDR) hotline. By April 2020, a PPE Portal was being piloted with the social care sector in mind as a key stakeholder. An Adult Social Care PPE Task and Finish Group was established in April 2020, gathering insights from the sector and have carried out surveys to understand better customer needs.

4.3 The PPE Portal started as an emergency top-up but has expanded rapidly, increasing the number of providers registered and increasing order limits. Free PPE for COVID-19 uses is now provided to social care providers and will be available until the end of March 2022. Up to April 2021, 2 billion items have been delivered through the PPE portal and 94% of care homes and 85% of domiciliary homes have registered.

4.4 Work is underway to confirm the future approach for the management of PPE, including ensuring a strong supply of PPE for both health and care sectors. More information about the future approach will be available in due course and the department will write to the Committee with an update on this by the end of April 2021.

4.5 The department is developing a framework to determine how government might best respond to a shortage of PPE for health and social care settings in addition to wider sectors. This framework has the potential to be adapted and implemented for any future needs.

5: PAC conclusion: *The Department does not know enough about the experience of frontline staff, particularly BAME staff.*

5: PAC recommendation: *The Department needs to better understand the experience of frontline staff during the first wave of the pandemic, and ensure lessons are learned so it can better respond in a future emergency. It should particularly focus on the different reported experiences of staff from different ethnic backgrounds and consider how this should be monitored and tackled in future – not just in a pandemic. It should write to us by July 2021 setting out the results of this work and how these lessons are being applied. This work should cover:*

- ***How many health and social care providers ran out of each type of PPE during the pandemic.***
- ***Why many health and social care staff reported shortages of PPE, whereas the organisations they worked for did not appear to report shortages.***
- ***The extent to which (and reasons why) BAME staff were less likely to report having access to PPE and being tested for PPE, and more likely to report feeling pressured to work without adequate PPE.***
- ***Whether there are any links between PPE shortages and staff infections and deaths (when the relevant investigations have completed), including the deaths of health and care workers who do not work in NHS trusts.***
- ***Provider organisations' and frontline staff views on PPE guidance.***

5.1 The government agrees with the recommendation.

Target implementation date: July 2021

5.2 The government is committed to learning from the experience of frontline staff during the

pandemic and the views and experiences of frontline workers are vital in shaping the programme.

5.3 While the government's rapid action ensured there was never a point at which a trust stocked-out, the department acknowledges the evidence from front-line workers that was presented in the National Audit Office (NAO) report.

5.4 The department has factored this evidence into the programme of engagement with customer groups and users of PPE and continues to invite feedback about user needs at weekly Customer Engagement Group meetings with representatives from Adult Social Care and the NHS. Understanding of the requirements of people with protected characteristics has improved and the department is increasing the range of available options to provide solutions that address the needs of individuals.

5.5 There are mechanisms in place to investigate the deaths of health and care workers which involve coroners and the Health and Safety Executive (HSE). Medical examiners also have a role in scrutinising deaths of NHS health and social care workers of COVID-19. HSE is currently investigating COVID-19 work-related deaths, many of which have been reported by the health care sector. HSE recognises any lessons coming out of its investigations will need to be shared with employers, trade unions, professional bodies, central, local and devolved governments, as well as other key organisations.

5.6 The department is considering options for gaining further qualitative insights into the experience of frontline health and care workers in the use of PPE. The recommendations from the [Commission on Race and Ethnic Disparities Report](#) published on 31 March 2021 will be taken into consideration as part of this work and an update will be provided to the Committee in due course.

6: PAC conclusion: We are concerned that the Department's ordering of an enormous amount of PPE might compromise government's ambition to maintain a UK manufacturing base for PPE.

6: PAC recommendation: The Department, working with other government departments where necessary, should set out a plan by July 2021 that shows how it will:

- **Use the PPE it has ordered, covering how much will be given health and social care providers, stockpiled, cancelled, or sold in the UK or overseas.**
- **Incentivise the NHS Supply Chain, trusts and other providers, to buy PPE which is made in the UK.**
- **Ensure there is sufficient resilience in the supply chain where UK manufacturers cannot provide the necessary PPE.**

6.1 The government agrees with the Committee's recommendation.

Target implementation date: end July 2021

6.2 On 28 September 2020, the government published its [PPE Strategy: Stabilise and Build Resilience](#), which set out how the government was prepared for the second wave of COVID-19 alongside winter seasonal pressures.

6.3 The department will set out more details on the future strategy for PPE in due course including plans to deliver a resilient and value for money supply chain for health care with UK manufacturing at the centre. This strategy will encompass the points in recommendation 6 and more detail on the shape of this strategy will be shared with the Committee by July 2021.

7: PAC conclusion: The Department has wasted hundreds of millions of pounds on PPE which is of poor quality and cannot be used for the intended purpose.

7a: PAC recommendation: *The Department should write to the Committee by July 2021 setting out how much of the PPE it ordered it has received and checked, and the volumes and costs of the PPE that (a) cannot be used at all; (b) cannot be used for its intended purpose; and (c) its methodology for determining the volumes and costs of PPE which it considers to be in each of these categories.*

7.1 The government agrees with the Committee's recommendation.

Target implementation date: July 2021

7.2 Processes are underway to review the quality of all the PPE the government has bought, which is on course to complete by the end of June 2021.

7.3 This process will determine whether or not products are suitable to be released to the frontline. Any products that are not currently used on the frontline will be subject to further quality investigation and contractual review. The department will write to the Committee by the end of July 2021 to report on the findings from this analysis. In January 2021, the department reported to the Committee that 1.3% of total PPE bought could not be used for its original intended purpose. This was generated as a best estimate at the time. The department is now reviewing with support of external audit to assess the current 11% of ordered volume that is not currently being supplied to the frontline. After this work is complete, it will be able to give a final accurate per cent of volume that cannot be used for its original intended purpose. A total of 0.31% of delivered volume are marked as wastage.

7.4 This review will enable an assessment of the costs of the PPE in each of these categories to be made. An assessment of the value of the stock will be made, using the weighted average cost model, and the department will provide the Committee with a detailed breakdown in July 2021.

7b: PAC recommendation: *The department should also update us on the number of contracts (and their financial value) in which it is seeking to recover costs for undelivered or substandard PPE.*

7.5 The government agrees with the Committee's recommendation.

Target implementation date: July 2021

7.6 Alongside the efforts to fully reconcile the total spend and receipt of high-quality PPE (set out in response to recommendation 7a), work is underway to identify contracts where, due to supplier delivery or product quality failure, the department is seeking to recover the costs of undelivered or substandard PPE.

7.7 This is an ongoing reconciliation process. These matters are being investigated and passed through a governance forum, the Commercial Assurance and Approvals Board (CAAB). This Board has been established to support the decision-making process to progress all matters to completion.

7.8 The department plans to write to the Committee by the end of July to report:

- the number and value of contracts where it has been successful in recovering the costs of undelivered or substandard PPE;
- the number and value of contracts where efforts have been made to recover the costs of undelivered or substandard PPE, and the delta of any settlement vs the original contracted agreement can be reported (i.e. a write down/off against the contracted value); and
- the number and value of contracts that it is still seeking to recover costs for undelivered or substandard PPE.

Forty-Third Report of Session 2019-21

Department of Health and Social Care / Department for Business, Energy & Industrial Strategy

COVID-19: Planning for a vaccine Part 1

Introduction from the Committee

The COVID-19 vaccination programme is a cross-government effort to secure access to effective vaccines and to administer them to the population. The Department for Business, Energy & Industrial Strategy (BEIS) is responsible for securing the supply of vaccine for the UK. BEIS established a dedicated Vaccine Taskforce in April 2020 to help achieve its aims. The Department for Health & Social Care (DHSC) is ultimately responsible for planning how to deploy the vaccines in England. NHS England and NHS Improvement (NHSE&I) is responsible for designing how to deliver the vaccines and providing staff, and Public Health England (PHE) for arranging storage and distribution.

At the time of our evidence session, BEIS had signed contracts with five pharmaceutical companies to provide access to 277 million potential doses. The first vaccine against COVID-19 approved for use in the UK on 2 December 2020 was developed by Pfizer Inc and BioNTech SE. NHSE&I started to administer the vaccine in England on 8 December 2020. Further vaccines developed by the Astra Zeneca Limited—University of Oxford partnership and Moderna Inc were also approved for use by the MHRA on 30 December 2020 and 8 January 2021 respectively, a commendably fast approval.

The Joint Committee on Vaccination and Immunisation has advised nine groups should receive priority access to the vaccine. NHSE&I aims to vaccinate around 12.2 million people who make up the first four priority groups by 15 February 2021. It plans to offer a vaccine to the remaining five priority groups (17.7 million people) by the end of April, with everyone who wants one offered a vaccine by Autumn 2021.

Based on a report by the National Audit Office, the Committee took evidence, on 11 January 2021 from the Department of Health and Social Care, the Department for Business, Energy and Industrial Strategy, Public Health England and NHS England and NHS Improvement. The Committee published its report on 12 February 2021. This is the government response to the Committee's report.

Relevant reports

- NAO report: [Investigation into preparations for potential COVID-19 vaccines](#) – Session 2019-21 (HC 1071)
- PAC report: [COVID-19: Planning for the vaccine \(part 1\)](#) – Session 2019-21 (HC 930)

Government responses to the Committee

1: PAC conclusion: BEIS, NHSE&I and PHE have made major and world beating progress in buying and starting to roll-out the vaccines, but a degree of uncertainty remains in key areas.

1: PAC recommendation: To ensure that the momentum and progress to date is not lost, by March 2021 BEIS, DHSC, NHSE&I and PHE need to have in place plans to respond to potential future developments such as: changes to the prioritisation list; an annual vaccination programme; or the discovery of new variants of the virus.

1.1 The government agrees with the Committee's recommendation.

Recommendation Implemented

1.2 The Vaccines Deployment Programme Board, chaired by NHS England and Improvement (NHSE/I) oversees delivery of the [COVID-19 Vaccines Delivery Plan](#) which sets out the approach to be

taken to future developments. As health services are devolved, each of the four nations is responsible for delivery of the deployment programme in their countries and has a programme board in place to oversee this.

1.3 The government's approach to prioritisation continues to successfully protect those most at risk of severe outcomes from COVID-19. The Joint Committee on Vaccination and Immunisation (JCVI), who are the independent experts advising the government on vaccine prioritisation, have published their [interim advice](#) for Phase 2 (26 February), recommending an age-based approach. Final advice on Phase 2 will be published shortly

1.4 DHSC, BEIS, NHSE&I and PHE continue to work together bringing expertise from their respective organisations to remain responsive to future developments as follows:

- The UK Government's new Vaccine Update Expert Advisory Group (reporting to the Deputy Chief Medical Officer) will look at both current and potential future virus variants.
- The Vaccine Taskforce is assessing our existing vaccine portfolio against current variants and supporting manufacturers to develop variant vaccines;
- PHE is leading a [programme of surveillance](#) for COVID-19 vaccine effectiveness allowing detection of changes in epidemiology requiring vaccine policy amendment.
- To ensure the country is prepared for different scenarios and while further evidence is gathered, the government is planning for a potential revaccination campaign later in the year. Final decisions will be made in due course in light of expert advice.

2: PAC conclusion: *Despite BEIS's confidence, concerns remain over the vaccine supply chain.*

2: PAC recommendation: *BEIS should, by the end of February 2021, write to the Committee with its assessment of the risks within the vaccine supply chain and a plan to proactively address these to ensure sufficient doses of vaccine are available through to Autumn 2021.*

2.1 The government agrees with the Committee's recommendation.

Recommendation implemented

2.2 As requested, the government [wrote to the Committee](#) on 26 February 2021 to outline its assessment of the key risks within the vaccine supply chain and our mitigations in place to address them. The key risks identified within the supply chain are the maintenance of the cold supply for RNA-based vaccines, the recent EU export measures, and security risks.

2.3 The ultra-cold supply chain has not caused problems in distribution of Pfizer/BioNTech's vaccine due to the specially developed packaging and storage innovations and the government is confident this will continue to make no difference to deployment speed.

2.4 The EU Commission has a temporary requirement for authorisation of export of vaccine products from the EU in place until 31 March 2021 with no confirmation whether this is to be extended. As the measures are time limited, the government do not expect any vaccines beyond Oxford/AstraZeneca and Pfizer/BioNTech to be impacted.

2.5 The COVID Vaccination Security (CVS) Programme has been established for assuring the security of UK vaccination and manufacturing sites. Vulnerability assessments are being undertaken to support potential uplift in active and passive security measures.

2.6 To ensure effective information sharing, the Vaccine Taskforce, now a joint BEIS-DHSC unit, hold weekly meetings with national and regional delivery partners to ensure visibility of supply.

3: PAC conclusion: *BEIS has worked quickly to secure access to vaccines but could have been more transparent about how decisions have been made.*

3: PAC recommendation: BEIS should, by the end of March 2021, review its decisions about how to invest taxpayers' money and its appointments processes to identify what it would repeat and what it will change in future. As part of this, BEIS should examine its experience of using the Taskforce model to inform its own and government's future skills requirements and to ensure accountability arrangements are robust. BEIS should, by the end of April 2021, lay out its learning so the rest of government can improve the robustness of the cross-government emergency response. It should also assess how it will deal with indemnities for future vaccines and be clear about the benefits and risks.

3.1 The government agrees with the Committee's recommendation.

Target implementation date: April 2021

3.2 BEIS has considered its decision-making processes in relation to investing taxpayers' money and its appointments process and responded to the Committee in March 2021.

3.3 The Chair of the Taskforce was appointed for 6 months by a direct ministerial appointment process and was unpaid. The government often appoints industry experts into senior leadership roles as this allows us to access a vast range of skill sets and expertise, which may not always exist within the Civil Service. The government assesses each such appointment on a case-by-case basis; if it is appropriate and there is scope to follow the standard recruitment process, then it does so.

3.4 As the Committee is aware, a new Senior Responsible Owner (SRO) was recently appointed to the Taskforce, taking over from the previous SRO who has left the civil service. An SRO appointment letter is already in place, confirming the SRO's accountabilities including to Parliament.

3.5 As the Committee recognises in its report, it was important for the Taskforce to be able to move quickly to secure vaccines on behalf of the UK population. All decisions regarding government spending were made through the established approval routes. However, to provide enhanced flexibility and agility, a number of process innovations were put in place for approvals relating to the Taskforce's work. The department has considered these process innovations and believes that they continue to ensure appropriate due diligence, assurance to the Accounting Officer in a delegated funding environment and accountability across the portfolio. The department therefore intends to continue with these improvements to the approvals process in relation to the Taskforce's work, which range from simple changes such as ensuring the timing of departmental approvals Committee meetings could be flexed at short notice to accommodate developments in the Taskforce's commercial negotiations, to an increase in the department's spending and commercial delegations from HM Treasury and the Cabinet Office. A cross-departmental ministerial panel was also set up in agreement with HM Treasury and other departments and brings together Ministers from relevant departments to take the final decisions on major investments made by the programme.

3.6 The department believes that these process improvements played an important role in enabling robust decision-making at pace while ensuring taxpayer value was protected, and will consider whether these improvements should be replicated in other areas of the department's work and share experiences and lessons learned with other Whitehall departments.

3.7 The department will write again to the Committee by the end of April 2021 on its lessons learned for the cross-government emergency response.

4: PAC conclusion: DHSC, NHSE&I and PHE will continue to face significant challenges in making sure they can get the vaccine to the right people at the right time.

4: PAC recommendation: By the end of February 2021 DHSC, NHSE&I and PHE should write to us with their assessment of the main challenges and risks to the ongoing deployment of the vaccine programme and a detailed plan for how these will be addressed.

4.1 The government agrees with the Committee's recommendation.

Recommendation implemented

4.2 The scale and complex nature of the work to deploy COVID-19 vaccines means there is a comprehensive governance structure and a clear programme mission shared by all stakeholders:

Deliver the maximum available doses of vaccine, with high uptake in priority groups, to minimise morbidity and mortality as quickly and as safely as possible.

4.3 Effective information sharing, identification, anticipation and escalation of issues are supported by a regular rhythm of meetings, involving key national and regional delivery partners, to ensure joined up communication and delivery plans. These include:

- Twice daily meetings providing operational coordination at National and Regional levels to maintain effective delivery.
- A weekly Operational Planning Group who consider issues on a 4-6-week horizon, actively anticipating and working through challenges and risks to delivery, whilst sustaining robust forward planning.
- Operations group committees covering; finance, strategy, workforce and resourcing, clinical, data and modelling priorities.

4.4 NHS England's Vaccines Deployment Programme's rigorous risk management approach ensures that risks or issues which have the potential to impact deployment activity are monitored and escalated on a regular basis. These are reviewed and discussed with the NHS Deployment Programme Board as and when required. The Board acts as a key decision-maker with regards to all deployment activity.

5: PAC conclusion: *There is a risk that NHSE&I and DHSC's plans for the vaccine programme will not meet public expectations.*

5: PAC recommendation: *NHSE&I and DHSC need to immediately set out in detail what they are planning to achieve so the public has a better understanding of what the daily progress reports mean in practice. It should clearly set out: the definition of 'vaccinated' and 'offered a vaccination'; and expected take up rates across both doses and across different cohorts, for example by age and ethnicity. Progress should also be reported at local, regional, devolved and UK levels in a consistent and comparable way.*

5.1 The government agrees with the Committee's recommendation.

Recommendation implemented

5.2 In January, the government set out its [Covid-19 Vaccine Delivery Plan](#). The vaccine deployment programme aims to achieve maximum uptake of a COVID-19 vaccination offer and met the government's objective of offering a first dose of vaccination to everyone in the top four Joint Committee on Vaccination and Immunisation (JCVI) priority groups by 15 February 2021. The department and NHSE/I are continually adapting our delivery plan and approach, building on what has worked well and are on track to meet future delivery targets: 15 April 2021 for adults 50 and over; 31 July 2021 for all adults. The government is aiming for the highest possible uptake in all groups; and report vaccination figures. It offers vaccinations through a number of routes and have asked people to come forward if they have not yet been contacted but should have been as part of the priority cohorts being invited for their vaccination.

5.3 The deployment programme has been designed to encourage uptake across all groups, including for example offering appointments in a number of different ways. The government published the [COVID-19 Vaccine Uptake Plan](#) on 13 February 2021.

5.4 The vaccination programme publishes clear and simple updates on progress. Since 24 December, the government has published consistent and comparable daily data on the total number of vaccinations across the UK and in each of the 4 countries - [Vaccinations | Coronavirus in the UK \(data.gov.uk\)](#).

5.5 For England, NHSE/I [publishes weekly data](#) of people given their first and second doses of the COVID-19 vaccine covering a range of characteristics, including age, region, ethnicity and cohort.

6: PAC conclusion: *Public confidence in the vaccine programme is crucial to its success yet some members of the public and health professionals were confused by the messaging about when and how people can access a vaccine.*

6: PAC recommendation: *NHSE&I and DHSC need to immediately develop clear and straightforward communication, including comprehensive FAQs, to help the public navigate the constantly changing situation. This should be publicised to the public and those who can help inform the public such as GPs, Clinical Commissioning Groups and MPs, as well as setting up a unit to quickly rebut false claims about the vaccines.*

6.1 The government agrees with the Committee's recommendation.

Recommendation implemented

6.2 The government has worked closely with NHS E/I, PHE, the MHRA and JCVI to communicate clearly to the public about the development and rollout of the authorised vaccines.

6.3 Public information about the vaccine programme, the vaccines themselves, and relevant topics such as ingredients and side effects are available on both NHS.UK and GOV.UK websites, this content is supplemented by a sustained programme of proactive communications to keep the public informed using media, partners, professionals and creative content.

6.4 Using regular research and polling, the government has developed an understanding of the needs and concerns of groups who are more vaccine hesitant and produced compelling vaccine positive information to address these. The communications campaign seeks to increase uptake within those groups who are or will soon be eligible to get the vaccine. Information, advice and FAQs are regularly shared with partners, local areas and community leaders, to enable clear and accurate information to reach the public from trusted and relevant messengers.

6.5 There is cross government work in place through the Department of Culture, Media and Sport Disinformation Unit, the Cabinet Office's Rapid Rebuttal Unit and the DHSC working with partners across the health family to ensure accurate information is in circulation to tackle myths and misinformation.

Forty-Fourth Report of Session 2019-21

HM Treasury

Excess Votes 2019-20

Introduction from the Committee

This Report is part of the framework of control over government spending. Resource-based Supply requires Departments to estimate and manage the financial resources they need during each financial year on an accruals basis for commitments to provide services, and on a cash basis to meet commitments as they mature. Parliament authorises Departments' proposed cash spending and use of resources.

HM Treasury is responsible for monitoring and overseeing Departments' compliance with the limits authorised by Parliament and for controlling adjustments to the approved limits during the financial year. If a Department needs to adjust its budget during the year it has one opportunity to do so via a Supplementary Estimate, which is approved by Parliament towards the end of the financial year.

Resource-based Estimates reflect accruals and non-cash consumption of resources, such as depreciation. A cash limit is also voted by Parliament together with a non-budget line, through which departments are required to record adjustments to their prior year costs. Parliament expects Departments to stay within the limits they are voted. Any expenditure outside the limits authorised by Parliament potentially undermines parliamentary control over public spending. A breach of any of the budgetary control limits, the cash limit or the non-budget line results in the need for the expenditure to be regularised through the Parliamentary Excess Votes process.

Under Standing Order of the House of Commons number 55(2) (d), the Committee of Public Accounts scrutinises the reasons behind any individual bodies exceeding their allocated resources, and reports to the House of Commons on whether it has any objection to making good the reported excesses. Once the Committee has reported, Statements of Excesses will be presented to Parliament, to be voted into the Supply and Appropriation (Anticipation and Adjustments) Act. The passing of this Act authorises the additional grant by Parliament to regularise the excesses incurred by departments.

Figure 1 below shows the excesses incurred in 2019-20.

The Committee published its report on 12 February 2021. This is the government's response to the Committee's report.

Figure 1: Summary of 2019–20 Excesses

Department	Resource DEL	Resource AME	Capital AME	Net Cash Requirement
	Excess / Amount to be voted £	Excess / Amount to be voted £	Excess / Amount to be voted £	Excess / Amount to be voted £
Ministry of Housing, Communities & Local Government (MHCLG Local Government)	3,385,625,000			2,867,896,000
Department for Business, Energy & Industrial Strategy		4,894,982,000		
HM Revenue & Customs				725,989,000
HM Treasury			32,332,000	
Home Office				117,761,000

Relevant reports

- [Central Government Supply Estimates 2019-20 - Supplementary Estimates \(HC 71\)](#)
- [Ministry of Housing, Communities & Local Government Annual Report and Accounts 2019-20 \(HC 929\)](#)
- [Department for Business, Energy & Industrial Strategy Annual Report and Accounts 2019-20 \(HC 709\)](#)
- [HM Revenue & Customs Annual Report and Accounts 2019-20 \(HC 891\)](#)
- [Home Office Annual Report and Accounts 2019-20 \(HC 334\)](#)
- [HM Treasury Annual Report and Accounts 2019-20 \(HC 746\)](#)
- [PAC report: Excess Votes 2019-20 – Session 2019-21 \(HC 1205\)](#)

Government responses to the Committee

1: PAC conclusion: The Ministry of Housing, Communities & Local Government breached its Resource Departmental Expenditure Limit by £3.4 billion, and its Net Cash Requirement by £2.9 billion.

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

1.1 The government agrees with the Committee’s recommendation.

Recommendation implemented

1.2 Following the publication of the 2019-20 excesses by the Committee, HM Treasury has laid the Statement of Excesses 2019-20 and the Late Statement of Excesses 2018-19. These excesses are included in the Supply and Appropriation (Anticipation and Adjustments) Act 2021 providing the additional resources by means of an Excess Vote which received Royal Assent on 15 March 2021.

2. PAC conclusion: *The Department for Business, Energy & Industrial Strategy breached its Resource Annually Managed Expenditure total by £4.9 billion.*

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

2.1 The government agrees with the Committee's recommendation.

Recommendation implemented

2.2 Following the publication of the 2019-20 excesses by the Committee, HM Treasury has laid the Statement of Excesses 2019-20 and the Late Statement of Excesses 2018-19. These excesses are included in the Supply and Appropriation (Anticipation and Adjustments) Act 2021 providing the additional resources by means of an Excess Vote which received Royal Assent on 15 March 2021.

3. PAC conclusion: *HM Revenue & Customs breached its Net Cash Requirement by £726 million.*

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

3.1 The government agrees with the Committee's recommendation.

Recommendation implemented

3.2 Following the publication of the 2019-20 excesses by the Committee, HM Treasury has laid the Statement of Excesses 2019-20 and the Late Statement of Excesses 2018-19. These excesses are included in the Supply and Appropriation (Anticipation and Adjustments) Act 2021 providing the additional resources by means of an Excess Vote which received Royal Assent on 15 March 2021.

4. PAC conclusion: *The Home Office breached its Net Cash Requirement by £118 million.*

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

4.1 The Government agrees with the Committee's recommendation.

Recommendation implemented.

4.2 Following the publication of the 2019-20 excesses by the Committee, HM Treasury has laid the Statement of Excesses 2019-20 and the Late Statement of Excesses 2018-19. These excesses are included in the Supply and Appropriation (Anticipation and Adjustments) Act 2021 providing the additional resources by means of an Excess Vote which received Royal Assent on 15 March 2021.

5. PAC conclusion: *HM Treasury breached its Capital Annually Managed Expenditure total by £32 million.*

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

5.1 The government agrees with the Committee's recommendation.

Recommendation implemented

5.2 Following the publication of the 2019-20 excesses by the Committee, HM Treasury has laid the Statement of Excesses 2019-20 and the Late Statement of Excesses 2018-19. These excesses are included in the Supply and Appropriation (Anticipation and Adjustments) Act 2021 providing the additional resources by means of an Excess Vote which received Royal Assent on 15 March 2021.

Treasury Minutes Archive¹

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

Session 2019-21

Committee Recommendations: 303
Recommendations agreed: 276 (91%)
Recommendations disagreed: 27

Publication Date	PAC Reports	Ref Number
July 2020	Government response to PAC reports 1-6	CP 270
September 2020	Government responses to PAC reports 7-13	CP 291
November 2020	Government responses to PAC reports 14-17 and 19	CP 316
January 2021	Government responses to PAC reports 18, 20-24	CP 363
February 2021	Government responses to PAC reports 25-29	CP 376
February 2021	Government responses to PAC reports 30-34	CP 389
March 2021	Government responses to PAC reports 35-39	CP 409
April 2021	Government responses to PAC reports 40-44	CP 420

Session 2019

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

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

Session 2017-19

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

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

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

Session 2016-17

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

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

Session 2015-16

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

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

² Report 32 contains 6 conclusions only.

Treasury Minutes Progress Reports Archive

Treasury Minutes Progress Reports provide updates on the implementation of recommendations from the Committee of Public Accounts. These reports are Command Papers laid in Parliament.

Publication Date	PAC Reports	Ref Number
November 2020	Session 2010-12: updates on 1 PAC report Session 2013-14: updates on 1 PAC report Session 2015-16: updates on 0 PAC reports Session 2016-17: updates on 7 PAC reports Session 2017-19: updates on 73 PAC reports Session 2019: updates on 2 reports	CP 313
February 2020	Session 2010-12: updates on 2 PAC reports Session 2013-14: updates on 1 PAC report Session 2015-16: updates on 3 PAC reports Session 2016-17: updates on 14 PAC reports Session 2017-19: updates on 71 PAC reports ³	CP 221
March 2019	Session 2010-12: updates on 2 PAC reports Session 2013-14: updates on 4 PAC reports Session 2014-15: updates on 2 PAC reports Session 2015-16: updates on 7 PAC reports Session 2016-17: updates on 22 PAC reports Session 2017-19: updates on 46 PAC reports ⁴	CP70
July 2018	Session 2010-12: updates on 2 PAC reports Session 2013-14: updates on 4 PAC reports Session 2014-15: updates on 2 PAC reports Session 2015-16: updates on 9 PAC reports Session 2016-17: updates on 38 PAC reports Session 2017-19: updates on 17 PAC reports	Cm 9668
January 2018	Session 2010-12: updates on 2 PAC reports Session 2013-14: updates on 5 PAC reports Session 2014-15: updates on 4 PAC reports Session 2015-16: updates on 14 PAC reports Session 2016-17: updates on 52 PAC reports	Cm 9566
October 2017	Session 2010-12: updates on 3 PAC reports Session 2013-14: updates on 7 PAC reports Session 2014-15: updates on 12 PAC reports Session 2015-16: updates on 26 PAC reports Session 2016-17: updates on 39 PAC reports	Cm 9506
January 2017	Session 2010-12: updates on 1 PAC report Session 2013-14: updates on 5 PAC reports Session 2014-15: updates on 7 PAC reports Session 2015-16: updates on 18 PAC reports	Cm 9407
July 2016	Session 2010-12: updates on 6 PAC reports Session 2012-13: updates on 2 PAC reports Session 2013-14: updates on 15 PAC reports Session 2014-15: updates on 22 PAC reports Session 2015-16: updates on 6 PAC reports	Cm 9320

³ Includes updates to Treasury Minutes published up to July 2019

⁴ Includes updates to Treasury Minutes published up to October 2018

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





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