



HM Treasury

Treasury Minutes

Government responses to the Committee of Public Accounts on the Fifty-Second to the Fifty-Sixth reports from Session 2019-21



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

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

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Fifty-Second Report of Session 2019–21

Ministry of Justice

Key challenges facing the Ministry of Justice

Introduction from the Committee

The Ministry of Justice (the Ministry) and its executive agencies, including HM Courts & Tribunals Service (HMCTS) and HM Prisons and Probation Service (HMPPS), are responsible for managing the work of courts, prisons and probation services. The pandemic has significantly impacted the operation of the justice system and has exacerbated systemic issues that have arisen over the years as a result of deep cuts to the Ministry's finances, increased demand across the whole system, and sustained pressure on frontline staff. The Ministry and its agencies are attempting to support the system to recover from the unprecedented effects of the pandemic and to manage significant reform programmes in courts and probation, alongside an ambitious prison building programme.

The Committee took evidence on 11 February 2021 from the Ministry and its executive agencies, HMCTS and HMPPS. The Committee published its report on 24 March 2021. This is the government's response to the Committee's report.

Relevant report

- PAC report: [Key challenges facing the Ministry of Justice](#) – Session 2019-21 (HC 1190)

Government responses to the Committee

1: PAC conclusion: We are concerned that the Ministry faces significant risks across the full range of its services, without a clear sense of prioritisation.

1: PAC recommendation: In the absence of clear sense of its priorities, the Ministry should set out what contingencies it has if it encounters difficulties delivering its change programmes across courts, prisons and probation services.

1.1 The government agrees with the Committee's recommendation.

Target implementation date: Summer 2021

1.2 The Ministry of Justice (the department or MOJ) does not agree that there is an absence of a clear sense of priorities. Following the Spending Review 2020 outcome a comprehensive and detailed planning exercise was completed which sets out MOJ's clear priorities. This work is set out in the department's Outcome Delivery Plan, that will be published this summer.

1.3 The department is focused on the successful delivery of its major change portfolio across courts, prisons and probation. The department's governance structures provide oversight and assurance of critical programmes and actively identifies and manages risks that could impact on project delivery. The department also works closely with the Infrastructure and Projects Authority (IPA) to undertake independent assessments at significant points in each project to assess the health of a project, identify any project-specific or systemic risks or issues, and to identify recommendations to strengthen delivery.

1.4 The department has recently strengthened its oversight of programme delivery by establishing a new Delivery Board, jointly led by the Lead Non-Executive Board Member and

the Permanent Secretary, which will provide scrutiny of the activities and programmes that are critical to delivering the priorities identified in the Outcome Delivery Plan.

2: PAC conclusion: *The pandemic has significantly impacted the wellbeing and life chances of prisoners, making it critical that the Ministry and HMPPS accelerate their work to improve the mental health of prisoners.*

2: PAC recommendation: *In its Treasury Minute response to this report, the Ministry and HMPPS should set out what progress they have made with the initiatives they put in place to support prisoner mental health since the beginning of the pandemic and the impact this has had on those in prison.*

2.1 The government agrees with the Committee's recommendation.

Recommendation implemented

2.2 Prisoners' safety and health remain a top priority. To mitigate the impact of isolation, the department is delivering in-cell activities including a Wellbeing Plan created with Mind and is ensuring that the Samaritans Listeners peer support scheme continues. To support family contact, the department has rolled out secure video call technology to all establishments, introduced additional secure mobile PIN phones and provided additional PIN credit.

2.3 Effective relationships between staff and prisoners are vital. In the male estate, regular key work sessions are resuming, and the department is introducing the Offender Management in Custody model in the Women's estate. Prisoners at-risk of self-harm continue to be supported through Assessment, Care in Custody and Teamwork case management. Lack of sentence progression has caused concern for many prisoners, so the department has developed an individualised approach to accredited offending behaviour programmes to provide opportunities for progression.

2.4 NHS England has rolled out telemedicine to enable continuity of care pathways where appropriate, distributing licenses, and secure tablets across the estate. Mental health services have been able to use in-cell telephony for consultations in establishments where this is available. Regional commissioners have responded to changes in local needs during COVID-19, and one region has deployed mental health support workers as 'wing walkers' to support prison residents.

2.5 The department will continue to focus upon supporting prisoners' mental health and monitor the effectiveness of these initiatives.

3: PAC conclusion: *We have limited confidence in the Ministry's plans for reducing the backlog in the court system, particularly in criminal courts.*

3: PAC recommendation: *The Ministry should write to the Committee within one month to set out its plan, including clear projections and timeframes, to reduce the backlog in the court system, particularly in criminal courts where the backlog is most acute.*

3.1 The government agrees with the Committee's recommendation.

Target implementation date: Summer 2021

3.2 The department is working at pace to reduce outstanding caseloads and improve delivery of timely justice for those using the courts and tribunals, including with counterparts across the criminal justice system in the Home Office, Attorney General's Office and the Crown Prosecution Service to drive forward and oversee cross-system recovery work.

3.3 The Permanent Secretary [wrote to the Committee on 18 May 2021](#) providing an update on recent progress and current plans, and the Lord Chancellor has been clear that he wants the Crown Courts to run to the fullest extent possible this year, with no limit on sitting days.

3.4 Progress in reducing outstanding cases is sensitive to a range of factors, including the future path of the COVID-19 pandemic and the restrictions needed to manage it, most notably social distancing. However, the department is ramping up work to enable judges to safely hold as many hearings as possible, using existing capacity to the maximum extent possible and adding capacity through the Nightingale courts programme. In the Magistrates' Courts, HMCTS and the senior judiciary have recently published a plan setting out their ambition to restore court listing and timings to pre-pandemic levels before the end of 2021.

3.5 The department will be able to provide a further update in summer 2021, taking account of the outcome of the social distancing review and its impact on the department's plans.

4: PAC conclusion: Despite previous warnings, the Ministry and HMCTS do not yet have a firm grip on the data they need to understand how effective the court reform programme is or its impact on users.

4: PAC recommendation: In its Treasury Minute response, the Ministry should explain how it is managing the impact of the pandemic on the court reform programme, including its plans to respond to the recommendations set out in the 2019 Digital Justice report.

4.1 The government agrees with the Committee's recommendation.

Recommendation implemented

4.2 Managing the impact of COVID-19 required HM Courts & Tribunals Service (HMCTS) to adjust its approach to delivering the reform programme. Some services were ramped up more quickly, whilst other projects had to be delayed. In other areas, HMCTS's COVID-19 pandemic response made it necessary to deliver entirely new initiatives at pace, most notably, building on the work done through Reform, the rapid roll-out of audio and video hearings across courts and tribunals, which has enabled essential hearings to continue during this period. However, the overall delivery window for reform will not change as a result of COVID-19, and the programme is still due to be complete in December 2023.

4.3 In terms of the [2019 Digital Justice Report](#), HMCTS [published its initial response](#) in October 2020, welcoming and accepting all of the report's recommendations and providing an update with specific commitments to action.

4.4 Since then, HMCTS has continued to develop its data strategy and is investing an extra £8 million, on top of existing budgets, to improve its data infrastructure and management information. The improvement of management information and reporting will help to enhance understanding of, and develop improvements to, frontline performance; and the development of a data platform will provide the infrastructure to better store and analyse data while enabling key data requirements to be more easily incorporated into digital systems.

4.5 In May 2021, the department [published the framework for the evaluation of the reform programme](#). This framework sets out the scope and research plans for the evaluation of the HMCTS reform programme.

4.6 HMCTS intends to publish a further update on its work to progress the recommendations from the 2019 report in autumn 2021.

5: PAC conclusion: We remain concerned that the maintenance backlog poses a real threat to achieving a safe and secure prison estate able to accommodate future prison populations.

5: PAC recommendation: As part of setting out a long-term strategy for managing the prison estate, the Ministry should explain how it will:

- **work with others in the system, including the Home Office to refine its understanding of demand for prison places; and**
- **reduce the maintenance backlog in the existing prison estate.**

5.1 The government agrees with the Committee's recommendation

Target implementation date: Summer 2021

5.2 The department closely monitors prison population forecasts to ensure the prison estate has sufficient capacity to meet future demand, and regularly works with our partners across the criminal justice system (CJS), including the Home Office and Crown Prosecution Service, to coordinate initiatives to reduce crime.

5.3 Work continues to refine the department's understanding of the impacts of recruiting 20,000 additional police officers by 2022-23. MoJ is also on a Shared Outcomes Fund programme to track data at individual police force levels. A joint understanding of this data across CJS partners will be integral to identifying levers to manage demand on the system.

5.4 The department's Spending Review settlement for 2021-22 will provide £315 million in capital funding in this financial year to improve the condition of the existing estate. This welcome increase in capital funding will mean that the programme of critical refurbishment projects across the prison estate can be extended to begin tackling the backlog.

5.5 The department is committed to developing a robust long-term strategy for the prison estate and already has clear and robust plans for capital maintenance and refurbishment. The programme of work for the coming year has a sharp focus on improving safety and compliance across the estate, with additional investment in fire safety which includes investing in replacement accommodation at the sites most critically affected by the rapid removal from service of unsafe and non-compliant modular accommodation units.

5.6 As part of the department's long-term strategy, there will be more pro-active and strategic investments in assets to ensure that key equipment and systems in prisons remain in good working order and to prolong their working life.

5.7 The department remains ambitious to improve rehabilitative outcomes for prisoners, whilst creating a more modern and safer environment for prisoners and staff.

6: PAC conclusion: Despite the efforts of staff during the pandemic, there are clear signs of strain on people working across courts and tribunals, prisons and probation services.

6: PAC recommendation: The Ministry, HMCTS and HMPPS should identify and agree with relevant professional bodies specific actions to support staff working across the system to manage the strain of pandemic recovery efforts, and how it will monitor and support staff through to the end of the pandemic.

6.1 The government agrees with the Committee's recommendation

Recommendation implemented

6.2 The department agrees with the Committee that its staff are at the heart of delivering a world-class justice system and that they have performed extraordinarily during the course of this pandemic to ensure the rule of law and access to justice could continue to be upheld at all times. Significant work has been undertaken across the department, working in partnership with the judiciary, legal and healthcare professionals within the NHS or Public Health England, to deliver a far-reaching programme of support throughout the various stages of the pandemic.

6.3 Supporting staff directly as well as through their line managers has been the department's primary aim for maintaining the wellbeing of a workforce who have continued to deliver its frontline services or who have adapted to deliver priority work remotely. Senior leaders have further increased their visibility to ensure staff understand the support available and focus on the individual through an extensive programme of support services, signposting and wellbeing events.

6.4 As the department moves to adapt to the Roadmap easing, it will continue to focus on how it supports its staff while continuing to deliver high quality services to those in its care and within its courts and prisons estate.

Fifty-Third Report of Session 2019-21

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

COVID-19: Supporting the vulnerable during lockdown

Introduction from the Committee

On 22 March 2020, the Secretary of State for Housing, Communities and Local Government announced that those people in England who faced the highest risk of being hospitalised by COVID-19 should shield themselves and stay at home. DHSC eventually identified some 2.2 million people as those most clinically vulnerable to COVID-19 and advised them to shield. Government set up the shielding programme to provide support - access to food, medicines and basic care - to people shielding. Government spent £308 million providing this support.

Based on a report by the National Audit Office, the Committee took evidence, on Monday 22 February 2021 from the Department of Health & Social Care, Ministry of Housing, Communities and Local Government, the Department for Environment, Food and Rural Affairs and NHS Digital. The Committee published its report on 21 April 2021. This is the government response to the Committee's report.

Relevant reports

- NAO report: [Protecting and supporting the clinically extremely vulnerable during lockdown](#) – Session 2019-21 (HC 1131)
- PAC report: [COVID-19: Supporting the vulnerable during lockdown](#) – Session 2019-21 (HC 938)

Government responses to the Committee

1: PAC conclusion: DHSC's initial clinical criteria for identifying and supporting clinically extremely vulnerable people excluded several factors which it became clear also made people more vulnerable.

1: PAC recommendation: In the event of future epidemics, DHSC should ensure that the way it identifies vulnerable people and the support it offers them, encompasses a broad range of non-clinical factors and personal circumstances that go beyond susceptibility to disease and makes an assessment about what practical support may be needed and how this can be planned for.

1.1 The government agrees with the Committee's recommendation.

Target implementation date: Summer 2022

1.2 Shielding is an intervention to protect the clinically extremely vulnerable to reduce risk of severe illness or death. It is, therefore necessarily linked to susceptibility to disease. Shielding support was put in place to enable the clinically extremely vulnerable to follow shielding advice. Whilst the initial definition of the Clinically Extremely Vulnerable (CEV) group was based solely on medical conditions, further evidence and the introduction of the [QCOVID® tool](#) has allowed government to introduce non-clinical factors such as ethnicity, gender and postcode to improve identification of those most at risk from COVID-19.

1.3 There are other non-clinically vulnerable groups who also faced difficulties during the pandemic. It was not appropriate to advise these groups to shield, and consequently were not eligible for shielding support, but other support was and is available, including:

- the [Non-Shielding Vulnerable Priority Supermarket Delivery Referrals Service](#) allows local authorities and charity partners to refer vulnerable individuals not on the shielded patient list for priority access to some supermarket delivery slots
- local authorities were also able to refer non-shielding vulnerable people to [NHS Volunteer Responders](#) for support with basic tasks such as shopping, and medicines deliveries, and
- other non-clinical vulnerable groups had separate programmes of support during the pandemic, such as [Everyone In](#) that supported rough sleepers.

Support for non-shielding groups was outside the scope of the National Audit Office (NAO) report, and this wider support was not discussed in the Committee hearing.

1.4 As part of future preparedness measures, the Department of Health and Social Care (DHSC) will work with other government departments to consider the need to identify and support non-clinically vulnerable groups in the event of a future pandemic.

2: PAC conclusion: DHSC and NHS Digital took too long to identify all clinically extremely vulnerable people.

2: PAC recommendation: Within six months, DHSC and NHS Digital should set out a detailed plan on how they will improve access to and join-up NHS data systems to ensure quick and secure access to all patient records.

2.1 The government agrees with the Committee's recommendation.

Target implementation date: Summer 2021

2.2 Whilst the government agrees with the Committee's recommendation, it does not agree with the conclusion that DHSC and NHS Digital took too long to identify all clinically extremely vulnerable people. Given the data available at the time, and the novelty of shielding policy, NHS Digital, DHSC, and frontline clinicians worked as quickly as possible to identify CEV people at the start of the pandemic. However, the government is committed to learning the lessons from this process to improve how national data is used to identify at risk groups in the future.

2.3 Work is already underway on this. NHS Digital has developed a strategic national GP dataset alongside the profession. This will allow faster access to GP information that will be more regularly updated and more complete than current data sources. NHSX and NHS Digital are also working together on plans to digitise the health service and to deliver comprehensive shared care records.

2.4 The above developments will be set out in a data strategy for health and social care that the government will shortly publish in draft. The strategy will contain a number of additional commitments reducing or removing structural, technical and cultural barriers, to enable quick and secure access to patient data where appropriate.

3: PAC conclusion: Huge local variation strongly suggests that GPs were inconsistent when judging who was clinically extremely vulnerable and should therefore be advised to shield and be eligible for support.

3: PAC recommendation: Within six months, DHSC and NHS Digital should provide to the Committee a detailed explanation for the local variation in growth for the shielded patient list between April and May 2020 including the extent it was due to appropriate clinical judgements and identify lessons for how to support a consistent clinical approach in future.

3.1 The government agrees with the Committee's recommendation.

Target implementation date: October 2021

3.2 Whilst the government agrees with the Committee's recommendation, it does not agree with the conclusion that there was huge local variation. NHS Digital and DHSC have already [written to the Committee](#) with an initial analysis of the local variation in growth of the Shielded Patient List (SPL). This found that most areas fell within the expected distribution, although it is acknowledged that six local areas did add more people to the SPL than the department would have expected.

3.3 NHS Digital and DHSC will conduct further analysis to understand in more detail the drivers of this local variation and identify lessons for the future. DHSC and NHS Digital will write to the Committee setting out these findings by October 2021.

4: PAC conclusion: Government chose a centrally-directed system to support clinically vulnerable people as it did not have confidence all local authorities and supermarkets could meet people's needs, particularly for food.

4: PAC recommendation: MHCLG should ensure that local authorities will continue to have the capacity and resilience to support the needs of clinically extremely vulnerable people, particularly given the significant increase of people advised to shield in February 2021 – from 2.2 million to 3.9 million people.

4.1 The government agrees with the Committee's recommendation.

Recommendation Implemented

4.2 Whilst the government agrees with the Committee's recommendation, it does not agree with the conclusion that a centrally directed system was chosen because of a lack of confidence in local authorities. Councils are crucial partners in delivery of shielding support to clinically extremely vulnerable individuals and since July 2020, councils and supermarkets have been supporting access to food. The shielding framework (co-designed with councils) includes a clear set of expectations regarding delivery of shielding support. From the autumn, the government provided councils with funding at a rate of £14.60 per CEV individual per four weeks whilst Shielding guidance was in place.

4.3 Outcomes data from councils in the most recent period of shielding demonstrated good performance in triaging and meeting requests for support from CEV individuals (including those added in February 2021 as a result of the QCovid® coronavirus risk prediction model). Councils' confidence in their ability to meet requests for support consistently remained high. The Ministry of Housing, Communities and Local Government (MHCLG) also tracked spend patterns, which will inform future review of funding.

4.4 Shielding was paused on 1 April 2021. As part of contingency planning, Ministry of Housing, Communities and Local Government (MHCLG) has tested future delivery confidence with nearly all upper tier councils across England, finding that councils are confident in their ability to stand up shielding support rapidly in future. MHCLG continues to work closely with councils and to keep funding under review so councils can support those who need it, whilst providing value for money.

5: PAC conclusion: MHCLG and DHSC do not know whether 800,000 clinically extremely vulnerable people slipped through the net and missed out on much needed support.

5: PAC recommendation: MHCLG should urgently update the Committee on whether it has now successfully confirmed the support needs of all vulnerable people, including the additional 1.7 million people advised to shield in February 2021.

5.1 The government disagrees with the Committee's recommendation.

5.2 The government disagrees with both the Committee's conclusion and recommendation. People who are clinically extremely vulnerable have been identified by the NHS through clinical records. The government has taken all reasonable steps to alert CEV individuals to shielding guidance and support, including the 1.7 million additional individuals who were advised to shield in February 2021. A letter is sent to all CEV people whenever shielding is introduced, as well as an email where an email address is available. This includes information on the support available and how to register need. CEV people, or someone on their behalf, were able to register on-line through the National Shielding Support Service (NSSS) or contact their council. Councils have also carried out proactive communications to their clinically extremely vulnerable citizens. After July 2020, the Shielding Framework stipulated that councils should contact people who are clinically extremely vulnerable who had recently been added to the SPL, those who registered support needs on the NSSS website and those previously in receipt of support.

5.3 Some people who are clinically extremely vulnerable made a personal choice not to register their support needs; intelligence from local councils gave assurances that most were able to remain self-sufficient and many did not want to be contacted. Regular outcomes data were collected from councils from November 2020 onwards. The figures confirmed that councils were supporting approximately three times more people than had requested support through the NSSS, which provided assurance that they were meeting the needs of their clinically extremely vulnerable populations.

6: PAC conclusion: Missing or inaccurate telephone numbers in NHS patient records undermined government's efforts to contact 375,000 people.

6: PAC recommendation: DHSC and NHS Digital should ensure that different NHS bodies can securely source the most up to date, reliable and complete patient records, including contact details. It should update the Committee on its plan to achieve this progress within six months.

6.1 The government agrees with the Committee's recommendation.

Target implementation date: October 2021

6.2 Whilst the government agrees with the Committee's recommendation, it does not agree with the conclusion that the lack of up to date phone numbers had a material impact on the government's ability to provide the necessary advice to CEV people. The shielding programme primarily uses letters as its main channel of communication with CEV people, as address data is the most reliable and complete data available, and letters are the most trusted format for communicating important changes to shielding policy. Email and telephone numbers were used for follow-up, but it is known that this data is less reliable in-patient records. All patient contact details are stored in the [Personal Demographics Service](#) which already allows different NHS bodies to access the data it needs – the issue has been that the data is not always complete or up to date.

6.3 During the shielding programme DHSC used shielding letters to encourage CEV people to update their contact details with their GPs, as this would allow the department to send more information via email and ensure that the correct details are held, should there be a need to contact people again.

6.4 NHSX, supported by NHS Digital, is leading a programme of work to improve the completeness of patient contact details and make sure that data is kept up to date for all patients, not just the CEV group. NHSX is committed to ensuring that the NHS Number is the primary identifier for all patients across health and social care and that it is associated with all data held about patients.

6.5 DHSC and NHS Digital will report back to the Committee with details of the work ongoing and the plans to further improve patient contact data.

Fifty-Fourth Report of Session 2019-2021

Ministry of Defence

Improving single living accommodation for Service Personnel

Introduction from the Committee

The Department has stated that it will provide regular service personnel with high-quality subsidised accommodation as a condition of service. Single Living Accommodation is normally provided in the form of accommodation blocks inside military bases and is available to single and unaccompanied personnel undertaking initial training, or those serving on a regular engagement with the Armed Forces, as well as some full-time reservists. As of 31 October 2020, 79,963 service personnel, around 52% of the total Armed Forces, occupied Single Living Accommodation. For some, it is their only accommodation; for others, it is used alongside periods living in their own home, for example at weekends. Accommodation can be anything from a set of rooms with en-suite facilities to a bed space in a multiple occupancy room. Single Living Accommodation is part of the wider defence estate and, since April 2018, the infrastructure budget, including funding to maintain and upgrade the estate, has been delegated to the Commands and defence organisations.

Based on a report by the National Audit Office, the Committee took evidence, on 28 February 2021 from the Ministry of Defence. The Committee published its report on 23 April 2021. This is the Government's response to the Committee's report.

Relevant reports

- NAO report: – [Improving Single Living Accommodation](#) Session 2019-21 (HC 1129)
- PAC report: [Improving single living accommodation for service personnel](#) – Session 2019-21 (HC 940)
- Tri-Service Accommodation Regulations Volume 2: Single Living Accommodation and Substitute Service Single Accommodation; Joint Service Publication 464

Government responses to the Committee

1: PAC conclusion: The Department has neglected Single Living Accommodation for many years and has not given it anything like the priority that it has deserved, despite the clear link between accommodation and delivery of operational capability.

1: PAC recommendation: The Department should report back to the Committee in six months on the changes it is introducing under its Defence Accommodation Strategy to raise the priority given to Single Living Accommodation, including implementation of the National Audit Office recommendations.

1.1 The government agrees with the Committee's recommendation.

Target implementation date: December 2021

1.2 The Defence Accommodation Strategy (DAS) will be published by the end of 2021. The Ministry of Defence (the department) will write to the Committee by December 2021 to outline the changes it will include in relation to Single Living Accommodation (SLA). The department is implementing the National Audit Office (NAO) recommendations, including assigning the Chief of Defence People as the Senior Sponsor for SLA and reviewing SLA governance structures.

1.3 The department already plans to invest £1.5 billion into SLA over the next decade and, beyond that, the DAS will provide clearer strategic direction for the defence accommodation estate to a 25-year planning horizon. The Defence Infrastructure Organisation (DIO) and single Services will develop clear delivery plans to sit alongside the DAS with regular monitoring and evaluation points to ensure that improvements and progress can be evidenced. The DIO and single services will be held to account for delivery of these plans through the department's quarterly holding to account process and the Strategy itself will be reviewed regularly. The DAS will formalise the department's vision for service personnel accommodation and outline how standards will meet the expectations of service personnel now and in the future. It will identify strategic dependencies across Defence-wide accommodation and infrastructure programmes including the Future Accommodation Model and Defence Estate Optimisation. It will also consider wider initiatives such as Net Zero Carbon and People Transformation, and key dependencies such as the Annington Homes rent renegotiations and DIO void reduction plans.

2: PAC conclusion: Although many service personnel live in poor quality Single Living Accommodation and are dissatisfied with their accommodation and with the maintenance and repairs service, the Department appeared surprisingly complacent about resolving this long-term issue.

2a: PAC recommendation: The Department should set out clearly in its Defence Accommodation Strategy: how and when it will eradicate the poorest quality accommodation.

2.1 The government agrees with the Committee's recommendation.

Target implementation date: December 2021

2.2 The DAS will set the strategic direction for the department's accommodation provision and approach to standards, but separate working groups will set specific standards. This will include a minimum standard for the condition of SLA which will be key to identifying and then eradicating the poorest quality accommodation.

2.3 It is already the department's policy that SLA should not be used if it fails to meet statutory minimum standards of safety and compliance. Furthermore, once the minimum quality standard for SLA has been defined, all SLA will be assessed ahead of incorporating necessary improvements into works programmes from financial year 2023-24.

2b: PAC recommendation: The Department should set out clearly in its Defence Accommodation Strategy: a target level of satisfaction for Single Living Accommodation and the steps it will take to achieve this.

2.4 The government disagrees with the Committee's recommendation.

2.5 Understanding service personnel's views is important for future work and planning around SLA and a minimum standard for the condition of SLA will be determined by the department by the end of 2021. But, whilst the DAS will develop a picture of the needs of service personnel through its Lived Experience work, the first iteration of the strategy will not seek to set a target for satisfaction.

2.6 Unlike Service Families Accommodation, limited data specific to SLA is currently available to inform future planning and investment. Before setting a target level of satisfaction, work must first be conducted to understand service personnel's needs and wants in relation to SLA. The detailed work for this will sit outside of the DAS.

2c: PAC recommendation: The Department should set out clearly in its Defence Accommodation Strategy: how it plans to gather the views of service personnel on Single Living Accommodation.

2.7 The government agrees with the Committee's recommendation

Target implementation date: December 2021

2.8 Whilst the department commits to gathering Service personnel views on SLA, the specifics of how this will be conducted are likely to be set outside of the DAS. The DAS will, however, set clear expectations on engagement with Service Personnel to inform decisions.

2.9 The department's SLA Expert Group is currently assessing how best for service personnel views to inform changes to SLA, including using surveys to understand personnel needs and wants. Data collected through these routes will be used to improve management of the estate.

3: PAC conclusion: The lack of a minimum standard for Single Living Accommodation means the Department has no baseline against which to make investment decisions, or to demonstrate progress towards establishing an estate fit for the 21st century.

3: PAC recommendation: The Department should set and publish a clear minimum standard for the condition of its Single Living Accommodation by the end of the year, taking account of best practice in civilian standards and wider thinking on sustainability.

3.1 The government agrees with the Committee's recommendation.

Target implementation date: December 2021

3.2 The department commits to setting and publishing a clear minimum standard for the condition of SLA which goes beyond simple safety and compliance to address issues of basic habitability. The department, through the SLA Expert Group has already developed and socialised many of the core elements of this definition.

3.3 An agreed condition definition will help cohere the single Services to work towards the same standards of condition in the future. It will provide a baseline both to ensure service personnel are not accommodated in poor condition SLA and to inform future investment. The definition will consider the key factors in defining a minimum standard, noting that the defence estate brings with it sometimes significant legacy building challenges associated with the vast spectrum of building types, ages, listings and standards where there will be some challenges regarding sustainability and best practice civilian standards.

3.4 This work will be further refined, in-line with the NAO's recommendations, prior to publication within Tri-Service Accommodation Regulations Volume 2: Single Living Accommodation and Substitute Service Single Accommodation; Joint Service Publication 464.

4: PAC conclusion: The Department's lamentable failure to implement a Single Living Accommodation Management Information System (SLAMIS) over the past eight years means it is unable to manage its Single Living Accommodation efficiently.

4: PAC recommendation: The Department should report back to the committee in six months on progress with delivering the SLAMIS system, including to confirm when in 2022 it will be fully operational.

4.1 The government agrees with the Committee's recommendation.

Target implementation date: October 2021

4.2 The department will report in October 2021 on the progress with delivering Single Living Accommodation Management Information System (SLAMIS) including confirmation of when in 2022 it will be at full operating capability.

5: PAC conclusion: Management of Single Living Accommodation has long suffered from a lack of coordination, ownership and strategic grip.

5: PAC recommendation: The Department should review and simplify the governance structures for Single Living Accommodation, including clarifying overall responsibility, and ensuring that those making decisions have the necessary capability and capacity.

5.1 The government agrees with the Committee's recommendation.

Target implementation date: September 2021

5.2 Management of SLA is delegated to the single Services, therefore the picture across Defence's SLA provision is complex, with management and future investment planning varying to suit the needs of each Service. To cohere activity across the Services, the department has clear governance arrangements through the Single Living Accommodation Expert Group and the Accommodation Coherence Group. In response to the NAO recommendations, the Chief of Defence People has been confirmed as the senior sponsor within the department.

5.3 The department will review and enhance the governance structure for SLA to incorporate the newly appointed senior sponsor and bring together policy, delivery and funding by the end of summer 2021. This will enhance coherence across policy, delivery and single Services stakeholders with robust senior coordination of issues requiring departmental parity whilst maintaining clear demarcation at the single Service level, maintaining the delegated SLA management model.

6: PAC conclusion: We are concerned that, although Commands have plans to improve Single Living Accommodation, this will only address the worst problems, and available funding may be used to meet other demands.

6: PAC recommendation: In the light of the publication of the Integrated Review, the Department should reassess its plans and the funding needed to improve Single Living Accommodation, taking account of the promised minimum standard, and focusing on making as much money available as soon as possible to start addressing years of underinvestment.

6.1 The government agrees with the Committee's recommendation.

Target implementation date: March 2022

6.2 The department agrees that funding SLA improvements is important and needs a higher priority than it has historically been afforded. It is important to note that investment into

SLA remains a delegated matter for the single Services. The department sets policy and standards but does not centrally ringfence funding for accommodation so that it can continue to ensure resources are appropriately balanced across all its priorities and that Top-Level Budget holders are empowered to make appropriate funding decisions.

6.3 However, the need to invest in SLA is recognised and Top-Level Budget holders have already prioritised significant investment into SLA improvement plans over the next decade. Through Annual Budgeting Cycle 2021, SLA investment plans have been updated in line with deliverability considerations and wider Defence investment decisions, including those required by the Integrated Review.

6.4 The department will continue to annually review plans to ensure they remain flexible and able to cope with changes to the minimum standard for SLA and the DAS as both mature. The next review will be in Annual Budgeting Cycle 2022.

Fifty-Fifth Report of Session 2019–21

HM Treasury and HM Revenue and Customs

Environmental Tax Measures

Introduction from the Committee

The government has ambitious environmental objectives. The UK is legally committed to bringing all greenhouse gas emissions to net zero by 2050, and the government's overall ambition is to leave the natural environment in a better state. Tax measures are an important tool in implementing environmental policy. Taxes can be levied on goods or services which harm the environment and thus incentivise businesses and people to change their behaviour. Tax reliefs can also encourage taxpayers to use environmentally friendly products or services. Tax measures can be used alongside other policy tools such as regulation to achieve environmental objectives.

Ministers decide on whether to use tax measures to support environmental goals. Where measures are used, HM Treasury and HM Revenue & Customs (the exchequer departments) are responsible for designing the measures to achieve objectives set by ministers, and for monitoring and evaluating their impact. HM Treasury is responsible for the strategic oversight of the tax system and HM Revenue & Customs ("HMRC") is responsible for administering the system.

HM Treasury and HMRC administer four taxes with explicit environmental objectives (referred to as environmental taxes throughout this report). Two are taxes on energy. The Climate Change Levy is paid by businesses and public sector organisations on consumption of energy through their energy suppliers. The Carbon Price Support is paid by electricity generators on the fossil fuels they use. The other two tax the disposal of waste at landfill sites (Landfill Tax) and the extraction of rock, sand and gravel (Aggregates Levy). These four taxes raised £3 billion in 2019–20. Other taxes, such as fuel duty (£28 billion in 2019–20), have an impact on government's environmental objectives but do not have specific environmental objectives.

Based on a report by the National Audit Office, the Committee took evidence on 8 March 2021 from the HM Treasury and HM Revenue and Customs. The Committee published its report on 28 April 2021. This is the Government response to the Committee's report.

Relevant reports

- NAO report: [Environmental Tax Measures](#) – Session 2019-21 (HC 1203)
- PAC report: [Environmental Tax Measures](#) – Session 2019-21 (HC 937)

Government responses to the Committee

1: PAC conclusion: HM Treasury has yet to set out how the tax system can help government achieve the UK's net zero target.

1a: PAC recommendation: HM Treasury should aim to become an exemplar finance department in supporting government's environmental goals like net zero;

1.1 The government agrees with the Committee's recommendation.

Target implementation date: Autumn 2021

1.2 HM Treasury is already playing an active role in supporting the government's environmental goals, including delivery of the legally-binding net zero commitment. As well as its role in relation to tax and spend policy and the financial services sector, HM Treasury is conducting an analytical review exploring the key issues and trade-offs as the UK decarbonises. Against a backdrop of significant uncertainty on technology and costs, as well as changes to the economy over the next 30 years, the Net Zero Review (NZR) focuses on the potential exposure of households and sectors to the transition, and its final report will highlight factors to be taken into account in designing policy that will allocate costs over this time horizon.

1.3 Work on the government's overall Net Zero Strategy is being led by the Department for Business, Energy and Industrial Strategy (BEIS), and HM Treasury is closely involved in developing this including to ensure that tax options are considered alongside regulation and spending.

1b: PAC recommendation: HM Treasury should by COP26 in November 2021, set out a clear vision of how it will work to help the UK achieve net zero.

1.4 The government agrees with the Committee's recommendation.

Target implementation date: Autumn 2021

1.5 Work on the government's Net Zero Strategy is being led by BEIS, and, as per the government response to the Committee on Climate Change's 2020 Progress Report, they will publish a comprehensive net zero strategy on behalf of the government ahead of COP26. This will set out the government's vision for transitioning to a net zero economy, making the most of new growth and employment opportunities across the UK.

1.6 It is not the role of HM Treasury to publish a separate strategy. Nevertheless, the NZR will include an update on how climate considerations are being embedded within HM Treasury governance arrangements, guidance and processes, including at fiscal events.

2: PAC conclusion: HM Treasury cannot explain how it will manage declining revenues from consumption of fossil fuels, worth £37 billion in 2019–20.

2: PAC recommendation: By the next Budget, HM Treasury should set out a timetable for how it will consult on options for replacing declining revenues from fossil fuels including fuel duty; and ensure it plans for sufficiently early and broad consultation with different parts of society, particularly with the government's levelling-up agenda in mind.

2.1 The government disagrees with the Committee's recommendation.

2.2 The government agrees on the need to consider the implications for tax revenue from net zero and the need over time to set out a plan for the replacement of fuel duty revenues but disagrees with the Committee's specific recommendation to set out a timetable before the next Budget, since that would pre-empt policy decisions which are for Ministers to take at the relevant time.

2.3 The [interim Net Zero Review report](#) in December 2020 highlighted that structural changes in the economy related to net zero will have fiscal implications. Much of the revenue from fossil fuel-based taxes is likely to be eroded during the transition to a net zero economy, the most significant of which are motoring taxes such as fuel duty. As set out by the Prime Minister in the Ten Point Plan for a Green Industrial Revolution, whilst the UK moves forward with the transition away from petrol and diesel cars and vans, the government will need to ensure that revenue from motoring taxes keeps pace with this change, so that the government

can continue to fund the first-class public services and infrastructure that people and families across the UK expect. The government will ensure it plans for sufficiently early and broad consultation with different parts of society.

3: PAC conclusion: We are concerned that immediate priorities have often outweighed action needed to support long-term environmental objectives.

3: PAC recommendation: HM Treasury should consider the pros and cons of publishing a roadmap that signals a clear trajectory to taxpayers for how tax measures will be deployed to contribute to net zero. It should write to the Committee to set out its thinking before the next Budget.

3.1 The government agrees with the Committee's recommendation.

Target implementation date: Autumn 2021

3.2 The government agrees to write to the Committee on the pros and cons of setting out a longer term roadmap on tax and net zero. It is not always appropriate for the government to pre-announce tax reforms given the issues caused by forestalling activity and wider market uncertainty. A standalone tax roadmap for net zero may also limit the strategic consideration and presentation of tax alongside regulatory and spending options. However, the government fully understands the importance of public engagement on tax policy and strategy. Any changes to tax policy are typically announced at fiscal events so that they can also be considered within the context of the tax system more broadly. In addition, where possible the government holds consultations on major tax reforms to support understanding of these measures.

3.3 Decisions on whether to publish a roadmap are a matter for Ministers.

4: PAC conclusion: Tax impact assessments do not sufficiently recognise the potential for every tax measure to affect progress towards environmental objectives.

4: PAC recommendation: From the next Budget, HM Treasury should:

- assess the environmental impact of every tax change considered; and**
- publish the expected environmental impact for each tax measure in the Budget, including the extent of behavioural change, alongside forecasts for tax receipts.**

4.1 The government disagrees with the Committee's recommendation.

4.2 The government agrees that it is important to consider the environmental impacts of relevant tax changes, but disagrees with the Committee's specific recommendation to assess, from Budget 2022, the environmental impact of every tax change considered and publish the outcomes. At this stage, it would not be practical, cost effective or possible to consider detailed environmental impacts for every tax change, such as any changes to the personal allowances for income tax or employer National Insurance Contributions.

4.3 The government does already carefully consider the environmental implications in relevant measures. For example, when considering reforms to the taxation of red diesel, the government assessed that in total red diesel accounts for the production of nearly 14 million tonnes of carbon dioxide a year. The [National Audit Office report](#) on environmental taxes highlighted that HM Treasury and HMRC 'use environmental data collected by third parties or feedback from stakeholders to assess impact and inform advice to ministers.' At Budget 2021, the government published an assessment of environmental impact of relevant tax measures - for example in the [Tax Information and Impact Note for Plastic Packaging Tax](#) which set out

that the tax was estimated to lead to around 40% more recycled plastic being used in 2022-23, saving nearly 200,000 tonnes of carbon dioxide.

4.4 The government will carefully consider next steps for options on internal assessment and publication of environmental impacts, taking into consideration the relevancy of environmental impacts to the tax measure. This will be kept under review in future Budgets. When deciding which taxes to focus on, the government must consider whether it is practical, cost-effective or possible to assess the environmental impacts, to ensure value for money for the taxpayer.

4.5 Decisions on the publication of information are a matter for Ministers.

5: PAC conclusion: HMRC has not done enough to evaluate how tax measures with environmental objectives have changed behaviour.

5: PAC recommendation: HMRC should ensure that it has sufficient information to assess whether environmental taxes are achieving their objectives and whether they are having wider impacts, including unwanted behaviour change.

5.1 The government agrees with the Committee's recommendation.

Target implementation date: Winter 2021

5.2 The government agrees it is important that HM Revenue & Customs (HMRC) should ensure it has sufficient information to assess the impacts of environmental taxes, including whether they are achieving their objectives.

5.3 HMRC already uses data and information from various sources to assess whether environmental taxes are achieving their stated environmental objectives and to identify and address unwanted behaviour and risks. For example, this led to the introduction of the Unauthorised Waste Sites measure to tackle non-compliance with Landfill Tax and wider waste sector regulatory requirements. HMRC is also building into the design of Plastic Packaging Tax mechanisms to support effective evaluation of its performance against stated environmental objectives.

5.4 Further activity will need to be considered within HMRC's overarching approach to evaluation and monitoring. Evaluation can be time consuming and expensive, so the evaluation plans will need to be proportionate, in order to appropriately direct taxpayers' money. And, as the NAO has recognised, it can be extremely difficult to disaggregate the impact of tax measures from other spending and regulatory measures, or other wider factors that drive the behaviour of individuals and businesses.

5.5 Decisions on publication of evaluation and monitoring information are a matter for Ministers.

6: PAC conclusion: We were concerned that HM Treasury and HMRC seemed to view the consequences of environmental taxes as the responsibility of other government departments.

6: PAC recommendation: The exchequer departments need to:

- consider and describe the expected impact of taxes on other departments' responsibilities for environmental objectives, for example within tax impact and information notes; and**
- by autumn 2021, agree with other departments robust approaches for assessing and monitoring the effect of tax measures on government's environmental goals.**

6.1 The government disagrees with the Committee's recommendation.

6.2 The government recognises that it is important to consider the impacts of taxes on environmental objectives and for HMRC and HM Treasury work closely with other departments to assess and monitor the impact of taxes. However, the Committee's recommendation could constrain the ability of Treasury Ministers to make decisions on the content of publications relating to tax policy in future Budgets. HM Treasury and HMRC already engage other government departments where it is appropriate in considering, formulating and managing policy, including tax policy that relates to environmental objectives, and will continue to do so. Whilst doing so the Exchequer departments have to take in to account the proportionality and practicality of further detailing of assessment and monitoring.

6.3 A recent example of such engagement is the Plastic Packaging Tax, in that it has been developed in tandem with wider waste policy reforms led by the Department for Environment, Food and Rural Affairs (DEFRA) and was decided on after considering a wide range of ideas to tackle plastic waste. Work also included cross departmental engagement between HM Treasury, HMRC and DEFRA to consider design issues with the new tax and interaction with planned DEFRA reforms and coordinating of consultations in 2019 on the high level design of the tax and waste reforms.

6.4 When considering the extent of this collaboration, HM Treasury and HMRC also have bear in mind the political and market sensitivity of tax decisions which are typically made and announced in Budgets to ensure coherency across the tax system.

6.5 The government will carefully consider next steps for options on internal assessment and publication of environmental impacts, taking into consideration the relevancy of environmental impacts to the tax measure and proportionality of which taxes to focus on to ensure value for money for the taxpayer. This will be kept under review in future Budgets.

6.6 Decisions on the publication of information are a matter for Ministers.

Fifty-Sixth Report of Session 2019–21

Department for Business, Energy and Industrial Strategy

Industrial Strategy Challenge Fund

Introduction from the Committee

Announced in November 2016, and started in April 2017, the Industrial Strategy Challenge Fund (the Fund) is a relatively new approach to promoting innovation, placing its emphasis on working with industry to identify issues, known as challenges, where public funding can make a difference to innovation. The Fund has supported the 2017 Industrial Strategy's aim to raise long-term productivity and living standards and address some of the complex issues the UK faces through supporting four 'grand challenges' set out in the strategy - future mobility; clean growth; artificial intelligence and data; and the ageing society. The Fund invites businesses, universities and other bodies to submit ideas for new 'challenges', linked to the four grand challenges and, if approved, to submit bids for funding for projects that will address those challenges. When inviting bids the Fund encourages businesses and academia to work together, with the intention of encouraging stronger links between the two sectors and fostering innovation. The Fund has a budget of £3 billion earmarked for the period 2017–18 to 2024–25.

UK Research and Innovation (UKRI), established in 2018, is responsible for managing the Fund. It reports to the Department for Business, Energy & Industrial Strategy (the Department), which scrutinises the affordability of challenge-related proposals and approves spending. HM Treasury scrutinises and approves Fund business cases from a value for money perspective.

Based on a report by the National Audit Office, the Committee took evidence on Thursday 4 March 2021 from the Department for Business, Energy & Industrial Strategy (the Department) and UK Research and Innovation (UKRI). The Committee published its report on 30 April 2021. This is the Government's response to the Committee's report.

Relevant reports

- NAO report: [management of the Industrial Strategy Challenge Fund](#) – Session 2019-21 (HC 1130)
- PAC report: [Industrial Strategy Challenge Fund](#) – Session 2019-21 (HC 941)

Government responses to the Committee

1: PAC conclusion: UKRI's Challenge Fund is insufficiently focused on what it is expected to deliver in terms of benefit to the UK.

1: PAC recommendation: UKRI, working with the Department, should clearly set out, by October 2021, what it expects the Fund to deliver. This should include its impact on jobs and economic impact in the short, medium and long term.

1.1 The government agrees with the Committee's recommendation.

Target implementation date: October 2021

1.2 The Department for Business, Energy & Industrial Strategy (the department) and UK Research and Innovation (UKRI) recognise that demonstration of outcomes and impact are the critical success factors for both individual Challenges and the Industrial Strategy Challenge Fund (the Fund) as a whole. Challenge level objectives are agreed within individual

Challenge business cases and supported by plans setting out when outcomes and impacts are expected to be realised.

1.3 Demonstration of Challenge and Fund impact is also supported by robust, independent evaluation activities which are in place for each of the individual Challenges and the Fund as a whole. Emerging signs of success are starting to be evidenced through interim evaluation reports for those challenges that are later in their delivery lifecycle.

1.4 UKRI is reviewing the future of challenge-based funding following the Spending Review 2020, taking into account the lessons learnt from the National Audit Office's (NAO) review of the Fund in preparation for Spending Review 2021. The department will write to the Committee by the end of October 2021 outlining the impact that the existing Challenges expect to achieve in the short, medium and long term, with a focus on jobs and economic impact.

2: PAC conclusion: We are not convinced that UKRI's and the Department's approach to intellectual property generated by the Fund adequately protects taxpayers' interests.

2: PAC recommendation: UKRI should re-examine its current approach of not holding a claim on intellectual property generated through the Fund. It should write to the Committee by July 2021 setting out the results of its review and explain how it intends to best protect the taxpayers' interests and maximise the value from taxpayer investment in the future.

2.1 The government agrees with the Committee's recommendation.

Target implementation date: July 2021

2.2 The government with UKRI will review the current approach to intellectual property (IP) and consider the issues raised in the Committee's report and will write to the Committee by July 2021. This will include examining the rationale and evidence for the current policy to determine whether any changes are needed.

2.3 More broadly, the government recognises the value and importance of Intellectual Property in the wider economy and the public sector itself. In April 2021, the government published [The Mackintosh Report](#) which set out the government's plans to get better value from public sector knowledge assets along with new draft guidance for public sector organisations on how to identify, manage and derive maximum value from public sector knowledge assets (intellectual property, research and development (R&D), data and know-how). This built on the recommendations of a 2018 report¹, which found that public sector knowledge assets were undervalued and that limited support existed to better utilise these assets.

3: PAC conclusion: The Department has not yet made clear how it will make sure the UK will meet the target to spend 2.4% of its GDP on R&D by 2027.

3: PAC recommendation: The Department should develop, and then publish, by October 2021, its plan setting out the steps it will take to meet the 2.4% spending target by 2027.

3.1 The government disagrees with the Committee's recommendation.

¹ <https://www.gov.uk/government/publications/getting-smart-about-intellectual-property-and-intangible-assets>

3.2 The government has committed to increasing UK investment in research and development (R&D) to 2.4% of gross domestic product (GDP). To achieve this target, the government has committed to raising public investment to £22 billion per year: a record increase in spending.

3.3 The R&D Roadmap², published in July 2020, sets out our ambitions for science and research and how our commitment to 2.4% will enable the UK to push harder at the frontiers of knowledge, unlocking brilliant new technological breakthroughs and enabling applied research to create transformative benefits for government, businesses and communities right across the UK.

3.4 As announced in the [Build Back Better: our plan for growth](#), published alongside Budget 2021, the department is working across government to develop an innovation strategy, due to be published this summer, which will look closely at how we can leverage private sector investment to achieve the government's target of 2.4% economy-wide spend of GDP by 2027. The strategy will outline how we will look to achieve our ambitions in innovation and where we want to focus our efforts over the next decade. It will aim to set out the strategic objective and create the confidence for increased business investment in R&D and innovation.

3.5 The government recently published allocations following Spending Review 2020³ and will set out further plans for public funding of R&D in Spending Review 2021 later this year.

4: PAC conclusion: Despite its focus on collaboration between companies of different sizes, the proportion of smaller companies benefiting from the Fund has declined.

4: PAC recommendation: UKRI should, by October 2021, set out how it will increase SMEs involvement in the next wave of support from the Fund.

4.1 The government agrees with the Committee's recommendation.

Target implementation date: October 2021

4.2 UKRI is committed to increasing engagement with small and medium sized enterprises (SMEs) within the research and innovation system. The NAO report notes the Fund has had success in attracting small business involvement (small and micro companies accounted for over 40% of project awards in Waves 1 and 2). Challenges have worked hard to build networks and reach out beyond the 'usual suspects'. For example, 73% of non-academic organisations funded by the [Next Generation Services Challenge](#) have not previously participated in a UKRI-funded project.

4.3 High levels of co-investment, with public and private sector funders working in partnership, have helped increase the overall investment, allowing projects to be funded that would otherwise have not happened. However, such a strong emphasis on co-investment targets may have led to a portfolio with a lower risk appetite than first envisaged, and a larger role for established industries which are more able to evidence match funding as part of the challenge commitments. It should though be recognised that large companies are also important for generating critical mass in resilient national supply chains.

4.4 This may help explain why the Fund had a slightly lower level of SME involvement in Wave 3, when the emphasis was on increased match funding. Although as the NAO report

² <https://www.gov.uk/government/publications/uk-research-and-development-roadmap>

³ <https://www.gov.uk/government/publications/beis-research-and-development-rd-budget-allocations-2021-to-2022/beis-research-and-development-rd-budget-allocations-2021-to-2022>

made clear, it has not been possible to establish whether there is a causal link between the two.

4.5 Lessons from the approach to SME engagement across the current Challenges are informing the design of future Challenge-led delivery. This will consider the appropriate balance between risk and scale, including a more flexible approach to co-investment requirements for SMEs and emerging industries.

4.6 The department will write to the Committee by October 2021 outlining these learnings and how these will be embedded into future Challenge-based funding.

5: PAC conclusion: UKRI is not doing enough to make sure the Fund is attracting successful bids from across the country.

5: PAC recommendation: The Department and UKRI should, by October 2021, set out: the factors that are inhibiting more widespread participation in the Fund; and the steps they are taking to attract more interest in the Fund from across the UK.

5.1 The government agrees with the Committee's recommendation.

Target implementation date: October 2021

5.2 The department and UKRI recognise that all R&D funding has a key role to play in the levelling-up agenda. As outlined in The Queen's Speech 2021, levelling up opportunities across all parts of the UK is a key government agenda. This is supported by UKRI through its mission to build a research and innovation system in the UK, to which everyone can contribute and from which everyone can benefit.

5.3 The Fund has made significant investments across the whole UK. The NAO report cites investment in all four nations of the UK.

- Scotland £128.5 million⁴
- Northern Ireland £16.2 million
- Wales £87.5 million
- England £1640.9 million

5.4 Data to assess regional investment have been collected throughout the lifecycle of the Fund with continued improvements made to the monitoring and evaluation of regional impacts. As this data set matures, officials in the department will continue to work with UKRI to investigate the drivers behind regional disparity of the ISCF funding distribution to date and will seek to improve participation across all parts of the UK for future Challenge-led funding.

5.5 The government is due to publish its UK R&D Places Strategy later in 2021, which will also address these issues.

5.6 The department and UKRI will write to the Committee by October 2021 setting out the factors relating to regional participation in the Fund and how learning will be embedded into future Challenge delivery.

6: PAC conclusion: The elongated time taken by the Department and UKRI to provide funding to successful bidder's risks putting off businesses from applying for the programme.

⁴ Figures from UKRI performance report, commitments data at May 2021.

6: PAC recommendation: The Department, HM Treasury and UKRI should set out by October 2021 how they intend to speed up the time taken to approve challenges and projects.

6.1 The government agrees with the Committee's recommendation.

Target implementation date: October 2021

6.2 The government recognises the impact that an elongated approvals process can have on the participants to Challenges. A key consideration in the design of the delivery model for future challenges will be to consider a more streamlined approach to selecting and approving Challenges, with a simpler governance structure, while still conforming to Green Book requirements.

6.3 There are established improvement programmes already underway within UKRI to improve business operations and customer experience. These include initiatives seeking to improve the project application and approval processes as well as enhancing the experience of businesses who bid for and receive funding. The department will write to the Committee by October 2021 to set out the plans to improve the speed of future challenge funding approvals and update the Committee on progress in relation to project approval improvements.

7: PAC conclusion: Powers currently delegated by the Department and HM Treasury to UKRI do not strike the right balance between the governance necessary to support efficient decision making and unnecessary bureaucracy.

7: PAC recommendation: The Department and HM Treasury should, by July 2021, review the conditions they place on UKRI to manage the Fund with a view to supporting more efficient decision making. The Department and HM Treasury should write to the Committee to explain the changes they have introduced together with their intended impact.

7.1 The government disagrees with the Committee's recommendation.

7.2 The department and UKRI are working closely together to consider the future design of challenge funding and how it can continue to deliver government priorities, building on lessons learnt from the Fund to date.

7.3 The government accepts that the issues raised in the by the Committee should be addressed during this process, including the conditions placed on UKRI to manage this funding. The government considers that the appropriate timescale and mechanism for working through these issues is the forthcoming Spending Review 2021 and so proposes to address the Committee's concerns as part of the Spending Review.

Treasury Minutes Archive⁵

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: 233
Recommendations agreed: 208 (89%)
Recommendations disagreed: 25

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
May 2021	Government responses to PAC reports 45-51	CP 434
June 2021	Government responses to PAC reports 52-56	CP 456

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

⁵ List of Treasury Minutes responses for Sessions 2010-15 are annexed in the government's response to PAC Report 52

January 2019	Government responses to PAC reports 64-68	CP 18
March 2019	Government responses to PAC reports 69-71	CP 56
April 2019	Government responses to PAC reports 72-77	CP 79
May 2019	Government responses to PAC reports 78-81 and 83-85	CP 97
June 2019	Government responses to PAC reports 82, 86-92	CP 113
July 2019	Government responses to PAC reports 93-94 and 96-98	CP 151
October 2019	Government responses to PAC reports 95, 99-111	CP 176
January 2020	Government response to PAC reports 112-119 [1 and 2]	CP 210

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	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

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
May 2021	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 4 PAC reports Session 2017-19: updates on 47 PAC reports Session 2019: updates on 2 PAC reports Session 2019-21: updates on 28 PAC reports	CP 424
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	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

