HM Treasury

Treasury Minutes

Government Response to the Committee of Public Accounts on the Twenty-Seventh to the Thirty-Fourth reports from Session 2024-25

CP 1382 August 2025

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Government response to the Committee of Public Accounts Session 2024-25

Twenty-Seventh Report of Session 2024-25

Cabinet Office and the Department for Science, Innovation and Technology

Government's relationship with digital technology suppliers

Introduction from the Committee

Government spends at least £14 billion annually with technology suppliers. Procurements for digital programmes involving major policy and business change are particularly complex because they must meet multiple requirements and work with wider policy initiatives, other programmes and existing systems and processes.

Departments and other government organisations are responsible for awarding contracts to and spending money with technology suppliers.

At the centre of government, the Government Commercial Function (GCF), which is accountable to the Cabinet Office, leads public procurement policy, with The Crown Commercial Service developing and providing the frameworks which can be accessed by Departments, other government organisations and the wider public sector. The Government Digital Service (GDS), which is accountable to the Department for Science, Innovation and Technology (DSIT), is responsible for government's digital and data function but it does not have a formal role in respect of procurement. In January 2025, the government published its 'Blueprint for modern digital government' which acknowledges the need to reform digital procurement.

Major digital transformation programmes have often failed to deliver as intended, with repeated delays and cost overruns, because government has struggled to act as an 'intelligent customer'. Digital services and the technology market are rapidly changing in nature and are increasingly underpinned by technology and services which are subscription–based and which government does not ultimately control.

Based on a report by the National Audit Office, the Committee took evidence on 27 February 2025 from the Cabinet Office and the Department for Science, Innovation and Technology. The Committee published its report on 6 June 2025. This is the government's response to the Committee's report.

Relevant reports

- NAO report: Government's Approach to Technology Suppliers – Session 2024-25 (HC 543)
- PAC report: Government's relationship with digital Technology suppliers – Session 2024-25 (HC 640)

Government response to the Committee

1. PAC conclusion: We are concerned that GCF does not yet recognise the scale of reform required to address long–standing issues in government's digital procurement, including how it will work effectively with GDS to bring about necessary changes.

1a. PAC recommendation: The Cabinet Office and DSIT should urgently clarify their respective roles within digital procurement, including responsibilities around decision–making and areas of accountability for fundamentally improving digital commercial activity across government.

1.1 The government agrees with the Committee's recommendation.

Recommendation implemented

1.2 The Cabinet Office and DSIT have launched the Digital Commercial Centre of Excellence (DCCoE) as a joint co-funded team, housed in DSIT and reporting to the Government Chief Technology Officer. The team is now working at pace to address and deliver the recommendations contained within this report as set out below.

1.3 The DCCoE is working to formalise the roles and responsibilities between digital teams and commercial teams when managing supplier relationships, ensuring that we leverage the functional model, and existing skills and capabilities across government.

1b. PAC recommendation: The Cabinet Office and DSIT should, as part of the Treasury Minute response, set out how they will ensure that GCF and GDS operate on digital commercial matters both individually and jointly, and provide clarity on who leads on relationship management with digital suppliers.

1.4 The government agrees with the Committee's recommendation.

Target implementation date: December 2025

1.5 The DCCoE has been launched as a joint team between the commercial and digital functions, with support from the Crown Commercial Service. To support this a Government Digital Service (DGS) led Technical Design Authority has been established to set digital strategy supported by a Digital Commercial Working Group across government.

1.6 A strategic supplier relationship management approach is being developed which leverages the skills and capabilities of the Government Commercial Function (GCF) Supplier and Markets team, Crown Commercial Service and departmental category leads from across government. The work will focus on the key strategic supplier relationships and big tech providers supporting the development of national digital infrastructure.

2. PAC conclusion: The Cabinet Office and DSIT have many expectations for the Digital Commercial Centre of Excellence to deliver the large–scale improvements needed to current digital commercial activities, as well as its existing aims.

2. PAC recommendation: The Cabinet Office and DSIT should, in line with their Treasury Minute response, set out: what the Digital Commercial Centre of Excellence is going to do to address the problems with digital commercial activity as well as its published aims for SMEs and startups; and how it will balance its resources and time between activity facing government and suppliers respectively.

2.1 The government agrees with the Committee's recommendation.

Target implementation date: December 2025

2.2 The development of the Digital Commercial Strategy will include an agreed approach to supplier and market engagement, with a particular focus on Small and Medium Enterprise and Voluntary, Community and Social Enterprise suppliers, working in conjunction with industry representative bodies such as TechUK, alongside the Cabinet Office Crown

Representatives. Further work will be undertaken to establish the position on remaining issues outlined in the recommendation.

3. PAC conclusion: Cabinet Office and DSIT's approach to preparing for the opportunities and risks presented by new technologies is not yet being developed alongside addressing more immediate digital procurement challenges

3a. PAC recommendation: The Cabinet Office and DSIT should develop a comprehensive plan for securing the digital commercial skills that government needs, drawing together assessments of priority capability needs, existing capability and skills gaps.

3.1 The government agrees with the committee's recommendation.

Target implementation date: December 2025

3.2 The government will progress the following actions which we will be able to update the PAC on in December 2025.

3.3 Following publication of the NAO Report and to support the Committee's recommendation the following actions are being taken forward to address capability gaps and increase skills across government.

- The Digital Commercial Centre of Excellence (DCCoE) will lead the development of a category-based structure to unify digital skills and capabilities to commercial technical skills.
- The proof of concept will be tested through the Central Buying project for the delivery of Cloud and End User Devices and iterated to ensure wider adoption can be achieved.
- A Commercial IT Directors Group will be set up to ensure that thought leadership, capability, knowledge, and insights can be shared to support the delivery of increased capability, and the targets set out in the Blueprint for a modern digital government.

3.4 GCF Capability, working with DCCoE, have agreed a strategic approach and baselined current capability levels, and identified available current training provision that will raise capability for those GCF individuals who are not currently at the expert level (see response 4.2 below).

3b. PAC recommendation: The Cabinet Office and DSIT should, within 3 months, set out how they will ensure that the playbook is pitched at a sufficient level of detail to be of practical help and cover the whole commercial lifecycle, and who will be responsible for updating it regularly.

3.5 The government agrees with the committee's recommendation.

Target implementation date: December 2025

3.6 The government is taking forward the actions outlined below on which we will update the Committee on progress in December 2025:

3.7 The Digital, Data and Technology (DDaT) Playbook provides a comprehensive framework for managing digital and technology projects within the public sector. The Market Sourcing and Suppliers Team is responsible for the playbook and is working with GDS to launch a publication in December 2025, bringing it up to date with current practices and for adoption across all relevant procurement activities.

3.8 Key points from the Playbook include:

- Best Practices: The Playbook consolidates best practice guidelines and policies that help procurement professionals set up projects for success from the outset, minimising the risk of costly mistakes.
- Outcome-Based Approach: It emphasises an outcome-based procurement strategy, focusing on delivering value rather than merely reducing costs. This aligns procurement activities with user needs and government priorities.
- Market Engagement: The Playbook encourages early engagement with the market, facilitating innovation and collaboration, particularly with SMEs, to harness diverse solutions that meet public sector requirements.
- Risk Management: It promotes a balanced approach to risk, ensuring that risks are allocated to those best able to manage them, thereby enhancing project resilience and sustainability.
- Continuous Improvement: The DDaT framework supports iterative testing and learning, allowing procurement professionals to adapt strategies and improve service delivery over time.
- Compliance and Governance: The Playbook sets out clear governance structures and compliance requirements for central government departments and arm's-length bodies, ensuring transparency and accountability in procurement activities.
- Cyber Security and Legacy IT: It includes specific guidelines on cyber security and addressing legacy IT issues, which are critical for safeguarding public data and enhancing operational resilience.

4. PAC conclusion: GCF's current plans for training to build digital commercial expertise across the civil service are insufficient to bring about the transformative change needed to improve government's digital commercial activity.

4a. PAC recommendation: The Cabinet Office and DSIT should, within 6 months, set out how it will ensure that departments have the digital commercial skills and expertise they need, including training, awareness, and whether senior digital commercial specialists are needed in each department.

4.1 The government agrees with the committee's recommendation.

Target implementation dates: first phase by September 2025, second phase by March 2026, final phase to be confirmed.

4.2 Within the GCF there are already 500 individuals who are considered experts in digital services procurement. These individuals are spread across departments in Digital Commercial Teams and lead the procurement of those services for their respective departments.

4.3 The government is seeking to build on this core expertise to broaden and deepen its digital commercial acumen across the GCF. GCF Capability, working with DSIT, has identified a three-phased approach to systematically raise the overall capability across the GCF.

4.4 This phased approach includes:

- Phase 1: Raising the Baseline of Digital Capability. By September 2025. GCF and DSIT will have identified a number of existing courses that will raise awareness and understanding of digital services and technology. GCF staff will be required to complete these courses.

- Phase 2: Broader Capability. By March 2026. To further build capability, there have been a further 11 hours of specific digital training courses identified by DSIT, which will need to be completed by GCF staff by March 2026.

- Phase 3: Deeper Specialist Knowledge. A learning needs analysis will be carried out to identify the current skills gaps in commercial digital capability and identify the required training to overcome these. This will be carried out collaboratively by the GCF capability and DCCoE teams. Phase 3 steps are longer-term.

4b. PAC recommendation: The Cabinet Office and DSIT should, in setting out their response above, explicitly state how they will overhaul the ratio of digital commercial experts relative to the wider commercial function and ensure that the views of digital experts are given due prominence and properly considered throughout the lifecycle of contracting for digital technology.

4.5 The government agrees with the committee's recommendation.

Target implementation date: December 2025

4.6 The GCF in conjunction with the DCCoE, will undertake a review of the level of resources aligned to digital procurement, that will have contract management capabilities and the extent to which Senior Business Owners have completed both the Commercial Foundation Awareness Course and Contract Management Capability Programme. Further detail will be provided to the Committee in December, in line with the target implementation date of December 2025.

5. PAC conclusion: Government's ability to get the best deals with technology suppliers is being hampered by its lack of knowledge of what it is spending or its future needs.

5. PAC recommendation: The Cabinet Office and DSIT should, by Autumn 2025, set out how it will ensure that it has the data and the capability (systems, processes, people) it needs to make more informed decisions about where and how government spends with technology suppliers. This should include data on spending and on the pipeline of supply and demand, to help the centre of government build a more strategic approach to working with technology suppliers.

5.1 The government agrees with the committee's recommendation.

Target implementation date: December 2025

5.2 The GCF Digital & Data Team will set out the process to leverage commercial insights from data held across the eco-system, which will include the development of a standard framework for procurement platforms as well as the delivery of the central digital platform, leveraging data held in procurement and back-office systems for use across government. Further detail will be provided to the committee in December, in line with the target implementation date.

6. PAC conclusion: Government is underestimating how difficult it will be to consolidate its buying power centrally when procuring digital technology across government, in a way that will give it maximum leverage.

6. PAC recommendation: The Cabinet Office and DSIT should design a suitable commercial construct moving from the current conceptual level to a more detailed explanation of how things should work, recognising that this is a new cross–government approach with new processes.

6.1 The government agrees with the Committee's recommendation.

Target implementation date: December 2025

6.2 The Commercial Operating model is evolving to consider how to facilitate the delivery of the functional standards for commercial and digital and will be adjusted to reflect any proposed changes to the Commercial operating model under the Cabinet Office departmental transformation programme.

6.3 The review will also include the development of a standard taxonomy from which we can develop category strategies to ensure that we standardise specifications, consolidate demand, and shape our approach to the market, calling on resources and insights from across HMG and the wider public sector where appropriate.

6.4 A review of the controls and assurance frameworks will be undertaken to ensure that a unified, proportionate and considered approach is taken to optimise the process and accelerate delivery.

Twenty-Eighth Report of Session 2024-25

Department of Energy Security and Net Zero

Decommissioning Sellafield

Introduction from the Committee

Sellafield is the most complex and challenging nuclear site in the UK. It stores highly hazardous waste as well as the UK's entire stockpile of civil-owned plutonium. Many of the facilities are ageing and in poor condition; several do not meet modern safety standards and are deemed to pose an 'intolerable' risk. This means that the government recognises that reducing this risk needs to be the overriding factor when decisions are made. Sellafield Ltd, which runs the site, has started retrieving waste from these facilities and expects to largely complete this task by the 2050s.

Sellafield Ltd is a wholly owned subsidiary of the Nuclear Decommissioning Authority (NDA), a non-departmental public body which is in turn sponsored by the Department for Energy Security and Net Zero (the Department). Sellafield Ltd is the largest of the NDA's subsidiaries: it spent £2.7 billion in 2023–24, around two thirds of the NDA's total spending. In March 2024, over 11,500 people were directly employed by Sellafield Ltd.

The NDA expects that the task of decommissioning buildings and cleaning up the Sellafield site will not be completed until 2125 and will cost £136 billion (on an undiscounted basis). This is £21.4 billion (in 2023–24 prices) more than it estimated in March 2019, an increase of 18.8%. The department has not carried out any work recently to establish whether relaxing its current requirement of full site remediation could result in a much cheaper outcome for the taxpayer.

Based on a report by the National Audit Office, the Committee took evidence on 20 March 2025 from the Department for Energy Security and Net Zero, Nuclear Decommissioning Authority and Sellafield Ltd. The Committee published its report on 4 June 2025. This is the government's response to the Committee's report.

Relevant reports

- NAO report: Decommissioning Sellafield: Managing risks from the nuclear legacy – Session 2024-25 (HC 233)
- PAC report: Decommissioning Sellafield – Session 2024-25 (HC 363)

Government response to the Committee

1. PAC conclusion: Sellafield Ltd has not made enough progress in addressing the site's most significant hazards since the Committee last reported, in 2018.

1. PAC recommendation: In its Treasury Minute response to this report DESNZ should set out what it will do differently to hold the NDA and Sellafield Ltd to account for Sellafield's performance against its annual targets, particularly with regard to the programmes to ameliorate the site's greatest hazards.

1.1 The government agrees with the Committee's recommendation.

Recommendation implemented

1.2 The Department for Energy Security and Net Zero has recently heightened its oversight of the performance of the Nuclear Decommissioning Authority (NDA) and, in turn, Sellafield. The department, supported by UK Government Investments (UKGI), exercises oversight of the NDA through a set of frameworks and systems including:

- Delegation of Accounting Officer requirements from DESNZ to the NDA Chief Executive Officer (CEO) with Accounting Officer responsibilities, in line with the corresponding HM Treasury settlement letter.
- Annual priorities letter issued to the NDA Chair and CEO to set out the department's expectations.
- Annual performance review focusing on performance against annual targets.
- Monthly governance and sponsorship meetings.
- A cadence of senior civil service and Ministerial meetings.
- Through robust scrutiny of programmes and projects through the department's Portfolio and Investment Committee (PIC). PIC spends around 28% of time on NDA-related cases.
- 'Deep dives' into specific areas of interest.
- Attendance at NDA's performance reviews of its operating companies.
- Regular site visits.

1.3 Since January 2025, the department has increased its direct oversight by implementing a new governance structure.

- Previously run by UK Government Investments (UKGI), the department's Principal Sponsor now chairs monthly performance meetings. UKGI has responsibility for overseeing operational and safety performance including monitoring performance against annual targets.
- The department has assumed responsibility from UKGI for overseeing major project and commercial/contract performance.
- UKGI maintains oversight of corporate and financial performance across areas such as health and safety, key targets, operations, culture, people, and risk.
- Strengthened the focus of the Senior Civil Service and Ministerial meetings to focus on quarterly performance against the annual targets.
- Instituted a reporting cadence of monthly to senior officials and quarterly to Ministers.

1.4 Within this financial year, 2025-26, the department will:

- Initiate a review of the revised governance structure to ensure it maximises effectiveness.

2. PAC conclusion: The targets set for Sellafield Ltd neither support DESNZ and the NDA in holding it to account for poor performance, nor allow Sellafield Ltd to demonstrate it is making meaningful progress towards addressing the site's hazards.

2. PAC recommendation:

- ***Sellafield Ltd should publish a set of medium–term targets which demonstrate it is on track to complete key activities within its assumed 'strategic tolerances'. This should contain sufficient detail to give Parliament, and the public, confidence it has a credible plan to develop and sustain the necessary capabilities.***
- ***It should then report annually on its progress against these medium–term targets.***
- ***Alongside these medium–term targets, it should set out what actions will be needed, including clear milestones, to achieve a completely decommissioned site in the next hundred years. It should report progress against this every ten years.***

2.1 The government agrees with the Committee's recommendation.

Target implementation date: March 2027

2.2 Currently there are mission-length plans spanning 100+ years for each Operating Company (OpCo) within the NDA group. These reflect the best estimate of key activities that need to be completed and/or new capabilities that need to be constructed to deliver the mission. The costs of delivering the plans are used to construct the nuclear provision. The approach to the construction of the plans varies significantly as they were initially developed by the previous Parent Body Organisations operating the sites.

2.3 NDA will develop, under its annual target on Group Strategic Planning, a consistent planning approach for short, medium and long-term planning horizons, to unify the plans across the estate, enabling stronger integration between the OpCos and strengthening the Group planning capability. It will deliver revised whole-life plans, 20-year corporate plans, and 5-year operating plans for each OpCo.

2.4 The NDA will define the outcomes to be delivered and the associated medium-term milestones/targets to enable continual monitoring of delivery performance at OpCo and group levels and inform management actions to maintain plan delivery within strategic tolerances. In addition, the NDA will set out what actions will be needed, including clear milestones, to achieve a completely decommissioned site.

2.5 Once the medium-term targets and long-term actions have been determined and agreed they will be reported on annually through the Sellafield Ltd Executive and Board and the NDA. Work is required to establish how and then when this information would be made public, considering existing NDA public reporting mechanisms, such as the NDA Annual Report and Accounts, Strategy and Business Plan.

2.6 In addition, DESNZ will commission by end-2025 an independent and externally led review of the NDA Group. This review will consider strategic planning and management to optimise Value for Money, project and programme delivery, financial management and the potential value of providing the NDA with longer-term financing and freedoms.

3. PAC conclusion: Sellafield's ability to deliver its largest projects on time and budget is still too variable. While there are some recent signs of improvement, Sellafield continues to repeat old mistakes.

3. PAC recommendation: As it carries out more detailed planning for future provision of Analytical Services, Sellafield Ltd should write to the Committee at a suitable point (but within six months) to update us on:

- ***when it expects to be able to carry out the plutonium analysis the site will require (and what level of confidence it has in this estimate);***
- ***how much it expects to spend on the projects it has decided to carry out instead of the Replacement Analytical Project; and***
- ***what assessment it has made of the costs and value for money of maintaining the same level of analytical capability beyond 2040.***

3.1 The government agrees with the recommendation.

Target implementation date: June 2026

3.2 Future analytical capability is required at Sellafield to test the properties of materials such as nuclear fuels and waste, and Special Nuclear Material (SNM) such as plutonium. Sellafield Ltd will provide an update on future analytical capability plans as alternatives to the Replacement Analytical Project within six months of the publication of this report (December

2025). A further update will be given once the Outline Business Case to provide the SNM capability has been completed (June 2026) which will include a schedule for delivery (and associated confidence level).

3.3 The 2024 NAO report noted positive progress had been made in major project delivery at Sellafield, identifying that more recent projects are expected to be completed in line with business case assumptions. It recognised the positive ratings received by key projects from the then Infrastructure Projects Authority, and the gains made in Reference Class Forecasting to improve cost estimates.

3.4 The nationally recognised project delivery entity, the Programme and Project Partners (PPP) model was noted positively in the report: "Sellafield and the Infrastructure and Projects Authority believe that the PPP model has contributed significantly to strong performance on two of its first three projects, and external reviews have also identified a strong internal culture that is adding value to Sellafield."

3.5 A target focused on improving project and contract delivery by sharing and implementing lessons learned was successfully delivered in 2024-25 and will inform the NDA's group-wide organisational learning policy.

4. PAC conclusion: The failure of the Replacement Analytical Project illustrates the need to improve asset management at Sellafield.

4. PAC recommendation: Alongside the Treasury Minute response to this report, Sellafield Ltd should write to the Committee to explain how it is addressing the deteriorating condition of its assets. This should include information about the specific actions it is taking to increase the productivity of its maintenance teams, and what impact these actions have had, and are expected to have.

4.1 The government agrees with the Committee's recommendation.

Recommendation implemented

4.2 The Sellafield site contains a complicated asset base of over 900 buildings plus associated plant and infrastructure.

4.3 Some assets are currently operational - many at or beyond their original intended lifespan. For some, the capability is not required in the long term and so it is more affordable to extend their lifespan by maintaining rather than renewing them, even though this increases maintenance demands. For others, long-term capability is required, and new assets are being built to replace the old ones. Some facilities are already redundant and awaiting demolition, but removal would not reduce the nuclear hazard, and so funding is not a priority. However, maintenance of assets is still needed to avoid conventional safety risks. As a result, the asset base is growing and safety, performance, and value for money across redundant and core operational assets requires careful balance. Solely increasing the productivity of maintenance teams misses the demands associated with the complex picture outlined above. There are greater benefits to be gained from focused improvement in other aspects of asset management.

4.4 In its letter to the Committee sent alongside this Treasury Minute response, Sellafield Ltd set out its asset management approach including a targeted Asset Management Intervention launched in 2022. Programme outcomes will be embedded into business-as-usual operations to ensure sustained improvements in asset care and improved alignment with the principles of ISO55000 (Asset Management). Progress is monitored by the Office for Nuclear Regulation and the Environment Agency. Sellafield Ltd benefits from independent internal peer review through the World Association of Nuclear Operators (WANO).

5. PAC conclusion: DESNZ is not doing enough to ensure that long–term value for money is achieved from decommissioning the Sellafield site.

5. PAC recommendation: The Nuclear Decommissioning Authority and Sellafield Ltd should use their existing long–term financial models to produce and publish a range of scenarios, giving more insight into how government can reduce the lifetime decommissioning cost of the NDA estate. This should include an assessment of the cost (on both a discounted and undiscounted basis) if government funding for the NDA is constrained at current levels in all future years.

5.1 The government agrees with the Committee's recommendation.

Target implementation date: December 2026

5.2 To provide improved visibility of the uncertainty associated with the Sellafield Ltd mission which spans 100+ years, scenario planning will be undertaken with a focus on the impact of different funding levels. This will be generated alongside an update to the current plan of NDA and Sellafield Ltd mission.

5.3 Utilising the Group Strategic Planning capability any Sellafield Ltd scenarios will be used to inform group level modelling and determine estate-wide impacts. Scenarios are informed by strategic assumptions, decisions, options and performance as appropriate.

5.4 Noting that this will be a first iteration of presenting the Sellafield Ltd plan in the context of a range, a period of maturation will be required to ensure a clear and comprehensive logic exists.

5.5 It will be necessary to agree the mechanism and timing, including what is published, noting that the NDA already publishes the Nuclear Liabilities estimate which has scrutiny and sign-off from the NAO.

6. PAC conclusion: The NDA and Sellafield Ltd still have more to do to build a culture where all employees feel able to raise concerns and report poor behaviour.

6. PAC recommendation: The NDA should publish information in its Annual Report about:

- ***the prevalence and perception of bullying and harassment broken down by site and demographic groups, accompanied by suitable benchmarking;***
- ***other staff survey results which it believes are particularly important in assessing the health of its corporate culture; and***
- ***metrics to measure the effectiveness of its various reporting mechanisms including safety reporting.***

6.1 The government agrees with the Committee's recommendation.

Target implementation date: October 2026

6.2 The NDA is committed to maintaining a safe, healthy, and high-performing workplace where people can thrive. It has taken decisive steps to foster an open and respectful culture including strengthening the Speak Up policy (which includes whistleblowing). Improvements are reflected in recent staff survey results. Although the NDA is encouraged by this progress, it remains vigilant and continues working to ensure all employees feel respected and confident in raising concerns, and that these are addressed appropriately.

6.3 While the publication of staff survey results without appropriate context can lead to misinterpretation, the NDA is keen to provide a more contextualised view of cultural progress.

6.4 As such, the NDA will publish an annual “People” report containing information about staff survey results (including scores, narrative, trends), Speak Up data (including rates of reporting, types of matter raised, outcomes), and other matters which help assess the health of its corporate culture.

6.5 Its approach to breaking down results by Operating Company and demographic will, of course, need to be guided by confidentiality of individuals, following best practice. It will consider potential inclusion of appropriate benchmarking.

6.6 Nuclear safety is paramount, and rigorous standards are upheld to protect the workforce, the public, and the environment. The NDA is confident in the strength of internal safety metrics and reporting mechanisms which are underpinned by independent assurance from regulators.

6.7 Regular group wide reviews of safety culture are carried out using verified external methodologies to test workforce attitudes and beliefs around reporting of events. The NDA will include relevant data in the “People” report.

Twenty-Ninth Report of Session 2024-25

Cabinet Office

Condition of Government properties

Introduction from the Committee

The Office of Government Property (OGP), part of the Cabinet Office, is responsible for the strategic direction for the management of government property, collecting data on government property and publishing the State of the Estate report. The Cabinet Office influences departmental decision–making by publishing cross government policies, standards, strategies and guidance. Government departments and arm's–length bodies (ALBs) have day–to–day accountability for their own property.

In March 2023, the government's freehold estate was valued at approximately £187 billion. This includes a wide range of properties such as hospitals, job centres, courts, prisons, museums, research facilities, offices and warehouses. Property maintenance is important so that public sector buildings remain safe, functional and comfortable for employees and the public. Poor property condition can disrupt services delivery and reduce the value of government property.

The government's maintenance backlog has increased steadily in recent years. At October 2024, the backlog had reached at least £49 billion. The maintenance backlog is the value of work that has not been carried out or has been deferred when maintaining assets. Delaying these works can significantly increase future costs.

Based on a report by the National Audit Office, the Committee took evidence on Monday 31 March 2025 from the Cabinet Office, Ministry of Defence and Office of Government Property. The Committee published its report on 11 June 2025. This is the government's response to the Committee's report.

Relevant reports

- NAO report: Maintaining public service facilities – Session 2024-25 (HC 544)
- PAC report: Condition of Government property – Session 2024-25 (HC 641)

Government response to the Committee

1. PAC conclusion: Government efforts to tackle the backlog are undermined by inconsistent and incomplete data.

1a. PAC recommendation: Alongside its Treasury Minute response to this report the Cabinet Office should write to the Committee to update us on:

- ***its progress in mandating that departments use a standard definition of backlog and collect consistent and–up–to–date data so the scale of the backlog is accurately captured in the State of the Estate report;***
- ***how Insite implementation has improved data collection and collation; and***
- ***what it has done to make sure that all departments comply with its requirements or explain deviation from it. It should include compliance rates alongside the backlog calculation in the 2026 State of the Estate report.***

1.1 The government agrees with the Committee's recommendation.

Recommendation implemented

1.2 The Cabinet Office has written to the Committee alongside this Treasury Minute response in response to this recommendation.

1b. PAC recommendation: The Treasury should mandate that all departments and their arm's length bodies state what their property backlog is in their annual report and accounts in addition to those that already do this.

1.3 The government agrees with the Committee's recommendation.

Target implementation date: 2027-28 Annual report and account

1.4 Subject to the Cabinet Office confirming the standard definition and calculation methods for property maintenance backlogs, HM Treasury will work with the Cabinet Office to consider how this could be applied to reporting in annual report and accounts.

1.5 HM Treasury is required to consult with the Financial Reporting Advisory Board (FRAB) on changes to policy and practice. Based on FRAB recommendation, HM Treasury will aim to make changes to the government financial reporting manual (FReM) by November 2026. The publishing of the FReM will require approval from the Chief Secretary which would bring these changes into force for the financial year commencing on 1 April 2027. Implementation of the recommendation will be made in entities annual reports and accounts for 2027-28 which will be published from July 2028 until the statutory deadline for publication of 31 January 2029.

1c. PAC recommendation: Now that Treasury rules prohibit transforming of capital budgets (CDEL) to revenue budgets (RDEL), all departments should properly plan to spend all the capital money that they have bid for during the relevant financial year to avoid underspends. Alternatively, the Treasury should be prepared to allow this money to be rolled over into the next financial year.

1.6 The government agrees with the Committee's recommendation.

Recommendation implemented

1.7 As set out in Consolidated Budgeting Guidance, departments should ensure spending plans - including capital plans - are taut and realistic. At Spending Review 2025, HM Treasury worked with departments to develop a deliverable pipeline of capital programmes and projects. In the event of underspends, the Consolidated Budgeting Guidance already permits departments to roll over, or 'budget exchange', a set percentage of their resource DEL and capital DEL budgets forward into the next year. For capital programmes with a DEL budget of over £50 million in the year in question, additional flexibilities are available to carry forward up to 20% of the programme's capital DEL budget subject to the conditions set out in para 1.85 of the Consolidated Budgeting Guidance. Departments that wish to take advantage of this flexibility must notify HM Treasury 6 weeks ahead of Supplementary Estimates. There is no scope to change DELs after Supplementary Estimates.

2. PAC conclusion: The poor condition of some property and the failure to maintain it is regularly affecting the provision of key public services.

2a. PAC recommendation: The Cabinet Office should require departments to include explicit analysis of the risks across their portfolio in their updated SAMPs.

2.1 The government agrees with the Committee's recommendation.

Target implementation date: Autumn 2026

2.2 The inclusion of information on risks within Strategic Asset Management Plans (SAMP) is currently an advisory element of Government Functional Standard: Gov S004: Property. The Office of Government Property (OGP) SAMP Handbook provides guidance on the content of SAMPs.

2.3 GovS 004: Property is currently being reviewed, and the Cabinet Office intends to strengthen the position on the inclusion of strategic or major risks as an initial step. Following this it is intended to consult with departments on the extent to which an inclusion of explicit analysis of the risk across property portfolios is practicable and to what level of detail to allow existing guidance to be further developed.

2b. PAC recommendation: The Cabinet Office should update the Committee by April 2026 on how it is supporting departments to minimise the risks posed by poor maintenance on their estate.

2.4 The government agrees with the Committee's recommendation

Target implementation date: April 2026

2.5 The OGP will provide a written update to the Committee by April 2026 on the extent to which it has been able to support departments to minimise the risks posed by poor maintenance on their estate via the further development of its policies and tools.

2.6 The Spending Review 2025 did not provide additional resources for the Cabinet Office to support the work in departments on property condition. Therefore, central support required by departments or their ALBs will be limited unless departments support the centre to act on their behalf and pool resources.

3. PAC conclusion: Many departments' property plans lack the information necessary to manage and maintain their portfolios.

3a. PAC recommendation: Cabinet Office should perform a regular assessment on the quality of the SAMPs of organisations with major property portfolios and explain what further actions it is taking to improve the quality and coverage of departmental SAMPs.

3.1 The government agrees with the Committee's recommendation.

Target implementation date: July 2026

3.2 The Cabinet Office will continue to coordinate and lead the annual department SAMP review and refresh planning process, working closely with departments on improvements during this period to strengthen overall SAMP maturity.

3.3 The Cabinet Office is also working with HM Treasury and NISTA in support of the recently published UK 10 Year Infrastructure Strategy as part of the social infrastructure roadmap which requires departments to have robust unified 10 year strategic maintenance plans in operation from 2027.

3.4 The Cabinet Office will provide a written update to the Committee by July 2026 on the further improvement and assessment activity put in place to ensure departmental plans are more coherent and align with cross-government strategies.

3b. PAC recommendation: The Ministry of Defence should report to the Committee its plan for redeveloping its housing estate and include long–term plans in the departmental SAMP. The plan should also include details on proposed disposals, redevelopment and maintenance.

3.5 The government agrees with the Committee's recommendation.

Target implementation date: Autumn 2025

3.6 The Defence Housing Strategy Review (DHSR) is being driven by an independent review team and chaired by former member of Parliament and housing expert, who met with the Committee Chair on 17 June 2025 to discuss the Defence Housing Strategy.

3.7 DHSR is planned for publication later in the year and will set out a roadmap to deliver a generational renewal of Service Family Accommodation. It will also identify surplus military land for development, create greater opportunities for Armed Forces home ownership and support the delivery of affordable homes for families across the UK as part of the Government's Plan for Change. The Defence Housing Strategy will inform follow on work to develop a comprehensive Strategic Asset Management Plan that will include Service Family Accommodation.

3.8 A new Consumer Charter to improve Service Family Accommodation for Service Personnel and their families was announced on Friday 18 April 2025. The final Charter will form part of the new Defence Housing Strategy.

4. PAC conclusion: Short–term funding for property maintenance is hindering longer–term planning.

4a. PAC recommendation: The Cabinet Office should, in light of Spending Review 2025 and no later than October 2025, write to the Committee to update it on what has changed to support the longer–term planning of property maintenance.

4.1 The government agrees with the Committee's recommendation.

Target implementation date: October 2025

4.2 The Cabinet Office understands that, since the Committee was held, HM Treasury has published the 10 Year National Infrastructure Strategy which provides greater long term funding clarity to departments in addition to multi-year settlements as part of the Spending Review 2025.

4.3 The Cabinet Office will write to further update the Committee no later than October 2025 on what has changed to support the longer–term planning of property maintenance in light of Spending Review 2025.

4b. PAC recommendation: HM Treasury should mandate that business cases for maintenance funding consider the consequences of disposal and building new in addition to maintaining existing properties.

4.4 The government agrees with the Committee's recommendation.

Recommendation implemented

4.5 The Green Book already mandates that a business case must include a full range of options at shortlist stage alongside a business-as-usual counterfactual. This shortlist must include a 'do minimum', a preferred way forward, a more ambitious preferred way forward and a less ambitious preferred way forward. For a maintenance business case, these options should include both maintaining existing property (i.e. the ‘do minimum’) as well as disposing existing assets and building new property (more ambitious options).

5. PAC conclusion: Many departments and arm’s length bodies do not have the skills and capabilities to manage their property portfolio effectively.

5. PAC recommendation: As part of its strategic workforce planning review, the Cabinet Office should set out the reasons for difficulties recruiting and retaining property professionals and its plans to improve skills and diversity of property professionals across government.

5.1 The government agrees with the Committee’s recommendation.

Target implementation date: March 2026

5.2 A Property Workforce Insights research project conducted in 2023 identified the reasons for difficulties in recruitment and retention in property: a scarcity of technical skills across the public and private sectors, and a perception of limited career pathways in technical specialisms in the Civil Service. Aggregating these insights and information returned in department SAMPs, the Office of Government Property will use a test, learn and grow approach to produce a strategic capability plan for the property profession during financial year 2025-26.

5.3 Identifying potential skills shortages, this plan will inform and evolve work to improve skills and diversity in the profession, including: advice and guidance on attracting, recruiting and retaining required specialist skills, improving workforce diversity.

6. PAC conclusion: The Cabinet Office’s oversight of government property risks being ineffective due to duplication of roles.

6. PAC recommendation: The Cabinet Office should write to the Committee, as soon as practicable, to provide an update on its review of the effectiveness of its oversight of government property. The update should include any actions it is taking to strip out duplicate roles, and give specific consideration to the need for two property organisations within the Cabinet Office departmental group.

6.1 The government agrees with the Committee’s recommendation.

Target implementation date: Winter 2025

6.2 As part of a broader cross-government review of arm’s length bodies, a review of the Government Property Agency (GPA) is currently underway, and the Cabinet Office will write to the Committee with the outcome of that and how it addresses the concerns of duplication raised by the Committee. For clarity this review is not in relation to oversight of all government property, as GPA only has responsibility for a percentage of the government's office portfolio. The office estate accounts for circa 1.7% of the government estates and currently GPA is responsible for circa 53% of that office estate.

Thirtieth Report of Session 2024-25

Department of Health and Social Care

Antimicrobial resistance: addressing the risks

Introduction from the Committee

Antimicrobials are a category of therapeutic substances, such as antibiotics, which are used to treat infections. Antimicrobial resistance (AMR) occurs when the pathogens which cause infections develop resistance to those antimicrobial treatments. While AMR is a natural process, it has accelerated partly due to human misuse and overuse of antimicrobials. Antimicrobial resistance is also driven by use of antimicrobials in animals and plants, and the subsequent transmission of resistant pathogens through food and the environment.

AMR poses a significant public health threat to the UK. If AMR worsens further, it will become more difficult to treat simple infections, leading to more illness and death. Prior to antibiotics, infection was the most common cause of death and life expectancy was on average 20 years lower. AMR also has a significant economic impact. Treating AMR infections already costs the NHS in England an estimated £180 million each year.

The Department of Health and Social Care and the Department for Environment, Food and Rural Affairs are responsible for managing the threat of AMR in England.

Based on a report by the National Audit Office, the Committee took evidence on Thursday 27 March from the Department for Health and Social Care, the UK Health Security Agency (UKHSA), NHS England (NHSE) and the Veterinary Medicines Directorate (VMD). The Committee published its report on Friday 13 June. This is the government's response to the Committee's report.

Relevant reports

- NAO report: Investigation into how government is addressing antimicrobial resistance – Session 2024-25 (HC 690)
- PAC report: Antimicrobial resistance: addressing the risks – Session 2024-25 (HC 646)

Government response to the Committee

1. PAC conclusion: AMR is a global threat and the UK must continue working to ensure it addresses AMR worldwide as well as within its own borders.

1. PAC recommendation: The government must retain focus on AMR as a global threat, including through international action and support. It is particularly important that trade agreements do not weaken our resilience to AMR. DHSC and Defra should provide advice on this matter before any trade agreement is finalised, including detail on any safeguards relating to AMR and with reference to the National Risk Register.

1.1 The government agrees with the Committee's recommendation.

Recommendation implemented

1.2 Tackling antimicrobial resistance (AMR) requires a coordinated and comprehensive global response. The 2024 – 2029 UK National Action Plan to confront AMR (NAP) includes commitments to drive international action and is complemented by an ambitious political declaration at the UNGA High Level meeting on AMR of 2024, which the United Kingdom championed.

1.3 AMR measures have been secured in several of the UK's recent trade agreements, including the UK-EU Trade and Cooperation Agreement, which contains AMR provisions aiming to strengthen international cooperation on AMR. The UK maintains regulatory autonomy over its AMR policy and framework.

1.4 Defra and DHSC contribute to trade negotiations. Defra leads on the Sanitary and Phytosanitary chapter, including AMR provisions, with DHSC providing advice. All mandates are subject to collective Cabinet agreement.

1.5 For new free trade agreements (FTAs), the Trade and Agriculture Commission (TAC) scrutinises whether the measures applicable to trade in agricultural products are consistent with the maintenance of UK levels of statutory protection in relation to a) animal or plant health; b) animal welfare, and c) environmental protections. This includes AMR. The TAC confirmed that recently concluded trade deals do not limit the UK's ability to regulate imports to safeguard against the harmful effects of antimicrobial use.

1.6 Similarly, the Food Standards Agency provides independent assessments on whether agreements uphold statutory protections for human health. The FSA has reviewed the FTAs with Australia, New Zealand, and the UK's accession to CPTPP (Comprehensive and Progressive Agreement for Trans-Pacific Partnership), and concluded that these agreements maintain existing protections, including those related to AMR.

1.7 DHSC and Defra work with the Cabinet Office to ensure AMR is captured effectively as a chronic risk on the National Risk Register, highlighting domestic and international risks, across humans, animals and the environment.

2. PAC conclusion: Government has missed most of the targets in the 2019–24 National Action Plan (NAP) and the ambition of the new targets is much more modest.

2. PAC recommendation: DHSC and Defra should review progress against the AMR targets by late 2025 and at regular intervals after this to decide whether to increase the range and ambition of the targets to control AMR.

2.1 The government agrees with the Committee's recommendation.

Target implementation date: Winter 2025

2.2 Progress against NAP human health targets is closely monitored, using data to assess effectiveness, guide future action, and ensure alignment with broader public health objectives. The government conducts formal reporting on these targets biannually. Additionally, targets are subject to annual review over the summer, with the potential to revise, if deemed appropriate and agreed by the UK AMR Strategy Board.

2.3 Analysis of surveillance trends will inform recommendations on the range and ambition of targets. UKHSA will also model trends in specific drug-resistant infections, accounting for population changes, to project counterfactual trends. Expert advice on target revisions will be sought from the Advisory Committee on Antimicrobial Prescribing, Resistance and Healthcare Associated Infection.

2.4 The government supports achievable targets being set, to help secure support from the healthcare system and contribute to long-term change. UKHSA predicts the incidence of drug-resistant and gram-negative blood stream infections will continue to rise due to increasing age, medical comorbidities, and population demographic changes. Therefore, preventing an increase in these infections from the 2019 baseline is currently ambitious.

2.5 The government has previously supported targets developed by the livestock sectors through the Responsible Use of Medicines in Agriculture Alliance (RUMA) Targets Task Force on AMR, which have resulted in a 59% reduction in antibiotic use in livestock since 2014. The livestock sectors, coordinated by RUMA, are developing a new set of sector-specific targets, which are due to be published in late 2025. If sufficiently ambitious, the Vetinary Medicines Directorate (VMD) will incorporate them into the NAP delivery programme.

3. PAC conclusion: Government has not been sufficiently transparent about what it is achieving against its AMR targets and commitments.

3a. PAC recommendation: DHSC and Defra should publish a regular update on their progress against the AMR targets and commitments.

3.1 The government agrees with the Committee’s recommendation.

Target implementation date: Winter 2025

3.2 The 2024-2029 NAP commits to publishing a short annual report summarising progress made against the NAP. The government will publish the first of these reports by the autumn, which describes activity during the first year of the NAP programme.

3.3 UKHSA publishes monthly data on a range of AMR indicators on the UKHSA data dashboard, and reports are provided to NHS Trusts on mandatory bloodstream infection surveillance demonstrating current performance against operational targets.

3.4 The annual report by the English Surveillance Programme for Antimicrobial Utilisation and Resistance (ESPAUR), published by UKHSA, produces national data on antimicrobial prescribing and resistance, antimicrobial stewardship implementation, and awareness activities. The report includes an annual update on England’s progress against the NAP AMR targets: Targets 1a, 1b, 2a, 4a and 4b.

3.5 VMD coordinates surveillance of antibiotic sales, usage and antibiotic resistance in animals, which are the primary indicators monitoring progress in improving antibiotic stewardship and reducing AMR in animals in the UK. The results are published in an annual report UK Veterinary Antibiotic Resistance and Sales Surveillance Report.

3b. PAC recommendation: They should also coordinate with the Cabinet Office to include an assessment of the level of chronic risk that AMR presents.

3.6 The government agrees with the Committee’s recommendation

Target implementation date: Summer 2025

3.7 AMR has been incorporated in the 2025 National Risk Register as a chronic risk, as well as in the Chronic Risks Analysis, the UK's first bespoke assessment for medium to long-term challenges facing the nation. The government has established a new process for identifying and assessing chronic risks to help policymakers understand the potential implications of these risks on their policy areas and develop appropriate mitigations.

3.8 The Chronic Risks Analysis was published alongside the Resilience Strategy in July 2025, with the aim to build understanding of these critical issues amongst risk practitioners, businesses, academics and policymakers, to support their planning and preparations. The Cabinet Office will publish an updated Chronic Risks Analysis before the end of this Parliament to arm the next UK government with a clear picture of chronic risks as they are developing, and to support our work to prevent risks materialising across government and business.

3.9 DHSC and Defra work closely with the Cabinet Office and are committed to continuing to provide policy and technical advice to the Cabinet office on future risk assessments on AMR as a Chronic Risk.

4. PAC conclusion: DHSC has made slow progress in implementing diagnostic tools that could help reduce AMR.

4. PAC recommendation: DHSC, NHS England and UKHSA should set out how they intend to make demonstrable progress in the use of diagnostic tools, including under the Pharmacy First Scheme, over the next two years.

4.1 The government agrees with the Committee's recommendation.

Target implementation date: Spring 2027

4.2 The government is working to fulfil Outcome 6 of the NAP, which commits to cross-sector working to develop diagnostics as a tool to tackle AMR. DHSC, through National Institute for Health and Care Research (NIHR), has invested over £18 million into research AMR diagnostics research. DHSC also funds the NIHR HealthTech Research Centres, which accelerate development of healthcare technologies, including diagnostics.

4.3 NHSE is streamlining diagnostic innovation through hosting the cross-sector 'Moving Forwards Infection Diagnostics' events series. Engagement will inform an 'infection diagnostics framework' by 2027, and the identification of target product profiles for diagnostics needed in the NHS. A rapid review pipeline to identify optimal tests within the market and assess how existing diagnostics can be optimised is also being produced.

4.4 NHSE has developed clinical pathways for Pharmacy First, which support pharmacists in treatment decisions, guiding appropriate antibiotic use or antibiotic-sparing. Pathways function as diagnostic tools, encompassing clinical decision-support tools and risk-stratification, and are already in daily use. Pilot schemes to gather evidence on clinical impact of point-of-care tests are being scoped for several primary care patient pathways, including community pharmacy, launching in Q3 2025-2026 and reporting in 2026-2027.

4.5 UKHSA will explore the application of rapid laboratory tests, used to assess whether a pathogen is killed by existing or novel antimicrobials, to enable identification of novel therapeutic approaches and support translation into clinical evaluation.

4.6 UKHSA and VMD are partners in the UKRI-funded Accurate, Rapid, Robust and Economical One Health DiagnoSTics for antimicrobial resistance Network, which aims to support new AMR diagnostics and detection methods progress into use in real life settings.

5. PAC conclusion: Addressing the threat of AMR should be a core part of all of the NHS's work, including the fundamentals that reduce the spread of infection.

5a. PAC recommendation: NHS England must ensure that AMR is mainstreamed into everyday NHS policy and practice, addressing issues within the NHS estate and workforce to reduce infections.

5.1 The government agrees with the Committee's recommendation

Target implementation date: Summer 2026

5.2 The government is prioritising AMR and infection control across the healthcare system. This includes embedding AMR into national and regional strategies, local Integrated Care Board (ICB) plans, clinical pathways, and provider contracts. AMR is, and will continue to be included in, performance and accountability frameworks for the NHS.

5.3 NHSE is supporting the workforce to reduce infections through:

- A forthcoming infection prevention and control (IPC) Workforce and Education Strategy (September 2025), which will define national to provider-level responsibilities for embedding AMR and IPC.
- Publishing a 10-year workforce plan to ensure that the number of medical specialty training places meets future NHS demands.
- Integrating AMR prevention into undergraduate and postgraduate training for those graduating in 2026.
- Publishing a capability framework for antimicrobial stewardship (AMS) roles, building on the existing framework for IPC staff.
- Working with regulators to ensure AMR competencies are part of professional registration standards.
- With UKHSA, implementing TARGET AMS tools across general practice.

5.4 Actions to address AMR in the NHS estate include:

- Inclusion of emerging evidence on AMR into NHSE's technical guidance and standards for existing estate.
- Establishment of a cross-function working group on water safety to assess AMR risks within the built environment.
- The New Hospital Programme, working with partners to deliver the next generation of NHS hospitals, aims to reduce AMR through innovative approaches to design and care models, informed by research and learnings from past healthcare failures.

5b. PAC recommendation: UKHSA should continue to use its modular hospital ward to develop best practice when building or refurbishing wards.

5.5 The government agrees with the Committee's recommendation

Target implementation date: Spring 2027

5.6 As set out in the NAP, UKHSA has clear commitments to advance understanding around the spread of infection through using its modular ward. The modular ward will generate evidence on how the hospital environment contributes to the spread of AMR infection and how wards should be designed, refurbished and operated to enhance IPC.

5.7 UKHSA are studying environmental reservoirs of AMR organisms and assessing the effectiveness of controls in the built environment to prevent their spread. This includes investigating the impact of hand wipes and vacuums to prevent toilet aerosolisations. Evidence is being inputted into recommendations on surface cleaning and disinfection. The model ward will directly contribute to this through delivering training to IPC specialists.

5.8 Mitigating the risks associated with water and wastewater systems is a particular focus. The modular hospital ward is currently being used to inform sink, shower and toilet installation and design. Data are being used to inform the New Hospital Programme, enhancing existing guidance (NHS Estates Technical Bulletin (NETB) No.2024/3) and supporting and informing IPC strategies.

5.9 In addition to carrying out its own programme of research, UKHSA provides visiting academic researchers access to the modular ward facility and supports training programmes.

6. PAC conclusion: It is vital that government keeps up to date with scientific developments that might help tackle the threat of AMR.

6. PAC recommendation: NHS England, Defra and UKHSA must keep up to date with new scientific developments, continue to fund vital research and prioritise the consideration of how they can be applied in the fight against AMR.

6.1 The government agrees with the Committee's recommendation.

Recommendation implemented

6.2 The government is committed to ensuring evidence informs AMR policy, through providing research funding aligned with the NAP top 10 research priorities, collaborating on public sector research and considering international activity that could inform the government's approach to AMR.

6.3 Through the NIHR, DHSC has invested over £88 million in funding for AMR. DHSC also funds the NIHR Innovation Observatory, which provides horizon scanning to support adoption of cutting-edge innovations into policy and practice. The Global AMR Innovation Fund funds vital research to benefit low- and middle-income countries where the burden of AMR is highest.

6.4 Over the course of this parliament, the government is investing over £1 billion to enhance domestic biosecurity capabilities, to strengthen protection from the growing threat from animal diseases. Funding marks the next phase of investment into establishing a Network of National Biosecurity Centres.

6.5 The NIHR Health Protection Research Unit in Healthcare Associated Infections (HCAI) and AMR, a partnership between UKHSA and University of Oxford, will identify the most efficient and cost-effective approaches for the detection, surveillance, investigation and reduction of HCAI and AMR. UKHSA continues to support evidence generation to inform wider access to alternative antimicrobial therapeutics, such as bacteriophages.

6.6 NHSE publishes a monthly AMR evidence bulletin and annual horizon scans for AMR innovation. NHSE has an active role on steering groups of high-priority AMR research studies, including the Phased-In, BRIT2 and TOUCAN trials.

6.7 VMD funds ongoing research, including novel approaches to surveillance, to understand and mitigate AMR evolution and transmission.

7. PAC conclusion: The government deserves credit for introducing an antibiotic subscription model, and it now needs to evaluate its impact on the usage of antibiotics and pharmaceutical companies' efforts to bring new antibiotics to the market.

7. PAC recommendation: The government should encourage other countries to introduce an antibiotic subscription model, including by disseminating the results of its monitoring and evaluation of the UK model. The evaluation should include an assessment of the impact on pharmaceutical companies' focus on developing new antibiotics.

7.1 The government agrees with the Committee's recommendation

Target implementation date: Spring 2026

7.2 Building on the UK's G7 Presidency leadership on antibiotic pull incentives in 2021, the government continues to encourage other countries to pilot and implement pull incentives for antimicrobial products, including via the G7 and G20, to achieve the desired impact on global R&D antibiotic innovation. The government is fostering technical exchange with like-minded countries and sharing UK learnings. This includes participation of workshops and international working groups, such as those hosted by the Global AMR R&D Hub - advocating for partnership working between industry and public sector.

7.3 Working with independent researchers at the NIHR Policy Innovation and Evaluation Research Unit, DHSC has commissioned an evaluability assessment which will take place from July 2025 to early 2026 to assess the quality of data that is available and inform a future evaluation. A future evaluation would investigate the impact of the model on key aspects of antibiotic innovation and distribution, including the pipeline for new antibiotics and the supply chain of antibiotics.

7.4 In the interim, the government is committed to publishing as much material in the public domain about the UK subscription model as possible. This includes the assessment scores for each product that receives a contract, from Spring 2026, to facilitate the evaluation of the overall scheme.

8. PAC conclusion: Mismanagement of wastewater and sewage is a serious public health concern and heightens the threat of AMR.

8. PAC recommendation: To manage the public health risks from wastewater, Defra should:

- ***treat the management of wastewater as a public health concern and set out public health goals relating to water;***
- ***monitor the impact of increased investment by water companies; and***
- ***conduct more research to better inform its decisions on the regulation of wastewater.***

8.1 The department agrees with the Committee's recommendation.

Target implementation date: Autumn 2027

8.2 The Independent Water Commission, chaired by Sir Jon Cunliffe, published its report on 21 July 2025. It recommends making public health a statutory objective for water companies and highlights their role in tackling antimicrobial resistance through better wastewater management. It also recommends that the UK and Welsh governments should tighten regulatory oversight of sludge activity by moving the treatment, storage and use of sludge into the Environmental Permitting Regulations. The department will provide a full response via a White Paper in Autumn 2025, setting out its approach to embedding public health across the water system, ensuring public health is addressed substantively and systemically.

8.3 The department has been working with water companies under their Chemical Investigations Programme (CIP), to improve the evidence base on the behaviour and fate of contaminants during treatment processes. Research from phase 3 of CIP investigated antimicrobial resistance (AMR) and sewage sludge and evidence suggested that anaerobic digestion – the prevalent sewage sludge treatment method – demonstrated some level of effectiveness in reducing AMR in sludge. Building upon these findings, phase 4 aims to delve deeper into the relationship between AMR and sludge and will report in 2027.

8.4 Defra is also in discussions with DHSC and stakeholders to understand the evidence gaps on human health and wastewater. The department will commission further research to address these gaps by Summer 2026 and will continue to test and improve the evidence base.

9. PAC conclusion: There are shortcomings in data collection and sharing, hindering efforts to tackle AMR.

9. PAC recommendation: DHSC and Defra should prioritise better data collection, sharing and analysis across human, animal and environmental health spheres.

9.1 The government agrees with the Committee's recommendation

Target implementation date: Autumn 2026

9.2 The government is working to strengthen data collection and sharing across One Health sectors.

9.3 UKHSA launched a new data dashboard in February 2025, including data on healthcare associated infections and AMR prevalence. Further AMR indicators for urinary tract infections will be uploaded by Autumn 2025.

9.4 UKHSA has disaggregated ESPAUR report data on antimicrobial use and resistance by factors associated with health inequalities: age, index of multiple deprivation, geography (antimicrobial use and resistance data) and ethnicity (AMR data), to better understand AMR as a health inequalities issue.

9.5 NHSE is working with UKHSA to develop a joint data strategy to support a coordinated approach to data collection and reporting, including exploring a new national infection management audit to help systems identify key aspects of the prevention, diagnosis and treatment of infection.

9.6 While current budgets preclude comprehensive surveillance in healthy animals across all major animal species, Defra's current prioritisation of monitoring pigs and poultry is appropriate, as pork and poultry are the most consumed meats in the UK. However, research and surveillance pilots in other species are underway.

9.7 The VMD's work with the Animal and Plant Health Agency and academic partners on engagement with private veterinary laboratories to address gaps in clinical surveillance data on AMR is funded to the end of 2025–26. In parallel, VMD is developing novel AMR surveillance pilots in healthy animals, including new national projects targeting dogs, cats, and equines, stretching until 2029. Data from earlier AMR pilot studies continue to be analysed and shared across government to support One Health working.

9.8 The fourth UKHSA and VMD Joint UK One Health Report on AMR and antimicrobial use is also scheduled for publication in 2026.

Thirty-First Report of Session 2024-25

Ministry of Housing, Communities and Local Government

Local Government Financial Sustainability

Introduction from the Committee

Local authorities provide a range of essential services, including targeted services to those most in need of support. Local authorities are funded through multiple funding streams, notably central government grants, council tax, locally retained business rates, commercial activities, sales fees and charges. They may also use their own reserves to support their services.

The Ministry of Housing, Communities and Local Government (MHCLG) is responsible for distributing core funding to local authorities, has overall responsibility for the accountability framework for local government and leads on overseeing the financial health of local government. Responsibility for services local authorities deliver is spread across government departments. HM Treasury allocates and controls public spending, including setting departmental spending limits at spending reviews.

Core Spending Power (CSP) – a measure of the core funding available from central government grants, council tax and locally retained business rates - increased by 4% over the period 2015–16 to 2023–24 in real terms, but the amount per person fell over the same period. In 2023–24, English local authorities spent £72.8 billion delivering services - 21% more in real terms than in 2015–16. To support local authorities, government has provided cash injections and implemented short term financial measures. In autumn 2024 government outlined a series of reforms aimed at returning the sector to a sustainable position.

Based on a report by the National Audit Office, the Committee took evidence on 3 April 2025 from the Ministry of Housing, Communities and Local Government and HM Treasury. The Committee published its report on 18 June 2025. This is the government's response to the Committee's report.

Relevant reports

- NAO report: Local government financial sustainability – Session 2024-25 (HC 691)
- PAC report: Local Government Financial Sustainability – Session 2024-25 (HC 647)

Government response to the Committee

1. PAC conclusion: MHCLG do not know if the billions spent delivering services locally results in better outcomes for people.

1. PAC recommendation: Alongside the Treasury Minute Response, MHCLG should write to the Committee setting out the details of its proposed outcomes framework, including how this will be used to ensure effective provision of services, and when it will be in place by.

1.1 The government agrees with the Committee's recommendation.

Recommendation implemented

1.2 Through its Accounting Officer Statement, the Ministry of Housing, Communities and Local Government (MHCLG) has set out how it ensures value for money through the Local Government Accountability Framework, and how responsibility is split between local authorities and central government departments. MHCLG collects and analyses information from a wide range of sources to provide assurance that the core Local Government Accountability Framework is working and to assess risk. Sources include financial data, information on outcomes, and information relating to specific services, as well as soft intelligence. MHCLG also reviews publicly available statistical returns provided by local authorities and local intelligence collected through relationships built with local authorities by teams in the department.

1.3 MHCLG is leading reforms to government oversight of local authorities, to move towards outcomes-based accountability, focused on the impact of spending on local communities. On 3 July 2025, the Deputy Prime Minister announced the new Local Government Outcomes Framework. MHCLG wrote to the Committee to provide further details. The Framework supports the simplification of local authority funding by setting 15 priority outcomes that central government wants to work with local government to deliver with their more flexible funding. With simpler funding and a focus on outcomes, local leaders will have greater flexibility to decide on approaches that provide the best value for money and deliver improvements for their areas. MHCLG's work to strengthen the local audit system will also provide independent assurance that arrangements are in place to secure value for money from these decisions.

1.4 The Framework will be published alongside the provisional Local Government Finance Settlement for 2026-27 and will be actively used to support outcome delivery from April 2026. As these reforms are developed, MHCLG will continue to update the Committee.

2. PAC conclusion: Local authorities' ability to improve outcomes for people is undermined by an overly complex funding system, with competing policy demands and funding streams.

2. PAC recommendation: As part of the multi-year funding settlement in autumn 2025, MHCLG must work with other departments to implement its plan to simplify funding across the system, including the consolidation of cross-government grant funding to local authorities.

2.1 The government agrees with the Committee's recommendation.

Target implementation date: by the end of 2025, as part of the upcoming multi-year Local Government Finance Settlement.

2.2 On 20 June 2025, the government published the Fair Funding Review 2.0 consultation which set out the approach to radically simplify local authority funding, to provide local authorities with more flexibility and certainty over a greater proportion of funding. This will be supported by the Local Government Outcomes Framework, which, as set out above, establishes 15 national outcomes that central government wants to work with local authorities to deliver with their more flexible funding. From April 2026, the Framework will be used to help facilitate better join-up across central government to support local delivery, based around a set of collective priorities for local government. To simplify local authority funding that is currently distributed outside of the Local Government Finance Settlement, the government intends to bring together grants from across departments into large ringfenced consolidated grants, delivered as part of the upcoming multi-year Settlement. At least four large, consolidated grants will bring together funding streams across government for Public Health; Children, Families and Youth; Crisis and Resilience; and Homelessness and Rough Sleeping. The government also intends to roll suitable grants into the Revenue Support Grant where appropriate.

2.3 The government also proposes to simplify existing Settlement grant funding, including for adult social care. The government is proposing to consolidate the Market Sustainability and

Improvement Fund and Social Care Grant into the updated Settlement Funding Assessment next year. The LA Better Care Grant will remain a grant, to ensure continued joint working between health and social care. MHCLG and DHSC continue to work closely on funding arrangements and assurance for adult social care.

2.4 The upcoming multi-year Settlement will pave the way for further consolidation in future years. Cross-government work will continue to explore which grants can be consolidated into the Settlement, aiming to avoid the use of micro-grants and future proliferation of grants to local authorities.

3. PAC conclusion: Significant financial pressures are constraining local authorities' ability to invest in prevention, leading to less early intervention services which could help manage demand.

3. PAC recommendation: Following the spending review in June 2025, HM Treasury should write to the Committee to provide more detail on how the next local government finance settlement will support greater investment in prevention, and how this can be done without just relying on more ringfencing.

3.1 The government agrees with the Committee's recommendation.

Recommendation implemented

3.2 As outlined in HM Treasury's Permanent Secretary's letter to the Committee on 7 August 2025, the government's approach to public sector reform is informed by a focus on prevention. This will improve outcomes for communities as well as reducing reliance on expensive crisis management. The government is therefore committed to supporting local government to invest in prevention by resetting the government's relationship with the sector and investing in prevention-focused reform in key service areas.

3.3 As set out at Spending Review 2025, the government is providing targeted investment in prevention-focused reforms in specific service areas. This includes:

- Children's social care: investing over £500 million from the Transformation Fund over the Spending Review 2025 period to help more children stay with their families.
- Crisis and Resilience Fund: providing £842 million a year in the first ever multi-year settlement to transform the Household Support Fund into a new Crisis and Resilience Fund.
- Homelessness: providing £39 billion for a new Affordable Homes Programme and £100 million for early interventions to prevent homelessness and £950 million of capital investment for a fourth round of the Local Authority Housing Fund.
- Community help partnerships: investing £100 million alongside other spending across government to provide a step-change in the government's support for adults with complex needs.

3.4 The government recognises the importance of preventative services in contributing to the financial sustainability of local authorities while improving outcomes for vulnerable people. As noted in the response to recommendation 2, the government is also committed to reducing ringfences and the micromanagement of grants.

3.5 The government will set out further detail on its approach at the provisional Local Government Finance Settlement.

4. PAC conclusion: Neither MHCLG nor HM Treasury have assessed the impact that increases in national insurance contributions (NICs) will have on local government services.

4. PAC recommendation: Before the local government finance settlement, MHCLG working with HM Treasury should carry out a post implementation review of the increase in National Insurance Contributions and report back to the committee on:

- ***the immediate impact on third-party providers and care markets;***
- ***the longer-term knock-on effect on the provision of local government services; and***
- ***any action that may be taken to reduce any adverse impact.***

4.1 The government agrees with the Committee's recommendation.

Target implementation date: Autumn 2025

4.2 The government disagrees with the Committee's conclusion that there was no assessment of increases in NICs on local government. At Autumn Budget 2024, the government set aside funding to support the public sector with the additional cost of employer NICs. The total support funding for the whole of the public sector amounted to £4.7 billion in 2025-26, inclusive of Barnett Consequentials. This funding was based on an estimate of the proportion of employer NICs receipts paid by public sector organisations, using the Office for National Statistics' classification of the public sector boundary. This approach to estimating the cost of similar measures for public sector organisations is in line with the approach taken under the previous government. The total £4.7 billion support funding was allocated to departments and other public sector employers based on each employer's total share of headcount, wage and salary costs.

4.3 As part of this approach, HM Treasury assessed sectoral impacts, including potential pressures on local government due to increased costs for adult social care providers, before announcing the changes to employer NICs at Autumn Budget 2024. After Autumn Budget 2024, DHSC assessed and shared with MHCLG the impacts of employer NICs policy changes on the adult social care sector. In addition, MHCLG, working with the Local Government Association (LGA), assessed the level of funding required to compensate local government for the impacts of employer NICs changes on directly employed staff.

4.4 At the provisional Local Government Finance Settlement, £515 million was announced to support local government to manage the impacts the employer NICs changes, alongside a methodology note explaining MHCLG's intended distribution for employer NICs funding. The Settlement was then consulted on, and allocations were confirmed for the final Settlement, alongside other elements, including confirming £880 million in recognition of adult social care pressures.

4.5 The government agrees with the Committee's recommendation to carry out a post-implementation review of the increase in NICs on the areas outlined by the committee. The government will continue to monitor pressures on local government, including the impacts of employer NICs changes, through ongoing stakeholder engagement with local government and the care sector.

5. PAC conclusion: Financial pressures have led to short-term and unsustainable approaches to managing overspends in local government.

5. PAC recommendation: As a matter of urgency, MHCLG, HM Treasury and the Department for Education should work together to set out their solution for ensuring local authorities can achieve a sustainable financial position when the statutory override ends in March 2026. The solution must include how cumulative deficits will be treated.

5.1 The government agrees with the Committee's recommendation.

Target implementation date: end of 2025

5.2 This government recognises the pressures local authorities are facing because of their Dedicated School Grant deficits. The Department for Education Spending Review settlement confirmed funding for reform of the current Special Education Needs and Disabilities (SEND) system, details of which will be set out in a White Paper in Autumn 2025.

5.3 The government will commence a phased transition process to a new SEND system which will include working with local authorities to manage their system, including deficits, alongside an extension to the Dedicated Schools Grant Statutory Override, previously due to end in March 2026, until the end of 2027-28. The government will set out more detail at the provisional Local Government Finance Settlement on the plan for supporting local authorities with both historic and accruing deficits.

6. PAC conclusion: There is significant uncertainty around how the proposed local government finance reforms and reorganisation will be implemented.

6a. PAC recommendation: To allow local authorities to plan, MHCLG should set out a detailed timetable of its proposed reforms and implementation plans as part of the provisional settlement, including what transitional arrangements it will put in place.

6.1 The government agrees with the Committee's recommendation.

Target implementation date: end of 2025

6.2 The government issued invitations to councils in two-tier areas and small neighbouring unitary councils to submit proposals for unitary local government on 5 February 2025 and has recently published a summary of the process. Councils preparing proposals for unitarisation should use the most up-to-date information they have available for financial planning.

6.3 On 20 June 2025 the government published the Fair Funding Review 2.0 consultation, which invites views on proposals to reform local government funding from the next financial year, including proposed transitional arrangements. This followed a higher-level consultation on the principles and objectives of reform launched in December 2024, for which the government published its response alongside the Fair Funding Review 2.0 consultation. The government is committed to providing the sector as much certainty as possible as early as possible and will publish further information in the consultation response in the Autumn, followed by a multi-year provisional Local Government Finance Settlement later this year. This means areas undergoing reorganisation will be able to consider how to divide funding ahead of reorganisation taking place.

6b. PAC recommendation: MHCLG should include detail on what the timetable is for reducing the financial pressure on social care, special educational needs provision and temporary accommodation and an indicative proportion of remaining resources it expects Councils to have to manage commonly used discretionary services.

6.4 The government agrees with the Committee's recommendation.

Target implementation date: end of 2025

6.5 The government will provide further details on funding to support local authorities with key service pressures at the provisional Local Government Finance Settlement later in 2025.

6.6 The government is committed to reforming children's social care, to improve outcomes for children and young people, and support local government sustainability. The 2025 Spending Review confirmed over £2 billion over the next three years for children's social care reform. This includes over £500 million in new investment and continuing the existing £523 million each year for prevention through the Local Government Finance Settlement. This will build on existing reforms and deliver the Children's Wellbeing and Schools Bill' social commitments, including measures to fix the broken placements market.

6.7 For adult social care, the Spending Review allows for an increase of over £4 billion in 2028-29 compared to 2025-26. The provisional Local Government Finance Settlement will outline adult social care 'notional allocations', which will set expectations for local authority spending.

6.8 The government is committed to transforming the adult social care sector and has introduced legislation to introduce a Fair Pay Agreement, with consultation planned for later in 2025.

6.9 Baroness Casey of Blackstock is leading an independent commission into adult social care, forming part of the government's critical first steps towards delivering a National Care Service. Phase 1 will report in 2026, focusing on improving people's lives with existing resources over the medium term.

6.10 The Department for Education Spending Review settlement confirmed funding for reform of the Special Education Needs and Disabilities (SEND) system, details of which will be set out in a White Paper in autumn 2025.

6.11 The government invested £1 billion in homelessness and rough sleeping services in 2025-26. This record level of investment will be protected for the next three years, with an additional £100 million for prevention and £950 million for the fourth round of the Local Authority Housing Fund. This will increase the supply of good-quality temporary accommodation and drive down usage of costly bed and breakfasts and hotels. A long-term homelessness and rough sleeping strategy will be published later in 2025.

6c. PAC recommendation: MHCLG and HM Treasury should also review how the switch from government to council tax funding has affected the provision of local services.

6.12 The government disagrees with the Committee's recommendation.

6.13 Council tax levels are always decided by local authorities. It is true that over time councils have generated comparatively more of their income from council tax rather than grant. However, council tax is the only fully locally retained local tax (a point recognised by the Lyons Report, and others) and a settled and fully flexible funding stream. It is also important to acknowledge that when making their decisions on council tax levels, councils will make their own choice about the range and quality of services they wish to provide and balance this with the burden to be placed on taxpayers.

6.14 Given the importance of council tax to local government funding, the government sets annual referendum principles through the Local Government Finance Settlement to protect taxpayers from excessive increases. The shift towards locally retained business rates over the past decade is another significant factor in the diversification of local government funding and greater control over locally generated resources.

6.15 The government has an important role as an equaliser for local government income, directing funding towards places that are less able to meet their needs through locally raised income. The methodology underpinning the Local Government Finance Settlement since 2013-14 takes into account councils' ability to generate income from their council tax base. The recently published Fair Funding Review 2.0 consultation sets out proposals to better account for tax generating ability and the resulting variation in tax levels across the country. This includes the treatment of discounts, exemptions, premiums, local council tax support and collection rates.

Thirty-Second Report of Session 2024-25

Ministry of Defence

The Future of the Equipment Plan

Introduction from the Committee

Russia's illegal invasion of Ukraine in February 2022 has contributed to making the world more unstable. In response, the UK Government has confirmed in its Spending Review on 11 June that it will increase defence spending to 2.5% of gross domestic product from April 2027 (the 2.6% figure referred to in the announcement includes the 0.1% intelligence and security services contribution), with an ambition to increase it to 3% in the next Parliament.

The Ministry of Defence (the Department) published an Equipment Plan (the Plan) each year from 2012 to 2022, setting out its 10-year spending plans for equipment procurement and support projects. The Department's aim was to produce a reliable assessment of the affordability of its equipment programme, and to demonstrate to Parliament how it intended to manage its equipment funding. Each year, the National Audit Office published a report examining the Department's assessment of the Plan's affordability and its response to the financial challenges it faced. The Department last published a full Plan in November 2022, although in December 2023 it published affordability analysis on which the previous Public Accounts Committee reported in March 2024.

In the absence of a full Plan this year, we undertook this inquiry to establish how the Department can in future provide Parliament with the information it needs to scrutinise the Department's spending plans. We focused on examining the Department's response to the Committee's recommendations in its March 2024 report. We also asked the Department about lessons learned from its support for Ukraine, and its plans to address the ongoing issues of recruitment and retention in the military.

The Committee took evidence on 28 April 2025 from the Ministry of Defence. The Committee published its report on 20 June 2025. This is the Government's response to the Committee's report.

Relevant reports

- NAO report: The Equipment Plan 2023-2033 - Session 2023-24 (HC 315)
- PAC report: The Future of the Equipment Plan - Session 2024-25 (HC 716)
- Strategic Defence Review – Making Britain Safer: secure at home, strong abroad 2 June 2025
- The UK's Modern Industrial Strategy - 23 June 2025 (CP 1337)

Government response to the Committee

1.PAC conclusion: The UK has been at the forefront of the international response in providing support for Ukraine since the Russian invasion.

1. PAC recommendation: The Department should ensure that its future work with Ukraine remains responsive and efficient so that it continues to provide Ukraine with the support it needs.

1.1 The government agrees with the Committee's recommendation.

Target implementation date: August 2025

1.2 In line with the Prime Minister's March 2025 pledge, the department will support Ukraine for as long as it takes.

1.3 In the immediate term, this financial year the Ministry of Defence (the department) expect to provide £4.5 billion in capability support – more than in any previous year - this includes the £1.5 billion of the £2.6 billion 'Extraordinary Revenue Acceleration' Loans which is being repaid using profits generated by immobilised Russian assets.

1.4 Recognising the exceptional knowledge Ukraine has learned from this conflict, and the opportunities UK can offer through its 100-year partnership, the department is also implementing long-term solutions which will deliver on Strategic Defence Review's recommendation for the UK Armed Forces. Partnering with Ukraine will be the key, as illustrated by the Prime Minister's recent landmark agreement with President Zelenskyy which will see battlefield technology and data sets from the front line plugged into UK production lines, allowing Ukrainian and British defence firms to collaborate in rapidly designing and building, at scale, cutting edge military equipment both for Ukrainian benefit today and mutual military, industrial and economic benefit the in the longer term.

1.5 The department will sustain its close relationships with its Ukrainian counterparts which are built on mutual trust, a track record of delivery and enable the UK to be responsive to Ukraine's needs.

1.6 The department will also remain at the forefront of the international response by working with allies to provide support for Ukraine, for example through co-chairing of the international Ukraine Defence Contact Group.

2. PAC conclusion: Lessons learned from supporting Ukraine have made the Department examine its own decision-making and procurement processes, finding some of them in need of improvement.

2. PAC recommendation: The Department should update the Committee by the end of June 2026 on what further improvements to how it operates it has identified from its support for Ukraine, and how it will implement them.

2.1 The government agrees with the Committee's recommendation.

Target implementation date: June 2026

2.2 As the report recognises, the government has identified and implemented numerous lessons learned from supplying Ukraine into how it is reforming the department's procurement processes, and the department is committed to continuing to learn from this conflict.

2.3 The conflict in Ukraine has shown that the department must fundamentally change the way it procures. The rapidly changing threat and technology environment requires the department to increase the pace of military capability delivery, maximise the output from the defence budget, and ensure that the department can innovate at a wartime pace.

2.4 The Strategic Defence Review (SDR) recognised the complexity of the defence operating environment and the imperative to reflect national and industrial needs in the department's procurement strategies. The department's response to Ukraine has shown that the system can work in an agile and accelerated way, balancing risk to deliver capability at pace. The vision set out in the SDR is now being delivered through Defence Reform.

2.5 As such, the department is reforming its acquisition system to drive increased pace and agility in capability delivery. A new segmented approach to procurement will enable tailoring of acquisition processes to the type of capability, supplier and risk involved. The department will also engage with industry early, rewarding productivity and risk-taking and sharing risk with suppliers earlier in capability development to increase the speed of delivery whilst ensuring alignment.

2.6 The department will drive pace through approaches such as spiral acquisition to deliver a minimum deployable capability to the front line more rapidly and then iterate it to adapt quickly to a changing environment.

2.7 On 1 July 2025, the department stood up UK Defence Innovation (UKDI), a new organisation that draws on lessons learned from Ukraine, MOD's own best practice and the experience of international partners. UKDI will ruthlessly prioritise to focus on the areas with most potential, with significant freedoms to contract with speed, simplicity, and flexibility, harnessing and bolstering the competitiveness of the UK's tech sector, as well as further supporting UK SMEs.

3. PAC conclusion: The Department's defence reform programme sets out ambitious plans for improving defence procurement, but it is unclear how long it will take for these benefits to become fully embedded.

3. PAC recommendation: The Department should provide the Committee with an evidence-based update by the end of June 2026 which demonstrates how defence procurement has improved in the first year that the National Armaments Director Group has operated, including key performance indicators.

3.1 The government agrees with the Committee's recommendation.

Target implementation date: June 2026

3.2 The department's procurement reforms are building on previous initiatives and will go further. Teams delivering the national 'arsenal', the defence industrial strategy and end to end acquisition have been brought together as the National Armaments Director (NAD) Group, to enable better ways of working and empower greater collaboration across Defence.

3.3 A new segmented approach to procurement will enable tailoring of procurement processes to the type of capability, supplier and risk involved, with timescale targets as key measures of progress.

3.4 Portfolio-driven acquisition will optimise delivery, bringing together projects, programmes and services with a clearly defined purpose and measures of success that are linked to the department's strategic objectives. This includes developing key performance indicators and measures to track progress effectively. Additionally, benefits realisation metrics during the implementation phase is being integrated into the reporting approach.

3.5 Initial measures under consideration include output metrics, such as improved schedule adherence and cost control, and input metrics, such as enhanced productivity. In some cases, baseline data for these measures already exist, while in others, baselines will need to be established. A target has been set to agree the key performance indicators within the next three months.

3.6 The department operates within an ever-evolving system, where significant procurement improvements will progressively emerge over time. While positive progress is expected by June 2026, it is acknowledged that achieving greater improvements will require sustained effort over a longer period.

3.7 Work is underway to define a common performance reporting lexicon for the NAD Group. This will support clear and standardised reporting of progress against agreed measures and benefits realisation.

4. PAC conclusion: The Strategic Defence Review (the SDR) has set out the government's high-level policy and capability ambitions, but the Department will need to complete further work to prioritise what it must do to achieve them.

4. PAC recommendation: The Department should provide the Committee with:

- ***a written update during Parliament's September 2025 sitting on its progress in converting the SDR's ambitions into a deliverable plan; and***
- ***an update on its final implementation plan before the Christmas 2025 recess.***

4.1 The government agrees with the Committee's recommendation.

Target implementation date: Autumn 2025

4.2 This government has endorsed the Strategic Defence Review's vision and accepts all 62 recommendations. The implementation of the Review's recommendations will form part of the main business of the department and will be executed through a whole of UK Defence effort. The department will develop a new Defence Investment Plan (DIP) to implement the Review's vision and recommendations and turn them into a delivery plan that will be published in the autumn. The department will ensure that this Plan is affordable, considers infrastructure alongside capabilities, enables flexibility to seize new technological opportunities, and maximises the benefits of defence spending to grow the UK economy.

4.3 Work on the DIP is progressing at pace and will include a thorough analysis of the programme required to meet the ambition of the SDR. The department will provide updates on progress as requested by the Committee.

5. PAC conclusion: We are extremely disappointed that the Permanent Secretary did not have concrete suggestions for how the Department will provide Parliament with annual reporting on its plans.

5. PAC recommendation: During Parliament's September 2025 sitting the Department must provide the Committee with a fully worked out proposal for how it will update Parliament each year about its equipment procurement and support plans. The Department should include in its proposal how it will:

- ***ensure that the updates are timely; and***
- ***provide analysis of any variances from the Spending Review baseline.***

5.1 The government agrees with the Committee's recommendation.

Target implementation date: Autumn 2025

5.2 The DIP, to be published in Autumn 2025, and its future iterations will allow the Committee to thoroughly scrutinise the department's spending plans as they evolve over time. The Secretary of State for Defence has made it clear that the DIP, including the investment in equipment procurement and support, will be affordable within the department's Spending Review settlement.

5.3 As the Committee will appreciate, officials appearing before Select Committees can describe and explain government policies, but it is not their role to anticipate or pre-empt Ministerial decisions or announcements. The government's plans for the DIP were set out in the SDR publication on 2 June 2025. Noting his personal accountabilities to Parliament as Accounting Officer, the Permanent Secretary's letter of 13 May 2025 and evidence at the Session of 28 April 2025 went as far as was possible in advance of those Ministerial announcements.

6.PAC conclusion: The ever-increasing cost of the Defence Nuclear Enterprise (the DNE) is likely to add pressure on the Department's overall budgets.

6. PAC recommendation: The Department's annual update to Parliament on the DNE should provide details of its planned costs, including:

- ***the proportion of the defence budget this comprises;***
- ***an explanation of any variances from the previous year's plan; and***
- ***budgets moving between years or from the wider defence budget into the DNE ringfence.***

6.1 The government disagrees with the Committee's recommendation.

6.2 The annual update to Parliament has never been a vehicle for detailed financial reporting on the Defence Nuclear Enterprise (DNE). The government believes it is better to provide DNE financial information as part of wider MOD financial reporting to avoid any risk of inconsistency or misaligned timing of data. Financial information on the DNE is provided, along with financial information relating to wider defence budgeting and spending, in the department's Annual Report and Accounts and as part of the Parliamentary Estimates process. It is also expected that financial information will be included in the Defence Investment Plan.

6.3 The government is continuing to consider the recommendations made previously by the Public Accounts Committee for a new committee to be set up to scrutinise DNE expenditure.

Thirty-Third Report of Session 2024-25

Department for Business and Trade

Supporting the UK's priority industry sectors

Introduction from the Committee

The Department for Business and Trade (the department) was formed in February 2023, bringing together the business-focused functions of the former Department for Business, Energy and Industrial Strategy with the former Department for International Trade. It is one of the lead departments for economic growth and its objective is to support businesses to invest, grow and export.

The department leads the government's relationship with businesses, while many other departments also play a role in growth and engage with industry sectors. The department currently supports industry through a range of interventions, the scale and form of which varies greatly. In 2023–24, it spent £790.9 million on business support grants, 62.5% of which went to the advanced manufacturing sector and 29.9% to the energy sector.

The government has announced five national missions, with the highest priority mission being economic growth. To support this, the government plans to publish an overarching Industrial Strategy in spring 2025, which will designate eight growth-driving sectors to which it intends to channel support. These eight sectors currently have an estimated GVA (Gross Value Added – a measure of economic output) of £1 trillion. The department will co-own the Industrial Strategy with HM Treasury, and other departments will have responsibility for some sectors and policy interventions.

Based on a report by the National Audit Office, the Committee took evidence on Monday 7 April 2025 from the Department for Business and Trade and HM Treasury. The Committee published its report on Wednesday 25 June 2025. This is the government's response to the Committee's report.

Relevant reports:

- NAO report: Supporting the UK's priority industry sectors – Session 2024-25 (HC 744)
- PAC report: Supporting the UK's priority industry sectors – Session 2024-25 (HC1070)

Government response to the Committee

1. PAC conclusion: The department can do more to make it easier for industry to engage with government.

1. PAC recommendation: The department should take steps to improve its approach to stakeholder engagement by:

- ***clarifying its account management processes for large and small businesses, including ownership, roles and responsibilities across departments; and***
- ***setting out its ongoing general support offer for industry, and how businesses can access what they need from government to address barriers to growth.***

1.1 The government agrees with the Committee's recommendation.

Recommendation implemented

1.2 The Department for Business and Trade conducted a detailed consultation with business through the green paper Invest 2035: The UK's Modern Industrial Strategy in November 2024, which covered how to build the most effective relationship with, and service for, business. The Secretary of State subsequently introduced a cross-government Account Management initiative, appointing dedicated account managers to lead strategic relationships with key businesses. Account managers coordinate across departments to ensure consistent, streamlined engagement with businesses through regular, unified communication. Ministers are also required to engage these businesses regularly to foster deep and meaningful dialogue and address the needs of business.

1.3 The department has established a dedicated area to coordinate business engagement and insights, enabling government to build a coherent understanding of business needs that enhances capability and promotes best practice across departments. It has engaged mission leads across government to instil the importance of engaging business to inform policymaking. The No.10 Partnership Unit and DBT non-executive directors are afforded regular opportunity to share their expertise with account managers and senior officials, and a Centre of Excellence function within the Account Management initiative facilitates the sharing of best practice.

1.4 The department published Backing your business: our plan for small and medium-sized businesses in July 2025, which outlined government's support offer to business, including launching the Business Growth Service (BGS) which will simplify how businesses across the UK find government advice and support, including through a new streamlined digital offer – business.gov.uk.

1.5 In The UK's Modern Industrial Strategy, published in June 2025, a further whole-of-government plan to support industry is set out, particularly focusing on the eight growth-driving sectors (IS-8) and the frontier industries within them.

1.6 Where there is appetite from industry and aligned to government's wider programme of public sector reform, government will explore establishing dedicated Sector Offices to support the Industrial Strategy growth-driving sectors and co-deliver Sector Plans. This will build on successful models like the Office for Life Sciences, bringing together policy and delivery interests and expertise that currently sit across multiple departments, giving businesses an immediate first point of contact to engage, whatever their issue.

2. PAC Conclusion: The department is not working effectively enough with other departments to support industry and achieve the greatest impact.

2. PAC recommendation: The department should develop the way it works with other departments to support industry, looking to:

- ***reach a common understanding of industry sectors, roles, and responsibilities with other government departments, formalise this with MoUs, and consider the most appropriate models for effective cross-government working; and***
- ***take steps to improve its intelligence sharing and explore digital solutions.***

2.1 The government agrees with the Committee's recommendation.

Recommendation implemented

2.2 The department developed the whole of the Industrial Strategy in partnership with other departments, with Sector Plans led by relevant departments. This ongoing programme of work involves sector councils and taskforces, chaired by leaders from the sectors and with representatives across relevant industries, working with lead departments and the Department for Business and Trade as appropriate.

2.3 Implementing the Industrial Strategy is a government-wide effort, underpinned by shared objectives and metrics. Governance has been established to coordinate the Industrial Strategy and Growth Mission at senior levels. Permanent Secretaries from economy-focused departments meet regularly to address strategic issues and engagement with priority businesses. The group is supported by a cross-government, Director-level Industrial Strategy Programme Board, co-chaired by the Department for Business and Trade and HM Treasury.

2.4 The Industrial Strategy Advisory Council (ISAC) provides advice, expertise on delivery, monitoring and impact evaluation, and will build on the evidence base to support future policy development for the Industrial Strategy. It will work closely with the department and HM Treasury, lead officials from across government and public bodies to support progress using a data-led approach.

2.5 The department consolidates intelligence sourced from business sectors, overseas, regional and analytical teams to produce monthly business intelligence reports. These are shared widely across government, reaching over 2,500 recipients, including ministers from the department and 16 Permanent Secretaries across government, to inform and shape policy.

2.6 The department continues to improve this reporting in response to user needs, including through digital platforms to enhance accessibility and readership.

2.7 The department has developed a new cross government digital customer relationship management system to improve the sharing of business intelligence. The Strategic Company Insight Tool (SCIT) enables departments to log business engagements, share company statistics, business insights and government priorities for engagement, making clear which department and officials are responsible for coordinating the strategic relationship. Several departments, with lead responsibilities, currently use the tool and the department is expanding usage. Built in-house through a partnership between business-facing policy teams and digital functions, the SCIT has removed the need for a potentially costly external procurement. Groundbreaking elements include voice transcription and the ability to securely share commercially sensitive information across departmental boundaries.

3. PAC conclusion: The department lacks a comprehensive understanding of its support for industry, including how much it spends per sector and the types of support it offers.

3. PAC recommendation: The department should consolidate its understanding of the support for industry it offers; take steps to improve its reporting, for example, by type, value and sector; and use this information to inform decision-making on future support.

3.1 The government agrees with the Committee's recommendation.

Recommendation implemented

3.2 The UK's Modern Industrial Strategy was published alongside the Spending Review and its priorities are embedded in departmental budgets for the remainder of this Parliament. Each of the IS-8 growth-driving sectors also has a bespoke 10-year Sector Plan, underpinned by R&D and infrastructure commitments.

3.3 Government departments are required to monitor and evaluate policy delivery and impact. Departments already track their support to businesses; for example, the department can break down its business support grants by sector. The department will collaborate across government and public bodies to enhance tracking and reporting of support to the Industrial Strategy sectors, refine sector definitions, and conduct strategic analysis (e.g. using company microdata) to assess policy effectiveness and economic trends. This analytical programme will be developed in partnership with ISAC to support the Industrial Strategy's monitoring and evaluation.

4. PAC conclusion: It is not clear how the department balances multiple government objectives, such as growth and net zero, when making decisions about how to support industry.

4. PAC recommendation: The department should provide greater transparency on the factors it considers when supporting industry, including how these factors are balanced when making decisions on what to support and how, and the processes underpinning these.

4.1 The government agrees with the Committee's recommendation.

Target implementation date: Summer 2026

4.2 The government is aligning industry support with strategic priorities, including the Industrial Strategy. Following the Green Book Review 2025: Findings and actions policy paper publication in June, new 'place-based business cases' will assess complementary projects in specific regions. Supplementary guidance on economic resilience will ensure private sector contributions are consistently appraised. The department and HM Treasury will work with ISAC, the Industrial Development Advisory Board and other bodies to address barriers and maximise the impact of business-facing funds on jobs, skills, resilience, regional growth, small businesses, and net zero.

4.3 The government defines top-level objectives for the growth mission by increases in Gross Domestic Product (GDP) per capita and Real Household Disposable Income. The Industrial Strategy supports both by enhancing productivity, the key long-term growth driver.

4.4 Invest 2035: The UK's Modern Industrial Strategy, a Green Paper and public consultation document published in October 2024, identified the eight growth-driving sectors using indicators such as output, productivity, and international position. The department also assessed the fronter industries where government intervention could have the greatest impact. This identified over 30 'frontier industries' within the IS-8 growth-driving sectors, as well as eight supporting 'foundational sectors and inputs' which are critical to frontier industries' success. critical to frontier industries' success.

4.5 There is no one-size-fits-all method for identifying which frontier industries have the most growth potential. The department drew on a variety of quantitative and qualitative evidence, including responses to the Invest 2035 consultation and an extensive programme of expert engagement to test its assessments. Frontier industries were selected based on growth potential and alignment with strategic objectives (net zero, regional growth, resilience). Assessments used mixed evidence and scoring methods (Likert scale, RAG rating) and were moderated by multiple assessors. The high-level approach to this was set out in the Technical Annex published alongside the main Industrial Strategy.

4.6 Foundational industries and strategic inputs were also analysed using qualitative and quantitative evidence, including consultation responses. A new supply chain centre will refine this work with industry.

5. PAC conclusion: There is a risk that the department is not set up internally to support the aims of the forthcoming Industrial Strategy and to respond to ongoing issues facing UK businesses.

5. PAC recommendation: The department should critically review its internal structures and resourcing model to ensure they reflect the objectives and demands of the forthcoming Industrial Strategy. This could include, for example: its approach to individual sectors, including foundational sectors such as steel; pan-sector issues; geography; and how it will ensure it can respond effectively to emerging issues that affect UK businesses.

5.1 The government agrees with the Committee's recommendation.

Target implementation date: Spring 2026

5.2 The department will ensure effective implementation of the Industrial Strategy. The Industrial Strategy Unit has transitioned into a permanent delivery unit to coordinate implementation and policy development. The Industrial Strategy provides a framework to coordinate cross-government work to ensure implementation is a government-wide effort.

5.3 The department has set out plans to restructure teams and focus efforts on Industrial Strategy delivery. This is already in progress and will be mostly completed by Spring 2026. As part of this transformation, the department will ensure a continued focus on the IS-8 growth-driving sectors and on supporting all of government to focus on growth-driving initiatives.

6. PAC conclusion: It is essential that the government's forthcoming Industrial Strategy has clear measures of success and effective processes for monitoring and evaluation.

6. PAC recommendation: The department should update the Committee in six months on how it is adapting to the Industrial Strategy and the metrics it will use to measure success.

6.1 The government agrees with the Committee's recommendation.

Recommendation implemented

6.2 The government has committed to regularly reviewing progress against the Industrial Strategy. As above, implementation is a government-wide effort, underpinned by shared objectives and metrics. This will be supported by the ISAC through its expertise on monitoring and evaluation and continued advice on policy development and delivery, helping ensure the Industrial Strategy remains fit for purpose. In addition, all fiscal events will set out the government's continued support for the Industrial Strategy and the IS-8 growth-driving sectors.

6.3 The department has opted for a public approach to monitoring and evaluation, supported by the ISAC (set out above). This is underpinned by an impact pathway, as outlined in the technical annex published alongside the Industrial Strategy, which sets out the underlying logic tracking individual policies to real world outcomes to achieve the Industrial Strategy's goal of long-term, sustainable, regionally balanced, and resilient growth.

6.4 Government departments and public bodies will carry out monitoring and evaluation for their individual policies and Sector Plans.

Thirty-Fourth Report of Session 2024-25

Department for Business and Trade

Department for Business and Trade Annual Report and Accounts 2023-24

Introduction from the Committee

In February 2023, the government created a single department for economic growth, the Department for Business and Trade (the Department). The Department brings together the business-focused parts of the former Department for Business, Energy and Industrial Strategy and the former Department for International Trade. The Department is responsible for supporting business to create jobs, opportunities and prosperity across the country. The new Department published its first set of accounts, for the year ended 31 March 2024, on 30 January 2025.

The Business Secretary is the sole shareholder in Post Office Limited, which launched a number of schemes to compensate current and former postmasters affected by the failings of the Horizon IT system and the associated miscarriages of justice. In order to support the Post Office as a going concern, the Department provides a range of support including grants, subsidies, loans, and a wider commitment to provide financial support to enable the Post Office to meet its liabilities as they fall due.

The Department's responsibilities also include the ongoing management of the Bounce Back Loan Scheme, which was set up as part of a suite of measures to provide support to businesses during the COVID-19 pandemic.

Based on a report by the National Audit Office, the Committee took evidence on 7 April 2025 from the Department for Business and Trade. The Committee published its report on 25 June 2025. This is the government's response to the Committee's report.

Relevant reports

- NAO report: Department for Business and Trade Annual Report and Accounts 2023-24 - Session 2024-25 (HC 391)
- PAC report: Department for Business and Trade Annual Report and Accounts 2023-24 - Session 2024-25 (HC 818)

Government response to the Committee

1. PAC conclusion: The Department does not yet have clarity on the volume of claims that will be received under the Horizon Shortfall Scheme or the value of claims that will be received under the Horizon Convictions Redress Scheme.

1. PAC recommendation: In order to improve the timeliness of settlements the Department should outline what more it will do to ensure every affected postmaster is fully aware of their options for making a claim under the Horizon Shortfall and Horizon Convictions Redress Schemes.

1.1 The government agrees with the Committee's recommendation.

Target implementation date: Autumn 2025

1.2 The Department for Business and Trade (the department) is working with the Post Office to finalise letters to be sent to remaining eligible claimants in Horizon Shortfall Scheme (HSS). Approximately 24,000 have been sent out already, but further work is taking place with

DWP to identify the addresses of the remaining postmasters. This is expected to be implemented by September 2025.

1.3 Sir Wyn Williams, the Chair of the Horizon IT Inquiry, has recommended through Vol 1 of the Horizon IT Inquiry report that a closure date of midnight on 27 November 2025 be set for the HSS. As with all recommendations raised in this report, the department is reviewing this and will provide a response by 10 October 2025, if not sooner. Should a closure date be agreed, the department would expect that claimants would be comprehensively communicated with so that they are aware of this deadline and how they can apply, noting the ongoing work to finalise letters referenced in paragraph 1.2.

1.4 On the Horizon Convictions Redress Scheme (HCRS), the relevant justice authority informs individuals who have had their convictions overturned by the legislation. This is the point at which they are informed that they are eligible for redress. The department is aware that not all recipients of these letters have registered with HCRS. The department will write to all individuals who have received a letter but are yet to register for redress, to encourage them to do so. We aim to complete this by the end of September 2025.

2. PAC conclusion: Within the Overturned Convictions Scheme, there are a number of complex cases where claims have not yet been submitted, meaning ongoing delays in compensation for these individuals.

2. PAC recommendation: The Department should outline how it plans to handle remaining cases under the Overturned Convictions Scheme, including how claims will be handled differently following the transition of the scheme from the Post Office to the Department.

2.1 The government agrees with the Committee's recommendation.

Target implementation date: Autumn 2025

2.2 From 3 June 2025, claims within the Post Office-delivered Overturned Convictions (OC) scheme claims were transferred across to be administered under the Department-delivered Horizon Convictions Redress Scheme, and the OC scheme closed. The department confirms that the Horizon Convictions Redress Scheme will apply the same principles as the previous OC scheme, ensuring no OC claimant is disadvantaged by the transfer to HCRS.

2.3 HCRS aims to identify delays and move cases forward, similar to the OC scheme, with case management processes and an independent panel. Case management involves resolving disputes with an independent party when bilateral agreement is not reached. Dentons (law firm) and Sir Gary Hickinbottom (retired Court of Appeal judge) will manage cases as needed. Sir Gary will cover both pecuniary and non-pecuniary aspects of claims. Before case management, the department will engage with claimants' legal representatives to resolve claims early.

2.4 In addition to the above which answers the Committee's recommendation, there is a further recommendation from Sir Wyn Williams for a public announcement clarifying any differences in the financial redress process between HCRS and OC, we will publish further guidance on the roles of Dentons and Sir Gary Hickinbottom, as well as on the Alternative Dispute Resolution process, by the end of Summer 2025. The department is engaging with OC claimants' legal representatives, hoping Sir Wyn Williams' recent Inquiry report will encourage them to submit their claims for consideration by the department and the independent panel.

3. PAC conclusion: The Department has issued a far-reaching letter of support, which commits it to supporting the Post Office to pay its liabilities as they fall due, but there is no clear plan for how long this will continue, or how to eventually make Post Office Limited financially independent.

3a. PAC recommendation: Alongside its Treasury Minute response to this report, the Department should write to the Committee setting out its assessment of the nature and value of all financial support it might need to provide to Post Office Limited and its plans for working with the Post Office to make it financially independent of government.

3.1 The government agrees with the Committee's recommendation.

Target implementation date: Autumn 2025

3.2 The department will write to the Committee in Autumn 2025, following the publication of this Treasury Minute.

3b. PAC recommendation: The Department should provide a formal notification to Parliament in future years, in line with Managing Public Money.

3.3 The government agrees with the Committee's recommendation.

Target implementation date: Winter 2025

3.4 The department will provide a formal notification to the Committee when the Letter of Comfort to the Post Office Limited is issued.

4. PAC conclusion: The Department's efforts to recover fraud losses incurred through the Bounce Back Loan Scheme have been largely unsuccessful, with only a small fraction of losses recovered to date, for which the Department is unable to confirm the value.

4a. PAC recommendation: The Department should write to the Committee to provide the key findings from the National Investigation Service (NATIS) audit, including the value of recoveries.

4.1 The government agrees with the Committee's recommendation

Target implementation date: August 2026

4.2 The department remains committed to reducing loss to the taxpayer, and continues to work across government, law enforcement and commercial lenders to address fraud in relation to the Bounce Back Loan Scheme (BBLS).

4.3 The Insolvency Service will take over NATIS's viable cases of Covid-19 financial support fraud (the majority in relation to the BBLS), in a bid to recoup taxpayers' money lost to fraudsters. The Insolvency Service has a well-established record of managing fraud and misconduct cases. This enforcement activity is in addition to recovery work being undertaken by lenders. The department has commissioned an audit by the Government Internal Audit Agency to further assess recovery efforts and address any reporting failures from NATIS. The department will submit its written findings to the Committee before the end of August 2026.

4.4 As of 31 March 2025, the Insolvency Service has disqualified 2,167 directors, imposed bankruptcy restrictions on 343 individuals, and secured 55 criminal convictions for COVID-19 financial support scheme misconduct, mostly involving Bounce Back Loans.

4b. PAC recommendation: The Department should write to the Committee in one year, to provide information on the performance of the Insolvency Service in recovering amounts lost due to fraud.

4.5 The government agrees with the Committee's recommendation.

Target implementation date: July 2026

4.6 The Insolvency Service is an executive agency of the Department for Business and Trade which, among other things, investigates instances of fraud and misconduct in respect of the BBLS, and brings fraudsters to justice and where appropriate, helps facilitate the recovery of loans taken out fraudulently.

4.7 The department will write to the Committee in one year, providing information that is obtainable on the performance of the Insolvency Service in recovering amounts lost due to fraud.

5. PAC conclusion: The restructuring process which created the Department left it insufficiently resourced to deliver its 2023–24 Annual Report and Accounts on a timely basis and unable to establish appropriate controls and processes across the 2023–24 financial year.

5. PAC recommendation: The Department should provide a written update to the Committee if it expects that its planned dates for laying its accounts before Parliament will not be met. If so, it should set out the reasons why, and what actions it is taking to address the problems.

5.1 The government agrees with the Committee's recommendation.

Target implementation date: September 2025

5.2 The department will inform the Committee should it become likely that the September deadline will be missed. The Annual Report and Accounts production and audit are currently progressing well and are on target for a September publication.

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 2024-25

Committee Recommendations: 285
Recommendations agreed: 270 (95%)
Recommendations disagreed: 15

Publication Date	PAC Reports	Ref Number
April 2025	Government response to PAC reports 1-4, 6-9	CP 1306
May 2025	Government response to PAC reports 5,10-17	CP 1328
June 2025	Government response to PAC reports 18-22	CP 1341
July 2025	Government response to PAC reports 23-26	CP 1367
August 2025	Government response to PAC reports 27-34	CP 1382

Session 2023-24

Committee Recommendations: 271
Recommendations agreed: 252 (93%)
Recommendations disagreed: 19

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
October 2024	Government response to PAC reports 25, 26, 30 and 32	CP 1174

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

[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
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
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
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

Publication Date	PAC Reports	Ref Number
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 government updates towards the implementation of recommendations from the Committee of Public Accounts. These reports are Command Papers laid in Parliament.

Publication Date	PAC Reports	Ref Number
March 2025	Session 2017-19: updates on 3 PAC reports Session 2019-21: updates on 1 PAC report Session 2021-22: updates on 9 PAC reports Session 2022-23: updates on 41 PAC reports Session 2023-24: updates on 36 PAC reports	CP 1284
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

Publication Date	PAC Reports	Ref Number
February 2020	Session 2010-12: updates on 2 PAC reports Session 2013-14: updates on 1 PAC report Session 2015-16: updates on 3 PAC reports Session 2016-17: updates on 14 PAC reports Session 2017-19: updates on 71 PAC reports	CP 221
March 2019	Session 2010-12: updates on 2 PAC reports Session 2013-14: updates on 4 PAC reports Session 2014-15: updates on 2 PAC reports Session 2015-16: updates on 7 PAC reports Session 2016-17: updates on 22 PAC reports Session 2017-19: updates on 46 PAC reports	CP 70
July 2018	Session 2010-12: updates on 2 PAC reports Session 2013-14: updates on 4 PAC reports Session 2014-15: updates on 2 PAC reports Session 2015-16: updates on 9 PAC reports Session 2016-17: updates on 38 PAC reports Session 2017-19: updates on 17 PAC reports	Cm 9668
January 2018	Session 2010-12: updates on 2 PAC reports Session 2013-14: updates on 5 PAC reports Session 2014-15: updates on 4 PAC reports Session 2015-16: updates on 14 PAC reports Session 2016-17: updates on 52 PAC reports	Cm 9566
October 2017	Session 2010-12: updates on 3 PAC reports Session 2013-14: updates on 7 PAC reports Session 2014-15: updates on 12 PAC reports Session 2015-16: updates on 26 PAC reports Session 2016-17: updates on 39 PAC reports	Cm 9506
January 2017	Session 2010-12: updates on 1 PAC report Session 2013-14: updates on 5 PAC reports Session 2014-15: updates on 7 PAC reports Session 2015-16: updates on 18 PAC reports	Cm 9407
July 2016	Session 2010-12: updates on 6 PAC reports Session 2012-13: updates on 2 PAC reports Session 2013-14: updates on 15 PAC reports Session 2014-15: updates on 22 PAC reports Session 2015-16: updates on 6 PAC reports	Cm 9320
February 2016	Session 2010-12: updates on 8 PAC reports Session 2012-13: updates on 7 PAC reports Session 2013-14: updates on 22 PAC reports Session 2014-15: updates on 27 PAC reports	Cm 9202
March 2015	Session 2010-12: updates on 26 PAC reports Session 2012-13: updates on 17 PAC reports Session 2013-14: updates on 43 PAC reports	Cm 9034
July 2014	Session 2010-12: updates on 60 PAC reports Session 2012-13: updates on 37 PAC reports	Cm 8899
February 2013	Session 2010-12: updates on 31 PAC reports	Cm 8539

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