HM Treasury

Treasury Minutes

Government Response to the Committee of Public Accounts on the Twenty-sixth to the Twenty-ninth, the Thirty-first, and the Thirty-third to the Thirty-eighth reports from Session 2023-24

CP 1151 September 2024

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

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Government response to the Committee of Public Accounts Session 2023-24

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Twenty-sixth Report of Session 2023-24

BBC

The BBC’s implementation of Across the UK

Introduction from the Committee

In March 2021, the BBC published The BBC Across the UK, setting out its ambitions to strengthen its delivery for the whole of the UK, particularly in areas where perception of the BBC’s relevance is relatively low, and to ensure that every household gets value from the BBC. The Across the UK programme builds on the BBC’s previous relocation of several departments to a new regional centre in Salford in 2012, but the BBC considers it a much bigger transformation affecting every part of the BBC and all four UK nations.

The BBC planned to spend a further £700 million outside London between March 2021 and March 2028, and to move around 400 roles outside London. The BBC believed that moving expenditure and decisions on budgets outside London will change the culture of its commissioning, production and news journalism. The BBC will also commission shows that portray different regions of the UK, to better reflect the lives and communities of audiences outside London. It expected this approach to reduce regional differences in audience portrayal perceptions, increase the BBC’s regional economic footprint and support growth of local creative industries. It estimated implementing the programme will generate an additional economic benefit totalling around £850 million in local economic growth.

Based on a report by the National Audit Office, the Committee took evidence on 19 February 2024 from the BBC. The Committee published its report on 17 April 2024. This is the government’s response to the former Committee’s report.

Relevant reports

- NAO report: The BBC’s implementation of ‘Across the UK – Session 2023-24 (HC 190)
- PAC report: The BBC’s implementation of Across the UK – Session 2023-24 (HC 426)

Government response to the new Committee

The BBC will respond directly to the new Committee to the recommendations in the former Committee’s report.

Twenty-seventh Report of Session 2023-24

Cabinet Office

Government resilience: extreme weather

Introduction from the Committee

Government assesses the most serious risks facing the UK or its interests overseas over the next few years via the National Security Risk Assessment, a classified document, and its public-facing version, the National Risk Register. Out of the 89 risks on the National Risk Register, eight are extreme weather events. Extreme weather events are those weather events that are significantly different from the average or usual weather pattern and include droughts, high temperatures and heatwaves, floods and storms.

The COVID-19 pandemic highlighted the need to strengthen resilience to the national risks that the UK faces. In December 2022, the UK Government Resilience Framework was published, setting out the government's strategic approach to strengthening resilience and the key actions that it intends to undertake by 2025 or 2030. This work will be taken forward by the Cabinet Office's new Resilience Directorate, its Head of Resilience and the Resilience Steering Board. Government defines resilience as "an ability to withstand or quickly recover from a difficult situation, but also to get ahead of those risks and tackle challenges before they manifest".

Based on a report by the National Audit Office, the Committee took evidence on Wednesday 21 February 2024 from Cabinet Office, Met Office, Defra and Government Finance Function. The former Committee published its report on 19 April 2024.

Relevant reports

- NAO report: government resilience: extreme weather – Session 2023-24 (HC 314)
- PAC report: government resilience: extreme weather – Session 2023-24 (HC 454)

Government response to the new Committee

In his oral statement to Parliament on 19th July 2024 responding to the COVID-19 Inquiry Module One report, the Chancellor of the Duchy of Lancaster announced that he would oversee a review of national resilience. A Treasury Minute will be published once this review has concluded. The Cabinet Office will write to the new Committee in the meantime.

Twenty-eighth report of Session 2023-24

Department for Education

Student loans issued to those studying at franchised higher education providers

Introduction from the Committee

Universities and other higher education providers are autonomous with a high degree of financial as well as academic independence. They are free to conduct commercial activities alongside teaching and research, and may create partnerships, also known as franchises, with other institutions to provide courses on their behalf. To award degrees, and for students to receive student loan funding, providers must register with the Office for Students (OfS). The provider creating the partnership (the lead provider) registers those students studying at their franchise partners, which allows those students to apply for funding administered by the Student Loans Company (SLC).

Students may apply for loans covering tuition fees (up to £9,250 a year) and maintenance support (up to £12,667 for the 2022-23 academic year). Students normally start to repay these loans, including interest, once they have finished studying and earn above a certain amount. There is a long-term risk to taxpayers from loans that are not repaid. Since early 2022, SLC and OfS have detected several instances of potential fraud and abuse of the student loan system involving franchised providers. In 2022/23, 53% of the £4.1 million fraud relating to students detected by SLC was at franchised providers, while the number of students at franchised providers was just 4.7% of the total student population in 2021/22 (the latest year for which we have data).

Based on a report by the National Audit Office, the Committee took evidence on 26 February 2024 from the Department for Education. The Committee published its report on 24 April 2024. This is the government's response to the former Committee's report.

Relevant reports

- NAO report: Investigation into student finance for study at franchised higher education providers – Session 2023-24 (HC 387)
- PAC report: Student loans issued to those studying at franchised higher education providers – Session 2023-24 (HC 455)

Government response to the new Committee

1. PAC conclusion: Lack of transparency about student outcomes, teaching quality and arrangements with franchised providers does not give students the information they need to make well-informed decisions.

1a. PAC recommendation: DfE should set out requirements for higher education providers to publish summaries of their franchise agreements, including the proportion of funding they retain and for what purpose, so students know what this means for them.

1.1 The government agrees with the Committee's recommendation.

Target implementation date: January 2025

1.2 The government agrees that greater transparency from lead providers on their franchised arrangements would help to provide greater assurance to government over the use of public money and would make more information available to students to support informed decision making.

1.3 The Department for Education (the department) has been clear that it is also expecting a sector-led response. On 24 July 2024, [Universities UK (UUK) published governance framework] for lead providers to support senior leaders in universities to spot and manage risk in franchised partnerships. The framework aims to support universities to improve governance of franchised provision, identify and reduce risk from the start to the end of a franchised partnership, and deliver value for money by being able to identify risk to public funds through stronger oversight.

1.4 The government agrees that there is a strong case for greater transparency over franchising arrangements. The government will ask the Office for Students (OfS) to consider requiring providers to publish details on the proportion of tuition fees they retain and for what purposes when the OfS next makes changes to ongoing conditions of registration.

1b. PAC recommendation: Developing information already available, OfS should publish student outcome data for individual franchised providers.

1.5 The government agrees with the Committee's recommendation.

Target implementation date: December 2025

1.6 The OfS intends to share, in autumn 2024, student outcomes indicators with each lead provider that show the performance for each of its delivery partners. This performance data will inform the lead provider's oversight of partners.

1.7 The OfS intends to publish student outcome indicators for a pilot group of lead providers and each of their delivery partners in 2024. The OfS expects to follow this with publication of this data for all partnerships during 2025.

2. PAC conclusion: To remain financially viable, some providers may be incentivised to increase student numbers through franchising, which creates risks for students and taxpayers.

2a. PAC recommendation: Within the next 12 months, OfS should publish a more systematic overview for the higher education sector sharing its insights on where providers have adapted their delivery models, and the emerging risks providers then need to manage.

2.1 The government agrees with the Committee's recommendation**.**

Target implementation date: Autumn 2024

2.2 The OfS intends to publish an Insight brief that sets out the risks and benefits of franchise arrangements, with a focus on the expectations placed on lead providers for effective management and governance of partners.

2b. PAC recommendation: OfS should also set out what proportion of tuition fees lead providers could be seen as reasonably retaining in relation to the student services they remain responsible for, and consider these financial arrangements in the scope of any investigations it carries out into the quality of franchised provision.

2.3 The government agrees with the Committee's recommendation.

Target implementation date: March 2025

2.4 The OfS will consider financial arrangements for franchise partnerships in the scope of any investigations it carries out into the quality of franchised courses.

2.5 Due to the diversity of roles, responsibilities and arrangements in sub contractual partnerships, and differing costs of delivery dependent on courses and students, the OfS does not consider it possible to set out a standard proportion of tuition fees that it would be appropriate for lead providers to retain. The OfS will continue to use its engagement and investigatory work to understand these arrangements better and review its position on this.

3. PAC conclusion: The current regulatory system does not ensure sufficient oversight over franchised providers.

3. PAC recommendation: DfE should set out what it will do to strengthen direct and indirect oversight of franchised providers to ensure they meet the standards expected for an organisation receiving taxpayers' money. This could include requiring all providers to register with the OfS in some form or strengthening the powers of OfS and SLC where they have concerns.

3.1 The government agrees with the Committee's recommendation.

Target implementation date: January 2025

3.2 Higher education is of fundamental importance to the education system. British higher education providers are amongst the most highly regarded in the world, supporting learners to achieve their potential, providing excellent opportunities and driving economic growth.

3.3 The government is committed to protecting the use of public funds in higher education. The Department for Education (the department) recognises the need to strengthen the higher education regulatory regime so there is greater oversight of franchised providers.

3.4 The government is proposing to consult on proposals to strengthen oversight of partnership delivery in higher education, working closely with the OfS, and will set out these proposals by January 2025.

3.5 In the longer term, the department is clear that work needs to be done towards a more robust model for protecting public money. The department's view is that this is likely to involve a more substantial role for the OfS than at present. The department will be developing options for legislative change, if required.

4. PAC conclusion: DfE, OfS and SLC recognise they have a shared responsibility to tackle fraud and abuse of student funding although this is not yet fully embedded in their ways of working.

4. PAC recommendation: DfE, OfS and SLC should agree a shared risk culture and risk appetite, supported by a formal reporting framework (including targets for fraud prevention and reduction), and write this into each organisation's risk register.

4.1 The government agrees with the Committee's recommendation.

Recommendation implemented

4.2 The department, the Student Loans Company (SLC) and the OfS all share a low-risk appetite with respect to protecting student funding from fraud and misuse. The OfS is an independent body and must set its own risk appetite, in line with its requirements to act proportionately, but, like all public bodies, has a low-risk appetite for fraud and misuse of public money. All three organisations are committed to agreeing protocols for identifying and mitigating risk in the Higher Education (HE) system, working together but each playing their individual role in addressing providers of concern.

4.3 A data sharing protocol among DfE, OfS and SLC, and a joint incident response plan, are now in place.

4.4 The department and SLC already collaborate on setting risk appetite and on risk management arrangements. DfE attend SLC Audit & Risk Committee (ARC) and Board. SLC provides reports on fraud prevention and reduction to ARC and works with the DfE to consolidate quarterly fraud reports to the Cabinet Office, the Public Sector Fraud Authority (PFSA) and DfE ARC. Additionally, SLC agrees its fraud savings target annually with the DfE / PFSA.

4.5 The OfS has a strategic risk on its risk register, relating to potential concerns that providers do not have adequate internal controls over the data they supply to the SLC and the OfS, leading to risks to public funding and compliance with OfS' conditions of registration. Through its own fraud risk arrangements, the OfS has identified and manages risks relating to fraud for the grant funding for which the OfS itself is responsible. The OfS will continue to undertake regulatory work in relation to registered providers, focusing on quality and management and governance; and will do so on the basis of the risk appetite set by the OfS board.

4.6 The department is considering the need for further improvements, including legislative changes to roles and responsibilities, if required.

5. PAC conclusion: Despite the complex regulatory system, roles and responsibilities for fraud prevention, detection and intervention are undefined.

5. PAC recommendation: DfE, OfS, SLC's roles and responsibilities should be clearly articulated and written into organisational system statements and operating protocols.

5.1 The government agrees with the Committee's recommendation.

Recommendation implemented

5.2 As noted in the response to recommendation 4 above, the department has agreed a joint Incident Response plan between DfE, OfS and SLC for responding to cases where there is a potential risk to public funding. This sets out the roles and responsibilities of each organisation in identifying and addressing providers of concern.

6. PAC conclusion: Although SLC uses data on attendance to show student's course engagement, and therefore pay loans, there remains no agreed definition of what constitutes attendance or engagement.

6. PAC recommendation: DfE should work quickly to clarify what constitutes student attendance and meaningful engagement with courses, ensuring sufficient engagement with providers, and publish guidance as soon as possible.

6.1 The government agrees with the Committee’s recommendation.

Recommendation implemented

6.2 The department published on the Student Loans Company website (May 2024) guidance on attendance management, against which providers can be held to account in relation to the release of SLC tuition fee payments. The department is engaging with the devolved governments to support consistency across administrations where possible.

6.3 This guidance is the result of extensive engagement with the OfS, SLC and sector stakeholders. There has been wide support for this, with many stakeholders that the department has spoken to also helping communicate the guidance through their own channels of communication.

6.4 There is an understanding and acceptance across the sector that providers should have in place published attendance and engagement policies, so that students understand the commitment expected of them and the respective process a provider follows if attendance expectations are not met. However, in any circumstance a provider does not have a published policy, the department expects that one will exist from the 2024-25 academic year.

6.5 Attendance policies are important because attendance confirmations are a regulatory requirement of providers for the release of student funding. The guidance published acts as a reminder of this, as providers continue to operate their own arrangements to satisfy themselves that students are participating on their courses.

6.6 The department will take action if there are concerns a provider has a weak approach to attendance management. This may include suspending funding payments to the provider until assurances are provided that any risk of misuse of funding has been mitigated.

Twenty-ninth report of Session 2023-24

The Department for Work and Pensions

Progress in Implementing Universal Credit

In 2010, the Department for Work & Pensions (the Department) announced its plans to reform the welfare system by introducing Universal Credit, an integrated benefit to support people in and out of work. Universal Credit is replacing six means-tested 'legacy benefits' for working-age people: Working Tax Credit, Child Tax Credit, Housing Benefit, Income Support, income-based Jobseeker's Allowance, and income-related Employment and Support Allowance. HM Revenue & Customs administers Tax Credits, local authorities administer Housing Benefit and the Department administers the remaining three legacy benefits. Through Universal Credit, the Department aims to encourage more people into work through better financial incentives, simpler processes and increasing requirements on claimants to search for jobs. It also expects Universal Credit to reduce fraud and error, as well as the costs of administering benefits. Over six million people across Great Britain now claim Universal Credit.

At March 2023, some 2.2 million households were still receiving legacy benefits. The Department intends to move 900,000 of these households to Universal Credit through a process it calls 'managed migration'. It started to roll out the migration at scale in April 2023, starting with Tax Credit claimants, and plans to complete the process by the end of 2024. The Department's plans include some contingency – it assumed in its business case that it would complete the programme of managed migration by March 2025. In the 2022 Autumn Statement, the Government announced that it had decided to delay the move of ESA claimants to Universal Credit until 2028 in order to save £1 billion in benefit payments. There will therefore be a lull in migration activity for around three years before the Department restarts the process in 2028.

Based on a report by the National Audit Office, the Committee took evidence on 11 March 2024 from the Department of Work & Pensions. The Committee published its report on 26 April 2024. This is the government's response to the former Committee's report.

Relevant reports

- NAO report: Progress in implementing Universal Credit – Session 2023-24 (HC 552)
- PAC report: Progress in implementing Universal Credit – Session 2023-24 (HC 458)

Government response to the new Committee

1. PAC conclusion: We are not convinced by the Department's claim that Universal Credit is achieving the scale of economic benefits set out in its business case.

1a. PAC recommendation: The Department's claims about the economic benefits of its programmes, including Universal Credit, should make clear the limitations of its evidence base and the assumptions it has applied so people understand the degree to which the claims are supported.

1.1 The government disagrees with the Committee's recommendation**.**

1.2 The Universal Credit Business Case followed the relevant Green Book guidance issued by HM Treasury which provides for a rigorous assessment of the return on investment.

1.3 All forecasts and assumptions are subject to a degree of uncertainty, and these are set out so they can be considered as part of the assessment process.

1.4 The evidence for the economic impact is strong, suggesting a sustained positive impact and the Department for Work and Pensions (the department) does not agree there is a need for further work.

1b. PAC recommendation: HM Treasury and the Cabinet Office, working with the Evaluation Task Force, should reflect on the experience of Universal Credit, …

1.5 The government agrees with the Committee's recommendation**.**

Recommendation implemented

1.6 The Committee has acknowledged the difficulty of evaluating whether Universal Credit has achieved the objective of getting 200,000 more people into work in steady state, given the lack of a counterfactual for the legacy system. However, the department has presented robust evidence that Universal Credit is having a positive impact on the labour market for some sub-groups of the population claiming Universal Credit.

1.7 The methodology relating to the 200,000 employment impact estimate was published and followed the relevant Green Book guidance to provide a rigorous assessment of the expected economic benefits. Further details can be found in the published version of the Universal Credit Business Case.

1.8 As part of standard assurance processes with major projects, the department is required to make arrangements for a post project review to take place six months after the change programme responsible for delivering the transformation to Universal Credit closes. This review will include looking at the benefits realised and how those align with the policy intention and the programme's objectives. The Evaluation Task Force will support the department in any further evaluation work to inform this.

1c. PAC recommendation: … and the ability of departments to assure Parliament and the public about the extent to which economic benefits included in business cases to justify government investment have been achieved. It should include the lessons it identifies in revised guidance.

1.9 The government agrees with the Committee's recommendation.

Recommendation implemented

1.10 Existing guidance from the Green Book already requires all business cases to include a plan for evaluation, and the Magenta Book states that proportionate evaluation is key to accountability and maximising learning. The Magenta Book also covers that a basic value-for-money evaluation compares the costs and benefits achieved through the programme against the original expectations outlined in the business case.

1.11 The government has set up the Evaluation Task Force to work with departments to ensure that robust evaluations are undertaken. This will enable departments to assure Parliament, and by extension the public, about the extent to which economic benefits included in business cases have been achieved.

1.12 The government has published updated guidance on the Treasury Approvals Process for projects and programmes in April 2024. The new guidance places increased emphasis on the importance of having a plan for evaluation when developing spending proposals. The government will publish an update to the Magenta Book in 2025 to clarify guidance and expectations around evaluating impacts and economic benefits included in business cases.

2. PAC conclusion: The Department's evaluations show that Universal Credit is having a positive impact on the labour market, but these have assessed only the short-term impact on claimants.

2. PAC recommendation: The Department should regularly track the outcomes of Universal Credit claimants, which could involve a longitudinal study, including what kinds of employment they take up and for how long, as well as their earnings and hours, and publish the results at regular intervals of at least once every twelve months.

2.1 The government disagrees with the Committee's recommendation**.**

2.2 Tracking the types of employment Universal Credit claimants take up, and the duration of the claim, were not objectives of the Universal Credit Programme.

2.3 The department remains committed to understanding the labour market effects of Universal Credit and regularly monitors the labour market outcomes of Universal Credit customers using internal management information, as well as through a range of monthly and quarterly official statistics: the Office for National Statistics (ONS) claimant count, the department's own Universal Credit official statistics, His Majesty's Revenue & Customs-ONS payroll employment statistics and ONS statistics on employment, unemployment, inactivity, and workforce jobs.

2.4 The department is continuously developing Universal Credit statistics and has a wide-ranging research and evaluation programme on a range of departmental activity including five published impact evaluations, all showing the positive impact Universal Credit has had on employment.

2.5 The department does not agree that tracking a subset of claimants and publishing information on their employment, including a longitudinal study, would create the insight for which the Committee is hoping. This is because it could not show what would have happened in the absence of Universal Credit, and therefore would not help to prove the business case benefits. It would monitor outcomes but not isolate the impact of Universal Credit. The department, therefore, does not agree that this recommendation would be of significant value in the context of the Universal Credit business case impacts.

3. PAC conclusion: Many vulnerable people risk falling into financial hardship if the proportion of legacy benefit claimants not switching to Universal Credit remains at its current level.

3. PAC recommendation: The Department should publish by the end of August 2024 the Universal Credit non-claim rates by type of legacy benefit, and set out the action it is taking in the event that the non-claim rates are higher than expected. Before the end of the year, the Department should also publish the results of the survey of those Tax Credit claimants who did not apply for Universal Credit alongside a statement of what lessons it would learn.

3.1 The government agrees with the Committee's recommendation**.**

Recommendation implemented

3.2 The department currently publishes statistics on claim rates to Universal Credit, by legacy benefit type, on a quarterly basis. These statistics will start to include the non-claim rates for wider legacy benefit types (over and above the initial Tax Credits cohort) as these additional cohorts begin to be migrated in sufficient numbers onto Universal Credit.

3.3 The amount of data available on non-claim rates by legacy benefit type will still be quite limited for the August 2024 publication (which will include data up to the end of June 2024), due to the migration timescales.

3.4 The non-claim rates will be monitored closely via the Move to Universal Credit Implementation Control Centre, whilst they are close to forecasts presently, should the rates be higher than expected from discovery work, further analysis and investigation will be undertaken. If the insights from this work suggest there are issues to be addressed, the Universal Credit Programme will develop remedial actions based on the insights. The department will be content to share details of these actions with the Committee, should they be required.

3.5 In addition, the department will publish the results of the dedicated survey of Tax Credit non-claims and associated learning, by the end of the year.

4. PAC conclusion: The Department's in-house support for claimants moving to Universal Credit has so far been limited, particularly face-to-face provision, and will need to improve as more vulnerable claimants move from its legacy benefits.

4. PAC recommendation: The Department should set out what it will do to monitor the adequacy and effectiveness of the in-house support it provides to claimants moving to Universal Credit, particularly whether it has sufficient capacity to meet the need for face-to-face support.

4.1 The government agrees with the Committee's recommendation.

Recommendation implemented

4.2 The department has estimated the resource needed for enhanced support and will monitor the journey of claimants who are provided with this support, including claim rates, phone claims and support needed to make a claim. The volume of phone calls made and referrals for face-to-face visits will also be monitored to ensure operational capacity is available to continue to deliver the enhanced support journey.

4.3 A Complex Case Coach role has been introduced to review cases where the initial stages of the Enhanced Support Journey do not result in a claim to Universal Credit, this will include an assessment of whether a face-to-face visit will be required.

4.4 The Move to Universal Credit Implementation Control Centre will oversee the monitoring of how many claimants are in the enhanced support journey, paying focus to those who have been receiving enhanced support for a prolonged period and detecting, at an early stage, if there are concerns around resourcing for this function, including the face-to-face support element.

5. PAC conclusion: The Department is reducing its grant funding for the external Help to Claim service at the same time as more claimants will need advice and support to move from legacy benefits to Universal Credit.

5. PAC recommendation: The Department should explain how it will keep under review the operation of the Help to Claim service and the actions it will take should the service be unable to meet demand, in particular of vulnerable claimants.

5.1 The government agrees with the Committee's recommendation.

Recommendation implemented

5.2 The department comprehensively monitors Help to Claim's performance and works with Citizens Advice to ensure the support offer is working effectively and able to meet demand. Regular monitoring activity includes:

- weekly delivery checkpoints which review telephony and webchat performance,
- monthly finance and operational meetings with Citizens Advice,
- monthly meetings with the department's operational colleagues to gather feedback on Help to Claim delivery,
- quarterly board meetings to review delivery against agreed outcomes and Key Performance Indicators,
- monthly senior meetings between the department and Citizens Advice, focused on overall delivery and strategic planning, and
- mid and end-of-year reports assessing performance, client data and client experience.

5.3 The department is confident that the current support offer is working effectively. Since April 2019, Help to Claim has supported over 900,000 people, with 90% rating their overall experience as good or very good.

5.4 The department is currently working with Citizens Advice to consider the impact on Help to Claim of bringing forward the migration of remaining Employment and Support Allowance claimants to Universal Credit and what steps are needed to ensure the right support is in place for these customers. This is in addition to the department's existing monitoring to check the system can meet demand and iterate the approach as required if any problems arise.

6. PAC conclusion: The Department has not explained clearly how transitional protection works so benefit claimants, and the organisations that advise them, do not fully understand how amounts are calculated.

6. PAC recommendation: The Department should explain better in its guidance and the migration notices it sends to claimants how transitional protection is calculated, using simple language and examples based on real cases.

6.1 The government disagrees with the Committee's recommendation**.**

6.2 The Universal Credit Migration Notice has been rigorously tested by researchers and designers and has been proven to be effective in live running.

6.3 Feedback from claimants is that they want the Migration Notice to focus on what they need to do and not be used as a vehicle for conveying other messages.

6.4 The department has produced a detailed technical guide for Advisors and is currently considering what other information might be provided more generally.

7. PAC conclusion: With the move of Employment and Support Allowance claimants to Universal Credit now deferred to 2028, it will be vital for the Department to capture and act upon the learning from its current programme about how to migrate vulnerable claimants effectively.

7. PAC recommendation: The Department should, in preparation for moving income-related Employment and Support Allowance claimants to Universal Credit, explain how it is capturing the lessons from its current migration programme so that it is ready for their migration in 2028.

7.1 The government agrees with the Committee's recommendation.

Recommendation implemented

7.2 The department acknowledges the need to be ready for migration of the Employment and Support Allowance cohort in 2024-25 as opposed to 2028. This is in-light of the recent policy change to bring the migration of the Employment and Support Allowance cohort forward and deliver this element as part of the current Universal Credit Programme.

7.3 The department has existing learnings from the Discovery phases run in 2022 and 2023 which included claimants on Employment and Support Allowance. There are further plans to build upon this by capturing how effective the enhanced support journey is at supporting claimants on Employment and Support Allowance to Move to Universal Credit.

7.4 This monitoring will include, but is not limited to, claim rates and channel, time to claim and additional support needed. Initial findings based on Employment and Support Allowance claimants with Tax Credits will be emerging this calendar year, 2024.

Thirty-first report of Session 2023-24

Department of Health and Social Care

Department of Health and Social Care 2022–23 Annual Report and Accounts

Introduction from the Committee

The Department leads the health and social care system in England. The Department and its Agencies spent £176.8 billion in 2022–23. The C&AG has qualified1 his opinions on the Department's accounts for the last four years as a result of a number of different issues within both the Department itself and its wider group of organisations that form part of its accounts. Whilst a lot of these issues have been due to the pandemic, the range and scale of them has highlighted issues with oversight across the group, including financial and compliance issues.

UKHSA, an agency of the Department, became fully operational on 1 October 2021 when it took on responsibility for the health protection functions of Public Health England, NHS Test and Trace and the Joint Biosecurity Centre. The C&AG has been unable to provide any opinion (a disclaimed opinion) on the 2022–23 UKHSA accounts for the second consecutive year as a result of a lack of audit evidence. UKHSA is a key component of the Department's group accounts. As a result of the disclaimer over UKHSA's accounts, there was also a lack of assurance over the UKHSA transactions and balances included in the Department's group accounts. This resulted in the C&AG being unable to provide assurance over all areas of the Department's group accounts, with a limitation of scope of his audit opinion in respect of the UKHSA transactions and balances.

Parliament expects Departments' accounts to be published before the summer recess each year. The Department of Health and Social Care has not met this expectation since 2019, instead publishing its accounts in January each year, six months after this deadline. The Department's 2022–23 accounts were largely delayed as a result of ongoing issues at UKHSA which led to a disclaimed opinion of UKHSA's accounts, and delays to local NHS audits. The Department's Annual Report and Accounts rely on assurance from the NHS England Accounts and the Consolidated NHS Provider Accounts for over £100 billion of expenditure. These accounts themselves rely on assurance from the audits of NHS commissioners and NHS providers.

Based on a report by the National Audit Office, the Committee took evidence on 13 March 2024 from the Department of Health and Social Care and the UK Health Security Agency (UKHSA). The Committee published its report on 10 May 2024. This is the government's response to the former Committee's report.

Relevant reports

- DHSC report: [Department of Health and Social Care Annual Report and Accounts 2022-23]() (HC 33)
- PAC report: [Department of Health and Social Care 2022-23 Annual Report and Accounts]() – Session 2023-24 (HC 459)

Government response to the new Committee

1.PAC conclusion: It is unacceptable that UKHSA's fundamental weakness in its basic financial reporting continues to result in its accounts being disclaimed for the second consecutive year.

1. PAC recommendation: UKHSA must urgently ensure that its improvement plan delivers an effective system of financial control, including a "right first time" culture and governance over business critical models, in order to produce unqualified accounts.

1.1 The government agrees with the Committee's recommendation.

Target implementation date: January 2025

1.2 Following its 2021-22 disclaimed accounts, the UK Health Security Agency (UKHSA) established a Finance and Control Improvement Programme to develop, implement and embed a robust programme of work to support the production of auditable accounts. While UKHSA received a further disclaimed audit opinion for its 2022-23 accounts, the Comptroller and Auditor General recognised the improvements that had already been made in UKHSA's financial controls and emphasised that the work of the programme should be accelerated.

1.3 There is now greater confidence both within UKHSA and DHSC of an improved audit opinion for the 2023-24 accounts. While an unqualified opinion is not possible this year due to the prior year disclaimer, we are working hard to produce quality, auditable accounts and to have certification from the NAO in November. UKHSA will then target laying its annual report and accounts pre-summer recess, without any qualifications, at the earliest opportunity.

1.4 A comprehensive audit plan is in place for UKHSA, agreed with the NAO, to support the 2023-24 audit process and in particular, the resolution of the specific 2022-23 Covid Vaccines Unit issue. PWC have been engaged by UKHSA to provide external support and third-party verification to the 2023-24 audit.

2. PAC conclusion: The Department's continued failure to deliver its accounts to an earlier timetable hampers effective and timely accountability of taxpayers' money.

2. PAC recommendation: The Department must return to publishing its accounts to a pre-summer recess deadline and set out a timetable to achieve this. To do this, the Department must:

- ***support and hold to account group bodies to ensure timely accounts production;***
- ***work effectively with the auditors of local NHS bodies to ensure audit deadlines are met; and***
- ***work across government, to build resilience in the local audit system.***

2.1 The government agrees with the Committee's recommendation.

Target implementation date: Summer 2027

2.2 The Department of Health and Social Care (the department) is implementing a multi-year plan which aims to bring forward the publication of its Annual Report and Accounts (ARA) by at least one month per year and targets a return to pre-summer recess laying for the 2026-27 financial year. For 2023-24 audit, the Department has jointly agreed with the NAO that C&AG certification should be planned for the end of November 2024 and laying before Parliament in early December 2024, which would be nearly two months earlier than the 2022-23 accounts were laid.

2.3 The department is actively engaging with key stakeholders across government and externally to address the ongoing capacity issues in the local audit system. Addressing these issues is critical to bringing forward the laying date of the ARA. In addition to audit firm capacity, the regulatory environment in which audit firms operate is creating further pressure on timetables as requirements on audit firms continue to increase. Noting that these challenges are not wholly within the control of the department to resolve, the achievement of pre-summer recess laying of the ARA will be challenging and there is no realistic prospect of this in the short term. In summary, the department will continue doing all it can to work towards a pre-recess laying of the ARA, recognising that this will be challenging and also depends on factors outside of the department's direct control.

3. PAC conclusion: We are concerned that the Department has still not put in place adequate oversight to ensure strong financial management and reporting across its group which are fundamental to the effective delivery of its policy and operational work.

3. PAC recommendation: The Department urgently needs to grip and address the problems with financial management across its Departmental Group and set out a clear plan to improve financial management and oversight of its group bodies.

3.1 The government agrees with the Committee's recommendation.

Recommendation implemented

3.2 The department has a robust framework for financial management and oversight of its group ALBs but recognises the need for continuous improvement in this area, in particular in relation to UKHSA and NHS England.

3.3 As set out in our response to recommendation 1 above, the department is working closely with UKHSA and the NAO to address the disclaimed opinions on UKHSA's 2022-23 and 2023-24 accounts. As part of this, the department is providing strong support to and oversight of UKHSA financial management under the leadership of the DHSC Director General Finance, including quarterly senior governance meetings and monthly assurance meetings, and greater transparency in financial and other reporting**.**

3.4 In 2022-23, the departmental group accounts received a qualified regularity opinion as some of it's spend did not comply with HM Treasury's 'ring-fence' conditions associated with the additional elective recovery funding provided. This qualification was one-off in nature and an elective recovery oversight board has since been established to mitigate against recurrence. Oversight boards have been established for other key programmes, and the monthly finance sponsorship and accountability board with NHS England provides a regular forum for the senior finance leadership in both organisations to review financial risks, discuss financial issues, and monitor progress on the management of in-year challenges, supporting collaborative working with the NHS.

4. PAC conclusion: We are concerned that the Department is spending £2.6 billion on clinical negligence payments without an effective plan to minimise future costs of the scheme.

4. PAC recommendation: The Department must reduce clinical harm. By summer 2024, the Department should set out the key reasons for patient harm and the actions it will take to address these, ensuring that its plans will reduce health disparities, ensure better patient outcomes, and reduce the costs for taxpayers.

4.1 The government agrees with the Committee's recommendation.

Target implementation date: end of 2024

4.2 Multiple, complex and interrelated factors lead to patient harm during the provision of healthcare. These include:

- Organisational factors such as staffing levels, shift patterns and education and training provision;
- task factors such as the complexity of medical interventions, processes and procedures;
- technological and tools-related factors such as the availability of health information systems, equipment, medication and diagnostics;
- environmental factors such as the physical estate, its layout and maintenance;
- person-related patient-related factors including fatigue, familiarity, clinical knowledge and experience;
- external factors including demand and financial pressures.

Problems normally arise in systems due to the complex interplay of these factors.

4.3 The department will prioritise the continuous improvement of patient safety so that the NHS treats people with the high-quality and safe care that they deserve. Repeated inquiries and investigations have highlighted significant issues with patient safety, and the department is clear in its ambition to restore public confidence.

4.4 The department will write to the new Committee later in 2024 to set out the actions it is taking with NHS England and other system partners to reduce patient harm and advance patient safety in the NHS and improve outcomes for patients and the taxpayer.

5. PAC conclusion: We are disappointed that the Department lacks adequate controls over its inventory and, four years after the COVID-19 pandemic began, still does not have a plan for stockpiling for future pandemics.

5a. PAC Recommendation: The Department must, within six months, set out the lessons learnt from its COVID-19 procurement processes, including reporting:

- ***the overall losses arising from procuring, storing, and disposing of overpriced, unusable, and excess inventories.***

5.1 The government agrees with the Committee's recommendation.

Target implementation date: January 2025

5.2 The 2021 Boardman Review of Government Procurement in the COVID-19 pandemic on lessons learned from the pandemic included 11 recommendations for the department. This resulted in a review of the future structure of procurement in the health sector, with Supply Chain Coordination Limited (SCCL) being transferred to NHS England and measures taken to improve SCCL's resilience. The department wrote to the committee in March 2023 setting out its future strategy for Personal Protective Equipment (PPE), including lessons learned in relation to PPE procurement.

5.3 The department continues to examine the lessons learned from the pandemic, including being fully engaged with the procurement module of the Covid-19 inquiry and will update the new Committee by the end of January 2025.

5.4 The department spent £13.6 billion buying PPE from the start of the pandemic until the end of the financial year 2023. The costs of storing excess PPE are shown in the table below:

Cost of Storage – by Financial Year in £				
	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
Total All Storage	481,448,973	410,583,857	256,829,048	123,699,709

5.5 Storage costs for excess PPE will cease by January 2025. Remaining storage costs will relate to the pandemic preparedness stock and sample PPE retained as part of dissolution activities. The cost of storing these products is not yet known.

5b. PAC Recommendation: The Department must, within six months, set out:

- ***the outcome of its work on procurement fraud and associated recoveries.***

5.6 The government agrees with the Committee's recommendation.

Target implementation date: December 2025

5.7 Fraud is a hidden crime and therefore it is impossible to give exact amounts. However, the department's best estimate is that 2.4% (£324 million of £13.6 billion) of expenditure on PPE was fraudulent. To date, the government has recovered £75 million (including £5 million for ventilators) and assesses a further £163 million was prevented from being lost in the first place. Where criminal conduct is suspected, the matter has been reviewed by the DHSC Anti-Fraud Unit (AFU) and referred to law enforcement partners where appropriate. DHSC will be working closely with the recently announced COVID Counter Fraud Commissioner to maximise recoveries where possible.

5.8 Net costs will not become apparent until all work on dissolution and fraud is complete and monies recovered is understood. As this may involve legal proceedings it is difficult to estimate precisely when this may be, however we anticipate that matters will not be settled before Autumn 2025.

5c. PAC recommendation: The Department must, within the next six months, develop, and implement, a clear and cost-effective plan, including adequate controls, for stockpiling items required to plan for a future pandemic. This should not be delayed until after the end of the COVID-19 inquiry.

5.9 The government agrees with the Committee's recommendation.

Target implementation date: Summer 2025

5.10 The department has replenished pandemic preparedness PPE stockpiles using excess stock originally procured for the COVID-19 pandemic where possible and appropriate. For a portion of this excess stock, it is possible to implement dynamic stockpiling (where pandemic preparedness stock is rotated into NHS business-as-usual (BAU) stock), and this will begin from autumn 2024. This can reduce re-procurement and disposal costs and represent better value-for-money. All stockpiled product is maintained and managed by Supply Chain Coordination Limited (SCCL), underpinned by an active Service Level Agreement with between SCCL and DHSC which is regularly reviewed and updated. The department will look to implement dynamic stockpiling for any newly procured pandemic preparedness PPE, where BAU usage rates enable this.

5.11 Beyond PPE, the department continues to work with the UK Health Security Agency and other stakeholders to ensure that existing stockpiles, or other contractual arrangements, for medical countermeasures (including influenza antivirals, antibiotics and vaccines) are maintained to provide resilience to a future respiratory pandemic.

5.12 The department will write to the new Committee with an update on progress by the end of 2024.

6. PAC conclusion: NHS England again made payments to suspended GPs who were not eligible to receive them and has failed to adequately recover these overpayments.

6a. PAC Recommendation: NHS England must ensure the planned changes to its control framework are implemented by summer 2024 to avoid further loss of money that should be used for patient care.

6.1 The government agrees with the Committee's recommendation.

Recommendation implemented

6.2 A new process to assess the eligibility and the amount payable in relation to suspended practitioners was implemented on 1 April 2024. This new process adds an additional level of checking beyond local teams by the national team and it restricts the authority for making payments to the national team only. This provides an additional verification level and provides consistency in the assessment process and increased central oversight.

6.3 NHS England has also provided a submission to DHSC requesting the review and simplification of the Secretary of State Determinations that sets out the statutory basis relating to the eligibility criterion and amount payable when a practitioner is suspended.

6b. PAC Recommendation: NHS England must ensure that amounts that have been overpaid are in recovery by the summer of 2024.

6.4 The government agrees with the Committee's recommendation.

Target implementation date: September 2024

6.5 Our acceptance of the recommendation relates to cases for which there is a legal basis to recover the amounts overpaid where work is already underway.

6.6 NHS England will retain oversight of the progress made in relation to the recoveries agreed.

Thirty-third report of Session 2023-24

Ministry of Justice

Value for Money from Legal Aid

Introduction from the Committee

Legal aid refers to publicly funded legal advice or representation in courts and tribunals for people who meet the government's eligibility criteria. This includes support for people accused of a crime (criminal legal aid) and those involved in civil legal matters (civil legal aid), for example, family law cases involving children being taken into care. In England and Wales, the Ministry of Justice (MoJ) is responsible for setting legal aid policy. Its executive agency, the Legal Aid Agency (LAA), is responsible for administering legal aid funding, which was around £2 billion in 2022–23. Legal professionals from private firms or not-for-profit-organisations provide legal aid advice for those eligible for support, and bill LAA based on rates set in legislation.

In 2013, MoJ introduced reforms to legal aid in the Legal Aid, Sentencing and Punishment of Offenders Act (LASPO), with the aim of reducing spending on legal aid and of targeting support at those who need it most. LASPO reduced the circumstances in which legal aid was payable, in particular it significantly limited the types of civil cases for which legal support was available, such as most issues relating to employment, consumer matters, debt and clinical negligence. It also made some financial eligibility thresholds more restrictive and reduced fees paid to civil legal aid providers.

When this Committee last reported on civil legal aid in 2015, it reported that MoJ was on track to significantly reduce legal aid spending. However, MoJ had not assessed whether it had made any progress on its other objectives of discouraging unnecessary litigation, targeting legal aid to those who need it most, and of delivering better overall value for money.

Based on a report by the National Audit Office, the Committee took evidence on 25 March 2024 from the Ministry of Justice. The Committee published its report on 24 May 2024. This is the government's response to the former Committee's report.

Relevant reports

- NAO report: Government's management of legal aid – Session 2023-24 (HC 514)
- PAC report: Value for Money from Legal Aid – Session 2023-24 (HC 481)

Government response to the new Committee

1. PAC conclusion: Over a decade since the legal aid (LASPO) reforms, the Ministry of Justice (MoJ) and the Legal Aid Agency (LAA) still do not have sufficient data to assess whether those eligible for legal aid can access it.

1. PAC recommendation: In its Treasury Minute response, the Ministry of Justice and the Legal Aid Agency should set out how they intend to improve the data they collect on demand for and access to legal aid so that they can better monitor:

- ***whether an area has sufficient provision for a particular category of law to meet demand. This should include details of how they plan to consider specific local variation such as deprivation or access to public transport and demographics such as disability; and***

- ***the extent to which capacity constraints may mean people are unable to access legal aid in areas where there are providers.***

1.1 The government agrees with the Committee's recommendation.

Target implementation date: Spring 2026

1.2 The Legal Aid Agency (LAA) monitors the supply and distribution of providers; holds regular qualitative discussions with providers which includes their workload; and liaises with the Ministry of Justice (MoJ) if a policy remedy ought to be considered. MoJ and LAA will though review the current data collected on demand for, and access to, legal aid, including assessing the methodology for collecting; quality; usability; and completeness of that data. MoJ will identify opportunities to make improvements to data collection and visualisation (such as producing a new series of maps similar to those produced by National Audit Office), and consider any opportunities to enrich insights used for monitoring, where practicable, with other relevant data. MoJ will consider commissioning independent research on this point. It is important that data collection minimises any burdens placed on providers.

1.3 MoJ and LAA will also review their approach to monitoring whether people are able to find a legal aid provider to take on their case (if eligible). MoJ and LAA will consider alternative methods for doing this and look to establish a more robust evidence base on barriers to access, including capacity related factors. Again, any approach should take into account the burdens placed on providers.

2. PAC conclusion: There are areas of the country lacking face-to-face provision of legal aid, which risks penalising vulnerable groups disproportionately.

2. PAC recommendation: In its Treasury Minute response, the Ministry of Justice should:

- ***clarify what the options are for those who are unable to make use of remote advice. It should specifically consider vulnerable groups in areas with no face-to-face legal aid provision, whose issues may be too complex to solve via telephone; and***
- ***set out how it plans to better understand the impact of remote provision on vulnerable groups and address any problems identified.***

2.1 The government agrees with the Committee's recommendation.

Target implementation date: Winter 2024

2.2 Remote provision can be an effective method of providing legal advice, but MoJ recognises that face-to-face advice will be suitable for some people. MoJ's approach to monitoring its usage, including with vulnerable groups, differs according to jurisdiction: for example, in crime, MoJ has worked with stakeholders to identify safeguards and to understand better the impact of remote provision on those in custody, and other users. In Detained Duty Advice Scheme (immigration), MoJ asks providers to use their professional judgement as to whether remote provision is appropriate but receives data from the Home Office to ensure the process is effective.

2.3 Citizens can use LAA tools to check their eligibility for legal aid and help find a face-to-face legal aid provider. A provider may choose to travel to the location (payment for such depends on the scheme) or arrange for an agent to see them locally.

2.4 Where there is no face-to-face provision and remote advice is not appropriate, the LAA may intervene directly by calling local providers to find a firm with capacity itself or via an agent. LAA will also improve market intelligence to understand what operational levers, in addition to tender activity, might overcome obstacles preventing firms from offering or expanding legal aid services. For example, LAA intends to engage with firms without a legal aid contract to establish the reason for that and encourage them to bid for one.

2.5 Market intelligence will inform recommendations made to ministers and will complement policy work on the use of remote advice.

3. PAC conclusion: We are concerned about access to legal aid for immigration matters which often involve extremely vulnerable people, and the effectiveness of the Exceptional Case Funding (ECF) scheme for some of these cases.

3. PAC recommendation: The Ministry of Justice should set out in its Treasury Minute response:

- ***how it plans to monitor the impact of the Illegal Migration Act 2023 on the capacity of other areas of immigration advice and how it plans to respond where evidence suggests people are unable to access advice; and***
- ***details of its plans to assess whether the Exceptional Case Funding scheme is the most efficient route for immigration cases.***

3.1 The government agrees with the Committee's recommendation.

Target implementation date: Winter 2024

3.2 The LAA monitors the number of providers of immigration and asylum advice and their offices. It takes actions available to them when potential issues appear. For example, the LAA customer service team is working to support those direct applicants that may not yet have a legal aid provider to find one following a grant of Exceptional Case Funding (ECF). The government is also providing up to £1.4 million of funding for accreditation and reaccreditation of senior caseworkers to conduct immigration and asylum legal aid work.

3.3 The new government has decided not to proceed with the Rwanda migration partnership, but to bring forward a new border security, asylum, and immigration Bill. Notwithstanding, as per the response to recommendation one, MoJ will seek to commission research into what might be a viable methodology for monitoring demand, as well considering how we collect data on any challenges in finding a legal aid provider. This will include immigration and asylum issues.

3.4 MoJ has taken steps to assess whether the ECF scheme is the most efficient route for immigration cases. For example, the MoJ has recently undertaken targeted, further engagement with stakeholders in the sector to better understand the experience of providers and applicants to ECF and reviewing LAA data to better understand the types of immigration cases within the cohort of ECF grants. MoJ is now carefully considering the outcome of this stakeholder engagement and data review.

4. PAC conclusion: The Ministry of Justice has been slow to review financial eligibility thresholds, leaving fewer people eligible for legal aid, and it has not set out how it plans to review thresholds in future.

4. PAC recommendation: In its Treasury Minute response, the Ministry of Justice should set out what it will do to:

- ***ensure that financial eligibility thresholds for legal aid are kept under review in light of changes in the economy; and***
- ***ensure that any proposed changes can be implemented quickly and efficiently.***

4.1 The government agrees with the Committee's recommendation.

Target implementation date: Summer 2026

4.2 The MoJ has committed, in response to the Means Test Review consultation, to reviewing income and capital thresholds for legal aid within three to five years of the new means test coming into operation (full implementation is not expected before Summer 2026). MoJ believes this is a reasonable timeframe to allow for changes to settle in, and any review undertaken sooner than this might not provide an accurate picture of any impact being felt. MoJ has also committed to reviewing the level of thresholds prior to implementation, including considering the most recent Office of National Statistics (ONS) data.

4.3 As ever, the MoJ will seek to design policy to ensure the most efficient operational and digital delivery possible, and work to ensure any changes are implemented as quickly and efficiently as is practicable. The scale of change involved in changes to the means test is considerable, and delivery of changes has to be achieved whilst maintaining the functionality of existing schemes. MoJ recognises that there needs to be transformation of the technology used in delivering legal aid to ensure it is of modern design, meets user needs and is flexible in its design so as to be able to implement required changes more quickly.

4.4 This digital transformation requires significant investment against a challenging economic backdrop, and any decisions on funding will need to be made in the round in the context of wider priorities in the next Spending Review.

5. PAC conclusion: The Ministry of Justice has still not made sufficient progress in identifying or addressing wider system costs of its legal aid reforms.

5. PAC recommendation: The Committee recognises that it will not be possible to calculate a precise figure of the costs of the reforms to other areas of government and the justice system. However, the Ministry of Justice should set out in its Treasury Minute response:

- ***how it plans to work with other government departments such as Department for Levelling Up, Housing and Communities and the Department of Health and Social Care to better understand where reforms may have led to cost-shunting and the potential scale of these costs. This should include looking at the extent to which local authorities are funding immigration legal advice; and***
- ***how it intends to work with HM Courts and Tribunals Service to improve available quantitative analysis on the impacts of litigants-in-person on the administration of justice, as recommended in the PAC's 2015 report.***

5.1 The government agrees with the Committee's recommendation.

Recommendation implemented

5.2 The MoJ engages with other government departments as to where changes in legal aid policy may impact on them, including where they may have led to 'cost-shunting'. MoJ has begun discussions with the Ministry of Housing, Communities, and Local Government regarding local authorities funding immigration advice, and will continue working with them to gain a more robust understanding.

5.3 MoJ is keen to understand the link between the availability of early legal advice and shifted costs. In the 2019 Legal Support Action plan, MoJ committed to a pilot to evaluate the expansion of early legal advice. The Early Legal Advice Pilot (ELAP) on housing, debt, and welfare ran from October 2022 to March 2023, and its findings will inform any future pilots of early legal advice. MoJ also launched the Housing Loss Prevention Advice Service (HLPAS) in August 2023, which provides free early legal advice on housing, debt and welfare benefits problems for anyone facing the loss of their home. MoJ is looking closely at the impact of HLPAS to see what effect it may have had in terms of shifted costs.

5.4 His Majesty's Courts and Tribunals Service (HMCTS) and MoJ are committed to improving the use of data within the criminal justice system and publishing data which has wider public interest. The rollout of Common Platform to the criminal courts, and digital services within the Family Courts, allows for more detailed analysis to be conducted on the relationship between litigants in person and hearings, including number of hearings and outcome.

6. PAC conclusion: We are not convinced that the Ministry of Justice has put in place sufficient measures to ensure the future sustainability of the legal aid market.

6. PAC Recommendation: The Ministry of Justice should set out in its Treasury Minute response how it plans to improve its ability to respond to emerging sustainability issues in a timely manner. This should include:

- ***how it plans to work with providers to keep the profitability of legal aid work in view;***
- ***how it plans to implement the recommendations from the Criminal Legal Aid Board; and***
- ***what mechanisms it will put in place to review the sustainability of civil legal aid more routinely once its review is complete in July 2024.***

6.1 The government agrees with the Committee's recommendation.

Target implementation date: Winter 2024

6.2 The MoJ has undertaken detailed work to understand the profitability of legal aid work, but acknowledges the recommendation to monitor it more regularly, and is considering how best to do this alongside providers. As part of the Criminal Legal Aid Independent Review (CLAIR), a detailed financial survey was conducted. Following CLAIR, the Criminal Legal Aid Advisory Board (CLAAB) was established. CLAAB is independently chaired and attended by the main practitioner representative groups. Previous meetings have included discussion of criminal legal aid data to give an outline of the current market position. CLAAB provides valuable advice to the Lord Chancellor on the operation and structure of criminal legal aid fee schemes and assesses how these schemes should change and modernise. However, CLAAB is independent of MoJ and the Lord Chancellor and its recommendations are not binding, but assessed alongside other considerations.

6.3 The Review of Civil Legal Aid's (RoCLA) evidence-gathering phase sought to collect profitability information to support policy development. MoJ collaborated with The Law Society to receive data from their quantitative research on the profitability of housing and family providers. MoJ also conducted a survey of civil legal aid providers, in which responders reported whether they are loss-making, breaking even, or profit-making, and of those who are profit-making, responders reported approximate profit margins. This survey received responses from 228 providers and gained representation across all categories of law and regions. The findings of this work, alongside other evidence from RoCLA, are being considered. Any subsequent decisions will be for ministers.

Thirty-fourth Report of Session 2023-24

The Home Office

Asylum Accommodation and UK-Rwanda Partnership

Introduction from the Committee

The Home Office is responsible for asylum and immigration policy in the UK. This includes making decisions on whether to grant or refuse asylum applications and providing accommodation to asylum seekers who would otherwise be destitute. It is also responsible for removing people who have no right to be in the UK. Under the Illegal Migration Act 2023, this includes the majority of people who arrive in the UK by small boat or other irregular means, whose asylum claims are inadmissible in the UK.

In April 2022, the Government announced a partnership with the Government of Rwanda to relocate to Rwanda people identified as being in the UK illegally or seeking asylum after arriving via an illegal route. Under this partnership, the Home Office has agreed to pay significant sums to Rwanda and, at the end of March 2024, had paid £240 million. This covers payments to the Economic Transformation and Integration Fund, which is designed to support economic growth in Rwanda, and payments to cover asylum processing and operational costs for individuals relocated to Rwanda. The government hopes that the partnership will deter people from making dangerous journeys across the English Channel.

The government is introducing these measures in response to growing numbers of people arriving in the UK to claim asylum, many of whom the Home Office will support while it considers their claim, or until it can remove them from the UK if their claim is deemed inadmissible. In the 2023–24 financial year, the Home Office spent an estimated £4.7 billion on asylum support, including £3.1 billion on hotels. The Government counts much of this spending against its Overseas Development Assistance target, meaning it reduces the amount spent on overseas aid projects. At the end of December 2023, there were more than 100,000 asylum seekers in Home Office accommodation, including nearly 46,000 in hotels. The Home Office intends to reduce the number of hotels it is using and reduce costs to the taxpayer. As part of this, it is identifying alternatives to hotels, such as vessels or ex-military bases (large sites) for single adult males, while also increasing room-sharing. It expects its programme to open four large sites to cost £1.2 billion.

Based on a report by the National Audit Office, the Committee took evidence on Monday 15 April 2024 from the Home Office. The Committee published its report on 29 May 2024. This is the government's response to the former Committee's report.

Relevant reports

- NAO report: Investigation into asylum accommodation – Session 2023-24 (HC 635)
- NAO report: Investigation into the costs of the UK–Rwanda Partnership – Session 2023-24 (HC 577)
- PAC report: Asylum Accommodation and UK-Rwanda partnership – Session 2023-24 (HC 639)

Government response to the new Committee

1. PAC conclusion: We are concerned that the Home Office does not have a credible plan for implementing the Rwanda partnership.

1. PAC recommendation: In its Treasury Minute response, the Home Office should set out its implementation plan for the Rwanda partnership, including a breakdown of current cost estimates. This should include an update on the arrangements for — and cost of—transporting people to Rwanda. It should also explain how it has assessed the feasibility of relocating people, based on the revised plan.

1.1 The government agrees with the Committee's recommendation.

Recommendation implemented

1.2 The Home Office has already set out the funds paid to the Government of Rwanda as part of the Migration and Economic Development Partnership (MEDP) in a letter to the Committee of 7 December 2023, alongside the department's cooperation with the National Audit Office and Comptroller & Auditor General's investigation into the costs of the partnership. Their report of 1 March 2024 accurately sets out the costs paid to Rwanda as part of the partnership. The funding paid to Rwanda is as follows:

- £20 million advance payment as part of the operational funding,
- £270 million in Economic Transformation and Integration Fund (ETIF) payments, to support economic development. I can confirm that this includes £50 million paid to Government of Rwanda in April 2024 after the Safety of Rwanda Act received Royal Assent and following the ratification of the UK-Rwanda Treaty: Agreement for the Provision of an Asylum Partnership ('The Treaty').

1.3 The government has now confirmed that it will be ending the Migration and Economic Development Partnership with Rwanda, and that there will be no removals to Rwanda under the MEDP.

2. PAC conclusion: In its haste to establish large accommodation sites, the Home Office made unacceptable and avoidable mistakes, and failed to protect value for money.

2. PAC recommendation: As part of its Treasury Minute response, the Home Office should set out what it will do differently in the future so it ensures it undertakes sufficient due diligence at the outset of projects and protects taxpayers' money when working at pace.

2.1 The government agrees with the Committee's recommendation.

Recommendation implemented

2.2 A raft of measures has been implemented to address weaknesses. The programme was recently restructured to deliver smaller sites, requiring lighter touch refurbishment and supporting the reframed strategic aim to deliver a flexible accommodation-estate that can respond with agility to changes in demand.

2.3 Lessons have been learned regarding cost profiling and projections: the programme has improved technical construction expertise to ensure that a more accurate estimation of set up and delivery costs is better considered for future sites. Accounting officer advice including value for money assessments and business cases are completed for each site. Alongside significant work to lower operational costs, this will further assure the value the programme offers to the taxpayer.

2.4 The Asylum Support, Resettlement and non-detained Accommodation Programme ASRA) has balanced the requirement to deliver accommodation at pace to meet changing demand and brought forward due diligence to enable decisions around viability and value for money to be taken at an earlier stage, reducing potential cost and commercial risk. It has also improved engagement with local authorities and partners, introducing this at an earlier stage.

2.5 As a result of these measures, an independent review undertaken by the Infrastructure and Projects Authority found that successful delivery of the programme to time, cost and quality appears feasible.

3. PAC conclusion: We are not convinced the Home Office has put in place sufficient measures to safeguard those pending relocation while they wait to hear what will happen to them.

3a. PAC recommendation: The Home Office should, before the end of July, write to the Committee to explain how it is ensuring the wellbeing of people pending relocation and what plans it has to provide clarity for their future.

3.1 The government agrees with the Committee's recommendation.

Recommendation implemented

3.2 All individuals are able to raise concerns with the department whilst their case is under consideration and where safeguarding concerns are raised, these are escalated to the relevant safeguarding hub. The Third Country Unit also has capability to make an immediate decision to admit an individual into the UK asylum system if the circumstances of any particular case merit such action, such as the welfare of an individual being significantly impacted by ongoing third country enquiries.

3.3 Asylum Accommodation service providers identify suitable accommodation and ensure that they conform to the accommodation standards and provision set out in Schedule 2 of the Asylum Accommodation and Support Contracts (AASC).

3.4 The Home Office then assesses the recommendation, undertaking a site visit with the accommodation provider as required and will work with the provider and property owner to bring the site up to a suitable standard. Local authority partners are able to visit sites should there be environment health, policing and/or Fire Authority concerns.

3.5 The department takes the welfare of asylum seekers extremely seriously. At every stage in the process, its approach is to ensure that all needs and vulnerabilities are identified and considered, including those related to mental health and trauma.

3.6 Providers follow established standard procedures to manage the safety, security and wellbeing being of those they accommodate. All asylum seekers undergo health checks and a screening interview to establish any vulnerabilities, and the basis of their asylum claim.

3.7 The department also works closely with the NHS, local authorities and non-governmental organisations to ensure that healthcare is accessible and operates a Safeguarding Hub to support vulnerable individuals. Every step is taken to ensure the safety of residents. All asylum seekers are able to access healthcare and are signposted to do so.

3.8 Accommodation is allocated on a no-choice basis and individuals may be moved to other locations in line with the Allocation of Accommodation guidance. The department continues to ensure the accommodation provided is safe, secure, leaves no one destitute and is appropriate for an individual's needs.

3b. PAC recommendation: The Home Office should also update the Committee quarterly on the number of people awaiting relocation and how many are being supported by the Home Office, including specifying how many have waited for more than one year.

3.9 The government notes the Committee's recommendation.

3.10 The government notes that this recommendation is no longer relevant as it has now confirmed that there will be no removals to Rwanda under the Migration Economic Development Partnership.

3.11 Individuals whose case had been on hold pending the operationalisation of the Illegal Migration Act and individuals who had previously been issued a notice of intent to remove them to Rwanda, will now have their asylum claims substantively considered.

3c. PAC recommendation: The Home Office should also update the Committee quarterly on any penalties issued relating to safety matters (including health and welfare). The update should state for each penalty the size of the penalty, the reason for it, the location concerned, and the contractor to whom the penalty has been issued.

3.12 The government agrees with the Committee's recommendation**.**

Target implementation date: October 2024 for the previous quarter, continuing quarterly.

3.13 Asylum, Accommodation Support Contracts (AASC) provide a mechanism for application of service credits if provider performance does not meet the thresholds within the AASC contract. Accommodation standards are contained within AASC Contract Schedule 2, Statement of Requirements.

3.14 The requirements that accommodation be safe, habitable and fit for purpose are recorded as Key Performance Indicators 5, 6 & 7.

3.15 The Home Office will write to the Committee quarterly detailing the service credits applied in each region for these KPIs.

4. PAC conclusion: We are concerned that the Home Office has not engaged effectively with local authorities about the impact its work is having on local areas.

4. PAC recommendation: The Home Office should, within three months, write to us setting out what it will do to better understand the impact its asylum policies are having in local areas and how its liaison officers will help resolve the litany of problems raised with us by councils.

4.1 The government agrees with the Committee's recommendation**.**

Recommendation implemented

4.2 The Home Office will establish a working group with the Local Government Association and Local Authority Chief Executive regional leads to address issues raised at the national Asylum, Resettlement Councils Senior Engagement Group. This group will identify, and address issues related to Asylum Casework and Move On from asylum accommodation.

4.3 Central to Home Office plans to collaborate and work with Local Authorities (LAs) is sharing regular, timely and relevant data and Management Information to allow effective planning. We are building a number of tools to provide updates to individual Local Authorities. The Discontinuation Prediction Tool (DPT) is shared weekly with Strategic Migration Partners (SMPs) for onward sharing with LAs to provide a 4-week prediction of cases (by group size). This enables LAs to anticipate potential demand on their services and to support a smoother transition from Home Office accommodation to mainstream services. The Place Based Visibility Tool (PBVT) which shows pre-decision asylum cases specific to an area will be built and shared once plans for asylum casework are confirmed and will include Resettlement and Unaccompanied Asylum Seeking Children/National Transfer Scheme data. The department will look to further develop LA reporting dependent on Home Office Data Infrastructure.

5. PAC conclusion: The Home Office does not yet know how it will evaluate the impact and value for money of the Rwanda partnership.

5. PAC recommendation: As a matter of urgency, the Home Office should develop a robust evaluation strategy to assess the deterrent impact of the third country asylum processing policy, carefully considering whether it is possible to assess the success of this policy in isolation. It should also explain how it intends to assess value for money.

5.1 The government notes the Committee's recommendation.

5.2 The evaluation of deterrent impact and value for money for the MEDP policy will not proceed because the operationalisation of the policy was ceased.

6. PAC conclusion: We are disappointed that, despite the Committee previously raising concerns, the Permanent Secretary is still not providing the necessary transparency to enable Parliament to hold the Home Office to account on its asylum and immigration plans.

6. PAC recommendation: As a matter of urgency, and no later than one month after the publication of this report, the Home Office should:

- ***Publish all outstanding Accounting Officer Assessments, including those where there has been a significant change to an ongoing programme, and in the future should publish all Accounting Officer Assessments in a timely manner; and***
- ***Write to the Committee to explain how it intends to share information about negotiations with other countries it is considering for third country processing, while respecting confidentiality.***

6.1 The government agrees with the Committee's recommendation.

Target implementation date: to be advised.

6.2 The implementation dates are dependent on project development; therefore, a date cannot be currently supplied but the department will inform the Committee as soon as it is able to do so.

6.3 The Home Office is committed to producing Accounting Officer Assessments (AOA) for all required programmes including any new or outstanding Programme AOAs, these are being progressed now and whilst the Home Office intend to publish any outstanding assessments as quickly as possible, it is right that it gets the views of Ministers in this process. For new programmes or those with significant changes, the AOA will be produced promptly at the same time as an updated business case.

6.4 Decisions by new Ministers are likely to result in changes to some Programmes. For example, discussions are ongoing on the Asylum Accommodation Non-Detained Programme including large sites and so the department will not yet be publishing an AOA but will keep the Committee updated.

6.5 On sharing information about negotiations with other countries that are being considered for third country processing, the Home Office Permanent Secretary noted during the Committee evidence session that it is important that the substance of those negotiations is kept private due to their sensitive nature. The department will write to the new Committee on this in due course to provide updates as necessary.

Thirty-fifth report of Session 2023-24

Department for Science, Innovation and Technology

Supporting mobile connectivity

Introduction from the Committee

For most people in the UK, accessing the internet is part of daily life. Mobile connectivity allows people to access the internet and communicate while on the go and in locations where a wired connection does not exist. The Government therefore considers that access to good-quality mobile connectivity is key to growing the economy.

While a competitive market plays a key role in delivering mobile connectivity, the Government may choose to intervene where there is a weaker commercial case for investment, such as in remote areas. One such intervention is the Shared Rural Network programme, in which the Department for Science, Innovation & Technology and Building Digital UK (BDUK), an agency of the Department, are working with the four mobile network operators—EE, Three, Virgin Media O2 and Vodafone—to deliver reliable 4G mobile coverage to 95% of the UK landmass by December 2025. In support of the 95% target, Ofcom licence obligations commit each mobile network operator to increase its 4G coverage to 88% of the UK landmass by 30 June 2024, and to 90% by 31 January 2027.

The Shared Rural Network programme consists of three elements:

- Partial Not Spots: This element aims to increase coverage in areas where there were at least one, but not all four, mobile network operators offering 4G coverage so that there is coverage from all four in more areas, at an estimated cost to the operators of £532 million.
- Extended Area Service: The Home Office is making available up to 292 masts in remote parts of the UK that it is building as part of its Emergency Services Network programme, and will upgrade these masts so that the mobile network operators can then install the equipment they need to provide commercial 4G coverage.
- Total Not Spots: This element aims to provide 4G coverage in the hardest-to-reach areas of Scotland that did not previously have any such coverage. The Government will provide £501 million over 20 years for this element and to develop the Extended Area Service.

The Government also funds other programmes that aim to create favourable conditions for investment in technologies for the UK's future connectivity needs, such as 5G mobile, and has committed over £500 million since 2017 to this. It has set out its plans in its 2023 wireless infrastructure strategy.

Based on a report by the National Audit Office, the Committee took evidence on Monday 22 April 2024 from the Department for Science, Innovation and Technology and BDUK. The Committee published its report on 28 May 2024. This is the government's response to the former Committee's report.

Relevant reports

- NAO report: Supporting mobile connectivity – Session 2023-24 (HC 555)
- PAC report: Supporting mobile connectivity – Session 2023-24 (HC 650)

Government response to the new Committee

1. PAC conclusion: The Department is not certain what the eventual cost of the Shared Rural Network programme will be, who will bear cost increases and how addressing cost increases will impact on coverage.

1. PAC recommendation: The Department and BDUK should work closely with the mobile network operators to ensure that government:

- ***Gets the information it needs from the operators to gain certainty on the***
- ***cost increases; and***
- ***Uses this information to inform decisions on how cost increases will be managed while at the same time ensuring that coverage targets are met.***
- ***Fully considers emerging new technologies such as low orbiting satellites to ensure investments produce the most cost-effective results.***

1.1 The government agrees with the Committee’s recommendation.

Target implementation date: December 2024

1.2 Deployment progress from the Office of Communication (Ofcom) show UK geographic coverage from at least one mobile network operator (MNO) is making excellent progress since Building Digital UK (BDUK) reported to the committee in April, with indications that the overarching 95% coverage target will be met ahead of schedule and within budget.

1.3 The Shared Rural Network’s (SRN’s) Grant Agreement structure moves the majority of the financial risk for delivery outside government. Using a capped grant fund for the Total Not Spot (TNS) element of the programme ensures the government’s financial contribution cannot exceed £300.7 million over the programme. MNOs must remain within this grant envelope or use their own funds to deliver their 1% coverage target.

1.4 For the Extended Area Service (EAS) project, delivered with the Home Office, BDUK is working closely with its partners to ensure that maximal benefit can be achieved within the allotted programme funding.

1.5 SRN is technology neutral. If technology can meet the Department for Science and Innovation and Technology’s (the department’s or DSIT’s) minimum speed requirements within the terms of the grant agreement, it will be eligible for subsidy. The programme delivers to Ofcom’s standard of ‘good network service’ with speeds of at least two megabits per second (Mbps), though speeds of at least six Mbps are expected in most of the network’s footprint. In all cases, the government’s delivery partners have the freedom to choose the best technologies to deliver their targets with while maintaining value for money.

2. PAC conclusion: The Department has not identified the specific benefits it is aiming to achieve in the most remote areas of the UK to help guide decisions on where investment is most needed to improve connectivity.

2. PAC recommendation: Now that the proposed locations of Shared Rural Network masts are more certain, the Department should revisit its cost benefit analysis to determine more precisely who will benefit, and how, from its investment in 4G connectivity. It should use this information to inform final decisions on mast locations and numbers and to communicate the case for investment to stakeholders.

2.1 The government agrees with the Committee’s recommendation.

Target implementation date: December 2024

2.2 The Shared Rural Network will deliver a range of benefits for the public, consumers, and businesses. Using new data on the coverage provided by the TNS and EAS projects, the department will be refreshing its benefits model to further analyse the programme’s expected benefits. Similarly, coverage uplift delivered under the Partial Not Spots (PNS) project can be tracked using data from Ofcom's connected nations reports and will be analysed through this benefit model refresh, the programme's evaluation, and bespoke pieces of analysis.

2.3 The department is also refreshing the figures underpinning the programme's cost benefit analysis. This includes a study on the value that consumers are willing to pay for mobile connectivity – the first of its kind in a decade. These figures capture the current picture on the benefit of mobile connectivity in remote areas, as well as the latest costs from Digital Mobile Spectrum Limited (DMSL), a joint venture of UK mobile network operators EE, Virgin Media (O2), Three and Vodafone.

2.4 The department is also taking an innovative approach to benefits data, including gathering information on leisure activity in coverage areas through exercise apps.

2.5 In addition, there are multiple non-monetised benefits to the programme which cannot be included in the cost benefit analysis. The department is conducting further qualitative research with key stakeholders in TNS areas to increase the evidence base on benefits (and challenges) with delivering mobile connectivity to these areas.

2.6 This analysis will be included in the department's bid at the Spending Review.

3. PAC conclusion: The Department has not confirmed which specific areas are in the 5% of the UK landmass that will not have 4G connectivity, and it does not yet have a plan for ensuring that consumers and businesses in these areas get the connectivity they need.

3. PAC recommendation: With clearer information about the proposed location of masts, the Department should now confirm which areas of the UK will still not have 4G connectivity once the Shared Rural Network programme is complete. It should assess the impact of this on communities in these areas and develop a plan for alternative ways of ensuring they get the connectivity they need.

3.1 The government agrees with the Committee's recommendation.

Target implementation date: January 2027

3.2 It is not possible to predict with a high degree of certainty the areas that will be left out of coverage at this stage in the programme. This is because the final number, composition and location of sites is not yet finalised – nor is it likely to be before the end of 2025. DMSL do already publish a high-level map of where coverage is expected to reach by the end of the programme, available on the SRN website and based on the initial radio plan submitted to Ofcom in 2020.

3.3 It is likely that, while a small percentage of the UK's landmass will remain uncovered, the number of people living and working in these areas will remain extremely low; Ofcom's latest Connected Nations report shows that 99% of UK premises already have indoor access to at least one mobile network operator's 4G network already – meaning that very few premises across the UK are likely to remain without connectivity by the end of the programme.

3.4 Upon completion of the site acquisition phase of the programme, identification of remaining areas not set to be covered by 4G will be undertaken.

4. PAC conclusion: The mobile coverage reported by Ofcom does not always reflect the actual level of service that businesses and consumers experience, and which may sometimes be significantly worse than reported.

4. PAC recommendation: The Department should take urgent action to ensure that it has meaningful data on mobile coverage that reflects people's actual experience. As part of this it should:

- ***Work with Ofcom to develop ways that consumers and businesses can directly report coverage gaps in real-time to help build a more realistic and detailed picture of mobile coverage across the UK;***
- ***Ask Ofcom to examine any cases where areas have lost all mobile connectivity following 3G switch off; and***
- ***Ensure that mechanisms for measuring access to 5G coverage are fit for purpose.***

4.1 The government agrees with the Committee's recommendation**.**

Target implementation date: January 2025

4.2 Ofcom has an ongoing programme of work to improve mobile coverage reporting, which includes:

- Obtaining further information from MNOs about signal strength at a more granular level and about signal quality;
- Experimenting with crowd sourced data;
- Considering whether the signal strength thresholds they use remain appropriate as consumer demands and technologies evolve.

4.3 The department is working with Ofcom to explore options for providing more accurate reporting, including exploring ways in which data from third parties can be incorporated into Ofcom's data. As well as considering the use of crowd sourced data and measurement data provided by local authorities and other third parties, the department will work with Ofcom to consider other ways that consumers can report gaps in coverage.

4.4 Ofcom has set out its expectations for how the Mobile Network Operators should implement the switch- off of 2G and 3G networks to ensure that customers are treated fairly and can continue to access the services they need. The department will ask that Ofcom examines any cases where areas have lost all mobile connectivity following 3G switch off.

4.5 The department has asked Ofcom to report on the extent of standalone 5G coverage as it starts to be deployed and to keep under review its definitions of good 4G and 5G coverage to ensure that they remain fit for purpose. The department will continue to engage with Ofcom as it refines its reporting mechanisms for 5G standalone and its review of the definitions of good 4G and 5G coverage.

5. PAC conclusion: The Department lacks up to date information to track progress on whether the Shared Rural Network programme will meet its targets for increasing connectivity on roads and premises.

5. PAC recommendation: The Department should work with Ofcom and the mobile network operators to ensure that it can report publicly on progress against its targets for increasing 4G connectivity on roads and premises.

5.1 The government agrees with the Committee's recommendation**.**

Target implementation date: January 2025

5.2 Ofcom is responsible for publishing national mobile coverage data, including data for road and rail, and MNOs may publish their own network coverage data as part of their own communications. BDUK is committed to working with both groups to ensure mobile coverage data continues to be published and, where possible, is expanded.

5.3 Ofcom regularly reports on 4G coverage through their Connected Nations reports. BDUK currently publishes the total UK mobile coverage figure in its Corporate Plan and Annual Report and Accounts. This figure is the same as the one presented by Ofcom in its Connected Nations report. BDUK is currently engaging with Ofcom to consider publication of a decimal point coverage figure in BDUK's upcoming statistical updates.

5.4 BDUK is further engaging with Ofcom and the MNOs to consider ways in which roads and premises coverage can be tracked ahead of Ofcom's licence obligation assessment in January 2027.

6. PAC conclusion: Progress in improving connectivity on UK railways has been hampered by a lack of up-to-date coverage data.

6. PAC recommendation: Working with Ofcom and the Department for Transport, the Department should make a plan for more frequent collection of coverage data on the UK rail network to help it prioritise the rail lines where improvements in coverage is most needed. This information should be published on a regular basis so that rail travellers have clearer information on the coverage they will experience.

6.1 The government agrees with the Committee's recommendation.

Target implementation date: Spring 2025

6.2 The department has asked Ofcom to report on the availability of mobile coverage on the rail network in its annual Connected Nations report. To this end, the department asked Ofcom to investigate the feasibility of using in-carriage scanners and crowdsourced data to provide an overview of connectivity on the mainline routes. Ofcom are considering possible approaches to measuring mobile coverage and performance on trains.

6.3 At the same time, the Department for Transport (DfT) has commissioned a study using scanners fitted to the outside of Network Rail's engineering trains to measure mobile signal strength on train routes. This exercise will finish in early 2025 and will help to establish baseline data for mobile coverage across the UK rail network.

6.4 The department will outline progress on this matter in future Treasury Minute updates once the government's work with Ofcom on reporting on rail connectivity, and the DfT's initiative, have concluded.

7. PAC conclusion: The Department's plans for supporting investment in 5G infrastructure are undeveloped and it has not articulated what it has achieved from taxpayers' investment to date.

7. PAC recommendation: The Department should set out more clearly what it has achieved from its investment to date in 5G, as well as setting more meaningful and measurable targets for assessing its progress in supporting the roll-out of standalone 5G mobile coverage.

7.1 The government agrees with the Committee's recommendation.

Target implementation date: Spring 2025

7.2 Standalone 5G deployment by the MNOs is funded by commercial investment, with no government subsidy. That is why the department set an ambition for standalone 5G to all populated areas, rather a specific target, through the Wireless Infrastructure Strategy. The department monitors progress against its ambition by using the 5G coverage data published in Ofcom's Connected Nations report. The Strategy also included a comprehensive framework of demand and supply side interventions to support 5G deployment by the MNOs. The department continues to work with industry to understand what further interventions are needed to support 5G investment.

7.3 The 5G Testbeds and Trials programme, completed in 2021, highlighted the benefits of 5G and tested innovative applications and deployment methods. This helped businesses and the public sector understand the benefits of 5G, how to adopt them and accelerated the development and deployment of open interface architectures. The interim evaluation for the programme was published in 2023 and informed the government's 5G ambitions set out in the Wireless Infrastructure Strategy.

7.4 The Open Networks Programme, which aims to support diversity of supply in the UK's 5G supply chain, and the 5G Innovation Regions are still in delivery. The 5G Innovation Regions are delivering 5G solutions across the UK, helping the public sector and businesses develop their use cases for 5G while building up local infrastructure. The department will provide an evaluation of these programmes following their conclusion in 2025.

Thirty-sixth report of Session 2023-24

Cabinet Office

Investigation into whistleblowing in the civil service

Introduction from the Committee

Whistleblowing is when someone raises a concern about wrongdoing, malpractice or poor practice in the workplace that has a public interest aspect to it. It is important that there are consistent policies and a culture across the civil service that supports and encourages people to speak up. Effective whistleblowing arrangements are important to picking up potential problems early.

The Cabinet Office has oversight of whistleblowing arrangements in the civil service and supports the work of departments. It provides support across government organisations by setting a model policy, offering guidance, training, and collecting whistleblowing data. However, individual departments are responsible for setting their own whistleblowing arrangements and procedures.

In 2023, the government launched a review of the whistleblowing legislation. This is being led by the Department for Business & Trade who are responsible for the Public Interest Disclosure Act 1998 (PIDA).

Over the three-year period from 2019–20 to 2021–22, civil service organisations reported a total of 939 concerns to the Cabinet Office. Around 77% of these were reported by five departments and 40% related to fraud.

Based on a report by the National Audit Office, the Committee took evidence on 17 April 2024 from the Cabinet Office, HM Revenue and Customs and the Department for Work and Pensions. The Committee published its report on 25 May 2024. This is the government's response to the former Committee's report.

Relevant reports

- NAO report: Investigation into whistleblowing in the civil service – Session 2023-24 (HC 357)
- PAC report: Investigation into whistleblowing in the civil service – Session 2023-24 (HC 457)

Government response to the new Committee

1. PAC conclusion: The Cabinet Office has made slow progress on improving data collection on whistleblowing in the civil service.

1a. PAC recommendation: In its Treasury Minute response to this report, the Cabinet Office should set out the additional data it plans to collect from departments in its annual data collection in 2024 and 2025.

1.1 The government agrees with the Committee's recommendation.

Target implementation date: Spring 2025

1.2 The Cabinet Office will work with departmental leads to review the annual data collection for the year 2024-25, including the widening of the data set to focus on:

- providing clarity and consensus on the categorisation of cases and outcomes;
- clarifying the time taken to conclude an investigation;
- requesting additional information on the experience / treatment of the whistleblower;
- ensuring nil responses are submitted;
- following up on cases which were ongoing at the time of collection;
- holding departmental assurance conversations.

The Cabinet Office will explore with departmental leads the feasibility of tracking cases where whistleblowers have subsequently made victimisation or harassment claims.

1.3 The Cabinet Office Government Chief People Officer wrote to HR Directors on 12 June 2024, to commission the data return for 2023-2024. The commission has been shared with Accounting Officers to support compliance and their role in whistleblowing. The final analysis report will be shared with HR Directors in late summer 2024, to support understanding of their organisation's position and the wider Civil Service context.

1.4 The Cabinet Office has shared the Raising a Concern self-assessment tool (formerly the health check) and will continue to work with departmental leads to ensure that a senior leader in each organisation has oversight of cases and can provide assurance on the Raising a Concern process.

1b: PAC recommendation: The Cabinet Office should check the data collected from departments is being reported accurately by undertaking spot checks. This should be implemented immediately.

1.5 The government agrees with the Committee's recommendation.

Recommendation implemented

1.6 During the 2023-24 data collection exercise, the Cabinet Office took robust action through regular engagement with practitioners to ensure the accuracy of the data submitted. This has been further bolstered by ensuring that it is clear when departments are responding on behalf of their agencies. And where they are not responding, being clear that they should be aware of their agencies' returns.

1.7 The Cabinet Office ran a series of drop-in sessions in June 2024, to support practitioners with the completion of annual data returns, to clarify the submission process and to ensure accurate and timely responses.

1.8 The Cabinet Office held departmental assurance meetings (spot checks) with practitioners throughout Summer 2024, to ensure the accuracy of the data submitted, share learning and promote the importance of whistleblowing across the Civil Service.

1.9 The Cabinet Office has set up a working group with representatives from across civil service departments, to progress the former Committee's recommendations.

2. PAC conclusion: There is a lack of data analysis and sharing of insights regarding whistleblowing across of the civil service.

2. PAC recommendation: In its Treasury Minute response to this report, the Cabinet Office should clearly set out the specific actions it will take to analyse and synthesise the data collected in 2024 and 2025 to help improve the knowledge of whistleblowing across the civil service.

2.1 The government agrees with the Committee's recommendation.

Recommendation implemented

2.2 The Cabinet Office has robustly analysed the data submitted to:

- categorise key themes / cases to support understanding of the data / what it is telling us;
- clarify the time taken to conclude investigations and look for ways to reduce this;
- explore the experience / treatment of the whistleblower;
- ensure ALL responses, including NIL, are submitted;
- follow up on cases which were ongoing at the time of collection;
- hold departmental assurance conversations;
- assess the experience of the whistleblower, where data is available;
- scrutinise areas of concern and hold departmental assurance conversations.

2.3 The Cabinet Office Government People Group will work with other parts of the Cabinet Office, including the Public Sector Fraud Agency (PSFA) to ensure any themes identified from 2024-2025 data are explored and any lessons learned shared. The Cabinet Office will also look at the People Survey results and consider any actions to support improvements as necessary, including supporting departments with cultural and individual perceptions around raising concerns.

2.4 The Cabinet Office Government Chief People Officer has shared the summary report for the year 2023-2024 with HR Directors, to support learning, and understanding of the organisation's position and to ensure the accuracy of the data submitted.

2.5 The Cabinet Office will take the opportunity to use the 2023-2024 data to benchmark against last year's data (2022-2023). This will continue for 2024-2025 to enable a year-on-year comparison and identify any longer-term trends.

3. PAC conclusion: A 'speak up' environment is not yet embedded throughout departments to encourage people to comfortably raise concerns.

3. PAC recommendation: In its Treasury Minute response to this report, the Cabinet Office should set out how it will ensure departments will build a positive environment that will encourage whistleblowing concerns to be raised.

3.1 The government agrees with the Committee's recommendation.

Recommendation implemented.

3.2 The Cabinet Office recognises that changes in organisational culture can take time to evolve and become embedded and at a different pace across departments. The Cabinet Office will continue to foster the sharing of whistleblowing/raising a concern best practice across the Civil Service through the online practitioner's hub.

3.3 The Cabinet Office has:

- built a stakeholder community where practitioners can engage with each other in a safe space, raise concerns and share learning;
- delivered a conference for policy leads in Autumn 2023, to support understanding of the current initiatives happening across the civil service and wider. This will become an annual event;
- developed and published a learning offer for departmental nominated officers;
- engaged with and promoted the annual Speak Up campaign.

3.4 The Cabinet Office will work with departmental leads to commission a survey of whistleblowers to better understand their experience and the speak-up culture across government. Findings will be shared with HR Directors.

3.5 The Cabinet Office will use this year's annual 'Speak Up' campaign, planned for late autumn, to focus on the cultural side of raising a concern and ensuring that it is safe for concerns to be raised. The intention is that this can be tailored by departments to align with their existing culture and approach to raising a concern.

3.6 Further, the Cabinet Office is considering the introduction of a civil service-wide whistleblowing champion at SCS level. The champion would be a senior figurehead to showcase the importance of speaking up across the civil service, to promote and encourage a culture where it is safe to challenge and to assure those raising concerns that they will be listened to and protected.

4. PAC conclusion: The Cabinet Office and other departments do not seek feedback from whistleblowers and so are missing vital insights into the effectiveness of the process.

4. PAC recommendation: In its Treasury Minute response, the Cabinet Office should commit to requiring all departments to collate feedback from whistleblowers at the end of the process. It should implement this immediately and use this information to better understand the whistleblower experience and make improvements.

4.1 The government agrees with the Committee's recommendation.

Target implementation: end 2024

4.2 The Cabinet Office will work with departmental leads to develop ways on how it can better capture whistleblowers' experiences, including whether they have experienced victimisation or harassment. The Cabinet Office will encourage the sharing of learning and good practice across departments.

4.3. The Cabinet Office will develop an anonymised feedback survey for whistleblowers to capture their experience, sharing learning across government. Providing feedback will be a voluntary measure to ensure that whistleblowers do not feel deterred from raising a concern. Consideration will be given to ensure that those who raise concerns anonymously can also provide feedback. This will help departments and the Cabinet Office understand better why anonymous whistleblowers use this route and explore ways to ensure whistleblowers have a safe experience.

4.4 The Cabinet Office will continue to work with departmental leads to ensure that there is a senior leader in each organisation who oversees cases where whistleblowers raise subsequent concerns around victimisation or harassment to ensure follow-up actions are captured. The introduction of a civil service-wide whistleblowing champion (as per para 3.6) will help support a safe-to-challenge culture.

4.5 The Cabinet Office will look at how any lessons learned can be shared, effectively and respectfully across government.

5. PAC conclusion: There is a lack of joined up thinking when it comes to sharing good practice across the civil service.

5. PAC recommendation:

- ***The Cabinet Office should work with departments to develop a way of disseminating good practice across the civil service. Within this it should pay specific attention to how this will include smaller organisations and arm's-length bodies.***
- ***It should do this work within 6 months and implement new practices shortly thereafter.***

5.1 The government agrees with the recommendations.

Target implementation: end 2024

5.2. The Cabinet Office will build on the existing work to share insight and best practice. The Raising a Concern self-assessment tool (formerly the health check) provides a solid framework for departments to embed a culture of speaking up. The Cabinet Office will work with those organisations that have a mature model and explore how the experience to maturity can be shared across government.

5.3 The department will continue to work with and share the Raising a Concern work with departmental leads to ensure that a senior leader in each organisation has oversight of cases and can provide assurance on the Raising a Concern process.

5.4 The Cabinet Office will work with departmental leads to explore, but not limited to, where wrongdoing has been found, to ensure organisational learning, policies and procedures are in place and action is taken where required.

5.5 The Cabinet Office has built a community of practitioners across government to ensure events, such as the annual whistleblowing conference being planned for Spring 2025 and opportunities for sharing learning and best practice across organisations. The department will work on refining the online hub to support the sharing of best practice and to build a strong practitioner community.

5.6 The department will engage with other organisations in the public sector and wider to gain insight into the whistleblowing landscape and whether different approaches can be brought into the civil service. The Cabinet Office will also consider and respond to the Department for Business and Trade's review of the whistleblowing framework.

5.7 It has been recognised and noted that the nature of the relationship between departments and agencies can vary. Through departmental leads and the working group, the Cabinet Office will explore what agencies expect from their department and vice versa. And how bigger organisations can support smaller ones where whistleblowing cases may be fewer. As part of the 2023-2024 data collection, departments have been asked to confirm if they are responding on behalf of their agencies or not. This has formed part of the assurance conversation by the Cabinet Office.

5.8 The Cabinet Office will also explore the development of a mentoring system for Nominated Officers with the community of practitioners so they can support and learn from each other.

Thirty-seventh Report of Session 2023–24

Department for Energy Security and Net Zero

Decarbonising home heating

Introduction from the Committee

The Department for Energy Security & Net Zero (DESNZ) has overall responsibility for achieving net zero, including decarbonising home heating in England and meeting interim emissions reductions targets for five-year periods known as carbon budgets. Heating the UK's 28 million homes accounted for 18% of all UK greenhouse gas emissions in 2021. The main source of these emissions is from burning natural gas to heat homes. Reducing emissions from heating homes is a key component of the government's overall target to achieve net zero emissions by 2050. Households using fossil fuels, such as gas boilers, will need to switch to a low-carbon alternative. This could involve installing a heat pump, which uses electricity to generate heat; connecting to a low-carbon heat network – a communal source of heating delivered to multiple dwellings; or potentially using hydrogen instead of natural gas. The suitability of these alternatives depends on factors including regional geography, house type and the heating system currently in use. Emissions from heating homes can also be reduced by improving energy efficiency, for example by improving insulation, to reduce energy usage and emissions.

In October 2021, the government published its Heat and Buildings Strategy. The Strategy stated the government's ambition to end the installation of new fossil fuel boilers by 2035. It also committed to growing the supply chain for heat pumps to a minimum market capacity of 600,000 heat pump installations per year by 2028, and developing the evidence base to inform strategic decisions in 2026 on the future role of hydrogen in home heating.

DESNZ must reduce emissions while also meeting statutory fuel poverty targets. The government has committed £6.6 billion from 2021–22 to 2024–25 for schemes to improve energy efficiency and install low-carbon heating, and an additional £6 billion from 2025–26 to 2027–28. This includes the Boiler Upgrade Scheme, which provides households in England and Wales with an up-front grant of £7,500 to help cover the cost of replacing fossil fuel heating with a heat pump or biomass boiler. This is an increase from the £5,000-£6,000 grant that had been available between May 2022 and September 2023.

Based on a report by the National Audit Office, the Committee took evidence Wednesday 24 April 2024 from the Department for Energy Security and Net Zero; The Committee published its report on 26 May 2024.This is the government's response to the former Committee's report.

Relevant reports

- NAO report: Decarbonising home heating – Session 2023-24 (HC 581)
- PAC report: Decarbonising home heating – Session 2023-24 (HC 653)

Government response to the new Committee

1. PAC conclusion: The cost of buying and running heat pumps is a substantial barrier to take-up for most households, at a time when incomes are already stretched.

1a. PAC recommendation: DESNZ should, by end-January 2025, write to the Committee setting out the findings of its evaluation of heat pump take-up among different socio-economic groups, based on the most recent data.

1.1 The government agrees with the Committee's recommendation.

Target implementation date: Spring 2025

1.2 The Department for Energy Security and Net Zero will write to the new Committee upon publication of the first set of interim findings from the Evaluation of the Boiler Upgrade Scheme, which is expected to take place in Spring 2025. This correspondence will highlight, amongst other things, the details of heat pump take-up amongst different socio-economic groups.

1b. PAC recommendation: DESNZ should, as part of its Treasury Minute response, set out what actions (and accompanying timetable) it will take to address the high running costs of heat pumps.

1.3 The government agrees with the Committee's recommendation.

Target implementation date: to be confirmed

1.4 The implementation of recommendations is dependent on further steers from new ministers, and the department will inform the new Committee as soon as an implementation date is agreed.

1.5 The department has evidence that heat pumps are over three times more efficient than gas boilers. However, current differentials in electricity and gas prices do not always make them cheaper to run.

1.6 The government wants to ensure that consumers are supported to make greener choices, which will help deliver on net zero ambitions. As such, the government is considering the best and most efficient way to bring down the running costs of low-carbon technologies such as heat pumps.

1.7 The government is investing up to £42 million in the Heat Pump Ready innovation programme to overcome barriers to heat pump deployment and support innovation in product design, including improving performance. The Heat Pump Ready programme is part of the £1 billion Net Zero Innovation Portfolio and builds on the previous £16.5 million Electrification of Heat Demonstration Project. Heat Pump Ready projects are currently underway and will conclude in 2025.

2. PAC conclusion: We are concerned that there is too much complexity and potential confusion for households to enable them to make informed decisions about installing a heat pump.

2. PAC recommendation: DESNZ should, as part of its Treasury Minute response, set out how it will make the heat pump landscape easier for consumers to navigate, for example being clear on the impact of insulation on energy bills, by directly comparing heat pump running costs in homes with and without insulation, with this information provided through an easy-to-use website.

2.1 The government agrees with the Committee's recommendation.

Target implementation date: to be confirmed

2.2 The implementation of recommendations is dependent on further steers from new ministers, and the department will inform the new Committee as soon as an implementation date is agreed.

2.3 The government has a range of activities to make it easier for consumers to switch to low carbon heating. The government provides advice and support in several areas, including the Heat Pump Home Suitability Tool and Find Ways to Save Energy in your home tool which provide bespoke advice to consumers on clean heat and energy efficiency upgrades they can make to their homes, and signposts grant support and further information. This is supplemented by a phoneline service, and the Local Energy Advice Demonstrator programme which will gather evidence on the best ways to engage consumers on a local level on home decarbonisation.

2.4 The government is making improvements to its Heat Pump Home Suitability tool which will include localised links, advice on pipework and radiators, as well as the impact of additional energy efficiency measures such as system upgrades and insulation.

2.5 The government will set out in the Warm Homes Plan how to further improve the heat pump landscape to make it easier for consumers to navigate.

3. PAC conclusion: DESNZ has made good progress in increasing the number of trained heat pump installers, but it faces a huge challenge to make sure there are enough installers to achieve its target to install 600,000 heat pumps per year by 2028.

3. PAC recommendation: DESNZ should, as part of its Treasury Minute response, set out what actions it will take to increase the number of heat pump installers after 2025.

3.1 The government agrees with the Committee's recommendation.

Target implementation date: Summer 2025 (Following phase 2 of Spending Review)

3.2 The government recognises that the number of heat pump installers will need to continue to increase rapidly beyond 2025 and will work closely with industry to ensure that sufficient installers are available to install heat pumps. The Heat Training Grant is the main form of government support currently available to upskill the existing heating engineer workforce and will provide around 10,000 opportunities for heat pump and heat network professionals. While this scheme is funded until April 2025, decisions on future training support will form part of Spending Review 2025 (SR25).

3.3 In addition, the apprenticeship framework for heating and plumbing was recently updated to ensure it offers the right skills to deliver Net Zero and launched a new Low Carbon Heating Technician apprenticeship in Autumn 2023. This will help bring new entrants into the sector and build a sustainable skills pipeline. The government will continue to work with industry to promote awareness and uptake of this apprenticeship and explore the most effective ways to grow and diversify the installer workforce.

3.4 The Regional Skills Pilots is a £3.5 million investment in the retrofit skills supply chain across the English regions. The pilots support the five local net zero hubs to work with local delivery partners to identify and test solutions to regional challenges. As part of the pilots, over £600,000 will directly support local heat pump supply chains. Other actions include supporting further education colleges to invest in new low carbon skills training facilities and upskill teaching staff to build capacity and capability in the system. Further support for skills pilots will be subject to decisions taken at SR25.

3.5 The department has set up the Office for Clean Energy Jobs, which will support tackling workforce and skills challenges in core energy and net zero sectors, critical to meeting our mission to make the UK a clean energy superpower. The Office will work with the Department for Education and support the newly established Skills England to ensure we have the skills we need to deliver the Mission, forming a view across the department to feed into Skills England's wider assessment of the UK economy's structural skills needs, and supporting with targeted delivery of specific policy solutions in the energy sector.

4. PAC Conclusion: DESNZ is not collecting all the information it needs to monitor progress with installing heat pumps.

4. PAC Recommendation: DESNZ should, by end-December 2024 at the latest, develop a mechanism for collecting and monitoring data on heat pump installations across all households in England and publish this data each quarter.

4.1 The government agrees with the Committee's recommendation.

Target implementation date: **Winter 2024**

4.2 The government agrees to publish data quarterly for retrofit installations using government funding. The government is also investigating whether there is a way to collect and publish data on installations in new build and installations not using government funding and cannot commit to do this until a suitable mechanism is found.

4.3 There is currently no single data source that measures the number of heat pumps installed. According to the Heat Pump Association more than 60,000 heat pumps were sold in 2023, including around 40,000 Microgeneration Certification Scheme (MCS) certified heat pump installations. However, new build and installations not using government funding are not systematically recorded by MCS. The department is currently exploring whether it is possible to use various data sources to cover these gaps. Across each of its schemes, the department currently publishes details on the number of measures installed on a regular basis, including heat pumps deployed, allowing for ongoing monitoring of the number of heat pumps installed.

5. PAC Conclusion: DESNZ has not yet worked out how it will support households to decarbonise their homes where heat pumps are not a practical solution.

5. PAC Recommendation: DESNZ should, by end-December 2024, outline which types of properties and regions it does not expect to be suitable for a heat pump and what alternative low-carbon technologies are available to them, to make sure that no one is left behind or unfairly penalised in the transition to low-carbon heating.

5.1 The government agrees with the Committee's recommendation.

Target implementation date: Summer 2025

5.2 The department accepts the recommendation though the date of implementation will be later than recommended by the former Committee, aligning with the publication of the research report from Summer 2025. The department will provide further information on which types of properties may not be suitable for traditional heat pumps operating at low flow temperatures, and what alternative low-carbon heating technologies may be most appropriate for this group.

5.3 Departmental modelling indicates it would be feasible to install heat pumps in over 90% homes across the UK, based on analysis of their energy efficiency and fuse limit. Results from the Electrification of Heat Demonstration Project show that heat pumps are widely suitable across the diverse range of housing archetypes present in the UK.

5.4 Nonetheless, the department has been monitoring a range of different low carbon heating solutions that could be used in properties that would not be suitable for traditional low temperature heat pumps. These include high temperature heat pumps, air to air heat pumps, electric boilers, heat batteries and storage heaters. Off the gas grid, the department is supporting the installation of solid biomass systems in a small number of appropriate properties through the Boiler Upgrade Scheme.

5.5 The department has commissioned further research that will look at the most feasible and cost-effective approaches to transitioning complex to decarbonise properties onto clean heating systems. The Department intends to publish that research report once it is available from Summer 2025.

6. PAC Conclusion: DESNZ's work to test hydrogen for heating has been beset with problems, with key trials cancelled.

6a. PAC Recommendation: DESNZ should, as part of its Treasury Minute response, set out how it will test hydrogen for different types of properties, including domestic and non-domestic properties, so it can make an informed decision on the role of hydrogen for heating.

6.1 The government agrees with the Committee's recommendation.

Recommendation implemented

6.2 The government has a research and development programme to consider the costs, benefits, feasibility and safety of hydrogen heating. This includes:

- Safety evidence, advice from the Health and Safety Executive (HSE), drawing on evidence from research and testing projects being undertaken by the gas networks.
- Specific departmental and gas network-led evidence projects to assess the technical conversion requirements for domestic and non-domestic gas installations and network infrastructure,
- Evidence from trials, such as evidence provided through the planning for potential village trials in Redcar and Whitby, and live trials in Germany and the Netherlands.
- Detailed energy systems modelling to assess the costs of different heat decarbonisation pathways.

6b. PAC Recommendation: DESNZ should, by end-June 2025, set out how it will undertake any required decommissioning of the gas networks, including how it will be funded.

6.3 The government disagrees with the Committee's recommendation.

6.4 The department disagrees with the recommendation as a full assessment will require more time than proposed by the former Committee. However, the department acknowledges that there are a range of scenarios which achieve net zero by 2050 with differing implications for the gas system and are currently exploring ways to facilitate the transition to a secure, affordable, low-carbon gas system in these scenarios.

6.5 This work involves understanding the likely supply and demand needs of natural gas in the future and identifying what this means for the gas system and infrastructure, including the extent to which decommissioning is required for parts of the gas network that cannot be used or repurposed.

6.6 This work will also consider how to lead the system through the decommissioning process, the technical aspects required to deliver decommissioning, and how to pay for it.

6.7 Modelling and understanding these different scenarios is complex given the number of variables at play (for example, uncertainty regarding the supply and demand for hydrogen, carbon capture, usage and storage (CCUS) and biomethane), and will depend in part on policy decisions yet to be made. For example, on the use of hydrogen for heat.

6.8 The department will continue to work with regulators and industry to understand what decommissioning will be needed in different scenarios, and how best to deliver it.

7. PAC Conclusion: Low-carbon heating will increase demand for electricity, but the government's plans to decarbonise power have been delayed substantially.

7. PAC Recommendation: DESNZ should urgently publish its power decarbonisation plan so that people and businesses can be confident that their investment in low-carbon heating will be supported by reliable and green sources of energy. The plan must be published by DESNZ's delivery target of mid-2024 i.e. end-June 2024.

7.1 The government agrees with the Committee's recommendation.

Target implementation date: to be confirmed

7.2 The implementation of recommendations is dependent on further steers from new ministers, and the department will inform the new Committee as soon as an implementation date is agreed.

7.3 This government has announced a target of delivering Clean Power by 2030, as a key pillar of the mission to make the UK a Clean Energy Superpower. To support this effort, the Secretary of State of the Department for Energy Security and Net Zero has appointed Chris Stark to lead a 2030 Mission Control to spearhead a new approach to accelerate the delivery of critical, clean energy infrastructure.

7.4 Mission Control has the mandate to lead bold action in collaboration with industry, Ofgem, and the Electricity System Operator to remove obstacles and identify and resolve issues as they arise. Further information on the approach will be announced in due course.

Thirty-eighth report of Session 2023-24

Department for Transport

Rail reform: The Rail Transformation Programme

Introduction from the Committee

The Department for Transport has overall responsibility for the railways, but the way the rail system works in practice is complex and has led to competing priorities between the public and private bodies involved. In May 2018, there was significant disruption to passengers across the rail network following the failed introduction of a new timetable. In response the Department set up the Williams Rail Review to examine the structure of the rail industry and how passenger services are delivered. The Review called for fundamental change.

In May 2021, the Department published its white paper on rail reform, setting out how the government intended to transform the way the rail system works. It included setting up a new organisation, Great British Railways (GBR), to act as the 'guiding mind' for the railways with responsibility for the whole rail system. It also set out a wide range of changes intended to get the basics right – running trains on time and making travel straightforward and welcoming to customers. By October 2021, the Department had set up its rail transformation programme to deliver reform and created a Great British Railways Transition Team to prepare for the establishment of GBR by March 2024. Between Autumn 2022 and 2023, changes to ministerial and government priorities resulted in delays in the schedule for legislation to enable the establishment of GBR. In November 2023, the government confirmed that such legislation was not expected to be introduced in the current Parliamentary session.

Based on a report by the National Audit Office, the Committee took evidence on Monday 29 April 2024 from the Department for Transport and Network Rail. The Committee published its report on 27 May 2024. This is the government's response to the former Committee's report.

Relevant reports

- NAO report: Rail reform: The rail transformation programme – Session 2023-24 (HC 579)
- PAC report: Rail reform: The rail transformation programme – Session 2023-24 (HC 652)

Government response to the new Committee

1. PAC conclusion: It has been six years since the Department identified the need for a root and branch review of the railway, but it has achieved very little in this time.

1. PAC recommendation: The Department should set out, as soon as possible during the next Parliament, how and by when it will successfully deliver the reforms that are urgently needed in the rail sector.

1.1 The government agrees with the Committee's recommendation.

Target implementation date: Winter 2024

1.2 The department is remobilising to deliver the government's plans as set out in the Labour Party manifesto via the rail sector transformation programme.

1.3 The government has introduced legislation to bring passenger services back into public ownership. Services will transition as existing contracts come to an end or reach their contractual break point as part of a rolling programme, commencing once the bill has Royal Assent.

1.4 The government has also announced in the King's Speech that it will bring forward further legislation to create Great British Railways (GBR) – a new arms-length body which will act as a "directing mind" for the railways and ensure the highest standards of customer service and operational performance. It will focus on delivering for passengers and freight customers.

1.5 The Labour Party's Getting Britain Moving plan committed to establishing a shadow Great British Railways ahead of legislation. The department is now preparing for the mobilisation of shadow GBR which will facilitate closer working between the senior leaders of Rail Services Group (RSG) in Department for Transport, Department for Transport Operator of Last Resort Holdings Limited (DOHL) and Network Rail (NR) to drive improvements for passengers, freight and the taxpayer. The department will set out next steps shortly.

1.6 The Infrastructure and Projects Authority (IPA) will provide assurance of the rail sector transformation programme delivery plan.

2. PAC conclusion: There has been too little focus on passengers and taxpayers and how to get them a better deal.

2a. PAC recommendation: The Department should commit to producing a specific passenger-focused plan that is clear to passengers what they should expect from travelling on trains following rail reform, including clear targets that train operators are expected to achieve.

2.1 The government agrees with the Committee's recommendation.

Target implementation date: Winter 2024

2.2 Under current arrangements, train operators' performance is monitored across a range of operational and service quality measures (including punctuality and reliability). For example, the department's service quality regime measures operator performance against a set of standards including cleanliness, customer service, ticketing and staffing. Targets are set and operators must publish results on their website. In addition, each operator is contractually required to set out their commitments to passengers via their passengers' charter, including for example the arrangements for passenger delay compensation.

2.3 Going forward, the government's ambition is to set the long-term strategy and priorities for the railway, with a new arm's length body, Great British Railways (GBR), acting as a "directing mind" focused on improving the rail network and the passenger experience. GBR will be incentivised by targets and performance criteria set by the Secretary of State to deliver a reliable, safe, efficient, accessible, affordable and quality network for passengers. Alongside this, a new passenger watchdog – the Passenger Standards Authority (PSA) – will independently monitor standards and champion improvement in service performance against a range of measures.

2b. PAC recommendation: The Department should work with HM Treasury to resolve the disincentives in the system so that it can bring the level of government subsidy on passenger services to a sustainable level and improve value for money for taxpayers. The Department should set out in its Treasury Minute how it is addressing the disincentives ahead of the next Parliament and full rail reform.

2.4 The government agrees with the Committee's recommendation.

Target implementation date: Spring 2025

2.5 The government is committed to delivering a unified and simplified governance structure for the railways, alongside passenger train services under public ownership, with the objective of providing improved services for passengers and better value for money for taxpayers. This model will address current disincentives by ensuring costs and revenue across infrastructure and operations are aligned to optimise performance and drive efficiency.

2.6 The department expects to see these reforms delivered over the course of this parliamentary term, as new legislation is enacted, and private train operators move into public ownership.

2.7 During the transition to these new arrangements, the department will continue to use the annual business planning exercise with the train operating companies to ensure that costs are being closely managed, but also that opportunities for revenue growth are being considered. The department's objective is to make the cost base as efficient as possible, increasing revenue and passenger numbers and reducing the net taxpayer subsidy. The department will work closely with HM Treasury to ensure costs and revenues are managed effectively.

3. PAC conclusion: It is unacceptable that so much of the rail network remains so difficult to access for so many people.

3. PAC recommendation: The Department should fulfil its commitment to improve access to the rail network for all who wish to use it and does not need to wait for further consultation or legislation to make improvements to station facilities and train services. It should report back to the Committee alongside the Treasury Minute on its plans and timetable for when stations and trains will be accessible to all.

3.1 The government agrees with the Committee's recommendation.

Target implementation date: Winter 2024

3.2 Accessibility is one of the six tests the Secretary of State will measure the railways' performance against. The department will set out next steps as soon as possible.

3.3 The department will continue to make improvements to the accessibility of the rail network. This includes continuing to support the access for all programme, which since launch has delivered accessible, step free routes at more than 250 stations and smaller accessibility improvements at over 1500 stations.

3.4 The department will also make use of the accessibility audit data of all 2,575 rail stations across Great Britain to improve passenger information on station facilities and their accessibility, and better target future investment decisions.

4. PAC conclusion: We are not convinced that the Department has paid sufficient attention, in advance of the delayed creation of Great British Railways, to the changes it can make now to improve the situation for passengers and taxpayers.

4. PAC recommendation: The Department needs to make tangible, visible progress in implementing reforms which improve outcomes for passengers and taxpayers. Its Treasury Minute response should set out:

- ***what passenger improvements and outcomes it has delivered, and***
- ***an update on the savings it has made from rail reform in this interim period and how it has made these savings.***

4.1 The government agrees with the Committee's recommendation.

Recommendation implemented

4.2 Prior to the 2024 General Election, the department was focused on delivering the reforms which could be progressed ahead of legislation, in line with the 2021 Plan for Rail. Progress included:

- Barcode ticketing technology rolled out across the network.
- London North Eastern Railways (LNER) simpler fares and single leg pricing trials to reduce the complexity of purchasing a ticket.
- Contactless "pay as you go'" (PAYG) ticketing being expanded in the South East, with 6 stations added in the Summer and a further 47 ready to launch in the Autumn.
- "Pay as you go" pilots announced in Greater Manchester and West Midlands, as well as trailblazer deeper devolution deals.
- Minimum target for growing rail freight volumes on the network announced.
- The second Great British rail sale was launched, providing significant ticket discounts to journeys for passengers.

4.3 The Plan for Rail originally forecasted £2.6 billion gross savings over the three-year Spending Review 2021 period (2022-23 to 2024-25) based on the previous government's policy. As set out in the National Audit Office report, the department forecast gross savings across the Spending Review 2021 period to be around £2 billion. This accounted for estimated savings from workforce reform, fares, ticketing and retail reform and structural and commercial reform, some of which are non-cashable savings.

4.4 This government is now focused on delivering benefits for passengers and taxpayers ahead of legislation to establish GBR. Resolving the national pay dispute with Associated Society of Locomotive Engineers and Firemen (ASLEF) will reduce disruption due to industrial action linked to the dispute and enable operators to deliver more reliable services to passengers and recover lost revenue.

4.5 The mobilisation of shadow GBR will see an immediate focus on improving services for passengers, unlocking barriers to delivery and improving the financial sustainability of the railway. Through key organisations working in partnership as shadow GBR, we will harness the leadership of the whole system with a common goal of improving services for passengers and freight customers.

5. PAC conclusion: Six years since the Department started work on rail reform, it has failed to resolve fundamental disagreements and clarify key aspects of reform.

5. PAC recommendation: The Department should urgently resolve disagreements ahead of taking forward reform in the next Parliament. Its Treasury Minute response should set out what areas remain to be agreed and how it and HMT plan to resolve these.

5.1 The government agrees with the Committee's recommendation.

Target implementation date: Winter 2024

5.2 The department is working closely with HM Treasury, including on how it defines the role, function and oversight of Great British Railways to ensure the railway is financially sustainable as the railways are brought into public ownership. Further information will be set out on plans for legislation as soon as is practical.

6. PAC conclusion: The Department has failed to engage with the workforce to successfully deliver its reform ambitions.

6. PAC recommendation: The Department should meaningfully engage with the workforce in order to implement its reforms successfully. In its Treasury Minute response, it should set out how it plans to engage with the workforce as part of implementing its reforms.

6.1 The government agrees with the Committee's recommendation.

Target implementation date: Winter 2024

6.2 This government is resetting the relationship with the trade unions as part of its overall approach to reforming the railways. The government has recently made a proposal to the ASLEF trade union to settle the existing national pay dispute. The government believes that working in partnership with the workforce, and particularly their representatives, is essential to secure long-lasting reform for the benefit of passengers.

Treasury Minutes Archive[1]

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

Session 2023-24

Committee Recommendations: 248
Recommendations agreed: 230 (93%)
Recommendations disagreed: 18

Publication Date	PAC Reports	Ref Number
February 2024	Government response to PAC reports 1-6 [80 Session 22-23]	CP 1029
March 2024	Government response to PAC reports 7-11	CP 1057
April 2024	Government response to PAC reports 12-18	CP 1070
May 2024	Government response to PAC reports 19-24	CP 1085
September 2024	Government response to PAC reports 26-29, 31, 33-38	CP 1151

Session 2022-23

Committee Recommendations: 551
Recommendations agreed: 489 (89%)
Recommendations disagreed: 62

Publication Date	PAC Reports	Ref Number
July 2022	Government response to PAC reports 1, 3 & 10	CP 722
August 2022	Government response to PAC reports 2, 4-8	CP 708
September 2022	Government response to PAC reports 9, 13-16	CP 745
November 2022	Government response to PAC reports 11, 12, 17	CP 755
December 2022	Government response to PAC reports 18-22	CP 774
January 2023	Government response to PAC reports 23-26	CP 781
February 2023	Government response to PAC reports 27-31	CP 802
March 2023	Government response to PAC reports 32-36	CP 828
May 2023	Government response to PAC reports 37-41	CP 845
June 2023	Government response to PAC reports 42-47	CP 847
July 2023	Government response to PAC reports 48-54	CP 902
August 2023	Government response to PAC reports 55-60	CP 921
September 2023	Government response to PAC reports 62-67	CP 941
November 2023	Government response to PAC reports 68-71	CP 968
January 2024	Government response to PAC reports 72-79	CP 1000
February 2024	Government response to PAC reports 80 [1-6 Session 23-24]	CP 1029

Session 2021-22

Committee Recommendations: 362
Recommendations agreed: 333 (92%)
Recommendations disagreed: 29

Publication Date	PAC Reports	Ref Number
August 2021	Government response to PAC reports 1-6	CP 510

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

Publication Date	PAC Reports	Ref Number
September 2021	Government response to PAC reports 8-11	CP 520
November 2021	Government response to PAC reports 7,13-16 (and TM2 BBC)	CP 550
December 2021	Government response to PAC reports 12, 17-21	CP 583
January 2022	Government response to PAC reports 22-26	CP 603
February 2022	Government response to PAC reports 27-31	CP 631
April 2022	Government response to PAC reports 32-35	CP 649
April 2022	Government response to PAC reports 36-42	CP 667
July 2022	Government response to PAC reports 49-52	CP 722

Session 2019-21

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

Publication Date	PAC Reports	Ref Number
July 2020	Government responses 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

Publication Date	PAC Reports	Ref Number
December 2018	Government responses to PAC reports 59-63	Cm 9740
January 2019	Government responses to PAC reports 64-68	CP 18
March 2019	Government responses to PAC reports 69-71	CP 56
April 2019	Government responses to PAC reports 72-77	CP 79
May 2019	Government responses to PAC reports 78-81 and 83-85	CP 97
June 2019	Government responses to PAC reports 82, 86-92	CP 113
July 2019	Government responses to PAC reports 93-94 and 96-98	CP 151
October 2019	Government responses to PAC reports 95, 99-111	CP 176
January 2020	Government response to PAC 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 2024	Session 2017-19: updates on 5 PAC reports Session 2019-21: updates on 1 PAC report Session 2021-22: updates on 10 PAC reports Session 2022-23: updates on 53 PAC reports Session 2023-24: updates on 6 PAC reports	CP 1102
December 2023	Session 2017-19: updates on 9 PAC reports Session 2019-21: updates on 2 PAC reports Session 2021-22: updates on 18 PAC reports Session 2022-23: updates on 48 PAC reports	CP 987
June 2023	Session 2013-14: updates on 1 PAC report Session 2017-19: updates on 11 PAC reports Session 2019-21: updates on 5 PAC reports Session 2021-22: updates on 29 PAC reports Session 2022-23: updates on 27 PAC reports	CP 847
December 2022	Session 2013-14: updates on 1 PAC report Session 2017-19: updates on 16 PAC reports Session 2019-21: updates on 14 PAC reports Session 2021-22: updates on 38 PAC reports Session 2022-23: updates on 8 PAC reports	CP 765
June 2022	Session 2013-14: updates on 1 PAC report Session 2017-19: updates on 27 PAC reports Session 2019-21: updates on 34 PAC reports Session 2021-22: updates on 30 PAC reports	CP 691
November 2021	Session 2013-14: updates on 1 PAC report Session 2016-17: updates on 3 PAC reports Session 2017-19: updates on 33 PAC reports Session 2019: updates on 2 PAC reports Session 2019-21: updates on 47 PAC reports Session 2021-22: updates on 5 PAC reports	CP 549
May 2021	Session 2010-12: updates on 1 PAC report Session 2013-14: updates on 1 PAC report 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 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

Publication Date	PAC Reports	Ref Number
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

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