



HM Treasury

Treasury Minutes Progress Report

Update of the Government responses to the Committee of Public Accounts on Sessions 2017-19, 2019, 2019-21, 2021-22, 2022-23, 2023-24 and 2024-26



Government of the United Kingdom
HM Treasury

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Update of the Government responses to the
Committee of Public Accounts on Sessions 2017-19,
2019, 2019-21, 2021-2022, 2022-23, 2023-24 and
2024-26

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

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This is the 23rd edition in the series of progress reports since Session 2010-12. Further details of earlier responses to the Committee's recommendations can be found under the 'relevant reports' heading in each report.

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Fifty-third Report of Session 2017-19

Ministry of Defence

Ministry of Defence's contract with Annington Property Limited

Introduction from the Committee

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

Relevant reports

- NAO report: [Ministry of Defence's arrangement with Annington Property Limited](#) - Session 2017-19 (HC 762)
- PAC report: [Ministry of Defence's contract with Annington Property Limited](#) - Session 2017-19 (HC 974)
- [Treasury Minutes](#): October 2018 (Cm 9702)
- [Treasury Minutes Progress Report](#): March 2019 (CP 70)
- [Treasury Minutes Progress Report](#): February 2020 (CP 221)
- [Treasury Minutes Progress Report](#): November 2020 (CP 313)
- [Treasury Minutes Progress Report](#): May 2021 (CP 424)
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- [Treasury Minutes Progress Report](#): May 2024 (CP 1102)
- [Treasury Minutes Progress Report](#): March 2025 (CP 1284)
- [The Defence Housing Strategy 2025 - Fixing Defence Family Housing and Delivering for the Nation](#): 8 November 2025
- [Treasury Minutes Progress Report](#): December 2025 (CP 1453)

Update to the Government response to the Committee

Following the government's last response to the Committee on this report: (CP 1453 above), the remaining recommendation is updated below.

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

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

5.1 The government agrees with the Committee's recommendation.

Revised target implementation date: November 2026

Original target implementation date: March 2022

5.2 As of 1 March 2026, MOD Service Family Accommodation (SFA) estate has a void rate of c19.5%. The number of void properties is expected to reduce in the future, in line with plans to renew the estate under the Defence Housing Strategy and plans to widen access to Defence Homes.

5.3 Under the terms of the 1996 Annington Deal, the department was unable to hand back individual properties once there was no longer an MOD requirement. This led to the department holding housing stock void for long periods of time.

5.4 Having now successfully re-acquired the estate from Annington in January 2025 in a landmark deal, the department now has the freedom to embark on a substantive and long overdue programme of redevelopment and improvement of military homes, including making more efficient use of existing housing stock and ensuring that the right number and sizes of homes are in the right places to meet current and future operational needs.

5.5 [The Defence Housing Strategy](#) published on 3 November 2025 sets out a roadmap to deliver a generational renewal of military accommodation.

5.6 Empty military homes will reduce over time in line with the programme of works and the 'right-sizing' of the estate, so that year on year there should be demonstrable progress in renewing and reducing empty homes - moving to a final state where the correct number of core homes required to be available for operational reasons, are properly planned and provided for.

One Hundred and Fourteenth Report of Session 2017-19

Ministry of Housing, Communities and Local Government and Homes England

Help to Buy: Equity Loan scheme

Introduction from the Committee

The Ministry of Housing, Communities and Local Government (the Department) introduced the Help to Buy: Equity Loan scheme in April 2013 to address a fall in property sales following the financial crash of 2008 and the consequent tightening of regulations over the availability of high loan-to-value and high loan-to-income mortgages. Originally intended to last three years, in 2015 the Department announced the extension of the scheme to 2021. The scheme has two principal aims: to help prospective homeowners obtain mortgages and buy new-build properties; and, through the increased demand for new-build properties, to increase the rate of house building in England.

Homes England administers the scheme on behalf of the Department. Home buyers receive an equity loan of up to 20% (40% in London since February 2016) of the market value of an eligible new-build property, interest free for five years. The loan must be paid back in full on sale of the property, within 25 years, or in line with the buyer's main mortgage if this is extended beyond 25 years. The scheme enables buyers to purchase a new-build property with a mortgage of 75% (55% in London) of the value of the property. The current scheme, which will run to March 2021, is not means-tested and is open to both first-time buyers and those who have owned a property previously. Buyers can purchase properties valued up to £600,000. A new scheme, to follow on immediately from the current scheme for two years to March 2023, will be restricted to first-time buyers and will introduce lower regional caps on the maximum property value, while remaining at £600,000 in London.

Relevant reports

- NAO report: [Help to Buy: Equity loan scheme – progress review](#): Session 2017-19 (HC 2216)
- PAC report: [Help to Buy: Equity loan scheme](#): Session 2017-19 (HC 2046)
- Government independent review: [Evaluation of the Help to Buy Equity Loan Scheme 2017](#) published in October 2018
- [Treasury Minute](#): January 2020 (CP 210)
- [Treasury Minute Progress Report](#): November 2020 (CP 313)
- [Treasury Minute Progress Report](#): May 2021 (CP 424)
- [Treasury Minute Progress Report](#): November 2021 (CP 549)
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- [Treasury Minute Progress Report](#): December 2025 (CP 1453)

Update to the Government response to the Committee

Following the government's last response to the Committee on this report: (CP 1453 above), the remaining recommendations are updated below.

3. PAC conclusion: *The Department has allowed the scheme to become a semi-permanent feature of the housing market and has not yet thought through the changes needed to improve the value to be achieved from the new scheme.*

3a: PAC recommendation: *The Department should undertake a further evaluation of the scheme to understand its value and necessity from 2017.*

3.1 The government agrees with the Committee's recommendation.

Revised target implementation date: Spring 2026
Original target implementation date: Autumn 2021

3.2 The original target implementation date for this evaluation was Autumn 2021. However, it was agreed between the Ministry of Housing, Communities and Local Government and the Committee that, as a previous evaluation for the Help to Buy 1 scheme had already been used to inform the design of the Help to Buy 2 scheme, the next meaningful evaluation opportunity would be the end of that scheme. The scheme closed on 31 May 2023.

3.3 At the last update, the department noted that several parts of the evaluation were complete, with others underway or being finalised. Results were expected by end 2025 with publication in Spring 2026.

3.4 The evaluation work is now completed, and the supplier is developing the final independent report with publication expected shortly.

5. PAC conclusion: *The Department's decision to keep equity loans as unregulated products means there is insufficient protection for buyers.*

5b: PAC recommendation: *As part of its next evaluation, the Department should examine the new-build premium, and the impact Help to Buy has had in relation to this.*

5.1 The government agrees with the Committee's recommendation.

Revised target implementation date: Spring 2026
Original target implementation date: Autumn 2021

5.2 As outlined above, the department is undertaking a further evaluation. This work is examining the impact of Help to Buy, including any impact on the new-build premium. The department asked for the timetable for this work to be moved due to the extension of the Help to Buy 2 scheme.

5.3 The evaluation work is now completed, and the supplier is developing the final independent report with publication expected shortly.

Progress on the implementation of agreed recommendations by the Government to the Committee of Public Accounts: Session 2019

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2	Transforming courts and tribunals: progress review

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Forty-fifth Report of Session 2019-21

The Department for Environment, Food & Rural Affairs

Managing Flood Risk

Introduction from the Committee

The Agency estimates that 5.2 million properties in England are at risk of flooding. There are different types of flooding: river, coastal, surface water (when rainfall cannot drain away), sewer flooding and groundwater flooding (where the water table level rises above ground). Flood risks are managed in a number of ways ranging from early warning systems to building flood defences. The Department has the policy lead for flooding. The Agency is an executive non-departmental public body, sponsored by the Department. It has a strategic overview role and an operational role to manage the risk of flooding from main rivers, reservoirs, estuaries and the sea. Other bodies are responsible for managing local flood risks. The Agency is on track to achieve its target to better protect 300,000 homes through its £2.6 billion capital investment programme (2015–16 to 2020–21). Government has increased future capital investment to £5.2 billion between 2021–22 and 2026–27.

Relevant reports

- NAO report: [Managing flood risk](#) – Session 2019-21 (HC 962)
- PAC report: [Managing flood risk](#) – Session 2019-21 (HC 931)
- [Treasury Minutes](#): May 2021
- [Treasury Minutes Progress Report](#): November 2021 (CP 549)
- [Treasury Minutes Progress Report](#): June 2022 (CP 691)
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- [Treasury Minutes Progress Report](#): December 2025 (CP 1453)

Update to the Government response to the Committee

Following the government's last response to the Committee on this report: (CP 1453 above), the remaining recommendation is updated below.

8: PAC conclusion: *Despite the known risks, there are still plans to build houses on flood plains.*

8c: PAC recommendation: *The Department should work with Department for Levelling Up, Housing and Communities (DLUHC) to:*

- ***ensure mandatory reporting on planning decisions approved in flood risk areas – particularly when the Agency disagrees.***

8.1 The government agrees with the Committee's recommendation.

Revised target implementation date: October 2026

Original target implementation date: end of 2023

8.2 The [Levelling Up and Regeneration Act 2023](#) includes powers to enable a more data-driven planning system. These powers include the ability to set consistent data standards

across the planning system, and to require local authorities to publish planning data. This will provide greater transparency and enable any development which is allowed in areas of flood risk to be identified more easily. There will be an incremental approach to the rollout of data standards across the planning system based on each planning policy area, and the Ministry of Housing Communities and Local Government anticipate the data standards to address this recommendation will now be mandated in October 2026.

8.3 The implementation of data standards is reliant on planning policy. Some planning policy changes that are relevant to the data standard for this area are due to be implemented over the coming months. The revised timeline will ensure that the data standards reflect the latest policy position for relevant areas and support successful implementation.

Progress on the implementation of agreed recommendations by the Government to the Committee of Public Accounts: Session 2021-22

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First Report of Session 2021-22

Department for Transport and the Department for Business, Energy & Industrial Strategy

Low Emission Cars

Introduction from the Committee

Transport is the UK's largest source of carbon emissions, with road transport being a substantial contributor. The government is trying to increase the number of ultra-low emission and zero-emission cars on the road as a way of reducing carbon emissions. Up to March 2020, it had spent £1.1 billion on a range of consumer grant schemes and an awareness campaign to encourage people to make the switch. This aim is not new; previous governments have been promoting ultra-low emission cars since 2011, with the Departments for Transport and for Business, Energy & Industrial Strategy creating a team called the Office for Zero Emission Vehicles to support the transition. In November 2020, government announced its ambition to stop the sale of new cars that are powered solely by petrol or diesel by 2030. From 2035, only new zero-emission cars can be sold.

Relevant reports

- NAO report: [Reducing Carbon Emissions from Cars](#) - Session 2019-21 (HC 1204)
- PAC report: [Low Emission Cars](#) - Session 2021-22 (HC 186)
- Treasury Minute: [August 2021](#): (CP 510)
- [Treasury Minutes Progress Report](#): November 2021 (CP 549)
- [Treasury Minutes Progress Report](#): June 2022 (CP 691)
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- [Treasury Minutes Progress Report](#): March 2025 (CP 1284)
- [Treasury Minutes Progress Report](#): December 2025 (CP 1453)

Update to the Government response to the Committee

Following the government's last response to the Committee on this report: (CP 1453) the remaining recommendation is updated below by the Department for Transport (on behalf of the Department for Environment, Food & Rural Affairs (Defra)), which owns this action, above).

4: PAC conclusion: The Departments have not yet demonstrated how they are going to encourage industry to maintain proper environmental and social standards throughout their supply and recycling chains as the zero-emission car market grows.

4: PAC recommendation: The Departments for Transport and for Business, Energy & Industrial Strategy should set out their approach to encouraging car manufacturers to maintain proper environmental and social standards throughout their supply and recycling chains as zero-emission cars volumes grow. This includes as examples:

- ***publishing information on lifecycle emissions;***
- ***details of relevant reporting standards for manufacturers on environmental and social stewardship; and***

- *future plans to develop the reporting standards.*

4.1 The government agrees with the Committee's recommendation.

Revised target implementation date: The consultation on batteries regulatory reform is planned for Autumn 2026

Original target implementation date: Winter 2022

4.2 This government is committed to transitioning towards a circular economy where resources are kept in use for longer and waste is designed out. This systemic change, with investment in green jobs and vital infrastructure, builds a path to economic growth, progress towards Net Zero, restoration of nature, and a more resilient economy.

4.3 The Department for Environment, Food & Rural Affairs has been working with the Circular Economy Taskforce and officials across government to develop a plan for moving to a circular economy in England, which will set out the interventions that government will make right across the economy, including in sectors like agri-food; built environment; chemicals and plastics; electrical and electronic equipment; textiles; and transport. Defra ministers intend to publish the Circular Economy Growth Plan soon.

4.4 Defra, in collaboration with Devolved Governments, is reviewing the domestic batteries legislation, which applies to traction batteries for electric vehicles. A series of workshops were held with industry in February and March 2026 to explore alignment with the EU Batteries Regulations (which already apply in Northern Ireland), with a view to achieving greater circularity in batteries supply chains and higher quality recycling of battery minerals. The Committee will be kept informed as the review progresses via this process.

4.5 As part of Defra's industrial permitting reform programme, it has committed to consult on adding battery manufacturing as an activity to the Environmental Permitting Regulations and establish the Environment Agency as the regulator. This would allow appropriate standards to be set and would transfer permitting from local authorities to the Environment Agency. The proposal is an appropriate and proportionate way of regulating the sector and, if implemented, could provide consistency, transparency and predictability for industry.

4.6 The consultation is planned for Autumn 2026.

Seventh Report of Session 2021-22

Department of Health and Social Care and Department for Levelling Up, Housing and Communities

Adult Social Care Markets

Introduction from the Committee

Adult social care includes social work, personal care and practical support for adults with a physical disability, a learning disability, or physical or mental illness, as well as support for their carers. Family or friends provide most care unpaid. The Department of Health and Social Care (the Department) is responsible for setting national policy and the legal framework. The Ministry of Housing, Communities and Local Government oversees the distribution of funding to local government and the financial framework within which local authorities operate. In 2019–20, local authorities commissioned care for 839,000 adults; spending a net £16.5 billion on care, 4% less in real terms than in 2010–11. They commission most care from independent providers. The Care Quality Commission (CQC) regulates providers for quality and also oversees the financial resilience of large providers. Many people arrange and pay for their care privately. If current (pre-COVID-19) patterns of care and current funding systems continue, the Department projects there will be a 29% increase in the number of adults aged 18 to 64 and a 57% increase in the number of adults aged 65 and over requiring care by 2038 compared with 2018.

Relevant reports

- NAO report: [The Adult social care market in England](#) – Session 2019-21 (HC 1244)
- PAC report: [Adult Social Care Markets](#) – Session 2021-22 (HC 252)
- [Treasury Minute Progress Report](#): November 2021 (CP 549)
- [Treasury Minutes Progress Report](#): June 2022 (CP 691)
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- [Treasury Minutes Progress Report](#): June 2023 (CP 855)
- [Correspondence to PAC](#): dated 30 October 2023
- [Treasury Minutes Progress Report](#): December 2023 (CP 987)
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- [Treasury Minutes Progress Report](#): March 2025 (CP 1284)
- [Treasury Minutes Progress Report](#): December 2025 (CP 1453)

Update to the Government response to the Committee

Following the government's last progress update to the Committee on this report: (CP 1453 above), the remaining recommendation is updated below: The Department for Levelling Up, Housing and Communities has since been renamed as Ministry of Housing, Communities and Local Government.

6: PAC conclusion: Neither local authorities nor people paying for care have access to clear information on what they get for their money.

6a: PAC recommendation: From April 2022, all providers should give clear and comparable information over fee levels.

6.1 The government agrees with the Committee's recommendation.

Revised target implementation date: Autumn 2026

Original target implementation date: October 2023

6.2 The government continues to work with the adult social care sector to explore options to introduce greater price transparency for people who fund their own adult social care, including understanding the key barriers to accessing prices and what pricing information would be most helpful. The Competition and Markets Authority (CMA) [guidance](#), updated in December 2021, explains how care homes should provide information about their fees and services in advance of a service starting. Many providers already publish their prices online and there are comparison sites available, such as [CareFind.com](#) which has recently expanded to include home care providers. The government will set out next steps over the coming months.

6.3 The government appointed Baroness Casey in January 2025 to lead an independent commission into adult social care, which will make recommendations on how to transform the adult social care system to meet the current and future needs of the population. The commission is due to submit its first report later this year – and the government will obviously wish to consider any recommendations the commission makes on how to go further in strengthening price transparency.

Forty-ninth Report of Session 2021-22

Department for Levelling Up, Housing and Communities

Regulation of Private Renting

Introduction from the Committee

The Department for Levelling Up, Housing and Communities (the Department) aims to ensure the rented sector is fair for tenants and for landlords, by legislating and creating policies used to regulate the sector. Local authorities are responsible for regulating their local rental markets and ensuring landlords comply with legal obligations. They choose how to regulate based on local priorities and can draw on a range of investigation and enforcement tools available.

An estimated 11 million people rent privately in England, and the sector has doubled in size in the last 20 years. Renters face several challenges including increasing rents, a rising number of low-earners and families renting long-term, and the prevalence of “no-fault” evictions leaving households at risk of homelessness. Poor quality housing also poses serious risks to health and safety, and the conduct of landlords can impact tenants’ wellbeing.

Relevant reports

- NAO report: [Regulation of Private Renting](#) – Session 2021-22 (HC 863)
- PAC report: [Regulation of Private Renting](#) – Session 2021-22 (HC 996)
- Treasury Minute: [July 2022](#) (CP 722)
- [Letter](#) accompanying the Treasury Minute: July 2022
- [Treasury Minutes Progress Report](#): December 2022 (CP 765)
- [Treasury Minutes Progress Report](#): June 2023 (CP 855)
- [Treasury Minutes Progress Report](#): December 2023 (CP 987)
- [Treasury Minutes Progress Report](#): May 2024 (CP 1102)
- [Treasury Minutes Progress Report](#): March 2025 (CP 1284)
- [Treasury Minutes Progress Report](#): December 2025 (CP 1453)

Update to the Government response to the Committee

Following the government’s last response to the Committee on this report, (CP 1453 above) the remaining recommendation is updated below by the Ministry for Housing, Communities and Local Government, formerly known as the Department for Levelling Up, Housing and Communities.

5: PAC conclusion: *The Department lacks good enough data to understand the nature and extent of problems renters face.*

5: PAC recommendation: *The Department should develop a coherent data strategy to identify and collect the data it needs to:*

- *understand the problems renters are facing; and*
- *evaluate the impact of legislative changes.*
- *Once complete, this strategy should be shared with this Committee and the Levelling up, Housing and Communities Committee.*

5.1 The government agrees with the Committee’s recommendation.

Recommendation implemented: May 2026

5.2 It has not been possible to finalise a data strategy without the measures in the Renters' Rights Act being settled. Now that the Act has received Royal Assent, the department has prepared a [comprehensive data strategy](#) which fully reflects all of the measures in the Act as well as the ongoing evaluation programme. This strategy will be shared with the Committee by letter alongside this progress report.

Government progress on the implementation of agreed recommendations from the Committee of Public Accounts: Session 2022-23

Updates on reports with outstanding recommendations

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79	Support for innovation to deliver net zero
80	Making tax digital

Twenty-third Report of Session 2022–23

Department for Business, Energy & Industrial Strategy

Measuring and reporting public sector greenhouse gas emissions

Introduction from the Committee

In June 2019, Parliament passed an amendment to the climate Change Act 2019, committing the UK to achieving net zero emissions by 2050. This will require the UK to substantially reduce its emissions from current levels. The government estimates that direct emissions from public sector buildings account for around 2% of the UK's total emissions, although this does not include emissions from other sources, such as the electricity it uses, business travel and emissions arising from the goods and services it procures, which could all be significant. It has set a target for the public sector to halve its direct emissions from public sector buildings by 2032 and to reduce them by 75% by the 2037, both against a 2017 baseline. It has made £1.425 billion of funding available through Phase 3 of the Public Sector Decarbonisation Scheme for 2022–23 to 2024–25. In its 2017 *Clean Growth Strategy*, government committed the public sector to lead by example in both reducing emissions and in transparent reporting.

Relevant reports

- NAO report: [Measuring and reporting public sector greenhouse gas emissions](#) - Session 2022-23 2022 (HC 63)
- PAC report: [Measuring and reporting public sector greenhouse gas emissions](#) - Session 2022-23 (HC 39)
- [Treasury Minutes](#): January 2023 (CP 781)
- [Treasury Minutes Progress Report](#): June 2023 (CP 855)
- [Treasury Minutes Progress Report](#): December 2023 (CP 987)
- [Treasury Minutes Progress Report](#): May 2024 (CP 1102)
- [Treasury Minutes Progress Report](#): March 2025 (CP 1284)
- [Treasury Minutes Progress Report](#): December 2025 (CP 1453)

Update to the Government response to the Committee

Following the government's last response to the Committee on this report (CP 1453 above), the remaining recommendation is updated below by the renamed Department for Energy Security and Net Zero.

5. PAC conclusion: *The public sector risks falling behind on the reporting of its emissions but could learn from developing practice in private sector and the devolved administrations.*

5. PAC recommendation: *BEIS and HM Treasury should ensure that the reporting requirements placed on the public sector are aligned with their objective to lead by example in delivering net zero. This should include consideration of which bodies should report their scope 3 emissions and how best this should be done.*

5.1 The government agrees with the Committee's recommendation.

Revised target implementation date: Autumn 2026

Original target implementation date: Autumn 2025

5.2 Work to address the Committee's recommendation on public sector emissions reporting is ongoing. The Department for Energy Security and Net Zero (DESNZ) continues to

explore options and is engaging with Ministers as part of this process. Further detail will be provided once Ministerial decisions have been reached.

Twenty-ninth Report of Session 2022-23

Department for Levelling Up, Housing and Communities

The Affordable Homes Programme since 2015

Introduction from the Committee

One of the ways the Department tries to increase the supply of new homes in England is through the Affordable Homes Programme. The Secretary of State for Levelling Up, Housing and Communities recently reiterated the government's commitment to building 300,000 new homes overall every year by the mid-2020s. The Department does not have targets for how many of these should be affordable. For the Affordable Homes Programme, the Department secures funding from HM Treasury and then gives this to Homes England (outside London) and to the Greater London Authority (GLA) in London to achieve set targets. Housing providers (usually housing associations) bid for funding to build these. Bidding occurs through strategic bidding (housing providers bid for funding to deliver on multiple sites across a region) and continuous bidding (housing providers bid on a site-by-site basis). The Department forecasts it will spend £20.7 billion (2021–22 prices) between 2015 and 2032, to deliver 363,000 grant-funded homes.

The Programme has distinct iterations based on funding periods or policy changes. Under the 2016 programme, the Department forecasts that housing providers will build 241,000 new homes, against a target of 250,000 (of these 160,500 are grant funded). However, under the 2021 programme, the Department forecasts considerable shortfalls against its targets. The Department's central forecast is that housing providers will build 157,00 new homes, against a target of up to 180,000.

Relevant reports

- NAO report: [The Affordable Homes Programme since 2015](#) – Session 2021-22 (HC 652)
- PAC report: [The Affordable Homes Programme since 2015](#) – Session 2021-22 (HC 684)
- Treasury Minute: [February 2023](#) (CP 802)
- [Treasury Minutes Progress Report](#): June 2023 (CP 855)
- [Treasury Minutes Progress Report](#): December 2023 (CP 987)
- [Treasury Minutes Progress Report](#): May 2024 (CP 1102)
- [Treasury Minutes Progress Report](#): March 2025 (CP 1284)
- [Treasury Minutes Progress Report](#): December 2025 (CP 1453)

Update to the Government response to the Committee

Following the government's last report to the Committee on this report (CP 1453 above), the remaining recommendation is updated below by the Ministry for Housing, Communities and Local Government, formerly known as the Department for Levelling Up, Housing and Communities.

6. PAC conclusion: The Department does not publish satisfactory data on the type, tenure, size, quality, or location of homes built under the Programme.

6. PAC recommendation: The Department should report annually to Parliament on the performance of the Programme with detail on types, tenure, size, and quality of homes built by local authority area.

6.1 The government agrees with the Committee's recommendation.

Recommendation implemented: January 2026

6.2 The department has now published its Affordable Homes Programme, [first annual report](#) on which can be found on GOV.UK.

6.3 This report covers the performance of the Programme with detail on types, tenure, size, and quality of homes built by local authority area as requested in the Committee's recommendation.

Thirty-fifth Report of Session 2022-23

Department of Health and Social Care

Introducing Integrated Care Systems

Introduction from the Committee

Integrated Care Systems are new organisations joining up NHS bodies, local authorities, and wider partners involved in providing health and care in local areas. Forty-two ICSs in England serve populations ranging in size from around half a million to three and half million people. They were introduced into legislation in July 2022 through the Health and Care Act 2022, although many had been operating in shadow form on a non-statutory basis for several years prior to this. The Department has overall policy responsibility for health and social care in England. NHS England leads implementation of national policy and strategy for the NHS elements of ICSs which it oversees through its regional teams. ICSs have four key aims: improve outcomes in population health and healthcare; tackle inequalities in outcomes, experience, and access; enhance productivity and value for money; and help the NHS support broader social economic development.

Relevant reports

- NAO report: [Introducing Integrated Care Systems](#) – Session 2022-23 (HC 655)
- PAC report: [Introducing Integrated Care Systems](#) – Session 2022-23 (HC 047)
- Treasury Minute: [March 2023](#) (CP 828)
- [Treasury Minutes Progress Report](#): December 2023 (CP 987)
- [Treasury Minutes Progress Report](#): May 2024 (CP 1102)
- [Treasury Minutes Progress Report](#): March 2025 (CP 1284)
- [Treasury Minutes Progress Report](#): December 2025 (CP 1453)

Update to the Government response to the Committee

Following the government's last response to the Committee on this report (CP 1453 above), the remaining recommendations are updated below.

5. PAC conclusion: The NHS estate is in an increasingly decrepit condition, but the Department seems unable to make timely decisions to address these problems.

5a. PAC recommendation: The Department and NHS England should ensure the capital strategy is published in early 2023. This strategy should set out an analysis of need and plans to address this.

5.1 The government agrees with the Committee's recommendation.

Revised target implementation date: Summer 2026

Original target implementation date: 2023

5.2 Following Phase 2 of the Spending Review 2025, and the conclusion of the multi-year planning round, the government is shortly planning to publish the *10 Year Capital Plan*.

5.3 This will be a long-term, comprehensive plan, covering the next ten years and outlining how the strategy set out in the 10 Year Health Plan will be implemented across both NHS and non-NHS capital budgets.

5b. PAC recommendation: The Department and NHS England should also provide an annual progress update against the strategy, to include progress on nationally determined commitments and priorities, such as the New Hospital Plan, and system-wide ICS-led issues such as addressing the backlog of maintenance work. The progress update should also include details of when the Department and NHS England expect to make decisions that affect current and potential capital projects, to enable ICSs to plan with more certainty.

5.4 The government agrees with the Committee's recommendation.

Revised target implementation date: Summer 2026

Original target implementation date: Summer 2024

5.5 The government accepts the Committee's recommendation but not the conclusion. As previously set out in the last Treasury Minute Progress Report, the government agrees that progress against the strategy should be monitored but does not consider annual reporting to the Committee to be necessary; updates will instead be provided as needed. Any decisions affecting current or future capital projects will continue to be communicated through established channels rather than bespoke reporting, including the National Infrastructure and Service Transformation Authority (NISTA) infrastructure pipeline, first published in July 2025 and updated on a rolling basis. The government has already put in place significant measures to strengthen certainty and transparency on capital investment, including the introduction of five-year departmental capital budgets, refreshed every two years, confirmation of health and social care capital budgets for 2026-27 to 2029-30 through Spending Review 2025 Phase 2, and long-term certainty for NHS maintenance funding to 2034-35 set out in the [10-Year National Infrastructure Strategy](#). [NHS capital guidance](#) published in November 2025 further supports long-term planning, alongside the move to rolling capital programmes and work within systems to develop comprehensive infrastructure strategies.

Forty-third Report of Session 2022-23

Home Office

Progress combatting fraud

Introduction from the Committee

Fraud is defined as an act of dishonesty, normally through deception or breach of trust, with the intent to make a gain or cause a loss of money or other property. In the year to June 2022, nearly 7% of adults in England and Wales experienced actual or attempted fraud. The Home Office estimates the cost of fraud against individuals is £4.7 billion but it does not have a reliable estimate of the cost of fraud against businesses. The department is ultimately responsible for preventing and reducing crime, including fraud. It works with many other bodies including the National Crime Agency (NCA) and the City of London Police, which is responsible for overseeing Action Fraud, the national reporting service for fraud. In 2021–22, the department provided funding totalling £33.25 million to City of London Police and the NCA aimed at tackling fraud. The Ministry of Justice has an important role in setting policy on criminal justice for fraud offences and the Crown Prosecution Service prosecutes criminal cases in England and Wales. The department also needs to engage with other government departments; the finance, technology and telecoms sectors; and international partners, among others. In March 2022, the department announced plans for a new fraud strategy but at the time we took evidence this had not yet been published.

Relevant reports

- NAO report: [Progress combatting fraud](#) – Session 2022-23 (HC 654)
- PAC report: [Progress combatting fraud](#) – Session 2022-23 (HC 40)
- [Treasury Minutes](#): June 2023 (CP 847)
- [Treasury Minutes Progress Report](#): December 2023 (CP 987)
- [Treasury Minutes Progress Report](#): May 2024 (CP 1102)
- [Treasury Minutes Progress Report](#): March 2025 (CP 1284)
- [Treasury Minutes Progress Report](#): December 2025 (CP 1453)

Update to the Government response to the Committee

Following the government's last response to the Committee on this report (CP 1453 above), the remaining recommendations are updated below.

3. PAC conclusion: Victims of fraud are being failed by Action Fraud, which risks undermining public trust in the police.

3. PAC recommendation: The Department should set out, as part of its Treasury Minute response, how Action Fraud's replacement in 2024 will improve the way it engages with victims of fraud and updates them about their case and any plans it has to make improvements in the interim.

3.1 The government agrees with the Committee's recommendation.

Recommendation implemented: December 2025

3.2 This recommendation was completed on 3 December 2025 when the website [Report Fraud](#), the new and improved replacement service for Action Fraud went live.

3.3 Report Fraud uses the latest technology to:

- Make it easier for everyone from any background or demographic to report cyber-crime and fraud, taking the burden out of reporting and speeding up the time it takes to report.
- Inform victims about what has happened or is happening with their report.
- Quickly and efficiently inform victims when their crime report has contributed towards the protection of others.
- Protect a greater number of people and businesses from the risk of cyber-crime and fraud through delivery of targeted and timely advice on how to avoid the latest threats.
- Significantly improve the speed and quality of information provided to law enforcement partners, boosting their chances of successful prosecutions.
- Block and disrupt crime through providing real time information to those institutions and organisations who can deter and disrupt fraudulent websites, bank accounts, and other activities which we know are enabling criminality.

4. PAC conclusion: The Department has failed to support police forces to build the capacity or skills they need to tackle fraud effectively.

4. PAC recommendation: The Department should outline, as part of its Treasury Minute response, how it will increase both the priority of tackling fraud within territorial police forces and the capacity of police forces to investigate cases. The Department also needs to step up its support to police forces to ensure they can tackle fraud more effectively.

4.1 The government agrees with the Committee's recommendation.

Recommendation implemented: March 2026

4.2 This recommendation was completed with the publication of the [Fraud Strategy 2026-2029](#) on 9 March 2026. The Strategy sets out measures to improve police prioritisation of fraud and capability to respond, through stronger leadership, better intelligence, performance monitoring, and improved training and retention.

4.3 As set out in the Police Reform White Paper, overall law enforcement responsibility for fraud will transfer to the new National Police Service, with the National Crime Agency (NCA) as the lead agency. This will provide a more streamlined approach, with clearer roles and more effective tasking.

4.4 The new Report Fraud service provides richer and faster intelligence to local police via the National Crime Analysis System, improving case triage, handling and dissemination to forces, supporting investigations and bringing more fraudsters to justice.

4.5 The National Fraud Squad brings together officers from the NCA, City of London Police and Regional Organised Crime Units to deliver intelligence-led investigations targeting the most serious offenders. Supported by the new Online Crime Centre, it will receive higher quality intelligence to disrupt organised criminals earlier and reduce pressure on local forces.

4.6 Police performance on fraud investigations and victim care will be assessed regularly through His Majesty's Inspectorate of Constabulary and Fire & Rescue Services Police Efficiency Effectiveness and Legitimacy (PEEL) inspections, improving consistency and standards.

4.7 The Home Office will implement recommendations from the Police Skills Review with the Economic and Cyber Crime Academy and the College of Policing, including a clear training framework and new courses. Building on this, the Home Office will work with partners to deliver an economic crime profession by 2029, establishing career pathways and retaining specialist expertise.

5. PAC conclusion: The criminal justice system's current approach to penalising and sentencing fraudsters is insufficient to prevent the UK being seen as a haven for fraudsters.

5. PAC recommendation: The Department should work with partners in Government to address the recommendations of the Justice Committee's report *Fraud and the Justice System*.

5.1 The government agrees with the Committee's recommendation.

Revised target implementation date: August 2026

Original target implementation date: ongoing until Spring 2025

5.2 On 12 October 2023, the department initiated an Independent Review of Disclosure and Fraud Offences. Given its scope, the Review was divided into two phases:

- Phase One examined how the criminal disclosure framework operates under the Criminal Procedure and Investigations Act 1996. Attention was given to cases involving extensive digital evidence. The Review also scrutinised the Attorney General's Guidelines on Disclosure. Its findings and recommendations were compiled in the report [Disclosure in the Digital Age](#), which was delivered to the government in November 2024 and published in March 2025. The government response to this report is expected to be published in Spring 2026. It will take into account disclosure related recommendations from part two of the Independent Review of Criminal Courts, setting out amendments to the disclosure regime as part of a broader package of criminal justice reforms in Summer 2026.
- Phase Two then moved on to assess the effectiveness of fraud-related offences. This stage concluded, as agreed, in December 2025. The government will publish the report in Summer 2026 and in parallel consider the findings and recommendations made.

5.3 The corporate offence of failure to prevent fraud came into effect on 1 September 2025. This offence will hold large organisations to account if an 'associated person' commits fraud with the intention of benefiting that organisation.

6. PAC conclusion: The Department's reliance on voluntary charters does not produce a strong enough incentive for industry to rapidly improve its response to fraud.

6. PAC recommendation: The Department should set out, as part of its Treasury Minute response, how voluntary charters will contribute to its fraud strategy, including what changes it expects to see as a result of the charters, by when these will be achieved and what action it will take if they are not.

6.1 The government agrees with the Committee's recommendation.

Revised target implementation date: August 2027

Original target implementation date: ongoing Spring 2025

6.2 As the [Fraud Strategy](#) sets out, in November 2025 leading firms signed the second Telecommunications Fraud Charter, expanding commitments to fraud prevention. The Charter sets out 50 actions to be delivered over the next two years and will drive significant innovation by the telecoms sector to secure networks and reduce scams. Measures include new intelligence sharing across telecoms, banking and technology; a traceback scheme to identify the source of scam calls and texts; upgrades from 2G to 5G; AI enabled scam detection tools;

and improved victim support, including deadlines for closing fraud cases. Telecoms will report on progress every six months, with updates reported to Parliament.

6.3 In relation to online fraud, the government welcomed voluntary commitments through the Online Fraud Charter signed in 2023, which strengthened how technology companies prioritise fraud and enabled new data sharing pilots with law enforcement.

6.4 Since then, the Online Safety Act has received Royal Assent and is now the primary legislative framework for tackling online fraud. Ofcom's illegal harms duties came into force on 17 March 2025, enabling enforcement action including fines and, in the most serious cases, business disruption measures. The Act also includes new requirements for large platforms to tackle fraudulent advertising, with duties expected to come into force in 2027. However, residual risks remain, particularly in programmatic advertising, which the Home Office and DCMS are addressing through a partnership with the Internet Advertising Bureau UK, reporting to ministers in early 2027.

Forty-fourth Report of Session 2022-23

HM Revenue and Customs

Digital Services Tax

Introduction from the Committee

HM Treasury and HMRC introduced the Digital Services Tax in April 2020 to capture the value added to major digital businesses by UK users interacting with online marketplaces, social media platforms and search engines. It is a tax on turnover, not profits, for business groups whose revenues from in-scope activities are more than £500 million and where more than £25 million is derived from UK users. HMRC collected £358 million for the year 2020–21 (30% more than forecast due to the unpredictable impact of the COVID-19 pandemic), with 90% coming from five business groups. Digital Services Tax is forecast to raise around £3 billion by 2024–25.

The UK is among many other countries seeking a multilateral solution to concerns about how the international tax system operates for global businesses. In mid-2023 OECD plans for around 140 tax jurisdictions to sign up to ‘Pillar One and Two’ reforms that are intended to allow countries where large multinational businesses derive income to tax them locally. This involves re-allocating some taxing rights over the largest and most profitable multinational business groups from their home countries to the tax jurisdictions where their customers and users are located. When the ‘Pillar One’ reform is introduced, the UK government will retire the Digital Services Tax. Legislation requires the tax to be reviewed by 2025.

Relevant reports

- NAO report: [Investigation into the Digital Services Tax](#) Session 2022-23 (HC 905)
- PAC report: [The Digital Services Tax](#) Session 2022-23 (HC 732)
- [Treasury Minute](#): June 2023 (CP 847)
- [Treasury Minutes Progress Report](#): December 2023 (CP 987)
- [Treasury Minutes Progress Report](#): May 2024 (CP 1102)
- [Treasury Minutes Progress Report](#): March 2025 (CP1284)
- [Treasury Minutes Progress Report](#): December 2025 (CP 1453)

Update to the Government response to the Committee

Following the government’s last response to the Committee on this report (CP 1453 above), the remaining recommendation is updated below.

3: PAC conclusion: There are obvious challenges facing the OECD in implementing the multilateral Pillar One reforms to the planned timetable, which could have major implications for the future of the Digital Services Tax.

3: PAC recommendation: HMRC should update Parliament, within three months of international agreement on implementation of Pillar One, on progress with the implementation of the reforms.

3.1 The government agrees with the Committee’s recommendation.

Revised target implementation date: 2027

Original target implementation date: 2024

3.2 Since the last response to the Committee and, as confirmed by the [Exchequer Secretary to the Treasury's written ministerial statement](#), the government, along with more than 140 members of the G20/OECD Inclusive Framework, have reached agreement on a package of reforms to the Pillar 2 Global Minimum Tax system. Delivery of these changes follows commitments from the [G7 finance ministers in June 2025](#) and is seen by the UK and its G7 partners as crucial to facilitate further progress to stabilise the international tax system, including on a constructive dialogue on the taxation of the digital economy.

3.3 Whilst the Digital Services Tax, as an interim measure, continues to represent an important component of UK tax policy, the government welcomes the opportunity for such a dialogue and stands ready to work with the US and global partners on this matter.

3.4 HMRC will update Parliament within three months should an international agreement be made.

Sixty-second Report of Session 2022-23

Department of Health and Social Care

Department of Health and Social Care 2021-22 Annual Report and Accounts

Introduction from the Committee

The Department of Health and Social Care leads the health and care system in England. The Comptroller and Auditor General (C&AG) qualified his audit opinion on the department's 2021–22 accounts for several reasons. There was insufficient evidence to support; the Core Department & Agencies' and Group's consumables inventory balance of £1.36 billion at 31 March 2022 and £3.6 billion at 31 March 2021; £1.56 billion of inventory impairments in 2021–22 and £9.0 billion in 2020–21; inventory consumed during 2021–22 of £8.0 billion and £6.1 billion in 2020–21; and the £1.2 billion onerous contract provision recognised by the Department for inventory purchased but not received as at 31 March 2021.

UKHSA was created on 1 April 2021, becoming fully operational on 1 October 2021 when it became responsible for the health protection functions of Public Health England, NHS Test and Trace and the Joint Biosecurity Centre. The C&AG disclaimed his opinion on the 2021–22 UKHSA Accounts, and this led to him qualifying the transactions and balances relating to UKHSA in the department's Group Accounts as insufficient evidence was provided. This also led to a regularity qualification as there was not sufficient evidence to demonstrate that the spend incurred was applied to the purposes intended by Parliament and conformed with the authorities which govern it. In addition, Parliament authorised a Resource Non-Budget Expenditure limit of £Nil for the department in 2021–22. Against this limit, the department incurred an outturn of £2.457 billion, exceeding the authorised limit by £2.457 billion and causing an Excess Vote and a qualification of the C&AG's opinion on regularity.

Relevant reports

- [DHSC Annual Report and Accounts 2021 to 2022](#) – (HC 1043)
- PAC report: [Department of Health and Social Care 2021-22 Annual Report and Accounts](#) – Session 2022-23 (HC 997)
- [Treasury Minute](#): September 2023 (CP 941)
- [Treasury Minutes Progress Report](#): May 2024 (CP 1102)
- [Treasury Minutes Progress Report](#): March 2025 (CP 1284)
- [Treasury Minutes Progress Report](#): December 2025 (CP 1453)

Update to the Government response to the Committee

Following the government's last response to the Committee on this report (CP 1453 above), the remaining recommendation is updated below.

5. PAC conclusion: *The Department has not yet delivered a clear plan to remove the audit qualifications and deliver its accounts to a pre-summer recess timetable.*

5. PAC recommendation: *The Department must develop and implement a plan to remove the qualifications from the Departmental Group accounts and work with NHS England to restore timely financial reporting and local audit across the NHS, to support laying of the Departmental Group accounts to a pre-summer recess timetable.*

5.1 The government agrees with the Committee's recommendation.

Revised target implementation date: July 2027

Original target implementation date: July 2026

5.2 The Comptroller & Auditor General (C&AG) gave a [clean audit opinion](#) on the DHSC Group accounts for the year ended 31 March 2025, with no qualifications. This is the first clean audit opinion since the 2018-19 DHSC Annual Report and Accounts (ARA), and therefore this element of the recommendation has been achieved.

5.3 The department [wrote to the Committee](#) on 7 November 2025 setting out its position and plans with regards to a return to pre-Summer Parliamentary recess publication of the DHSC Group ARA in the future. Under current plans, the department remains on course to lay the 2025-26 DHSC Group ARA before the end of October 2026.

5.4 In the UK Health Security Agency's (UKHSA) 2024-25 audit and accounts, the organisation continued its good progress in improving financial management and controls. The C&AG's opinion on UKHSA's 2024-25 accounts was only limited as a result of prior year comparators, which are time-limited. UKHSA has a robust plan for the delivery of its first unqualified accounts in 2025-26.

Sixty-third Report of Session 2022-23

Department for Transport

HS2 Euston

Introduction from the Committee

Euston will be the London terminus for High Speed Two (HS2), a new high-speed, high-capacity railway between London, the West Midlands, and the north of England. The HS2 station also forms part of a wider Euston programme, with the redevelopment of the Euston conventional station by Network Rail and 'over-site' housing and commercial development in and around the two stations also taking place on the site. The Department for Transport is the sponsor of all three projects and HS2 Ltd is responsible for delivering the HS2 programme including Euston station.

Following recommendations from the Oakervee Review in 2020 on the HS2 programme, the department instructed HS2 Ltd to move to a simpler design for the Euston station. However, three years later in March 2023 the department announced that it would be pausing new construction work at Euston for the next two years. This pause followed on from HS2 Ltd.'s latest cost estimate in March 2023 of £4.8 billion (in 2019 prices) to build the station compared to its original £2.6 billion budget, alongside inflationary cost pressures across the Department's capital programme. The Department and HS2 Ltd plan to use the pause at Euston to give them more time to develop an affordable and deliverable design.

Relevant reports

- NAO report: [High Speed Two: Euston](#) – Session 2022-23 (HC 1201)
- PAC report: [HS2 Euston](#) – Session 2022-23 (HC 1004)
- [Treasury Minute](#): September 2023 (CP 941)
- [Treasury Minutes Progress Report](#): May 2024 (CP 1102)
- [Treasury Minutes Progress Report](#): March 2025 (CP 1284)
- [Treasury Minutes Progress Report](#): December 2025 (CP 1453)

Update to the Government response to the Committee

Following the government's last response to the Committee on this report (CP 1453 above), the remaining recommendations are updated below.

1. PAC conclusion: *Despite spending over eight years on planning and designing the HS2 Euston station, the Department still does not know what it is trying to achieve with the station.*

1. PAC recommendation: *The Department needs to use the current construction pause to finally establish the design and expectations for the station against what it is willing to spend.*

1.1 The government agrees with the Committee's recommendation.

Revised target implementation date: Autumn 2027

Original target implementation date: Summer 2025

1.2 Since the last update to the Committee, the department has made good progress via the Euston Spatial Scope Planning exercise, with the full support from Euston Partners, to develop an integrated and less complex station layout, while optimising space for commercial development.

1.3 Drawing on lessons learned from previous experience, the department is taking the time to complete the necessary work to establish a robust baseline before seeking to set budgets and schedules. Although it is not yet possible to confirm a cost estimate for Euston Station, for the purposes of the HS2 Reset process, the department has established some working assumptions on costs for the new HS2 station and London Underground upgrades, based on work to date.

1.4 In terms of next steps, the Euston Delivery Company (EDC) will be leading development of the Concept Design, due to commence shortly, which will be a key step in refining the design to a level at which we can derive more robust ranges. Following completion of Concept Design, the department expects to have more robust updated budget ranges for Euston by Autumn 2027.

1.5 The department will, however, have to consider the commercial sensitivities around the cost estimates related to the Public-Private Partnership contract to be negotiated subsequently for the HS2 station, before putting the estimates into the public domain. The department will continue to report on its plans to deliver Euston via the 6 monthly parliamentary reports, supplemented where necessary by confidential briefing to the Committee.

2. PAC conclusion: The £2.6 billion budget set in 2020 proved to be completely unrealistic for what the Department wanted to deliver.

2. PAC recommendation: The Department needs to be much clearer to Parliament and the public that the revised budget it sets is realistic and the station design it approves is affordable and deliverable with timescales for construction before it restarts construction work at Euston.

2.1 The government agrees with the Committee's recommendation.

Revised target implementation date: Autumn 2027
Original target implementation date: Summer 2025

2.2 Since the last update to the Committee, the department has made good progress via the Euston Spatial Scope Planning exercise, with the full support from Euston Partners, to develop an integrated and less complex station layout, while optimising space for commercial development.

2.3 Drawing on lessons learned from previous experience, it is taking the time to complete the necessary work to establish a robust baseline before seeking to set budgets and schedules. Although it is not yet possible to confirm a cost estimate for Euston Station, for the purposes of the HS2 Reset process, it has established some working assumptions on costs for the new HS2 station and London Underground upgrades, based on work to date.

2.4 In terms of next steps, the Euston Delivery Company (EDC) will be leading development of the Concept Design, due to commence shortly, which will be a key step in refining the design to a level at which we can derive more robust ranges. Following completion of Concept Design, the Department expects to have more robust updated budget ranges for Euston by Autumn 2027.

2.5 The department will, however, have to consider the commercial sensitivities around the cost estimates related to the Public-Private Partnership contract to be negotiated subsequently for the HS2 station, before putting the estimates into the public domain. The department will continue to report on its plans to deliver Euston via the 6 monthly parliamentary reports, supplemented where necessary by confidential briefing to the Committee.

Sixty-fourth Report of Session 2022-23

The Home Office

The Emergency Services Network

Introduction from the Committee

All 108 police, fire and ambulance services in England, Scotland and Wales communicate using Airwave, a dedicated mobile communications network that is critical to their ability to do their jobs. Airwave performs well but is becoming obsolescent, is expensive and does not provide access to modern data services. The Department is replacing Airwave with the Emergency Services Network (ESN), which will use a commercial mobile phone network and so be cheaper whilst also providing modern data. In 2015, the Department awarded contracts to deliver ESN to EE, for the main network infrastructure, and to Motorola for software to replicate critical features, such as push-to-talk – the ability to be connected to a control room or another device at the push of a button, which Airwave has but which commercial mobile phone networks do not support.

The programme to deliver ESN has faced significant delays and was reset in 2018. We have questioned the Department about its management of ESN 13 times, and issued three reports, each finding the programme to be high risk and raising concerns about the department's ability to manage those risks. One such risk related to Motorola's dual position as owner of Airwave, and key supplier to ESN. In April 2021, the Home Office wrote to the Competition & Markets Authority (CMA) expressing concerns over Airwave's excessive profits and Motorola's weak incentives to complete ESN. To prevent the CMA from forcing it to sell Airwave, Motorola announced in November 2021 that it would leave ESN.

The programme successfully engaged IBM to deliver the User Services contract, previously contracted to Motorola, and extended the existing Mobile Services contract through a direct award with EE. Mobilisation with both delivery partners commenced in late 2024. The new delivery strategy, set out in the PBC, was endorsed by the Major Projects Review Group (MPRG) in September 2024. The Programme's new target plan, developed following Motorola's exit, has added some time to the 2026 date for Airwave Shutdown (ASD), and the endorsed PBC reflects a new delivery approach and revised target for ASD of 31 Dec 2029.

Relevant reports

- NAO report: [Progress with delivering the Emergency Services Network](#): Session 2022-23 (HC 1170)
- PAC report: [The Emergency Services Network](#): Sixty-Fourth Report of Session 2022–23 (HC 1006)
- [Treasury Minute](#): September 2023 (CP 941)
- [Treasury Minutes Progress Report](#): May 2024 (CP 1102)
- [Treasury Minutes Progress Report](#): March 2025 (CP 1284)
- [Treasury Minutes Progress Report](#): December 2025 (CP 1453)

Update to the Government response to the Committee

Following the government's last response to the Committee on this report (CP 1453 above), the remaining recommendation is updated below.

1. PAC conclusion: *The department is still far too optimistic about both the progress it has made and the challenges ahead, and therefore risks repeating the same mistakes again.*

1. PAC recommendation: The department should test its confidence in its ability to deliver ESN by having the programme's Independent Assurance Panel publish an overview of progress and risks once the new user services contract that replaces Motorola is in place.

1.1 The government agrees with the Committee's recommendation.

Recommendation implemented: February 2026

1.2 The Independent Assurance Panel (IAP), commissioned by the Permanent Secretary, reports to the Home Office Investment Committee (InvestCo). Its recent work has focused on technical assessments and delivery progress for User Services and Mobile Services since contract awards in late 2024. The recommendation is implemented, based on IAP evidence from its independent review of delivery progress linked to Emergency Service Network (ESN) solution design, completed ahead of Treasury approvals, which commenced in February 2026.

1.3 At the November 2025 Gate 0 review, the National Infrastructure and Service Transformation Authority (NISTA) supported approval of the revised Programme Business Case (PBC), recommending an amber rating. The PBC was endorsed by the 3 Emergency Services, sponsoring departments, and devolved governments. In December, Home Office InvestCo approved the PBC and two-year's funding to March 2028. A successful Treasury Approval Process (TAP) meeting on 11 February 2026 followed, producing a recommendation to the Chief Secretary, whose approval was received on 1 May 2026, subject to conditions which the Programme is now addressing.

1.4 The IAP report, circulated with the TAP papers in February 2026, summarises progress since contract signature, the NISTA Gate 0 outcome, construction, technology completion, testing, user acceptance and transition.

1.5 It describes strong programme leadership, successful procurement strategies, and provides analysis on challenges in:

- Alignment of Commercial & Programme leadership
- Contract Management
- Resourcing & Expertise
- Systems Integration
- Integrated Programme Plan
- Testing & Transition
- Future operating model

1.6 The report identifies risks, mitigations, and provides assurance that the programme will avoid previous issues. A full copy of the report has been sent to the Committee for reference.

Sixty-seventh Report of Session 2022-23

HM Revenue & Customs

Child Trust Funds

Introduction from the Committee

Child Trust Funds are tax-free savings accounts that were set up for all children in the UK who were born between 1 September 2002 and 2 January 2011. Anyone, for example parents or other family members, can add to children's savings by paying money into their accounts. Young people can choose to take over managing their account at 16 years old and can access the funds at 18 years old. The first young adults with Child Trust Funds reached the age of 18 in September 2020. In April 2021, the total value of all Child Trust Funds was £10.5 billion, and the average account value was £1,911.

Government launched the Child Trust Fund scheme in 2005, backdating it to include children born since September 2002, and announced its closure to new entrants in 2010. Around 6.3 million accounts were set up, into which government paid £2.0 billion. 72% of accounts were set up by parents and guardians using a voucher sent to them by HM Revenue & Customs (HMRC). HMRC set up the remaining 28% of accounts on children's behalf when their parents or guardians did not do so within a year of the voucher being sent.

HMRC is responsible for the administration of Child Trust Funds. It published an interim evaluation of the scheme in 2011. Other organisations are responsible for savings and assets policy or are involved in ensuring access to the scheme for specific groups of young people. In 2017, HMRC and the Department for Education transferred responsibility for managing Child Trust Funds belonging to children in local authority care with no 'responsible adult' to a charity called The Share Foundation.

Relevant reports

- NAO report: [Investigation into Child Trust Funds](#) – Session 2022-23 (HC 1197)
- PAC report: [Child Trust Funds](#) – Session 2022-23 (HC 1231)
- [Treasury Minute](#): September 2023 (CP 941)
- [Treasury Minutes Progress Report](#): May 2024 (CP 1102)
- [Treasury Minutes Progress Report](#): March 2025 (CP 1284)
- [Treasury Minutes Progress Report](#): December 2025 (CP 1453)

Update to the Government response to the Committee

Following the government's last response to the Committee on this report (CP 1453 above), the remaining recommendation is updated below.

6. PAC conclusion: HMRC is not planning to re-evaluate the scheme or learn lessons from its implementation that could help in the design or improvement of similar schemes.

6. PAC recommendation: HMRC should, at the appropriate time within the next 24 months, evaluate the scheme to understand what has been achieved from government's £2 billion investment and what impact it has had on the lives of young people and identify lessons that would benefit similar schemes in the future, particularly around how to design and implement a scheme that works well for vulnerable groups.

6.1 The government agrees with the Committee's recommendation.

Revised target implementation date: June 2027

Original target implementation date: Summer 2025

6.2 HMRC has re-examined the case for an evaluation of Child Trust Funds in its April 2026 research planning round. On this occasion they have prioritised research to support the practical action HMRC can take to enable as many young people as possible to access their funds.

6.3 HMRC previously considered proposals for research into Child Trust Funds as part of its April 2025 research planning round. At that time, further evaluation was not prioritised against competing departmental priorities.

6.4 The research represents a first, focused phase of work addressing the most immediate operational challenge, namely the number of matured accounts that remain unclaimed. By addressing this issue first, HMRC will be able to generate actionable evidence which can inform both immediate interventions and any future, wider evaluation of the scheme.

6.5 The research will gather qualitative evidence directly from young adults aged 18 to 24, including those who are aware of their accounts and those who are not, in order to better understand awareness, behaviours, perceived barriers, and experience of the claiming process.

6.6 This work will address a critical evidence gap, namely, insight into the behavioural or practical factors that explain why individuals do not act.

6.7 WHMRC will keep a wider evaluation of the broader impact of the scheme under review for consideration at future research rounds.

6.8 This research is expected to take 6 months to complete and analyse, therefore HMRC will expect to be able to update the Committee on findings in June 2027 and has informed the Committee of the revised implementation date.

Seventy-second Report of Session 2022-23

Department for Energy Security and Net Zero

Update on the rollout of smart meters

Introduction from the Committee

Unlike traditional meters, which register a running total of energy used, smart meters can record half-hourly price and consumption data and provide data on energy demand and automatic meter readings to energy suppliers. When linked to in-home displays, smart meters also provide consumers with real-time information that helps them to monitor and reduce consumption and costs.

The Department for Energy Security and Net Zero (the Department), and its predecessor Departments have led the Smart Metering Implementation Programme (the Programme) since 2008. Smart meters are installed by energy suppliers who are regulated by Ofgem. In 2011, government set out a vision for every home and small business in Great Britain to have smart meters and set an intention to complete the rollout in 2019. Government recently consulted with suppliers and other industry stakeholders on its proposal for 2024 and 2025 and now has new targets for suppliers to install smart meters in at least 74.5% of homes and nearly 69% of small businesses by the end of 2025. In 2019, the Department estimated the rollout would cost £13.5 billion from 2013 to 2034 and provide £19.5 billion of benefits over the same period (both in 2011 prices). The rollout of smart meters is mostly funded by suppliers, which pass on some or all their costs to energy consumers.

Relevant reports

- NAO report: [Update on the rollout of smart meters](#) - Session 2022-23 (HC 1374)
- PAC report: [Update on the rollout of smart meters](#) - Session 2022-23 (HC 1332)
- [Treasury Minute](#): January 2024 (CP 1000)
- [Treasury Minutes Progress Report](#): May 2024 (CP 1102)
- [Treasury Minutes Progress Report](#): March 2025 (CP 1284)
- [Treasury Minutes Progress Report](#): December 2025 (CP 1453)

Update to the Government response to the Committee

Following the government's last response to the Committee on this report (CP 1453 above), the remaining recommendation is updated below.

5. PAC conclusion: Too many smart meters are not fully functioning and millions more will be impacted when the 2G and 3G mobile communication networks close.

5b. PAC recommendation: The Department and Ofgem should set out:

- **a timetable for replacing the communication hub element of smart meters that will lose functionality when the 2G and 3G mobile networks are switched off.**

5.1 The government agrees with the Committee's recommendation.

Recommendation implemented: March 2026

5.2 Following a consultation on proposals to improve the consumer experience of smart metering and drive the domestic smart meter roll-out to the end of 2030, the department [published its final decisions](#) in March 2026. These included clarifying the existing Operational Licence Condition by explicitly requiring suppliers to take all reasonable steps to pre-emptively

replace smart metering assets so that they continue to communicate when they will otherwise stop as a result of Wide Area Network (WAN) services ending, including the switch-off of 2G and 3G mobile services by end of 2033. The government also strengthened the existing Operational Licence Condition by requiring energy suppliers to take all reasonable steps to resolve smart meters not operating in smart mode and within 90 days from when they first become aware of an issue. The government will require energy suppliers to submit annual deployment plans to Ofgem, outlining the activities they will undertake to meet their domestic installation, operational and replacement obligations. The annual milestones for new installations and pre-emptive replacements will be binding from January 2027.

Seventy-fourth Report of Session 2022-23

Department for Energy Security and Net Zero, HM Treasury

Bulb Energy

Introduction from the Committee

Average annual household bills for gas and electricity have increased from £1,200 in winter 2021–22 to £3,300 in the spring of 2023. Partly because of the increase, between July 2021 and May 2022, 29 energy suppliers failed, affecting nearly four million households in the UK. This includes Bulb Energy Limited (Bulb), which announced that it could no longer continue trading in November 2021. With around 1.5 million customers, Bulb was the largest energy supplier to fail and was considered too large for a Supplier of Last Resort (SoLR). To protect customers, on 24 November 2021, Ofgem and the Department for Energy Security and Net Zero (the Department) placed Bulb in a Special Administration Regime (SAR). Three individuals from Teneo were appointed by the High Court to be the joint energy administrators (also known as special administrators) for Bulb.

The Department was responsible for funding and overseeing both the SAR and the sale process. Its aim was to sell Bulb and exit the SAR as quickly as possible. HM Treasury advised the Department on the SAR and provided budgetary cover. Ofgem was responsible for selecting the special administrator, monitoring Bulb during the SAR and assessing the sale transaction and the potential impact on customers. A sale process was launched in February 2022 and took 10 months to complete. On 20 December, Octopus Energy Limited (Octopus) paid £113 million to the government to purchase Bulb. The sale of Bulb to Octopus was completed via the Energy Transfer Scheme (ETS), which allowed Bulb's supply licence and certain business assets, rights, liabilities, and full customer book, to be transferred to Octopus without the usual contractual forms and permissions. As part of the sale deal with Octopus, government agreed to financially support Bulb by paying for Bulb's wholesale energy costs up to 31 March 2023, thereby allowing Bulb to accumulate sufficient capital necessary to pay for its wholesale energy costs from 1 April 2023. As a result of this support, the total estimated cost to the taxpayer for funding Bulb was £3.02 billion as of the end of January 2023.

The SAR will continue until Octopus has repaid the taxpayer funding and Bulb's outstanding costs and liabilities have been settled. On 25 May 2023, Teneo reported that the estimated amount Octopus would be due to repay to government was £2.8 billion. This is currently expected to be repaid by September 2024, but government and Octopus have agreed some conditions under which the repayment could be deferred to September 2025. Government does not expect to recover the full amount of taxpayer funding committed to Bulb and has indicated that it intends to recover the shortfall from energy consumers. The Department will calculate the final cost to the taxpayer when the SAR ends.

Relevant reports

- NAO report: [Investigation into Bulb Energy](#) – Session 2022-23 (1202)
- PAC report: [Seventy-Fourth Report - Bulb Energy](#) – Session 2022-23 (HC 1232)
- PAC report: [Fifty-eighth Report - Energy Bills Support](#) – Session 2022-23 (HC 1074)
- [Treasury Minute](#): January 2024 (CP 1000)
- [Treasury Minutes Progress Report](#): May 2024 (CP 1102)
- [Treasury Minutes Progress Report](#): March 2025 (CP 1284)
- [Treasury Minutes Progress Report](#): December 2025 (CP 1453)

Update to the Government response to the Committee

Following the government's last response to the Committee on this report (CP 1453 above), the remaining recommendation is updated below.

3. PAC conclusion: *We are concerned that substantive risks and uncertainties remain to the recovery of the £3.02 billion of taxpayer funds currently committed to the funding of Bulb Energy.*

3b. PAC recommendation: *At the conclusion of the Bulb SAR, the Department should write to the Committee with details of the final cost to the taxpayer, including how much has been repaid by Octopus and any shortfall that it plans to recover from consumers.*

3.1 The government agrees with the Committee's recommendation.

Recommendation implemented: May 2026

3.2 DESNZ's previous update in December 2025 confirmed that all funds have been repaid in full, at no cost to the taxpayer. The department continues to engage with Bulb Energy's special administrators as the SAR progresses towards closure.

3.3 The department would also like to note that Bulb Energy's special administrators have now made final distributions to the company's secured creditors. They have indicated that they envisage transitioning from energy supply company administration to a Creditors' Voluntary Liquidation (CVL) process over the coming months, in order to enable distributions to unsecured creditors in accordance with the provisions of the Insolvency Act 1986. Such a transition would effectively bring the remaining public interest considerations in the case to an end and would ultimately lead to the company's formal winding up. The department further notes that the government's financial position will not change during the period leading up to the transition to CVL. The department will write to the Committee once the transition has taken place. As the key actions arising from the Committee's recommendation have been completed, the recommendation is considered implemented and can be closed.

Seventy-seventh Report of Session 2022-23

Department for Levelling Up, Housing and Communities

Supported Housing

Introduction from the Committee

Supported housing in England provides much needed accommodation and support, supervision and care to vulnerable people who often have complex and multiple needs, to help them live as independently as possible in the community. Residents tend to include people at risk of, or who have experienced, homelessness, people with a learning or physical disability, or people recovering from drug or alcohol dependence. Responsibilities are spread across central and local government:

- the Department for Work and Pensions (DWP) reimburses local authorities for paying Housing Benefit claims and sets Housing Benefit policy;
- the Department for Levelling Up, Housing and Communities (DLUHC) is responsible for the supply and quality of supported housing;
- the Department of Health and Social Care (DHSC) develops policies that aim to give more people the choice to live independently and healthily in their own homes for longer; and
- local authorities are responsible for managing Housing Benefit claims and inspecting supported housing.

Gaps in oversight and regulation of supported housing allow some landlords to make large profits while providing poor quality accommodation and support. Demand for supported housing is largely unknown, and the Government is not expected to meet its original target for building 15,700 to 16,500 new supported housing units as part of the Affordable Home Programme. Housing Benefit can leave local authorities short-changed and allow for an unknown amount of fraud in the sector. The Supported Housing (Regulatory Oversight) Act 2023 contains measures to improve supported housing. The Act focuses on exempt accommodation (mostly short-term supported housing that is exempt from locally set Housing Benefit caps), rather than supported housing more broadly.

Relevant reports

- NAO report: [Investigation into supported housing](#) – Session 2022-23 (HC 1318)
- PAC report: [Supported Housing](#) – Session 2022-23 (HC 1330)
- [Treasury Minute](#): January 2024 (CP 1000)
- [Treasury Minute](#): May 2024 (CP 1102)
- [Treasury Minutes Progress Report](#): March 2025 (CP 1284)
- [Treasury Minutes Progress Report](#): December 2025 (CP 1453)

Update to the Government response to the Committee

Following the government's last response to the Committee on this report (CP 1453 above), the remaining recommendation is updated below by the Ministry for Housing, Communities and Local Government, formerly known as the Department for Levelling Up, Housing and Communities.

4. PAC conclusion: The Supported Housing (Regulatory Oversight) Act 2023 gives local authorities more powers over providers of supported housing but there is a risk of unintended consequences, including discouraging good quality providers.

4. PAC recommendation: MHCLG should assess how local authorities can set up licensing schemes with appropriate levels of fees that will deter poor providers and encourage good quality supported housing.

4.1 The government agrees with the Committee's recommendation.

Recommendation implemented: April 2026

4.2 The government consulted on proposals to implement measures in the Supported Housing (Regulatory Oversight) Act 2023 (the Act) and published the [government response](#) on 16 April 2026 on GOV.UK.

4.3 The government response sets out that local authorities will be able to charge licence fees for the cost of administering and enforcing the licence regime. They will do this in line with Treasury guidance and will not be able to generate a surplus.

4.4 The Act and the proposals in the consultation were designed to regulate supported housing, provide better value for money for Housing Benefit spend, and ensure residents are protected. Setting clear expectations will deter and drive out poor-quality providers, while raising standards across the sector, in response to a growing minority of rogue landlords who have been putting residents at risk and taking advantage of a lack of regulation.

Government progress on the implementation of agreed recommendations from the Committee of Public Accounts: Session 2023-24

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Second Report of Session 2023-24

Department for Education

The condition of school buildings

Introduction from the Committee

There are 21,600 state schools in England, educating 8.4 million pupils. Between them, these schools have around 64,000 buildings, which can vary in age and design even on the same site. The ‘responsible body’ in control of the school—usually the relevant local authority, academy trust or voluntary-aided body—must manage the condition of its buildings and ensure they are safe. The Department for Education has overall responsibility for the school system in England, setting the policy and statutory framework and bearing ultimate accountability for achieving value for money from the funding provided to schools, including for school buildings.

The department distributes funding to responsible bodies, collects data on the condition of school buildings, conducts surveys on specific issues, and itself delivers some estate-related programmes. It has a clearly articulated principle to rebuild schools in the worst condition while allocating enough funding to allow responsible bodies to maintain the rest of the school estate. The department considers that exclusively spending money on the poorest condition buildings would not deliver best long-term value for money

Relevant reports

- NAO report: [Condition of school buildings](#) – Session 2022-23 (HC 1516)
- PAC report: [The condition of school buildings](#) – Session 2023-24 (HC 78)
- [Treasury Minute](#): February 2024 (CP 1029)
- [Treasury Minutes Progress Report](#): May 2024 (CP 1102)
- [Treasury Minutes Progress Report](#): March 2025 (CP 1284)
- [Treasury Minutes Progress Report](#): December 2025 (CP 1453)

Update to the Government response to the Committee

Following the government’s response to the Committee on this report (CP 1453 above), the remaining recommendations are updated below.

5: PAC conclusion: DfE has incomplete knowledge of the prevalence of asbestos across the school estate.

5: PAC recommendation: As soon as possible, DfE should provide us with evidence that it has a full picture of asbestos across the school estate, having received survey returns from all schools and ensuring that every relevant school has an adequate asbestos management plan in place.

5.1 The government agrees with the Committee’s recommendation.

Target implementation date: December 2026

5.2 The Department for Education has almost completed updating its information on how bodies responsible for the school estate are managing asbestos where it is present in school buildings in England. Information collected through the Asbestos Management Assurance Process (AMAP) is being updated through the Condition Data Collection 2 (CDC2) programme, which is on track to complete in 2026.

5.3 The department has continued to undertake visits to non-responders to the AMAP, where data from the CDC2 programme is being used. Latest figures (March 2026) show that all the remaining in scope schools have now been visited, and the majority have had their CDC2 programme data sufficiently checked to be used. There are eight schools whose data is undergoing final quality assurance and approval processes.

5.4 The department takes the safety of children and those who work with them incredibly seriously. The department refreshed its guidance on managing asbestos in schools and colleges in October 2024, working closely with the regulator, the [Health and Safety Executive \(HSE\)](#).

7: PAC conclusion: DfE has focused on reactive measures addressing immediate building concerns that often fail to take account of longer-term value for money considerations.

7b: PAC recommendation: DfE should also reconsider its value for money analysis on fitting fire safety measures.

7.1 The government agrees with the Committee's recommendation.

Recommendation implemented: February 2026

7.2 The department has reviewed the costs and benefits of fire safety measures including Automatic Fire Suppression Systems (AFSS) and in the updated [Output Specification](#) (published February 2026) have continued to mandate AFSS in the following categories for property protection: buildings that are at least 4 storeys and/or over 11 metres high, Buildings with residential accommodation, such as boarding schools and in all Special Schools, Special Colleges and Alternative Provision. This goes beyond the requirements of the Building Regulations.

7.3 The department has also incorporated a number of additional measures in relation to fire safety including providing specific fire safety requirements in relation to modern methods of construction (MMC) to further improve the already high standards of fire safety in schools.

Fifth Report of Session 2023-24

Department for Environment, Food and Rural Affairs

Government's Programme of Waste Reforms

Introduction from the Committee

The 2018 Resources and Waste Strategy, published under the 2016 to 2019 May Conservative government aims to establish a circular economy, where products are used again or for longer through reuse, repair, and recycling. It contained five strategic ambitions including doubling resource productivity and eliminating avoidable waste by 2050. In 2019, the need to decarbonise the waste sector became more significant due to the UK's commitment to 'net zero' greenhouse gas emissions by 2050.

As part of its work to deliver the strategy, the department initiated three interrelated projects known as the collection and packaging reforms programme. The programme is intended to bring about major changes to how waste is paid for and collected. It includes:

- The extended producer responsibility for packaging scheme, which will require companies that produce packaging or sell packaged products in the UK to cover the full costs of collecting and sorting household packaging waste for recycling. The department estimates these companies will pay around £1 billion (2020 present values, 2019 prices) a year. It plans to introduce variable fees, depending on the recyclability of the material used.
- The consistent collections project which will require local authorities, businesses and organisations such as schools and hospitals in England to collect food waste and dry recyclable materials (paper and card, metal, plastic and glass) separately where possible. Local authorities will also need to provide a separate garden waste collection for households. Since the department took evidence in September 2023 the government has rebranded the project as 'simpler recycling'.
- The deposit return scheme in England and Northern Ireland, which will place a redeemable deposit on all single-use plastic and metal drinks containers up to three litres in volume.

The Infrastructure and Projects Authority (IPA) conducted two interviews in June and September 2022 on the deliverability of the programme. The first review gave the programme a 'red' rating and concluded that successful delivery of the programme to time appeared to be unachievable. The second review noted the department's progress in implementing recommendations but maintained a 'red' rating, as it did not have confidence the extended producer responsibility scheme (the first of the collection and packaging reform projects) could be delivered by its expected deadline in October 2024.

Relevant reports

- NAO Report: [The Government's Resources and Waste Reforms for England](#) – Session 2022-23 (HC 1513)
- PAC Report: [The Government's Programme of Waste Reforms](#) – Sessions 2023-24 (HC 333)
- [Treasury Minutes Progress Report](#): May 2024 (CP 1102)
- [Treasury Minutes Progress Report](#): March 2025 (CP 1284)
- [Correspondence to the PAC](#): May 2025 (Recommendation 5b)
- [Correspondence to the PAC](#): June 2025 (Recommendation 4 and 6)
- [Treasury Minutes Progress Report](#): December 2025 (CP 1453)

Update to the Government response to the Committee

Following the government's last response to the Committee on this report (CP 1453 and correspondence above), the remaining recommendation is updated below.

4. PAC conclusion: While the Department recognises the importance of waste prevention and reuse, it is not clear what its plans are for meeting its target of doubling resource efficiency by 2050.

4. PAC recommendation: Within the next 12 months the Department should write to the Committee to explain:

- **What measures it expects to introduce next (within the next five years) to encourage waste prevention and reuse; and what contribution it expects these measures to make to meeting its target of doubling resource efficiency by 2050.**
- **Which measures it expects could make the biggest contribution overall to its target of doubling resource efficiency by 2050, and how long it expects it will need to prepare for and implement these changes.**

4.1 The government agrees with the Committee's recommendation.

Revised target implementation date: early 2026

Original target implementation date: early 2025

4.2 The department's agreement and response to recommendation 4 is on the basis that the above recommendation is amended to '*...meeting its ambition to double resource productivity*' as agreed with the Committee via email on 25 January 2024. This commitment was reviewed as part of the [Environmental Improvement Plan](#) (EIP) review 2025. The review streamlined and prioritised non-statutory commitments to ensure that the plan focuses on key actions that deliver meaningful environmental improvements and contribute to statutory targets and priority outcomes. As a result, this specific commitment is no longer explicitly referenced in the EIP. However, the department acknowledges the importance of improving England's resource productivity, which remains a key priority under its commitment to transition to a circular economy (included in the EIP review as a commitment to publish the Circular Economy Growth Plan).

4.3 The department has been working with the Circular Economy Taskforce and officials across government to develop a plan for moving to a circular economy in England, which will set out the interventions that government will make right across the economy, including in sectors like: agri-food; built environment; chemicals and plastics; electrical and electronic equipment; textiles; and transport. Defra ministers intend to publish the Circular Economy Growth Plan soon.

4.4 In the meantime, the department continues to take forward activity to boost resource productivity, prevent waste and support reuse. For example, on 26 February 2026 (updated 14 April 2026) Defra published guidance to support [English Mayoral Strategic Authorities](#) in embedding circular economy approaches – including repair and reuse, as well as facilitating opportunities for industrial symbiosis (where the by-products or waste from one process are used as resources or raw materials in another process). The department is currently working across government to develop a national endeavour to end avoidable food waste, operating across the entire food supply chain and redistribution sector. In addition, the department is updating the Government Buying Standards. This will enable all central departments and their arm's-length bodies to use a single set of modern environmental requirements – fully embedding circular economy principles – in their procurements. Along with the Department for Business and Trade, the department is setting up a new, cross-government steel working

group to rapidly unlock opportunities for greater circularity in steel scrap as committed in the [Steel Strategy](#) published in March 2026.

Sixth Report of Session 2023-24

Cabinet Office

Competition in public procurement

Introduction from the Committee

Government spent £259 billion on the procurement of goods and services in 2021–22. Of the total contract value of more than £100 billion awarded by major departments during 2021–22, around two-thirds were subject to competition in some form. Given this is a significant area of government spending, there is a genuine interest in ensuring government effectively uses competition to achieve value for money, public benefit, transparency, and probity. Illustrative scenarios included in the impact assessment for the Procurement Act suggest government could achieve savings of £4 billion to £7.7 billion per year through increased competition.

Departments and other public bodies are responsible for carrying out their own procurement exercises. The Cabinet Office, its central commercial teams within the Government Commercial Function, and its executive agency the Crown Commercial Service offer support publishing guidance, monitoring suppliers, offering advice, and running procurement frameworks for common goods and services.

The Crown Commercial Service is also responsible for providing some commercial services to the public sector, which includes running procurement frameworks. These frameworks are designed for procuring common goods and services and are intended to help departments access economies of scale and reduce administrative cost. Government departments and other public bodies are required to use open competition in their procurements, under the Public Contracts Regulations 2015 and related statutory instruments.

At the time we took evidence, Parliament was considering the Procurement Bill, which has now received Royal Assent to become the Procurement Act 2023 and will replace the current legislation. With the introduction of the Procurement Act, this is an opportunity to look at lessons learned from government's transformation programme in procurement from the last 12 years.

Relevant reports

- NAO report: [Lessons learned: competition in public procurement](#) – Session 2022-23 (HC 1664)
- PAC report: [Competition in public procurement](#) – Session 2023-24 (HC 385)
- [Treasury Minute](#): February 2024 (CP 1029)
- [Treasury Minutes Progress Report](#): May 2024 (CP 1102)
- [Treasury Minutes Progress Report](#): March 2025 (CP 1284)
- [Treasury Minutes Progress Report](#): December 2025 (CP 1453)

Update to the Government response to the Committee

Following the government's last response to the Committee on this report (CP 1453 above), the remaining recommendation is updated below.

3. PAC conclusion: Framework agreements have become the most prevalent route for public authorities to buy common goods and services, but the Government Commercial Function has not provided sufficient guidance to address the potential risks to competitive benefits.

3. PAC recommendation: The Cabinet Office should issue guidance, for example a 'Framework Playbook', within six months to provide central guidance for government buyers on key policies about:

- ***The project delivery model assessment to be carried out by government buyers to inform recommendations on whether a department should or should not use a framework.***
- ***The effective management processes for frameworks.***
- ***The collection of appropriate data to assess whether the outcomes of the framework have been achieved.***

3.1 The government agrees with the Committee's recommendation.

Revised target implementation date: Summer 2026

Original target implementation date: Autumn 2024

3.2 Guidance to support those creating and using frameworks is still in draft form and currently being updated. The new draft will reflect the formation from 1 April 2026 of the Government Commercial Agency, bringing together operational commercial teams from the Cabinet Office with the Crown Commercial Service. The guidance will also reflect changes in behaviour and processes since the Procurement Act 2023 came into force in February 2025, including information on how buyers can make use of the forthcoming Register of Commercial Tools to optimise buying decisions.

3.3 The publication of the guidance has been pushed back since the last update as a result of the imminent go-live of a digital 'Register of Commercial Tools' which will be made available on [GOV.UK](https://gov.uk). This register will draw information published under the Act to create a real-time picture of the framework landscape and will thus be a critical tool for contracting authorities considering how best to procure. It will help identify where there are gaps for potential establishment of new frameworks and also provide a list of suitable frameworks in one place under which to award a contract for goods or services. In order to make this playbook and guidance as useful as possible to public sector buyers, the Cabinet Office wishes to include guidance on how to effectively use the Register in procurement decisions therefore it makes sense to launch these products together.

3.4 The Cabinet Office aims to publish the guidance to meet this recommendation in July 2026 but is dependent to a certain extent on the go-live of the Register (which is planned for end of May) and the timing of planned enhancements shortly thereafter in order to ensure that the guidance is as up-to-date and comprehensive as possible. The Cabinet Office will work closely with the relevant team to align communications on the Register and the Playbook.

Seventh Report of Session 2023-24

Department for Environment, Food and Rural Affairs

Resilience to flooding

Introduction from the Committee

In October and November 2023, heavy, persistent and widespread rain affected much of England when Storms Babet and Ciarán struck. The Environment Agency reported that, by the end of October, Storm Babet alone had caused 2,200 homes to be flooded. Surface water flooding is a growing issue with 3.4 million properties at risk in England. In July 2021, parts of London received a month's rainfall within a couple of hours and over 1,500 properties were flooded from surface water as a result. The government announced a new six-year capital investment programme (capital programme) for flood and coastal defence for the period April 2021 to March 2027. It committed to better protect 336,000 properties and help avoid £32 billion of wider economic damage by investing £5.2 billion in around 2,000 new flood defence projects. Government announced a further £370 million of capital funding for 2021–2027 in 2020 for innovative projects and to accelerate work on projects, taking the total capital funding for 2021–2027 to just under £5.6 billion. To monitor delivery of the programme, Defra and the Agency have developed a set of 18 metrics with the primary focus on the 'headline' metric of the number of properties better protected. In addition to central government funding, there is a range of other funding sources for flood risk management. Partnership funding is an important source of funding, where risk management authorities raise funds from the public and private sectors towards a flood defence project. The Agency estimates that £2.3 billion of partnership funding is needed to supplement central government funding for the period 2021–2027.

Relevant reports

- NAO report: [Resilience to flooding](#) – Session 2023-24 (HC 189)
- PAC report: [Resilience to flooding](#) – Session 2023-24 (HC 71)
- [Treasury Minute](#): March 2024 (CP 1057)
- [Treasury Minutes Progress Report](#): March 2025 (CP 1284)
- [Treasury Minutes Progress Report](#): December 2025 (CP 1453)

Update to the Government response to the Committee

Following the government's last response to the Committee on this report (CP 1453 above), the remaining recommendation is updated below.

1. PAC conclusion: Government has no overall measure of the resilience it expects to achieve and so does not know if it is making progress towards its ambition of a nation more resilient to flooding.

1. PAC recommendation: In its next annual report (for 2023-24), the Agency should provide a more holistic assessment of net progress towards a "nation more resilient to flooding", taking into account properties less well protected as well as those better protected. Defra should develop a measure which shows the net change in the number of properties at risk from flooding in order to give the true picture of England's resilience to future flood and coastal erosion risk and set a target for the net change it aims to achieve.

1.1 The government agrees with the Committee's recommendation.

Revised target implementation date: end of 2026

Original target implementation date: end of 2025

1.2 The government wrote to the Committee on the 4 November 2025 to extend the target date for this recommendation to end of 2026.

1.3 Progress is being made. The Environment Agency, working with Defra, has established two new outcome metrics: economic benefits and risk to properties. The risk to properties outcome metric combines the properties benefitting from floods investment with risk information. This metric assesses how many fewer properties would flood in a modelled average year due to the investments made in flood and coastal projects.

1.4 The Environment Agency's Long Term Investment Scenarios (LTIS) are being updated in 2026 to assess long-term trends in changes in risk associated with different investment levels, climate change, asset deterioration and development in the floodplain. LTIS analysis will help inform the analysis of net reduction in flood risk to properties.

1.5 The actions from paragraphs 1.3 and 1.4 implement the Committee's recommendation. Two further related actions, set out below, may interest the Committee:

1.6 For the investment programme that started in April 2026, the Environment Agency will report the new risk reduction to properties metric in the 2027 annual flood and coastal erosion Environment Agency report (section 18 report). This also addresses recommendations by the National Audit Office in their 2020 report [Managing Flood Risk](#).

1.7 The department has committed to exploring the setting of a long-term multi-decade target for flood risk management, which will also address recommendations from the National Audit Office and National Infrastructure and Service Transformation Authority. The work to explore setting a long-term target is ongoing and will also be informed by LTIS evidence.

Eighth Report of Session 2023-24

Ministry of Defence

Improving Defence Inventory Management

Introduction from the Committee

The Ministry of Defence (MoD) holds more than 640,000 types of inventory and more than 740 million individual items at a net book value of £11.8 billion. It spent £1.5 billion buying inventory in 2022–23. The MoD's inventory falls into three categories:

- Capital Spares – items used for repairing and enhancing or converting a larger equipment platform, such as wheels, rotary wings and windscreens. This also includes other low value items, such as tents or stretchers, which the MoD can issue and re-use;
- Raw Materials and Consumables (RMC) – items such as munitions, food, clothing and medical supplies and fuels; and
- Guided Weapons Missiles and Bombs (GWMB) - explosive inventory used in operations and training.

Inventory management sits within the MoD's Support function, which is led by the Chief of Defence Logistics and Support (CDLS) and the Defence Support organisation within UK Strategic Command. However, many organisations contribute to the management of the MoD's inventory, including Defence Equipment and Support (DE&S), responsible for purchasing and delivering both equipment and support services to the Front Line Commands (namely the Army, Royal Navy, Royal Air Force and UK Strategic Command), which are responsible for the storage and distribution of inventory within their bases and at deployed locations.

Relevant reports

- NAO report: [Defence inventory management](#) – Session 2022-23 (HC 1793)
- PAC report: [Improving Defence Inventory Management](#) – Session 2022-23 (HC 66)
- [Treasury Minute](#): March 2024 (CP 1057)
- [Treasury Minutes Progress Report](#): March 2025 (CP 1284)
- [Treasury Minutes Progress Report](#): December 2025 (CP 1453)

Update to the Government response to the Committee

Following the government's last response to the Committee on this report (CP 1453 above), the remaining recommendation is updated below.

6. PAC conclusion: While the MoD has reduced the amount of stock it holds, it still holds large amounts of excess and unserviceable inventory.

6. PAC recommendation: In its Treasury Minute response, the MoD should set out how it is improving its ability to understand which inventory items need disposing of, and ensuring this is done so consistently. It should also set out details of any targets it has to reduce the amount of the inventory overall and in particular areas.

6.1 The government agrees with the Committee's recommendation.

Target implementation date: July 2028

6.2 In Financial Year 2025-26 over £95.5 million worth of inventory was disposed of to meet the department's aims and legal obligations to dispose of excess stock.

6.3 The Recycling and Disposal team has now transitioned into the National Armament Director Group (NADG) under the leadership of Chief of Defence Logistics and Support (CDLS). The team combines managing disposal contracts, depot processing and deactivation as well as driving circularity including recycling 500 tonnes from HMS Swiftsure with Sheffield Forgemasters for use in future Defence projects and recovering critical minerals from Typhoon engine blades for future aero applications. The team now has authority to direct disposals and has secured funding of £2.0 million for Financial Year 2026-27 to fund disposal costs. The team are also responsible for the development of disposal policy and processes which has been reviewed and refreshed in a new internal MOD Joint Service Publication (JSP 888 – Inventory Management and Materiel Accounting) making it clearer and easier to access.

6.4 Improving the department's understanding of its inventory holdings, the condition of items and stock levels required to meet the most demanding operational concurrency requirements is key in determining what items should be disposed of. The transition from 3 base inventory systems into one single system (BIWMS) completed in December 2025 marks a step change towards this aim; providing a single defence-wide platform which better captures and describes the items' condition.

6.5 The creation of the NAD Group presents the opportunity to review existing process, responsibilities and accountabilities under a single owner (i.e. CDLS) for disposals. However, ongoing resource constraints will constrain the pace at which MoD can implement change.

Tenth Report of Session 2023-24

Department for Transport

HS2 and Euston

Introduction from the Committee

The High Speed Two (HS2) programme aimed to construct a new high speed, high-capacity railway between London, the West Midlands and the north of England. It consisted of different phases, with Phase 1 (between London and the West Midlands) most advanced. On 4 October 2023, the Prime Minister announced that Phase 1 would continue but that all other phases would be cancelled in response to increasing costs on the programme. The government would instead invest £36 billion (in 2023 prices) from the cancelled phases into other transport programmes and projects as part of its Network North: transforming British transport plan. The government also announced that the HS2 Euston station design would be simplified and that private sector investment would be found to deliver the project, releasing £6.5 billion (in 2023 prices) of planned expenditure. The Department for Transport is the sponsor of the HS2 programme and HS2 Ltd is responsible for delivering it.

The department published an Accounting Officer Assessment, of whether completing Phase 1 of HS2 between Euston and Birmingham meets the value for money requirements of Managing Public Money. The department concluded that it did, based on continuing Phase 1 from this point in time, excluding money spent to date (sunk costs estimated at £24.6 billion at 2019 prices), and taking account of the cost of remediation work (estimated at £11 billion at 2019 prices) required were Phase 1 to be cancelled. The Accounting Officer also wrote to us to explain the details of the assessment, setting out the methodology used and the uncertainties in several of the assumptions used. In that letter the department also confirmed that if it considered Phase 1 as a whole then “Taking an estimated range for the total costs of Phase 1 and assessing them against the estimated total benefits (i.e. including sunk costs and excluding remediation costs) [it] would result in a BCR [Benefit Cost Ratio] range significantly below 1 and would represent poor Value for Money.”

Relevant reports

- NAO report: [High Speed Two: Euston](#) – Session 2022-23 (HC 1201)
- PAC report: [HS2 Euston](#) – Session 2022-23 (HC 1004)
- PAC report: [HS2 and Euston](#) – Session 2023-24 (HC 67)
- [Treasury Minute](#): March 2024 (CP 1057)
- [Treasury Minutes Progress Report](#): March 2025 (CP 1284)
- [Treasury Minutes Progress Report](#): December 2025 (CP 1453)

Update to the Government response to the Committee

Following the government's last response to the Committee on this report (CP 1453 above), the remaining recommendations are updated below.

1. PAC conclusion: HS2 now offers very poor value for money to the taxpayer, and the Department and HS2 Ltd do not yet know what it expects the final benefits of the programme to be.

1a. PAC recommendation: In its revised business case, the Department should set out clearly how it has sought to maximise benefits from Phase 1, what benefits it will now plan to deliver and how it will measure success; and...

1.1 The government agrees with the Committee's recommendation.

Revised target implementation date: late 2026

Original target implementation date: during 2024

1.2 As mentioned in the previous [Treasury Minutes Progress Report](#) of December 2025, the programme needs to be reset before an updated business case can be produced. In the HS2 reports to Parliament of [March 2026](#) and of [May 2026](#), the Secretary of State for Transport provided updates on the progress of the HS2 reset. Further updates will be provided through the department's future six-monthly reports.

1b. PAC recommendation: [In its revised business case, the Department] should also set out when it will produce its benefits realisation plan and, as part of that, how it will work across government and local authorities to deliver the outcomes it seeks.

1.3 The government agrees with the Committee's recommendation.

Revised target implementation date: late 2026

Original target implementation date: during 2024

1.4 As mentioned in the previous [Treasury Minutes Progress Report](#) of December 2025, the department will set out how it intends to realise HS2 benefits in the programme's updated business case which will be developed at an appropriate point in line with the progress of the programme reset. Beyond the business case, the Department and HS2 Ltd will continue to report publicly on the realisation of HS2 benefits, including through the department's six-monthly reports to Parliament.

2. PAC conclusion: Costs have continued to escalate and the Department and HS2 Ltd do not know how much the programme will now cost.

2. PAC recommendation: The Department and HS2 Ltd should set out in its next six-monthly update:

- Progress in recruitment of Executive and Non-Executive Board roles at HS2 Ltd.***
- How they are going to ensure that effective cost controls, oversight, transparency, design, and contracting are put in place so that cost overruns and delays which have been a constant problem throughout the whole HS2 project will now be brought under acceptable and properly accountable control.***
- Progress in reviewing existing contracts to ensure that contractors are now incentivised to minimise costs.***

2.1 The government agrees with the Committee's recommendation.

Recommendation implemented: May 2026

2.2 The department's six-monthly report of [May 2026](#) provided updates on these areas.

2.3 The HS2 Ltd Chair has reviewed the capability of the HS2 Ltd Board. As part of this, the department, working closely with the Chair, successfully concluded a recruitment exercise to strengthen capability, with six new non-executive directors joining the Board in December 2025 and January 2026. The Chair and the department will keep the Board's capability requirements under review. An externally led board effectiveness review will be undertaken in 2026-27 to identify any further improvements required. There has also been significant restructuring of the leadership team at HS2 Ltd; this includes appointing a Director of Business Delivery to reshape the organisation, a Chief Programme Officer to bring together key

programmatic components to support managing the baseline and support delivery, and a Chief Commercial Officer to provide additional commercial leadership, a gap identified in the [major transport projects governance and assurance review](#).

2.4 Whilst the HS2 reset progresses, the department is managing HS2 Ltd through strengthened in-year controls and an annual performance management plan, incorporating stretching construction targets, greater clarity on design deliverables, and clearly defined performance metrics to ensure delivery within agreed annual budgets.

2.5 The department has re-established robust ministerial and senior official oversight, including regular meetings of the HS2 Ministerial Task Force and closer scrutiny of HS2 Ltd's delivery and financial performance. HS2 Ltd's financial and commercial delegations have been tightened to reinforce accountability, with clearer separation between sponsor assurance and delivery responsibility. This ensures that decisions with cost or schedule implications are subject to appropriate challenge and control. These strengthened controls will remain as long as needed, determined by the improved performance and capability of HS2 Ltd and the adoption of a new cost and schedule baseline.

2.6 HS2 Ltd continues work with principal suppliers to review contracts and focus on the cost-effective delivery of remaining civil works. The department will continue to update Parliament on work in forthcoming reports, subject to commercial sensitivities.

3. PAC conclusion: The Department and HS2 Ltd do not yet know what the impact of the decision to cancel Phase 2 will be on the HS2 programme and how HS2 Ltd will need to adapt so it can be successfully delivered.

3a. PAC recommendation: The Department and HS2 Ltd should set out in its next six-monthly update:

- **Progress in establishing what it needs to do to amend Phase 1 and manage the closedown of the other phases.**

3.1 The government agrees with the Committee's recommendation.

Recommendation implemented: May 2026

3.2 As reported in the department's six-monthly report to Parliament of [May 2026](#), a targeted programme of remediation on the former Phase 2 route is now underway. HS2 Ltd and the supply chain are engaging with the relevant landowners and local planning authorities. The department expects necessary remediation works conclude by the end of 2027.

3b. PAC recommendation:

- **The work HS2 Ltd has done in re-establishing the organisation to deliver the revised programme, including identifying the skills and capability it requires.**

3.3 The government agrees with the Committee's recommendation.

Revised target implementation date: Spring 2027 – future updates to be provided in six-monthly report to Parliament

Original target implementation date: during 2024

3.4 A fundamental reset of the HS2 project is underway. As reported in the department's six-monthly report to Parliament of [May 2026](#), a key part of this reset activity is to review and reform HS2 Ltd as an organisation to ensure it is fit for purpose. There has also been significant restructuring of the leadership team at HS2 Ltd. This includes appointing a Director of Business Delivery to reshape the organisation, a Chief Programme Officer to bring together

key programmatic components to support managing the baseline and support delivery, and a Chief Commercial Officer to provide additional commercial leadership, a gap identified in the [major transport projects governance and assurance review](#).

3.5 The department needs to revise its target implementation date for this recommendation as this work is being delivered through 2026, in line with the HS2 reset timings. The department will continue to report on progress in its future HS2 reports to Parliament.

Eleventh Report of Session 2023-24

Home Office, The Department of Health and Social Care

Reducing the harm from illegal drugs

Introduction from the Committee

The sale and use of illegal drugs costs UK society some £20 billion a year and inflicts significant harm on individuals, their families and wider communities. Around three million people in England and Wales use illegal drugs, with 10% of these people using the most harmful drugs, specifically opiates and crack cocaine. In 2021 almost 3,000 people in England died because of drug misuse, with thousands more suffering complex health problems. The distribution of drugs also generates significant levels of violence, with around half of homicides linked to gangs involved in the distribution and sale of drugs. The emergence of ‘County Lines’ has seen increasing violence as gangs compete for market share, and the exploitation of vulnerable people.

In December 2021, the government published a new 10-year drugs strategy – From harm to hope. The government is seeking to reduce drug use to a 30-year low and reduce drug-related deaths and crime. It has allocated £903 million of additional funding over the period 2022–23 to 2024–25, including £105 million to disrupt the supply of drugs; £768 million to help create a “world class treatment and recovery system”; and £30 million to create a “generational shift” in the demand for illegal drugs. The Home Office leads on UK drug policy, UK borders and organised crime, policing and crime reduction in England and Wales. The Department of Health & Social Care (DHSC) is responsible for overseeing the substance misuse treatment and recovery sector. In 2021, the government established the cross-government Joint Combating Drugs Unit (JCDU) to co-ordinate and oversee the implementation of its strategy. In addition to the Home Office and DHSC, the other departments involved are the Ministry of Justice (MoJ), the Department for Work & Pensions (DWP), the Department for Levelling Up, Housing & Communities (DLUHC), and the Department for Education (DfE). Local authorities are responsible for commissioning local drug and alcohol treatment services.

Relevant reports

- NAO report: [Reducing the harm from illegal drugs](#): Session 2022-23 (HC 1864)
- PAC report: [Reducing the harm from illegal drugs](#): Session 2023-24 (HC 72)
- [Treasury Minute](#): March 2024 (CP 1057)
- [Treasury Minutes Progress Report](#): March 2025 (CP 1284)
- [Treasury Minutes Progress Report](#): December 2025 (CP 1453)

Update to the Government response to the Committee

Following the government’s last response to the Committee on this report (CP 1453 above), the remaining recommendation is updated below.

5. PAC conclusion: The JCDU and departments have not put sufficient emphasis on the importance of addressing the specific needs of different cohorts of people who use drugs.

5. PAC recommendation: The JCDU and departments should ensure that the barriers faced by differing cohorts of people who use drugs (such as women, young people, people from minority ethnic backgrounds) are properly understood and assure themselves that local authorities are sufficiently targeting these groups.

5.1 The government agrees with the Committee's recommendation.

Revised target implementation date: October 2026

Original target implementation date: April 2025

5.2 The Department of Health and Social Care (DHSC) continues to provide a range of support to local authorities in commissioning drug and alcohol treatment and recovery services which meet the needs of different groups and populations, including women, children and young people and people from ethnic minority backgrounds.

5.3 The DHSC has developed data dashboards which allow local authorities and providers to analyse adult and children's treatment data and outcomes by protected characteristics against national and regional benchmarks. This means Combating Drug Partnerships can assess unmet need and develop plans to address this. DHSC requires local areas to develop plans including sections on addressing the needs of women and people with other protected characteristics.

5.4 The DHSC has an active workstream looking at how drug and alcohol treatment providers can better support the needs of women and improve local partnerships with wider support services. The DHSC is working with an Independent Advisor on Violence Against Women and Girls to scope specific aspects of this work.

5.5 The target implementation date is being extended to October 2026 because the DHSC is finalising the development of the first ever national framework for alcohol and drug services delivering targeted and specialist interventions for children and young people. This is in the final stages of drafting following extensive engagement with the sector to resolve complex issues to be assured of deliverability. This is alongside developing resources for local areas to support vulnerable families including publication of national and local unmet treatment need estimates for adults living with children with opiate or alcohol problems.

Twelfth Report of Session 2023-24

HM Treasury, Cabinet Office

Cross-government working

Introduction from the Committee

Central government is organised into departments that plan and deliver their own objectives. In some cases, these objectives can be met by individual departments acting alone. But often, important government priorities, such as net zero, adult social care, rough sleeping and vulnerable families cut across departments, and require them to work together, through what is known as cross-government working. Successful cross government working can allow government to deliver outcomes more effectively and deliver better value for money. But it requires concerted effort. There are many different types of cross-government working, from sharing best practice between departments to delivering complex programmes that cut across different departmental objectives.

Relevant reports

- NAO report: [Lessons learned: Cross-government working](#) – Session 2022-23 (HC 1659)
- PAC report: [Cross-government working](#) – Session 2023-24 (HC 75)
- [Treasury Minute](#): April 2024 (CP 1070)
- [Treasury Minutes Progress Report](#): March 2025 (CP 1284)
- [Treasury Minutes Progress Report](#): December 2025 (CP 1453)

Update to the Government response to the Committee

Following the government's last response to the Committee on this report (CP 1453 above), the remaining recommendation is updated below.

5. PAC conclusion: Government does not consistently report on cross-cutting outcomes.

5a. PAC recommendation: Cabinet Office should publish departments' ODPs to improve transparency, along with plans to deliver them.

5.1 The government agrees with the Committee's recommendation.

Revised target implementation date: Summer 2026

Original target implementation date: Spring 2026

5.2 Following a review announced at Spending Review 2025 and conducted over the second half of 2025, Outcome Delivery Plans (ODPs) were recast as strategic plans. These are an integral part of the project RESET reforms to spending control and accountability frameworks set out at Budget 2025, which seek to increase departmental autonomy while sharpening accountability. Understanding departments' strategic approaches and performance through Strategic Plans and reporting will help the centre hold departments to account for their spending and improve the evidence base for spending decisions at Spending Review 2027.

5.3 The government announced in the Autumn Budget in 2025:

The government's new planning and performance framework focuses on delivering the Plan for Change and securing strong outcomes for taxpayers. In Spring 2026, departments will publish the outcomes

that were funded at SR25 and the first in a set of annual strategic plans. Impact evaluation will improve the evidence base ahead of SR27.”

5.4 Departments have worked closely with the Treasury, Cabinet Office and No10 to agree their respective strategic outcomes and develop their plans to deliver against them.

5.5 Central guidance for strategic plans sets out the core requirements but grants departments discretion to adapt the approach to their needs - this is essential to ensuring plans are tailored and useful to individual departments rather than serving as a prescriptive paper exercise.

5.6 Where strategic outcomes are cross-cutting, officials have worked across departments to understand the delivery contributions required of individual departments and align strategic plans to maximise mutual benefit. The centre of government has a role to play in convening departments and supporting them to identify shared outcomes and objectives.

5.7 The immediate focus of Treasury and Cabinet Office colleagues is working with departments to clarify and refine strategic plans in advance of publication - officials will then: i. evaluate progress against strategic outcomes; ii. identify and articulate planning best practice; iii. maintain a focus on cross-cutting delivery of outcomes including through scrutiny of reporting, case studies and lessons learnt; and iv. conduct maturity assessments to evaluate and strengthen department planning capability.

Nineteenth Report of Session 2023-24

Ministry of Defence

MoD Equipment Plan 2023 - 2033

Introduction from the Committee

The Ministry of Defence (the MoD) has published its Equipment Plan (the Plan) each year since 2012, setting out its 10-year spending plans on equipment procurement and support projects. The MoD's aim is to produce a reliable assessment of the affordability of its equipment programme, and to demonstrate to Parliament how it intends to manage its equipment funding. Each year, the National Audit Office (NAO) publishes a report examining the MoD's assessment of the Plan's affordability and its response to the financial challenges it faces.

This year's Plan, which is based on financial data at 31 March 2023 and was published in December 2023, covers the period from 2023 to 2033. It contains forecast costs for some 1,800 equipment projects that the MoD has chosen to fund following the 2021 Integrated Review of security, defence, development, and foreign policy and the associated Defence Command Paper. Both the Integrated Review and the Command Paper were refreshed and broadly endorsed by the government in 2023. The Plan includes equipment in early-stage development, equipment that is already in use and budgets to support and maintain military capabilities.

The MoD has allocated a budget of £288.6 billion to the current Plan's 10-year timeframe. This is £46.3 billion more than the MoD allocated in the 2022–2032 Plan and is 49% of the entire 10-year forecast defence budget. However, forecast costs have increased by £65.7 billion to £305.5 billion, resulting in a £16.9 billion deficit between the MoD's capability requirements and the budget available to provide them. This is the largest affordability gap in any of the 12 Plans published by the MoD to date.

Relevant reports

- NAO report: [The Equipment Plan 2023–2033](#) – Session 2023-24 (HC 315)
- PAC report: [MoD Equipment Plan 2023–2033](#) – Session 2023-24 (HC 451)
- [Integrated Procurement Model: driving pace in the delivery of military capability](#) – 28 February 2024
- [Strategic Defence Review 2025 – Making Britain Safer: secure at home, strong abroad](#) – 2 June 2025
- [Spending Review 2025](#) – 30 June 2025
- [Defence Industrial Strategy: Making Defence an Engine for Growth](#) – 8 September 2025 (CP 1388)
- [Treasury Minutes](#): May 2024 (CP 451)
- [Treasury Minutes Progress Report](#): March 2025 (CP 1284)
- [Treasury Minutes Progress Report](#): December 2025 (CP 1453)

Update to the Government response to the Committee

Following the government's last response to the Committee on this report (CP 1453 above), the remaining recommendations are updated below.

2. PAC conclusion: The Plan is inconsistent because some parts of the Armed Forces include the costs of all capabilities that the government expects them to deliver, while others only include those they can afford.

2. PAC recommendation: In future Plans, the MoD should ensure that all budget holders adopt the same approach to including forecast costs. This will help the Plan to achieve its aim of providing a reliable assessment of the affordability of its equipment programme, and improve transparency so allowing the Plan's users, including Parliament, to compare contributors' positions on a like-for-like basis.

2.1 The government agrees with the Committee's recommendation.

Revised target implementation date: Summer 2026

Original target implementation date: Spring 2025

2.2 All Area Budget Holders already operate within the same standardised financial planning processes, which is being further embedded through Defence Reform. The National Armaments Director Group (NADG) continues to ensure effective financial management of the department's equipment programmes, with a focus on efficient procurement and the cost-effective delivery of capabilities.

2.3 The department is committed to improving transparency and it is through the Defence Investment Plan (DIP) that the department will set out its spending plans. These will be affordable in line with the [Spending Review 2025](#) settlement. The department is working to finalise the DIP, but as MoD has been unable to publish it yet, the implementation date for this recommendation must be revised. The Committee will have the opportunity to scrutinise these plans and the department will provide further updates in due course.

6. PAC conclusion: The MoD is becoming increasingly reliant on the UK's allies to protect the UK's national interests, which carries the risk that such support might not always be available.

6. PAC recommendation: The MoD should assess the extent to which its capability requirements are reliant on support from the UK's allies and develop mitigations for how it would manage the risk of allied support being curtailed or withdrawn.

6.1 The government agrees with the Committee's recommendation.

Revised target implementation date: Summer 2026

Original target implementation date: Spring 2025

6.2 The Strategic Defence Review set out how the MoD will operate under a 'NATO First' approach, meeting the Alliance's Capability Targets and improving burden sharing between Europe, Canada and the United States. The Trinity House Agreement with Germany, the Lancaster House 2.0 Agreement with France, and the Lunna House Agreement with Norway are excellent examples of how the department is delivering on its commitment to improve burden sharing with allies in Europe. The [Defence Diplomacy Strategy](#) lays out how MoD will go further, advocating for increased burden sharing with our partners in the Middle East.

6.3 The department is in the process of finalising its future integrated force plans, as part of the DIP. This remains the key deliverable for this recommendation and will further demonstrate how the department is taking forward the recommendations of the Strategic Defence Review, including on burden sharing.

Twentieth Report of Session 2023-24

Cabinet Office, HM Treasury

Monitoring and responding to companies in distress

Introduction from the Committee

The government relies in various ways on private companies to support policy objectives and deliver some public services. Government departments are responsible for managing the relationship with companies and suppliers in their sectors, and for monitoring the risks to their policy objectives including any risks related to company failure or distress. Where failure of a strategically important company or key supplier could expose the government, taxpayers or service users to high levels of risk, the government sometimes decides it is necessary to intervene. This might involve supporting the company and preventing it from failing, rescuing it, or managing the situation so it does not fail in a disorderly way. Government intervention in private companies and markets can be complex and requires access to specialist skills not held widely across government. Many government bodies, including regulators and central government, may also need to be involved in resolving the situation and managing any wider effects.

Relevant reports

- NAO report: [Lessons learned: Monitoring and responding to companies in distress](#) – Session 2022-23 (HC 1866)
- PAC report: [Monitoring and responding to companies in distress](#) – Session 2023-24 (HC 425)
- [Treasury Minute](#): May 2024 (CP 1085)
- [Treasury Minutes Progress Report](#): March 2025 (CP 1284)
- [Treasury Minutes Progress Report](#): December 2025 (CP 1453)

Update to the Government response to the Committee

Following the government's last response to the Committee on this report (CP 1453 above), the remaining recommendation is updated below.

5. PAC conclusion: The Cabinet Office has not assessed or coherently identified the skills and expertise needed for monitoring and responding to companies in distress.

5. PAC recommendation: The Cabinet Office Commercial Function should set functional standards for monitoring and responding to companies in distress. As part of this process, the Function should write to the Committee within six months, explaining:

- **The skill requirement across government for monitoring and responding to companies or suppliers in distress;**
- **The current level of these skills and expertise across government and where gaps exist;**
- **How the Commercial Function plans to close the gaps identified; and**
- **How the Commercial Function will ensure departments know where, how and when to access support.**

5.1 The government agrees with the Committee's recommendation.

Recommendation implemented: March 2026

5.2 The Government Commercial Function and the Treasury has informed departments where, how and when to access support through updated guidance on departmental responsibilities and accountability for managing and responding to special situations and economic shocks. [Refreshed guidance](#) regarding monitoring the financial standing of suppliers referenced in the Government Commercial Functional Standard was published in March 2026.

5.3 An initial review to identify current skills with existing risk functions across government highlighted the need for technical expertise in financial health monitoring and contingency planning, supported by legal and insolvency expertise.

5.4 The Commercial Function has surveyed lead government departments and is working with those with recent experience of managing these situations to close the gaps identified as part of its wider strategy through targeted training and an investment in technology. A more detailed reporting mechanism has been designed to assess current and future skills across government and will be run every six months to track development.

5.5 To ensure lead government departments understand the business engagement process for companies in distress, the Treasury have ensured there is a consistent framework to manage cases and prioritise resources.

5.6 The Commercial Function will continue to proactively track gaps in the skills and expertise by working with the Government Commercial Agency, Risk Centre of Excellence in the Government Finance Function, UKGI, the Treasury's Special Situations team and Department for Business and Trade's Economic Shocks team to close any gaps identified.

Twenty-third Report of Session 2023-24

Cabinet Office

Civil Service workforce: Recruitment, pay and performance management

Introduction from the Committee

There were 519,780 civil servants employed across the UK in March 2023. Departments are responsible for recruiting staff at grades below senior civil service (SCS) level, and for setting their pay and performance management arrangements. This creates challenges for efforts to tackle system-wide Civil Service workforce issues, such as speeding up recruitment or reducing the level of underperformance in the civil service, because these typically require concerted action to be taken across all departments.

The Cabinet Office has broad oversight of the civil service workforce as a whole and supports departments to manage workforce issues effectively. The Cabinet Office has set out its vision for the civil service in its Civil Service People Plan for 2024 to 2027. The People Plan aims to set a clear direction for the civil service over the next three years, focusing on five people priorities: learning, skills and capability; pay and reward; employee experience; recruitment, retention and talent; and a high-performing HR function.

Relevant reports

- NAO report: [Civil Service workforce: Recruitment, pay and performance management](#) – Session 2023-24 (HC 192)
- PAC report: [Civil service workforce: Recruitment, pay and performance management](#) – Session 2023-24 (HC 452)
- [Treasury Minute](#): May 2024 (CP 1085)
- [Treasury Minutes Progress Report](#): March 2025 (CP 1284)
- [Treasury Minutes Progress Report](#): December 2025 (CP 1453)

Update to the Government response to the Committee

Following the government's last response to the Committee on this report (CP 1453 above), the remaining recommendation is updated below.

4. PAC conclusion: Chronic pay issues within the civil service have lowered morale and risk departments not being able to recruit and retain skilled staff.

4. PAC recommendation: In its forthcoming civil service pay and reward strategy, the Cabinet Office should clearly set out the specific actions it will take to address longstanding issues such as declining real-terms pay; variation between roles paid at the same grade; and disparities in pay between departments, including disparities in the use of performance-related pay and the risk of indirect discrimination.

4.1 The government agrees with the Committee's recommendation.

Revised target implementation date: Summer 2026

Original target implementation date: Winter 2024

4.2 The development of a Civil Service Reward Strategy marks a shift towards a more coherent, enterprise-wide approach to pay, focusing on four delivery pillars: sustainable funding, departmental coherence, market value through segmentation, and the maximising of existing reward tools. The government is now working through specific initial reforms, which

will be implemented in Summer 2026. These are subject to embargo because they form part of the government's response to the Senior Salaries Review Body 2026 Report and publication of the Civil Service Pay Remit Guidance for 2026-27. Details will be provided in the next Treasury Minute progress report to the Committee.

4.3 As pay for AA - Grade 6 is delegated to departments, decisions on pay are ultimately taken by departments within cost control parameters set by the Cabinet Office and the Treasury.

4.4 The initial reforms represent a move away from the approach of previous years. While maintaining the principle of departmental delegation, the Cabinet Office is providing a stronger central strategy to ensure the pay system is efficient, provides value for money, and addresses the root causes of declining morale and retention risks.

4.5 Ministers continue to oversee the implementation of the wider longer-term strategy to ensure it remains aligned with wider government priorities and fiscal parameters. Future updates will focus on the longitudinal impact of these changes on workforce stability and the reduction of indirect discrimination risks through standardised frameworks. To reform the employment and reward approach for a system as large and complex as the Civil Service, which has over 500k employees employed in over 300 organisations, change will be ongoing for some years to ensure operational effectiveness is maintained.

Twenty-fourth Report of Session 2023-24

Department of Health and Social Care

NHS Supply Chain and efficiencies in procurement

Introduction from the Committee

The NHS collectively spends approximately £8 billion annually on buying medical equipment and consumables, from gloves and paper to stents and prosthetic hips. The Department of Health & Social Care (the Department) created NHS Supply Chain in 2018 in response to a report by Lord Carter which found greater scope for efficiencies in the NHS by aggregating its spending power and reducing the variation in prices that trusts pay for the same goods.

NHS Supply Chain is responsible for procuring products, warehousing, and delivering consumables and medical equipment on behalf of the NHS. It became fully operational in April 2019, under the ownership of the Secretary of State for Health and Social Care. Its key objectives were, by 2023–24, to deliver £2.4 billion of savings and have 80% of relevant NHS spending on medical equipment and consumables (known as ‘market share’) go through NHS Supply Chain. It has a catalogue of more than 600,000 products and its annual operating budget for 2023–24 was £240 million. Since 2021, NHS Supply Chain has been owned by NHSE.

Relevant reports

- NAO report: [NHS Supply Chain and efficiencies in procurement](#) – Session 2022-23 (HC 390)
- PAC report: [NHS Supply Chain and efficiencies in procurement](#) – Session 2023-24 (HC453)
- [Treasury Minute](#): May 2024 (CP 1085)
- [Treasury Minutes Progress Report](#): March 2025 (CP 1284)
- [Treasury Minutes Progress Report](#): December 2025 (CP 1453)

Update to the Government response to the Committee

Following the government’s last response to the Committee on this report (CP 1453 above), the remaining recommendation is updated below.

4. PAC conclusion: The way NHS Supply Chain has calculated and reported its savings has caused confusion and mistrust.

4. PAC recommendation: A year after implementing the new savings method, NHSE should assess whether trusts accept the savings that NHS Supply Chain reports. The new method for calculating savings should be used in all cases to ensure consistency.

4.1 The government agrees with the Committee’s recommendation.

Recommendation implemented: March 2026

4.2 NHS England (NHSE) consulted procurement leaders nationally across Integrated Care Systems to assess adoption of the NHS Procurement Value and Savings Methodology. Following this initial assessment a root cause analysis was undertaken by NHSE which included a deep dive into data relating to seven NHS Trusts. This work identified a number of causes of discrepancies relating to identification and reporting of procurement savings, with the main factor being inconsistent application of the NHS Single Savings Methodology by NHS

providers. The report concluded that the savings reported by NHS Supply Chain provide the most robust and verifiable national view of the value the company delivers.

4.3 Six key recommendations were identified, and have been communicated to the seven sample trusts, as well as productivity and efficiency leads. NHSE is rolling out communications across the finance and procurement communities to ensure all parties are clear on reporting requirements.

4.4 NHS Supply Chain has also reviewed its engagement on savings reporting and is providing training to customers to ensure that they understand the information they receive.

Twenty-fifth Report of Session 2023-24

Cabinet Office

Scrutiny of sound financial practice across Government

Introduction from the Committee

The Public Accounts Committee (PAC) has accrued a number of poorly codified procedures to address cases where the sensitivity of information related to Government expenditure is neither within the remit of the statutory Intelligence and Security Committee nor suited to conventional committee practice.

We are concerned that the ad hoc approach taken towards these matters provides varying degrees of accountability to Parliament in different cases, while the processes themselves lack transparency. In some important but sensitive areas of policy, where areas of expenditure do not fall within the mandates or practical working arrangements of other committees such as the Defence Select Committee, the Joint Committee on the National Security Strategy, or the statutory Intelligence and Security Committee of Parliament, this leads to worrying ‘scrutiny gaps’. That approach fails to provide appropriate assurance to the public, to Parliament or indeed to Government on matters which could be of vital national interest.

Relevant reports

- PAC report: [Scrutiny of sound financial practice across Government](#) – Session 2023-24 (HC 673)
- [Treasury Minute](#): October 2024 (CP 1174)
- [Treasury Minutes Progress Report](#): March 2025 (CP 1284)
- [Treasury Minutes Progress Report](#): December 2025 (CP 1453)

Update to the Government response to the Committee

Following the government's last response to the Committee on this report (CP 1453 above), an update on the recommendations is provided below.

1. PAC recommendation: We recommend that a select committee is established with a specific remit to consider sound financial practice and value for money in sensitive areas which are outside the remit of the statutory Intelligence and Security Committee of Parliament.

2. PAC recommendation: We recommend that this new committee, like the Public Accounts Committee, should be provided with the assistance of the National Audit Office.

3. PAC recommendation: The committee should be established as soon as possible, and before the dissolution of the current Parliament.

4. PAC recommendation: We would be pleased to work with the Government to develop this proposal further.

1.1 The government notes the Committee's recommendation.

1.2 The government has carefully considered the recommendation and, having reflected on the scrutiny gap identified by the Committee, will work with Parliament to establish a new House of Commons-only Committee to conduct scrutiny of Defence Nuclear Enterprise expenditure and programmes. This new Committee would have a tightly defined remit and be subject to the necessary controls to conduct its work in this highly sensitive area, while

providing a formal parliamentary outlet for the consideration of relevant reports from the National Audit Office.

1.3 The government will work closely with Parliament to establish this new Committee over the coming months, including work on a draft Memorandum of Understanding between the government and the new Committee.

Twenty-sixth Report of Session 2023-24

BBC

The BBC's implementation of Across the UK

Introduction from the Committee

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

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

Relevant reports

- NAO report: [The BBC's implementation of 'Across the UK'](#) – Session 2023-24 (HC 190)
- PAC report: [The BBC's implementation of Across the UK](#) – Session 2023-24 (HC 426)
- [Treasury Minute](#): October 2024 (CP 1174)
- [Treasury Minutes Progress Report](#): December 2025 (CP 1453)

Update to the BBC's response to the Committee

Any further updates to the recommendations in the Committee's report can be found on the [Committee's website](#).

Twenty-seventh Report of Session 2023-24

Cabinet Office

Government resilience: extreme weather

Introduction from the Committee

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

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

Relevant reports

- NAO report: [government resilience: extreme weather](#) – Session 2023-24 (HC 314)
- PAC report: [government resilience: extreme weather](#) – Session 2023-24 (HC 454)
- [Treasury Minute](#): September 2024 (CP 1151)
- [Correspondence to PAC](#): 13 September 2024
- [Correspondence from PAC](#): 14 October 2024
- [Treasury Minutes Progress Report](#): December 2025 (CP 1453)

Update to the Government response to the Committee

Following the government's last response to the Committee on this report (CP 1453 above), the remaining recommendations are updated below.

2. PAC conclusion: The Cabinet Office is taking too long to develop its approach to investment in resilience, including private sector investment.

2. PAC recommendation: By 2028, the Cabinet Office should:

- **implement the government's coordinated and prioritised approach to investment in resilience;**
- **give infrastructure regulators consistent climate resilience roles; and**
- **work with HM Treasury and other government departments to encourage greater private investment in climate adaptation.**

2.1 The government agrees with the Committee's recommendation.

Target implementation date: December 2027

2.2 Since the last update in December 2025, the government has continued to progress the implementation of several key commitments made in the [Resilience Action Plan](#), published

July 2025, which sets out the strategic vision for a stronger and more resilient United Kingdom and the steps being taken to deliver this. The Resilience Action Plan will deliver against three objectives in this Parliament to:

- 1) continuously assess how resilient the UK is to target interventions and resources effectively;
- 2) enable the whole of society to take action to increase their resilience; and
- 3) strengthen the core public sector resilience system.

2.3 The government regularly engages the public and Parliamentarians on risk and resilience through an annual statement to Parliament, and expects to provide a further update on progress made strengthen the UK's resilience as set out in the Resilience Action Plan in the next annual statement in July 2026

2.4 The Department for Environment, Food and Rural Affairs is the Lead Government Department for climate adaptation and is leading a programme of cross-government work to take forward specific work on climate adaptation, including in support of the publication of the fourth National Adaptation Plan in 2028. Cabinet Office continues to support Defra on cross-government activity, including through Defra's Climate Resilience Steering Board (CSRB), which provides senior-level oversight and strategic direction to address and strengthen resilience to climate change related risks that threaten the UK economy, security, and the life and health of its citizens.

4. PAC conclusion: In building resilience to extreme weather events, it will be vital to better understand how different communities and groups will be disproportionately affected.

4. PAC recommendation: The Cabinet Office should set out how it will better engage different communities and vulnerable groups to understand the risks and impacts that affect them, for example, by using the results of its 2025 survey to better protect vulnerable groups.

4.1 The government agrees with the Committee's recommendation.

Target implementation date: December 2026

4.2 The government published updated guidance in April 2025 for Local Resilience Forums in England on [identifying and supporting persons who are vulnerable in an emergency](#). [The Amber Book](#), also updated in April 2025, provides a framework for how UK government collectively responds to crises, and includes updated information on the impact of emergencies on vulnerable people.

6. PAC conclusion: The Cabinet Office has yet to set out the respective roles of central government, local government, the devolved administrations, the private and voluntary sectors, and the public for developing and maintaining national resilience.

6. PAC recommendation: The Cabinet Office should set out clear roles, responsibilities, and guidance for citizens, the third sector, the public sector and the private sector on prevention and preparedness for national risks, and how this links with the roles and responsibilities of central and local government.

6.1 The government agrees with the Committee's recommendation.

Target implementation date: December 2029

6.2 The government continues to develop a number of work strands addressing the respective roles of central government, local government, the devolved governments and the private and voluntary sectors. Alongside the publication of the Amber Book in April 2025, work has commenced on updating wider guidance which will further define the UK's resilience arrangements.

6.3 This includes work on developing a Lead Government Department (LGD) Expectation set, providing further detail on how central government departments are expected to discharge their national resilience responsibilities, as well as a refresh of the National Resilience Standards for Local Resilience Forums. Both guidance documents will provide further clarity on the roles and responsibilities within the UK's resilience arrangements and set out expectations for preparing for and preventing national risks. The government is aiming to publish both documents by Summer 2026.

6.4 The government is also working with the Voluntary, Community and Faith Sector (VCFS) to amplify messaging on [GOV.UK/Prepare](https://www.gov.uk/prepare) asking the public to take steps to prepare for emergencies. The role of the VCFS is being integrated more widely into planning and crisis response through a data collaboration between VCFS organisations leaders and the National Situation Centre. The government is also responding to a consultation launched alongside the Resilience Action Plan that considered ways to strengthen partnership working between emergency responders and the VCFS. This will increase awareness and engagement with organisations who provide services for those more likely to be disproportionately impacted in an emergency.

7. PAC conclusion: Local organisations have a critical role to play in developing UK resilience, but the Cabinet Office does not know if they have the capacity or capability to fulfil their role effectively.

7. PAC recommendation: The Cabinet Office, working with the Ministry of Housing, Communities and Local Government should put measures in place to gain assurance on local organisations' capacities and capabilities and to gain assurance on local risk registers and plans so support and resources can be targeted where improvement is most needed.

7.1 The government agrees with the Committee's recommendation.

Target implementation date: March 2027

7.2 Since the previous update in December 2025, the Local Capability Assessment (LCA) has undertaken its 4th Tranche of assessments to understand local tier preparedness across the following capabilities; Flooding Response, Disruption to Water supply, Excess Deaths and Disruption to Telecoms. Insights will be shared across government in Summer 2026.

7.3 This is part of the government's ongoing work to build processes to better understand Local Resilience Forums (LRF) in order to strengthen their performance, capacity and capability.

7.4 MHCLG is developing a LRF Partnership Assurance Framework based on the National Resilience Standards, to launch this Autumn 2026. This will include a revised approach to LRF seasonal preparedness reporting based on the National Resilience Standards for LRFs. This will set clearer expectations for LRFs to assure their operational delivery, including on local risk registers and plans, supporting local executive oversight.

7.5 A national Local Resilience Forum peer review model has been developed in collaboration with LRFs. The model will be tested with the sector between April and September of 2026, and iterated to ensure it delivers a credible system for peer review, drives continuous improvement and highlights strengths and areas of development.

7.6 This strengthens UK resilience by creating consistent local assurance and oversight while giving central government clearer visibility of key local resilience issues and the ability to intervene early and effectively.

Thirty-first Report of Session 2023-24

Department of Health and Social Care

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

Introduction from the Committee

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

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

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

Relevant reports

- DHSC report: [Department of Health and Social Care Annual Report and Accounts 2022-23](#) (HC 33)
- PAC report: [Department of Health and Social Care 2022-23 Annual Report and Accounts](#) – Session 2023-24 (HC 459)
- [Treasury Minute](#): September 2024 (CP 1151)
- [Treasury Minutes Progress Report](#): March 2025 (CP 1284)
- [Treasury Minutes Progress Report](#): December 2025 (CP 1453)

Update to the Government response to the Committee

Following the government's last response to the Committee on this report (CP 1453 above), the remaining recommendations are updated below.

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

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

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

2.1 The government agrees with the Committee's recommendation.

Target implementation date: Summer 2027

2.2 The department wrote to the Committee on [7 November 2025](#) setting out its position and plans with regard to a return to pre-summer Parliamentary recess publication of the DHSC Group Annual Report and Accounts. The letter explains how the department is holding group bodies to account for the production of timely, high-quality accounts, and describes the work the department is doing with stakeholders to address the challenges in the private sector audit market, which continue to constrain the NHS's and department's ability to go faster.

2.3 As set out in that letter, the department is keeping the implementation date for this recommendation under review given the key dependency on the private sector local audit market.

2.4 Under current plans, the department remains on course to lay the Annual Report and Accounts 2025-26 before the end of October 2026.

2.5 In the UK Health Security Agency's (UKHSA) 2024-25 audit and accounts, the organisation continued its good progress in improving financial management and controls. The C&AG's opinion on UKHSA's 2024-25 accounts was only limited as a result of prior year comparators, which are time-limited. UKHSA has a robust plan for the delivery of its first unqualified accounts in 2025-26.

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

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

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

5.1 The government agrees with the Committee's recommendation.

Recommendation implemented: December 2025

5.2 This recommendation has now been implemented. The Covid Counter Fraud Commissioner has reviewed the work undertaken by DHSC to recover funds from procurement fraud during the Covid-19 pandemic and concluded in his final [official report](#) of December 2025:

"Overall, I can provide assurance to the Chancellor about the efforts that have been and continue to be made by the DHSC Contracts Dissolution Team and Anti-Fraud Unit to recover public money lost through problems with the procurement of PPE during the pandemic and suspected fraud. They have been tenacious and resourceful in seeking satisfactory resolution and appear to have left no stone unturned."

5.3 The cost figures remain unchanged since the last update provided to the Committee in December 2025. With support from the wider counter fraud function and law enforcement partners, DHSC has prevented and recovered a total of £238 million in high-risk procurement payments. Of the £238 million prevented and recovered, £163 million was prevented in relation to PPE, £5 million related to ventilators and £70 million of PPE payments have been recovered.

Thirty-second Report of Session 2023-24

HM Treasury and the Infrastructure and Projects Authority

Delivering value from government investment in major projects

Introduction from the Committee

Major projects represent a significant element of government expenditure. As at March 2023, the Government Major Projects Portfolio—the government’s biggest and riskiest projects—included 244 projects with an estimated total whole-life cost of £805 billion. Major projects present unique challenges for government. The success of a project and whether it represents value for money will ultimately be determined by whether the intended value—such as economic growth or improved, more efficient public services—has been delivered, and whether the value of the project justifies its cost. The Comptroller and Auditor General’s recent report made a series of observations and drew out lessons based on an examination of projects that had been complete for some time and which had been broadly successful in delivering value from the investment. Delivering to budget and schedule are important in determining whether a project has been delivered for value for money. This report also therefore covers important areas related to project delivery and the challenges that government faces in ensuring that projects do not go over time and over budget, as we so often see on this Committee. These areas include the supply of project delivery skills in government departments and the supply chain, cost estimating and government’s ability to learn from other projects.

Relevant reports

- NAO report: [Lessons learned: Delivering value from government investment in major projects](#) – Session 2023-24 (HC 554)
- PAC report: [Delivering value from government investment in major projects](#) – Session 2023-24 (HC 456)
- [Treasury Minute](#): October 2024 (CP 1174)
- [Treasury Minutes Progress Report](#): March 2025 (CP 1284)
- [Treasury Minutes Progress Report](#): December 2025 (CP 1453)

Update to the Government response to the Committee

Following the government’s last response to the Committee on this report (CP 1453 above), the remaining recommendation is updated below. The Infrastructure Projects Authority (IPA) is now known as the National Infrastructure and Service Transformation Authority (NISTA) after merging with the National Infrastructure Commission in April 2025.

1. PAC conclusion: Government departments spend too little time and effort establishing what value they expect a project to deliver and ensuring that major projects deliver the intended value.

1. PAC recommendation: The IPA and HMT should review the case for a centrally mandated review stage to look at what value a major project has achieved once it has been operational for some time, such as a new Gate 6 review.

1.1 The government agrees with the Committee’s recommendation.

Recommendation implemented: December 2025

1.2 This recommendation was taken forward by NISTA following its creation in 2025 and is jointly sponsored by HM Treasury and the Cabinet Office.

1.3 In August 2025, the Treasury [wrote to the Committee](#) with an update on the broad review of assurance processes being taken which included Gate 5 reviews. The work formed part of wider reforms to the Government Major Projects Portfolio (GMPP). The review aimed to identify opportunities to streamline assurance and approval processes, strengthening the effective set-up and delivery of major projects.

1.4 As part of the reform work to the HM Treasury control and accountability framework, following the Office for Value for Money report and wider work to rationalise and integrate central controls, in December 2025 NISTA reviewed the case for a centrally mandated review stage and have decided not to introduce a Gate 6 review at this time.

1.5 Instead of introducing a new Gate 6, NISTA and the Treasury have ensured government has access to the relevant information through a series of other interventions:

- there is now clearer guidance from NISTA and the Evaluation Taks Force, in the refreshed Green book, strengthened NISTA assurance gate workbooks and on benefits management for projects. NISTA has also introduced a [Guide to feasibility studies in programmes and projects](#). These products provide clarity to departments and Accounting Officers on how to determine value across the project's entire lifecycle and during operations, not just at closure.
- in line with the OVfM report and recent changes to managing public money guidance, NISTA, in consultation with departments, is refreshing the assurance framework, to strengthen lines of defence one and two, in projects and departments, including using risk and audit committees more intentionally.
- NISTA has revised the reporting and data transparency requirements for projects with the intention of providing better sight of benefits during and after the lifecycle of a programme, which will enable early intervention and understanding by accounting officers and the centre.

Lessons learnt from these interventions will be shared across NISTA, Treasury spending teams and the wider project delivery profession to improve delivery and oversight of major projects.

Thirty-third Report of Session 2023-24

Ministry of Justice

Value for Money from Legal Aid

Introduction from the Committee

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

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

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

Relevant reports

- NAO report: [Government's management of legal aid](#) – Session 2023-24 (HC 514)
- PAC report: [Value for Money from Legal Aid](#) – Session 2023-24 (HC 481)
- [Treasury Minute](#): September 2024 (CP 1151)
- [Treasury Minutes Progress Report](#): March 2025 (CP 1284)
- [Treasury Minutes Progress Report](#): December 2025 (CP 1453)

Update to the Government response to the Committee

Following the government's last response to the Committee on this report (CP 1453 above), the remaining recommendations are updated below.

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

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

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

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

1.1 The government agrees with the Committee's recommendation.

Revised target implementation date: October 2026

Original target implementation date: May 2026

1.2 The Ministry of Justice has written to the Committee regarding the updated implementation date for this recommendation to October 2026. This adjustment is required to align the implementation of this recommendation with recommendation 3 from the 2026 report [Ministry of Justice follow-up: Autumn 2025](#), which also focuses on the department improving data on demand for legal aid.

1.3 The department has progressed the work mentioned in the last update to the Committee: a survey of legal aid providers, a feasibility study on options for monitoring civil legal aid demand, and information collection in criminal legal aid.

1.4 Following last year's pilot, the full legal aid provider survey is taking place between April and June this year. The civil legal aid demand study, conducted by independent researchers, reported back to the MoJ in April 2026 and the department is carefully considering the findings.

1.5 On criminal legal aid the Legal Aid Agency (LAA) has introduced changes to build an improved understanding of the Police Station Accredited Representative market. In December 2025, the LAA undertook an enhanced data-cleansing exercise to strengthen assurance over compliance with agency requirements. As part of this activity, the agency wrote to all Police Station Representatives and Supervising Solicitors. The exercise concluded in March 2026, and the data is now being analysed.

1.6 The activity was designed to improve understanding of the geographic distribution of Police Station Representatives, their supervisory arrangements, and the working relationships between legal aid providers and Police Station Accredited Representatives. New data fields were introduced to give clearer insight into where representatives are based, the extent of travel required, and their participation across duty schemes. These fields have also been incorporated into the application form that Police Station Representatives use to join the LAA's register.

1.7 This enhanced dataset will support a more informed assessment of duty scheme capacity and enable the MoJ and LAA to better understand emerging market pressures and structural changes across the criminal legal aid provider base.

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

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

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

4.1 The government agrees with the Committee's recommendation.

Target implementation date: Thresholds will be reviewed three to five years after Means Test Review implementation, intended to be August 2026

4.2 Since the department's previous update in December 2025, the government continues to consider carefully the financial criteria that governs eligibility for legal aid.

4.3 The MoJ and LAA are also embarking on a programme to transform the delivery of legal aid. This transformation aims to challenge complexity and replace systems with more flexible technology. A key objective will be that future policy changes will be able to be implemented more quickly and efficiently.

Thirty-fifth Report of Session 2023-24

Department for Science, Innovation and Technology

Supporting mobile connectivity

Introduction from the Committee

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

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

The Shared Rural Network programme consists of three elements:

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

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

Relevant reports

- NAO report: [Supporting mobile connectivity](#) – Session 2023-24 (HC 555)
- PAC report: [Supporting mobile connectivity](#) – Session 2023-24 (HC 650)
- [Treasury Minute](#): September 2024 (CP 1151)
- [Treasury Minutes Progress Report](#): March 2025 (CP 1284)
- [Treasury Minutes Progress Report](#): December 2025 (CP 1453)

Update to the Government response to the Committee

Following the government's last response to the Committee on this report (CP 1453 above), the remaining recommendations are updated below. In addition, Building Digital UK (BDUK) was integrated into the Department for Science, Innovation and Technology (DSIT) on 1 November 2025.

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

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

3.1 The government agrees with the Committee's recommendation.

Target implementation date: January 2027

3.2 The Shared Rural Network (SRN) will continue to deliver new 4G coverage to January 2027. As of April 2026, over 120 Extended Area Service (EAS) sites have now been activated with a further c160 EAS sites handed over to the mobile network operators for them to deploy their infrastructure. As the programme nears completion, government now has a clearer view of which total not spot mast sites will be built, further reducing the proportion of the UK landmass without 4G coverage.

3.3 There is currently no further government funding available after the conclusion of the Shared Rural Network (SRN), but government continues to monitor technological developments in the satellite Direct to Device market which is expected to reduce the severity of rural not spots. Virgin Media O2 was the first operator to launch a service commercially in February 2026, with VodafoneThree expected to commence customer trials in summer 2026.

3.4 Accurate mobile coverage data is also critical in allowing government to assess the impact of remaining 4G connectivity gaps. Responsibility for reporting on the availability of telecommunications infrastructure sits with Ofcom, and the department continues to work closely with them on this to further improve the accuracy of this data.

3.5 Over the coming months the department will carry out an assessment to determine remaining coverage gaps, utilising Ofcom's latest coverage data, along with Shared Rural Network deployment plans and information on the reach of Direct to Device services, as well as the impact on such communities of not having connectivity.

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

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

6.1 The government agrees with the Committee's recommendation.

Revised target implementation date: end of 2026

Original target implementation date: Spring 2025

6.2 The department and the Department for Transport Operator (DfTO) remain committed to improving mobile coverage reporting on the United Kingdom rail network. The Statement of Strategic Priorities for Ofcom, designated in April 2026, underlined the importance of Ofcom

continuing to improve the quality of its mobile coverage reporting. This includes providing coverage and performance data for road and rail infrastructure.

6.3 Drawing on the learnings from a pilot measurement study of the London to Brighton Main Line, Ofcom has measured mobile and on-board Wi-Fi connectivity on all United Kingdom main lines. Coverage and performance measurements were taken from within the carriage using typical consumer handsets. Ofcom will publish a report with the findings from this exercise in the Summer of 2026.

6.4 The Network Rail milestone for the collection of substantive national mobile coverage data on the railway, remains the end of 2026, consistent with the previous update provided to the Committee. Close engagement and sustained management focus by the DfTO, Network Rail and Suppliers has ensured that the end of 2026 target date remains on track.

6.5 Network Rail measurement trains are now gathering mobile coverage data, following the resolution of critical issues, which had previously impacted the collection of reliable coverage measurement data.

6.6 Following the publication of Ofcom's report, Ofcom will consider how to report on mobile connectivity on trains going forward.

Thirty-seventh Report of Session 2023-24

Department for Energy Security and Net Zero

Decarbonising home heating

Introduction from the Committee

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

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

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

Relevant reports

- NAO report: [Decarbonising home heating](#) – Session 2023-24 (HC 581)
- PAC report: [Decarbonising home heating](#) – Session 2023-24 (HC 653)
- [Treasury Minute](#): September 2024 (CP 1151)
- [Treasury Minutes Progress Report](#): March 2025 (CP 1284)
- [Treasury Minutes Progress Report](#): December 2025 (CP 1453)

Update to the Government response to the Committee

Following the government's last response to the Committee on this report (CP 1453 above), the remaining recommendations are updated below.

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

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

1.1 The government agrees with the Committee's recommendation.

Recommendation implemented: January 2026

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

1.3 The department's ambition is to ensure that clean heat is the most attractive and natural option for people when they come to upgrade or replace their heating system. Expanding our home upgrade policies to include generation and storage technologies – as set out in the Warm Homes Plan, published in January – is part of this, as we know that clean heat in combination with these technologies can offer huge savings.

1.4 The Budget 2025 reduced electricity costs in a way that drove down costs for all households. We removed some policy costs from electricity bills to help consumers and because we recognise that some energy system costs falling disproportionately on electricity bills has led to an unfair distortion in relative gas and electricity prices. This distortion tilted the playing field away from electrification and disguised the efficiency of clean heating technologies.

1.5 The Warm Homes Plan set out that an owner-occupier home, with average gas and electricity consumption, could save £130 on their annual energy bill through upgrading to a heat pump under a scheme like the BUS and by adopting a time-of-use tariff¹.

1.6 In December 2024, the government launched a consultation, 'Raising Product Standards for Space Heating', which included proposals to update Minimum Energy Performance Standards for heat pumps and rescaling the energy efficiency label for space heating equipment to an A-G labelling scale that will drive further innovation in heat pump efficiency, helping to reduce bills. The government will confirm decisions on these proposals in due course.

1.7 The government will introduce the Energy Smart Appliance (ESA) regulations at the end of 2027 to require new heat pumps and certain other electric heating appliances to be sold with smart functionality, which customers can use to activate to access cheaper deals. The government has recently published a consultation to help increase awareness of consumer-led flexibility and its benefits.

1.8 Since 2021, £42 million in government R&D funding has been allocated through the Heat Pump Ready Programme, to support continued innovation in clean heat and smart products and services and overcome barriers to heat pump deployment. As part of the Warm Homes Plan the government has put an additional £30 million into this programme to run from 2026-27 to 2029-30.

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

¹ This analysis is subject to change since the publication of the Warm Homes Plan in January, due to fluctuating wholesale gas and electricity prices.

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

2.1 The government agrees with the Committee's recommendation.

Recommendation implemented: January 2026

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

2.3 The government is developing a single access point on GOV.UK to provide information and advice on home upgrades, linking consumers to trusted installers, options for finance and access to government support.

2.4 The government will closely collaborate with the private sector and the independent advice sector to ensure that information on low carbon heating is consistent and accurate, so that consumers can access high quality advice wherever they go to find trusted information.

2.5 From 2027 the government will create a new Warm Homes Agency, which will offer impartial advice and clear information on home retrofit to consumers. This will simplify the existing complex landscape of organisations, ensure consumers are protected and compliance is enforced.

2.6 The government plans to reform Energy Performance Certificates (EPC) to provide consumers with clear and accurate information about the most appropriate measures to their circumstances. New EPCs will also signpost to further information through GOV.UK to ensure a joined-up approach to advice.

2.7 The government has also worked closely with the heating industry to make the heat pump install journey as close to replacing a boiler as possible, aiming that a standard house could have an install completed within three days from the point of agreeing a final quote, and almost all houses can install a heat pump without needing to submit a planning application. The government has amended the permitted development right for air source heat pumps in England to remove the one metre rule to allow more flexibility for households with less outdoor space to install a heat pump without needing to submit a planning application. The government published updated [Planning Practice Guidance](#) in Autumn 2025. To further reduce the upfront cost and complexity of installation, through innovation and competition, the government also introduced the Clean Heat Market Mechanism (CHMM) to strengthen incentives for industry to invest in developing the heat pump market.

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

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

3.1 The government agrees with the Committee's recommendation

Recommendation implemented: January 2026

3.2 In order to deliver on this ambition and meet future demand for heat pumps, the department accepts that the number of heat pump installers will need to increase rapidly beyond 2025 and is working closely with industry to ensure that sufficient installers are available. Industry groups are confident that there is enough capacity to meet demand for training as heat pump deployment increases, and in 2024, over [9,000 individuals across the UK completed training related to heat pump technologies](#). There are currently around 10,000 trained and active heat pump installers in the market today. To meet the ambitious heat pump deployment target set out in the Warm Homes Plan, the workforce would need to increase to approximately 12,000 FTE installers by 2030.

3.3 The Heat Training Grant is the main form of government support currently available to upskill the existing heating engineer workforce. Since its launch in 2023 it has supported over 9,900 heat pump training courses and an additional £5 million funding was provided across heat pumps and heat networks for last financial year. The government recently announced plans to increase funding for the grant in England to £7 million per annum over the next three years until March 2029 in the Warm Homes Plan. In addition, the Low Carbon Heating Technician Apprenticeship, launched in Autumn 2023, provides a 3-year course to help bring new entrants into the sector and build a sustainable skills pipeline. The government will continue working closely with DfE to increase uptake of the apprenticeship. The department is also working closely with the Microgeneration Certification Scheme (MCS) on their skills test, which will make it easier to register as a certified installer and deliver heat pumps under government schemes.

3.4 The Regional Skills Pilots is a £3.5 million investment in the retrofit skills supply chain across the English regions. The pilots support the five local net zero hubs to work with local delivery partners to identify and test solutions to regional challenges. As part of the pilots, over £600,000 will directly support local heat pump supply chains.

3.5 The Office for Clean Energy Jobs will support tackling workforce and skills challenges in core energy and net zero sectors, critical to meeting the mission to make the UK a clean energy superpower.

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

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

4.1 The government agrees with the Committee's recommendation.

Recommendation implemented: March 2026

4.2 Since September 2024, the department has published quarterly Heat Pump Deployment statistics. The Official Statistics publication shows the estimated total number of retrofit heat pump installations in domestic properties since 2018. [The latest quarterly statistics](#) show a 7% increase in the number of retrofit government-supported heat pumps installed in 2025, compared to 2024. Installations are over four and a half times higher than five years

ago. The figures currently exclude that take place in new-build properties. Development work is underway to link datasets to expand the scope of heat pump installations in future publications.

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

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

5.1 The government agrees with the Committee's recommendation.

Recommendation implemented: January 2026

5.2 Results from the Electrification of Heat Demonstration Project show that heat pumps are widely suitable across the diverse range of housing archetypes present in the UK.

5.3 The government aims by 2050 for low-carbon heat networks to meet around a fifth of all heating demand. Place-based communal heat networks can provide the lowest cost heat for consumers in more densely populated areas and constrained sites, saving consumers 30% on their energy bills when compared to an individual heat pump. The government plans for heat networks to serve a larger proportion of the local demand in towns and cities, particularly for public and commercial buildings.

5.4 The government is supporting other alternative low carbon technologies, where a heat network or hydronic heat pump may not be practical or suitable, for example by funding high heat retention storage heaters through the Warm Homes: Local Grant and Social Housing Funds. Off the gas grid, the department is supporting the installation of solid biomass systems in a small number of appropriate properties through the Boiler Upgrade Scheme (BUS). [In October 2025 the government set out plans to expand the BUS to include a grant category for air-to-air heat pumps and applications opened on 28th April 2026. BUS will also be expanded to provide grants for heat batteries for central heating. Further details can be found in the Government Response published alongside the Warm Homes Plan.

5.5 The government has published a consultation exploring the role of alternative clean heating solutions, which will over time enable full decarbonisation of the housing stock where heat pumps and heat networks may not be suitable. The consultation closed in February 2026, and the government will publish a response in due course.

5.6. The government is conducting research to continue to build its understanding of measure suitability in different housing archetypes.

Government progress on the implementation of agreed recommendations from the Committee of Public Accounts: Session 2024-26

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First Report of Session 2024-26

Department for Education

Support for children and young people with special educational needs and disabilities

Introduction from the Committee

In January 2024, 1.9 million children and young people aged 0 to 25 years had special educational needs (SEN). Children with SEN have a learning difficulty or disability which means they need special educational provision beyond that required by most others of the same age. Most (1.14 million) receive additional support in state schools, known as SEN support. Children whose needs cannot be met in this way have a legally enforceable entitlement to specific support set out in an education, health and care (EHC) plan. In January 2024, there were 576,000 children with an EHC plan.

The Department for Education (the Department) is accountable for the SEND system. In 2024–25, it is providing dedicated high needs funding of £10.7 billion to local authorities, who have a statutory responsibility to ensure children receive the education support they need. The Department of Health and Social Care (DHSC) oversees health services which support the SEN system. In March 2023, the Department and DHSC jointly published an improvement plan setting out how they would tackle immediate challenges, as well as longer term plans. The Department continues to implement initiatives set out in the plan but, as it was published by the previous government, it no-longer represents official government policy.

Relevant reports

- NAO report: [Support for children and young people with special educational needs](#) – Session 2024-25 (HC 299)
- PAC report: [Support for children and young people with special educational needs](#) – Session 2024-26 (HC 353)
- [Treasury Minutes](#): April 2025 (CP 1306)
- [Treasury Minutes Progress Report](#): December 2025 (CP 1453)

Update to the Government response to the Committee

Following the government's last response to the Committee on this report (CP 1453 above), the remaining recommendations are updated below.

1. PAC conclusion: The SEN system is inconsistent, inequitable and not delivering in line with expectations, which inevitably undermines parents' confidence in it.

1a. PAC recommendation: Over the next 12 months, the Department should work with others including local authorities and the Ministry of Justice to:

- **better understand the reasons for differences in identifying and supporting SEN needs across local areas and schools.**
- **routinely identify and share good practice from better performing areas.**

1.1 The government agrees with the Committee's recommendation.

Recommendation implemented: April 2026

1.2 The Department for Education (DfE) recognises variation in how Special Educational Needs (SEN) are identified and supported across schools and local authorities. To address

this, the department has worked with local authorities to understand the drivers behind these differences and improve service delivery, including publishing performance data and highlighting best practices.

1.3 Since 2023, Change Programme Partnerships (CPPs) have provided practical insights and real-time learning by testing proposed reforms and effective practices. These insights were gathered through a dedicated field force working directly with CPPs and an external feedback process. The Change Programme has continued to share learning across Change Programme areas and wider. The [interim evaluation reports for the Change Programme](#) and [Early Language Support for Every Child](#) have been published. There is also now a dedicated page on the [What Works in SEND website](#), for the extensive range of products that REACh (Change Programme Delivery Partner) have developed based on Change Programme learning and includes local examples of Practice Notes, Case Studies and Insight Guides.

1.4 This learning has been invaluable for policy teams, helping assess the viability of reform proposals and identify necessary adaptations for national rollout. CPPs have also gained a better understanding of different local contexts and identified approaches worth replicating.

1.5 The department will continue to share this learning widely through the CPPs and Regional Improvement Innovation Alliances (RIIAs). Sharing learning beyond CPPs is essential to help local authorities understand how others operate and adopt effective approaches to implementing reforms.

1.6 The department's regional teams will provide advice on peer-reviewing performance, identifying improvement needs, and extracting examples of good practice and networks. This collaborative approach ensures continuous improvement and consistency across the system.

1b. PAC recommendation: Over the next 12 months, the Department should work with others including local authorities and the Ministry of Justice to:

- ***improve local authority decision-making by analysing tribunal decisions.***

1.7 The government agrees with the Committee's recommendation.

Recommendation implemented: February 2026

1.8 Most Education, Health and Care (EHC) plans and assessments conclude without a Tribunal appeal. However, the department recognises that too many families still experience delays and inconsistencies, which can undermine confidence in the system and contribute to appeal numbers.

1.9 In February 2026, the department published a white paper, [Every Child Achieving and Thriving](#), and an accompanying consultation document [SEND reform: putting children and young people first](#), setting out ambitious proposals to ensure every child can achieve and thrive. The department believes that the underlying drivers of appeals are best addressed through these proposed reforms, including earlier identification, stronger inclusive mainstream provision, clearer national expectations, and improved support for families.

1.10 The reforms will take time to implement fully. In the meantime, the department is committed to supporting local authorities to strengthen decision-making now, building on the department's *SEND and the law* training delivered in 2024. The department has carried out targeted deep-dive work with a sample of local authorities to understand better how Tribunal outcomes are currently used to inform decision-making and where learning can be strengthened. The department will share the outcomes with local authorities shortly. Alongside this, the department has continued to work with the Ministry of Justice, His Majesty's Courts

and Tribunals Service, and the judiciary to support the sharing of learning with local authorities.

1.11 This activity builds on the department's *SEND and the law* training delivered in 2024. Work is underway to expand this training and explore additional measures. In the meantime, collaboration continues across government and with key stakeholders to identify further actions that can strengthen local authority practice and reduce appeals.

2. PAC conclusion: Without fully understanding why demand for support has increased, the Department's ability to provide value for money is undermined.

2. PAC recommendation: Within the next six months, the Department must work with the DHSC to better understand the reasons for increasing and changed demand for SEN support, and then set out how it will provide support more efficiently, such as through group support, identifying needs earlier and ensuring special schools reflect value for money.

2.1 The government agrees with the Committee's recommendation.

Recommendation implemented: February 2026

2.2 The department recognises the urgency of these issues and is working closely with the DHSC. The Independent Review into Prevalence and Support for mental health conditions, ADHD and autism will help the department understand what is changing and guide our new approach so people receive the right support at the right time and in the right place. The [interim report](#) has already drawn conclusions about the combination of factors contributing to increasing and changed demand for support, including: increasing psychological distress among young people, improved recognition of previously unmet need for example in girls, changing expectations, and systems that often rely on formal diagnosis as the primary route to assistance. The final report will be published this summer.

2.3 The Neurodivergence Task and Finish Group, [published an independent report](#) on 23 February 2026 with the conclusions and recommendations of the independent review into ways to support neurodivergent children and young people in mainstream education settings. The report was informed by research, evidence and extensive consultation with local and national groups, including health providers, among others.

2.4 The department recognises the need for better data on the content, costs, and outcomes of specialist provision to assess value for money. The SEND longitudinal study will improve data quality, particularly on long-term outcomes for children and young people attending different types of provision. The commissioning process for this work is underway and the department is looking to award a contract in early Summer 2026. The department has also announced a range of [funded projects](#) through the Missions Accelerator Programme, which includes research on early identification tools.

2.5 The department continues to work closely with the DHSC to develop and implement SEND reforms, supporting aims on earlier intervention and the treatment to prevention shift in the government's 10 Year Health Plan. This mirrors the critical partnership required from education, health and care services to deliver on these aims.

2.6 Taken together, the February 2026 white paper and SEND consultation document set out how the department has worked with DHSC to understand the drivers of increased and changed demand for SEN support and how it will provide support more efficiently. The department therefore considers this recommendation implemented, with ongoing evidence-gathering and delivery activity now supporting implementation and refinement of the approach already set out.

3. PAC conclusion: The Department has not made clear what it means by inclusive education, a core strand of its approach, or how it will be achieved.

3. PAC recommendation: The Department should, within the next six months, set out the provision which children with SEN support should expect. Alongside this, they should set out what inclusive education means and looks like, and the level of resourcing both to ensure the support for children with SEN and the maintenance of educational provision for other children in the same setting. The Department should also set out how inclusive education will be achieved including through earlier identification of SEN, and improved teacher training and continuous development, and how schools will be held to account. SEN performance data should incorporate factors other than academic attainment.

3.1 The government agrees with the Committee's recommendation.

Recommendation implemented: February 2026

3.2 In February 2026, the department published a white paper, '[Every Child Achieving and Thriving](#)', and an accompanying consultation document [SEND reform: putting children and young people first](#) setting out proposed reforms. These proposed reforms include the development of the National Inclusion Standards and new early identification tools to support mainstream settings with evidence-based approaches for early and accurate identification. The proposed National Inclusion Standards will provide guidance for inclusive universal provision and evidence based targeted intervention. This will also include closer integration with early years services through Best Start Family Hubs and improved data sharing.

3.3 The department will review the Early Career Teacher Entitlement in 2027 and has committed over £200 million for a three-year national SEND and inclusion training programme, with a new requirement in the revised Code of Practice for staff training.

3.4 The government will invest £3.7 billion in high needs capital between 2025 and 2030 to create 60,000 new specialist places and expand inclusion bases in mainstream settings.

3.5 Ofsted's new inspection framework will hold schools accountable for inclusive practices, including evaluation against the National Inclusion Standards and the quality of Individual Support Plans. RISE advisors will support schools to develop inclusive workforce models.

3.6 The department continues to build its evidence base through UK Research & Innovation early SEN identification research, learning from Assistive Technology Lending Libraries, and insights from the SEND & AP Change Programme, alongside improved data infrastructure through digital Individual Support Plans and strengthened needs recording.

4. PAC conclusion: Accessing health expertise presents a significant barrier to identifying and supporting SEN needs.

4. PAC recommendation: Within six months, DHSC should set out how ICBs will consider SEN alongside wider priorities; how its longer-term workforce plans will address current and forecast SEN skill shortfalls; and its processes, plans and targets for reducing related waiting lists.

4.1 The government agrees with the Committee's recommendation.

Recommendation implemented: February 2026

4.2 Integrated Care Boards (ICBs) have SEND-related duties as set out in relevant legislation, including the Children and Families Act 2014. Each ICB must have an Executive Lead on SEND.

4.3 Decisions are taken locally based on population needs, guided by the [NHS Medium Term Planning Framework \(2026/27 - 2028/29\)](#) which sets expectations to optimise existing resources to reduce long waits for ADHD and autism assessments; achieve 94% coverage of Mental Health Support Teams in schools and colleges; and reduce waits over 18 weeks for community health services. ICBs and providers are explicitly expected to meet SEND duties and support SEND reform plans.

4.4 Both the Secretaries of State for Health and Education commissioned local authorities and ICBs on 9 March 2026 to develop Local SEND Reform Plans which will form the foundation for improved partnership working, delivering long-term reform, and ongoing monitoring of progress.

4.5 This government is committed to publishing a 10 Year Health Workforce Plan, setting out action to create a workforce ready to deliver the transformed service set out in the 10 Year Health Plan.

4.6 SEND reforms include significant investment over the next three years, including £15 million to increase Speech and Language Therapy service capacity and £1.8 billion for a new 'Experts at Hand' offer to bring education and health professionals into education settings.

4.7 The revised implementation date reflects the delayed publication of the SEND reforms, planned for 2025 but published in February 2026, which form part of the department's response to this recommendation.

6. PAC conclusion: In the longer term, the SEN system remains unviable with piecemeal interventions, such as Safety Valve, doing nothing to provide a financially sustainable system.

6. PAC recommendation: Moving on from its 'Safety Valve' programme, the Department must provide specific support and guidance so all local authorities can effectively manage their SEN-related spending sustainably in the longer term. To ensure investment allocation decisions maximise value for money, demand forecasting is vital. This joint work by the Department and local authorities should include differentiating between the number of places to be provided in mainstream and specialist state settings. It should also ensure that any spending on independent schools and transport costs reflects value for money. The Department should work with local authorities to identify ways in which more accountable provision could be developed offering better value for money.

6.1 The government agrees with the Committee's recommendation.

Recommendation implemented: February 2026

6.2 The department recognises that local authorities will need continued support during the transition to a reformed SEND system and has published a white paper, [Every Child Achieving and Thriving](#), and an accompanying consultation document [SEND reform: putting children and young people first](#) setting out proposed reforms.

6.3 Ahead of reform, the department has drawn on lessons from previous programmes and provided guidance to all local authorities to support sustainable SEND services and spending:

- In July 2025, a research report on the [Safety Valve programme](#) was published, including case studies of local authority approaches.
- Guidance and case studies were shared with all local authorities to outline effective practices.
- In October 2025, a Summary Insight Guide and learnings from the Change Programme were published to support improvement.
- Since Autumn 2025, the department has funded and delivered webinars and conferences nationwide to help embed inclusive and sustainable SEND systems, alongside increased engagement with local authorities.

6.4 The government has set out its plans for an inclusive school system that enables more children to thrive in local settings in [SEND Reform: Putting Children and Young People First](#). Improvements have been made to the home-to-school transport data collection to improve consistency and provide better insight. The second collection took place in February 2026. Key findings will be published in this Summer. 148 local authorities responded, a significant improvement on 2025. As of the 2026-27 financial year, the new home-to-school transport formula is in operation within the Local Government Finance Settlement. Guidance to help local authorities deliver efficient transport in partnership will be published by the end of the year.

7. PAC conclusion: The Department's ability to reform the system is hindered by a lack of data, targets and a clear, costed plan.

7. PAC recommendation: The Department should urgently improve its data, and then use this information to develop a new fully costed plan for improving the SEN system, with concrete actions, and clear interdependencies, alongside metrics to measure outcomes.

7.1 The government agrees with the Committee's recommendation.

Revised target implementation date: Summer 2027

Original target implementation date: April 2026

7.2 The department has taken steps to improve its data; in particular, by disaggregating the annual EHCP data collection (SEN2 data) from 2023. This change enables more detailed, granular analysis of EHC plans and the processes associated with it, providing deeper insights into specific patterns and trends to support decision-making. In the June 2025 release, a wider range of information was published for the first time to meet user needs, including information on annual reviews. Also, for the first time, the department has published the number of tribunals by local authority and the appeal rate which was previously published by the Ministry of Justice.

7.3 In February 2026, the department published a white paper, [Every Child Achieving and Thriving](#), and an accompanying consultation document [SEND reform: putting children and young people first](#). These publications outline the proposals for re-shaping the SEND system to make all mainstream early years settings, schools and colleges truly inclusive and strengthen the specialist sector, and to improve the financial sustainability of the SEND system. To deliver these reforms, the department is investing billions of pounds across the system – such as, £3.7 billion which can be used to create tailored spaces, adapt classrooms and expand or build new schools to meet children's needs, £200 million to train teachers, educators and assistants, £1.8 billion to bring experts like speech and language therapists into nurseries, schools and colleges, £1.6 billion into settings to make the mainstream system more inclusive, and £200 million to strengthen the SEND offer in the Best Start Family Hubs. The government will work closely with parents, teachers and local authorities to take forward this work.

7.4 Alongside the [SEND Reform: putting children and young people first consultation](#), the department also published an annex setting out its approach to modelling the impact of its proposals, [Background on projections](#), which included projections illustrative of the department's proposed policy approach. These provide a shape of the impact of the reforms, and the department will publish updated modelling following the consultation response.

Second Report of Session 2024-26

Department for Transport

Condition and maintenance of Local Roads in England

Introduction from the Committee

The local road network in England consists of 183,000 miles of road and represents 98% of the total road network. As well as the road surface, the local road network includes pavements, embankments, bridges and drainage systems that need to be kept in good condition. Almost all journeys start and end on the local road network.

The Department for Transport (the department) is responsible for providing policy, guidance and funding to local authorities in England to help them run and maintain their road networks. It considers that well-maintained local roads are vital for the economy and the social wellbeing of communities. Well maintained roads and infrastructure are also necessary for the department's objective to improve transport for the user, as well as specific policy areas, such as increasing active travel and supporting autonomous vehicles. The department provides over £1 billion in capital funding to local authorities each year for local road maintenance.

Local authorities are responsible for the management of the local road network under their control and have a statutory duty to maintain their roads. While central Government provides funding towards the maintenance of the road network, it is for individual local authorities to decide on how best to maintain their roads based on local needs, priorities and funding.

Relevant reports

- NAO report: [The condition and maintenance of local roads in England - NAO report](#) - Session 2024-25 (HC 117)
- PAC report: [Condition and maintenance of Local Roads in England](#) – Session 2024-26 (HC 349)
- [Treasury Minute](#): April 2025 (CP 1306)
- [Treasury Minutes Progress Report](#): December 2025 (CP 1453)

Update to the Government response to the Committee

Following the government's last response to the Committee on this report (CP 1453 above), the remaining recommendations are updated below.

1. PAC conclusion: The department has not taken its overall responsibility for policy and use of taxpayer funds sufficiently seriously when looking at local roads.

1. PAC recommendation: In addition to addressing the recommendation below, the department should clearly set out its roles and responsibilities and that of local authorities in ensuring that local roads are maintained to a good standard throughout England as part of government's work on local devolution.

1.1 The government agrees with the Committee's recommendation.

Recommendation implemented: April 2026

1.2 The government recognises that clarity about responsibilities for highways maintenance is a vital part of ensuring the devolution process is successful. In support of this, in April 2026, the government [published new guidance for local authorities on preparing their local transport plans](#), which includes information about the roles and responsibilities of

authorities for the local highways network, highways maintenance and expectations around highways asset management policy and strategy.

1.3 More broadly, alongside this the government has introduced new local transport outcome frameworks to provide greater clarity and consistency in how performance is assessed across all local transport authorities. These frameworks set out the outcomes that authorities are expected to work towards using local transport funding. These include indicators directly related to highways maintenance, such as road condition, local highways capability, safety, and carbon reporting. They form part of the new consolidated funding model and support transparent, outcomes-focused decision-making and accountability for the management of the local road network.

1.4 Further to this, the government has continued the incentive funding element for local highway maintenance funding for 2026-27 and set out guidance to local authorities in April 2026 on how to meet the requirements of that funding.

2. PAC conclusion: The department has insufficient knowledge of the condition of local roads.

2. PAC recommendation: The department should make the case, with the Ministry for Housing, Communities and Local government, for obtaining the data it needs to gain a greater understanding of the condition of the local road network.

2.1 The government agrees with the Committee's recommendation.

Recommendation implemented: March 2026

2.2 The target implementation date for this recommendation was moved back from Autumn 2025 to align more closely with the project clearance deadlines for the new British Standard for Road Condition Monitoring (PAS 2161). This has now been cleared by the Ministry for Housing, Communities and Local Government (MHCLG). MHCLG will implement changes to the single data list ahead of the next scheduled update, which is at the beginning of each financial year.

2.3 As in previous years, for financial year 2026-27, a percentage of the additional funding provided by the government for local highway maintenance is contingent on local highway authorities demonstrating to government that they were complying with certain criteria. As part of this, local highway authorities are required to publish transparency reports in 2026 with detail on historic spend, the overall state of their networks and future maintenance plans.

2.4 Local Highway Authorities were also asked to separately provide more detailed information to the department, including on compliance with best practice and about what data they hold on asset condition (including structures).

2.5 The department considers what data is needed to understand the condition of the local highway network on an ongoing basis. Where new data is needed, the department will, as is usual, engage with MHCLG to make the case for obtaining this data.

3. PAC conclusion: The department's approach to funding is short-term and fragmented, hindering local authorities from planning more cost-effective work.

3b. PAC recommendation: The department should make clear how it will effectively influence and monitor local road maintenance when the funding to local authorities is coming from different government departments and local authorities have more flexibility within the overall pool of money on how to prioritise spending.

3.1 The government agrees with the Committee's recommendation.

Recommendation implemented: April 2026

3.2 To access their full funding allocation in financial year 2025-26, local highway authorities were required to publish transparency reports demonstrating progress on road maintenance and adherence to best practice. On 11 January 2026, the department published the [transparency report performance results](#) that highlighted leading authorities and identified where further support is needed. A tailored support package was launched alongside the ratings to help all authorities adopt best practice and improve outcomes. The ratings will be updated annually, enabling the government to monitor progress, promote continuous improvement and strengthen accountability across the sector.

3.3 In April 2026, the government set out the requirements local highway authorities will need to meet in order to access their full funding allocations during financial year 2026-27. This includes publishing transparency reports and updated highways asset management policies and strategies, spend at least the full value of DfT funding on maintenance, and demonstrate continued professional learning, particularly on preventative maintenance.

5. PAC conclusion: The department has not evaluated its approaches to funding local roads to know whether they are delivering value for money.

5. PAC recommendation: The department should evaluate approaches to funding local roads to determine what has been effective to help inform future approaches. This should include conducting interim evaluations on local authorities PFI schemes.

5.1 The government agrees with the Committee's recommendation.

Revised target implementation date: end 2027

Original target implementation date: Spring 2027

5.2 The department has commissioned a feasibility study to understand the current state of evidence, evidence gaps and data collection mechanisms in local authorities. This will help scope evaluation questions and identify appropriate approaches for monitoring and evaluating the department's local highways maintenance funding. This study is expected to report back to the department in June 2026.

5.3 The feasibility study timelines have been extended to ensure that the department has a robust design to implement this evaluation. As there has been no previous evaluation in this space, the feasibility study has had to explore several approaches before finalising a suitable one. As a result, the timelines for implementing the evaluation have been shifted back. After receiving the feasibility study report in June 2026, it is planned to commission the Local Highway Maintenance retrospective evaluation over summer 2026 and receive findings by the end of 2027. The 18-month timeline for this work reflects the extensive three-part methodology needed, which includes road network analysis, qualitative comparative analysis, and value for money analysis. The work will rely on primary research with a sample of local highway authorities.

6. PAC conclusion: The department has not provided enough support and guidance to local authorities to deal with current and future challenges in maintaining local roads.

6a. PAC recommendation: As part of revising its Code of Practice, the department should look to set out updated practices local authorities are expected to adopt and consider if following this best practice should be attached to funding. This should include guidance around supporting safety and accessibility for all road users, consideration of technology advances such as autonomous vehicles and consideration of the effect of maintenance on roads and bridges of heavier electric heavy goods vehicles, particularly if the 44 Gross vehicle Weight were to be increased.

6.1 The government agrees with the Committee's recommendation.

Revised target implementation date: November 2026

Original target implementation date: September 2026

6.2 The Code of Practice for Well Managed Highway Infrastructure continues to be updated in line with the revised target implementation date, as set out in Treasury Minutes Progress Report: December 2025 (CP 1453).

6b. PAC recommendation: The department should regularly revise the Code of Practice as the road environment and the demands placed upon it continue to change. The department should set out how it plans to do this in its response to the Committee's report.

6.3 The government agrees with the Committee's recommendation.

Revised target implementation date: November 2026

Original target implementation date: September 2026

6.4 The Code of Practice for Well Managed Highway Infrastructure continues to be updated in line with the revised target implementation date, as set out in Treasury Minutes Progress Report: December 2025 (CP 1453).

Third Report of Session 2024-26

HM Revenue and Customs

HMRC Customer Service and Accounts

Introduction from the Committee

HM Revenue & Customs (HMRC) is responsible for administering the UK's tax system. It reported total revenues of £843.4 billion for 2023–24, the highest on record, representing a 3.6% increase on 2022–23. The tax gap– the difference between the amount of tax that should be paid to HMRC, and what was actually paid–fell from 5.2% in 2021–22 to 4.8% in 2022–23, the most recent available estimate, but increased in monetary terms from £38.1 billion to £39.8 billion. HMRC's estimate of the yield from its compliance activities in 2023–24 was £41.8 billion, up 23% compared with 2022–23 and £1.3 billion higher than its target. Tax debt - the amount of tax that is overdue for payment - was £43.0 billion at 31 March 2024, £0.9 billion less than at 31 March 2023.

HMRC's customer charter commits it to getting things right, making things easy, being responsive and treating customers fairly. Performance levels for its telephony and correspondence have been below expected levels for years, with HMRC answering fewer calls and waiting times increasing. HMRC considers that many calls and items of correspondence it receives are avoidable and could be resolved digitally. It has adopted a 'digital-first' approach, using digital services to allow customers to self-serve where possible. These digital services are best suited to straightforward queries and cannot always offer a replacement to traditional channels.

Relevant reports

- NAO report: [HMRC Customer Service](#) – Session 2023-24 (HC 726)
- [HMRC Annual Report and Accounts 2023-24](#)
- PAC report: [HMRC Customer Service and Accounts](#) – Session 2024-26 (HC 347)
- [Treasury Minute](#): April 2025 (CP 1306)
- [Treasury Minutes Progress Report](#): December 2025 (CP 1453)

Update to the Government response to the Committee

Following the government's last response to the Committee on this report (CP 1453 above), the remaining recommendations are updated below.

1. PAC conclusion: In providing telephone services, HMRC does not give enough consideration to the needs of customers.

1c. PAC recommendation: HMRC must also ensure it gives customers accurate estimates of call waiting times in real time, does not cut off customers without warning, and offers a callback service. It must ensure this functionality is a requirement when it procures a new telephone service.

1.1 The government agrees with the Committee's recommendation.

Target implementation date: March 2027

1.2 The department has procured a new Contact Centre as a Service (CCaaS) solution to replace its existing telephony services. The specification includes the ability to provide real time estimated waiting times, callback functionality, and customer warnings before any disconnection. Implementation will be phased during 2027-28.

1.3 The new CCaaS platform will provide HMRC with modern, industry standard queue management and call handling capabilities, enabling more accurate communication with customers about expected waiting times and giving customers greater choice about how they wait to be served. These capabilities will support HMRC in improving the overall experience for customers who need to contact the department by phone.

1.4 HMRC's ambition remains never to have to cut off a customer waiting in a queue. The service being procured will have built in, industry standard functionality that will ensure customers will not be disconnected from a queue without clear warning and alternative options, such as a callback. The procurement of this service is a critical step in meeting the Committee's recommendation and improving the reliability and transparency of HMRC's telephone services.

1.5 In addition, HMRC is already taking action and in 2025-26 the number of calls cut off after 70 minutes reduced from over 38,000 in 2024-25 to around 9,000, a reduction of over 75%. As HMRC's Permanent Secretary committed to during the [PAC session on Taxing Large Businesses](#), HMRC wants to make further progress on customer service and will write to the Committee ahead of the publication of the Annual Report and Accounts in July highlighting further areas of progress.

4. PAC conclusion: HMRC does not provide an efficient means for taxpayers to communicate digitally with HMRC.

4. PAC recommendation: As part of its digital roadmap, HMRC should prioritise introducing systems for customers to submit files and send secure messages electronically to HMRC. This should enable savings which can be recycled into improving its service.

4.1 The government agrees with the Committee's recommendation.

Target implementation date: March 2028

4.2 [HMRC's Transformation Roadmap](#) was published on 21 July 2025 and includes numerous commitments to digitalising our customer interactions, including HMRC's commitment to provide a secure digital channel for secure document exchange and multi-way communications between HMRC, customers and intermediaries by the end of 2028.

4.3 The Secure Digital Exchange Communications project is now moving into detailed design and discovery. A comprehensive delivery roadmap has been developed, with roll out starting from April 2027. Overall benefits for the project include increased yield and improved employee and customer experience, accruing from 2027-28.

5. PAC conclusion: HMRC's investment in debt management has not sufficiently reduced the amount of tax owed to it.

5. PAC recommendation: Now that HMRC has secured even more resources to manage the debts owed to it, it should set out what reduction in the debt balance it is aiming for and by what date, and a plan for how it will recover older debts before they become uncollectable.

5.1 The government agrees with the Committee's recommendation.

Recommendation implemented: November 2025

5.2 HMRC published its [update to the tax debt strategy](#) at Budget 2025. In this, HMRC set out its commitment to reduce tax debt year-on-year as a percentage of receipts up to 2030,

and its strategy for achieving this. HMRC is forecasting for debt as a proportion of receipts to fall to between 3 and 4% by 2029-30, down from 5% in 2024-25.

5.3 Measuring tax debt in this way demonstrates HMRC's performance in the context of a changing tax system and the wider economy. It is therefore a representative measure of HMRC's impact on managing the tax debt balance.

5.4 In this update, HMRC outlined how recent investment in debt management is helping to close the tax gap. As part of this, HMRC is increasing its capacity to tackle older, more difficult debts. This includes:

- recruiting additional debt management staff;
- increasing its use of private sector debt collection agencies to collect older debts; and
- restarting the use of the existing power to directly recover tax debts owed by individuals and companies who have the ability to pay but deliberately choose not to do so.

5.5 HMRC is continuing to explore what further options are available to tackle older debts, including automating the process for collecting lower value tax debts.

6. PAC conclusion: We welcome HMRC's new goal to reduce the tax gap but we are concerned that it still plans to reduce the number of prosecutions.

6b. PAC recommendation:

- **obtain an estimate that is as accurate as feasibly and practically possible of the offshore tax gap and develop a standalone strategy to reduce it; and**

6.1 The government agrees with the Committee's recommendation.

Target implementation date: June 2026

6.2 As noted in the [letter to the Committee](#) on 4 March 2026, HMRC provided a more detailed explanation of the internal estimate referenced in The National Audit Office's [Collecting the right tax from wealthy individuals' report](#) (2025) in the accompanying confidential annex.

6.3 HMRC continues to progress work to improve its understanding of the offshore tax gap and to strengthen the evidence base underpinning future estimates. HMRC previously engaged academic experts (including CenTax) to examine how existing estimates of undisclosed foreign income could be expanded and improved. HMRC has assessed a range of options to broaden the coverage of existing estimates while maintaining statistical robustness and transparency.

6.4 Alongside this analytical work, HMRC is discussing options for publishing in future years, including how an offshore tax gap could be presented in a way that is methodologically sound and clearly explained to users. Although there is no firm timetable for publishing, we expect this to be 2027. HMRC will continue to update the Committee as this work progresses.

6c. PAC recommendation:

- **research which interventions are most effective in achieving a deterrent effect for tax evaders and organised criminals. This research should explicitly consider whether there are trade-offs between civil and criminal routes, if the former brings in more revenue in the short term but has the effect of decreasing the deterrent effect of criminal offences in the long run.**

6.5 The government agrees with the Committee's recommendation.

Target implementation date: September 2026

6.6 HMRC remains committed to strengthening the evidence base around tax prosecution deterrence. As noted in the department's [letter to the Committee](#) on 29 May 2025, HMRC is determined to continue improving the evidence base and to further expand its understanding of tax prosecution deterrence. HMRC has commissioned external research aimed at exploring perceptions of tax prosecutions and related communications. The survey will generate new primary data, and qualitative interviews will provide depth to support HMRC's understanding of tax prosecution deterrence which will inform next steps. The research is currently underway. HMRC intends to publish the research in due course, in line with its standard process.

Fourth Report of Session 2024-26

Ministry of Housing, Communities and Local Government

Tackling Homelessness

Introduction from the Committee

The Housing Act 1996 defines someone as ‘homeless’ if there is no accommodation available for them, or if it is not reasonable for them to continue occupying the accommodation that they have. The Ministry of Housing, Communities and Local Government (MHCLG) has policy responsibility for tackling homelessness in England, and leads on implementing homelessness policies across government. It also distributes homelessness funding to local authorities, who have statutory duties to assist people who are homeless or threatened with homelessness. Local authorities also receive funding relevant to homelessness from other sources, such as the Department for Work and Pensions (DWP) and the Home Office.

Under the Homelessness Reduction Act 2017, local authorities have three types of duty:

- a prevention duty, which may involve negotiating with a landlord or family member, providing mediation, helping to reduce rent arrears, or securing alternative accommodation;
- a relief duty, which may involve helping an applicant to secure housing in the private rented sector, placing them into supported housing, or helping them bid for social housing;
- and a main duty, which involves providing those in priority need with temporary accommodation.

The latest data show that 123,000 households in England were being housed in temporary accommodation as at June 2024. In 2022–23, local authorities spent over £2.4 billion on delivering homelessness services, of which over £1.6 billion was used to provide temporary accommodation. Data published after our evidence session suggest that spending rose in 2023–24, to around £3.1 billion and £2.1 billion respectively.

Relevant reports

- NAO report: [The effectiveness of government in tackling homelessness](#) – Session 2024-25 (HC 119)
- PAC report: [Tackling homelessness](#) – Session 2024-26 (HC 352)
- [Treasury Minute](#): April 2025 (CP 1306)
- [Treasury Minutes Progress Report](#): December 2025 (CP 1453)

Update to the Government response to the Committee

Following the government’s last response to the Committee on this report (CP 1453 above), the remaining recommendations are updated below.

5. PAC conclusion: Tackling homelessness has long been hampered by the absence of a joined up, cross-government approach.

5c. PAC recommendation: In its Treasury Minute response, MHCLG should provide the Committee with further details of how its proposed cross-government homelessness strategy will generate practical improvements, including through:

- **learning appropriate lessons from the UK devolved administrations.**

5.1 The government agrees with the Committee's recommendation.

Recommendation implemented: December 2025

5.2 MHCLG officials continue to engage regularly with their counterparts across government and in the devolved administrations to discuss a range of issues and share learning, including tackling homelessness. The Minister for Local Government and Homelessness met with her counterparts in the devolved administrations and across government prior to publication of the [National Plan to End Homelessness](#) in December 2025.

7. PAC conclusion: Despite legislation designed to tackle well-established problems and gaps in regulation, MHCLG has made no progress in improving the oversight of the supported housing sector.

7. PAC recommendation: MHCLG should implement the provisions of the Supported Housing (Regulatory Oversight) Act as quickly as possible, and provide an update on its progress in its Treasury Minute response.

7.1 The government agrees with the Committee's recommendation.

Revised target implementation date: Winter 2026
Original target implementation date: Summer 2026

7.2 The government is working hard to implement the measures in the Supported Housing (Regulatory Oversight) Act 2023 (the Act) as quickly as possible. The implementation date has been revised due to the complexity of the reforms, as the department works to get the balance right between regulation and the pressure on existing good quality providers.

7.3 The department is making good progress on implementing the Act's measures, including:

- On 9 February 2026 the government paid new burdens funding to all local authorities in England to enable them to start or update their supported housing strategies so they can deliver on the statutory duty placed on them by the Act.
- On 10 February 2026 the department published [statutory guidance for local authorities](#) on how to prepare and deliver their supported housing strategies.
- On 9 March 2026 the government convened the Supported Housing Advisory Panel - as announced via [Written Ministerial Statement](#).
- The [government response](#) to the supported housing consultation was published on 16 April 2026.
- The department will publish a further technical consultation on licensing regulations and guidance on licensing and support standards later this year.

Fifth Report of Session 2024-26

Department of Health and Social Care

NHS financial sustainability

Introduction from the Committee

The Department of Health and Social Care (DHSC) has overall responsibility for healthcare services in England, and for their financial management and sustainability. NHS England (NHSE) receives funding from DHSC to deliver health services and passes most of this funding to Integrated Care Boards (ICBs) which, in turn, plan and commission services from local NHS providers such as hospital trusts and GPs. In line with the NAO report and NHS terminology, we refer to Integrated Care Boards (ICBs) together with their constituent providers as ‘NHS systems’.

In 2022–23, the 42 NHS systems in England overspent by a combined total of £621 million. In 2023–24, their aggregated year-end deficit had more than doubled to £1.4 billion. This was despite the government providing £4.5 billion of additional funding during 2023–24 and NHSE underspending by £1.7 billion against its central budgets to offset deficits.

Relevant reports

- NAO report: [NHS Financial Management and Sustainability](#) – Session 2024-25 (HC 124)
- PAC report: [NHS financial sustainability](#) – Session 2023-24 (HC 350)
- [Treasury minute](#): (CP 1328) May 2025
- [Treasury Minutes Progress Report](#): December 2025 (CP 1453)

Update to the Government response to the Committee

Following the government’s last response to the Committee on this report (CP 1453 above), the remaining recommendations are updated below.

2. PAC conclusion: *Despite having last published a plan in January 2019, and the major disruption caused by Covid to the NHS since, DHSC and NHSE are yet to recognise the scale of transformation needed to make the NHS financially sustainable. The Government’s desire to publish a new 10- year plan is a golden opportunity to take significant decisions for the longer-term benefit of the nation’s health and the sustainability of the NHS. Yet there seems a lack of readiness amongst senior health officials to take the radical steps needed.*

2a. PAC recommendation: *As they develop the ten-year plan, DHSC and NHSE must take a more planned and disciplined approach to ensuring that enough funding is allocated to those activities that can make the NHS fit for the future, particularly preventing ill health, community healthcare, and digital technology. They should measure, track and report what they spend in these areas, and what they are achieving, so Parliament and the public can assess progress over time, and should take actions to strengthen longer-term strategic financial planning.*

2.1 The government agrees with the Committee’s recommendation.

Target implementation date: Summer 2026

2.2 Since the Committee first made this recommendation, the department received its settlement from the Treasury for 2026-27 to 2028-29 in the second phase of Spending Review 2025. The Review prioritised health through record investment in health and social care.

2.3 This settlement supports delivery of the [10-Year Health Plan](#) (10YHP) over the next three years, including the three key shifts highlighted by the Committee: from sickness to preventing ill health, from hospital to community healthcare, and from analogue to digital technology. The Spending Review included funding for initiatives that directly support the three shifts such as the Cancer Plan to tackle inequalities through strengthened screening and early diagnosis; the introduction of a neighbourhood health service; and delivering 2% year-on-year productivity gains for the next three years.

2.4 Most of the funding in the department's settlement will ultimately underpin the three strategic priorities. The department is currently considering how best to present this to the public and Parliament. Much of this funding will be determined at local level and so it may be difficult to delineate exact spend against the three shifts, however the department is committed to transparency and will look to report on central spend aligned with its strategic priorities where possible.

4. PAC conclusion: In some cases, NHSE's payment mechanisms can mean that local systems do not receive financial recognition when they prioritise hard-to-reach patients

4. PAC recommendation: NHSE should review current payment systems and processes to ensure they incentivise local systems to work with those most in need of help.

4.1 The government agrees with the Committee's recommendation.

Recommendation implemented: October 2025

4.2 The principle of supporting those most in need is embedded in legislation. Integrated Care Boards (ICBs) must have regard to reducing inequalities in access to health services and outcomes.

4.3 The resource made available to the NHS is intentionally distributed so that people with the same level of health need should have equal opportunity in accessing care. NHS funding allocations to ICBs account for multiple factors related to local population demographics, need and health inequalities. All else being equal, areas with higher deprivation and premature mortality, for example, receive relatively more funding to reflect greater need and support activity such as outreach.

4.4 NHS England has published updated ICB multi-year allocations in line with the recommendations of the independent Advisory Committee on Resource Allocation (ACRA). ACRA has also been asked to consider the findings of the Chief Medical Officer's reports and advise on how setting ICB allocations can help reduce health inequalities, directing resources where most needed. ACRA's conclusions will inform future allocations.

4.5 The NHS Payment Scheme, which sets the basis for ICBs to agree payment arrangements with providers, makes clear that addressing health inequalities is a key priority. Commissioners and providers must consider how payment agreements could facilitate equitable access, excellent experience, and optimal outcomes for seldom-heard populations. Prices already differentiate between patients based on need, through consideration of complications and comorbidities, so providers treating those with the greatest need receive higher payment.

4.6 NHS England has also begun phasing out deficit support funding for ICBs and NHS Trusts, while moving each ICB's allocations towards their fair share of funding.

5. PAC conclusion: Given the constraints on public spending, it is highly likely that refocusing attention from sickness to prevention cannot be achieved without re-allocating existing NHS funds in the same direction.

5a. PAC recommendation:

- **DHSC, NHSE and HMT should define what counts as health prevention spending for the whole of government within the next six months, and track that spending annually, using 2024–25 as a baseline year.**

5b. PAC recommendation:

- **DHSC and NHSE should set out the funding increases required for prevention**

5.1 The government disagrees with the Committee's recommendations

5.2 In the last updates to the Committee, these two recommendations were both being considered with an implementation date to be advised.

5.3 The department's work in supporting the three shifts (see paragraph 2.3) is complex and interlinked, and it is not always possible to clearly define what constitutes 'health prevention spending'. Whilst spend on activities that directly support public health initiatives can clearly be identified as prevention, other areas of spend that may not be described as prevention, could still contribute towards preventing ill health.

5.4 In addition, drivers of prevention outside of DHSC would provide further complication as it would not be practical to isolate and attribute spend that supports health prevention from a range of policies across government. As a result, any attempt to centrally define and track prevention spend would risk providing an incomplete or misleading picture of the overall investment across the system in supporting the shift from sickness to prevention.

5.5 However, as set out in the response to recommendation 2a, the department remains committed to transparency and will report on spend relating to key DHSC and NHSE programmes that directly support prevention.

5.6 Finally, the department is also moving towards a system-level approach in strengthening prevention across the health system. This involves empowering local commissioners to make decisions about how best to allocate funding locally, rather than prescribing specific funding increases. As set out in the Medium-term planning framework (MTPF), ICBs must ensure that their 5-year plans support the department's prevention goals. This includes making demonstrable progress in delivering new obesity services, implementing opt-out models of tobacco dependence in routine care, and supporting the target of a 25% reduction in cardiovascular disease related premature mortality over the next 10 years.

Eighth Report of Session 2024-26

Department for Energy Security and Net Zero and HM Treasury

Carbon Capture Usage and Storage

Introduction from the Committee

Carbon capture, usage and storage (CCUS) technologies capture carbon before it is released into the atmosphere and store it permanently underground. They can be applied to a range of industrial applications, such as power generation and cement production. The government sees CCUS as essential to the UK achieving net zero by 2050. Previous governments have attempted to launch CCUS in the UK twice before, but these projects were cancelled in 2011 and 2016. The current approach, launched in 2018, aims to establish CCUS in geographical clusters. The government set a target of capturing and storing 20–30 million tonnes of carbon per year by 2030. In December 2024, it concluded that this target was not achievable. It has not yet set revised goals.

The Department for Energy Security and Net Zero (the Department) is responsible for the CCUS Programme. In October 2021, it announced that the first two clusters to receive government support (Track 1) would be HyNet, covering Merseyside and North Wales, and the East Coast Cluster, covering Teesside and Humberside. HM Treasury announced up to £20.0 billion of funding in March 2023 to support the early deployment of CCUS. In October 2024 it increased the funding to £21.7 billion over 25 years to cover the first five projects. At the same time, the Department recognised contingent liabilities with a maximum value of £34 billion to cover the risks it is underwriting for the Programme. In December 2024, the Department announced it had signed contracts with the first two projects at East Coast Cluster which it expects to begin operations in 2028.

Relevant reports

- NAO report: [Carbon Capture, Usage and Storage programme](#) - Session 2024-25 (HC 120)
- PAC report: [Carbon Capture, Usage and Storage](#) – Session 2024-26 (HC 351)
- [Treasury Minute](#): April 2025 (CP 1306)
- [Treasury Minutes Progress Report](#): December 2025 (CP 1453)

Update to the Government response to the Committee

Following the government's last response to the Committee on this report (CP 1453 above), the remaining recommendations are updated below.

2. PAC conclusion: While the Department is taking steps to incentivise efficient delivery of the CCUS projects, it has not established mechanisms to make sure that taxpayers and consumers will benefit financially should the programme be successful.

2. PAC recommendation: For all future CCUS projects, the Department should introduce mechanisms to make sure taxpayers and consumers benefit financially from the success of the projects they have supported financially.

2.1 The government agrees with the Committee's recommendation.

Target implementation date: December 2026

2.2 The taxpayer stands to directly benefit financially from upside within some of the existing business models; notably Power CCUS Projects and The Crown Estate lease of the CO2 Stores.

2.3 The department is continuing to consider co-investment from government to participate alongside industry partners in future clusters.

2.4 The department is also developing contractual clauses to increase opportunities for UK supply chains and support long-term well-paid jobs across the country to ensure the public money spent on CCUS provides benefits across the country and in particular in local industrial economies. The department is currently exploring alternative models or pathways that lower the cost of CCUS. Over time there needs to be a sector that can be more led by the market, that in turn will continue to realise the best value for money for the taxpayer and accelerate towards a fully decarbonised economy.

6. PAC conclusion: The Department has downgraded its ambitions for the CCUS programme, stating that the original 2030 ambitions are no longer achievable.

6b. PAC recommendation: The Department should consider how it will monitor and report on the performance of CCUS projects in relation to the amount of net carbon captured.

6.1 The government agrees with the Committee's recommendation.

Target implementation date: March 2029

6.2 The department continues to engage closely with the Economic Regulator, Low Carbon Contracts Company (LCCC), relevant regulators, and the private sector to strengthen access to reporting and performance data, in line with licence, contractual and data-sharing agreement obligations. The current primary focus of the department is maximising the quality of construction phase reporting. Prior to the start of operations, the Transport & Storage Companies and capture projects must develop their carbon capture, storage and performance reporting in line with their obligations. The department will also establish operational data-sharing mechanisms with public sector partners, including for net carbon captured, as part of the development and implementation of the target operating model due to commence from operations. This will include the establishment of robust data assurance and verification processes across organisations party to the operating model.

6.3 Since January 2026, the department has increased the resource dedicated to monitoring and evaluation of CCUS and Industrial Hydrogen policies. The department will further develop the metrics and internal reporting processes used for oversight of delivery and carbon capture from projects, working closely with the Cluster Sponsor Function and other internal teams.

Ninth Report of Session 2024-26

HM Revenue and Customs

Tax evasion in the retail sector

Introduction from the Committee

Tax evasion occurs where taxpayers deliberately omit or falsify information in tax returns to reduce their tax liability. As well as resulting in lost revenue, it can also prevent a level playing field between businesses, by giving evaders an unfair competitive advantage. HMRC estimates that tax evasion cost £5.5 billion in lost revenue in 2022–23 and is most prevalent among small businesses. Tax evasion can take different forms and motivations can vary, from businesses struggling with financial pressures to wilful and persistent evasion. In the retail sector tax evasion can include, for example, overseas sellers evading VAT through online marketplaces, businesses understating sales figures, or companies artificially declaring themselves insolvent and setting up a new company to continue the same business debt-free (known as “phoenixism”).

HMRC is responsible for tackling tax evasion for the taxes it administers, and it must work with other public bodies to do so. This includes Companies House (responsible for company registrations) and the Insolvency Service (responsible for enforcement relating to director disqualifications and corporate abuse).

Relevant reports

- NAO report: [Tackling tax evasion in high street and online retail](#) – Session 2024-25 (HC 229)
- PAC report: [Tax evasion in the retail sector](#) – Session 2024-26 (HC 355)
- [Treasury Minute](#): April 2025 (CP 1306)
- [Treasury Minutes Progress Report](#): December 2025 (CP 1453)

Update to the Government response to the Committee

Following the government’s last response to the Committee on this report (CP 1453 above), the remaining recommendations are updated below.

1. PAC conclusion: We are concerned that HMRC is not sufficiently curious about the true scale of tax evasion.

1b. PAC recommendation: HMRC should ensure it works with Companies House and the Insolvency Service to understand how the amount of corporate fraud affects the tax gap. It should lay out how it plans to do this in its Treasury Minute Response to the Committee.

1.1 The government agrees with the Committee’s recommendation.

Target implementation date: September 2026

1.2 HMRC, Companies House and the Insolvency Service remain committed to strengthening the departments’ collective ability to detect and prevent corporate fraud and tackle the tax gap.

1.3 On 30 September 2025 HMRC [wrote to the Committee](#) to provide a full response for this recommendation, outlining the plans and framework for sharing threat assessments, data, and intelligence across all three departments.

2. PAC conclusion: Despite significant lost revenue, HMRC does not have a clear objective or strategy to tackle tax evasion.

2b. PAC recommendation: HMRC should establish a clear strategy for tackling tax evasion and deliberate non-compliance, in which it makes clear its future ambitions with specific, measurable, and timetabled objectives. In doing this, HMRC should consider including how it plans to make use of its existing enforcement tools and introduce clear goals for how it will prosecute tax evaders.

2.1 The government agrees with the Committee's recommendation.

Recommendation implemented: March 2026

2.2 The small business tax gap, at £28 billion is the largest single component of the overall tax gap. It is driven by a range of behaviours including error, failure to take reasonable care and evasion, and cuts across tax regimes, primarily VAT, Corporation Tax and Income Tax. Evasion is a key driver of risk in the small business population, involving a spectrum of behaviours from income / sales suppression through to systematic fraud and is highly prevalent in the retail sector.

2.3 Tackling evasion is a complex, multi-faceted problem. HMRC is developing a comprehensive strategic approach that reduces the opportunities to evade, targets the enablers of evasion and increases the likelihood of evaders being caught and sanctioned, and so helping legitimate businesses to compete on a level playing field. The department aims to complete the planning, design and expected outcomes by September 2026 but are implementing key elements of this now, including:

2.4 Increasing HMRC's enforcement capacity to tackle tax evasion:

- HMRC is recruiting an additional 5,500 compliance officers by 2029-30, with recruitment surpassing the 1,100 target in 2025-26.
- Autumn Budget 2025 funded a new Small Business Evasion and Enforcement function of 350 staff criminal investigators to increase the number of annual charging decisions for the most harmful frauds from 500 to 600 by 2029-30.

2.5 Tackling key drivers of tax evasion in the retail sector:

- Tackling Electronic Sales Suppression including a call for evidence on Till Fraud, announced at Budget 2025.
- Tackling High Street businesses involved in tax evasion and illegal activity: actively supporting the new cross-Government High Street Organised Crime Unit (HSOCU); HMRC coordinated the delivery of the first x-government High Street risk assessment informing the work of the HSOCU; stepping up HMRC's operational activity in 2026-27, increasing interventions to disrupt these businesses and the people behind them.
- Working with Companies House and Insolvency Service to tackle Online Overseas Sellers who establish companies and use fake directors.
- Using third party data to target use of dual invoicing by suppliers to suppress purchases (and therefore sales); the non-submission of VAT returns; non-registration for VAT and other taxes.

4. PAC conclusion: The planned reforms to the role of Companies House leave huge gaps and it is still too easy to register companies fraudulently.

4.1 The government has now split the recommendation it originally agreed with in the last update into two parts below. As outlined in the Department of Business and Trade's letter to the Committee sent on 12 May 2026, the government now disagrees that additional powers

are required to verify addresses (4a) but agrees that address verification should be implemented as soon as possible (4b).

4a. PAC recommendation: Companies House should work with the Department for Business and Trade, and other relevant parts of government, to urgently set out the case for increased powers to verify new and existing company addresses

4.2 The government disagrees with the recommendation.

4.3 Companies House (CH) and the Department for Business and Trade consider that this is achievable within the existing legislative framework. Following further policy and technical development and advancements, the government concluded that this objective can be achieved within the existing legislative framework and does not require new legislation.

4b. PAC recommendation: and develop implementation plans so checks can be in place as soon as possible if legislation is enacted.

4.4 The government agrees with the Committee's recommendation.

Revised target implementation date: March 2028
Original target implementation date: November 2025

4.5 Whilst legislation will not be enacted, the government agrees with the Committee's recommendation for CH to verify new company addresses, and it intends to verify the addresses of existing companies when a notice changing an address is delivered to the Registrar, or there is reasonable belief an address is being misused. Implementation plans are under development, and checks will be in place as soon as possible.

4.6 The department's previous response set out the government's long-term ambition to introduce address verification. The May 2026 timeline referenced in the last progress update to the Committee related to an interim milestone to provide an update on delivery progress, rather than a timeline for implementing any future address verification measures, which is provided in this response.

4.7 Since then, CH and DBT have continued to collaborate with the Home Office Accelerated Capability Environment function to identify solutions to implement address verification in a proportionate, effective way that minimises impact on legitimate businesses. This collaboration has identified digital solutions that can deliver automated verification for CH.

4.8 The government intends to introduce address validation (proving an address exists) and verification (linking a company to an address) solutions to CH. This will apply to all new company addresses, at incorporation and when existing companies file a notice to change their address. It envisages a series of seamless, automated checks for most. Where a suspicious address is identified, the Registrar will make further enquires before registration.

4.9 This approach delivers on the government's ambition of having an accurate and trusted company register, with authoritative address data. It preserves incorporation speed, does not impose burdens on legitimate businesses and can be achieved within existing legislation.

4.10 Alternative approaches were considered (for example, requiring the incorporation application to include extra information), but discounted as they require primary legislative change, introduce disproportionate burdens on legitimate business and would delay incorporation speeds.

4.11 Implementing these solutions represents a substantial change. CH intends to undertake a full operational delivery assessment, to understand cost, resourcing and system development. The aspirational CH timeline for delivery is to implement address validation in the financial year 2026-27, and an address verification solution in the financial year 2027-28 (by March 2028).

5. PAC conclusion: HMRC's VAT registrations processes are far too open to abuse, and it is not exploring options to tighten controls sufficiently.

5a. PAC recommendation: HMRC should strengthen its VAT registration controls, including by checking more addresses and stopping demands for unpaid tax going to innocent citizens who are unconnected with companies using their addresses, and working with online marketplaces to share information and intelligence effectively. It should write to the Committee in six months to explain how it has done this.

5.1 The government agrees with the Committee's recommendation.

Revised target implementation date: December 2026

Original target implementation date: April 2026

5.2 In line with the Committee's request, HMRC [wrote to the Committee](#) on 30 September 2025 providing an update.

5.3 Following a feasibility assessment, the primary recommendation is to pursue a strategic solution for VAT address verification, aligned to planned migration of the VAT Registration Service risking to a new platform.

5.4 Subject to final confirmation, delivery of this strategic solution is expected to commence from June 2027, with an estimated implementation timeframe of approximately two years. This approach has been reviewed and supported by HMRC's IT delivery partners and strategic design teams.

5.5 In the interim, additional controls have been implemented to address the committee's recommendation. These include enhanced manual processes and oversight by Risk and Intelligence teams to identify, monitor and review potentially at-risk or anomalous registration addresses.

5.6 In December 2026 HMRC will provide the Committee with an update on how the manual interventions have strengthened our controls as well as the timelines for implementing the strategic solution.

Tenth Report of Session 2024-26

Department for Transport

HS2: Update following the Northern leg cancellation

Introduction from the Committee

The High Speed Two (HS2) programme aimed to construct a high-speed, high-capacity railway between London and Manchester via Birmingham. Phase 1 (London to Birmingham) was most advanced of the stages, with that section of the railway under construction. The Department for Transport (the department) is the programme's sponsor, responsible for funding and overseeing delivery. High Speed Two Limited (HS2 Ltd), an arm's-length body of the department, is responsible for delivering an operational railway.

In October 2023, the then government announced significant changes to the HS2 programme. The government stated that Phase 1 would still be completed. However, all further stages of the programme would be cancelled (all sections of Phase 2) and that the HS2 station at London Euston would be smaller, with construction funded by private investment.

Prior to the announcement, the department expected Phase 1 to cost between £45 billion and £54 billion (in 2019 prices), against a funding envelope of £44.6 billion. HS2 Ltd's latest estimate in June 2024 is £54 billion to £66 billion, although the department reports that it does not consider this estimate reliable.

Following the October 2023 announcement, the department and HS2 Ltd began work to understand the implications for the programme. This work included revising the scope of Phase 1, identifying how HS2 Ltd would close down Phase 2, and establishing how the department would fund and deliver the HS2 station at Euston.

Relevant reports

- NAO report: [HS2: update following cancellation of Phase 2](#) – Session 2024-25 (HC 128)
- PAC report: [HS2: Update following the Northern leg cancellation](#) – Session 2024-26 (HC 357)
- [Treasury Minute](#): May 2025 (CP 1328)
- [Treasury Minutes Progress Report](#): December 2025 (CP 1453)

Update to the Government response to the Committee

Following the government's last response to the Committee on this report (CP 1453 above), the remaining recommendations are updated below.

2. PAC conclusion: The Department and HS2 Ltd's failure to work together effectively is starkly illustrated by them not being able to agree how much HS2 will cost.

2. PAC recommendation: Alongside its Treasury Minute response, the Department should write to the committee, setting out details of the agreed cost estimate methodology. The Department should also include in its next six-monthly update to Parliament when it will update programme costs into current prices and how frequently it will do this in the future.

2.1 The government agrees with the Committee's recommendation.

Recommendation implemented: May 2026

2.2 The Department for Transport [wrote to the Committee in May 2025](#) setting out details of the agreed cost estimating approach and how it would link to the programme reset. Over the past year, the company and CEO of HS2 Ltd have worked closely with the department and other government partners to reassess the remaining scope of the programme and to develop robust estimates of the time and cost required to complete the project. This work has resulted in the publication of revised cost and schedule ranges for HS2.

2.3 The new estimates and their underlying methodologies have been subject to rigorous scrutiny through three in-depth lines-of-defence assurance reviews, covering quality control and data integrity, objective programme assurance, and independent review and assurance. The independent review included an integrated challenge panel comprising national and international experts in railway delivery, including the National Infrastructure and Service Transformation Authority, the department's project representative and professional services providers.

2.4 HS2 Ltd has developed a comprehensive suite of baseline methodology documents, including detailed cost estimating methodologies, processes and procedures. These documents have undergone full independent assurance as part of the development of the new HS2 baseline.

2.5 In its reports to Parliament of [March 2026](#) and [May 2026](#), the department reported historic programme expenditure in nominal prices to express spending in a more up-to-date price base and better capture the inflation incurred since 2019. The department has uplifted the price base for HS2 Ltd's regularised programme reporting in 2026-27 – from 2019 prices to a 2025 price base – and will update the price base every two years in line with future Spending Reviews. The revised cost ranges have been published in both current prices and 2019 prices to enable comparison against previous estimates.

5. PAC conclusion: The Department and HS2 Ltd do not have the skills and capabilities need to successfully deliver the programme.

5. PAC recommendation: The Department should, alongside the reset of the programme, set out how gaps in skills and capabilities, such as in leadership and other key areas, will be addressed to secure the successful delivery of HS2. This should include the performance measures or indicators that leaders will be reviewed against.

5.1 The government agrees with the Committee's recommendation.

Target implementation date: December 2026

5.2 The CEO of HS2 Ltd has been undertaking a comprehensive change programme to reshape the organisation, ensuring it has the skills and capabilities needed to deliver HS2. The reset is expected to conclude in 2027. As part of this reset, the department is also currently reviewing its sponsorship approach and capability as recommended by the [major transport projects governance and assurance review](#). This has included improving how it uses 'project representative' (P-rep) technical advisers to provide specialist advice to the department, reviewing the department's HS2 governance, introducing smarter leading performance measures, and reviewing the relationship between the department and HS2. The department is also working with the DfT Operator and Network Rail to strengthen the voice of the future HS2 operator into the delivery programme.

5.3 The CEO has undertaken a significant restructuring of the leadership team at HS2 Ltd. This includes appointing a new Director of Business Delivery to reshape the organisation, a new Chief Programme Officer to bring together key programmatic components to manage the baseline and support delivery, and a Chief Commercial Officer to provide additional

commercial leadership, a gap identified in the [major transport projects governance and assurance review](#).

5.4 The HS2 Ltd Chair has reviewed the capability of the HS2 Ltd Board. As part of this, the Department, working closely with the Chair, successfully concluded a recruitment exercise to strengthen capability, with six new non-executive directors joining the Board in December 2025 and January 2026. These new appointments bring experience in infrastructure delivery, health and safety, business transformation and commercial relationships. An externally led board effectiveness review will be undertaken in 2026-27 to identify any further improvements required.

5.5 Key performance indicators for HS2 Ltd for 2026-27 are expected to be implemented in June 2026, following ministerial agreement. Performance against these will be monitored by the department through the Programme Performance Board and Shareholder Board and the outturn against them published in HS2 Ltd's Annual Report and Accounts next year. HS2 Ltd has a performance-related pay scheme to incentivise its most senior leaders, directly linked to HS2 delivery to time and budget, overseen by HS2 Ltd's Remuneration Committee, on which the department sits as an observer.

6. PAC conclusion: The Department's plans for Euston carry huge risks given the uncertainties about its scope, cost, funding schedule and delivery model.

6. PAC recommendation: The Department should include in the six-monthly update to Parliament an update on its progress on Euston, including progress in establishing a delivery model and private financing for the works; how it is managing risks; and latest figures for both the spend to date and total cost estimate.

6.1 The government agrees with the Committee's recommendation.

Revised target implementation date: Autumn 2027

Original target implementation date: Summer 2025

6.2 Since the last update to the Committee, the department has made good progress via the Euston Spatial Scope Planning exercise, with the full support from Euston Partners, to develop an integrated and less complex station layout, while optimising space for commercial development.

6.3 The Euston Delivery Company (EDC) was stood up on 1 April as the single directing mind for the Euston programme, bringing a cross-campus approach to the next stage of design work and addressing the historic challenges that previously limited progress. Initially, the EDC will sit as a business unit within the department as it builds capability. The department expects the company to be stood up as a public body in the Autumn. The EDC intends to engage an Engineering and Design Partner, which will play a crucial role in the design and engineering aspects of the Euston campus. Preliminary market engagement commenced in November 2025.

6.4 The department continues to make progress in developing its approach to deliver the HS2 Euston station with private finance. In February 2026, the department launched the first stage of its preliminary market engagement in connection with the Public-Private Partnership. This initial stage aimed to raise industry awareness of the project and gather market feedback, to allow the department to take informed decisions on viability and value for money, and ensure that the proposed commercial model is robust, deliverable and in the best interests of taxpayers. The department is currently assessing the feedback received from the market.

6.5 Drawing on lessons learned from previous experience, we are taking the time to complete the necessary work to establish a robust baseline before seeking to set budgets and schedules. Although it is not yet possible to confirm a cost estimate for Euston Station, for the

purposes of the HS2 Reset process, we have established some working assumptions on costs for the new HS2 station and London Underground upgrades, based on work to date.

6.6 In terms of next steps, the EDC will be leading development of the Concept Design, due to commence shortly, which will be a key step in refining the design to a level at which the department can derive more robust ranges. Following completion of Concept Design, the department expects to have more robust updated budget ranges for Euston by Autumn 2027.

6.7 The department will, however, have to consider the commercial sensitivities around the cost estimates related to the Public-Private Partnership contract to be negotiated subsequently for the HS2 station, before putting the estimates into the public domain. The department will continue to report on our plans to deliver Euston via the 6 monthly parliamentary reports, supplemented where necessary by confidential briefing to the Committee.

7. PAC conclusion: Things are moving too slowly on making decisions on the disposal of land and property purchased as part of the programme.

7. PAC recommendation:

- a) HS2 Ltd should carry out as soon as possible an assessment of residential property to identify what is surplus to requirements and give former owners the right to buy it back. It should report back to the Committee the results of the assessment and report regularly on progress in returning the property to former owners.**
- b) The Department should also include in its six-monthly update to Parliament:**
- the timetable for both decision-making regarding all property no longer needed and their disposal.**
 - its approach to addressing future West Coast Main Line capacity issues and rail connectivity in the North.**

7.1 The government agrees with the Committee's recommendation.

Recommendation implemented: May 2026

7.2 In July 2025, the government lifted safeguarding on the former eastern leg of HS2 Phase 2b and confirmed that the properties acquired on that section of the Phase 2 route will be sold. Following that announcement, the department appointed a specialist agent to develop a disposal strategy and deliver the programme to dispose of 550 surplus properties between the West Midlands and Leeds. The programme will include the process of offering property, purchased under statutory blight, back to former owners or their successors. It will take time to complete this process, and it will be prioritised before a property is sold on the open market. This first tranche will begin later in 2026 to dispose of properties that are already vacant. This programme will be phased over several years and carried out carefully to minimise disruption to local communities, protect local property markets, and ensure value for money for taxpayers.

7.3 The [Northern Growth Strategy: Case for Change](#) publication of January 2026 set out the government's intention to ultimately deliver a full north-south new line between Birmingham and Manchester. This will enable the government to address capacity issues on the West Coast Main Line and, alongside Northern Powerhouse Rail, to improve rail connectivity in the North. We expect the delivery timelines for this line to follow the completion of HS2 and Northern Powerhouse Rail. The department will be doing further work, in collaboration with local partners on what will be delivered, when. The Northern Growth

Strategy also announced that the government's existing landholdings between the West Midlands and Crewe will be retained.

Twelfth Report of Session 2024-26

Ministry of Justice

Crown Court backlogs

Introduction from the Committee

The Ministry of Justice (MoJ) is accountable to Parliament for the effective functioning of much of the justice system, including courts and prisons. HM Courts & Tribunals Service (HMCTS) is an executive agency of MoJ and is responsible for supporting the independent judiciary in the administration of courts and tribunals in England and Wales, and non-devolved tribunals in Scotland and Northern Ireland. Over 90% of criminal cases are dealt with in magistrates' courts, with more serious and complex cases transferring to the Crown Court.

In the October 2021 Spending Review, MoJ set a public ambition to reduce the Crown Court backlog in England and Wales from 60,000 (as it was then) to 53,000 by March 2025, securing £477 million over 2022–23 to 2024–25 to support the criminal justice system's post-pandemic recovery (including reducing the backlog). In March 2022, the previous Public Accounts Committee published its report on reducing the backlog in the criminal courts, at a time when the backlog was already a significant problem. While the backlog in magistrates' courts has abated since then, the backlog in the Crown Court has reached its highest ever level, with 73,105 outstanding cases at 30 September 2024.

Relevant reports

- NAO report: [Reducing the backlog in the Crown Court](#) – Session 2024-25 (HC 634)
- PAC report: [Crown Court backlogs](#) – Session 2024-26 (HC 348)
- [Treasury Minute](#): May 2025 (CP 1328)
- [Treasury Minutes Progress Report](#): December 2025 (CP 1453)

Update to the Government response to the Committee

Following the government's last response to the Committee on this report (CP 1453 above), the remaining recommendations are updated below.

2. PAC conclusion: Long waits for cases to start, delays and the often-last-minute postponement of cases all have a significant impact on the victims of crime, particularly for victims of Rape and Serious Sexual Offences (RASSO) and violent crimes, seriously disrupting their lives, inflicting additional distress on people who have already experienced terrible trauma, and leading many to withdraw from cases.

2a. PAC recommendation: MoJ, working with the judiciary, should try hard to reduce the number of hearings in cases of serious sexual and violent offences that are delayed or postponed on the day scheduled, as it is such circumstances that distress victims the most.

2.1 The government agrees with the Committee's recommendation.

Target implementation date: September 2026

2.2 Since the previous update to the Committee, published data continues to demonstrate better trial effectiveness rates for sexual offences relative to overall offences and a marked increase in disposals. The system's continued prioritisation of the most sensitive trials is therefore maintained.

2.3 In parallel, the department and HM Courts & Tribunals Service (HMCTS) have continued to work closely with the judiciary to support the development and early embedding of a new framework to promote more effective, consistent and predictable listing across the Crown Court. This builds on existing guidance to list serious sexual cases as fixtures and is intended to improve case certainty and reduce avoidable postponements.

2.4 The department is also funding the expansion of dedicated case coordinator roles across Crown Court centres, following successful pilots over the last two years. Case coordinators support earlier and more robust case readiness, helping to address common causes of ineffective trials.

2.5 Moreover, the department has announced unlimited sitting days for the Crown Court in the 2026–27 financial year. This will support increased capacity alongside delivery of reforms arising from the Independent Review of the Criminal Courts, enabling the Crown Court to focus increasingly on priority caseloads. Taken together, these actions mean the department remains on track to meet the Committee’s recommendation by September 2026.

4. PAC conclusion: The remand population is at its highest number for 50 years, and the length of time some defendants on remand wait for their cases to be heard is disrupting their lives and their families’ lives and adding to prison overcrowding.

4b. PAC recommendation: MoJ and HMCTS should gather and publish more granular data on the remand population, to show how long people are spending on remand and how this population is changing, to better understand the impact long waits have on defendants and the outcomes of their cases, and to inform the development of services that better support those on remand and their families.

4.1 The government agrees with the Committee’s recommendation.

Target implementation date: April 2027

4.2 MoJ has run an analytical project that links previously separate data sources to construct full remand histories for Crown Court defendants. This will provide a sound basis for understanding and analysing actual time spent on remand within this cohort. The resulting dataset is initially being tested and quality assured for internal analytical use and assessment of the impact of remand-related policy reforms. There remains further work to do to address other parts of the justice system. MoJ remains committed to publishing improved insights on time spent on remand as soon as it is feasible to do so.

Thirteenth Report of Session 2024-26

Department for Education

Improving educational outcomes for disadvantaged children

Introduction from the Committee

The Department for Education (the Department) has overall responsibility for the school system and early years settings. In 2023–24 there were 21,600 state-funded schools in England educating 7.7 million pupils, with the Department identifying 2.1 million (27%) as disadvantaged given they had been registered for free school meals in the past six years or currently, or previously, looked after by the local authority. There are also around 58,000 early years providers where the Department identified, as at January 2023, 239,000 of the 924,000 2-to-4-year-olds benefitting from government-funded early entitlements as disadvantaged.

On average, children from a disadvantaged background are less likely to perform well at school compared with their peers. The Department has a strategic priority to improve the attainment of disadvantaged children and, in 2023–24, £9.2 billion of its £60 billion school spending was intended specifically to support disadvantaged children. This includes £4.1 billion through disadvantage elements of its core funding, alongside more targeted interventions such as pupil premium, which the Department describes as its flagship policy. To measure progress, it primarily uses the disadvantage attainment gap, which compares the attainment of disadvantaged pupils against their peers at key stage 2 (primary school years 3 to 6) and key stage 4 (secondary school years 10 and 11, leading up to GCSE)

Relevant reports

- NAO report: [Improving educational outcomes for disadvantaged children](#) – Session 2024-25 (HC 125)
- PAC report: [Improving educational outcomes for disadvantaged children](#) – Session 2024-26 (HC 365)
- [Treasury Minutes](#) May 2025 (CP 1328)
- [Treasury Minutes Progress Report](#): December 2025 (CP 1453)

Update to the Government response to the Committee

Following the government's last response to the Committee on this report (CP 1453 above), the remaining recommendations are updated below.

3. PAC conclusion: Early Years funding and support remains critical for disadvantaged children to have the best start in life; it will be essential that DfE builds its evidence of what works.

3. PAC recommendation: The Department should prioritise expanding its evidence base on the effectiveness of early years interventions, including the role of Family Hubs, and in 12 months update the Committee on the impact of its decisions to increase Early Years Pupil Premium in 2025–26. In doing so, it should set out how its approach to developing evidence and then making funding decisions will align going forwards.

3.1 The government agrees with the Committee's recommendation.

Recommendation implemented: April 2026

3.2 Evidence and evaluation are, and will remain, central to the government's work on the Family Hubs & Start for Life programme. A mixed-method evaluation covering process, impact and value for money has been undertaken at both programme and individual strand level. Early interim findings have been shared internally and will be published more widely later in 2026. A new evaluation of the Best Start Family Hubs programme will be commissioned shortly to build on the existing evidence.

3.3 Strengthening evidence-based practice in early years settings is vital. The department works with the Education Endowment Foundation (EEF) to develop and share evidence on improving children's outcomes, delivering resources such as the Early Years Toolkit, supporting initiatives like the Early Years Stronger Practice Hubs, and scaling proven interventions including the Nuffield Early Language Intervention. The Children of the 2020s study is tracking outcomes for 8,500 children and their families longitudinally to inform policy and programme design.

3.4 In April 2025, the department increased Early Years Pupil Premium (EYPP) with a 45% uplift, up to £570 per eligible child per year. The department published guidance to support local authorities and has worked with the EEF to provide [advice for early years setting leaders](#). In April 2026 the department introduced a further 15% uplift to EYPP.

3.5 The EEF has published a practice review assessing how settings used EYPP in 2025-26. This highlighted that they value EYPP but face practical barriers to use it strategically. The department will draw upon this to inform the early years funding consultation due this summer.

3.6 To expand the evidence on EYPP and boost outcomes, the department will provide additional funding to extend EYPP in areas most in need. On 22 March 2026 the department announced the first 10 areas which will benefit from an additional EYPP funding boost of up to £363 per child per year in 2026.

4. PAC conclusion: The Department relies on schools to spend funding in line with its intended purposes but has limited understanding of whether they do so.

4. PAC recommendation: Whilst retaining the principle of local decision-making, the Department should introduce stronger and clearer mechanisms to understand how schools spend funding. This should include:

- **collecting data on where schools use disadvantaged-focused funding, including for certain interventions such as tutoring; and**
- **reiterating the need for schools to publish up-to-date strategies for how they plan to spend pupil premium and following up non-compliance.**

4.1 The government agrees with the Committee's recommendation.

Target implementation date: December 2027

4.2 Pupil premium conditions of grant and guidance set out reporting requirements for schools, including that schools with more than five pupils eligible for pupil premium must publish an updated strategy statement by 31 December each year using a DfE template designed to support effective strategy development.

4.3 The department currently reviews a sample of pupil premium statements each year to ensure schools comply with the conditions of grant. All schools that are found to be non-compliant are contacted by the department and asked to ensure that they publish a compliant statement.

4.4 As set out in [Every child achieving and thriving](#), published in February 2026, the department is committed to undertaking work to support schools to develop more effective

pupil premium strategies and provide the department and stakeholders with better data on how schools allocate this funding by Academic Year 2027-28. A discovery project to inform improvements to the statement has been completed. The next stage of this work, which will develop and assess options with input from the sector, will begin in Summer 2026. Work has also been undertaken to explore how AI can support the project goals, notably by improving collection and analysis of data from school strategy statements. This may provide benefits earlier than Academic Year 2027-28.

5. PAC conclusion: The Department supports schools in making effective local decisions, but there remains variability in practice, performance and how schools use evidence.

5. PAC recommendation: The Department should provide greater clarity on how it supports schools, early years providers, local authorities and academy trusts to make effective evidence-based decisions. This should include setting out how it will capture and share good practice and monitor differences.

5.1 The government agrees with the Committee's recommendation.

Target implementation date: December 2027

5.2 The department supports effective evidence-based decision making through its grant funding of the Education Endowment Foundation (EEF), the designated What Works Centre for education and independent arbiter of evidence on effective practice in raising disadvantaged pupils' attainment. EEF funds rigorous trials of pedagogic interventions and communicates findings from these and other high-quality research studies, encouraging the adoption of proven approaches.

5.3 The department actively promotes EEF evidence to frontline decision makers – notably on effective use of the pupil premium and via teaching and leadership development programmes, underpinned by EEF evidence. Research commissioned by the EEF found that in 2024-25, 92% of schools with a published pupil premium strategy cited EEF evidence ([Pupil Premium Statement Research \(2024-25 Academic Year\)](#)). This study will be repeated in the current academic year (see [Pupil Premium Statement Research \(2025-26 Academic Year\)](#)).

5.4 As set out in [Every child achieving and thriving](#), the department is continuing to monitor schools' use of evidence to drive more effective use of the pupil premium. Improvements to the pupil premium strategy statement will make it a more effective tool both in helping schools plan their use of this funding and holding them to account for their spending decisions. The department will also provide support and challenge those schools with poor outcomes for disadvantaged pupils by introducing government-funded reviews of pupil premium strategies. These will be delivered by sector experts and provide tailored advice to help schools plan, implement and evaluate changes in their approach.

5.5 EEF evidence and expertise supports the ongoing development and delivery of the Universal Regional Improvements for Standards and Excellence (RISE) programme, to drive improvements in attainment, attendance, reception year quality and inclusive mainstream education. Universal RISE guidance signposts schools to EEF resources on effective teaching and learning practices.

Fourteenth Report of Session 2024-26

Department for Transport

Public charge points for electric vehicles

Introduction from the Committee

The government has committed to phasing out new petrol and diesel car sales by 2030, with all new cars and vans sold being zero-emission from 2035. The shift to electric cars requires a new network of public charge points. While many drivers have driveways or garages where they can install a charge point for their private use, those without access to off-street parking will need to rely on public charge points. Even where drivers typically charge at home, they may need public charge points to charge their car during long journeys.

Public charge points are installed and maintained by charge point operators, private businesses who need enough people to use electric vehicles in an area for it to be profitable for them to install charge points.

However, to give drivers confidence in switching to electric vehicles, these charge points need to be installed in advance of need. This may not happen at the pace and in the locations needed without government intervention.

The Department for Transport (the Department) leads on the strategy to reduce carbon emissions from cars. The Office for Zero Emission Vehicles is a team working across government to support the transition to zero-emission vehicles, with staff from both the Department for Transport and the Department for Energy Security and Net Zero (DESNZ), but which ultimately reports to the former.

Relevant reports

- NAO report: [Public charge points for electric vehicles](#) – Session 2024-25 (HC 379)
- PAC report: [Public charge points for electric vehicles](#) – Session 2024-26 (HC 512)
- [Treasury Minute](#): May 2025 (CP 1328)
- [Treasury Minutes Progress Report](#): December 2025 (CP 1453)

Update to the Government response to the Committee

Following the government's last response to the Committee on this report (CP 1453 above), the remaining recommendation is updated below.

5. PAC conclusion: *The interests of drivers with disabilities have been left behind in the rollout of public charge points.*

5. PAC recommendation: *As part of its Treasury Minute Response, the Department should set out:*

- ***The outcome of the review of the charge point accessibility standard and what actions it is taking to ensure that charge point accessibility is improved.***
- ***What it is doing to encourage alignment of accessibility standards for charge points internationally.***

5.1 The government agrees with the Committee's recommendation.

Recommendation implemented: December 2025

5.2 It is essential that the public electric vehicle charge point network works for all users, including those with disabilities. For this reason, the Department for Transport and Motability Foundation commissioned a review of the UK's charge point accessibility standard - Publicly Available Specification (PAS) 1899:2022 - to identify ways to improve its uptake and implementation. The review was led by the British Standards Institution (BSI) and involved industry, disabled users, accessibility experts, charities, consumer groups and the devolved administrations. The [findings of the review were published by BSI in November 2025](#).

5.3 The review recommended a range of updates to the standard to support improved implementation. These included making it clearer to interpret and implement, bringing certain technical standards in line with wider accessibility standards, and developing an open data standard to improve data for consumers on the accessibility features of public charge points.

5.4 Following the review, the department and Motability Foundation are taking action in two key areas to improve charge point accessibility. The first is to ensure that findings from the review are fed into the work to develop a Europe-wide charge point accessibility standard, which is being led by the European standards body, CEN-CENELEC. The second is to work with stakeholders to draft an updated set of UK-specific standards that will complement or go beyond the European standards, as required, to address UK-specific requirements.

5.5 The department also recently commissioned the development and publication of a new international open data standard on accessibility. Adoption of this standard by industry will enable drivers to find more detailed information on the accessibility of public charge points. The standard is designed to enable it to be adopted by other countries in future.

5.6 Finally, the Planning and Infrastructure Act 2025 included powers to enable the government to introduce legal requirements on the accessibility of public charge points, should this be required in future.

Sixteenth Report of Session 2024-26

HM Treasury

Whole of Government Accounts 2022-23

Introduction from the Committee

The Whole of Government Accounts (WGA) provides a consolidated view of the government's financial position and performance. It is a set of financial statements prepared by HM Treasury in accordance with the International Financial Reporting Standards (IFRS) and the Government Financial Reporting Manual (FReM). WGA is made up of over 10,000 bodies across the whole public sector including central government departments, local authorities, devolved administrations, the NHS, academy schools and public corporations.

In 2022–23, the UK public sector spent £1.13 trillion on public services and collected revenue of £975 billion. Most of government expenditure is financed through taxation revenue. In 2022–23, government collected £857.7 billion in taxation, £83 billion more than in 2021–22.

The C&AG has disclaimed his audit opinion on the WGA for 2022–23, for the first time in its 14–year history, as a result of the ongoing local authority audit crisis which has led to a significant amount of English local authorities being included in the accounts based on unaudited data, and an even greater number being missing entirely from the accounts.

Relevant reports

- PAC report: [Whole of Government Accounts 2022-23](#) – Session 2024-26 (HC 367)
- HM Treasury report: [Whole of Government Accounts 2022-23](#) (HC 289)
- [Treasury Minute](#): May 2025 (CP 1328)
- [Treasury Minutes Progress Report](#): December 2025 (CP 1453)

Update to the Government response to the Committee

Following the government's last response to the Committee on this report (CP 1453 above), the remaining recommendation is updated below.

4. PAC conclusion: *The Treasury has made some improvements to the accessibility of WGA and the information it contains, but there is still more work to do.*

4. PAC recommendation:

- ***The Treasury should continue to improve the accessibility of the WGA and consider producing a 'pocket handbook' or similar to help people understand and navigate the document.***
- ***The Treasury should also set out its plans for digitisation of the accounts and how this will achieve greater accessibility.***

4.1 The government agrees with the Committee's recommendation.

Recommendation implemented: October 2025

4.2 The Treasury seeks to continually improve WGA. A significant improvement for the [2022-23 WGA](#) was the inclusion of accounting spotlights, which provide a detailed overview of accounting concepts. The Treasury also improved the level of disclosures relating to missing and unaudited data.

4.3 For 2023-24, the Treasury produced a pocket handbook designed to provide an accessible and concise overview of the 2023-24 WGA. Treasury officials hosted a stall at Portcullis House in October 2025 to publicise the WGA and formally launch the new pocket handbook. This event was successful and attended by the Public Accounts Committee Chair, HMT Director General Public Spending and WGA Accounting Officer, Members of Parliament, and House of Common officials.

4.4 In addition, Treasury officials delivered in-person and online training sessions on the WGA for Parliamentary staff at the House of Commons.

4.5 The Treasury continues to assess opportunities for further digitisation in future years, while maintaining the priority of completing the WGA recovery plan and ensuring that the WGA returns to a stable and timely publication schedule.

Seventeenth Report of Session 2024-26

The Ministry of Housing, Communities and Local Government

The Remediation of Dangerous Cladding

Introduction from the Committee

Following the 2017 Grenfell Tower disaster, the Ministry of Housing, Communities & Local Government (MHCLG) has led the government's support for remediating residential buildings with unsafe cladding. In 2023, MHCLG brought its five remediation programmes into a single portfolio, comprising two grant programmes for high-rise buildings (over 18 metres), a newer Cladding Safety Scheme for predominantly medium-rise buildings (11–18 metres), and two monitoring schemes for self-remediation by social housing providers and developers.

The previous Committee examined progress in remediating dangerous cladding in 2020. It found that progress had been unacceptably slow and condemned the badly missed target for Grenfell-style aluminium composite material (ACM) cladding to be removed from almost all high-rise blocks by June 2020. It warned that it was imperative that MHCLG met its new target, which was for works on the remaining high-rise blocks to be completed by the end of 2021. By December 2024, work had yet to start on nearly a quarter of the 1,323 buildings in MHCLG's high-rise programmes.

Almost eight years on from Grenfell, work is yet to start on over half of the 5,000 buildings in MHCLG's portfolio and as many as 7,000 unsafe buildings over 11 metres are still to be identified. MHCLG's current best estimate is that the cost of remediating all 9,000 to 12,000 buildings over 11 metres that may need it is £12.6 to £22.4 billion (central estimate of £16.6 billion). It plans to keep taxpayer contributions capped at £5.1 billion, with private owners, social housing providers and developers paying the remainder. Developers will pay to remediate buildings within the ongoing Developer Remediation Programme and, from autumn 2025, through a Building Safety Levy on new developments.

In 2022, concerned that too many buildings were undergoing unnecessary and costly remediation work, MHCLG adopted new guidance – PAS 9980 – for assessing the fire risk of external walls. This took a more proportionate approach to remediation and allows for greater use of lower cost mitigations, such as sprinklers. MHCLG's Remediation Acceleration Plan, published in December 2024, set a target of 2029 for completing remediation on all high-rise buildings over 18 metres and for completing, or having a completion date for all buildings over 11 metres, otherwise landlords would be liable for severe penalties.

Relevant reports

- NAO report: [Dangerous cladding: the government's remediation portfolio](#) – Session 2024-25 (HC 303)
- PAC report: [The Remediation of Dangerous Cladding](#) – Session 2024-26 (HC 362)
- [Treasury Minute](#): May 2025 (CP 1328)
- [Treasury Minutes Progress Report](#): December 2025 (CP 1453)

Update to the Government response to the Committee

Following the government's last response to the Committee on this report (CP 1453 above), the remaining recommendations are updated below.

4. PAC conclusion: MHCLG is not doing enough to manage the risk that residents in affected buildings face exorbitant insurance premiums in the long term.

4. PAC recommendation: MHCLG should urgently:

- **undertake a review of insurance premiums so it understands how rates compare for those remediated under both the new and old standard; and**
- **consider what more it can do to:**
 - i) help bring down insurance premiums for residents awaiting remediation works; and**
 - ii) address the risk that insurance for buildings remediated in accordance with the newer PAS 9980 standard is unaffordable even after works are complete, and**
 - ii) ask the insurance industry to provide information about the overall costs of insurance premiums in high rise buildings post Grenfell and the increased insurance company payouts to policy holders.**

4.1 The government agrees with the Committee's recommendation.

Recommendation implemented: December 2025

4.2 The Ministry of Housing, Communities & Local Government [responded to the Committee](#) on 17 December 2025.

4.3 The government recognises that some residents continue to face unacceptably high building insurance premiums due to fire safety issues. The industry-led Fire Safety Reinsurance Facility has been renewed for a third year, providing a viable option for building owners to secure cover for high-risk buildings undergoing remediation. To date, the Facility has supported over 790 buildings, and the increased claims limit of £75 million will enable further residents to benefit.

4.4 MHCLG has asked the insurance industry to provide information about the overall costs of insurance premiums in high rise buildings following the Grenfell tragedy, and the increased insurance company payouts to policy holders. They have advised that detailed individual policy and claims data cannot be shared due to data protection and commercial confidentiality constraints. In 2025 MHCLG therefore undertook a substantial survey of building owners and managers, contacting over 5,000 buildings across all major remediation schemes in England, Wales and Northern Ireland, and received over 2,500 responses. MHCLG is completing the analysis of this data and using the findings to develop policy options to address high insurance costs. The government will keep the Committee updated as the policy develops.

4.5 MHCLG will continue to monitor insurance premiums and assess the impact of remediation, including repeating the survey. PAS9980, developed by BSI with industry input, provides a recognised framework for risk assessment. The Association of British Insurers has stated that premiums should reduce where remediation is completed or risk is demonstrably lowered. MHCLG expects insurers to price premiums fairly in line with risk and will continue to press the industry to strengthen evidence, while building its own data where necessary.

5. PAC conclusion: Eight years on from Grenfell, we are concerned that MHCLG still does not know how many buildings have dangerous cladding, how much it will cost to address, or how long it will take.

5a. PAC recommendation: MHCLG should:

- **By the end of July 2025, publish its latest estimates for how many buildings are affected by dangerous cladding, how much remediation will cost (including latest unit cost data), and when it expects work to be completed; and**

- ***indicate when it will respond to the Morrell report on product testing and safety and whether as part of that they will be giving consideration for a requirement that all tests of materials, those that fail as well as those that are successful, should be published.***

5.1 The government agrees with the Committee's recommendation.

Recommendation implemented: December 2025

5.2 The department [responded to the Committee](#) on 17 December 2025.

5.3 The government recognises the importance of being transparent on the costs of remediating unsafe cladding. The data provides clarity to the public and Parliament on the estimated cost of fixing the cladding crisis and how much is being borne by the taxpayer. The government published updated estimates of the total cost of cladding remediation in its [Building Safety Remediation: monthly data release](#). As of end March 2026, delivery of cladding remediation continues to progress, with over half of identified buildings having started or completed works and particularly strong performance in the highest-risk ACM programme. The [unit cost analysis](#) shows mean remediation costs of £1,843 per m², with costs driven primarily by cladding area, where larger projects benefit from economies of scale. Since the previous publication, costs have risen modestly above general construction price inflation, driven by market conditions and enhanced safety requirements.

5.4 The government welcomed the [independent review](#) by Paul Morrell OBE and Anneliese Day KC, which examined the construction product testing regime, identified systemic weaknesses and made recommendations for reform in this complex area.

5.5 The government published the [Construction Products Reform Green Paper on GOV.UK](#) in February 2025, seeking views on a comprehensive package of reforms and responding to the Morrell-Day report on testing and certification. Following consultation, the government published the [Construction Products Reform White Paper](#) in February 2026, setting out proposals for ambitious system wide reforms. Reforms will drive safe products, safely used, by establishing a robust regulatory regime, a testing and certification system which the government can be confident in, product information that is clear and can be trusted, and an approach to enforcement that rewards those who comply.

6. PAC conclusion: MHCLG's previous attempts to speed up remediation exposed the taxpayer to increased risk of fraud.

6. PAC recommendation: MHCLG should, by the end of 2025: use findings from fraud measurement exercises to strengthen its counter-fraud controls and ensure they are adequate to meet accelerated funding demand; and share relevant learning across the Ministry to help prevent fraud in other programmes.

6.1 The government agrees with the Committee's recommendation.

Recommendation implemented: December 2025

6.2 The department [responded to the Committee](#) on 17 December 2025.

6.3 The government is committed to strengthening its approach to preventing fraud and protecting taxpayer funding across cladding remediation programmes. Reducing fraud remains a priority and MHCLG is taking proactive steps to mitigate risks and ensure value for money.

6.4 Following publication of the Committee's report, MHCLG worked with the Public Sector Fraud Authority and the National Audit Office to explore fraud loss measurement within the

remediation portfolio. An independent feasibility study concluded that Homes England will lead a full fraud loss measurement exercise within the Cladding Safety Scheme (CSS) in 2026, ensuring findings inform practical improvements. While a full exercise for the legacy ACM Programme and Building Safety Fund (BSF) was judged to deliver more limited benefits due to programme maturity, MHCLG will apply lessons learned and sample-based testing across the portfolio.

6.5 Alongside this work, MHCLG has strengthened fraud prevention and investigation arrangements within ACM and BSF. These include enhanced engagement and training across the delivery chain, cost benchmarking, strengthened referral and investigation processes, and additional controls such as ringfenced accounts for higher-risk building owners. These measures have already resulted in referrals and enforcement action.

6.6 Within CSS, fraud controls have been reviewed with Public Sector Fraud Authority, independently audited, and validated through Homes England's second line of defence. Subsequent NAO audit work provided an unqualified opinion, providing assurance over the robustness of arrangements.

7. PAC conclusion: We are not convinced that MHCLG is taking the potential impact of its remediation plans on wider housebuilding targets seriously enough.

7. PAC recommendation: MHCLG should, by the end of 2025, publish a formal assessment of the impact of its remediation policies (including the Building Safety Levy) on housebuilding projections in both the social and private sectors and what action needs to be taken to ensure the building of 1.5 million homes is not affected by these policies.

7.1 The government agrees with the Committee's recommendation.

Recommendation implemented: December 2025

7.2 The department [responded to the Committee](#) on 17 December 2025.

7.3 MHCLG has provided an update on the interaction between cladding remediation policies and the government's ambition to increase housebuilding. Since February 2025 significant progress has been made on both objectives. As part of the commitment to deliver 1.5 million homes, MHCLG has led substantial planning reform and committed a record £39 billion to accelerate delivery of social and affordable housing. In parallel, delivery of the Remediation Acceleration Plan has progressed, including extending equal access to government remediation funding for social landlords. This is enabling buildings to be made safe more quickly while releasing financial capacity for investment in new affordable homes, demonstrating positive policy alignment.

7.4 The government remains focused on balancing priorities and understanding wider impacts. Parliament has approved the Building Safety Levy regulations and impact assessment, with the Levy due to come into force on 1 October 2026. The Levy is designed to raise funding for remediation while minimising any impact on housing supply. MHCLG continues to engage with the construction sector to assess potential effects across the housing market and supply chain. The Levy regulations require the department to regularly review the levy including the rates and the operation of the levy regulations at least every three years.

7.5 While remediation activity may create some additional demand for specialist labour and materials, any secondary impact on housing delivery is expected to be limited, as these inputs represent a small proportion of the wider construction sector.

Eighteenth Report of Session 2024-26

Department for Science, Innovation and Technology

Use of AI in Government

Introduction from the Committee

Artificial intelligence (AI) has the potential to transform public services by automating routine tasks and making public services quicker and more efficient, but it also brings with it risks that must be managed effectively to support adoption and maintain public trust. Achieving large-scale benefits will require not only adoption of new technology but significant change in business practices and will be dependent on the government putting in place the right foundations, including access to skills, infrastructure and high-quality data.

The new Government Digital Service was established in January 2025 with the aim of uniting efforts to grasp the opportunities of technology and AI under the Department for Science, Innovation and Technology (DSIT). This involved relocating three functions from the Cabinet Office to DSIT: the Central Digital and Data Office (CDDO), which leads the government's Digital and Data function; the Incubator for Artificial Intelligence (i.AI), which works across the public sector to identify and pilot AI opportunities; and the Government Digital Service, responsible for building common digital products and services across government.

Successive governments have sought to support the use of AI through a range of policy interventions and strategies. Most recently, the government published *A blueprint for modern digital government* in January 2025 which included an ambition to harness the power of AI for public good and included a number of priority reforms.

Relevant reports

- NAO report: [Use of artificial intelligence in government](#) – Session 2023-24 (HC 612)
- PAC report: [Use of AI in Government](#) – Session 2024-26 (HC 356)
- Policy paper: [A blueprint for modern digital government](#)
- [Treasury Minute](#): June 2025 (CP 1341)
- [Treasury Minutes Progress Report](#): December 2025 (CP 1453)

Update to the Government response to the Committee

Following the government's last response to the Committee on this report (CP 1453 above), the remaining recommendations are updated below.

1. PAC conclusion: Out-of-date legacy technology and poor data quality and data-sharing is putting AI adoption in the public sector at risk.

1b. PAC recommendation: Within six months, DSIT should set out publicly how it intends to:

- **Establish an approach for measuring the costs associated with addressing legacy technology, as well as the costs of failing to act, to increase transparency and improve decision making.**

1.1 The government agrees with the Committee's recommendation.

Revised target implementation date: Autumn 2026

Original target implementation date: January 2026

1.2 As outlined in the [letter to the Chair of the Committee](#) of 12 March 2026, DSIT continues to improve the way that data on outdated (legacy) systems is collected and used to understand the scale, costs and risk with outdated (legacy) systems across government. Given the complexity and variation of outdated (legacy) systems, DSIT is leading work to develop a stable and repeatable assessment model for collecting data and performing analysis. This includes defining common metrics and methods to assess both the ongoing costs of maintaining outdated (legacy) systems and the costs and risks of failing to remediate or replace them, supporting more transparent decision making and prioritisation. This will be outlined in the Technology Modernisation Action Plan expected to be published later in 2026.

1c. PAC recommendation: Within six months, DSIT should set out publicly how it intends to:

- **Track funding allocated for remediation work and take action where progress is slow.**

1.3 The government agrees with the Committee's recommendation.

Revised target implementation date: Autumn 2026

Original target implementation date: January 2026

1.4 This work is being taken forward by DSIT and the Treasury to strengthen oversight of outdated (legacy) remediation funding and reduce the risk of diversion of funding earmarked for critical system improvements. Under the Government Cyber Action Plan (GCAP), cyber and outdated (legacy) system remediation funding is to be subject to strengthened central financial governance, with departments increasingly drawing on evidence from GovAssure and the Government Cyber Coordination Centre (GC3) to inform prioritisation decisions and focus investment on the most significant risks.

1.5 The Technology Modernisation Action Plan, being published later in 2026, will reinforce this approach by setting out a clearer cross-government framework for understanding and addressing outdated technology, supporting more consistent prioritisation and providing strategic context for departmental investment decisions. In advance of the full framework being in place, DSIT and Treasury are already using six-monthly Spending Review reporting and DSIT Permanent Secretary chaired digital business reviews to challenge departments where remediation progress is slow and to require corrective action.

2. PAC conclusion: Public trust is being jeopardised by slow progress on embedding transparency and establishing robust standards for AI adoption in the public sector.

2a. PAC recommendation: DSIT should write to the Committee in six months to update us on:

- **Departmental compliance with the Algorithmic Transparency Recording Standard and further action it is taking to tackle gaps in transparency to strengthen public trust, including to address public concerns over data privacy and the sharing of sensitive data.**

2.1 The government agrees with the Committee's recommendation.

Recommendation implemented: January 2026

2.2 DSIT [wrote to the committee](#) as requested at the end of 2025, and the Permanent Secretary gave oral evidence as part of the session on the use of data analytics to tackle fraud and error in January 2026. Below is a further update on progress.

2.3 DSIT is continuing to implement the mandatory rollout of the Algorithmic Transparency Recording Standard (ATRS) in central government, with [over 130 records published on GOV.UK to date](#). As part of reaching this number, DSIT met a commitment within the Roadmap for Modern Digital Government to publish records for all currently identified in-scope algorithmic tools (that had been identified as of March 2025) in government departments (not including ALBs) by the end of 2025. It commissions departments twice a year to map new in-scope tools and supports them in completing records for publication.

2.4 Concerns around data privacy and the sharing of sensitive data are much broader than the remit of the ATRS. There is further action on these areas across government, including the Government Chief Data Officer formally taking on responsibility for coordinating cross-government data protection risks and compliance. This role does not replace departmental accountability under UK GDPR and the Data Protection Act 2018. Instead, it introduces central leadership, coordination, assurance and standard-setting, reducing fragmentation. DSIT and the Cabinet Office signed a joint MOU with the Information Commissioner's Office in January 2026 for a formal framework for cooperation.

3. PAC conclusion: There are persistent digital skills shortages in the public sector and DSIT's plans to address the skills gap may not be enough.

3. PAC recommendation: DSIT and Cabinet Office should write to the committee alongside publication of the Digital and AI Roadmap to:

- ***explain how the planned reforms are expected to resolve the skills gap and by when, including how they will encourage the flow of digital skills between the private and public sectors, ensure digital leaders are more influential in decision making and embed a digital-first ethos into the civil service.***
- ***explain how they will monitor and evaluate the reforms so they can take action swiftly if reforms are not successful, and***
- ***set out their plans for reporting progress publicly.***

3.1 The government agrees with the Committee's recommendation.

Recommendation implemented: May 2026

3.2 DSIT acknowledges the ongoing digital skills gaps across the public sector and is taking active steps to implement reforms that address this challenge, as set out in its [letter to the Committee](#) on 11th May 2026.

3.3 To address the digital skills gap, DSIT aims to grow the Government Digital and Data Profession from 5% to 10% of the Civil Service by 2030, led by the Digital Workforce 2030 strategy. This includes TechTrack apprenticeships, AI Accelerator upskilling, expanded Digital Fast Stream routes, competitive pay frameworks, secondments, and strategic recruitment partnerships to attract and retain specialist talent.

3.4 To strengthen digital leadership and influence in decision making, all public sector organisations are required to have a digital leader on their executive committee and a digital non-executive director on their board by 2026. This is supported by the publication of senior digital role definitions within the Government Digital and Data Profession Capability Framework, establishing clear standards and career progression at the most senior levels

3.5 DSIT is embedding a digital-first ethos across the Civil Service by raising digital skills through shared learning and certification initiatives, reaching tens of thousands of public servants. This includes the Government Digital and Data Hub, Get Tech Certified, Spotlight Webinars, and over 80 AI courses now accessible across the wider public sector.

3.6 DSIT will monitor and evaluate delivery of these reforms through a structured performance framework aligned to the Roadmap for Modern Digital Government, with clear outcome metrics.

4. PAC conclusion: DSIT has no systematic mechanism for bringing together learning from pilots and there are few examples of successful at-scale adoption across government.

4a. PAC recommendation: To learn from AI pilots and support the scaling of the most promising use cases DSIT should:

- **set up a mechanism for systematically gathering and disseminating intelligence on pilots and their evaluation;**

4.1 The government agrees with the Committee's recommendation.

Recommendation implemented: May 2026

4.2 Through the work with the Prime Minister's AI Exemplar programme, deep dive sessions with a selection of departments, DSIT captured insights, lessons learned, and proven approaches to delivery. These were shared through established channels such as the AI Community of Practice, which connected over 6,000 members, and was made available through the central [AI Knowledge Hub](#) to disseminate reusable patterns, guidance, and best practice. Although the implementation of the AI Knowledge Hub has been completed, the sharing of knowledge and best practice will continue through this channel.

4.3 Through the Incubator for AI's products and projects, DSIT is moving out of the pilot stage towards at-scale adoption. For example, Extract, our AI tool that converts old planning documents into modernised geospatial data, will be made available to all councils this year. This will power a new Augmented Planning Decisions tool, being tested in councils in partnership with Google Deepmind and Faculty, which aims to halve decision times for householder planning applications, and if proven to be successful at beta in July, will move towards at scale deployment. The Incubator for AI has also built Consult, which uses AI to analyse consultation responses. DSIT has tested Consult on 19 consultations across 8 public sector organisations so far, with wider rollout across the civil service expected later this year.

4.4 Work began to design and test the value of a central UK AI lessons learnt library which brought together lessons across various AI deliveries within the public sector.

4.5 In parallel, DSIT established an approach for AI evaluation and assurance to strengthen and standardise evaluation practices across government, using robust assurance as a lever to build trust and enable the safe scaling of AI solutions.

4b. PAC recommendation: To learn from AI pilots and support the scaling of the most promising use cases DSIT should:

- **set out how it will identify common and scalable AI products and support their development and roll-out at scale.**

4.6 The government agrees with the Committee's recommendation.

Recommendation implemented: May 2026

4.7 DSIT is well positioned, through its remit and its specialist capabilities, to enable more successful scaling of AI within departments and across organisational boundaries. DSIT has established a structured approach to engage government departments through deep-dive sessions, building a comprehensive understanding of the current AI landscape. This enables

DSIT to identify high-impact opportunities and uncover systemic barriers to scaling AI across the public sector.

4.8 In response, DSIT's public sector AI teams are shifting from a use case-led approach to a capability-led model focused on addressing common challenges in areas such as data, evaluation, and governance. This approach was designed to solve problems once and create reusable solutions, accelerating adoption at scale across multiple departments.

5. PAC conclusion: DSIT and Cabinet Office have a long way to go to strengthen the government's approach to digital procurement to ensure value for money and a thriving AI supplier market.

5. PAC recommendation: DSIT, in collaboration with Cabinet Office, should set out publicly how its proposed AI sourcing and procurement framework will:

- **get the best from all suppliers in a market dominated by a small number of global technology companies and ensure opportunities are available for small suppliers;**
- **align with the overarching digital technology sourcing strategy (on how government builds, buys and partners) that the Blueprint for modern digital government promises;**
- **leverage government's spending power to achieve value for money for citizens;**
- **Ensure those taking procurement decisions across government have access to the right digital skills and knowledge.**

5.1 The government agrees with the Committee's recommendation.

Revised target implementation date: September 2026

Original target implementation date: January 2026

5.2 DSIT and Cabinet Office are continuing to work towards the Committee's recommendation by strengthening the existing commercial routes, guidance and capability that support AI procurement across government. Given the pace of change in the AI market, this work is expected to be iterative, with continuous assessment of opportunities to improve supplier access, value for money, commercial guidance and future route-to-market options.

5.3 DSIT has worked with the Government Commercial Agency (GCA), within Cabinet Office, to improve existing routes for buying AI, particularly the AI Dynamic Purchasing System, which now provides access to 598 suppliers, around 85% of which are SMEs. This work is focused on improving supplier onboarding, supporting access for smaller and specialist suppliers, and ensuring departments can access appropriate AI capability through established government commercial routes. DSIT's internal commercial work has drawn on engagement across AI policy, commercial and suppliers, using market engagement with frontier AI providers, hyperscalers, SMEs and industry bodies including techUK and UKAI. This has helped identify barriers to participation across different parts of the AI market and is informing work with the GCA colleagues to strengthen existing routes, improve guidance and shape future route-to-market to enable speed, access and scalability.

5.4 The Commercial Innovation Hub is testing innovative procurement approaches using the flexibilities in the Procurement Act, including through AI-related procurements such as the Planning Transformation Accelerator. This is providing practical evidence on how government can access the market more quickly, improve competition, test supplier capability before committing to scale and secure better value for money.

6. PAC conclusion: Realising the benefits of AI across the public sector will require strong leadership from DSIT.

6b. PAC recommendation: The Cabinet Office should consider the inclusion of a passage in each organisation's annual report and accounts on their progress on digital and AI transformation alongside ensuring the commitment to placing senior digital leaders, with suitable expertise, on all executive teams and boards is met promptly.

6.1 The government agrees with the Committee's recommendation.

Revised target implementation date: December 2026

Original target implementation date: June 2026

6.2 To ensure accountability for delivery and drive progress, DSIT is working with Cabinet Office to put guidance in place on Digital and AI performance in Annual Reports and Accounts.

6.3 As stated in the [Blueprint](#), departments will also be required to publish metrics at least annually on the outcomes they achieve, covering service performance, value for money, resilience, digital inclusion and AI adoption. Transparency in reporting remains a priority, allowing key stakeholders to understand progress, identify barriers and share best practices.

6.4 DSIT has also established Digital Business Reviews, whereby departments will be required to submit performance data to DSIT on a six monthly basis alongside a meeting held with DSIT and departmental Permanent Secretaries to discuss digital performance.

6.5 The roadmap for modern digital government set an expectation that central and local government will have digital leaders on executive committees and boards by 2026. DSIT continues to work with departments to ensure this expectation is met.

6c. PAC recommendation: The Cabinet Office should consider whether a Government Digital Service officer with digital and procurement skills could be embedded at a senior level in each Department and agencies. Equally the procurement and main board should contain individuals with these skills.

6.6 The government agrees with the Committee's recommendation.

Revised target implementation date: December 2026

Original target implementation date: June 2026

6.7 The Digital Commercial Centre of Excellence (DCCoE) is working in partnership with GCA in the development of a category-based structure to unify digital skills and capabilities to commercial technical skills and as part of this we will be considering skills for senior leaders, and any representation they should have to support procurement in their organisation. The revised target date is due to a combination reprioritising DCCoE's work from and the restructure of Government Commercial functions into the new GCA.

6.8 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. Government Commercial Function (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.

6.9 DSIT is also working to ensure a digital leader is embedded in departmental executive committees, as per the intent stated in the roadmap for modern digital government where central and local government will be expected to have a digital leader on their executive committee and a digital non-executive director on their board by December 2026.

Nineteenth Report of Session 2024-26

Department for Energy Security and Net Zero

Energy Bills Support

Introduction from the Committee

Prices for electricity, gas and other fuels in the UK and Europe increased significantly from summer 2021, initially as economies reopened after COVID-19 and later when Russia's invasion of Ukraine impacted global energy markets. Average annual household bills for gas and electricity increased from £1,277 in winter 2021-22 to over £4,000 by the start of 2023.

In response, the government implemented eight support schemes from 2022 to 2024 to reduce the impact of increased energy bills on homes and businesses. These schemes worked by either providing grants or by capping the wholesale energy prices suppliers could charge customers.

The Department for Business, Energy & Industrial Strategy (BEIS) had overall responsibility but in February 2023, following machinery of government changes, this passed to the newly created Department for Energy Security and Net Zero (the Department). The energy regulator for Great Britain, Ofgem, was responsible for monitoring supplier compliance with the obligations of the schemes, such as ensuring that bills were reduced to specified levels.

The Department estimates the schemes cost £44 billion. It is set to complete an evaluation of the impact of its schemes by Summer 2025 and is developing its approach to protecting consumers against future volatility in energy prices, such as considering how it could provide more targeted support for those consumers that need it most. The previous Public Accounts Committee reported on the schemes in June 2023.

Relevant reports

- NAO report: [Energy bills support: an update](#) – Session 2023-24 (HC 232)
- PAC report: [Energy Bills Support](#) – Session 2024-26 (HC 511)
- [Treasury Minute](#): June 2025 (CP 1341)
- [Treasury Minutes Progress Report](#): December 2025 (CP 1453)

Update to the Government response to the Committee

Following the government's last response to the Committee on this report (CP 1453 above), the remaining recommendations are updated below.

5. PAC conclusion: We remain concerned that even after the crisis has subsided, UK electricity bills are the highest of the countries providing comparable data to the International Energy Agency.

5a. PAC recommendation: The Department should set out a timetable for policy decisions to reduce electricity bills through its previous commitments to rebalance the costs of electricity and gas.

5.1 The government agrees with the Committee's recommendation.

Recommendation implemented: January 2026

5.2 The department considers this recommendation has been met as action has been set out and implemented to reduce electricity bills. In the Autumn Budget in November 2025, the

government announced a decisive package to make electricity cheaper for households by cancelling the Energy Company Obligation (ECO) levy and shifting 75% of the domestic Renewables Obligation (RO) onto the Exchequer. This provides both clarity and certainty for energy consumers, while ensuring that the funding of legacy policy costs better reflects the strategic shift towards an electrified energy system.

5.3 A core component of this rebalancing is the treatment of the RO, which is funded by electricity bills only. By shifting payment of this policy cost onto taxpayers, this action directly reduces the structural imbalance that has historically placed a greater burden on electricity relative to gas. This change supports the government's long-term objective of encouraging electrification across heat, transport, and industry.

5.4 The Autumn Budget also set out clear timelines for the delivery of these measures from 1 April 2026. On 25 February 2026, Ofgem confirmed that the price cap will decrease by £117 a year from April 2026 for a 'typical' household on a default tariff as a direct result of government action to remove these policy costs. Including households on tariffs other than default tariffs as well as non-dual fuel households reliant on electricity only, government action to remove policy costs from bills results in an average cost reduction of £150 across all households.

5b. PAC recommendation: The Department should set out a timetable for implementing the proposals for change it has identified from its review of electricity market arrangements.

5.5 The government agrees with the Committee's recommendation.

Recommendation implemented: April 2026

5.6 Following the announcement made by Secretary of State in July 2025 to retain and reform a single, national, Great Britain-wide, wholesale market pricing regime, the Review of Electricity Market Arrangements (REMA) programme was closed at the end of 2025. The transition to the Reformed National Pricing (RNP) programme began on 1st September 2025, with policy and delivery development underway.

5.7 Publication of the Reformed National Pricing Delivery Plan was delayed due to departmental constraints resulting from responding to the crisis in the Middle East.

5.8 The department published the [Reformed National Pricing Delivery Plan in April 2026](#). This document sets out how these reforms will be implemented, fulfilling this recommendation.

6. PAC conclusion: The Department has more to do to convince Parliament that it has a robust plan for ensuring security of energy supply to meet increasing demand.

6b. PAC recommendation: The Department should, in time for next winter, work with the National Energy Systems Operator to explore ways of improving reporting on energy supply issues and how they are handled to help improve public and Parliamentary understanding of the scale of these risks and how they are being managed.

6.1 The government agrees with the Committee's recommendation.

Revised target implementation date: tbc 2026

Original target implementation date: December 2025

6.2 The update to the National Emergency Plan is intended to support improved transparency and public understanding of how gas and electricity supply risks are managed and reflect organisational changes. The Plan reflects lessons learnt from recent incidents, emergencies and exercises, including recommendations from the Government Response to the National Energy System Operator (NESO)'s review of the [North Hyde incident](#), and has been reviewed by trusted stakeholders.

6.3 The department wrote to the Committee in May 2026 to propose a revised publication date of the NEP, previously planned for March 2026. This proposal reflects the department's intention to share the updated National Emergency Plan with the Committee and other trusted stakeholders, and to publish on GOV.UK at a time when the geopolitical situation is clearer, taking into consideration the importance of maintaining public confidence. Publication will be postponed until a time when the geopolitical situation is clearer. DESNZ proposed sharing the updated NEP with the Committee and trusted stakeholders, ahead of full publication at an appropriate time. The current, published version of the National Emergency Plan continues to provide an accurate framework for managing downstream gas and electricity emergencies.

Twentieth Report of Session 2024-26

Department for Culture, Media and Sport

DCMS management of COVID-19 loans

Introduction from the Committee

Organisations in the culture and sports sectors were required to close by law on 23 March 2020 when the UK entered the first national lockdown, which immediately meant that they faced reduced audience, visitor and spectator numbers, severely reducing their income, while paying ongoing costs. Over the period October 2020 to March 2022, the Department for Culture, Media and Sport (the Department) lent £474 million to 120 borrowers in these sectors through three separate schemes, to help these bodies survive the pandemic. The Department appointed two of its arm's-length bodies, Arts Council England and Sport England, as its loan agents for day-to-day monitoring and management of the loans, but decision-making rests with itself. It then, in October 2021, brought these loans together in one loan book.

By October 2024, just under half of borrowers had started repaying their loans, paying the Department £41 million in total, 97% of expected repayments. As at October 2024, nine borrowers (two on the culture side and seven on the sports side), which had collectively received loans totalling £46 million, had become insolvent. Over half of borrowers had still to make any loan repayment, and loans of over £400 million were outstanding. The Department had also incurred costs of about £17 million in managing the loan book over the last three years.

Relevant reports

- NAO report: [DCMS's management of its COVID-19 loan book](#) – Session 2024-25 (HC 472)
- PAC report: [DCMS management of COVID-19 loans](#) – Session 2024-26 (HC 364)
- [Treasury Minute](#): June 2025 (CP 1341)
- [Treasury Minutes Progress Report](#): December 2025 (CP 1453)

Update to the Government response to the Committee

Following the government's last response to the Committee on this report (CP 1453 above), the remaining recommendations are updated below.

1. PAC conclusion: There have been severe weaknesses from the start in the Department's arrangements for managing its loan book.

1. PAC recommendation: The Department should address current weaknesses in the management of its loan book including simplifying the management arrangements and ensuring it has the appropriate skills and expertise it needs for the future available to it.

1.1 The government agrees with the Committee's recommendation.

Recommendation implemented: March 2026

1.2 As set out in the department's December 2025 [Treasury Minute Progress Report](#), following a strategic review of loan book management, the department decided to implement a more streamlined in-house loan book management model to become smaller, cheaper and more efficient, including removing the ongoing Managed Service Provider (MSP) role. This

reflected the work undertaken to build internal capability, systems and processes since the start of the programme and as the loan book has now reached a steady state.

1.3 From April 2026, the programme successfully transitioned to this new streamlined operating model for loan book management. As outlined in the [Permanent Secretary's letter](#) to the Committee on 3 March 2026, the department and its loan agents have taken on the majority of MSP activities. A short six month extension of the MSP contract has been agreed with a much reduced scope as Loan Management System (LMS) Support Provider (representing an over 80% reduction in monthly MSP costs). This was deemed necessary to ensure a stable transition to operating this LMS support role in-house whilst minimising the risk of borrowers experiencing any disruption in their interface with the system.

1.4 In accordance with the department's commitment to continuous improvement, the programme will continue to seek opportunities to improve the efficiency and effectiveness of the operating model into the future with formal reviews a minimum of every three years.

4. PAC conclusion: The Department is being overly optimistic in the management of its loan book in the face of continuing uncertainty over future repayments.

4a. PAC recommendation: The Department should revisit its estimates of expected repayment levels and insolvency rates by December 2025 to reflect its experience once all borrowers have started to make repayments.

4.1 The government agrees with the Committee's recommendation.

Recommendation implemented: December 2025

4.2 The [Permanent Secretary wrote](#) to the Committee on 3 March 2026 to provide an update on the completion of this work in December 2025. In line with the programme's guiding principle of continuous improvement, the department incorporated insights from ongoing borrower management to update and refine the analysis in early 2026.

4.3 DCMS estimates the total payment value (principal and interest) to be repaid across the whole life of the loan book to be between £499 million and £529 million (86.3 - 91.6%). This allows for payment value lost from: existing insolvencies, future insolvencies by March 2030 as projected by the department's analysis (taking into account relevant security), and contingency to reflect the wider financial risk from solvent borrowers.

4.4 The department will continue to regularly update its insolvency and repayment analysis to utilise as part of its ongoing management of the loan book.

Twenty-first Report of Session 2024-26

Department of Health and Social Care

Fixing NHS Dentistry

Introduction from the Committee

The Department of Health and Social Care (DHSC) is responsible for overall healthcare policy in England. The Government recently announced that over the next two years NHS England (NHSE), will be brought into DHSC, but in the meantime it is an arm's length body of DHSC, and is responsible for the implementation of health services in England, including NHS dentistry. Dentistry is delivered by independent dental practices, that enter into a contract with integrated care boards (ICBs), who are responsible for commissioning NHS dental care under delegation from NHSE.

Overall spending on NHS dentistry came to £3.11 billion in 2023–24, a fall from £3.66 billion in 2019–20. Access to NHS dentistry was affected by the COVID–19 pandemic, when the proportion of the adult population seen by an NHS dentist fell from 49% in the 24 months up to March 2020 to 34% in the following 24 months up to March 2022. While this recovered to 40% by March 2024, access remains below pre–pandemic levels. In 2024 the then government announced its dental recovery plan. The plan had three components: four initiatives to deliver more than an additional 1.5 million courses of treatment in 2024–25 at a cost of £200 million; Smile for Life (a focus on prevention and oral health in children); and measures to support the dental workforce.

Relevant reports

- NAO report: [Investigation into the NHS dental recovery plan](#) – Session 2024-25 (HC 308)
- PAC report: [Fixing NHS Dentistry](#) – Session 2024-26 (HC 648)
- [Treasury Minute](#): June 2025 (CP 1341)
- [Treasury Minutes Progress Report](#): December 2025 (CP 1453)

Update to the Government response to the Committee

Following the government's last response to the Committee on this report (CP 1453 above), the remaining recommendations are updated below.

1. PAC conclusion: Minor changes to a contract that is not fit for purpose have failed to incentivise dental professionals to undertake sufficient levels of NHS work, and while more fundamental reform has been needed for decades there is still no sign of progress.

1a. PAC recommendation: DHSC and NHSE should set out in their Treasury Minute response what they believe a realistic timetable would be if a decision to replace the existing dental contract with a new one is taken by ministers. This should include how they will consult on reforms with stakeholders and the public.

1.1 The government agrees with the Committee's recommendation.

Target implementation date: Summer 2029

1.2 The government remains committed to reforming the dental contract before the end of this Parliament (summer 2029), with a focus on matching resources to need, improving access, promoting prevention and rewarding dentists fairly, while enabling the whole dental team to work to the top of their capability. To that end, the department is working towards

launching a public consultation later this year, to gather views from the public and the wider dentistry sector.

1.3 The government is continuing to work with the sector to scope the potential changes.

1.4 As a first step towards longer term reform, the government undertook a public consultation between 8 July and 19 August 2025 on measures to improve access to, and the quality of, NHS dentistry to help meet the diverse oral health needs of people across England. [The government response has been published](#), and the majority of the reforms were implemented from 1 April 2026. A small number of reforms, including the introduction of complex care pathways, will come into effect from June 2026.

1.5 These reforms will underpin the delivery of more urgent dental care appointments every year, better support patients with complex treatment needs, and incentivise the delivery of more preventative care. The changes also seek to make NHS dentistry more attractive for dental professionals.

2. PAC conclusion: The dental recovery plan was never going to deliver its headline ambition that everyone who needs to see an NHS dentist would be able to, and has failed even to deliver the hoped for 1.5 million additional courses of treatment in 2024–25.

2a. PAC recommendation: DHSC and NHSE must publish their evaluation of the dental recovery plan and what was spent on it. They should write to the Committee as soon as is practical to confirm their final analysis of the plan's performance in 2024–25, including details of:

- **how many additional treatments the plan as a whole delivered;**

2.1 The government agrees with the Committee's recommendation.

Recommendation implemented: December 2025

2.2 NHS England (NHSE) carried out analysis of the main initiatives which were planned to result in additional appointments being delivered: the New Patient Premium, Golden Hellos and the uplift to the minimum Unit of Dental Activity (UDA) rate. The government decided not to implement a national programme of mobile dental vans and so this will not be included in this analysis.

2.3 In addition to this analysis, NHSE carried out focus groups with stakeholders to understand their views on the New Patient Premium.

2.4 NHS England received the necessary data to undertake the analysis later than originally anticipated in September 2025 and the planned analyses have been completed.

2.5 NHS England wrote to the Committee with their findings on 30 December 2025 and the report has been published on their website: [NHS England - Dental Recovery Plan evaluation](#).

2.6 DHSC also commissioned a small-scale independent evaluation of the recovery plan which is now complete and was consistent with the findings of NHS England's evaluation.

2d. PAC recommendation: [DHSC and NHSE must publish their evaluation of the dental recovery plan and what was spent on it. They should write to the Committee as soon as is practical to confirm their final analysis of the plan's performance in 2024–25, including details of:]

- **how far the performance in the 2024–25 plan can be continued into 2025–26.**

2.7 The government agrees with the Committee's recommendation.

Recommendation implemented: December 2025

2.8 The New Patient Premium ended in March 2025. Integrated Care Boards are being encouraged to continue to make use of the Golden Hello scheme into 2025-26, working with practices to support recruitment to these posts. The government is committed to reviewing the scheme to assess whether it is delivering the expected outcomes and will update the Committee on the future of the scheme in due course.

4. PAC conclusion: The dental recovery plan relied on centrally planned and imposed initiatives that ultimately failed to positively influence the amount of care delivered by dental practices.

4b. PAC recommendation: NHSE and DHSC must in their future plans for NHS dentistry:

- **explain how they intend to support ICBs to innovate within their commissioning powers, while holding them to account for improving dentistry in their areas; and**

4.1 The government agrees with the Committee's recommendation.

Revised target implementation date: September 2026

Original target implementation date: December 2025

4.2 NHS England held ICBs to account for improving dentistry in 2025-26 through the provision of an additional 700,000 urgent dental appointments, increased Unit of Dental Activity (UDA) delivery and numbers of unique patients seen. This will continue into 2026-27, with the 700,000 commitment being broadened as detailed in NHS England's letter to ICBs on 23 February 2026. Data released in February 2026 also shows that 1.8 million additional courses of NHS dental treatment have been delivered in the 7 months between April 2025 to October 2025 compared to the corresponding months prior to the general election.

4.3 The implementation date for additional flexible commissioning guidance has been amended to September 2026 to align with the full implementation of the 2026 Quality and Payment reforms. NHS England wrote to commissioners in December 2025 confirming that government intended to proceed with implementing the contractual reforms consulted on in August 2025. This communication provided updated guidance on the use of flexible commissioning for urgent dental care and confirmed that this should end by 31 March 2026 when the requirement for dental contractors to provide minimum levels of urgent care was introduced. NHS England will need to issue further guidance on the use of flexible commissioning when the complex care changes are introduced later in 2026-27.

4.4 NHS England continues to highlight the range of flexibilities available to ICBs, including supporting high performing contractors to deliver additional activity and reviewing of indicative UDA values, as set out in previously published guidance.

4.5 There are interdependencies between the reforms due to be introduced in June 2026 and flexible commissioning. NHS England is aiming to fully implement this recommendation 4b by September 2026 when further advice on managing these interdependencies will be provided.

6. PAC conclusion: Without a workforce sufficiently supported to deliver NHS dental care, there will be no future for NHS dentistry and DHSC and NHSE have not yet done enough to address workforce issues.

6a. PAC recommendation: DHSC must:

- ***publish its response to the consultation on a dental graduate “tie-in”.***

6.1 The government agrees with the Committee’s recommendation.

Revised target implementation date: Winter 2026

Original target implementation date: Winter 2025

6.2 In the [10 Year Health Plan](#), published in July 2025, the government committed to introducing a tie-in, to require newly qualified dentists to work in the NHS for a minimum period, intended to be three years, post-qualification. Training a dentist costs the taxpayer up to £200,000. It is fair to taxpayers to expect graduate dentists to invest their skills and expertise in the NHS for at least some amount of time. The department believes working in the NHS will give dental graduates the best start to their careers, by giving them a broad range of experience, support from strong teams of dental professionals and comprehensive training.

6.3 The government plans to publish a response later this year. The delay in publishing is to give the government sufficient time to consider its response alongside reforms being made to the dental contract.

6.4 The government also announced through the 10 Year Health Plan that it will be publishing a 10 Year Workforce Plan for the whole NHS to deliver transformed NHS services, within the vision set out in the 10 Year Health Plan. The 10 Year Workforce Plan will ensure that the NHS has the right people in the right places, with the right skills to deliver the best care for patients when they need it.

Twenty-second Report of Session 2024-26

Department for Energy Security and Net Zero

Government's support for biomass

Introduction from the Committee

Biomass, such as plants or food waste, can be used to generate power or heat, or made into biofuel for vehicles or other uses. Since 2002, the government has provided financial support for businesses and households using biomass for power and heat because it sees biomass as a low-carbon alternative to fossil fuels, provided it comes from sustainable sources. Over that time, the use of biomass in energy production has increased significantly. For example, in 2022, biomass-fuelled power stations generated 11% of the UK's electricity, an increase of around eight percentage points compared with 2010. In 2022, 66% of the biomass fuel used in UK heat, electricity and transport was from domestic sources.

The government sees biomass as low-carbon provided it is produced from sustainable sources. If sustainable biomass is enabled with carbon capture and storage, it could generate negative emissions because biomass absorbs carbon as it grows and is then captured when burnt to generate heat or power rather than being released back into the atmosphere; although no UK biomass generators currently have the capability to capture and store carbon. The Department for Energy Security and Net Zero (DESNZ) has overall responsibility for government's approach to supporting biomass.

Relevant reports

- NAO report: [The government's support for biomass](#) – Session 2023-24 (HC 358)
- PAC report: [Government's support for biomass](#) – Session 2024-26 (HC 715)
- [Treasury Minute](#): June 2025 (CP 1341)
- [Treasury Minutes Progress Report](#): December 2025 (CP 1453)

Update to the Government response to the Committee

Following the government's last response to the Committee on this report (CP 1453 above), the remaining recommendations are updated below.

1. PAC conclusion: DESNZ has relied for too long on an untested approach to ensure biomass generators are meeting sustainability criteria for receiving financial support.

1. PAC recommendation: DESNZ should complete a comprehensive assessment of the strength of its current approach to gaining assurance around the sustainability of biomass.

1.1 The government agrees with the Committee's recommendation

Revised target implementation date: July 2026

Original target implementation date: Autumn 2025

1.2 As set out in previous updates, the Department for Energy Security and Net Zero (DESNZ) is committed to a process of continuous improvement around the sustainability of biomass used for UK electricity generation. Although new sustainability criteria for large-sale biomass generation were published earlier this year, the department continues to keep the current arrangements for assuring compliance with existing sustainability criteria - through the

Renewables Obligation and existing Contracts for Difference (CfDs) to 2027 - under review as these schemes reach the end of their lives.

1.3 The department also plans to write to the Committee in the coming weeks to set out how the lessons from these legacy schemes have been built on and learned in the design of sustainability criteria in the new low-carbon dispatchable CfD for large-scale electricity generation from 2027-31: this will include an overview of the measures in place from 2027 to assure the integrity of the enhanced sustainability criteria, responding to the Committee's recommendation 2b on the steps being taken to ensure that DESNZ has confidence that all the fuel burned at Drax is sustainably sourced.

2. PAC conclusion: DESNZ has not made clear how its plans to strengthen the sustainability rules might work in practice.

2a. PAC recommendation: DESNZ should estimate the cost and test the effectiveness of its proposals for monitoring compliance against an increased threshold for sustainability.

2.1 The government agrees with the Committee's recommendation.

Recommendation implemented January 2026

2.2 The work detailed in the previous update to set the Low Carbon Contracts Company (LCCC) levy funding for the financial years 2027-28 to 2028-29 was completed on schedule: the [government response to the consultation on operational cost levies](#) was published in February 2026, with Parliamentary approval of the affirmative statutory instrument to set levy rates secured the following month as the Electricity Supplier Payments (Amendment) Regulations 2026.

2.3 Ensuring an adequate funding settlement in this period will support the LCCC to deliver on the ambitious provisions for sustainability compliance set out in the low-carbon CfD, with a multi-year commitment enabling the planning of a complex programme of audit activity in the UK and in key biomass supplying jurisdictions around the world.

2.4 DESNZ will work closely with the LCCC during the life of the low-carbon CfD arrangements - through both the existing governance arrangements for the company's activities and bespoke governance for large-scale biomass generation - to understand emerging issues around sustainability and provide early warning of any issues in the delivery of sustainability compliance.

2b. PAC recommendation: DESNZ and HM Treasury should, working with Ofgem, consider the resource implications for Ofgem of introducing and then running a new oversight regime. DESNZ should set out, and publish, the steps it is taking to make sure it has the confidence that all the fuel burned at Drax is sustainably sourced.

2.5 The government agrees with the Committee's recommendation.

Revised target implementation date: July 2026
Original target implementation date: December 2025

2.6 The previous update to the Committee set out the new arrangements for the low-carbon dispatchable CfD with Drax, and the new role for LCCC in overseeing sustainability compliance with the move from a hybrid Renewables Obligation and CfD model to an all-CfD approach. As such, Ofgem will no longer have a role in the business-as-usual oversight of biomass sustainability under the CfD scheme from 2027, which will make lines of

accountability clearer. However, Ofgem and LCCC have agreed to work together to ensure the smooth transfer of responsibilities and share knowledge and best practice.

2.7 Now that contract negotiations with Drax have concluded, the department intends to write to the Committee in conjunction with the update on recommendation 1, setting out the range of scrutiny in place under the new CfD from 2027 and the range of powers available to LCCC as the contract counterparty in the event of breaches of sustainability criteria.

2.8 The contract itself was published by LCCC in December 2025 and is [available on the Company's website](#).

5. PAC conclusion: There are number of risks to the supply of biomass that need effective management.

5. PAC recommendation: DESNZ should make sure it has an approach in place for identifying and then mitigating the risks to the supply of biomass, both domestically and internationally.

5.1 The government agrees with the Committee's recommendation.

Target implementation date: Spring 2027

5.2 The work of DESNZ officials to monitor the domestic and international biomass landscape continues. The department works across government and with key external stakeholders to track patterns of biomass use in non-electricity sectors, identify emerging sustainability risks, and changes to regulation and legislation around the world.

5.3 To provide additional scrutiny and expert challenge to biomass policy across government, the department has now established an Advisory Panel for Biomass Sustainability, comprising the Chief Scientific Advisers of three government departments. The first meeting is expected to take place in early summer 2026.

5.4 As per the previous update provided to the Committee, the department does not anticipate the reduced demand for biomass for large-scale electricity generation from 2027 – a consequence of the significantly reduced load factors under the low-carbon dispatchable CfD-imported biomass is still expected to provide the vast majority of fuel for large-scale electricity generation in the UK.

Twenty-fourth Report of Session 2024-26

Cabinet Office

Government cyber resilience

Introduction from the Committee

Cyber attack is one of the most serious risks to the UK and the Government's resilience. The government defines cyber resilience as "the ability of an organisation to maintain the delivery of its key functions and services and ensure the protection of its data, despite adverse cyber security events". Government's digital estate is vast, complex and diverse. Departments, arm's-length bodies and their partners use a wide range of IT systems to provide public services. Ageing and outdated IT systems, known as 'legacy', increase the cyber risk to government. The cyber threat comes from individuals, groups or organisations, including hostile states and financially motivated cyber criminals, that have malicious intent to cause harm to digital devices or systems. Cyber attacks increasingly threaten the government's ability to safeguard national security and run public services.

The Government Security Group (GSG) in the Cabinet Office was responsible for leading the implementation of the Government Cyber Security Strategy: 2022–2030 ('the Strategy') and supporting government departments to improve their cyber resilience. In June 2025, the government moved responsibility for government and public sector cyber security from the Cabinet Office to the Department for Science, Innovation and Technology (DSIT). Departments are responsible for their own cyber resilience and for ensuring their sectors and arm's-length bodies meet strategic resilience targets. The National Cyber Security Centre (NCSC) provides technical advice, support and guidance. In the 2021 Spending Review, the government announced it would invest £2.6 billion in cyber, of which it allocated £1.3 billion to departments for cyber security and legacy IT remediation.

Relevant reports

- NAO report: [Government cyber resilience](#) – Session 2024-25 (HC 546)
- PAC report: [Government cyber resilience](#) – Session 2024-26 (HC 643)
- Policy paper: [A blueprint for modern digital government](#)
- Policy paper: [Government Cyber Security Strategy](#)
- [Treasury Minute](#): July 2025 (CP 1367)
- [Treasury Minutes Progress Report](#): December 2025 (CP 1453)
- Policy paper: [Government Cyber Action Plan \(GCAP\)](#).

Update to the Government response to the Committee

Following the government's last response to the Committee on this report (CP 1453 above), the remaining recommendations are updated below by the Department for Science, Innovation and Technology (DSIT) who is responsible for delivery of these recommendations and reporting to the Committee, following the transfer of responsibility for government and public sector cyber security from the Cabinet Office in June 2025.

1. PAC conclusion: Government has not kept up with the severe and rapidly evolving cyber threat.

1. PAC recommendation: In one year's time, the Cabinet Office should write to the Committee setting out their assessment of: how the cyber risk to government has continued to change; how government's approach has evolved in response; and the extent to which the gap between the cyber threat and government's cyber resilience has grown or reduced.

1.1 The government agrees with the Committee's recommendation.

Target implementation date: Autumn 2026

1.2 The [Government Cyber Action Plan \(GCAP\)](#) published in January 2026 sets out how the whole of government will operate differently to manage cyber security and resilience, enabled by a strong, active centre in the Government Cyber Unit (GCU).

1.3 The [GCAP](#) has established a risk-led approach across government with clearer accountability, mandatory expectations and strengthened governance. This has provided the framework through which government will assess changes in cyber risk and understand whether the gap between cyber threat and resilience is narrowing or widening.

1.4 Department for Science, Innovation and Technology (DSIT) has begun establishing new central functions with the GCU to improve government-wide visibility and management of technology and cyber risk, build cross-government awareness of the strategic cyber threat and strengthen Permanent Secretary-level governance. These central functions support the assessment, aggregation and management of risk across government.

1.5 Oversight and escalation routes for government technology and cyber risk management are now provided through the Technology Risk Group (TRG), chaired by the DSIT Permanent Secretary in their role as Government Technology Risk Owner. This new governance structure reviews aggregate risk, supports shared understanding, and enables coordinated decision making where risks are systemic or exceed government risk appetite. DSIT will write to the Committee in Autumn 2026 with an updated assessment of how cyber risk to government has evolved.

2. PAC conclusion: There is a longstanding shortage in government of the experienced, technical cyber skills required.

2. PAC recommendation: Following the conclusion of the 2025 Spending Review, the Cabinet Office should set out: how many of the estimated cyber vacancies in government that its central interventions will fill; and how it will support departments' plans to fill the remaining gaps in their workforces.

2.1 The government agrees with the Committee's recommendation.

Revised target implementation date: Spring 2027

Original target implementation date: Spring 2026

2.2 Work has continued to strengthen cyber workforce capability across government. The implementation date has therefore been revised to Spring 2027. The [Government Cyber Action Plan \(GCAP\)](#) introduced a scaled Government Cyber Profession supported by the Cyber Skills Academy and the Cyber Resourcing Hub to improve access to specialist talent and support a more sustainable cyber workforce across government.

2.3 In February 2026, the government launched a revamped, dedicated Cyber Profession at the Government Cyber Security and Digital Resilience Conference in London. The Profession, jointly led by DSIT and the National Cyber Security Centre, provides a clearer career framework aligned with United Kingdom Cyber Security Council professional standards

and introduces a more structured and competitive offer for cyber specialists across the public sector. It also supports wider work on the Prime Minister's target for one in ten roles in government to be digital, a proportion of which will be cyber roles.

2.4 The launch of the Profession reflects ongoing work to enhance professional structures and improve consistency across recruitment and development pathways via a dedicated online platform. A Cyber Academy and early talent schemes form part of this work, helping to support long-term capability and providing more structured career pathways to aid retention and progression across departments.

2.5 Assessment activity is underway to understand how central initiatives will contribute to addressing anticipated cyber vacancies and how departments will be supported to fill remaining workforce gaps. This draws on the strengthened profession framework and analysis of skills demand across government and will support more coordinated approaches to recruitment, development and career progression.

3. PAC conclusion: Departments have not done enough to prioritise cyber security, meaning that government's cyber resilience is far from where it needs to be.

3. PAC recommendation: The Cabinet Office should set out how it is supporting accounting officers to: improve accountability by appointing an appropriately experienced and expert Chief Information Officer and Chief Security Officer at senior management and board-level; include cyber resilience in departmental plans and activities; and create a strong cyber security culture in their organisations.

3.1 The government agrees with the Committee's recommendation.

Recommendation implemented: January 2026

3.2 The [Government Cyber Action Plan \(GCAP\)](#) reinforced the requirement for departments to have clear senior ownership of cyber and digital resilience, including explicit accountability for meeting agreed resilience expectations and outcomes.

3.3 The [GCAP](#) sets out a specific set of responsibilities that Accounting Officers (AOs) are expected to meet to demonstrate delivery of these accountabilities. This includes appointing a Chief Information Security Officer (CISO) and a Chief Digital and Information Officer (CDIO), or equivalents, with authority to manage organisation-wide cyber security, digital resilience, and digital information technology respectively. The [GCAP](#) also requires that these senior leaders have routine and direct access to the organisation's board and executives.

3.4 Strengthened governance mechanisms, such as the Technology Risk Group (TRG), the enhanced GovAssure process, and the Government Cyber Unit's (GCU) oversight role, support AOs and boards to ensure cyber resilience is embedded into strategic planning, investment decisions, and organisational culture. These mechanisms will provide GCU with assurance as to whether departments are meeting the requirements set out, and the opportunity to intervene if they are not.

4. PAC conclusion: Government still has substantial gaps in its understanding of how resilient its IT estate is to cyber attack.

4a. PAC recommendation: The Cabinet Office should set out: what proportion of critical and legacy IT systems it has assessed so far; the optimal scale and frequency of assessment activity needed; a deadline for when this will be achieved by.

4.1 The government agrees with the Committee's recommendation.

Revised target implementation date: Autumn 2026

Original target implementation date: Spring 2026

4.2 Work has continued on strengthening government-wide visibility of critical and legacy systems through the phased implementation of the [Government Cyber Action Plan \(GCAP\)](#). The implementation date has therefore been revised to Autumn 2026. GovAssure, now in its third year, continues to provide departments with a clearer view of resilience levels and areas of systemic weakness across the assessed estate. [GCAP](#) implementation has supported improved visibility of critical and legacy systems while approaches to improving system visibility are evolving to reduce administrative burden and support more consistent observability across government.

4.3 Building on this progress, DSIT is consolidating the emerging evidence base and refining standardised approaches and metrics for critical system identification and assessment, drawing on insights from central functions that have matured further in recent months. This work will support departments to take a more consistent and repeatable approach to assurance and will inform the development of a consolidated model for how government assesses and prioritises critical systems. This includes confirming the recommended scale and frequency of assessment activity and ensuring alignment with wider cross-government performance and risk-tracking arrangements.

4.4 More broadly, DSIT is focussing on improving understanding of the wider landscape of Legacy IT across the United Kingdom public sector. DSIT's Legacy IT Action Plan, expected to be published later in 2026, will set out improvements to the visibility process to baseline legacy across government. This improved baseline will inform the sequencing and prioritisation of scalable interventions to remediate legacy systems.

4b. PAC recommendation: [The Cabinet Office should set out:] How it will prevent departments from diverting funding away from this activity [critical and legacy IT systems].

4.5 The government agrees with the Committee's recommendation.

Revised target implementation date: Autumn 2026

Original target implementation date: Spring 2026

4.6 Progress continues to be made in strengthening oversight of cyber and legacy remediation funding through [Government Cyber Action Plan's \(GCAP\)](#) financial governance arrangements. The implementation date has therefore been revised to Autumn 2026. Departments are increasingly drawing on evidence from GovAssure and the Government Cyber Coordination Centre (GC3) to inform prioritisation decisions, helping ensure that investment is directed towards the most significant risks and areas of systemic vulnerability.

4.7 Work is progressing to improve visibility of digital and cyber spending across government. This includes refining outcome-based metrics and strengthening processes for monitoring and reporting on ring-fenced funding for remediation activity. These developments support a more transparent and consistent approach to oversight. DSIT has worked in partnership with the Treasury (HMT) to create new accountability mechanisms requiring departments to report on outcomes and metrics against select programmes as part of Spending Review settlements (on a six-month basis), alongside updates on their wider digital posture through new digital business reviews.

4.8 DSIT will continue embedding these approaches within departmental business planning processes and work with delivery partners to strengthen the use of risk and performance evidence in informing investment decisions.

4.9 DSIT has continued revising and streamlining processes to improve assurance and cross-functional collaboration. This work aims to support the removal of burdensome spending processes for departments while improving transparency of digital pipelines and performance metrics, enabling DSIT and HMT to monitor planned departmental activity. This work aligns with HMT-led activity to reset functional controls and refresh delegated approval limits.

5. PAC conclusion: The scale and diversity of government's supply chains, and the size of the public sector, makes it significantly harder for government to manage cyber risk.

5. PAC recommendation: The Cabinet Office should secure clear assurance from departments that they understand and are effectively managing the cyber risk from their arm's-length bodies and supply chains.

5.1 The government agrees with the Committee's recommendation.

Recommendation implemented: March 2026

5.2 The [Government Cyber Action Plan \(GCAP\)](#) sets out strengthened expectations for how departments manage cyber risk across their wider sectors, including arm's-length bodies and supply chains, aligning security requirements with those listed in the [Cyber Security and Resilience Bill](#).

5.3 Central services, such as coordinated vulnerability monitoring and incident response support, have been expanded to help departments strengthen their overall cyber resilience and address risks that may arise throughout their supply chains.

5.4 Data and risk visibility insights from the GC3 and GovAssure are supporting departments to manage and address supply chain dependencies, third-party risks, and cyber risks arising across their wider sectors, including arm's-length bodies more effectively.

5.5 Governance arrangements across security and commercial functions have been strengthened to support more consistent handling of commercial security issues and to ensure senior leaders across departments have clearer strategic oversight of cyber risk within supply chains.

5.6 As part of the implementation of the [GCAP](#), DSIT is aligning strategic supply chain security objectives across government and industry, reflecting the shared supplier base across sectors. This supports more consistent expectations of suppliers across departments and contributes to strengthening the United Kingdom's overall supply chain cyber resilience.

5.7 Skills and capability gaps across commercial and procurement professionals are being addressed through targeted interventions. This includes the launch of an interactive training module on Modular Security Schedules through the Commercial College. Further expansion of supply chain security learning resources is planned to support procurement professionals embed cyber resilience more effectively.

5.8 Strategic engagement with major suppliers is being strengthened through targeted roundtables, informing the development of a cross-government Cyber Charter that promotes consistent expectations for cyber resilience across major suppliers.

6. PAC conclusion: Government's work to date has not been sufficient to make it resilient to cyber attack by 2025, and meeting its 2030 aim to make the wider public sector cyber resilient will require a fundamentally different approach.

6. PAC recommendation: Following the conclusion of the 2025 Spending Review, the Cabinet Office should set out what levers and instruments the centre of government will use to take a fundamentally different approach to cyber resilience.

6.1 The government agrees with the Committee's recommendation.

Recommendation implemented: January 2026

6.2 The [Government Cyber Action Plan \(GCAP\)](#), published in January 2026, sets out a joint operating model and implementation plan for a fundamentally different, centre-led approach to cyber resilience. It demonstrates how the centre of government will direct, support and enforce delivery of cyber resilience at scale.

6.3 This included strengthened central governance, mandatory minimum resilience expectations for all departments, the creation of centralised services and the establishment of the GCU to provide clearer accountability, enforce standards and intervene where necessary.

6.4 Lead government departments' roles were also strengthened and clarified including their responsibility for managing cyber security and resilience, alongside oversight of implementation across their arm's-length bodies and wider public sectors.

Twenty-fifth Report of Session 2024-26

Department of Health and Social Care

Annual Report and Accounts 2023-24

Introduction from the Committee

The Department leads the health and social care system in England. The Department and its group spent £187.3 billion in 2023–24. The C&AG has qualified his opinions on the Department's accounts for the last five years due to a number of different issues within both the Department itself and its wider group of organisations that form part of its accounts. Whilst some of these issues were due to the COVID–19 pandemic, the range and scale of them has highlighted issues with oversight across the group, including financial and compliance issues.

NHS England leads the NHS in England and sets the national direction for the NHS. It commissions services from NHS Trusts and Foundation Trusts, and from other healthcare providers, runs national NHS IT systems, and is responsible for the education and training of the NHS workforce. NHS England spent £180.0 billion in 2023–24, of which £153.6 billion was on the commissioning of health and social care services for patients. The government announced on 13 March 2025 that NHS England will be abolished and its functions merged into the Department.

Parliament expects Departments' accounts to be published before the summer recess each year, which the Department has not met since 2019. The Department published its accounts covering 2019–20 to 2022–23 in January each year, six months after this deadline. It published its 2023–24 accounts in December 2024, marking an improvement on the previous four years, but still five months after the pre–summer recess deadline. The 2023–24 accounts were delayed as a result of ongoing issues at UKHSA following the C&AG's disclaimed opinions on its 2021–22 and 2022–23 accounts and because of delays to local NHS audits. The Department's Annual Report and Accounts needs assurance from NHS England's accounts and the Consolidated NHS Provider Accounts because they account for over £100 billion of expenditure. Those accounts in turn rely on assurance from the audits of NHS commissioners and NHS providers.

Relevant reports

- PAC report: [DHSC Annual Report and Accounts 2023-24](#) – Session 2024-26 (HC 639)
- DHSC report: [Department of Health and Social Care Annual Report and Accounts 2023-24](#)
- [Treasury Minute](#): July 2025 (CP 1367)
- [Treasury Minutes Progress Report](#): December 2025 (CP 1453)

Update to the Government response to the Committee

Following the government's last response to the Committee on this report (CP 1453 above), the remaining recommendations are updated below.

1. PAC conclusion: The announcement of the abolition of NHS England, and staff cuts across the Department, NHS England, and Integrated Care Boards, has created high levels of uncertainty for patients and for staff.

1b. PAC recommendation: The changes should preserve the place-based approach to retain close and effective working relations with local councils, directors of public health and local GPs.

1.1 The government agrees with the Committee's recommendation.

Target implementation date: April 2028

1.2 The government's [10 Year Health Plan](#) embeds place-based working as central to delivering more joined-up health and care through two key mechanisms.

1.3 First, it introduces a strengthened planning framework that reinvigorates the role of Health and Wellbeing Boards, supported by local government reform. This will require place partners - local government, NHS commissioners and providers - to develop a shared neighbourhood health plan, setting out common objectives, how care models will adapt to local population needs, and how organisations will collaborate more effectively across public health, social care and NHS services.

1.4 Second, as set out in recent [guidance on Neighbourhood Health](#) and [Population Health Delivery Models](#) NHS England will develop new integrated delivery models at place level, including multi-neighbourhood and integrated healthcare organisation contracts. These models will take on greater responsibility for population health, coordinating multidisciplinary care across communities underpinned by aligned incentives, stronger leadership and delegated decision-making.

1.5 Integrated Care Boards (ICBs), as strategic commissioners, will play a critical role in enabling this shift. They will develop longer-term, evidence-based population health improvement plans and work with partners to create the conditions for success.

1.6 NHS England's [Strategic Commissioning Framework](#) supports this transition. ICBs are implementing new structures and coming together where necessary to deliver efficiencies. During 2026-27, a Strategic Commissioning Development Programme will support ICBs and their place partners to strengthen capabilities, deepen local partnerships and adapt the necessary levers to universally commission neighbourhood health services.

1.7 The NHS aims to implement this recommendation by April 2027 where possible, but some place footprints may be confirmed only when new unitary councils come into being on 1 April 2028.

3. PAC conclusion: There is little to show for the £400 million spent so far on the development of Harlow Health Security Campus, with no decision yet on the future of the site.

3a. PAC recommendation: In line with the recommendations this Committee made in May 2024, UKHSA should urgently outline how it will ensure that the UK continues to have the infrastructure it needs to protect public health, and confirm its plans for its high containment laboratories, including setting out full costs and timeline for completion. In light of spending review, and given UKHSA's poor record of delivering new facilities, it should set out as soon as possible, exactly what the arrangements are in respect of accountability, oversight, and the involvement and status of delivery partners.

3.1 The government agrees with the Committee's recommendation.

Recommendation implemented: April 2026

3.2 The Secretary of State for Health and Social Care announced a new biosecurity centre in Harlow in July 2025 with the whole site scheduled to be operational by 2038.

3.3 The department is seeking Treasury approval in principle for £3.52 billion funding for UKHSA's preferred option at Harlow by 2038, subject to final approval through subsequent business cases. Upon approval, UKHSA will write to the Committee with costs and timelines.

3.4 UKHSA is remobilising the programme to deliver the Harlow facility. By March 2026, 50 FTE UKHSA staff and eight short-term technical delivery partners had been appointed for programme, project and commercial delivery.

3.5 Long-term delivery partners from 2027-28 will be procured following the Programme Business Case approval. Site designs continue to be developed to meet requirements in collaboration with delivery partners and UKHSA scientists.

3.6 A UKHSA and DHSC accountability review with partners including the National Infrastructure and Service Transformation Authority (NISTA) and other major projects concluded that UKHSA should remain accountable for delivering government requirements for new high containment laboratories to support public health.

3.7 Oversight by UKHSA's Executive Committee, DHSC and Treasury assurance processes and NISTA's Government Major Projects Portfolio continues. A senior Oversight Group was established in March 2026 to provide support, challenge and external advice to UKHSA's Chief Executive and Accounting Officer and Programme SRO.

3.8 UKHSA continues to seek expertise from the Animal and Plant Agency and the Defence Science and Technology Laboratory, who are also delivering new high-containment laboratories.

4. PAC conclusion: It is unacceptable that the Department is yet to develop a plan to deal with the cost of clinical negligence claims, and so much taxpayers' money is being spent on legal fees.

4a. PAC recommendation: Within the next 6 months, the Department should set out a plan with clear actions to:

- **Reduce tragic incidences of patient harm to as low a level as possible; and**

4.1 The government agrees with the Committee's recommendation.

Recommendation implemented: December 2025

4.2 The government is committed to continuously improving patient safety and a learning culture across the NHS. As previously set out [in a letter to the Committee dated 4 December 2025](#), the NHS Patient Safety Strategy sets a national framework for the NHS to improve patient safety continuously. The Strategy is clear that, while it is not possible to set a single annual target for safety, identifying priority areas and focussing on effective improvement programmes can demonstrably improve safety and reduce harm.

4.3 The Strategy has been in operation for over six years and NHS England estimate that it is now achieving the impact it estimated in 2019; saving around [1000 lives and over £100 million in care costs each year](#). Significant achievements across the Strategy's national patient safety programmes include over 1500 neonatal lives saved, over 500 cerebral palsy cases in premature babies avoided, more than 1900 deaths prevented through medicines safety improvements and over 1800 potentially lifesaving interventions made following Martha's Rule calls.

4.4 However, the government accepts there is much more to do, particularly in the current context of system pressures and demographic change. This means the ability to apply evidence-based, just and effective patient safety principles, as part of a wider approach to quality, is more important than ever.

4.5 The development of a [Quality Strategy](#) and a revitalised [National Quality Board](#) are key components of the government's [10 Year Health Plan](#). Once the Quality Strategy is published shortly, work will begin later in 2026 to develop a new, updated NHS Patient Safety Strategy to continue the focus on improving patient safety.

4b. PAC recommendation: Within the next 6 months, the Department should set out a plan with clear actions to:

- **Manage the costs of clinical negligence more effectively, including introducing a mechanism to reduce legal fees.**

4.6 The government agrees with the Committee's recommendation.

Target implementation date: Autumn 2026

4.7 This is a continuing area of concern to government. As the department committed in the 10 Year Health Plan, it has been working with David Lock KC, who is providing ongoing expert advice to Ministers and is working with DHSC officials to develop policy proposals for clinical negligence reform. The disproportionate legal costs attached to lower-value claims is an area of focus for David Lock KC and the department, and it is working through policy proposals to assess their impact and how the government can achieve the best outcome for the taxpayer and for those who have suffered harm.

4.8 As the [government response to the Committee](#) (Treasury Minute 64: Cost of clinical negligence) described, the government will write to the Committee by Autumn 2026 to set out the case for change on clinical negligence more broadly and its future workplan, including the key milestones and likely areas of focus for clinical negligence reform.

4c. PAC recommendation: Within the next 6 months, the Department should set out a plan with clear actions to:

- **Improve patient safety across the NHS and in particular in maternity services.**

4.9 The government agrees with the Committee's recommendation.

Revised target implementation date: to be advised

Original target implementation date: April 2026

4.10 Implementation of this recommendation is subject to publication of the Amos Review, followed by development of a new Maternity and Neonatal National Action Plan so the department has had to revise the implementation date accordingly.

4.11 Significant progress has been made since the department's last update to the Committee. Over £149 million has been invested to address safety risks within maternity and neonatal estates, alongside a £25 million boost to help trusts reduce maternal deaths, enhance bereavement support, and improve triage services.

4.12 A programme to reduce avoidable brain injury has been launched, along with an anti-discrimination initiative to tackle inequalities. An equity and equality data dashboard now supports real-time quality improvement, and a maternal care bundle has been developed to address leading causes of mortality.

4.13 a maternity outcomes signal system has been introduced to help detect and address safety concerns sooner. Work is underway on a Patient Reported Experience Measure to ensure service users' voices are heard and acted on.

4.14 The national independent investigation into NHS maternity and neonatal care, will help further understand the systemic issues behind unacceptable care. On 26 February 2026, Baroness Amos [published an interim report](#). A coherent single set of national recommendations will be published in June 2026. The investigations call for evidence received over 10,000 responses from women and families and over 8,500 responses from staff.

4.15 A newly established National Maternity and Neonatal Taskforce, chaired by the Secretary of State, first met on 24 March 2026. The Taskforce will address recommendations of the investigation by developing a new maternity and neonatal national action plan to drive further improvements.

6. PAC conclusion: NHS England does not have a coherent plan to better protect taxpayers' money and prevent future unapproved exit packages.

6. PAC recommendation: As part of its Treasury Minute response, NHS England should set out how it will ensure that all exit packages receive the appropriate approvals in advance of payment being made, including details of consequences for non-compliance with the rules. Given the proposed scale of redundancies it should set out how its new approvals mechanism can be enforced to prevent even more unauthorised severance payments.

This should include how it will ensure that this corporate knowledge and any lessons learned are not lost when it is abolished and its functions are taken on by the Department.

6.1 The government agrees with the Committee's recommendation

Recommendation implemented: December 2025

6.2 NHS England has taken action to remind all NHS organisations of their responsibilities around exit packages, including by highlighting examples of previous non-compliance. Given the size and complexity of the NHS system, NHS England cannot at this stage rule out the possibility of further, isolated examples of non-compliance, but the NHS is striving to achieve full compliance.

6.3 As an indication of progress, in its 2024-25 audit of the NHS, the National Audit Office judged any such cases identified in that year as not material by nature. As a result, the Comptroller and Auditor General gave unqualified, or 'clean' audit opinions for both the NHS England accounts and the Consolidated NHS Provider Accounts,

6.4 All current functions of NHS England and DHSC are in scope of the current programme to design and build a new DHSC which combines the functions of both entities.

Twenty-sixth Report of Session 2024-26

Home Office

Tackling Violence Against Women and Girls

Introduction from the Committee

Violence against women and girls (VAWG) is an umbrella term used to describe a variety of different crimes that are known to disproportionately impact women and girls. These crimes include domestic abuse, rape (and other sexual offences), stalking, harassment, upskirting, revenge porn, so-called 'honour'–based abuses (such as forced marriage, female genital mutilation and so-called 'honour' killings) and many more.

At least one in 12 women are victims of violence against women and girls every year with over one in four women being a survivor of sexual assault in their lifetimes. In 2022–23, the National Police Chiefs' Council reported that one in five police recorded crimes were related to violence against women and girls. Despite the stark nature of these statistics, the true scale of VAWG is likely to be even higher, as not all survivors will report their experience to authorities. These crimes can have devastating impacts on survivors, affecting them physically, mentally, socially and financially.

The Home Office leads cross–government efforts to tackle violence against women and girls and is the lead department for the government's 'Safer Streets' mission. Achieving long–term, sustainable change will require the commitment and coordination of multiple government departments, including education, health, justice and local government.

The Home Office has led successive efforts to address violence against women and girls, and in July 2021 published its third strategy since 2009–10, followed by the accompanying Domestic Abuse plan in March 2022. The Home Office has spent £149 million between April 2021 and the end of September 2024 tackling VAWG, whilst the National Audit Office estimated that around £979 million was spent by other government departments tackling VAWG in the period from 2021–22 to 2023–24. The current government has set an ambition to halve violence against women and girls in the next decade, as part of its 'Safer Streets' mission. The Home Office told us that it will outline government's plans to deliver on this ambition in its new VAWG Strategy, which we aim to publish in September 2025.

Relevant reports

- NAO report: [Tackling Violence against Women and Girls](#) - Session 2024-25 (HC 547)
- PAC report: [Tackling Violence against Women and Girls](#) - Session 2024-25 (HC 644)
- [Treasury Minute](#): July 2025 (CP 1367)
- [Treasury Minutes Progress Report](#): December 2025 (CP 1453)

Update to the Government response to the Committee

Following the government's last response to the Committee on this report (CP 1453 above), the remaining recommendations are updated below.

3. PAC conclusion: Short-term and fragmented funding hinder government departments' efforts to maximise the impact it is having both at the local and national level.

3. PAC recommendation: In light of the forthcoming Spending Review, the Home Office should then write to the Committee within one month outlining how government's approach is changing in order to coordinate all spending on VAWG-related activities across government and provide long-term funding stability to the sector.

3.1 The government agrees with the Committee's recommendation.

Recommendation implemented: December 2025

3.2 The Home Office leads the cross-government approach to tackling violence against women and girls (VAWG) through the Safer Streets Mission, reflected in its Spending Review bid. Departments remain accountable for delivery and management of their own funding.

3.3 The [VAWG Strategy](#), published in December 2025 is backed by at least £1 billion of funding across government over the Spending Review 2025 period. Since publication of the VAWG Strategy, the Home Office has adapted governance arrangements to sharpen accountability and strengthen delivery against the ambition to halve VAWG within a decade, moving from a focus on strategy development to implementation, delivery assurance and performance oversight.

3.4 The bi-monthly VAWG Ministerial Group has a clear remit to drive delivery of priority commitments and hold departments to account, including scrutiny of risks, dependencies and blockers.

3.5 All departments with commitments in the Strategy report monthly to the Home Office on delivery, including spending, risks and performance. This regular performance monitoring allows the department to escalate issues quickly to Ministers and senior officials. The department provides this reporting to the Safer Streets Delivery Board which remains the senior official-level forum, meeting monthly to co-ordinate delivery and resolve cross-government risks and issues, ensuring alignment with the VAWG Strategy commitments and Mission outcomes.

5. PAC conclusion: There are considerable gaps in the Home Office's understanding of the scale of violence against women and girls, which will undermine its efforts to target interventions and monitor progress against its ambition to halve VAWG.

5. PAC recommendation: As part of its Treasury Minute response, the Home Office should set out how it will:

- **measure progress against its ambition to halve VAWG in a decade, demonstrating what alternative indicators will be used to measure progress in those areas not covered by the Crime Survey for England and Wales; and**
- **ensure all relevant departments, notably DHSC and DfE, are sharing intelligence relating to VAWG appropriately, to build up government's understanding of the scale of VAWG, and its ability to prioritise efforts effectively.**

5.1 The government agrees with the Committee's recommendation.

Recommendation implemented: December 2025

5.2 The performance framework for monitoring the ambition to halve VAWG in a decade was published on page 70 of the VAWG Strategy, which can be found at [Freedom from violence and abuse: a cross-government strategy - GOV.UK](#). This outlines the metrics being used by the government to monitor the whole system response to tackling VAWG.

5.3 The performance framework includes a range of data, including data related to areas beyond the criminal justice response, such as on housing, online harms, and victim support.

5.4 The government recognises the existing data has limitations and is working to improve the data collected across the system on VAWG. As such, several of the metrics within the framework are still in development, either requiring new data collections or expansions of existing data collections. We will look to expand the metrics being monitored as new and improved data become available.

5.5 The department will report on the development of its performance framework, as well as the latest trends in its measures, as part of its annual progress reports.

6. PAC conclusion: We are concerned that, to date, the approach to tackling violence against women and girls has not put enough emphasis on preventative measures that are necessary to achieve long-term change.

6. PAC recommendation: As part of the Treasury Minute response to this report, the Home Office should outline:

- ***how it intends to put greater emphasis on preventative measures over and above work it has done previously through its upcoming Strategy, to achieve long-term change; and***
- ***how it will work with other relevant departments, notably the Department for Culture, Media and Sport, MHCLG and MoJ, to ensure all opportunities are being taken to work with young boys to prevent harmful attitudes perpetuating, and how this work is being incorporated into the upcoming VAWG Strategy.***
- ***Also, as part of the Treasury Minute response to this report, the Department for Education should set out how it intends to work with children and young people to prevent violence against women and girls, including further changes to the relationships and sex education (RSE) curriculum, and how this is being coordinated through the Home Office's upcoming VAWG Strategy***

6.1 The government agrees with the Committee's recommendation.

Recommendation implemented: December 2025

6.2 The Strategy places prevention at the heart of the government's approach to halving VAWG within a decade, recognising that while enforcement and the justice response are critical, long-term change requires tackling root causes.

6.3 It sets out a preventative, whole-system approach underpinned by the Theory of Change, including challenging harmful societal norms, attitudes and misconceptions about relationships and consent, and identifying early risk factors in children and families.

6.4 The department has major commitments from multiple departments, including DfE, DCMS, MHCLG, DSIT and MoJ. This reflects the need for coordinated action across education, online spaces, communities and the justice system, including engaging boys and young men. Commitments being taken to work with young boys to prevent harmful attitudes include:

- DfE's updated the Relationships and sex education ([RSE statutory guidance](#)) (July 2025), which strengthens teaching on healthy relationships, consent and online safety, with national rollout from September 2026.
- DSIT's work to improve media literacy among children and parents, alongside wider cross-government initiatives (including the [Opportunity Mission](#)) to create the conditions that prevent harmful attitudes from developing in the first place.

6.5 The full list of commitments can be found in the [Freedom from Violence and Abuse Action Plan](#).

7. PAC conclusion: We are concerned that government departments' approach to tech-enabled violence against women and girls is not sufficiently agile to address the threats posed by online harm.

7a. PAC recommendation: In six months' time, DSIT should write to the Committee outlining the impact that the Online Safety Act has had on improving the safety of children and young people online, and the role it is expected to play in preventing VAWG in the long-term.

7.1 The government agrees with the Committee's recommendation.

Recommendation implemented: Winter 2025

7.2 In a [letter to the Committee dated 16 December](#), the Department for Science, Innovation and Technology (DSIT) set out progress on implementing the Online Safety Act (OSA) in relation to tackling violence against women and girls. This included initial data since the illegal content duties came into force, Ofcom's approach to monitoring harms, and its guidance for industry on improving women and girls' online safety.

7.3 Since December 2025, DSIT has taken forward a range of further legislative and regulatory measures to strengthen protections. This includes bringing into effect the Data (Use and Access) Act provisions to ban the non-consensual creation of sexually explicit deepfake images.

7.4 DSIT introduced amendments to the Crime and Policing Bill to ban 'nudification' tools, making it illegal to make or supply tools designed to create non-consensual intimate images, and to require platforms and search engines to remove non-consensual intimate images shared without consent within 48 hours.

7.5 In addition, Home Office will publish guidance for internet infrastructure providers on blocking access to sites hosting such material, including sites beyond the scope of the OSA, to prevent regulatory gaps being exploited.

7.6 DSIT launched a consultation in March 2026 to ensure children's experiences online are safe and enriching. Alongside this, DSIT is currently engaged in a national discussion to explore potential interventions to provide young people with more enriching online experiences.

7.7 Ofcom data, published April 2026, shows that, compared with last year, the share of adult internet users encountering illegal content fell in 11 of 13 categories. Eight declines were statistically significant, including cyber flashing and intimate image abuse which are both VAWG-related harms. It is too early to attribute these changes to the OSA, given the complex and evolving online environment.

7.8 In 2026-27 Ofcom will assess the steps companies are taking to protect women and girls online to inform a public report in May 2027, with a view to driving further action where necessary.

Twenty-seventh Report of Session 2024-26

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.

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)
- [Treasury Minute](#): August 2025 (CP 1382)

Update to the Government response to the Committee

Following the government's last response to the Committee on this report (CP 1382 above), the remaining recommendations are updated below.

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.

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.

1.1 The government agrees with the Committee's recommendation.

Recommendation implemented: December 2025

1.2 The Government Commercial Agency (GCA) and Government Commercial Function (GCF) have accountability for delivering the commercial outcomes for these recommendations. In this regard, a draft Digital Sourcing Strategy and Taxonomy have been developed jointly by the GCA, GCF and Government Digital Service (GDS) teams in collaboration with key departments that set out delivery outcomes across Government Technology. To date, commercial interventions have been implemented in respect of the End User Device (EUD) Aggregation and Spend Consolidation and the National Cloud Infrastructure Procurement (NCIP) which seeks to develop a common Cloud commercial solution for the UK Public Sector. GDS via the Digital Commercial Centre of Excellence (DCCoE) in each of these interventions, is accountable for developing the technical standards, specification, outcome statements and requirements in partnership with GCA, GCF and Departments. They are jointly responsible for assuring and signing off the governance of key interactions, artefacts, strategies, solutions and commercial documents alongside the GCA, GCF and key departments.

1.3 The GCA and GCF also hold responsibility for providing commercial expertise to enable delivery of these recommendations including via resource within or alongside the DCCoE team. An example of this in practice is the Commercial SCS1 and commercial leads allocated to work across a joint GCA and GDS team led within the DCCoE to deliver the National Cloud Infrastructure Procurement. GDS are responsible, in comparison, for allocating technical and programme delivery resource to this programme of work via the DCCoE.

1.4 The GCA and GDS operate the DCCoE board chaired by the CEO of the GCA and the Director General for Digital Transformation, GDS. This board is under review to ensure terms of reference and membership aligns with the refined set of DCCoE outcomes. Historically it held responsibility for agreeing ownership and tracking delivery of these recommendations. The intention is for this board to continue to operate jointly to ensure risks, blockers and opportunities are identified and addressed at pace and supported effectively by both functions.

1.5 Cross-government strategic supplier (tier 1) relationships ([listed here](#)) are led by the GCA Markets, Sourcing and Suppliers (MSS) team, with dedicated Crown Representatives, Strategic Partnering Managers (senior civil servants) and analysts. The team is responsible for coordinating supplier strategies, and with input from technology and commercial teams across government, leads regular supplier engagements, delivers value-add initiatives and manages risk. It also organises and expands several cross-government communities focused on individual suppliers and hosts events such as One Government Days and Partner Executive Meetings.

1.6 The supplier management teams have been working closely with the GCA Customer Experience team, which engages and manages the GCA relationships with the public sector customer base.

1.7 Relationships with other significant (tier 2) cross-government digital suppliers with significant use of GCA frameworks are managed by the GCA supplier management function.

1.8 The DCCoE will lead on engagement with digital scale-ups, emergent, and small and medium-sized enterprises (SME). Work is in progress to join up and align DSIT SME engagement and build out support from build-to-scale projects.

1.9 Where digital suppliers provide key services to one, rather than many departments, these suppliers will be managed by that specific authority (for example, Ministry of Defence), in line with the Supplier Relationship Management (SRM) programme developed by the MSS team, to ensure consistency.

1.10 GCA and DCCoE working closely with the wider GCF, will also embark on a stakeholder engagement programme to inform the wider public sector about the changes with supplier engagement and the progress made to respond to the Committee and NAO's recommendations.

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.

Revised target implementation date: December 2026

Original target implementation date: December 2025

2.2 The GCA published its [Small and medium-sized enterprise \(SME\) action plan](#), which outlines how the government is helping SMEs to win public sector business.

2.3 The government [Departmental Small Business procurement targets](#) was also published on 24 March 2026.

2.4 Through [Backing your business: our plan for small and medium-sized businesses](#), the government is delivering a comprehensive package of support for SMEs.

2.5 The government is developing an approach to establish a DSIT UK SME & Emerging Technology Engagement Model, setting out how government engages, support, and signals demand to the UK Emergent, Scale-ups, & SME market in a clear, structured way. This model will be complimentary to the GCA responsibilities, including the SME Crown Representative programme and work with various trade bodies such as TechUK. This will support the UK Business growth agenda through initiatives to drive concept-to-scale for these markets.

2.6 The work on a digital sourcing strategy has been delayed. The government has revised the implementation date following the formation of GCA and appointment of new DCCoE leadership to ensure alignment with the priorities and objectives of the GCA and GCF and ensure the appropriate resource, digital and commercial networks are fully engaged. A project is now underway to determine the optimal delivery model for the digital sourcing strategy, which will potentially include an iterative publication to allow the government to develop against real time learnings.

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.

Recommendation implemented: December 2025

3.2 GCF Capability has 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 further detail in 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.

3.3 The government agrees with the committee's recommendation.

Recommendation implemented: December 2025

3.4 The government has revised the status of this recommendation to closed. The Market Sourcing and Suppliers Team within the GCA is responsible for the Playbook, bringing it up to date with current practices and for adoption across all relevant procurement activities, in line with their regular development cycle. The Digital Suppliers Playbook has been produced and the MSS team is working closely with DSIT to launch the publication.

3.5 The updated Playbook includes a range of key points consolidating best practice guidelines and policies that help procurement professionals set up projects for success from the outset, minimising the risk of costly mistakes. 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. The Playbook also encourages early engagement with the market, facilitating innovation and collaboration, particularly with SMEs, to harness diverse solutions that meet public sector requirements.

3.6 The updates also include promoting a balanced approach to risk, ensuring that risks are allocated to those best able to manage them, thereby enhancing project resilience and sustainability. Going further, there is an emphasis on continuous improvement, the DDaT framework supports iterative testing and learning, allowing procurement professionals to adapt strategies and improve service delivery over time. It sets out clear governance structures and compliance requirements for central government departments and arm's-length bodies, ensuring transparency and accountability in procurement activities.

3.7 Finally, 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.

Recommendation implemented: December 2025

4.2 The current experts in digital procurement within the GCF are spread across departments in Digital Commercial Teams and lead the procurement of those services for their respective departments.

4.3 As noted in August 2025 Treasury Minute, GCF Capability identified a three-phased approach to systematically raise the overall capability. Over 5000 colleagues in GCF have completed either phase one or phase two training, as described below.

4.4 Phase 1: Raising the Baseline of Digital Capability. GCF and DSIT identified several existing courses that will raise awareness and understanding of digital services and technology. GCF staff are required to complete these courses. Phase 2: Broader Capability. To further build capability, there have been a further 11 hours of specific digital training courses identified by DSIT, to be completed by GCF staff.

4.5 The revised version of Phase 3 has a variation on the approach which extends its original remit, as described below:

4.6 The government has established the Commercial Digital Capability Board, chaired by the Director of Commercial Capability within GCF – comprising a subset of commercial directors whose departments have significant digital procurement capability. The board will provide the lived experience and direction to determine what additional digital procurement capability is needed. Board membership is agreed and the first meeting due to take place on the 27 May 2026. It will include a systemic organisational design approach to attract and retain the right digital capability in departments. Reviewing the Employee Value Proposition and pay and reward structure so that it works to support the ambition. It will also establish a digital community of practice (COP), to share best practices across the civil service (using the proven Transforming Public Procurement COP model)

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.

4.7 The government agrees with the committee's recommendation.

Recommendation implemented: December 2025

4.8 As noted above, over 5000 colleagues in GCF have completed either phase 1 or phase 2 of digital training and the government has launched the Commercial Digital Capability Board in May 2026. The DCCoE was set up as a joint team between the commercial and digital functions and is working closely with the Technical Design Authority and the Digital Commercial Working Group across government, to ensure the views of digital experts are properly considered throughout the lifecycle of contracting for digital technology.

4.9 Phase 3 of the capability uplift plans will support the long-term planning required to enable an overhaul to the ratio of digital commercial experts relative to the wider function, with the new Commercial Digital Capability Board in place to ensure accountability and action against this outcome.

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.

Recommendation implemented: December 2025

5.2 The Central Digital Platform (CDP) has improved pipeline data, which supports government's strategic engagement with suppliers. As of March 2026, there are nearly 3,500 contracting authorities and over 74,000 suppliers registered, as well as 478 registered consortia. Over 66,000 notices have been published in total, with new notices such as those for pipeline and transparency providing better foresight and public accountability than previously available.

5.3 An Observability team was launched within DSIT, with responsibility for working with departments, the GCF and suppliers to capture data and generate insights on how much government spends today with technology suppliers.

5.4 GDS has developed a cloud consumption dashboard that captures real-time spend data for AWS and Azure for over 20 government departments, including the highest spending organisations such as HMRC, Home Office and NHS England. Additionally, the Observability team has been working with suppliers and departments to gather similar spend data on the government's legacy technology platforms.

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.

Revised target implementation date: April 2027

Original target implementation date: December 2025

6.2 DSIT and GCA piloted a successful central buy concept with an aggregation of End User Devices, which resulted in a 11% cost saving versus the previous best price for similar laptops. This exercise included standardising specifications alongside technical experts and customers, consolidating demand, and shaping the government's approach to the market, calling on resources and insights from across the government. While this work is no longer the main focus, the demonstration of what is possible was a key learning experience on how to leverage government's buying power and convene a multi-functional team for delivery.

6.3 During 2026 the government will continue to prove its ability to drive better deals, including a central buy for cloud infrastructure services, via the National Cloud Infrastructure Procurement (NCIP) which is planned to be announced during London Tech Week. NCIP is being developed as a new, strategic approach to coordinating cloud and infrastructure demand across the public sector. NCIP could underpin £10-40 billion of contracts over a 10-year period, giving government a materially stronger position from which to influence supplier behaviour and investment. This is an early indication and will be dependent on departmental uptake. The government also plan to use this as an opportunity to grow the government's

sovereign cloud and AI infrastructure base. Through coordinating demand across the public sector, government can also expect to drive UK growth by incentivising supplier investment.

6.4 GCA was launched in April 2026 to ensure closer collaboration and alignment between commercial teams, both in the centre and across departments. It will support the review of controls and assurance frameworks to ensure that a unified, proportionate and considered approach is taken to optimise the procurement process and accelerate delivery.

Twenty-eighth Report of Session 2024-26

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.

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)
- [Treasury Minute](#): August 2025 (CP 1382)

Update to the Government response to the Committee

Following the government's last response to the Committee on this report (CP 1382 above), the remaining recommendations are updated below.

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 The Nuclear Decommissioning Authority (NDA), in conjunction with Sellafield Ltd, has established, through its developing Group Strategic Planning capability, a consistent and unified 'framework of plans' spanning short, medium and long-term horizons. This framework replaces the previously disparate approaches inherited from former Parent Body Organisations and is intended to strengthen integration between Operating Companies (OpCos), including Sellafield Ltd, and the NDA's group-level planning capability.

2.3 The new framework comprises a single whole-life Mission Plan and, for each Operating Company, a medium-term Group Mission Statement that describes our intentions, risks and opportunities across the next c.25 years, as well as a 5-year Delivery Plan. Together, these products provide a coherent line of sight from long-term mission requirements through to medium-term strategic outcomes and near-term delivery commitments. Through 2026, against the backdrop of the Spending Review 2025 funding settlement, the OpCo Mission Plans have been rebuilt and aligned to agreed Group-level priorities. The revised OpCo plans will go through governance in the first quarter of 2026-27, providing the basis for scenario planning through financial year 2026-27.

2.4 Through rebuilding plans, the NDA have defined an initial suite of near and medium-term outcomes. Further development in 2026 will include setting out the actions and milestones required to achieve a fully decommissioned Sellafield site in line with an agreed end state. Once medium-term targets and long-term actions have been agreed, progress will be reported annually. The NDA are investigating, supported by engagement with the National Audit Office, the right method of publication.

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.

Recommendation implemented: May 2026

3.2 Future analytical capability at Sellafield Ltd is critical for the analysis of nuclear fuels, waste, and Special Nuclear Material (SNM), including plutonium. The Replacement Analytical Project (RAP) was formally closed in September 2025 following cross-government engagement and approval from the Chief Secretary to the Treasury. The decision to cancel

RAP and develop alternative ways of providing these services will potentially save the taxpayer hundreds of millions of pounds.

3.3 As agreed with DESNZ and the Treasury, focus shifted to SNM analytical capability due to its critical dependency with the Sellafield Product and Residue Store Retreatment Project (SRP). The Special Nuclear Material Analytical Capability Project (SNMACP) Outline Business Case was approved in March 2026, with an estimated cost of £291 million – £326 million and completion between December 2032 and August 2033.

3.4 Confidence in the schedule has improved compared with RAP. The cost and schedule now draw on detailed supplier input, advanced design of key analytical instruments, and intrusive facility surveys that are reducing uncertainty. Operator input has helped ensure the design is practical, and planning across SRP and the new lab is now coordinated under a single Senior Responsible owner (SRO).

3.5 As part of the development of the Full Business Case there will be further work to address technical risks in relations to rare but high impact events as well as wider economic factors such as higher-than-expected inflation and supply chain conditions.

3.6 The NDA, Sellafield Ltd, and DESNZ are developing an Analytical Services Strategy to set out long-term plans for analytical services, including Highly Active (HA) and Medium Active (MA) analysis previously within RAP and potentially beyond.

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 Scenario planning work is now underway across the NDA, including at Sellafield Ltd, with work initially focusing on the production of consistent underlying plans underpinned by realistic funding assumptions. This will enable scenario planning to take place over the coming months.

5.3 While there will be a particular focus on funding requirements from 2030-2035 given that there will be likely a spending review next year, the NDA will consider other scenarios both in terms of time frame as well as different levels of funding.

5.4 The NDA are also considering how this work can be published, taking into account the existing publication of the nuclear provision which is signed off by 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 As outlined in the previous Treasury Minute in August 2025, the NDA is committed to publishing an annual "People" report containing information about various matters connected to maintaining a safe, healthy, and high-performing workplace where people can thrive. The NDA expect to publish this in October 2026 and it will then be published on an annual basis.

6.3 This will include data insights gained from the NDA group engagement survey (which closed at end of March 2026 and analysis is underway), group people dashboard, diversity and inclusion data, bullying and harassment, speak up and whistleblowing.

Twenty-ninth Report of Session 2024-26

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.

Relevant reports

- NAO report: [Maintaining public service facilities](#) – Session 2024-25 (HC 544)
- PAC report: [Condition of Government property](#) – Session 2024-25 (HC 641)
- [Treasury Minute](#) – August 2025 (CP 1382)

Update to the Government response to the Committee

Following the government's last response to the Committee on this report (CP 1382), the remaining recommendations are updated below.

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

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.

1.1 The government agrees with the Committee's recommendation.

Target implementation date: 2027-28 Annual report and account

1.2 The Office of Government Property has worked across government to develop a standard definition of backlog maintenance and associated guidance on its calculation. This will shortly be issued to departments, and will allow the Treasury to consider how this could be applied to reporting in the annual reports and accounts.

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 remains intent on strengthening the position on the inclusion of strategic or major risks as a 'mandatory' element of the standard when next updated in Autumn 2026, following consultation with departments.

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

Recommendation implemented: May 2026

2.5 The Cabinet Office has made significant progress through developing a consistent technical framework for calculating and reporting government maintenance backlogs. This provides the technical framework necessary for calculating and reporting maintenance backlogs in a consistent and repeatable manner across government. The code of practice has been developed in consultation with departmental and industry bodies. Pending final technical updates, the code will be made available to the wider government property community via the government's internal property networks by 1 June 2026 and will be published on GOV.UK following a period of test and validation.

2.6 The Cabinet Office has also been working with the Treasury and other government departments to improve asset maintenance, including an updated [Balance Sheet Framework](#) (BSF) to encourage data-driven investment decisions. The BSF aims to promote sound asset management strategies, particularly for built assets, by encouraging departments to base investment decisions on up-to-date data and scenario modelling.

2.7 The Government Chief Property Officer wrote to the Committee on 21 May 2026 separately with an update on recommendations 2b, 4a and 6.

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.

Recommendation implemented: May 2026

3.2 The Cabinet Office carries out an annual review of departmental SAMPs and holds periodic Property Assurance Meetings with departments at a senior level to feedback on deficiencies and areas for improvement. Further to this as set out above, GovS 004: Property is currently being revised with measures reinforced in SAMPs. Guidance will include changing incentives for departments via the Treasury's Balance Sheet Framework and value for money studies, plus developing further measures which will be declared in the upcoming guidance.

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.

3.3 The government agrees with the Committee's recommendation.

Revised target implementation date: Autumn 2027

Original target implementation date: Autumn 2025

3.4 The [Defence Housing Strategy](#) was published in November 2025 and sets out a roadmap to deliver a generational renewal of Service Family Accommodation, where the main objective is to raise the minimum standard of Armed Forces housing. The Strategy reshapes and renews the Defence housing estate to ensure that the right number and sizes of homes are in the right places to meet current and future operational needs.

3.5 The government has agreed it will stand up a new arm's length body to manage military housing and professionalise asset management. In producing the strategy significant work was done to understand current property conditions, which identified circa 30,000 homes requiring refurbishment and circa 15,000 replacement homes. The new organisation is planned to form from 1 April 2027 and develop its Strategic Asset Management Plan (SAMP) as part of its activities. It is anticipated there will be no separate departmental SAMP.

3.6 Empty military homes will reduce over time in line with the programme of works and the 'right-sizing' of the estate so that year on year there should be demonstrable progress in renewing and reducing empty homes - moving to a final state where the correct number of core homes required to be available for operational reasons, are properly planned and provided for.

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.

Recommendation implemented: May 2026

4.2 Good progress has been made in establishing long-term planning horizons and capital funding, with the government confirming multi-year maintenance settlements for the Department of Health and Social Care, the Department for Education, and the Ministry of Justice in the Budget.

4.3 Further work is being undertaken between the Treasury, Cabinet Office and NISTA to change incentives that improve strategic asset management approaches across departments informed via a series of Value for Money studies. This will form part of future guidance over the next year.

4.4 The Government Chief Property Officer wrote to the Committee on 21 May 2026 separately with an update on recommendations 2b, 4a and 6.

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.

Recommendation implemented: May 2026

5.2 In the last update the Cabinet Office provided insights into some of the difficulties in recruitment and retention. The Office of Government Property (OGP) tested and refined the concept for the Strategic Capability Plan in March and April 2026 with stakeholders. The plan will be updated in Summer 2026, and published by the end of the year, which will steer department-level capability development towards mitigating gaps in technical expertise.

5.3 The Government Property Profession (GPP) launched a new Equality, Diversity and Inclusion (EDI) Strategic Framework, supported by enhanced diversity data visibility. This aims to achieve industry-leading professional status by helping departments attract, develop, and retain a diverse workforce. The Office of Government Property (OGP) will annually monitor diversity data and engage stakeholders to meet Civil Service workforce diversity benchmarks.

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.

Recommendation implemented: May 2026

6.2 As part of the wider cross-government review of arm's length bodies, Cabinet Office completed in March 2026 a review of the suitability of discharging its operational management responsibilities for the office portfolio by GPA as an arm's length body.

6.3 The Government Chief Property Officer wrote to the Committee on 21 May 2026 separately with an update on recommendations 2b, 4a and 6.

Thirtieth Report of Session 2024-26

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.

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)
- [Treasury Minute](#) – August 2025 (CP 1382)

Update to the Government response to the Committee

Following the government's last response to the Committee on this report (CP 1382 above), the remaining recommendations are updated below.

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.

Recommendation implemented: December 2025

2.2 A UK-wide target review group was established in 2024 to regularly assess current targets throughout this Antimicrobial Resistance National Action Plan (AMR NAP) cycle. UKHSA analysed surveillance data to model future trends in drug-resistant infections, taking account of factors such as population ageing, increasing comorbidities, and demographic change. These projections indicate that drug-resistant and gram-negative bloodstream infections are likely to continue rising. Based on this analysis, the group concluded that the existing targets remain sufficiently ambitious, including the targets to prevent any increase in these infections compared with 2019 levels.

2.3 Under AMR NAP governance, the Animals, Plants, Food and Environment Delivery Board reviewed and endorsed the [third cycle of targets](#) for reducing antibiotic use in food-producing animals, developed and published by the [Responsible Use of Medicines in Agriculture Alliance](#) (RUMA) Targets Task Force in November 2025. The Board also endorsed the first national antimicrobial use reduction targets for dogs and cats, led by the RUMA Companion Animal and Equine group. RUMA will provide annual target progress updates to the Board, and the Veterinary Medicines Directorate will continue to work closely with RUMA to monitor progress and support ongoing refinement of targets in response to emerging antimicrobial use and AMR surveillance data.

2.4 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. Despite this recommendation being implemented, the targets will be under continuous review.

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.

Recommendation implemented: November 2025

3.2 The government published the [1 year progress report](#) in September 2025, which describes activity during the first year of the AMR National Action Plan (NAP) programme. The 2024-29 AMR NAP commits to publishing a short annual report summarising progress made against the NAP each year, the next of which will be published in Autumn 2026.

3.3 UKHSA publishes monthly data on a range of AMR indicators on the [UKHSA data dashboard](#). Reports are also provided to NHS Trusts on mandatory bloodstream infection surveillance, showing current performance against operational targets. There are plans to extend the time series, providing data for annual comparisons and longer-term monitoring.

3.4 The annual [English Surveillance Programme for Antimicrobial Utilisation and Resistance](#) (ESPAUR) report, 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 AMR NAP targets 1a, 1b, 2a, 4a and 4b.

3.5 Veterinary Medicines Directorate 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. Findings are published annually in the [UK Veterinary Antibiotic Resistance and Sales Surveillance \(VARSS\) Report](#). The latest version published in November 2025 showed an overall encouraging picture in key resistance measures and confirms that total antibiotic sales in food-producing animals remains 57% lower than in 2014.

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.

Recommendation implemented: March 2026

3.7 The National Risk Register is the government's principal tool for assessing and identifying risks to the UK in the next 2-5 years.

3.8 The [Chronic Risks Analysis](#) was published in July 2025 alongside the [Resilience Action Plan](#). The Chronic Risks Analysis forms a parallel framework to the National Risk Register and focuses on longer term continuous challenges, which could erode the economy, community, way of life, and national security.

3.9 AMR remains a persistent and long-term threat to public health, food security, environmental stability, and the overall economy. Therefore, it is recognised as one of the 26 chronic risks that the UK faces in the Chronic Risk Analysis.

3.10 The 2025 National Risk Register includes further detail on the interaction between acute and chronic risks and specifically calls out the challenges associated with AMR.

3.11 Both the National Risk Register and the Chronic Risk Analysis are produced by the Cabinet Office in close collaboration with DHSC and Defra, and the AMR risk is kept under regular review.

3.12 There are regular updates on the chronic risk threat. UKHSA and the Veterinary Medicines Directorate are jointly finalising the fourth One Health AMR Report to strengthen understanding of AMR transmission across and between different sectors. The [English Surveillance Programme for Antimicrobial Utilisation and Resistance](#) (ESPAUR) report details current trends in AMR threats. UKHSA is coordinating a multisector AMR exercise to highlight systemic challenges that an acute-or-chronic AMR threat would pose.

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 NHS England is streamlining diagnostic innovation through the cross-sector 'Moving Forwards Infection Diagnostics' programme. Engagement will inform an 'infection diagnostics framework' by 2027 and define priority target product profiles. A rapid review pipeline is being developed to identify the most effective diagnostic tests and improve use of existing diagnostics. NHSE has commissioned service evaluations of point-of-care tests across England to identify factors to support routine adoption of diagnostic tests.

4.3 NHSE developed [Pharmacy First](#) protocols to support pharmacists in treatment decisions and guide appropriate antibiotic use. These protocols function as diagnostic tools, encompassing decision-support and risk-stratification, and are in routine use.

4.4 Pilot schemes to assess the clinical impact of point-of-care tests are being scoped across primary care pathways, including community pharmacy (Pharmacy First). Approvals for Phased-In and Evolution Trials have been attained with outcomes expected in 2026-27.

4.5 UKHSA is using a novel rapid antimicrobial susceptibility platform to support efficacy testing for phage therapies and applying new phage-derived medicines. This includes work within UKHSA and joint grant applications submitted with biotechnology companies to international funding programmes ([PACE-AMR](#), [ONE-Health AMR](#) and [Carb-X](#)). The platform has been commercialised through iFAST-Diagnostics, a company established by UKHSA and

the University of Southampton. The company has completed its first [clinical trial, for Gram-negative bacteraemia](#) and has been awarded a [UKCA \(UK Conformity Assessed\) Mark](#), enabling use of the technology within the NHS.

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 action on AMR and infection, embedding AMR in strategies including the NHS 10-Year Health Plan and Sepsis Modern Services Framework. Related commitments are in the 2026-27 [NHS Standard Contract](#), the [medium-term planning framework](#) and the [NHS Operating Framework](#). AMR is reported quarterly to the NHSE Executive Group. NHSE's AMR leadership programme supports Integrated Care Boards to strengthen AMR leadership and governance.

5.3 NHSE is supporting the workforce to reduce infections through:

- A forthcoming infection prevention and control (IPC) Workforce and Education Strategy, to define national to provider-level responsibilities for embedding AMR and IPC.
- Publishing a 10-year workforce plan aligning medical specialty training places with future NHS demands.
- Integrating AMR into [undergraduate](#) training for pharmacists graduating in 2026 with prescribing rights.
- A published [capability framework](#) for antimicrobial stewardship, building on the [framework](#) for IPC staff.
- Embedding AMR competencies into professional registration standards, working with regulators
- With UKHSA, implementing [TARGET](#) antimicrobial stewardship tools across general practice. Evaluation [published](#) in December 2025.

5.4 Addressing AMR in the NHS estate:

- Enhancing evidence on AMR in NHSE's technical guidance and standards for the existing estate.
- Establishing a cross-function working group on water safety assessing AMR risks within the built environment, including UK health organisations.
- Working with UKHSA and the Hospital Infection Society to deliver the next generation of NHS hospitals through the New Hospital Programme. The programme aims to reduce AMR through standardised designs, operating models and digital care models, underpinned by research and learnings from 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.

Recommendation implemented: April 2026

5.6 As set out in the [AMR National Action Plan](#), UKHSA has clear commitments to advance understanding around the spread of infection through use of its modular ward. The modular ward is being used to 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 infection prevention and control.

5.7 The modular ward is being used to study environmental sources of AMR organisms and assess the effectiveness of infection control solutions including established and emerging cleaning and disinfection technologies. Current work focuses on continual room decontamination, highlighting the ward's key advantage – testing technologies without risk to patients.

5.8 Going forward the model hospital ward will serve as a “test bed” – bridging the gap between lab and the real-life clinical setting. It will be used to assess the suitability and performance of novel and emerging technologies designed to reduce infection risk within the built environment.

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.

Recommendation implemented: May 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 similar approaches to reward the successful development of new antimicrobial products. This work is taken forward through forums (including the G7 and G20), to enable global antibiotic innovation.

7.3 Evidence published in 2025 indicates that despite good progress from several countries, most G7 countries are not yet meeting “Fairshare” principle aims to ensure equitable distribution of responsibilities, resources, or costs among parties. The government is therefore focusing efforts on encouraging implementation by partners through established multilateral and bilateral channels.

7.4 UK agencies continue to share lessons and international technical exchange from the UK's pull incentive, the antimicrobial subscription model, to other countries to increase coordination and momentum on adopting similar mechanisms, through bilateral engagement and the Global AMR R&D Hub Pull Incentive Working Group. This includes engagement with the EU on their recently announced Transferable Exclusivity Voucher.

7.5 Working with independent researchers at the NIHR Policy Innovation and Evaluation Research Unit, DHSC commissioned an evaluability assessment, 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. The government received the results from the evaluability assessment at the end of May 2026.

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 government agrees with the Committee's recommendation.

Target implementation date: Autumn 2027

8.2 The government's [White Paper](#) describes water sector reform plans, including consideration of public health. It commits to Continuous Water Quality Monitoring to quantify harm caused by discharges, better monitor ecological health, and provide understandable data to the public. Monitors will be installed at 25% of sites by 2030, aiming for 100% by 2035, with rollout after 2030 set by the next Price Review.

8.3 Progress continues on delivering the [Storm Overflows Discharge Reduction Plan](#). Between 2025-30, over £11 billion will be invested to improve nearly 3,000 storm overflows in England and Wales. Around £60 billion of investment is expected across England by 2050, aiming to reduce spills by over 300,000 per year and ensuring no overflow spills more than 10 times per year on average.

8.4 Defra [consulted](#) on strengthening regulation of sludge spread to agricultural land and on making the regulatory framework more agile and responsive.

8.5 Defra commissioned the Chief Medical Officer for England to lead the Public Health Water Taskforce to provide independent, technical advice on public health risks associated with water and identify opportunities to strengthen treatment and protection measures. Defra is engaged in the Taskforce and will work in partnership with DHSC to ensure public health is considered in future water frameworks and regulations including considering evidence gaps, with further research expected to be commissioned by Defra by Summer 2026.

8.6 Defra has agreed to coordinate cross-departmental work on wastewater and AMR, including convening a roundtable and undertaking a review of wastewater-related AMR activity.

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 Additional AMR indicators for urinary tract infections were uploaded to the UKHSA data dashboard in Autumn 2025, more will be added by Autumn 2026. This platform will be the source for infection, resistance and antibiotic usage metrics for [DHSC fingertips](#), a public-facing platform for public health indicator data.

9.3 NHSE commissioned [PrescQIPP](#) to publish new AMR open-access dashboards between May 2025-March 2026 and will improve AMR data access by making the [Model Health System](#) openly available. In 2026-27, NHSE will share nationally benchmarked blood culture pathway data to drive pathway improvement.

9.4 NHSE and UKHSA are developing a joint data strategy, which, alongside the forthcoming Sepsis Modern Services Framework (MSF), will strengthen sepsis and infection information availability, with actions including a sepsis and infection audit. NHSE and UKHSA co-funded research developing and validating sepsis surveillance identification tools for use with administrative datasets, which can feed into the MSF.

9.5 The Veterinary Medicines Directorate (VMD) is addressing AMR and antimicrobial use (AMU) gaps in animals through: the Private Labs Initiative capturing clinical AMR data from private laboratories; AMR surveillance pilots in healthy companion animals and imported meat for raw pet food; and working to improve AMU data collection across sectors. The Environment Agency is continuing research to improve environmental AMR surveillance.

9.6 The fourth UKHSA and VMD [UK One Health Report](#) on AMR and AMU, collating data from humans, animals, food, and the environment is scheduled for publication in Summer 2026.

Thirty-first Report of Session 2024-26

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.

Relevant reports

- NAO report: [Local government financial sustainability](#) – Session 2024-25 (HC 691)
- PAC report: [Local Government Financial Sustainability](#) – Session 2024-25 (HC 647)
- [Treasury Minute](#) – August 2025 (CP 1382)

Update to the Government response to the Committee

Following the government's last response to the Committee on this report (CP 1382 above), the remaining recommendations are updated below.

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.

Recommendation implemented: February 2026

2.2 As outlined in [MHCLG's letter to the Committee](#) in February 2026, the government has provided the first multi-year Finance Settlement in over a decade, through which it has delivered the Fair Funding Review 2.0, better aligning funding with need and deprivation. The government has consolidated 38 funding streams, from across six different government departments, worth nearly £57 billion over three years to provide greater certainty and flexibility to local authorities. This will help local authorities set forward-looking budgets and deliver much needed public service reform.

2.3 The government has now published the [first edition of the Local Outcomes Framework](#) alongside the Settlement (previously referred to as the Local Government Outcomes Framework). The Framework supports funding simplification by enabling outcomes-based performance measurement against key national priorities delivered locally and driven by councils as leaders of place. By focusing on outcomes, it empowers local authorities and partners to make decisions that most effectively serve their communities, with the Framework renamed as the Local Outcomes Framework to reflect that outcomes are shaped by local government, partners and wider factors.

2.4 The Framework provides a shared set of outcomes and metrics that all government departments can use to understand delivery progress across national priorities in local areas. It will support better central join-up around outcomes, encouraging collaboration on cross-cutting issues and supporting more aligned central activity in a place. The Framework is also intended to support a more joined-up picture of what councils are being asked to deliver, with a view to opening up more holistic conversations across central government about councils' capacity across the breadth of their responsibilities.

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;**
- **any action that may be taken to reduce any adverse impact.**

4.1 The government agrees with the Committee's recommendation.

Recommendation implemented: February 2026

4.2 As outlined in [MHCLG's letter to the Committee](#) in February 2026, in response to the 2025-26 Settlement consultation, the government received a number of representations on the changes to employer National Insurance Contributions (NICs), with the consultation published shortly after the changes were announced at the Autumn Budget 2024. Having taken into consideration the full range of pressures facing local government, the government provided a settlement that increased the funding available to local government by up to £3.7 billion, including a £880 million increase in the social care grant and a £515 million grant to provide un-ringfenced funding to local authorities (including combined authorities) to mitigate the impact of the changes to employer NICs on their budgets.

4.3 Alongside formally consulting on the local government finance system, MHCLG has regularly engaged with Local Authority Chief Executives and Section 151 Officers, on the changes to employer NICs and how they have interacted with local authority finances and workforces, across a range of services. Through this engagement, local authorities have explained that the changes to employer NICs are one of a number of pressures that local government faces, and one that should not be treated in isolation. This is reflected in the prevalence of representations made to government as part of the 2026-27 provisional Settlement consultation (which addressed the system as a whole), with 4% of respondents referencing the changes to employer NICs.

4.4 The government remains committed to continuously reviewing and monitoring the financial pressures which local authorities are facing. When outturn data for the financial year 2025-26 becomes available it will be possible to assess the impact of overall cost pressures, including employer NICs. Monitoring of financial pressures on local government will also continue through both MHCLG and DHSC's regular channels.

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.

Recommendation implemented: February 2026

5.2 As outlined in [MHCLG's letter to the Committee](#) in February 2026, the government will resolve 90% of local authorities' Dedicated Schools Grant (DSG) High Needs deficits accrued to the end of 2025-26, projected to be worth over £5 billion. This is subject to local authorities submitting and securing the Department for Education's approval of a high-quality local SEND reform plan, setting out the pathway towards an inclusive system.

5.3 The government recognises that SEND reform will take time to fully embed and local authorities will need further support. For deficits that arise in 2026-27 and 2027-28, local authorities can expect the government to continue to take an appropriate and proportionate approach, though it will not be unlimited. The government will confirm the detail on further support for deficits arising in 2026-27 and 2027-28 before the Statutory Override ends in March 2028.

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.

Recommendation implemented: February 2026

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

[published a summary](#) timeline of the process, and works closely with all councils in the process to make sure they understand the timetable of the programme. Councils preparing proposals for unitarisation should use the most up-to-date information available for financial planning. MHCLG has an extensive sector support offering for authorities undergoing Local Government Reorganisation (LGR). It works closely with sector bodies including the Local Government Association and has committed to producing further guidance to assist on financial matters associated with LGR.

6.3 On 9 February 2026 the government published the [Final Local Government Finance Settlement for England 2026-27 to 2028-29](#). The Final Settlement confirmed how local authorities will be supported to manage their updated funding positions resulting from the government's funding reforms. The government confirmed the details of a set of transitional arrangements covering financial years 2026-27 to 2028-29 that will protect councils that would otherwise see their income fall as a result of these changes. The transitional arrangements will make sure councils move to their new allocations in a sustainable way, over the course of the multi-year Settlement.

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.

Recommendation implemented: February 2026

6.5 The government, through the Spending Review, Fair Funding Review 2.0 and Local Government Finance Settlement, has worked to address the pressures faced by local authorities as a result of increased demand for high cost services.

6.6 The government has confirmed nearly £3 billion between 2025-26 and 2028-29 for children's social care reform through the Families First Partnership programme, including £2.4 billion over the 2026-29 multi-year Settlement. This investment aims to rebalance the children's social care system away from crisis intervention and towards earlier help and support. The [Office for Value for Money report](#) published at Budget 2025 sets out efficiency projections of up to 10 years for the children's social care reform investment, which is expected to deliver net efficiencies to local government of £2.4 billion over that period.

6.7 The Prime Minister has tasked Baroness Casey to lead an independent commission to help shape the reforms needed to realise a National Care Service based on higher quality of care, greater choice and control and better join up between services. It will report in two phases: the first in 2026, and the second by 2028.

6.8 The local government finance settlement allows for over £4.6 billion additional funding available for adult social care in 2028-29 compared to 2025-26. This includes £500 million for the first-ever Fair Pay Agreement. This government has simplified local authority funding for adult social care, giving councils more flexibility over funding to respond to local need.

6.9 As outlined in [MHCLG's letter to the Committee](#) in February 2026, the government will resolve 90% of local authorities' Dedicated Schools Grant (DSG) High Needs deficits accrued to the end of 2025-26, projected to be worth over £5 billion. In addition, the [Schools White Paper](#) was published on 23 February 2026 and sets out the government's plans to make every school truly inclusive and transform outcomes for children with SEND.

6.10 Through the settlement, the government has delivered £2.7 billion for homelessness, rough sleeping, and domestic abuse through a dedicated grant, while rolling funding for temporary accommodation into the un-ringfenced Revenue Support Grant. The government

also launched a [cross-government strategy](#) in December 2025, setting out the long-term vision to prevent homelessness and take cross-government action to tackle the worst forms of homelessness now.

6.11 At Budget 2025, the Chancellor of the Exchequer also launched a [thematic value for money review on homelessness](#), including temporary accommodation. The review will be a collaborative effort across government departments and external expertise will also be used to inform a comprehensive assessment of homelessness services and spend.

Thirty-second Report of Session 2024-26

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.

Relevant reports

- NAO report: [The Equipment Plan 2023-2033](#) - Session 2023-24 (HC 315)
- PAC report: [The Future of the Equipment Plan](#) - Session 2024-26 (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)
- [Treasury Minute](#) – August 2025 (CP 1382)

Update to the Government response to the Committee

Following the government's last response to the Committee on this report (CP 1382 above), the remaining recommendations are updated below.

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.

Recommendation implemented: August 2025

1.2 In line with the [Prime Minister's March 2025 pledge](#), the Ministry of Defence has ensured that its work with Ukraine is responsive and efficient, enabling the UK to continue providing support aligned to Ukraine's evolving needs. During the most recent Financial Year, the department delivered £4.5 billion of support to Ukraine - the highest annual level to date.

1.3 The department has also embedded longer-term, sustainable mechanisms to ensure continued responsiveness and enduring engagement with Ukrainian counterparts, including at ministerial and official levels. This allows priorities to be regularly reviewed, as highlighted by the recent announcement of the UK's largest-ever drone capability package for Ukraine, committing to provide at least 120,000 drones this year. The package includes long-range strike drones, intelligence, surveillance and reconnaissance drones, logistics drones, and maritime capabilities — all selected in response to frontline operational feedback and evolving threats, including the significant rise in Russian one-way attack drone usage.

1.4 The department has also completed the transition from short-term crisis response to more sustainable, long-term arrangements through the UK-Ukraine 100-Year Partnership and the outcomes of the Strategic Defence Review. This includes structured defence-industrial collaboration with Ukraine, such as the June 2025 agreement enabling the integration of battlefield technology and data from Ukraine into UK production lines and the UK-Ukraine enhanced security and defence industrial declaration, agreed in March 2026. These arrangements strengthen responsiveness, ensure that MOD capability development is informed by real-world operational insight and capitalises on Ukraine's expertise and the UK's industrial base to manufacture and supply innovative capabilities for Ukraine and partners.

1.5 International coherence and assurance are maintained through the department's leadership role in co-chairing the Ukraine Defence Contact Group, ensuring alignment with allies and maximising collective impact.

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 All updates provided in the previous Treasury Minutes remain up to date and accurate. There are no further updates at this point.

2.3 UK Defence Innovation (UKDI) represents a fundamental transformation in how the department approaches innovation. Drawing on lessons from Ukraine and international partners, UKDI will operate differently by ruthlessly prioritising areas with the greatest potential and exercising significant freedoms to contract with speed, simplicity, and flexibility. Working closely with UK industry and academia, UKDI will identify and invest in innovative technologies that address our most pressing capability challenges as well as publishing our future priorities to incentivise investment. UKDI will be fully operational by July 2026.

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 Ongoing reforms within the National Armaments Director (NAD) Group are increasing the pace and agility of procurement. Stronger engagement and collaboration with industry, allies and academia is likewise producing stronger defence outcomes.

3.3 Portfolio-driven acquisition is bringing together projects, programmes and services with a clearly defined purpose and measures of success that are linked to the department's strategic objectives.

3.4 The 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.

3.5 The Accelerating Commercial Pathways and Commercial X programmes are reducing the time taken to complete commercial processes and get procurements on contract.

3.6 The Defence Industrial Joint Council (DIJC) has been established as the department's primary forum for engagement with the defence sector. Likewise, the Office for Small Business Growth (OfSBG) is focused on resolving the challenges SMEs face in working with MOD.

3.7 The NAD Group has introduced groupwide Objectives and Key Results (OKRs). These define the department's strategic priority objectives, with specific, timebound metrics, directly linked to the departmental objectives and performance framework. This allows MOD to track whether reforms are delivering tangible improvements in pace, cost, burden reduction and industry engagement - and to take early intervention when necessary.

3.8 Given the scale of MOD procurement and the recent launch of several reforms, some metrics are still immature. The department has prioritised early transparency and will write to the Committee by the end of June 2026 with an update on progress.

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.

Revised target implementation date: Summer 2026

Original target implementation date: Autumn 2025

4.2 The government is in the process of implementing the recommendations of the Strategic Defence Review (SDR), all of which have been endorsed. As the Committee will understand, the Defence Investment Plan (DIP) is the key deliverable for this recommendation

and which the department is working to finalise. The department will provide further updates in due course.

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.

Revised target implementation date: Summer 2026

Original target implementation date: Autumn 2025

5.2 The DIP will establish the basis for all future reporting by the department on its spending plans, including on equipment procurement and support. It will also lay out how the department is delivering on the government's priorities within its budget settlement from Spending Review 2025. The department is in the process of finalising the DIP and will provide further updates to the Committee in due course.

Thirty-third Report of Session 2024-26

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.

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 2024-26 (HC1070)
- [Treasury Minute](#) – August 2025 (CP 1382)

Update to the Government response to the Committee

Following the government's last response to the Committee on this report (CP 1382 above), the remaining recommendations are updated below.

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.

Recommendation implemented: March 2026

4.2 The Industrial Strategy sets out the Department for Business and Trade's approach to supporting industry over the next decade. The [Industrial Strategy Technical Annex](#) outlines the factors the department considered when supporting industry in this context. This includes the prioritisation of sectors and places, which are assessed on their economic potential as well as

the type of growth and ability for policy to have an effective impact on that sector. The independent Industrial Strategy Advisory Council will support with the transparency and shape of the Industrial Strategy in the long term.

4.3 As an example, the Industrial Strategy recognises the important foundational role of steel in the country's industrial base. In March 2026, the government published the [Steel Strategy](#) setting out how the department considered factors such as protecting jobs and national resilience when assessing whether to support the industry. The government also published two independent reports that further informed the strategy's technical evidence base: the [UK Primary Steelmaking Review](#) and the [UK Steel Strategy Demand Assessment](#). These documents set out the rationale for supporting the sector.

4.4 Similarly, critical minerals are identified as foundational inputs to sectors driving the Industrial Strategy and vital to achieving long-term economic growth. In January 2026, the government published the [Vision 2035: Critical Minerals Strategy](#). This sets out a clear rationale for supporting UK critical mineral supply chains to 2035, by anticipating future demand from growth-driving sectors. To provide a means of monitoring progress, the Strategy sets out clear success features for what industry and government collaboration will accomplish.

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.

Recommendation implemented: April 2026

5.2 The government's number one ambition is to enable businesses to increase economic growth. In 2025, the department launched its FutureDBT programme to review and restructure teams. The objective of the FutureDBT programme is to focus the department's efforts around its three Priority Outcomes, which are set out in DBT's Strategic Plan. These are:

- make the UK the best place in the world to do business,
- make the UK the best-connected economy; and
- deliver great services for business.

Director General groups have been restructured to align with these outcomes and streamline headcount. Resource has been prioritised towards the Industrial Strategy sectors, and foundational sectors such as steel and critical minerals. The department also has teams dedicated to attracting inward investment, to supporting businesses to grow and export to new markets, as well as teams offering tailored regional support.

Thirty-fourth Report of Session 2024-26

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.

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 2024-26 (HC 818)
- [Treasury Minute](#) – August 2025 (CP 1382)

Update to the Government response to the Committee

Following the government's last response to the Committee on this report (CP 1382 above), the remaining recommendations are updated below.

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.

Recommendation implemented: Autumn 2025

1.2. The Department for Business and Trade worked with the Post Office to contact eligible claimants for the Horizon Shortfall Scheme (HSS) in the lead up to the closure of the scheme in January 2026. Approximately, 31,000 applicants were invited. The Post Office

engaged a specialist tracing supplier to identify the addresses for the remaining potential applicants. In the lead up to the closure of the scheme, the Post Office ran an advertising campaign that reached an audience of 4.3 million and issued internal communications throughout their network to engage those postmasters still in post.

1.3. In the light of a recommendation from the Horizon IT Inquiry, the HSS closed to new applications with effect from 31 January 2026. The Post Office sent further letters to postmasters advising them of this date. As of 31 March 2026, the Post Office had received 13,614 HSS applications.

1.4. In relation to 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 has now written to all known individuals who had been sent a letter by the relevant justice authority but had not registered for redress, to encourage them to do so. In addition to this, once an individual is deemed eligible for the HCRS they are entitled to legal advice, the costs of which are covered by the department, so that they can be advised on which redress route is most appropriate for them, the fixed sum offer or a full assessment.

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.

Recommendation implemented: October 2025

2.2 From 3 June 2025, claims within the Post Office-delivered Overturned Convictions (OC) scheme were transferred to be administered under the DBT-delivered Horizon Convictions Redress Scheme, and the OC scheme closed. The department confirms that the Horizon Convictions Redress Scheme (HCRS) is applying the same principles as the previous OC scheme, ensuring no OC claimant is disadvantaged by the transfer to HCRS. All claims within HCRS are assessed using a consistent framework and supported on an equitable basis, regardless of whether they have transferred from the OC scheme.

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) are managing cases as needed. Sir Gary covers both pecuniary and non-pecuniary aspects of claims. Before case management, the department is engaging with claimants' legal representatives to resolve claims early. The department has published [further guidance on GOV.UK](#) about the roles of Dentons and Sir Gary Hickinbottom in the HCRS scheme, as well as on the Alternative Dispute Resolution process.

2.4 In addition to the above which answers the Committee's recommendation, there was a further recommendation from Sir Wyn Williams for a public announcement clarifying any differences in the financial redress process between HCRS and OC. This has been published within the department's wider response to volume 1 of the Horizon Inquiry report.

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.

Recommendation implemented: December 2025

3.2 The department [wrote to the Committee](#) on 5 December 2025 and shared approved funding allocations for the 2025-26 financial year. In confidence, the department also shared with the Committee indicative funding allocations for the remainder of the Spending Review 2025 period. The department confirms it is not current policy to make Post Office Limited entirely financially independent. As set out in the [government's Green Paper](#) on the Future of the Post Office, the department aims for the Post Office to become an organisation that adapts to changing markets and is financially sustainable, with lower reliance on government funding for investment costs.

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.

Recommendation implemented: December 2025

3.4 The department [wrote to the Committee](#) on 5 December 2025 and shared the letter of support it issued to the Post Office regarding its assessment of the company's going concern position in relation to the signing of the Post Office annual report and financial statements in respect of the 2024-25 financial year. The department will continue to share letters of support with the Committee when they are issued to the Post Office.

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 are taking over the National Investigation Service's (NATIS) viable cases of Covid-19 financial support fraud (the majority in relation to the BBLs), to pursue justice, provide a deterrent against future fraud against the public sector and where possible, 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.

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.

4.4 The government agrees with the Committee's recommendation.

Target implementation date: July 2026

4.5 As agreed, the department will write to the Committee in July 2026 to provide the information available on the Insolvency Service's efforts in recovering amounts lost as a result of 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.

Recommendation implemented: September 2025

5.2 The department laid its [Annual Report and Accounts](#) on 15 September 2025 as planned.

Thirty-fifth Report of Session 2024-26

Department for Education

Introducing T Levels

Introduction from the Committee

In September 2020, the Department for Education (the Department) introduced T Levels, two-year technical qualifications for 16- to 19-year-olds across a range of skills such as early years education, healthcare and digital. As at March 2025, the Department had introduced 21 T Levels, with 16 of these delivered on time. One more will be introduced in September 2025, and two existing T Levels will be stopped.

Designed to support young people into skilled employment and bridge skills gaps, a T Level equates to three A levels and involves an industry placement and more learning hours than similar technical qualifications. Those involved in developing and delivering T Levels include: the Institute for Apprenticeships and Technical Education (IfATE), which contracts with organisations to develop and award T Levels; employers, who contribute to developing the qualifications and provide industry placements; and colleges, who teach students and organise their placements.

The Department is responsible for securing value for money from T Levels. Given their design, they cost more per student than other level 3 qualifications. The future economic benefits of T Levels, critical to assessing their success, are uncertain. The Department's current best judgement is that T Levels will be 25% more valuable, with an estimated economic benefit of around £23,000 per student over their lifetime.

Relevant reports

- NAO report: [Investigation into introducing T Levels](#) - Session 2024-25 (HC 768)
- PAC report: [Introducing T Levels](#) - Session 2024-26 (HC 822)
- [Treasury Minute](#) – September 2025 (CP 1404)

Update to the Government response to the Committee

Following the government's last response to the Committee on this report (CP 1404 above), the remaining recommendations are updated below.

1. PAC conclusion: More students need to complete T Levels for them to be sustainable and deliver expected outcomes.

1. PAC recommendation: The Department should, within six months, develop a structured plan setting out its 'campaign approach' to increasing student awareness and enrolments in T Levels. It should address how the curriculum can be tailored to appeal to a diverse student group (including women) while meeting employers' needs; how the credibility of T Levels can be systematically portrayed through teachers and careers officers promoting T Levels; and how to increase the number of higher education institutions that recognise T Levels. The Department's Treasury Minute response should set out a timeline for implementing the plan.

1.1 The government agrees with the Committee's recommendation.

Recommendation implemented: March 2026

1.2. The Department for Education is committed to expanding the uptake of T Levels to help students reach their potential and meet the evolving skills demands of the economy. Over 90% of the first three cohorts of T Level completers are in employment or further study, with 67% of cohort three remaining in the same field as their T Level.

1.3. The department set out its plans to further expand T Level enrolments as part of the [government response to the Post-16 Consultation on Level 3 and Below Pathways](#) in March 2026. This confirms that T Levels will be the only large (3 A level equivalent size) level 3 qualification in the reformed post-16 system. They will be targeted at students who want a sector-focused choice leading to skilled employment- either directly or following further study. It also sets out the planned introduction of new T Levels from 2028 onwards, and outlines further changes to industry placement delivery, content and assessment to ensure T Levels are more manageable for providers to deliver at scale, while retaining quality. In parallel, the department published its final plans for the [defunding of existing large post-16 qualifications at level 3](#).

1.4. More details on new T Level subjects for Academic Year 2028-29 and associated delivery changes were set out in the [Post 16 Level 3 and below Pathways Implementation Plan](#) in May 2026, alongside updated industry placement delivery guidance. This plan will be updated on an ongoing basis as further T Level subjects are confirmed.

1.5. Awareness of T Levels continues to increase – 81% of year 11 students know about T Levels compared to 67% in 2023. The department continues to promote T Levels through key moments in the year – T Levels Week, T Level Thursday (part of National Apprenticeship Week) and T Level Results Day, in addition to the ongoing Skills for Life campaign. The department also continues to strengthen careers information, advice and guidance, so students can continue to better understand their choices post-16. As part of this, the department plans to use the next annual update to careers statutory guidance to strengthen messaging around technical and vocational pathways, including T Levels.

1.6. The department continues to work closely with the Universities and College Admissions Service, Universities UK and Higher Education Institutes to ensure that T Levels are understood as a high-quality qualification. Almost [200 higher education providers](#) across the UK now accept T Levels for at least one course, including the majority of Russell Group Universities. Similar to previous years, 81% of T Level students who applied to HE in the 2025 admissions cycle secured a place. This compares to a 76% overall acceptance rate across all UCAS applicants reported in [UCAS' 2025 End of Cycle dashboard](#).

1.7. The latest cohort of T Level students had 10% SEN support students and 1.7% with an Education Health and Care Plan, similar to other large Vocational and Technical Qualifications at 10.9% and 2.2% respectively. To continue to ensure that T Levels are accessible to students with special educational needs and disabilities (SEND), the department will introduce a new Technical and Vocational Subject continuing professional development programme in autumn 2026 with support for SEND learners being explicitly reflected in the requirements. Currently undergoing procurement, the specification sets out requirements for potential suppliers to demonstrate how their professional development offer will support inclusive practice and equip practitioners to better meet the needs of these learners.

2. PAC conclusion: There is a risk that colleges cannot secure enough industry placements for more students to complete their T Levels.

2. PAC recommendation: The Department should set out its plan to improve employer awareness of T Levels, capitalising on local arrangements, including Local Skills Improvement Plans and expanding good practice in finding health placements through integrated care boards.

2.1 The government agrees with the Committee's recommendation.

Recommendation implemented: March 2026

2.2 The department has continued to improve employer awareness of T Levels and their benefits to organisational talent pipelines. The "Skills for Life" campaign raises awareness nationally, and the department delivers dedicated SME engagement campaigns through a national contact centre to increase awareness of the benefits and opportunities associated with industry placements. According to the latest [Employer Skills Survey](#), 42% of employers in England had heard of T Levels in 2024, an increase on 32% in 2022.

2.3 There are now over 1,200 members of the [T Level Ambassador Network](#), a voluntary network of employers, providers and students who promote T Levels across the country and help to raise awareness of T Levels amongst providers and employers to support the creation of industry placements. The department appointed regional T Level Ambassador Network chairs in October 2025 to better promote T Levels locally. The network published its [first regional plans](#) in February 2026, setting out local priorities for increasing awareness, and engagement in T Levels and industry placements going forward.

2.4 The department, working through Skills England, is continuing to engage with the Employer Representative Bodies (ERBs) and Strategic Authorities to ensure that the next round of Local Skills Improvement Plans (LSIPs), due to be published in Summer 2026, support the scale-up of industry placements in those sectors identified as priorities for each area. This includes sharing T Level data. All areas of England will produce a new three-year LSIP covering the period 2026 to 2029, setting out proposals for how technical education, including T Levels, can help respond to local skills priorities.

2.5 The department also continues to provide targeted support for industry placements in specific sectors and localities. Seven grants have been awarded to Integrated Care Systems (ICSs) across England to employ industry placement coordinators (IPCOs), to strengthen the coordination and growth of T Level industry placements in the NHS to March 2028.

2.6 The Employer Support Fund will continue into financial year 2026-27, helping employers to meet essential costs for industry placements for Health T Levels and for SMEs delivering industry placements for any T Levels.

3. PAC conclusion: The Department has not provided clarity on how T Levels align with other technical qualifications and career pathways.

3. PAC recommendation: The Department should set out publicly, for students, colleges and teachers, how T Levels fit with other funded qualifications, so students understand their route into skilled professions.

3.1 The government agrees with the Committee's recommendation.

Recommendation implemented: March 2026

3.2 In November 2025 the department published a consultation on Post-16 level 3 and below qualification pathways. The [Government response](#) to the consultation, published in March 2026, confirmed that T Levels will sit alongside A level and new V Levels in the future post-16 qualifications landscape. They are the best choice for students who know what broad career area they want to pursue post-16, and would therefore benefit from a large, sector-focused study programme. Alongside this, the department confirmed final plans for the removal of funding from wider qualifications, supporting clarity and simplicity of choice in the reformed system.

3.3 The [Post 16 Level 3 and below Pathways Implementation Plan](#), published in May 2026, set out more details on how and when the reformed qualifications will be made available, enabling providers to plan for delivery of new T Levels.

4. PAC conclusion: T Levels are intended to address skills gaps and meet employers' needs, but they cannot quickly be adapted to meet this objective.

4. PAC recommendation: The Department should work with awarding organisations to consider options for developing and reviewing T Level content quickly to maximise the responsiveness of T Level qualifications to changing skills needs in the most efficient way.

4.1 The government agrees with the Committee's recommendation.

Recommendation implemented: March 2026

4.2 An annual review process is undertaken by Awarding organisations and the department to review the content for each T Level in delivery and make any changes to content based on sectoral needs. The department ensures that where changes are identified through this process, they are implemented as soon as it is practically possible. For example, the department has already reduced the Education and Early Years assessments from two core exams to one and reducing up to 20 hours of assessment for the Occupational Specialism in one Digital T Level. The department has also recently implemented changes to the Health and Science T Levels, ready for delivery from Academic Year 2026-27, markedly reducing the time required for centres to deliver and administer assessments and allowing for larger cohorts to be recruited.

4.3 The department has also taken into account feedback from the early years of delivery and made changes to exam arrangements, allowing for learners to re-sit individual examinations rather than all exams, subject to final Ofqual consultation. As well as amending content, the department continues to respond to emerging skills needs, including the introduction of a new specialism in Low Carbon Heating from September 2026.

4.4 The department has established a new T Level Delivery Group, focussed on identifying potential improvements to T Levels. The group is initially focussed on looking at recognition for partial achievement of a T Level, the performance standards required in T Levels and quality assurance of industry placements. The membership draws from across the sector and includes representation from Awarding Organisations.

5. PAC conclusion: The Department has not yet provided complete clarity over what good progress looks like in T Levels becoming established and when benefits will be realised.

5. PAC recommendation: The Department should refine its benefit tracking, update the estimated economic benefit for T level students, and define clear milestones to better understand whether progress, for example on pass rates, aligns with expectations.

5.1 The government agrees with the Committee's recommendation.

Revised target implementation date: June 2026

Original target Implementation date: March 2026

5.2 The department reviews its T Level benefits management strategy annually and uses

several published data sets to measure key benefits and key performance indicators. These include:

- The Technical Education Learners Survey to measure learner outcomes and destinations; career planning and decision making; and overall reported satisfaction with their T Level experience.
- The Employers Skills Survey which tracks employers' awareness, interest and capacity to offer T Levels, and how much employers value T Levels when recruiting.
- The Pupil Parent Learner Panel survey to track awareness of T Levels and appetite amongst students and parents.
- Longitudinal Educational Outcomes data on destinations, progression and earnings is planned to assess earnings in the long term – but this data will not be available until 2028 for the first cohort

5.3 The department is undertaking work to improve the data used to measure employers' views of T Level student preparedness which will allow the setting of success measures for the fourth benefit of 'Employers reporting T Level completers are work ready and have the skills needed for their business.

5.4 The department's forecasting of T Level student numbers has recently been updated to account for newly announced T Levels and V Levels. This has been used to update the Programme's economic case which will be signed off in June 2026.

5.5 The department will continue to review its benefits management strategy annually and review data sources for realising benefits. The next update will be in Autumn 2026.

6. PAC conclusion: Various factors, such as teacher recruitment and awarding organisation fees, will influence colleges' uptake of T Levels particularly given their wider financial challenges.

6a. PAC recommendation: The Department should develop a better understanding of the T Level-related funding pressures on colleges, particularly the extent of changes in the costs (or fees) of awarding organisation contracts and recruiting and retaining teachers, and the potential impact of changes in these costs; and ...

6.1 The government agrees with the Committee's recommendation.

Recommendation implemented: March 2026

6.2 The department has regular 1:1 engagement with colleges, which helps to understand and address any T Level-related funding pressures as part of their overall financial position. T Levels are typically a small part of a college's overall funding allocation, and T Level learner fees are a small proportion of the funding that schools and colleges receive to provide T Levels (less than 10%). Funding information is given to providers in annual [16-19 funding guidance](#). After recent changes to T Level contracts following the most recent awarding organisation re-procurement, the new learner fees are broadly in line with 3 A levels.

6.3 The department has higher funding bands for T Level participation funding for 16-19-year-olds compared to other 16-19 study programmes, in recognition of the additional hours. The department has now also confirmed an additional [5% uplift](#) to the T Level funding rate for academic year 2026-27 for T Levels introduced from 2022 onwards. This reflects that newer T Levels continue to be more expensive, on average, to deliver in the early years. The department will continue to work closely with providers to build an assessment of ongoing costs to providers as T Level cohorts grow.

6.4 The department committed in the post-16 Education and Skills White Paper to undertake a 16-19 funding formula review to maximise the impact of available funding for FE. The review will look at how the department supports courses with highest value to young people and the economy, while also aiming to simplify the formula. The department plans to consult on proposed changes in 2026.

6b. PAC recommendation: ... and The Department should set out a workforce strategy for supporting colleges to recruit and retain teachers

6.5 The government agrees with the Committee's recommendation.

Recommendation implemented: February 2026

6.6 [The Post-16 Education and Skills White Paper](#), sets out the department's approach to recruiting, retaining and developing a high-quality, prestigious workforce aligned to high-priority areas. The 6,500 Additional Teachers Delivery Plan complements this by setting out how progress in recruiting and retaining expert teachers across secondary schools, special schools and colleges will be tracked.

6.7 The [FE Workforce Data Collection \(FEWDC\)](#), published on 14 May 2026, provides an updated assessment of workforce trends across the FE sector. The latest data shows a 3.5% increase across the Full-Time Equivalent of the statutory FE Teaching Workforce from Academic Year (AY) 23-24 to AY 24-25. The department has seen a positive trend in vacancy rates, with vacancies falling from 3.8 per 100 teaching posts in in AY 23-24 to 3.5 per 100 in AY 24-25 across the statutory sector. This is the first year that vacancy rates can be compared year-on-year.

6.8 There is still further progress to be made, the department continues to take action to support the recruitment of industry professionals in key skills shortage areas. As part of this approach, the department launched a new recruitment campaign in January 2026 to raise awareness of careers in FE. Work has also progressed to expand the current Teaching Vacancies service to include FE vacancies, expected to be available before the end of 2026.

6.9 To further support industry partnerships in areas of skills shortages, progress has been made on the Construction Skills: FE Teacher Industry Exchange programme. The test and learn phase is currently underway, with 13 Strategic Authorities establishing local arrangements to support two-way exchanges. This includes industry professionals teaching in FE settings and FE construction teachers spending time back in industry. Lessons from this phase will inform a full national rollout, planned for summer 2026.

6.10 The department has also maintained the Targeted Retention Incentive (TRI), supporting the retention of teachers in the areas of greatest need. In the first year of the programme AY 2024-25, nearly 6,000 FE teachers were approved for the payment, the majority in critical skills shortage subjects such as construction (1,715), maths (1,369) and engineering (1,195). The application window for AY 2025-26 closed at the end of May.

Thirty-sixth Report of Session 2024-26

Department for Work and Pensions

Jobcentres

Introduction from the Committee

The Department for Work and Pensions (the Department) relies on its network of 646 jobcentres across Great Britain to help people seeking employment or wanting to progress in work. In 2023–24, the Department spent £1.2 billion on jobcentres (excluding estates, digital and other corporate costs), with staff costs comprising 93% of this total.

Within each jobcentre, work coaches play a critical role working directly with Universal Credit claimants to identify their needs and provide support. The Department uses six labour market categories to determine the support claimants receive, based on their earnings and personal circumstances. In October 2024, there were 7.2 million people claiming Universal Credit. Of these, 2.5 million were below the earnings threshold where the Department can impose conditions on their claim, such as a requirement to meet regularly with a work coach.

In November 2024, the government published a white paper, *Get Britain Working*, with a long-term ambition of an 80% employment rate. The white paper set out plans for reforming employment support including a new jobs and careers service, bringing together jobcentres with the National Careers Service in England. The government followed this, in March 2025, with a green paper, *Pathways to Work*, which set out proposals to reform health and disability benefits and employment support, with the aim of helping more disabled people and people with health conditions to work.

Relevant reports

- NAO report: [Supporting people to work through jobcentres](#) – Session 2024-25 (HC 769)
- PAC report: [Jobcentres](#) – Session 2024-26 (HC 823)
- [Treasury Minute](#): September 2025 (CP 1404)

Update to the Government response to the Committee

Following the government's last response to the Committee on this report (CP 1404 above), the remaining recommendations are updated below.

2. PAC conclusion: We are concerned that the Department will continue to not have enough work coaches to meet the growing demand for support.

2. PAC recommendation: The Department should develop a workforce plan within twelve months and as part of its work to design and set up the new jobs and careers service. The plan should include details of the steps that the Department will take to make sure it has enough work coaches to provide face-to-face support to people who need it.

2.1 The government agrees with the Committee's recommendation.

Target implementation date: Summer 2026

2.2 The Department for Work and Pensions' Jobcentre Activity Review (JCAR) identified ways to free up operational resource on a more permanent basis so that more Work Coach time could be directed to new priorities, including focussing on its more vulnerable customers and providing employment support for people with health conditions. Alongside these

changes, the department's local operational management teams continually review their Work Coach resource and appropriately adapts the Jobcentre and Work Coach offer to best support the wide range of customers we serve based on our customers' needs.

2.3 The department continuously impacts and assesses its service offers to customers. Staffing levels, including the number of Work Coaches, and demand for Jobcentre services are reviewed on an ongoing basis, in line with the latest economic and benefit forecasts. For the financial year 2026-27, the department can confirm that based upon current projections, it will be fully supplying Work Coaches to the required demand, and it will continue to evolve the workforce plan to incorporate the development of Jobs and Careers Service design.

3. PAC conclusion: The Department does not publish data on work coach numbers or into-work rates, which means it is not clear how well local jobcentres are supporting claimants to work.

3. PAC recommendation: The Department should set out how it will increase transparency around jobcentres, for example by regularly publishing jobcentre level data on its Stat-Xplore platform, including data on work coach numbers against need and into-work rates. This regular reporting should start before the end of 2025.

3.1 The government agrees with the Committee's recommendation.

Recommendation implemented: October 2025

3.2 The department began publishing information on high level metrics used to assess Jobcentre Plus performance around the labour market in the Get Britain Working Labour Market Insights series. The [October 2025 publication](#) included information on into work rates, including at Jobcentre district level. The [January 2026 publication](#) provided further information on sustained earnings amongst those claimants who had moved into work and information on the proportions of claimants who remained workless. The department will continue to develop this information, including at a district level and would be happy to take feedback from the Committee over the coming quarters as this data evolves.

3.3 As set out in the department's previous Treasury Minute response in September 2025, the department will not be publishing the data referenced in [paragraph 3.3](#) or information on Work Coach numbers at local jobcentre level. Though the department provided the Committee with jobcentre level data on work coach numbers in their constituencies, the department's view remains that the right level to monitor performance is at a district and local authority level. This is because jobcentres work collectively across their geographies, and there is a danger of over interpretation of short-term fluctuations at a more local level. The into-work rates may, for example, fluctuate due to the arrival of a new employer or new job opportunities, so the figures could say more about changes in the local labour market than about jobcentre performance.

6. PAC conclusion: Achieving an employment rate of 80% is likely to be very challenging.

6b. PAC recommendation: The Department should, within six months:

- **set out the specific contribution of jobcentres to this ambition, including the arrangements for monitoring their performance.**

6.1 The government agrees with the Committee's recommendation.

Recommendation implemented: April 2026

6.2 The department [wrote to the Committee](#) on 30 March 2026, to confirm it has taken two actions to fulfil this recommendation.

6.3 First, information on into work rates at a Jobcentre district level has been published in the new quarterly [Labour Market Insights](#) publication. This publication also includes how many claimants, who move into work, sustain employment for 3 or 6 months and how many claimants remain workless for 6 months or more. At a high level, this information can inform a view as to the effectiveness of Jobcentre Plus in increasing the employment rate, though it should also be noted there are other important factors such as the performance of local labour markets that influence these rates.

6.4 Second, the latest publication of [Labour Market Insights](#), published 30 April 2026, included an annual update on progress against Get Britain Working outcome metrics. As detailed in the letter to the Committee, the department revised the target implementation date for this part of the response to Spring 2026 to allow for a full year of comparable data.

Thirty-seventh Report of Session 2024-26

Home Office

Immigration: Skilled Worker Visas

Introduction from the Committee

The Skilled Worker visa route is the main immigration route for people to apply to work in the United Kingdom. The government opened the route in December 2020 following the UK's exit from the European Union, which ended European free movement rights. Its aims were to deliver a fair and flexible visa system which enables the United Kingdom to attract the skills it needs and supports wider plans for economic growth. The government aimed to support employers to recruit skilled workers from overseas, alongside developing wider initiatives to encourage them to train and invest in the domestic workforce.

From the start of 2021 up to the end of 2024, the Home Office received 1.78 million applications across all work visas, of which 1.18 million were for Skilled Worker visas. The number of people applying has increased from 127,300 in 2021 to 256,300 in 2024, with a peak of 509,100 applications in 2023. The increase in the number of applications has been driven by the expansion of the route to include care workers in 2022. At the end of 2024, 648,100 people, including dependants, had applied for Health and Care Worker visas since the route was expanded, making up 65% of applications received for Skilled Worker visas over this period.

The Home Office is responsible for immigration policy, including controlling immigration, and considering applications to enter the United Kingdom. Its UK Visas and Immigration Directorate is responsible for managing the Skilled Worker visa route, making decisions on applications, and ensuring people and employers remain compliant with visa requirements.

Relevant reports

- NAO report: [Immigration: Skilled Worker Visas](#) - Session 2024-25 (HC 745)
- PAC report: [Immigration: Skilled Worker Visas](#) - Session 2024-26 (HC 819)
- [Treasury Minute](#) – September 2025 (CP 1404)

Update to the Government response to the Committee

Following the government's last response to the Committee on this report (CP 1404 above), the remaining recommendations are updated below.

1. PAC conclusion: The Home Office has not worked collaboratively with other departments to fully assess the impacts of changes to the Skilled Worker visa route on different sectors of the labour market and regions of the United Kingdom.

1a. PAC recommendation: Before the end of 2025, The Home Office should write to the Committee to explain how the Labour Market Evidence Group is working and, in particular, how it will lead to a deeper understanding of the role that immigration plays in sector workforce strategies.

1.1 The government agrees with the Committee's recommendation.

Recommendation implemented: May 2026

1.2 In August 2025, the [Labour Market Evidence Group \(LMEG\) set out its initial priorities and workplan in a letter](#) sent to the Chancellor, Home Secretary, Secretary of State for

Education, Secretary of State for Work and Pensions and Secretary of State for Business and Trade as well as the relevant ministers in the devolved governments. This letter was published on GOV.UK at the same time as the [Terms of Reference](#) in November 2025.

1.3 This letter confirmed that the LMEG had commenced its work and met for the first time on 29 July 2025. The group met two further times in October 2025 and January 2026 and meetings will continue to take place on a quarterly basis. The [minutes from these meetings](#) are published on GOV.UK. Some of the key deliverables for the first year include supporting the Migration Advisory Committee (MAC) commission to review the temporary shortage list (TSL) and aiding the development of Jobs Plans in key sectors. The first part of the [MAC's review into the TSL](#) was published on 9 October 2025.

1b. PAC recommendation: In future, other departments also need to provide more rigorous analysis of the needs of sectors affected by potential rule changes, including an assessment of the role of immigration in sectoral workforce plans and how potential rule changes may affect this.

1.4 The government agrees with the Committee's recommendation.

Target implementation date: July 2026

1.5 The Migration Advisory Committee (MAC) is expected to publish the second part of the Temporary Shortage List (TSL) review in July 2026. As part of this work, they will be considering job plans from sectors who were eligible to be put on the TSL. These plans were requested during a public call for evidence that ran from 17 October 2025 to 2 February 2026. In order to be considered for the TSL, plans will need to set out a rigorous case for why they should be included and what the sector will be doing to reduce its reliance on international workers as time goes on.

1.6 As this is a new process, there is likely to be a period of review and improvements to the evidence requested and the level of input required in order to qualify in the future. The MAC will comment on the first round of job plans and what might be improved in future in its July report. Any changes to the process or methodology will be set out by the government in due course.

2. PAC conclusion: The Home Office has not had a full understanding of how immigration has helped to address skill shortages or the unintended consequences of the much higher than anticipated use of the Skilled Worker route.

2. PAC recommendation: Alongside its Treasury minute response to this report, the Home Office should write to the Committee setting out the results of its evaluation of the Skilled Worker visa route, including:

- **the costs and benefits of the route;**
- **the extent to which the route is helping employers across sectors/regions to address skill shortages; and**
- **any unintended consequences of the higher than expected use of the route including the impact of the high number of dependants.**

2.1 The government agrees with the Committee's recommendation.

Recommendation implemented: November 2025

2.2 In addition to the response provided in the original Treasury Minute, the government [wrote to the Committee](#) in November 2025 regarding the skilled worker visa route evaluation which was published in May 2025 setting out the further information requested. Although the

Home Office Skilled Worker evaluation did not directly assess fiscal costs and benefits, [The Fiscal Impact of Immigration: Static and Dynamic Estimates for the UK](#), published by the Migration Advisory Committee (MAC Dec 2025) showed that the Skilled Worker route is fiscally positive overall, reflecting the requirement for main applicants to be in well-paid employment. This positive impact is driven almost entirely by main applicants, particularly higher earners, while dependants make a smaller and, in aggregate, negative contribution.

2.3 Further evidence is being generated through the Skilled Worker evaluation Wave 2, which is currently underway and includes new survey questions introduced following the implementation of the Immigration White Paper last year.

3. PAC conclusion: The Home Office opened the Skilled Worker visa route for social care workers quickly and failed to understand the risks.

3a. PAC recommendation: The Home Office and Department of Health and Social Care (DHSC) should:

- **write to the Committee to provide more detail on the decision to end overseas recruitment for care workers, including the expected implications for the sector's workforce; and**

3.1 The government agrees with the Committee's recommendation.

Recommendation implemented: November 2025

3.2 The government [wrote to the Committee](#) on 21 November 2025 providing detail on the decision, set out in the Immigration White Paper, to end overseas recruitment for care workers.

3b. PAC recommendation: The Home Office and Department of Health and Social Care (DHSC) should work together to monitor how the route is being used during the transition period to 2028 and update the Committee on the impacts on the care sector; including the extent to which domestic workforce plans are helping to address skill shortages.

3.3 The government agrees with the Committee's recommendation.

Target implementation date: July 2028

3.4 The government is closely monitoring the visa route since it was closed to new entry clearance applications in July 2025. In relation to transitional period, approximately 800 people per month switch into the care worker route in- country. Skills for Care estimate that the workforce within CQC-registered providers (measured in filled posts) grew by 2.3% between March 2025 and March 2026. This is slower than the growth estimated over 2024-25 (4.1%) and the lowest growth rate since 2021-22.

3.5 The Home Office continues to undertake compliance action against non-compliant sponsors resulting in over 250 sponsor licences being revoked in the first two months of 2026. These sponsors had more than 11,000 certificates of sponsorship linked to their licences meaning the number of displaced workers continues to grow.

3.6 DHSC is continuing to fund the Learning and Development Support Scheme in 2026-27. This supports employers to invest in workforce skills, enable staff to gain recognised qualifications and drive improvements in quality of care. The Care Workforce Pathway guides workers to build their careers by signposting training and development opportunities,

highlighting routes for progression, and giving proper recognition to the highly skilled care and support they provide.

3.7 DHSC is progressing plans to improve pay and terms and conditions through delivering the first Fair Pay Agreement in 2028-29: responses to the public consultation are now being analysed and will inform the secondary legislation required to establish the Adult Social Care Negotiating Body, ahead of negotiations commencing in 2027-28.

4. PAC conclusion: The cross-government response to tackling the exploitation of migrant workers has been insufficient and, within this, the Home Office's response has been slow and ineffective.

4. PAC recommendation: The Home Office should work with relevant government bodies to establish an agreed response to tackling exploitation risks and consequences. This should include clear working arrangements for tackling labour market exploitation and abuses; an evaluation of how the regional partnerships are working and the effectiveness of channels for reporting abuses; and explicit arrangements to safeguard migrants when their sponsor's licence is revoked.

4.1 The government agrees with the Committee's recommendation.

Target implementation date: April 2027

4.2 The government has improved its ability to monitor where sponsors are not paying their staff the appropriate salary through the use of HMRC data. This allows faster checking without the need to undertake more resource intensive site visits. Since 2022, the government has revoked more than 1,200 licences from sponsors in the adult social care sector.

4.3 The government is continuing to notify care workers when their sponsor licence is revoked and directing them to the regional partnerships for support. Since early 2024, the government has not been routinely cancelling care worker visas to allow them the opportunity to find new employment.

4.4 Between July 2024-March 2026, c.23,700 workers who contacted regional partnerships were eligible for support including CV and interview preparation, and wellbeing support. c. 4,200 workers were directly supported into employment by the regional partnerships. This may not include all workers who have found employment following support from regional partnerships as workers and providers are not required to report job starts. Up to £7.5 million has been allocated for 2026-27.

4.5 The National Institute for Health and Care Research (NIHR) published an [evaluation of the 2024-25 International Recruitment Regional Fund](#) in March 2026. This found that although welfare and pastoral support helped address the needs of workers, there was limited success in the re-employment of workers and providers' awareness of the partnerships.

4.6 On the government's wider response to labour market abuse, the new Fair Work Agency was established on 7 April 2026 and will be implemented in phases. On 27 April 2026, a joint overseas communications campaign titled 'Know Your Rights' was launched jointly between the Home Office and Fair Work Agency targeting African and Sub Asian Continent Countries – acting as an upstream method to disseminate information to assist in preventing the exploitation of vulnerable migrants.

5. PAC conclusion: The Home Office does not understand the extent to which people are complying with the terms of their visa and leaving the United Kingdom when they should.

5. PAC recommendation: The Home Office should undertake a full assessment of its approach to tackling compliance risks to identify gaps in its response, how to target its resources, and apply lessons from the care sector to other sectors. As part of this, it should:

- **develop sector specific risk assessments, which are updated every six months;**
- **identify what data is needed to strengthen its response, including how to better understand what happens to people at the end of their visa and the effectiveness of checks on sponsoring organisations; and**
- **set out a clear method of assessing what happens when visas come to an end, specifically what measures are in place or will be put in place to record when people leave the country.**

5.1 The government agrees with the Committee's recommendation.

Target implementation date: March 2027

5.2 The Home Office continuously updates sector-specific risk assessments using emerging data to guide caseworkers. A digital tool alerts users to risks linked to Standard Occupational Classification codes for below degree level roles on the Temporary Shortage List. The Home Office has continued to expand on its work using the Salary and Employment Checker underpinned by HMRC data, that contributed significantly to the revocation of over 3000 sponsors across all sectors, including 510 in adult social care, in 2025. It is anticipated that a bulk version of the checker will be deployed in Spring 2026 and the government will look to scale up resources (funding permitted) to tackle what it anticipates being large scale instances of salary underpayment. The Responsible Person Checking tool, which will give more scope to assess the suitability of an individual operating a Sponsor licence is currently being tested and following evaluation and necessary policy changes, it is hoped this will become a business-as-usual capability the government will use by the Summer.

5.3 The government has moved to a modernised system of digital permissions. The introduction of eVisas and Electronic Travel Authorisations (ETAs) means there is now better information about individuals travelling to the UK, improving data quality and enabling earlier, upstream interventions. Since 25 February 2026, eligible non-visa nationals travelling to the UK without a valid ETA will be denied boarding and will be unable to travel.

5.4 The government has also delivered the foundations of a new digital service to determine whether individuals - inside or outside the UK - are complying with the conditions of their stay. Work is now underway to enhance this initial release, with the aim of making the data more accessible to downstream systems and services, further supporting operational activity and analysis.

Thirty-eighth Report of Session 2024-26

Department for Education

Increasing teacher numbers: Secondary and further education

Introduction from the Committee

The Department for Education (the Department) is accountable for securing value for money from the funding it provides to schools and further education colleges across England. Educational settings must plan, recruit and manage their own workforces, with the Department responsible for the overall system and national approach. The Department considers that having enough school and college teachers will impact the government's ability to achieve its growth and opportunities missions.

In the academic year 2023–24, there were 217,600 teachers across 3,450 secondary schools, and 54,000 teachers in 230 further education colleges in 2022–23. In secondary schools, pupil-teacher ratios have increased, and the Department has missed all but one of its annual targets for the number of postgraduates starting teacher training since 2015–16. Over the next three years, the Department expects to need more secondary school teachers as student numbers rise. This demand will subsequently impact further education colleges as those children grow older.

In July 2024, the new government pledged to recruit an additional 6,500 teachers for schools and further education colleges by the end of this Parliament. The Department budgeted £700 million to spend on recruitment and retention initiatives, excluding pay and pensions, covering secondary schools and further education colleges in the 2024–25 financial year.

Relevant reports

- NAO report: [Teacher workforce: secondary and further education](#) – Session 2024-25 (HC 854)
- PAC report: [Increasing teacher numbers: Secondary and further education](#) – Session 2024-26 (HC 825)
- [Treasury Minute](#) – September 2025 (CP 1404)

Update to the Government response to the Committee

Following the government's last response to the Committee on this report (CP 1404 above), the remaining recommendations are updated below.

1. PAC conclusion: It is unclear how the Department will deliver the pledge for 6,500 additional teachers, measure its progress, or what achieving the pledge will mean for existing and forecast teacher shortages.

1. PAC recommendation: The Department should set out how it plans to deliver the pledge for 6,500 additional teachers to provide assurance that this will fill the most critical teacher gaps. This should set out:

- **how the pledge will be split across schools and colleges;**
- **the baseline and milestones so Parliament can track progress; and**
- **how it will stay focused on teacher retention alongside recruitment.**

1.1 The government agrees with the Committee's recommendation.

Recommendation implemented: February 2026

1.2 The Department for Education has published the [6,500 Additional Teachers Delivery Plan](#) setting out its approach to delivering the pledge.

1.3 As outlined in the delivery plan, the department's focus is on the overall stock of teachers. The ambition is for *at least* 6,500 more teachers working in secondary, special schools and colleges at the end of this Parliament, than at the start. This approach means growing the workforce in a sustainable way, focussing on both recruitment and retention, while ensuring teachers have the skills to deliver high-quality teaching. Whilst the focus is the overall stock of teachers, the department is prioritising investment in shortage subjects and getting expert teachers to higher deprivation areas, maximising the impact on outcomes and opportunities.

1.4 The baseline is the full-time equivalent (FTE) data from two datasets for academic year (AY) 2023-24. In schools, the School Workforce Census reported 245,805 FTE in mainstream secondary, special, and pupil referral unit (PRU) schools, which is the Schools' baseline.

1.5 In Further Education (FE), [the FE Workforce Data Collection \(FEWDC\)](#) publication reported 39,079 FTE teachers (FTE is only collected for staff on permanent or fixed term contracts), which is the FE baseline. This includes teachers in general further education colleges, sixth-form colleges, and schools-based providers. The overall baseline is therefore 284,884 FTE teachers in secondary, special and FE colleges. The FE, and therefore overall, baseline differ slightly from previous publications because the department has improved how data is processed. These improvements have been applied to previous years' data, giving an updated baseline.

1.6 Data shows the progress against the 6,500 additional teachers commitment: the workforce grew by 2,346 FTE teachers between 2023-24 and 2024-25 academic years, in secondary and special schools. There was also a 13% increase in ITT entrants in 2025, including a 22% increase in entrants for STEM subjects. The next School Workforce Statistics will be published in June 2026. In FE, the most recent FEWDC shows an increase in the FTE of FE teaching staff in the statutory sector and school-based FE providers from 39,079 in 2023-24 to 40,725 in 2024-25, an increase of 1,646 FTE.

1.7 The department has now achieved 3,992 of the 6,500 additional teachers pledge, with 2,346 more teachers in Secondary and Special Schools in 2024-25 and 1,646 more teachers in Statutory Further Education Sector and School based providers in 2024-25. This means that 61.4% of the target has been achieved.

2. PAC conclusion: The Department has no clear or coherent approach bringing together its various initiatives on teacher recruitment and retention.

2. PAC recommendation: The Department should develop a whole-system strategy to help frame how it will recruit and retain school and college teachers. This should be based on a fuller evidence base, establish the preferred balance between recruitment and retention initiatives; set appropriate targets for those joining teaching through different routes; and include value for money analysis of different initiatives.

2.1 The government agrees with the Committee's recommendation

Recommendation implemented: February 2026

2.2 As detailed in the Permanent Secretary's [letter to the committee](#) dated 7 April, the department has recently published two white papers setting out strategies to recruit, retain and develop high-quality staff in both schools and FE.

2.3 The Schools White Paper, [Every child achieving and thriving](#) and the [Post-16 Education and Skills](#) White Paper detail the department's ambitions to better enable teachers and support staff to deliver high-quality outcomes for both children and young people. These are supported by the [department's 6,500 additional teachers delivery plan](#), which sets out more detail on the department's approach to deliver this pledge, including targeting recruitment and retention support to the areas where it is needed the most.

2.4 The department continues to adopt a whole system approach across both sectors. One core focus area is financial incentives, where the department is continuing to invest in teacher pay and a Targeted Retention Incentive (TRI) across both systems. The department also recently announced funding for schools to improve maternity pay for school teachers and leaders, with commensurate funding to FE so colleges can enhance the maternity offer for their staff.

2.5 The department is also expanding a whole system approach into wider areas that impact workforces. Work is underway to expand the Teacher Vacancy Service (TVS) to FE by the end of 2026, re-focus NPQ programmes to better support FE, and to offer a new SEND CPD training course to teachers in both schools and FE.

2.6 The department continues to focus on refining targets, and for school teachers have recently published these in a [new dashboard](#). DfE does not set a target for FE.

2.7 Improvements to this year's FE Workforce Data Collection (FEWDC) will enable analysis of retention patterns across the FE workforce. Official statistics in development have been provided as part of this year's FEWDC publication, with developed findings expected from 2027 at the earliest. In the meantime, recent Teacher Pension Scheme (TPS) data, published in April 2026, offers a historical time-series for long-term retention trends. A one-off FE workforce survey was launched in Autumn 2025 to gain better insight into the factors influencing recruitment and retention across the sector, with findings expected Autumn 2026. An evaluation of the impact of TRI on retention is also underway, with the final report due late 2027. Early indications from the interim report suggest FE TRI is having a positive impact.

3. PAC conclusion: Teacher vacancies and the challenges of retaining experienced teachers are greater for schools in deprived areas, and across some core subjects, leading to inequities in provision and career opportunities.

3. PAC recommendation: The Department should work with schools and colleges to understand the reasons behind variations, particularly within deprived areas and core subjects, setting this out in published information to help identify and share good practice and ideas on what works best.

3.1 The government agrees with the Committee's recommendation.

Target implementation date: August 2026

3.2 Many of DfE's existing initiatives across both schools and FE are targeted at subjects, settings and at areas that face the greatest disadvantage, such as Initial teacher training (ITT) bursaries in schools, Initial teacher Education (ITE) bursaries in FE and Targeted Retention Incentive (TRI).

3.3 The recent Schools White Paper announced a new collective focus on disadvantage and disparity, with an ambitious package of reforms to deliver meaningful change. Within that

one focus was on workforce, and included piloting a new place-based Headteacher Retention Incentive, to attract and support new headteachers to stay in the areas that need them most.

3.4 An evaluation of the reforms to ITT has been commissioned, which will produce a final report in mid-2028 and will provide evidence related to disparities in ITT provision and recommendations for improvement, with interim findings available to the department annually.

3.5 In FE the department is reforming ITE to raise quality standards and embed evidence-based principles across all provision. Statutory guidance will be introduced to ensure consistency and quality in ITE content and delivery, improving the experience for all teachers.

3.6 To better understand variation in FE recruitment and retention, the department has updated the FE Workforce Data Collection (FEWDC) to enable retention analysis by subject, geographical area and provider type. As aforementioned, the most recent FEWDC publication for academic year 2024-25 has Official Statistics in Development for retention data, with developed analysis expected no sooner than 2027. Additionally, it is now possible to compare vacancy rates year-on-year as part of the FEWDC.

3.7 The FE TRI Evaluation is also underway and will aim to identify the extent to which the payment is working to improve workforce retention for those in receipt, and across different provider demographics, with the final report expected in late 2027. Early indications from the interim report suggest FE TRI is having an impact. Most surveyed claimants planning to stay in FE said the payment influenced their decision (96%), with 21% stating they would not have remained without it.

4. PAC conclusion: The Department has recently increased its focus on addressing the significant teacher gaps across further education colleges, but there remains much more to do.

4. PAC recommendation: Given the urgent need for further education teachers, the Department should update the Committee on its full recruitment and retention plans for the further education sector as soon as possible, including expanding dual professional and industry partnerships in areas of key skill shortages, and then every six months until summer 2028, on its progress addressing gaps.

4.1 The government agrees with the Committee's recommendation.

Recommendation implemented: February 2026

4.2 The [Post 16 Education and Skills White Paper](#) sets out the department's approach to recruiting, retaining and developing a high-quality workforce aligned to high-priority areas. The 6,500 Additional Teachers Delivery Plan complements this strategy by setting out how progress in recruiting and retaining expert teachers across secondary schools, special schools and colleges will be tracked.

4.3 The [FE Workforce Data Collection \(FEWDC\)](#), published on 14 May 2026, provides an updated assessment of workforce trends across the FE sector. The latest data shows a 3.5% increase across the Full-Time Equivalent of the statutory FE Teaching Workforce from academic years' 2023-24 to 2024-25. The department has also seen a positive trend in vacancy rates, with vacancies falling from 3.8 per 100 teaching posts in academic year's 2023-24 to 3.5 per 100 in 2024-25 across the statutory sector. This is the first year that vacancy rates year-on-year can be compared.

4.4 There is still further progress to be made, the department continues to take action to support the recruitment of industry professionals in key skills shortage areas. As part of this approach, the department launched a new recruitment campaign in January 2026 to raise

awareness of careers in FE. Work has also progressed to expand the current Teaching Vacancies service to include FE vacancies, expected to be available before the end of 2026.

4.5 To further support industry partnerships in areas of skills shortages, progress has been made on the Construction Skills: FE Teacher Industry Exchange programme. The test and learn phase is currently underway, with 13 Strategic Authorities establishing local arrangements to support two-way exchanges. This includes industry professionals teaching in FE settings and FE construction teachers spending time back in industry. Lessons from this phase will inform a full national rollout, planned for Summer 2026.

4.6 The department has also maintained the Targeted Retention Incentive (TRI), supporting the retention of teachers in the areas of greatest need. In the first year of the programme (academic year 2024-25), nearly 6,000 FE teachers were approved for the payment, the majority in critical skills shortage subjects such as construction (1,715), maths (1,369) and engineering (1,195). The application window for academic year 2025-26 closed at the end of May.

4.7 This update to the Committee forms the first of the department's biannual updates. Future updates will be made up to Summer 2028 and directly to the Committee.

5. PAC conclusion: Teachers' working environment and conditions remain critically important to teacher retention, with workload cited as the top reason for teachers leaving, and pupil behaviour an escalating challenge.

5. PAC recommendation: The Department should work to better understand why teachers leave and then better support schools and colleges in addressing these factors. This includes looking at changes to contractual and working conditions, such as flexible working, and at how teacher workload can be reduced. It should also collect data on the effectiveness of the newly-announced behaviour hubs, rolling them out further if they prove to be successful.

5.1 The government agrees with the Committee's recommendation.

Target implementation date: December 2026

5.2 The department is continually working to understand why teachers leave the profession, and best support schools and colleges to address these challenges.

5.3 One core way this is done is through surveys. In schools there is the Working Lives of Teachers and Leaders (WLTl) which examines the impact of factors like workload and pupil behaviour on the Schools Workforce. In Autumn 2025, the department also introduced one-off survey to gather similar evidence for the FE workforce, with findings expected by Autumn 2026. Together, these surveys strengthen the understanding of why teachers are leaving the profession, with the WLTl survey also enabling trends to be tracked over time.

5.4 These insights are supported by proactive engagement with partners across both sectors, notably through the Improving Education Together (IET) partnership.

5.5 This engagement has informed various new interventions, as set out in the [delivery plan](#) and White Papers.

5.6 The government announced the establishment of 93 new Regional Improvement for Standards and Excellence (RISE) Attendance and Behaviour Hubs in January 2026. Hubs will focus on supporting senior leaders in schools to develop safe, supportive school cultures with high expectations for attendance and behaviour.

5.7 In addition to Targeted Retention Incentive (TRI), to further improve staff workload and wellbeing in the FE sector, which the department understand impacts retention, the department continues to work with the IET and FE stakeholders. Current activity is focused on identifying and sharing effective sector practice on workload and wellbeing to support improvements from the 2026–27 academic year.

6. PAC conclusion: The Department recognises pay as important in recruiting and retaining teachers, but is less clear on how it considers pay alongside other initiatives and how schools and colleges can afford pay rises.

6. PAC recommendation: The Department should assess the effectiveness and relative value-for-money of pay against other recruitment and retention initiatives, to make an explicit decision on whether it needs to do more to ensure teachers are paid the right amount.

6.1 The government agrees with the Committee's recommendation.

Target implementation date: October 2026

6.2 The department continues to develop its evidence base to inform which actions best ensure schools and colleges have sufficient high-quality teachers.

6.3 Through the department's latest round of the Working Lives of Teachers and Leaders (WLTL) survey, the evidence base on how non-pay factors such as workload, flexible working and CPD combine to influence retention continues to expand. In February, NfER published [analysis of interventions](#) in schools using WLTL data to explore the relationship and relative influence between key factors associated with job satisfaction, wellbeing and retention. As set out in the Schools White Paper, the department is intervening in areas highlighted through that analysis including support for school leadership, behaviour and workload through tools such as the 'Improve Workload and Wellbeing for School Staff' service. This evidence, along with a wide range of workforce recruitment and retention data, is submitted by the department via written evidence to the School Teachers' Review Body, which they consider when making their recommendations on teacher pay and conditions.

6.4 In FE, the Skills and Post 16 White Paper set out a critical focus on recruitment and retention, and the department continues to assess the balance of interventions required to meet workforce needs, including drawing on new evidence. In April 26, the department published the [FE Targeted Retention Incentive \(TRI\) Evaluation Interim report](#), which indicates the incentive is helping to mitigate barriers experienced by early career teachers (final report due 2027).

6.5 The department has now published the [Further Education Workforce Data Collection \(FEWDC\) 2024-25](#) with Official Statistics in Development on retention, which suggest that between 84.9% and 85.2% of teaching staff remained in the statutory further education sector from academic years' 2023-24 to 2024-25. Separately, new analysis of Teacher Pension Scheme data suggests an increase in retention of new teachers in academic year 2024-25 compared with 2023-24. Based on the updated FEWDC, the median full time equivalent salary for teachers at General Further Education Colleges (GFECs) for academic year 2024-25 increased by 4.1% compared to academic year 2023-24.

6.6 The department's one-off survey of the FE workforce, with findings expected in autumn 2026, will provide greater context and depth of understanding of the factors that matter most to staff in relation to recruitment and retention, such as pay, workload, wellbeing and professional development. Taken together, this research and evidence, alongside the findings of the recently published FEWDC, strengthens DfE's understanding of the factors impacting recruitment and retention in colleges.

Thirty-ninth Report of Session 2024-26

HM Treasury

Government's use of private finance for infrastructure

Introduction from the Committee

The Treasury is responsible for allocating and controlling public spending,² while the newly formed NISTA brings together functions of the National Infrastructure Commission and the Infrastructure and Projects Authority (IPA), and will support the implementation of a 10-Year Infrastructure Strategy. Private finance has been an important source of finance for public sector investments in economic and social infrastructure and there is a wide range of private financing models including the extensively used Private Finance Initiative (PFI). Sources of private finance for the initial capital investment include institutional investors (such as banks and pension funds) provided in the form of debt and equity, or related financial instruments.⁴

The government has identified investment in new infrastructure as central to its mission to grow the economy, and has indicated that it plans to work in partnership with the private sector to deliver this investment.⁵ The latest National Infrastructure and Construction Pipeline, published in February 2024, identified around £1 trillion of potential capital investment over the coming decades. In the Autumn budget 2024, the Chancellor of the Exchequer announced an increase in public sector net investment, to a target of 2.6% of GDP with over £100 billion of additional capital invested over the next five years.

- NAO report: [Lessons learned: private finance for infrastructure](#) – Session 2024-25 (HC 767)
- PAC report: [Government's use of private finance for infrastructure](#) – Session 2024-26 (HC 821)
- [Treasury Minute](#) – September 2025 (CP 1404)
- [PAC letter to HMT: Treasury Minute response](#) – Government's use of private finance for infrastructure – 20 November 2025
- [HMT letter to PAC: Treasury Minute response](#) – Government's use of private finance for infrastructure – 10 December 2025

Update to the Government response to the Committee

Following the government's last response to the Committee on this report (CP 1404 and correspondence above), the remaining recommendations are updated below.

3. PAC conclusion: There is no central record of private finance for infrastructure investment, which limits the Treasury's ability to spot themes and patterns and deliver value for money.

3. PAC recommendation: The Treasury and NISTA should publish a central database covering private finance for public infrastructure. This should include (subject to commercial sensitivity), but not be limited to:

- **project synopsis;**
- **lead department and counterparties;**
- **capital value;**
- **finance type, including any government support packages;**
- **contract length;**
- **project business cases, including evaluation plans; and**
- **forecast equity returns to investors.**

3.1 The government agrees with the Committee's recommendation.

Target implementation date: May 2027

3.2 The Treasury agrees with the Committee that recording the use of private finance models is important and has updated and published new tools to support this.

3.3 Information on new and ongoing infrastructure projects is included in the [Infrastructure Pipeline](#). The Pipeline covers the UK infrastructure projects – both publicly and privately financed – delivered by the UK government, its departments and arm's length bodies, regulators and regulated utilities, Mayoral Combined Authorities and some UK airports.

3.4 The government published an updated version of the Pipeline on March 2026 which includes a new set of metrics on private investment. NISTA continually review the Pipeline and update it in line with industry and investor feedback.

3.5 The Pipeline currently includes information on (but is not limited to):

- Details about the project.
- The lead organisation or client and a point of contact.
- Construction start and delivery dates.
- The capital value of the project.
- Whether the project is publicly or privately financed (or a mix).
- Whether finance is sought (and if so, what type and how much).
- The procurement and investment models being used.
- The revenue model, including any government support packages.

3.6 As the Pipeline matures, the detail provided on these metrics is projected to grow. In future iterations NISTA will include project business cases (including evaluation plans) where these are already public. The Pipeline does not include information on completed public infrastructure projects, information on legacy PFI investments, nor commercially sensitive information on live projects. The Treasury will direct Accounting Officers to take steps to transparently report departmental use of private finance for public infrastructure and will undertake a central collection of data on private finance transactions and create a record of completed private finance projects by May 2027.

3.7 Data on legacy PFI and PF2 projects delivered by government departments and devolved administrations is published annually on [GOV.UK in interactive dashboard format](#). It includes projects that are based on standard PFI or PF2 contractual terms which are delivered by:

- Central government departments or their arm's length bodies, including NHS Trusts.
- Local authorities which receive PFI grants from a sponsoring government department.
- Devolved administrations.

The publication includes information on:

- key contractual dates including expiry.
- The original capital value.
- Annual unitary payments.
- The identity of contracting authorities, sponsoring departments, special purpose vehicles and investors.

4. PAC conclusion: The government's ambitions for infrastructure investment are at risk of not being achieved because of sector specific skills shortages.

4. PAC recommendation: The Treasury and NISTA should set out plans for building, attracting and retaining the necessary skills to support public sector infrastructure investment. This includes skills within both the public and private sectors.

4.1 The government agrees with the Committee's recommendation.

Target implementation date: October 2026

4.2 The government recognises that a step-change in infrastructure investment will require specialist private finance capacity and capability, as well as other specialist workforce skills. The government has engaged widely with industry during the development of the 10 Year Infrastructure Strategy, and will continue to work in partnership with the private sector and a wide range of stakeholders to unlock capital and build confidence in the UK.

4.3 In the [10 Year Infrastructure Strategy](#), the government committed to understand the UK's infrastructure skills requirements – to better identify where it needs to provide support. The government has taken steps to set out what skills are needed to deliver its infrastructure ambitions. The [Infrastructure Pipeline](#) (March 2026) provides an estimation of the infrastructure workforce and occupations required to deliver it over the next 2 to 5 years. Working with NISTA, the Department of Business and Trade will use this infrastructure workforce estimation as part of its broader construction workforce demand model. Engagement with industry confirms that the Pipeline's insights are supporting strategic workforce planning and identifying pressure points in sectors and regions.

4.4 NISTA is working closely with the industry-led Construction Skills Mission Board to support building, attracting and retaining the skills needed. This Board brings together senior industry leaders from the construction industry, Mayoral Strategic Authorities, training providers and unions to improve construction skills outcomes and support industry workforce investment. It has set an ambitious target to create 100,000 jobs per year and develop an Industry Action Plan (see below).

4.5 The Department for Business and Trade will soon be publishing the Industrial Strategy Construction Jobs Plan. Working across government this will identify industry input and influence successful implementation and take up of government offers and support. The second pillar involves working with industry to develop an Industry Action Plan that will co-ordinate sector activity and investment in training and workforce capability and capacity, with a strong focus on hiring, employment, competence and career progression.

4.6 NISTA is also working closely with Skills England, the key industry skills bodies and the Department for Business and Trade to highlight the scale and shape of workforce demand and further support industry in its strategic workforce planning.

5. PAC conclusion: There is no comprehensive framework for considering risk allocation between the public and private sector when working in partnership.

5. PAC recommendation: The Treasury should develop a specific infrastructure financing toolkit to support public bodies in quantifying, allocating, monitoring, and managing risks for infrastructure projects. This should include the consideration of contingencies for supplier failure.

5.1 The government agrees with the Committee's recommendation.

Recommendation implemented: March 2026

5.2 The Treasury agrees with the Committee that it is essential to identify which risks are best managed by public and private parties and then ensuring that risks are properly managed

in practice. This should be done for each project before it is approved, to ensure Value for Money.

5.3 The [Balance Sheet Framework](#) was published at Budget 2025 and sets out best practice principles, guidance and requirements for public sector organisations relating to balance sheet management. The Balance Sheet Framework sets out the policy and guidance on use of private finance, setting out a value for money principle and providing guidance to public bodies on private finance for infrastructure. The Balance Sheet Framework also includes guidance on the different types of risks that are present in infrastructure projects and that should be considered and managed when designing a private finance model for infrastructure. This sets out the Treasury's expectation that proposals should detail all of the risks involved in a project, which parties are best able to bear them, and why, with robust analysis included in the business case. A future update to the Balance Sheet Framework will further develop the typology of risks to provide further guidance to support the understanding and management of risks across different private finance models.

5.4 On 26 March 2026 NISTA published a new suite of PFI Contract Management Guidance and Toolkits on its [PFI Centre of Excellence](#). This suite of guidance includes eight core documents and eighteen practical toolkits that aim to support contracting authorities in ensuring that risks are managed in the intended way in practice.

5.5 The Treasury published an updated [Green Book](#) on 5 February 2026, with updated guidance and requirements on how to appraise options for projects that involve the use of private finance models.

5.6 The Treasury's view is that the new and existing guidance detailed above provides departments with a comprehensive framework for considering risk allocation between the public and private sector when developing and implementing private finance proposals. NISTA will also produce public guidance to support the management of the new Neighbourhood Health Centre public-private partnership (PPP) contracts in the future.

Fortieth Report of Session 2024-26

HM Revenue and Customs

Collecting the right tax from wealthy individuals

Introduction from the Committee

HMRC defines wealthy individuals as those earning more than £200,000 a year, or with assets over £2 million, in any of the last three years. In 2023–24, HMRC identified approximately 850,000 wealthy individuals, up from 700,000 in 2019–20. In that year, wealthy individuals paid a total of £119 billion in personal taxes (25% of personal tax receipts). Wealthy individuals often have complicated tax affairs covering multiple taxes. They often have a wide spread of tax liabilities on both their income (in the form of Income Tax and National Insurance) and assets (in the form of Capital Gains Tax, Inheritance Tax and stamp duties). They may adopt complex and sophisticated tax planning to reduce their liabilities. The complexity of their tax affairs may increase the potential for non-compliant behaviour, either deliberately in the form of tax avoidance or evasion, or mistakenly, by applying tax rules incorrectly. HMRC therefore treats wealthy individuals separately from other taxpayers.

HMRC's work to engage with wealthy individuals to ensure they comply with the tax rules, and then to follow up and investigate risks, is led by the 'wealthy team' within HMRC's Customer Compliance Group, consisting of around 1,000 staff.³ The wealthy team examines most personal taxes paid by wealthy individuals. A separate assets team examines what taxpayers pay in Inheritance Tax. Other teams within HMRC are involved in analysing data on wealthy individuals and undertake compliance activity on key issues such as offshore tax compliance. HMRC estimates its compliance activities with wealthy individuals cost £350 million in 2023–24. The government has highlighted tackling tax avoidance and evasion and increasing tax revenues by improving compliance, particularly from wealth held offshore, as priorities for action. In the Autumn 2024 Budget the government confirmed its ambition to close the tax gap (the amount of lost tax revenue), and the scaling up of compliance activity to tackle serious offshore noncompliance, including fraud by wealthy customers and intermediaries. In the Spring 2025 Statement the government committed further funding and new measures to tackle serious non-compliance, particularly wealthy offshore noncompliance.

Relevant reports

- NAO report: [Collecting the right tax from wealthy individuals](#) – Session 2024-25 (HC 876)
- PAC report: [Collecting the right tax from wealthy individuals](#) – Session 2024-26 (HC 827)
- [Treasury Minute](#) – September 2025 (CP 1404)

Update to the Government response to the Committee

Following the government's last response to the Committee on this report (CP 1404 above), the remaining recommendations are updated below.

1. PAC conclusion: HMRC has done well to increase compliance yield from wealthy individuals, but there are significant opportunities to collect more revenue and close the tax gap.

1. PAC recommendation: HMRC should publish its plan for increasing yield from wealthy taxpayers domestically and offshore and set out timelines for achieving its objectives.

1.1 The government agrees with the Committee's recommendation.

Revised target implementation date: end of 2026

Original target implementation date: Spring 2026

1.2 The First Permanent Secretary of HMRC [wrote to the Committee Chair](#) on 15 May 2026 to provide an update on the proposed timeline for publishing its plan for the wealthy population.

1.3 HMRC now intends to publish the plan by the end of 2026. This will allow HMRC to gather feedback from a range of external stakeholders who can offer specialist insight into behaviours, motivations and professional ecosystems of wealthy taxpayers. It will also enable the plan to fully reflect outcomes from some of the Committee's other recommendations. This includes details of HMRC's emerging refreshed population model and the details of ongoing work to better understand contribution of wealthy individuals and the entities they control to the overall tax gap.

2. PAC conclusion: Even among the wealthy population there are vast disparities in wealth and circumstance, making it likely that more tax is at risk for the wealthiest taxpayers.

2a. PAC recommendation: As part of its plan for increasing yield from wealthy taxpayers domestically and offshore, HMRC should review whether segmenting its wealthy customer group according to different levels of wealth and complexity would help it to assess and then target the most significant risks.

2.1 The government agrees with the Committee's recommendation.

Target Implementation date: Autumn 2026

2.2 HMRC is developing a new population model, which uses a significantly broader range of data sources and approaches to give a better picture of an individual's wealth and complexity.

2.3 This new model will provide HMRC with a deeper understanding, and more comprehensive view, of an individual's wealth and income sources including entities within their control. It will enable HMRC to review the current definition of wealthy, as well as the potential for continual refinement of further segmentation to support more tailored, targeted and effective compliance interventions.

2.4 HMRC will provide further detail to the Committee in Autumn 2026.

2b. PAC recommendation: As part of its consideration, HMRC should estimate the value of tax at risk within the wealthy taxpayer base and write to us with the results.

2.5 The government agrees with the Committee's recommendation.

Target Implementation date: Autumn 2026

2.6 HMRC is continuing work to refine and develop its estimates of the value of tax at risk and set out the progress made in its response. This response is closely linked to the response given for recommendation 6b.

2.7 HMRC will write to the Committee to outline these changes in Autumn 2026.

4. PAC conclusion: There is much more that HMRC can do to improve its work to risk assess and target wealthy people, in particular through the use of data and technology and recruiting wealth management experts.

4. PAC recommendation: Alongside its Treasury Minute response HMRC should write to the Committee to explain how confirmed funding to date will feed through to better compliance performance, and what it expects to achieve from future investment. This explanation should go beyond just the impact on compliance yield and should cover the expected impact on other performance measures, such as the proportion of cases that result in a positive return. HMRC should include in that letter further details of its plans to invest in new IT, as well as plans to ensure it has the right skills to undertake the data analysis necessary to risk assess and target wealthy people.

4.1 The government agrees with the Committee's recommendation

Recommendation implemented: September 2025

4.2 The First Permanent Secretary of [HMRC wrote to the Committee](#) on 22 September 2025 outlining how HMRC's investment plans are intended to improve overall compliance outcomes.

4.3 HMRC is designing how the investment it has received through Spending Review 2025 will be deployed. HMRC will set out how investments will help to improve compliance outcomes for the wealthy customer population as part of its response to recommendation 1 above.

5. PAC conclusion: Too many compliance investigations last too long, with too few leading to penalties and prosecutions.

5a. PAC recommendation: HMRC should assess whether it is using its powers to tackle non-compliance by the wealthy sufficiently, in particular, whether it makes sufficient use of available sanctions.

5.1 The government agrees with the Committee's recommendation

Target implementation date: Autumn 2026

5.2 HMRC is assessing its application of powers and sanctions in respect of its wealthy customer population and look forward to updating the Committee on this work in Autumn 2026.

5b. PAC recommendation: HMRC should investigate and report back to the Committee on why it has not been able to issue any penalties to enablers of tax evasion, and how it plans to start using them as an effective sanction and deterrent. As part of this, HMRC should consider setting an annual target for the number of penalties it issues.

5.3 The government agrees with the Committee's recommendation.

Target implementation date: Autumn 2026

5.4 HMRC is reviewing instances where it may be appropriate to issue penalties to enablers of tax evasion or non-compliance under schedule 20 Finance Act 2016 and will

report back to the Committee as part of its overall assessment of the application of powers and sanctions in response to recommendation 5a.

5.5 As reported in its initial Treasury Minute response in September 2025, HMRC is not minded setting an annual target for penalties issued to enablers of tax evasion, or for the use of any other enablers' sanctions. This is because the issuing of such penalties is dependent on the behaviours shown by taxpayers and enablers in each specific case. In addition, HMRC may decide to use other penalties, powers or sanctions (or a combination of these) to address the risks identified.

6. PAC conclusion: It is not sufficiently clear how much tax is paid, and how much tax is avoided by the very wealthy, which restricts HMRC's ability to reassure the public that it administers the system fairly.

6a. PAC recommendation: HMRC should consider how best to expand the range of information it publishes on wealthy individuals to give people greater confidence that these taxpayers pay their fair share. As part of this it should:

- **set out statistics on the amount of tax paid by wealthy individuals in relation to top-down estimates of levels of wealth and chargeable gains. HMRC should report this for the wealthy population as a whole and, as far as possible, for different levels of wealth;**

6.1 The government agrees with the Committee's recommendation.

Target implementation date: Autumn 2026

6.2 HMRC remains committed to reviewing the range of statistics it publishes, improving transparency and is exploring options to extend the range of data published in this area. HMRC looks forward to updating the Committee on progress made in Autumn 2026.

6b. PAC recommendation:

- **write to the Committee to outline its plans and timescale to improve its estimate of the wealthy tax gap.**

6.3 The government agrees with the Committee's recommendation.

Target implementation date: Autumn 2026

6.4 HMRC is committed to improving its tax gap estimates. As part of its ongoing analytical work, HMRC is scoping work to better understand the contribution of wealthy individuals and the entities they control to the overall tax gap. This will involve reviewing the scope of current estimates to determine whether and how the contribution of wealthy individuals and their controlled entities can be more accurately captured.

6.5 HMRC [wrote to the Committee](#) on 4 March setting out further detail on its approach to the offshore tax gap. Work to improve HMRC's understanding of offshore non-compliance among wealthy individuals is continuing, including exploring options to expand coverage and improve robustness

6.6 HMRC will write to the Committee in Autumn 2026 with further detail.

Forty-first Report of Session 2024-26

Department for Science, Innovation and Technology

UK Research and Innovation

Introduction from the Committee

The government considers research and innovation (R&I) and the diffusion of new technologies to be vital to the UK's future and to achieving long-term and complex policy goals, including its mission to grow the UK economy and achieve net zero. R&I can be defined as the creation and application of new knowledge to improve the world. Often, R&I does not follow a neat stage-by-stage process but instead can be understood as taking place in a system. The UK R&I system is a complex network of organisations involved in the creation, diffusion and use of scientific knowledge as well as the coordination and support of these activities.

The government has a long history of investing in R&I, and in 2024 committed “to promote innovation and harness the full potential of the UK's science base [through] protecting record funding for research and development”. Many government departments and public bodies invest in R&I, with 24 government departments and public bodies publishing the main research questions they are facing. In the 2024 Autumn Budget, the government committed to invest £20.4 billion in R&I in 2025–26. UK Research and Innovation (UKRI) is the UK's largest single public funder of R&I, with a budget of £9.6 billion in 2023–24. Established in 2018, UKRI is a non-departmental public body formed of seven disciplinary research councils, Research England (which supports research and knowledge exchange at higher education institutions in England), and the UK's innovation agency, Innovate UK.

UKRI's purpose, as set out in its strategy, is to invest in R&I on behalf of the government to push the boundaries of discovery, support innovative businesses to grow and scale, and target solutions to national and global priorities, driving economic, social, environmental and cultural benefits. UKRI also supports wider government R&I across the UK and invests internationally. In 2023–24, it made decisions on 28,866 applications for R&I grant funding. The mean value of a UKRI grant awarded in a competitive process in 2022–23 was £0.5 million.

The Department for Science, Innovation and Technology (DSIT) has overall responsibility for the government's spending on science, research and innovation. It is the sponsoring department for UKRI and sets UKRI's budget and objectives. The Secretary of State for Science, Innovation and Technology approves UKRI's strategy.

Relevant reports

- NAO report: [UK Research and Innovation: Providing Support Through Grants](#) – Session 2024-25 (HC 875)
- PAC report: [UK Research and Innovation](#) – Session 2024-26 (HC 826)
- [Treasury Minute](#) – September 2025 (CP 1404)

Update to the Government response to the Committee

Following the government's last response to the Committee on this report (CP 1404 above), the remaining recommendations are updated below.

1. PAC conclusion: DSIT has not brought together a cohesive set of cross government priorities for its investment in R&I.

1. PAC recommendation: DSIT should set out a cohesive and comprehensive set of government priorities focused on the desired outcome for UK R&I and UKRI's role in supporting delivery.

1.1 The government agrees with the Committee's recommendation.

Recommendation implemented: November 2025

1.2 Last year's Spending Review and Industrial Strategy gave UK Research and Innovation (UKRI) clear direction in supporting government aims and UKRI undertook to align its programmes and budgets towards research and innovation priorities set out in Sector Plans. UKRI is now well underway in implementing this commitment and has established Programme Boards to support delivery.

1.3 The Department for Science, Innovation and Technology (DSIT) published new strategic objectives for UKRI in November 2025 in line with the earlier commitment to do so. Further detail is provided below.

2. PAC conclusion: UKRI does not have a set of clearly defined objectives against which to judge its performance and hold it accountable.

2. PAC recommendation: UKRI should set measurable outcomes and 6-10 targets in priority areas, such as private investment in R&I, to help appraise its performance effectively.

2.1 The government agrees with the Committee's recommendation.

Recommendation implemented: November 2025

2.2 DSIT set out new strategic objectives for UKRI in the refreshed [UKRI Framework Document](#) published in November 2025. These are underpinned by a set of 17 Key Results to monitor delivery against government priorities, including the Industrial Strategy. The strategic objectives detail UKRI's role in enabling innovation, commercialisation, and scale-up across the United Kingdom, as well as in protecting curiosity-driven research.

2.3 Going forwards, UKRI will update its Key Results annually to ensure the organisation is able to effectively appraise performance against its strategic objectives.

3. PAC conclusion: There is insufficient clarity about, and visibility of, where UKRI is investing its money.

3. PAC recommendation: To provide clear, comprehensive and useful data for government, external investors and the public about the overall R&I funding landscape, once its new data systems are in place, UKRI should:

- **provide government departments with ongoing access to data on UKRI funding allocations; and**
- **publish these data on a routine basis.**

3.1 The government agrees with the Committee's recommendation.

Target implementation date: Summer 2026

3.2 As committed to in the Treasury Minutes published on 15 October 2025, UKRI [wrote to the Committee](#) in February 2026 to update on progress made against this recommendation,

confirming that enhanced data will be made publicly available through a new online portal launching in Summer 2026 to replace UKRI's current Gateway to Research website.

3.3 Details of UKRI's [allocations](#) were published on 17 December 2025. Regarding UKRI publishing data routinely on its performance, UKRI is refreshing its approach to align future performance reporting products with UKRI's refreshed objectives and new strategy, which are due to be published before Summer 2026. UKRI plans to make regular performance updates available on its website going forward. Further, an annual holistic overview of the outcomes of UKRI's activities will be published through the future, refreshed, balanced scorecard and its annual report and accounts.

4. PAC conclusion: UKRI does not yet have the IT systems of a modern organisation.

4. PAC recommendation: UKRI should provide the Committee with an update in February 2026 on progress with implementing its systems and functionality and a roadmap of further modernisation. This update should include details of the capability the new systems provide and what capability is yet to be delivered.

4.1 The government agrees with the Committee's recommendation.

Recommendation implemented: February 2026

4.2 As committed to in the Treasury Minute published on 15 October 2025, UKRI [wrote to the Committee](#) in February 2026 to provide an update.

4.3 UKRI is working on a new approach to capturing outcome data to transition to in 2028, following the supplier's decision to discontinue the current service. This action includes working with stakeholders across the United Kingdom's Research and Innovation system.

5. PAC conclusion: It is unclear how UKRI manages risk across its portfolio and what the different parts of its portfolio are meant to achieve.

5. PAC recommendation: DSIT and UKRI should work together to further develop the government's approach to risk when funding research and innovation. This should include defining what is meant by risk in this context for their organisation and what it means for its staff and stakeholders.

5.1 The government agrees with the Committee's recommendation.

Recommendation implemented: February 2026

5.2 DSIT keeps in view principal and group level risks including those related to research and innovation funding, with work over this past financial year undertaken to test mitigations and bring any risks outside of risk appetite within appetite.

5.3 Work to review DSIT's November 2024 risk appetite statement has started, with the planned updates to include a new operational risk and review of category ranges with an expected completion date by end November 2026.

5.4 Risk appetite statement learning will build on the monthly training sessions run over the past year from DSIT. Building on the new wider delivery risk approach, the expectation is that UKRI and other DSIT public bodies will be invited to join a risk network due to launch in 2026-27.

5.5 As committed to in the Treasury Minute published on 15 October 2025, UKRI [wrote to the Committee](#) in February 2026 to provide an update on its risk appetite statement and guidance.

6. PAC conclusion: DSIT and UKRI face severe challenges in helping UK research and innovation to scale up commercially against a backdrop of intense international competition and a tight fiscal environment.

6. PAC recommendation: DSIT and UKRI, with other government departments, should do more to bring together a unified picture and response to the challenges of commercially scaling innovation in the UK. This should include:

- **an assessment of where the UK is demonstrating strength in research but failing to scale innovation, with specific reference to the impact of the Proof-of-Concept fund; and**
- **the setting out of plans to optimise its use of funding while monitoring any changes in research activity at UK universities resulting from ongoing financial challenges.**

6.1 The government agrees with the Committee's recommendation.

Target implementation date: Spring 2026

6.2 UKRI published its [allocations explainer](#) in December 2025. UKRI's new approach emphasises strategic, outcome-focused investment and dynamic budget management with greater transparency, clearer capital allocation, a stronger growth focus, and sharper alignment with governmental/societal priorities.

6.3 Over the Spending Review period (2025-26 – 2028-29), UKRI plans to invest:

- £8.3 billion for targeted Research and Development addressing strategic government/societal priorities, with clear objectives, measurable impacts, and an ambition to secure an average 3:1 leverage; and
- £7.4 billion to support innovative companies to start, scale and remain in the United Kingdom, aligned with wider government levers.

6.4 UKRI is establishing programmes focused on the eight high-growth sectors in the industrial strategy, supported by new Programme Boards meeting since April. UKRI is also assessing how UK research strengths can be better exploited, including to address unmet demand for translational funding.

6.5 UKRI has streamlined its research translation and commercialisation offer, reflected in Innovate UK's March 2026 [prospectus](#) setting out a new approach to backing deep tech businesses across six industrial strategy sectors.

6.6 Research England and DSIT commissioned The University Financial Health and Implications in England: Wave 1 report, published in [November 2025](#) with Executive Summary in [December 2025](#), strengthening the evidence base ahead of further work through 2026.

6.7 To assist long-term financial sustainability, UKRI updated its funding policy to streamline equipment costs, increase capital equipment thresholds and clarify there is no expectation of institutional matched funding.

6.8 All this work sits within wider government activity to support technology commercialisation and scale-up. Details of this work have been set out in the government's response to the House of Lords Science & Technology Committee report into [Scaling Science & Technology](#), and in [Entrepreneurship in the UK](#) published alongside [Autumn Budget 2025](#).

Forty-second Report of Session 2024-26

Department for the Environment, Food and Rural Affairs

Water Sector Regulation

Introduction from the Committee

In England and Wales, the supply of clean drinking water to homes is predominantly managed by 16 companies, of which 11 also supply wastewater services, and who are monopoly suppliers to most consumers.

Defra is the Government department with policy responsibility for the water sector in England. There are three regulators who oversee water companies in England.

- The EA regulates water companies for their impact on rivers and other water bodies, sets and enforces water quality standards and tackles pollution, including from wastewater management, in England.
- The Drinking Water Inspectorate regulates drinking water quality and sufficiency.
- Ofwat is the economic regulator, responsible for setting the funding envelope for every company every five years.
- In 2023 Defra published the Environmental Improvement Plan, which set out targets for the sector to reduce: the impact of sewer discharges; phosphorus in treated wastewater; public consumption per head and leakage. Defra also estimates that England will face a shortfall of 5 billion litres of water every day by 2050, based on current usage.

The water sector estimates it needs to spend almost £290 billion on improvements to infrastructure over the next 25 years, as well as £52 billion on 30 major capital projects to enhance water supply, to meet these challenges. Customer bills will rise an average of £31 per household, before inflation, each year for the next five years. The last time bills rose at this rate in real terms was 20 years ago.

Meanwhile, consumer trust stands at its lowest since monitoring began in 2011, according to research conducted by the Consumer Council for Water (CCW). Issues like water pollution and financial mismanagement have been in the public eye. As at January 2025, both Ofwat and the EA had open enforcement cases against every major wastewater company in England and Wales. Some investors have set up complex financial structures and extracted large dividends from the sector. On two occasions since 2004, individual companies have paid dividends of over 100% of the equity in the company.

This could not be prevented by the regulators. The financial resilience of the sector has weakened and Ofwat has signalled concerns about the financial resilience of 10 of the 16 major companies. Thames Water had to agree a short-term rescue plan in October 2024 to continue operating, but its long-term future is still not secure.

Relevant reports

- NAO report: [Regulating for investment and outcomes in the water sector](#) – Session 2024-25 (HC 853)
- PAC report: [Water sector regulation](#) - Session 2024-26 (HC 824)
- [Treasury Minute](#) – September 2025 (CP 1404)

Update to the Government response to the Committee

Following the government's last response to the Committee on this report (CP 1404), the remaining recommendations are updated below.

1. PAC conclusion: Water companies are implementing huge increases to the bills charged to customers without explaining why, or how the money will be spent.

1. PAC recommendation: Within the next six months Ofwat must set clear expectations for companies to set out where customer money is spent, why bills are rising and what improvements in infrastructure the funding will deliver.

1.1 The government agrees with the Committee's recommendation.

Recommendation implemented: January 2026

1.2 At the 2024 price review (PR24), Ofwat approved substantial improvements for customers and the environment through a quadrupling of investment for the water sector over the next five years. To help to finance this essential investment programme, water bills in England and Wales are increasing by an average £31 per year before inflation between 2025 and 2030. This will be larger in the first year and vary between companies.

1.3 At PR24 Ofwat set out "Price Control Deliverables" (PCDs). PCDs set out some of the outputs that companies are expected to deliver in terms of infrastructure delivery. Where water companies fail to deliver these outputs, they will return funding to customers in the form of lower bills. Ofwat tracks the progress companies make towards PCD output targets through delivery plans and companies report against these plans on a six-monthly basis.

1.4 Acting on the Committee's recommendation, Ofwat has set expectations that companies include a short summary describing their plan and the progress against it in a language and format that is accessible to customers and clearly available on the company's website. This summary should describe what is being delivered and the progress the company is making towards delivering the programme and be regularly updated.

1.5 Companies have reported to Ofwat their improved communications for the February 2026 bill announcements. For the companies that fell short, Ofwat has engaged with those companies, and they have since published improved information.

1.6 Ofwat will continue to engage with companies on their plans to explain, in communications related to bills, why bills are rising and what infrastructure improvements the funding will deliver.

2. PAC conclusion: Over many years, the Environment Agency and Ofwat have failed to ensure water companies maintain vital infrastructure.

2. PAC recommendation: Ofwat and the Environment Agency, working with the sector, should develop survey standards and collate information to assess the health of infrastructure in good time for companies to use the results to inform business plans likely to be submitted in autumn 2028 and implemented shortly thereafter, and a programme of inspection to ensure infrastructure projects funded in PR25 are completed satisfactorily and deliver value for money.

2.1 The government agrees with the Committee's recommendation.

Target implementation date: December 2030

2.2 Regulators are working together to ensure that the new regulatory approach to asset health, resilience and sufficiency maximises outcomes for the environment, customers and public health. A full workplan is in development, overseen by the Water Regulators Joint Working Group, which will set out agreed actions on asset health and shape water company business plans for PR29.

2.3 Ofwat considers that approaches to ensuring infrastructure projects are delivered efficiently and provide value for money, for example through closer monitoring, enhanced supervision or third-party assurance. This is an approach Ofwat has taken at PR24 for Price Control Deliverables, delivery plans and gated processes.

2.4 Ofwat has consulted on the implementation of a new asset management licence condition, which will require companies to gain external certification to the internationally recognised Asset Management Standard (ISO 55001:2024), in addition to providing periodic updates on their progress in maturity. The aim is to drive overall improvements to a company's management system and performance. The licence condition for asset management competence will [come into effect in 2028](#).

3. PAC conclusion: Defra and the Environment Agency have been far too slow in planning for the future and this now hinders economic growth.

3d. PAC recommendation: By the end of 2025, Ofwat must set out a clear path by which it could reopen the price review if needed to permit new investment that pertains to new housing developments, commercial developments and economic growth.

3.1 The government agrees with the Committee's recommendation.

Recommendation implemented: December 2025

3.2 In order to allow increased flexibility of funding mechanisms for water companies, Ofwat consulted in July 2025 on a proposed in-period adjustment mechanism (reopener) for critical cost areas where costs remain uncertain. This process will give companies earlier certainty over costs that will be recovered at the next price control period, and if necessary, access additional revenue in this period. It covers several critical areas of investment including projects that may benefit new housing development, commercial developments and economic growth. In November 2025 Ofwat published its [final decisions](#). Ofwat has now introduced a cost change process for the period from 1 April 2025 to 31 March 2030. This process applies to critical cost areas and will minimise delays in delivery for these critical areas.

3.3 These cost areas are cyber security; additional schemes to ensure the safety of drinking water with respect to 'forever chemicals' (PFAS); asset health; growth; schemes included in the large schemes gated process, including the development of the Havant Thicket reservoir; and development costs for major projects.

3.4 Companies will be able to submit claims in 2026, 2027 and 2028.

4. PAC conclusion: The Environment Agency is failing to ensure that wastewater companies meet their environmental targets, resulting in excessive use of combined sewer overflows and environmental pollution.

4a: PAC recommendation: Defra should disburse the amounts promised through the Water Restoration Fund in 2024 and set out plans for the additional funding announced in June, by the end of 2025. Defra and the Environment Agency should work urgently to ensure money raised from fines permanently goes to improving the system and not simply returned to the Treasury.

4.1 The government agrees with the Committee's recommendation.

Revised target implementation date: Summer 2026

Original target implementation date: Spring 2026

4.2 In October 2025 the department [announced the 51 recipients](#) of the Water Restoration Fund (WRF). These projects are now being delivered and, in some cases, already benefitting communities and the environment. The WRF runs for three years, from financial years 2025-26 to 2027-28, and there are no plans for further funding rounds.

4.3 The WRF allocated £10.5 million of the £11 million fines envelope, with the remainder now allocated to the Water and Abandoned Metal Mines (WAMM) programme and additional support for catchment partnerships; this concludes the process for allocating the first tranche of water company fines.

4.4 For the second tranche, on 20 January 2026 the [government announced](#) that the Department is investing £29 million from water company fines into local projects which clean up the environment – funding over 100 projects which will improve 450 km of rivers, restore 650 acres of natural habitats and plant 100,000 new trees. The funding includes doubling funding for catchment partnerships – community-led groups that work to improve waterways in their local area – giving them an additional £1.7 million per year over the next two years. This is part of the government's commitment to give communities greater influence over water environment planning and decision-making. The money will also fund the WAMM Programme and Water Environment Improvement Fund (WEIF), supporting projects to improve water quality, restore habitats and support local economic growth. This additional funding is expected to attract at least a further £11 million from private sector investment.

5. PAC conclusion: Financial fragility of a few large companies in the sector is leading investors to lose confidence in regulation as well as the sector.

5. PAC recommendation: Over the course of the next six months Ofwat should review its powers and capability to ensure it can take action needed to improve the financial resilience of the whole of the sector, and be clear in public about what is likely to happen and who will bear the costs in the event of a company insolvency.

5.1 The government agrees with the Committee's recommendation.

Recommendation implemented: January 2026

5.2 Ofwat has continued to review and monitor its capability to ensure that it is able to support maintaining the financial resilience of the sector.

5.3 While companies are responsible for their financial structures, Ofwat considers that over complex financial structures may pose risks to customers through reduced financial resilience. Where Ofwat identifies an elevated concern or a need for a company to take action regarding risks to that company's financial resilience, the regulator engages on a more frequent or targeted basis, requiring more information from the company and, as needed, reports on improvements.

5.4 Where Ofwat identifies that actions are needed, it engages with companies to better understand the steps necessary to address financial resilience. Ofwat categorises companies according to their financial resilience status in its annual Monitoring Financial Resilience (MFR) report but its monitoring and engagement with companies is conducted year-round.

5.5 The government is responsible for issues relating to costs in the event of a company insolvency. It has set out its position that, in the majority of cases, the costs of the Special

Administration Regime process would be borne by the company's investors and creditors but, if this is not possible, any costs incurred by the Government can be recovered from the company's customers through future bills.

6. PAC conclusion: No-one is taking responsibility for ensuring that the regulatory system works, as is evident by its failings.

6. PAC recommendation: Defra should use this Committee's and the NAO's findings, alongside any recommendations from the Water Commission once it is published, to clarify and fill gaps in regulator responsibilities and be explicit on when and how trade-offs will be considered.

6.1 The government agrees with the Committee's recommendation.

Target implementation date: Summer 2026

6.2 The government [has committed](#) to creating a powerful new regulator by abolishing Ofwat and bringing together the relevant water system functions from the existing regulators (Ofwat, the DWI, EA, and Natural England) into one new body. This will replace the current fragmented system with one regulator capable of integrated management of the water system, including wastewater. This new regulator will be able to deliver better services for customers, joined-up regulation and a cleaner environment for nature and the public.

6.3 Through the King's Speech, this government has confirmed that in the second Parliamentary session it will introduce the landmark Clean Water Bill. The Bill will fulfil the commitments set out in the Water White Paper and will deliver the full reset the system needs.

6.4 The strategic guidance will also establish a framework to help manage and resolve tensions between priorities, ensuring that the right balance is struck between protecting customers, boosting economic growth, securing future water supply, and protecting and enhancing the environment.

7. PAC conclusion: Defra seems to be passively waiting for the Water Commission to report before making changes to the system.

7b. PAC recommendation: Defra must set out a clear roadmap and timeline for future changes, as part of its response to the final report of the Cunliffe review. The final report is due in summer 2025 and we expect Defra's roadmap to follow in autumn 2025.

7.1 The government agrees with the Committee's recommendation

Revised target implementation date: Summer 2026

Original target implementation date: end of Autumn 2025

7.2 The government has now set out its vision for water through a [White Paper](#). The White Paper outlines how the department will work together with water companies, investors, communities and the environment to transform the water system for good, ensuring a sustainable water system for future generations. As part of the next steps, the government committed to publish a joint Transition Plan with Wales this year (2026), providing a roadmap for transformation of the water industry regulatory framework.

7.3 To support the department and its Ministers in the immediate transition period of creating a new regulator and to create a stable platform for reform, Professor Dame Julia Black has been appointed as Senior Adviser to the Secretary of State on Water Reform

Transition. As part of this role, she will provide advice and support to Ministers and senior officials on the development of the Transition Plan which will be published shortly.

Forty-third Report of Session 2024-26

Ministry of Defence

MoD's oversight of Reserve Forces' and Cadets' Associations

Introduction from the Committee

All UK armed forces—the Royal Navy, British Army, and Royal Air Force —recruit and employ Reservists and sponsor Cadet units. The 13 Reserve Forces and Cadet Associations (RFCAs), covering the whole of the UK, the Channel Islands and the Isle of Man, provide the Armed Forces with essential support and infrastructure for these Reserves and Cadets. Originally established in 1908, the RFCAs manage and maintain the 'Volunteer Estate' network of 2,478 (at January 2025) Reserve training sites and Cadet centres; engage with employers and society to promote the interests of the Reserves and Cadets; and support the development and running of Cadet forces. The RFCAs are not part of the Department but are central Government unclassified arm's-length bodies with Crown status. The RFCAs have established the Council as a joint committee to provide them with central coordination and a focus to fulfil their duties: the Council also manages the RFCAs' relationship with the Department. In 2023–24, the RFCAs received £146 million in public funding.

In 2019, the Department published the latest in its series of periodic comprehensive reviews of the RFCAs, which became known as the 'Sullivan review' after its author. The review examined the need for the RFCAs, the appropriateness of their delivery model and the effectiveness of their governance and management. The review made 80 recommendations for change, including regularising and streamlining the Council and the 13 RFCAs into a Non-Departmental Public Body (NDPB), to provide a "more efficient and effective service" to the Department, with "more accountable and business-like corporate governance", and to address financial, legal, safeguarding and estate safety risks. The Department said that it had made some good progress since the 2019 Sullivan review but acknowledged that there was clearly further to go.

Relevant reports

- NAO report: [Investigation into the MoD's oversight of the Reserve Forces' and Cadets' Associations](#) – Session 2024-25 (HC 746)
- PAC report: [MoD's oversight of Reserve Forces' and Cadets' Associations](#) – Session 2024-26 (HC 893)
- [Review of the Reserves Forces and Cadets Association](#) - 2019
- [MOD sponsored cadet forces statistics](#) - 3 July 2025
- [Treasury Minute](#) – December 2025 (CP 1469)

Update to the Government response to the Committee

Following the government's last response to the Committee on this report (CP 1469 above), the remaining recommendations are updated below.

1. PAC conclusion: It is unclear how the Department will deliver the ambitious plans for expanding the role of the Reserves set out in the Strategic Defence Review (SDR).

1. PAC recommendation: The Department must set out by 31 March 2026 its plan for how it will:

- **significantly enhance the skills, scale and agility of both the Active and the Strategic Reserves; and**

- ***provide Parliament with regular updates on its progress in achieving its ambition.***

1.1 The government agrees with the Committee's recommendation.

Recommendation implemented: March 2026

1.2 The Ministry of Defence [wrote to the Committee on 31 March 2026](#). Provisions in the Armed Forces Bill will strengthen the capability, responsiveness and sustainability of the UK's Reserve Forces. These reforms ensure the UK Armed Forces remain credible and resilient in a contested environment. This reflects a wholeforce model integrating Regular personnel, Reservists, Civil Servants and industry partners into a single, adaptable workforce.

1.3 The Bill's measures increase the pool of trained personnel available during national emergencies or heightened demand. These include extending the recall age for Strategic Reservists, creating recall liability for non-commissioned Active Reservists, and aligning recall arrangements across the Services. These changes expand numbers of experienced personnel who may be mobilised without increasing Regular force size. In parallel, the department is pursuing gradual expansion of the Active Reserve, subject to funding, to restore force mass and meet NATO and national requirements. More flexible career pathways will support easier movement between Regular and Reserve service, improving retention and long-term workforce sustainability.

1.4 The department is moving towards a skills-based workforce where Reservists skills can be drawn upon, such as cyber, digital, engineering, logistics and analytics. Strengthened professional development, recognition of civilian qualifications and modernised training, including simulation and digital learning, will help maintain operationally relevant skills.

1.5 The Bill modernises mobilisation legislation, enabling earlier call-out in rising threat conditions. Subject to Defence Investment Plan funding, new digital systems will improve administration and mobilisation of the Strategic Reserve.

1.6 The department will provide progress updates to Parliament as requested.

2. PAC conclusion: The Government's plans to increase the number of Cadets by 30% by 2030 face several significant barriers.

2a. PAC recommendation: The Department should develop a plan by June 2026 (one year after the publication of the SDR) for increasing the number of Cadets which sets out how it will:

- ***ensure that young people from different backgrounds and all parts of the UK can join;***
- ***address barriers to expansion such as the number of adult volunteers; and***
- ***maintain robust safeguarding arrangements for the enlarged Cadet forces.***

2.1 The government agrees with the Committee's recommendation.

Target implementation date: June 2026

2.2 The Strategic Defence Review (SDR) set an ambition for a 30% increase in Cadet numbers by 2030. This is equivalent to approximately 40,000 additional Cadets, which will require around 8,000 more Cadet Force Adult Volunteers (CFAVs).

2.3 A Director-level Senior Responsible Owner has been appointed for SDR cadet expansion, and programme governance continues to mature as part of wider Defence Reform. Ongoing work with the 1-Star Heads of the Cadet Forces, regular meetings with the Minister

for Veterans and People, and the development of a Cadet Growth Strategy form the core of the SDR '30 by 30' programme.

2.4 A draft of the Strategy was submitted to the Minister for Veterans and People in April and is scheduled for publication in Autumn 2026, to coincide with the announcement of a National Cadets Week. The Strategy will capture the CFAV recruitment plan and wider cadet engagement and communications plans; it will operationalise the cadet offer to industry; outline the cadets infrastructure plan; and set conditions for broader initiatives. Interdependencies with other Government departments on youth initiatives are also being developed, in particular with the DCMS-led National Youth Strategy, and through engagement with the Office of the Deputy Prime Minister on cross-government priorities, including improving outcomes for men and boys, aligned with work of the Minister for Safeguarding and Violence Against Women and Girls.

2.5 Detailed analysis is underway to determine where growth can best be achieved, based on current cadet laydown, demographic changes and indices of deprivation. A central priority remains attracting and retaining suitable volunteers. Early activity has included an attitude survey of existing CFAVs to inform improvements to the volunteer proposition.

2.6 The department continues to assess safeguarding capacity through the Cadet Forces safeguarding hubs to ensure the system remains resilient as the organisation expands.

2.7 The department will provide updates on progress as requested by the Committee.

2b. PAC recommendation: The Department should also set out how it will report on its progress, including regional breakdowns for the number of Cadets, units and adult volunteers in the community Cadets and Combined Cadet Force (including by type of school).

2.8 The government agrees with the Committee's recommendation.

Recommendation implemented: June 2026

2.9 Annual Cadet statistics [published on GOV.UK](#) include numbers of Cadets and CFAVs by Cadet Force, gender, and age. Defence Statistics produce data on numbers of units and regional breakdowns. [The joint MOD/Department of Education \(DfE\) Cadet Expansion Project](#) provides data on Combined Cadet Force units by region and type of school.

3. PAC conclusion: The Department has not secured the legislative slot it needs for its preferred route forward, of streamlining the 13 RFCAs and the Council into a non-Departmental public body (NDPB).

3. PAC recommendation: The Department should write to the Committee by 31 March 2026 with an update on its progress in establishing an NDPB. This should include details of how it will ensure the correct balance between the operational effectiveness of the NDPB with the benefits of having local volunteer input.

3.1 The government agrees with the Committee's recommendation.

Recommendation implemented: March 2026

3.2 The department [wrote to the Committee on 31 March 2026](#). The department continues to make strong progress towards establishing a Reserves Forces and Cadet Association (RFCA) Non-Departmental Public Body (NDPB), in line with the Committee's recommendation. The proposal is included in the Armed Forces Bill currently undergoing parliamentary scrutiny, which must receive Royal Assent by the end of 2026.

3.3 The Bill provides the essential legislative framework to enable the transition from 13 regional bodies to a single national NDPB, including the transfer of property, rights, staff and liabilities; continuity of contracts; and the preservation of Reserve and Cadet activities without service disruption.

3.4 The reforms will modernise the RFCA network by creating a single accountable public body with strengthened governance, clearer ministerial oversight and financial arrangements aligned to public body standards. The model retains regional presence while removing regional statutory autonomy, ensuring greater consistency of corporate governance and delivery.

3.5 Maintaining the unique local engagement strengths remains a central design principle. The NDPB model preserves volunteer involvement through regional structures, advisory mechanisms and sustained relationships with employers and communities. This will ensure that operational effectiveness is matched with the continued benefits of local knowledge, volunteer expertise and community trust.

3.6 The department will provide progress updates as requested.

4. PAC conclusion: The Department will need to continue to manage around the limitations of its current oversight arrangements for the RFCAs until it has established an NDPB.

4. PAC recommendation: Alongside its Treasury Minute response, the Department should write to the Committee setting out how it will enhance accountability for the performance of the RFCAs under the current arrangements, pending the establishment of an NDPB.

4.1 The government agrees with the Committee's recommendation.

Recommendation implemented: March 2026

4.2 Accountability for the RFCAs has been enhanced since the 2019 Sullivan Review. Performance monitoring has been sharpened. The MOD appointed a departmental Sponsor (the Assistant Chief of the Defence Staff, Reserves & Cadets) to provide coordinated oversight of the RFCAs.

4.3 Service Level Agreements have been refreshed to include clearer, quantifiable Key Performance Indicators (KPIs) and each is owned by a named senior official. Furthermore, the Senior Responsible Owner led Sponsor Board meets regularly and monitors the performance of the RFCAs using Key Performance Indicators, thereby strengthening strategic oversight and aligning delivery expectations.

4.4 Furthermore, [since the Hearing with the Committee on 16 June 2025](#), meaningful progress has been made to enhance accountability. On the financial side, an updated framework document has been agreed with the Treasury.

4.5 Progress is being planned to ensure full compliance with Treasury rules. Additional work is taking place around lease arrangements in respect of the Annual Reports and Accounts to ensure that the RFCAs report according to the Financial Reporting Manual.

4.6 Moving to an NDPB will ensure there are modern controls in place, together with clearer accountability and so addressing the weaknesses that exist in the current model.

4.7 The department will provide updates on progress as requested by the Committee.

5. PAC conclusion: *The Department does not have a modernised and fit-for-purpose volunteer estate to support the enhanced roles of the Reserves and Cadets.*

5a. PAC recommendation: *To establish and maintain an optimised volunteer estate the Department should:*

- ***ensure due consideration is given to the volunteer estate in its balance of investment decisions as it develops its defence investment plan which it is committed to completing in autumn 2025.***

5.1 The government agrees with the Committee's recommendation.

Recommendation implemented: March 2026

5.2 Work is now underway to ensure the Volunteer Estate (VE) is fully and systematically incorporated into Defence's balance of investment processes. This reflects Ministerial direction to define a coherent estate governance model and to align Volunteer Estate oversight with wider Defence Reform.

5.3 The department is developing an evidence-based approach that considers the VE alongside the broader Defence estate using criteria including operational relevance, value for money, statutory compliance, safety and long-term sustainability. Condition surveys, utilisation data and risk assessments are being collated to identify investment priorities across Cadet estate, Reserve Centres and joint use sites.

5.4 This approach will ensure the VE is considered fairly within Defence investment decisions and provides a transparent, sustainable framework for maintaining safe and fit for purpose facilities for Volunteers, Reservists and Cadets.

5b. PAC recommendation: *[To establish and maintain an optimised volunteer estate the Department should]*

- ***Write to the Committee alongside its Treasury Minute response, regarding progress on its discussions with HMRC relating to the RFCAs' VAT status.***

5.5 The government agrees with the Committee's recommendation.

Recommendation implemented: March 2026

5.6 The department submitted a formal submission to HMRC in December 2025 outlining their position that VAT should be recovered for costs incurred by MOD on maintaining the VE.

5.7 HMRC responded in January 2026 and, in a change from its previous position in March 2024, agreed that the MOD can now recover VAT on the maintenance of all RFCA volunteer estate buildings under the Treasury's COSVAT Heading 35: "Maintenance, repair and cleaning of buildings."

5.8 This means VAT is now being recovered on maintenance and repair works on the VE but excludes works which are more than remedial and which alter the structure or footprint of the building. Work is also in hand to recover VAT, where applicable, on Billable Works.

5.9 VAT will be recovered in accordance with VAT legislation; it will be reclaimed based on payments made against invoices received and recorded in MODs VAT returns submitted quarterly to HMRC.

5.10 The department therefore considers that this recommendation is complete.

6.PAC conclusion: *The Department's arrangements for monitoring and reporting on the RFCAs' financial performance are inadequate.*

6c. PAC recommendation: *[As a matter of urgency, the Department should:]*

- ***work with the Council to ensure that in future the RFCAs understand the requirements they must comply with and are equipped to do so.***

6.1 The government agrees with the Committee's recommendation.

Recommendation implemented: March 2026

6.2 The department is committed to supporting the RFCAs and has already funded a professionally qualified Finance Director for them as recommended in the 2019 review to ensure they can meet the required financial standards. The Treasury compliant Framework document clearly sets out financial controls, reporting expectations and oversight arrangements. The department continue to work closely with the RFCAs to provide appropriate support and ensuring that they fully comply with public financial requirements.

6.3 The department will provide updates on progress as requested by the Committee.

Forty-fourth Report of Session 2024-26

HM Treasury

Governance and decision-making on major projects

Introduction from the Committee

Major projects are one of the main ways the government delivers its objectives. On 31 March 2024, the Government Major Projects Portfolio (GMPP), which comprises the government's largest, most innovative and most risky projects, included 227 projects at a combined whole-life cost of £834 billion. Within the GMPP are a small number of 'mega-projects', such as big railway or energy projects, that are particularly costly, innovative, risky, complex and/or strategically important.

Government's 10-year infrastructure strategy and forthcoming project pipeline set out the government's plans for infrastructure in the public and private sectors and its aims to reform the system for granting planning approval for infrastructure projects. The government intends to frame future delivery around five Missions, some of which cut across government departments. Mission boards have been set up to deliver against these priorities. Government's five missions are outlined on the government's website, for example the mission of "Kickstarting Economic Growth" has two milestones of "raising living standards in every part of the United Kingdom" and "Rebuilding Britain" which includes delivering new homes and critical infrastructure for economic growth.

The government set up the OVFM to reduce waste and inefficiency, scrutinise investment proposals and make suggestions for system reform. The OVFM recently published a report making recommendations about governance and budgeting for mega projects. In April 2025, NISTA was formally set-up as part of the Treasury, bringing together the functions of the Infrastructure and Projects Authority (IPA) and the National Infrastructure Commission (NIC). NISTA combines strategy and delivery of infrastructure and will be responsible for overseeing the implementation of the 10-year infrastructure strategy with industry, regulators and departments.

Relevant reports

- NAO report: [Governance and decision-making on mega-projects](#) – Session 2024-25 (HC 545)
- PAC report: [Governance and decision-making on major projects](#) – Session 2024-26 (HC 642)
- [Treasury Minute](#) – December 2025 (CP 1469)

Update to the Government response to the Committee

Following the government's last response to the Committee on this report (CP 1469), the remaining recommendations are updated below.

1. PAC conclusion: It is welcome that the Treasury is implementing stronger governance, and taking more responsibility and accountability for planning and delivering mega projects.

1. PAC recommendation: The Treasury should write to the Committee in 12 months with an update on the effectiveness of the revised approach to governance of mega-projects.

1.1 The government agrees with the Committee's recommendation.

Target implementation date: September 2026

1.2 The Office for Value for Money published its [study on the governance and budgeting arrangements for mega projects](#) in June 2025. This set out a new bespoke approach to funding and governance that will be implemented for current and future mega projects.

1.3 In January 2026, NISTA stood up the first Mega Project Decision Panel, establishing a single senior forum for scrutiny and joint advice to Ministers on mega projects. The Treasury updated the [Treasury Approvals Process Guidance](#) in April 2026 to reflect the new arrangements. The Treasury will continue to monitor the effectiveness of the framework as it embeds and will write to the Committee in September 2026 on the effectiveness of the new arrangements.

5. PAC conclusion: NISTA has a broad and stretching range of responsibilities, which will require it to juggle many competing demands on its resources.

5a. PAC recommendation: NISTA should outline milestones for achieving its strategic objectives, including how it will allocate its resources to deliver its objectives, and ensure it retains a focus on priority areas such as digital and transformation projects.

5.1 The government agrees with the Committee's recommendation.

Target implementation date: Summer 2026

5.2 NISTA was launched in April 2025 as a joint unit of HM Treasury and the Cabinet Office, bringing together strategic infrastructure advice and major project delivery expertise. It advises Ministers on major projects, supports departments across the project lifecycle, and sets standards to improve project delivery capability across government.

5.3 In its first year, NISTA has prioritised delivery of the core capabilities required to achieve its strategic objectives and manage pressure on resources:

- **Overseeing the government's 10-Year Infrastructure Strategy:** NISTA supported the drafting and publication of the Strategy in June 2025 and has since advised Ministers on future refreshes and alignment to upcoming Spending Reviews. NISTA continues to oversee the implementation of the Strategy and ensure its alignment across government.
- **Identifying and coordinating infrastructure needs:** NISTA strengthened strategic planning through the development and publication of the Dynamic Infrastructure Pipeline, first issued in July 2025 and most recently updated in March 2026. NISTA has also been leading the development of the government's ALIGN spatial tool, designed to support place-based investment decisions.
- **Unblocking barriers and streamlining delivery of the government's major projects:** NISTA has been improving project set-up and delivery through the implementation of Office for Value for Money recommendations effective from April 2026 and the establishment of the Mega Projects Decision Panel to support collective scrutiny and advice to Ministers.
- **Setting standards and improving the government's project delivery capabilities:** NISTA has updated and published new project delivery standards including a new standard for Programme and project data in December 2025 which complements Government Functional Standard GovS 002: Project delivery. NISTA has also continued developing analytical and spatial tools to support evidence based decision-making and engaged with MHCLG to support local authorities' in preparing Spatial Development Strategies.

- **Providing effective assurance for the government's priority projects:**
NISTA is strengthening assurance across the Government Major Projects Portfolio by engaging departments earlier, drawing on departmental-led assurance findings, as well as improving alignment between departmental and functional assurance with NISTA reviews to support key approvals.
- **Leading expertise on private finance:** In March 2026, NISTA published NISTA Contract Management Guidance: PFI Foundations to strengthen understanding and oversight of Private Finance Initiative (PFI) contracts across government. Other activities have included the Decarbonisation of operational PFI Projects as well as carrying out market engagement exercises for the Neighbourhood Health Centre and Decarbonisation of Public Sector programmes announced at Autumn Budget 2025.

5.4 NISTA remains on track to deliver its change programme by Summer 2026, with new organisational structures and leadership capacity being put in place to support delivery of its strategic objectives. These changes will be implemented over the coming months to embed a "one NISTA" approach and strengthen focus, prioritisation and impact across its portfolio..

Forty-fifth Report of Session 2024-26

Ministry of Justice

Improving family court services for children

Introduction from the Committee

Family justice is concerned with keeping children safe and helping families resolve disputes. It includes cases on protecting children, who children live with and how they spend time with their family, as well as divorce, adoption and associated financial arrangements.

Two categories of family justice cases concern legal disputes involving children: ‘public law’ and ‘private law’. Public law cases are brought by local authorities to protect a child from harm. Private law cases involve parental disputes, such as the living or contact arrangements for their child. In 2024, 15,980 new public law cases and 51,473 new private law cases started in the courts. The National Audit Office (NAO) estimated that public bodies spent more than £1.8 billion on family justice in 2023–24.

Family justice involves the judiciary and several central government organisations and public bodies working together. DfE and MoJ are the lead policy departments for public law and private law, respectively. Local authorities are statutorily responsible for safeguarding children and social work. HMCTS is responsible for administration of the courts; and judges and magistrates hear the cases. Cafcass and its equivalent in Wales, Cafcass Cymru, advise the courts on what is safe for children and in their best interests. Independent solicitors and barristers represent families at court and may be funded by legal aid.

The Family Justice Board (FJB), jointly chaired by DfE and MoJ ministers, with wide representation including, from government organisations, the Welsh Government, and other bodies, was established in 2012 to help organisations, work together effectively, improve performance and hold organisations to account internally. At a local level, also in 2012 MoJ set up 44 Local Family Justice Boards (LFJBs), which bring together local practitioners including Cafcass, local authorities, legal professionals and the judiciary on a non-statutory basis, intended to draw on local knowledge, lead change and improve performance.

Relevant reports

- NAO report: [Improving family court services for children](#) – Session 2024-25 (HC 877)
- PAC report: [Improving family court services for children](#) – Session 2024-26 (HC 883)
- [Treasury Minute](#) – December 2025 (CP 1469)

Update to the Government response to the Committee

Following the government’s last response to the Committee on this report (CP 1469 above), the remaining recommendations are updated below.

1. PAC conclusion: Children and families are being let down by a family justice system, that is taking much longer than it should.

1. PAC recommendation: MoJ and DfE, should, over the next three months, working with partners as necessary, set out how they plan to improve family justice timeliness overall, including: clear objectives; measurable milestones; and a realistic timetable for achieving them.

1.1 The government agrees with the Committee's recommendation.

Recommendation implemented: December 2025

1.2 The Ministry of Justice and the Department for Education, working with system partners through the Family Justice Board (FJB), have developed and agreed revised targets for further improving timeliness at a national and local level which have been shared with partners and [published before the start of the 2026-27 financial year](#).

1.3 Performance against the objectives will be regularly reviewed within the FJB's governance structure, and targets have already been updated based on further data to reflect the evolving landscape and progress made – ensuring that they remain both realistic and responsive.

1.4 In response to the recommendation in the National Audit Office (NAO) report, the two departments are developing a cross-system family justice strategy that sets out a clear and ambitious vision for improving outcomes for children and families, which has been shared with partners across the system and is in final clearance.

1.5 This strategy includes clear objectives, a system-wide assessment of the key issues affecting performance and a review of current and planned initiatives to ensure alignment with strategic priorities. It will provide a framework for setting and reviewing performance indicators that reflect not only timeliness and efficiency, but also the quality-of-service user experience.

2. PAC conclusion: The family justice system is complex, but excessive fragmentation hinders transparency, leading to poor accountability for service improvement and overall performance.

2. PAC recommendation: MoJ and DfE should assess the strengths and weaknesses of the current accountability arrangements for family justice, and report back by December 2025 on how this might be improved, including:

- **how accountability can be strengthened across the system by consolidating current responsibilities or increasing transparent reporting; and**
- **how both departments can better support the Family Justice Board nationally, and Local Family Justice Boards locally, to improve performance.**

2.1 The government agrees with the Committee's recommendation.

Recommendation implemented: December 2025

2.2 The Ministry of Justice and the Department for Education have assessed the strengths and weaknesses of current governance arrangements and have [written to the Committee on 16 December 2025](#) setting out a number of the departments' initiatives that improve accountability and transparency, along with better support for the National and Local Family Justice Boards. Since then, Ministry of Justice and Department for Education have also improved chairing arrangements and arranged senior official cover for the Family Justice Board, allowing it to meet even should urgent Parliamentary business arise.

3. PAC conclusion: There are inefficiencies in systems and processes that worsen experiences and outcomes for children and families, making it harder to achieve best value for money.

3a. PAC recommendation: MoJ and DfE should take steps to improve efficiency in family justice systems and processes by:

- ***making a system-wide assessment of where process inefficiencies impact on performance;***

3.1 The government agrees with the Committee's recommendation.

Revised target implementation date: July 2026

Original target implementation date: April 2026

3.2 As covered in a [letter to the Committee](#), of 27 March 2026, both the departments have revised the target implementation date to this recommendation. The Ministry of Justice and the Department for Education, working with system partners, are continually working to improve efficiency across the family justice system. This includes assessing where process inefficiencies impact performance and supporting families, particularly litigants in person, to better navigate the system. In the planned strategy publication, the departments will set out the implications of their assessment of process inefficiencies and appropriate next steps for improvement by July 2026.

3b. PAC recommendation: [MoJ and DfE should take steps to improve efficiency in family justice systems and processes by:]

- ***supporting families, in particular, litigants in person, to better navigate the system; and***
- ***promoting alternative resolutions where possible.***

3.3 The government agrees with the Committee's recommendation.

Target implementation date: July 2026

3.4 Digital tools and improved guidance are being developed to help people access advice and divert cases from court where safe and appropriate. Over £6 million in grant funding has been committed through to March 2026 to support wider legal support services, including those assisting individuals with family issues and navigating the courts without legal representation. Additional investment is being made in online support and digital innovation across civil, family and tribunal legal problems.

3.5 A key part of the Ministry of Justices' and Department for Education's strategy to reduce delay is to ensure the right support is provided early so that those who do not need court find the right alternative. In March 2026, the Department for Education published an updated [Families First Partnership Programme Guide](#) which sets out the government's £2.4 billion investment and reform programme to rebalance children's social care towards earlier, preventative support for families.

3c. PAC recommendation: [MoJ and DfE should take steps to improve efficiency in family justice systems and processes by:]

- ***clarifying how the additional £2 billion of new investment in children's social care will be spent, for example, in improving family support to help families stay together and avoid the court system.***

3.6 The government agrees with the Committee's recommendation.

Recommendation implemented: March 2026

3.7 The Department for Education set out how the additional £2.4 billion investment in children's social care would be spent on earlier, preventative support for families in the December 2025 Treasury Minute response. An updated [Families First Partnership Programme Guide](#), was published in March 2026.

3d. PAC recommendation: [MoJ and DfE should take steps to improve efficiency in family justice systems and processes by:]

- **putting in place arrangements to learn from and embed good practice.**

3.8 The government agrees with the Committee's recommendation.

Revised target implementation date: July 2026

Original target implementation date: April 2026

3.9 The forthcoming family justice strategy will set out further detail on where there is scope to go further and how arrangements to learn from and embed good practice can be strengthened when published in July 2026. As covered in a 27 March letter to the Committee, the departments have revised the target implementation date to this recommendation. The strategy has been developed in collaboration with key partners across the family justice system and will reflect the important role that Local Family Justice Boards play in driving local improvement and aligning national priorities with local delivery.

3.10 The evaluation of 2024-25 Shared Outcomes Fund (SOF) pilots funded by the Department for Education was completed in May 2026, and the department will make sure to disseminate learning from it, and from the Designated Family Judge (DFJ) Trailblazer's Pilot expansion which concluded on 31 March 2026.

5. PAC conclusion: MoJ and DfE do not have the data they need to fully understand the reasons for poor performance and design well targeted improvements.

5. PAC recommendation: MoJ and DfE, working with HMCTS, Cafcass and Local Authorities, in consultation with the Judiciary, should set out a joined-up data and evidence strategy over the next six months. This strategy should outline how the department will collect better data on:

- **most important causes of delays and inefficiencies;**
- **tracking a child's progress through the system from end to end;**
- **differential outcomes for user groups; and**
- **the 'whole system' costs of family justice.**

5.1 The government agrees with the Committee's recommendation.

Revised target implementation date: July 2026

Original target implementation date: April 2026

5.2 As outlined in the [27 March letter to the Committee](#) the departments have updated the target date for implementing this recommendation. However, the programme of work laid out in the departments earlier response to this recommendation is now under way.

5.3 In its meeting on 3 March 2026 the Family Justice Board agreed to the creation of a new data subgroup, bringing together system leaders, including senior data professionals, to discuss, coordinate and drive change across the family justice system in relation to data and evidence. The group will oversee the development and early implementation of a coherent, system wide family justice data and evidence strategy, addressing long standing gaps and making better use of existing and planned data improvements across partner organisations. Key proposals for improving the data and evidence landscape and moving towards more outcome-based measures will be set out in the forthcoming family justice strategy.

5.4 The Ministry of Justice and HM Courts and Tribunals are also working closely to improve the collection, analysis and publication of a wider range of data points, enabling greater understanding of performance of the family justice system, including regional and local drivers of delay. More detail will be provided in the data and evidence section of the forthcoming family justice strategy.

6. PAC conclusion: 'Pathfinder' pilots present an opportunity to improve private law performance, but MoJ has not yet made necessary preparations to roll the pilot out nationally.

6. PAC recommendation: MoJ should, in conjunction with the DfE, within the next 12 months publish a plan and timeline for the wider roll out of pathfinder, including an assessment of how the model will affect spending and how it intends to reallocate funding to Cafcass and local authorities as necessary.

6.1 The government agrees with the Committee's recommendation.

Target implementation date: September 2026

6.2 The Deputy Prime Minister announced the rollout of the Pathfinder pilots on March 17, 2026, now named the Child Focused Courts. This includes £17 million for expansion in a further 8 court areas next year, and ongoing additional funding for Cafcass. The Ministry of Justice will share information with the Committee on plans for rolling out to remaining areas and on costs for future years once these have been finalised.

Forty-sixth Report of Session 2024-26

Ministry of Housing, Communities and Local Government

Improving local areas through developer funding

Introduction from the Committee

Before starting to construct houses or other buildings, developers must generally apply for planning permission. The department sets national policy for the planning system, mainly through the National Planning Policy Framework (NPPF) and accompanying planning practice guidance. Administering the planning system is largely devolved to local planning authorities (LPAs), including preparing local plans, which set out policies and proposals for new development, determining planning applications and enforcing planning obligations.

LPAs can require developers to make financial or other (in-kind) contributions to them as part of the process of granting planning permission. These ‘developer contributions’ are intended to ensure that the impacts of development are appropriately mitigated, and the right infrastructure is in place to support new development. They help to fund affordable housing, and infrastructure such as new roads, health facilities, schools and open spaces. The department’s most recent analysis of infrastructure funding statements (IFSs), which should be published annually by LPAs, estimates the value of developer contributions agreed during 2022–23 at around £5.5 billion.

There are two main ways an LPA can secure developer contributions.

- It enters a negotiated Section 106 agreement with developers, requiring them to deliver certain ‘planning obligations’ to make a development acceptable in planning terms.
- It imposes a Community Infrastructure Levy (CIL) on new development. Developers must pay the CIL if the LPA has chosen to set a charge in its area.

Relevant reports

- NAO report: [Improving local areas through developer funding](#) – Session 2024-25 (HC 945)
- PAC report: [Improving local areas through developer funding](#) – Session 2024-26 (HC 886)
- [Treasury Minute](#) – December 2025 (CP 1469)

Update to the Government response to the Committee

Following the government’s last response to the Committee on this report (CP 1469 above), the remaining recommendations are updated below.

1. PAC conclusion: The Department does not have a sufficient understanding of why the developer contributions system is not working effectively.

1. PAC recommendation:

- **The Department should improve its data collection from infrastructure funding statements to provide a more complete and timely understanding of the situation; and**
- **The Department should also ensure that LPAs are completing infrastructure funding statements in line with their statutory duties.**

1.1 The government agrees with the Committee's recommendation.

Target implementation date: Autumn 2026

1.2 The government recognises that data from Infrastructure Funding Statements (IFSs) could be used to improve understanding of how the developer contributions system is working. This would sit alongside existing and accredited official statistics, such as those on affordable housing supply in England. The department has commissioned research which will analyse data for the reporting years 2023-24 and 2024-25. In parallel, the department will continue to explore proportionate and efficient ways of collecting and analysing data from future IFSs, alongside other relevant sources of evidence.

1.3 Any authority that receives contributions is legally required to publish an IFS annually on their website. Guidance on producing an IFS is already available on the [Planning Advisory Service \(PAS\) website](#) – an organisation that is funded and supported by the government. PAS provides support to local planning authorities on the governance of developer contributions.

1.4 Following on from direct communications from the Chief Planner in June and December 2025 to local planning departments about their legal requirement to publish an IFS, the department will continue to work with PAS to support authorities preparing IFSs and will consider further options to ensure effective monitoring and reporting of developer contributions, including targeted action on non-compliance where necessary.

3. PAC conclusion: There are additional local planning authorities for whom starting to operate the Community Infrastructure Levy would be both feasible and beneficial.

3. PAC recommendation: The Department should work more proactively with the Planning Advisory Service, to identify LPAs where CIL ought to be viable and encourage wider take-up of the CIL where this is appropriate.

3.1 The government agrees with the Committee's recommendation.

Target implementation date: Autumn 2026

3.2 The Community Infrastructure Levy (CIL) is a discretionary levy, which LPAs may choose to adopt based on a range of local factors. This includes giving consideration to ensuring various forms of development remain viable in local areas, where economic factors will differ across different localities. While the department does not have a specific coverage target for its uptake, over half of LPAs already have a CIL in place, and the department expects that more areas will consider adopting CIL with the English Devolution and Community Empowerment Act now having received Royal Assent. This Bill will give all Mayoral Strategic Authorities the power to raise a Mayoral CIL, subject to having a Spatial Development Strategy in place. Regulations will be introduced through the powers provided by the Act, which will set out the relevant procedures that will apply, and the conditions that need to be met in order for a Mayoral CIL to be charged.

3.3 The department supports LPA capacity and capability through the PAS and through the provision of funding, including providing direct support for administration of local development contributions processes. PAS provides support to LPAs who have recently adopted a CIL charging schedule, and those which are considering doing so in the future. This support involves practical training sessions to upskill staff in administrative processes and support to ensure successful implementation of CIL in these areas.

3.4 Finally, to improve transparency on variation between LPAs and encourage uptake where CIL would be a useful tool for viable development, the department has also committed

to publishing a map of CIL coverage in England. This is expected to be in place by Autumn 2026.

4. PAC conclusion: We are unconvinced that the Department is adequately addressing staffing capacity and capability issues within local planning authorities.

4. PAC recommendation: Alongside the Treasury Minute, the Department should write to the Committee setting out, in detail, how the Capacity and Capability Programme will improve the pipeline of new planners and help LPAs to retain experienced planners.

4.1 The government agrees with the Committee's recommendation.

Recommendation implemented: March 2026

4.2 The department [wrote to the Committee](#) in March 2026 with an update on how it is improving planning retention and helping build the pipeline of new planners. This includes scaling up graduate recruitment, mid-career recruitment, investing in skills and training, and improving the financial sustainability of planning services.

5. PAC conclusion: Without updated guidance, local planning authorities will still struggle to challenge financial viability assessments submitted by developers and may fail to receive the amount of developer contributions they are entitled to.

5. PAC recommendation: The Department should ensure that its revised guidance on viability balances the need for site-by-site flexibility in negotiations with the need to dissuade developers from gaming the system. The Department should provide an update on its progress in its Treasury Minute response.

5.1 The government agrees with the Committee's recommendation.

Target implementation date: Summer 2026

5.2 In December 2025, the government published updates to [viability planning practice guidance](#) (PPG) as part of ongoing work to improve how the system currently operates. The updates make clear that practitioners should ensure that the findings of a viability assessment are presented clearly and the assessment and its conclusions are objective, reasonable and realistic. They also set out that:

- it is imperative that practitioners clearly and reasonably justify their inputs and assumptions, recognising the public interest;
- practitioners should act with objectivity and impartiality (without interference), and make explicit all sources of information used; and
- they should ensure and confirm that no conflict of interest, or risk of such conflict, exists.

5.3 Between 16 December 2025 and 10 March 2026, the government consulted on a new National Planning Policy Framework (NPPF). The [NPPF consultation](#) included proposals relating to developer contributions and viability, designed to promote greater clarity on expected contributions at the plan-making stage, in turn reducing the need for negotiation on specific sites. The department is currently analysing the feedback received and will publish its response in due course. The government will consider whether any further updates to the PPG are required to support any changes that are made to the new NPPF, following the NPPF consultation process.

6. PAC conclusion: Given the shortage of social housing, it is unacceptable that unsold homes funded through Section 106 agreements are sitting empty.

6. PAC recommendation: In its Treasury Minute response, the Department should set out how it will diagnose the extent of the Section 106 affordable housing problem more confidently, and how it will ensure the Section 106 Affordable Housing Clearing Service is working much more effectively.

6.1 The government agrees with the Committee's recommendation.

Target implementation date: Summer 2026

6.2 Following the department's previous update, the government published a [Section 106 roadmap](#) in January 2026, to lay the foundations for a simpler, more transparent and more resilient S106 system, and deal with the legacy problem of existing unsold and uncontracted S106 units.

6.3 This included confirming an emergency, time-limited intervention to unlock such uncontracted and unsold S106 units. Policy Guidance set out the steps government expects LPAs to take where developers can demonstrate they have made all reasonable endeavours to find a registered provider buyer on the basis of the affordable housing requirement set out in the original S106 agreement but have been unsuccessful. In such circumstances, LPAs are strongly encouraged to take advantage of existing planning flexibilities to renegotiate S106 agreements and allow the tenure of homes to be varied in order to secure a buyer. To ensure sites that are genuinely 'stalled' are targeted, the guidance sets out the conditions that LPAs should ensure are met, and the approach to negotiation they should take, including requiring developers to register unsold and uncontracted S106 units on the Homes England Clearing Service by 1 June 2026 and that homes should be live on the Clearing Service for a period of six weeks from the date of the unit being uploaded. The department is closely monitoring data relating to the time-limited process, as well as collecting additional data on planned S106 delivery through the Social and Affordable Housing Programme bidding process.

6.4 The department is working on a further update to the January announcement. This will focus on tackling the barriers identified in the January S106 roadmap that have contributed to the existing stock of uncontracted units while strengthening the system for future delivery.

6.5 The department considers this a significant step towards addressing the concerns raised by the Committee and will continue to build on this programme of work, alongside ongoing analysis and monitoring of the S106 delivery, with a view to providing a further evidence-based update shortly.

Forty-eighth Report of Session 2024-26

Operational Delivery Profession

Smarter delivery of public services

Introduction from the Committee

In 2024–25, central government departments were expected to spend over £450 billion on the day-to-day ‘current’ running costs of public services, grants and administration. This is approximately 35% of public spending. Operational capability will enable government to be smarter in how it manages and improves services, and to find innovative ways of getting the best value from that spend, in the face of emerging challenges.² Key aspects of operational capability include taking a whole system approach, understanding and dealing with demand, using performance information to improve, and embedding a systematic approach to innovation and improvement.

The Operational Delivery Profession was created in 2011, with the responsibility to develop the capabilities of staff in the civil service, with profession-specific skills, and providing them with career development opportunities. A cross-government Operational Delivery Profession Team (ODPT) to support the profession was established in 2016. The current cross-government Head of Profession is the Permanent Secretary for the Department for Work and Pensions (DWP) and there are 35 Heads of Profession in organisations across government to support him in implementing the ODP’s strategy.

There are over 290,000 members of the ODP across central government. It is the largest profession in government; it has members in all organisations and is based in all regions. Its members are the public face of the civil service, often living and working in the communities they serve. The ODP’s members in public-facing roles work in prisons, issue passports, process benefits claims, work in jobcentres, administer the tax system, and process people at the UK Border, as well as in many more varied roles.⁵ The ODP has recently launched its strategy for 2025–28, which aims to continue expanding formal and informal learning for all of its members across all civil service grades.

Relevant reports

- NAO report: Lessons learned: [Smarter delivery – improving operational capability to provide better public services](#) – Session 2024-25 (HC 952)
- PAC report: [Smarter delivery of public services](#) – Session 2024-26 (HC 889)
- [Treasury Minute](#) – December 2025 (CP 1469)

Update to the Operational Delivery Profession’s response to the Committee

Following the Profession’s last response to the Committee on this report (CP 1469 above), the remaining recommendations are updated below.

1. PAC conclusion: The Operational Delivery Profession’s (ODP’s) importance to the delivery of public services is not reflected in its external visibility, which means that opportunities are being missed to attract talented individuals to operational roles.

1. PAC recommendation: The ODP should set out how it will raise the external profile of operational delivery as a desirable career path in particular for students, sharing the benefits of membership and key successes, including by publishing an annual report which sets out how it is performing against its objectives.

1.1 The profession agrees with the Committee's recommendation.

Target implementation date: September 2026

1.2 The Operational Delivery Profession (ODP) has tracked numbers and in its third year (2025) the OpDel Fast Stream received 14,183 applications, making it the 6th most popular Fast Stream scheme. Alongside this, there are also currently 2,160 individuals across government undertaking apprenticeships listed as part of the ODP offer and work continues with Skills England on the design and delivery of a new OpDel specific apprenticeship.

1.3 Though many departments already take part in outreach with schools and colleges, ODP has begun working with them to help highlight operational delivery career pathways more clearly within their existing engagement channels. Departments also report that references to ODP are now routinely included in recruitment materials and induction information, helping to improve awareness among new starters.

1.4 Regional engagement is a deliverable in the profession's 2026-27 Business Plan; activities will include a timetable of regional roadshows and will explore the potential to work with education providers and Jobcentres to promote ODP career opportunities in areas with high levels of Government Operational Delivery activity.

1.5 The 2026-27 Business Plan is currently being shared internally. In support there is a standalone comprehensive framework to assess delivery of the strategy which incorporates quantitative and qualitative metrics and is on track to be shared with key stakeholders by September 2026.²

2. PAC conclusion: There are examples of innovation happening across government but more needs to be done to harness the ideas of the 290,000 members of the ODP for improving service delivery.

2. PAC recommendation: The ODP should require all its Departmental Heads of Profession to set out how they will ensure that their staff have the time, skills, tools and support to raise ideas, learn from each other, and get involved with improving services.

2.1 The profession agrees with the Committee's recommendation.

Target implementation date: September 2026

2.2 The profession is progressing work to introduce service standards that will enable benchmarking, collaboration and shared learning across departments and agencies. Agreeing common ways of measuring common services is the first step towards this, and work to develop and agree these measures is underway with testing having begun in April 2026 and sign off expected by July 2026.

4. PAC conclusion: There are gaps in core operational delivery capabilities in government organisations which impact on the cost and quality of services it delivers.

² The first Treasury Minute response mistakenly referred to publication of the '2025-26 Business Plan' by August 2026; this should instead refer to the '2026-27 Business Plan'.

4. PAC recommendation: The ODP should monitor how effectively the approach set out in its strategy is building the capabilities that are needed to deliver improvements to the cost and quality of government services.

4.1 The profession agrees with the Committee's recommendation.

Recommendation implemented: March 2026

4.2 The 2025-28 ODP strategy sets out a clear plan for improving operational delivery capability across government. While the profession recognises the challenge of demonstrating a direct causal link between capability building activity and outcomes for citizens, a standalone comprehensive framework has been created to measure the impact of the strategy and the effectiveness of all ODP products and services.

4.3 The standalone comprehensive framework has begun to track progress of the strategy, with development of a suite of 10 initial impact measures, including qualification achievement and satisfaction ratings, which were agreed in March 2026 and are now live. These measures assess how the strategy is building professional identity, and the profession expects this will support improvements to capability, cost efficiency and service quality. Measurement activity draws on quantitative data, qualitative insight, and collaboration with cross-government and academic partners to ensure a robust evidence base.

5. PAC conclusion: It is vital that the ODP keeps pace with advances in new technology and artificial intelligence and the implications for the changing skills its members need.

5. PAC recommendation: The ODP should work with the Government Digital and Data Profession to define the digital skills that ODP professionals require, and include them in the new skills framework, to support government organisations to navigate the impact of new technology and artificial intelligence and adopt it to deliver better services.

5.1 The profession agrees with the Committee's recommendation.

Target implementation date: December 2026

5.2 The workforce challenges study, a review into Civil Service demographics and the potential workforce challenges a future ODP will face, was conducted and has produced early findings. Work is now underway to define how the profession can address these challenges. The profession is working with departmental stakeholders to complete a deep dive into these challenges by the end of June 2026, following which identification of collaborative solutions to attract people into the workforce (including through apprenticeships) and equip them with the right skills to be successful, beginning in July 2026. Work to define future skills critical to operational delivery is progressing, with feedback captured from departmental heads of profession, and the ODP skills framework will be reviewed with any dependencies addressed by the end of December 2026.

Forty-ninth Report of Session 2024-26

Cabinet Office

Administration of the Civil Service Pension Scheme

Introduction from the Committee

As of 31 March 2024, the Scheme had 1.7 million members, including both current and former civil servants, with a total liability for future pension benefits of £189 billion. It is an unfunded defined benefit scheme. MyCSP administers the Scheme on behalf of the Cabinet Office under a contract that was first agreed in 2012, a contract costing £238 million since 2016. MyCSP is a mutual joint partnership between employee partners, who own 25% of the company, and a private sector partner, Equiniti.

During MyCSP's administration of the contract, changes to public service pensions have impacted on what members need from their administrator. The 2018 McCloud judgment found that the 2015 government pensions reforms discriminated against younger members of public service pension schemes. In response, the government created the 'Remedy' programme to implement remedies to all affected members across the public sector. The Cabinet Office has spent an additional £31.7 million funding MyCSP to implement remedies to around 400,000 affected scheme members.

The Cabinet Office awarded the contract to administer the Scheme to Capita in November 2023, meaning that since December 2023 there has been a transition period in progress, with Capita expecting to take over administration of the Scheme in December 2025. The total value of the new contract is £239 million for seven years with an option to extend for a further three. This will be Capita's second time administering parts of the Scheme, having run the pension payroll service and deferred member administration prior to 2014. Capita is also the administrator of the Teachers' Pension Scheme, responsible for its public sector pension administration and dealing with Remedy. Capita was due to end that role in 2025, but that has now been extended to 2026.

Relevant reports

- NAO report: [Investigation into the administration of the Civil Service Pension Scheme](#) – Session 2024-25 (HC 951)
- PAC report: [Administration of the Civil Service Pension Scheme](#) – Session 2024-26 (HC 888)
- [Treasury Minute](#) – December 2025 (CP 1469)

Update to the Government response to the Committee

Following the government's last response to the Committee on this report (CP 1469 above), the remaining recommendation is updated below.

2. PAC conclusion: More than half of members who are drawing their pension and affected by Remedy are facing unacceptable waits until as late as 2027 to have their pension options set out for them.

2. PAC recommendation: The Cabinet Office should set out in its Treasury Minute response its plan for dealing with the remaining members who are drawing their pension and affected by Remedy. That plan should include how it intends to communicate to members when they can expect to receive information allowing them to make their choices.

2.1 The government agrees with the Committee's recommendation.

Target implementation date: March 2027

2.2 Prior to the transition of services from MyCSP to Capita, MyCSP distributed 58,411 (44%) Immediate Choice Remediable Service Statements (IC RSSs). Subsequently, 42,959 decisions were received, and 42,516 member choices were implemented.

2.3 Two distinct projects have been established:

- Remedy Work in Progress (WIP), tasked with implementing the remaining choices, where MyCSP has received decisions but did not have time to implement them due to the transition.
- Remedy Project 7, which will provide options and implement choices for the remaining circa 56% that had not been started (approximately 20,000 deferred members and 74,000 retired members).

2.4 The Discovery phase for Remedy Project 7 was initially scheduled for four months, commencing in September 2025, with a projected completion date of 31 December 2025. This phase aims to formally define the scope of works and the delivery plan for issuing the remaining 56% of the Remedy population with their IC RSS. This schedule has not been maintained, and the Discovery phase remains ongoing. Significant delays have followed the transition from MyCSP to Capita, additional complexities during discovery and challenging resource availability have also impacted the programme.

2.5 Some progress is now being made, with critical deliverables anticipated during April and May 2026, specifically the Full Business Case, Statement of Works, and Design and Implementation Documentation. These documents will facilitate the progression into the design and build phase with Capita.

2.6 Capita has established multiple operational pillars, including Calculations, Data, Operations, and Programme workstreams, to ensure progression of the work.

2.7 The Cabinet Office is working closely with Capita to progress critical data and the calculations workstreams, identifying complex feature cohorts. These complexities include, but are not limited to Added Pension, Scheme Pay debits, pension debits for divorce, transfers in and out, previous public service history. These features require calculation amendments to ensure the correct Remedy is presented to the member.

2.8 The successful conclusion of the Discovery phase will enable the design and build of the functionality. This will provide clearer and more specific timeline information regarding any proposed split of the membership and when particular cohorts may receive their IC RSS pre the target completion date of March 2027. The Cabinet Office is working closely with Capita to ensure that members are provided with their options at the earliest possible opportunity.

2.9 Member communications will be primarily delivered through the Remedy area on the Civil Service Pension website, with tailored communications to the member where appropriate. Cabinet Office is currently collaborating with Capita to review the Remedy-specific content, ensuring it is current and informative.

2.10 Whilst the Cabinet Office is still targeting 31 March 2027, Capita has however informed the Cabinet Office that the delays experienced, and the complexity of the work may impact its ability to issue all IC RSS by 31 March 2027. The Cabinet Office expects to fully understand the impact and what can be done to bring the timeline back on target when the full business case, expected June 2026, is received.

Fiftieth Report of Session 2024-26

Department for Transport

Local Bus Services in England

Introduction from the Committee

There were around 1.8 billion bus journeys taken in England (outside London) in 2023–24, making local buses the most used form of public transport. Buses are essential for millions of people to access employment, education, shops and health services, particularly for younger people, those from lower income households, the elderly and people with disabilities. Successive governments have attempted to halt the long-term decline of bus services, but passenger numbers fell, and the size of the bus network reduced in the decade leading up to the pandemic, and ticket costs increased more quickly than rail fares and motoring costs.

The department is responsible for setting national policy for buses, and for providing guidance and funding to the bus sector. Most local bus services are run by private companies, which set routes and timetables, with some socially necessary services being supported financially by local transport authorities. The Ministry for Housing, Communities & Local Government also provides non-ringfenced funding to local authorities for buses. Local transport authorities are responsible and accountable to local people for spending on local transport, including on buses

In March 2021, the department published the first national bus strategy, explaining its ambition for making buses cheaper, more frequent and reliable and promising new funding for bus service improvements. The department no longer wanted bus services being planned on a purely commercial basis and without input or support from local transport authorities. It asked all local transport authorities to put in place a bus service improvement plan (BSIP) by October 2021, and to formalise closer working arrangements with operators or to franchise their local bus network, in order to access funding.

At time of writing, the department is sponsoring a bill through Parliament that aims to provide further powers to local transport authorities to improve bus services and grow usage. It includes measures to simplify the process for local transport authorities to pursue franchising and to allow new publicly owned bus companies to be created.

Relevant reports

- NAO report: [Local bus services in England](#) – Session 2024-25 (HC 949)
- PAC report: [Local bus services in England](#) – Session 2024-26 (HC 892)
- [Treasury Minute](#) – January 2026 (CP 1488)

Update to the Government response to the Committee

Following the government's last response to the Committee on this report (CP 1488 above), the remaining recommendations are updated below.

1. PAC conclusion: Bus services have not been good enough for many years, particularly for people in rural areas.

1. PAC recommendation: The department should set out how it will clearly communicate its vision for bus services. This should include setting out what outcomes it wants to achieve and by when.

1.1 The government agrees with the Committee's recommendation.

Target implementation date: April 2026

1.2 [The government's vision for buses and approach to delivery](#) was published in April 2026 on GOV.UK.

3. PAC conclusion: The department does not know how it will measure local transport authorities' performance on bus services.

3a. PAC recommendation: The department should, within a year, finalise a basket of measures and explain how it will use an outcomes framework to hold local transport authorities to account for their performance on bus services and support those performing less well.

3.1 The government agrees with the Committee's recommendation.

Target implementation date: December 2026

3.2 The department has developed a clear and consistent set of outcomes and output indicators that directly relate to ministers' aims for bus services. These support local transport authorities in delivering better buses and help target support from the department and its partners.

3.3 Outcomes frameworks are now in place for all six Mayoral Strategic Authorities receiving Integrated Settlements (IS). Frameworks for [Greater Manchester](#) and the [West Midlands](#) were established first, followed by frameworks for [Liverpool City Region](#), [North East](#), [West Yorkshire](#) and [South Yorkshire](#), which were published in April 2026 as part of their Integrated Settlement agreements. These frameworks set out the key measures for which authorities are accountable to government, forming the core accountability mechanism for devolved funding. Other local transport authorities receiving consolidated funding are also required to report against the Local Transport Outcome Frameworks, however, though these areas are not required to set targets.

3.4 From 2026, Local transport authorities will use a proportion of their allocation to participate in Transport Focus' 'Your Bus Journey' annual survey, which will for the first time deliver a comprehensive view of customer satisfaction with bus services across England outside London. This will provide the department with a robust evidence base to identify places that would benefit from targeted support. In parallel, the department will continue to develop Transport Focus' enhanced role in analysing and understanding data to support, challenge and improve local transport authority delivery.

3.5 The remaining work to complete implementation by December 2026 focuses on embedding these frameworks across all relevant local transport authorities and ensuring the 'Your Bus Journey' survey is operational and producing comparable data. Once this is in place, the department will have a comprehensive set of measures and accountability mechanisms that fully meets the Committee's recommendation.

3b. PAC recommendation: The department should develop a monitoring and evaluation plan for its portfolio of bus improvement interventions.

3.6 The government agrees with the Committee's recommendation.

Target implementation date: October 2026

3.7 The department has reviewed and quality assured outputs from the final process, impact and value for money evaluation of Bus Service Improvement Plans and the interim outputs from the impact and value for money evaluation of the Rural Mobility Fund.

3.8 The department is updating its Monitoring and Evaluation (M&E) strategy for bus initiatives, as outlined in its previous update to the Committee. It is expected to complete this work in the coming months.

4. PAC conclusion: The department has not yet provided local transport authorities with the information they need to understand the relative merits of different bus operating models, including franchising.

4. PAC recommendation: The department should support local transport authorities to understand the benefits and risks of different models for running bus services and optimise how they work, including learning from the pilots of franchising models, providing guidance based on its review of enhanced partnerships, and promoting effective low-cost and no-cost approaches.

4.1 The government agrees with the Committee's recommendation.

Target implementation date: Summer 2026

4.2 The department will launch its own group of bus franchise experts that can be used by all local authorities to support them on their franchise journey, whether that is at the very beginning and the exploration of the right model to improve local bus services, or throughout the formal process of franchising and they will act as a critical friend to challenge assumptions made.

4.3 The department launched the Franchising Support Fund in March 2026 which is available to all local authorities to help support with the costs of pursuing franchising. Following on from the franchising pilots programme, this funding could be used to support with the costs of an initial franchising pre-feasibility assessment or to support in undertaking the franchising assessment. The funding will support implementation of measures in the Bus Services Act 2025 and help local authorities deliver franchising in a way that is tailored to local needs, if they choose to.

4.4 The department will provide support to local transport authorities that choose to deliver their bus services through an Enhanced Partnership (EP). Drawing on findings from the 2025 review of EPs, the department published [updated guidance](#) in April 2026, that sets out statutory requirements and processes, alongside actionable steps for designing, implementing, and improving EPs. The department published an accompanying EP Manual in May 2026. This provides advice on making improvements using low and no cost approaches, as well as the new requirements for provision of socially necessary local services and new minimum standards. It also highlights existing best practices through case studies, examples, and templates.

5. PAC conclusion: The department could do much more to support local transport authorities with the skills they need and to help them apply relevant good practice.

5a. PAC recommendation: The department should explain how it will make sure its support is targeted to the skills local transport authorities most need.

5b. PAC recommendation: The department should identify and share, through the Bus Centre of Excellence, best practice that is tailored for areas with similar characteristics.

5.1 The government agrees with the Committee's recommendations.

Target implementation date: Spring 2027

5.2 The department has significantly expanded the role of the Bus Centre of Excellence, supported by a substantial funding uplift over the Spending Review 2025 period. This investment has enabled BCoE to grow its capacity and begin delivering tailored networks, tools, and training. These initiatives are designed to share best practice, promote the use of technology and data, and address skills gaps highlighted by local transport authorities. The department continues to work with BCoE to ensure its activities build capability and strengthen capacity across the bus sector, focusing on improving collaboration, planning, and delivery between local transport authorities, bus operators, and the wider sector, deepen understanding of bus delivery models, data, and multimodal integration to improve delivery outcomes for passengers.

6. PAC conclusion: The department does not understand why elderly and disabled people are using buses far less than they used to.

6a. PAC recommendation: The department should, within six months, write to the committee setting out the specific barriers preventing elderly and disabled passengers getting back on buses and its plans to address them.

6.1 The government agrees with the Committee's recommendation.

Recommendation implemented: April 2026

6.2 The department [wrote to the Committee](#) on 29 April 2026 addressing this recommendation.

6b. PAC recommendation: The department should work with local transport authorities to promote the uptake of concessionary passes.

6.3 The government agrees with the Committee's recommendation.

Target implementation date: November 2026

6.4 The department has set clear expectations that local transport authorities (LTAs) actively promote eligibility for the English National Concessionary Travel Scheme (ENCTS). Updated [Enhanced Partnership](#) guidance, published in April 2026, set out the requirement for LTAs and operators to promote concessionary travel and ensure eligible residents are aware of when and how to apply. In addition, the department has made clear that proactive promotion of ENCTS eligibility forms part of wider expectations attached to consolidated local transport funding. The Memorandum of Understanding (issued in March 2026) set out that LTAs are expected to ensure awareness of eligibility and that application processes are accessible to users with a range of needs.

6.5 To support oversight, LTAs will be asked to provide annual updates on the actions they have taken to promote take-up and improve accessibility of the application process. The department will use this information to monitor delivery against expectations, identify areas where further improvement may be required, and inform its ongoing engagement with LTAs. The department will also work with LTAs to identify and share effective practice, including examples of successful approaches to increasing awareness and simplifying application processes, and will use this insight to inform future updates to ENCTS guidance.

7. PAC conclusion: *Bus passenger experience is variable across the country in part due to patchy implementation of technology.*

7. PAC recommendation: *The department should, within six months, write to the committee explaining how it is helping all local transport authorities implement improvements for bus passengers through better use of technology.*

7.1 The government agrees with the Committee's recommendation.

Recommendation implemented: April 2026

7.2 The department [wrote to the Committee](#) on 29 April 2026 addressing this recommendation.

Fifty-first Report of Session 2024-26

Ministry of Defence

The UK's F-35 stealth fighter capability

Introduction from the Committee

The F-35 is a technologically cutting-edge multirole stealth fighter aircraft. The UK is one of 8 partner nations in the global F-35 programme, although the US has by far the most influence on the programme, ordering approximately 80% of all aircraft to date. Other countries purchase F-35s as foreign military sales customers.

The UK became the first partner to the US in the Joint Strike Fighter project (the precursor to the global F-35 programme) in 1995. In January 2001, the UK committed \$2 billion (£1.7 billion) to the programme to become the first and only 'level 1' partner. The UK's level 1 status, which lasted to 2020, allowed it to input into the design and development of the aircraft, as well as gaining experience in developing stealth technology. UK industry currently manufactures at least 15% by value of every F-35 aircraft for the global programme. The UK also has a formal policy requirement that it is able to use the F-35 at any time or place of its choosing, known as 'freedom of action'. The Department planned for the new facilities required to enable this to be in place by 2021.

The Department has committed to purchasing 138 F-35 aircraft in total. In 2012, it began taking delivery of F-35Bs, a variant which can be used from land or aircraft carriers. In 2016 it announced its plan to buy 48 F-35Bs by the end of 2024, which it amended, in February 2020, to the end of 2025. By July 2025 it had received 38. One was lost in an accident in 2021, leaving 37 in service. There is currently no approved timetable for purchasing the remaining 90 aircraft.

In 2018, the Department set out in its 'Concept of Use' document that it planned to achieve Full Operating Capability (FOC) of its F-35 fleet by 2023. Amongst other things, this meant two frontline squadrons of 12 aircraft each, being able to operate simultaneously. In 2025, the Department is using the F-35 capability as part of a Carrier Strike Group deployment exercise to the Indo-Pacific, embarking up to 24 aircraft on an aircraft carrier, to help demonstrate FOC. The Department expects its F-35 fleet to remain in service until 2069.

The global programme is run by the Joint Program Office (JPO) based in Washington DC. The Department relies on the performance of the JPO, and its prime contractors—Lockheed Martin and Pratt & Whitney—for cost-effective delivery of the aircraft, engines and provision of support. The Department is fully responsible for providing all other elements of capability, such as providing trained pilots, engineers and other personnel, infrastructure, weapons, and logistics. The Department is also responsible for providing related capabilities, such as the aircraft carriers and air bases which the F-35 is designed to fly from.

Relevant reports

- NAO report: [The UK's F-35 capability](#) - Session 2024-25 (HC 989)
- PAC report: [The UK's F-35 stealth fighter capability](#) - Session 2024-26 (HC 1232)
- [Treasury Minute](#) - January 2026 (CP 1488)

Update to the Government response to the Committee

Following the government's last response to the Committee (CP 1488 above), the remaining recommendations are updated below.

1. PAC conclusion: The Department is set to declare Full Operating Capability (FOC) for its F-35 fleet based on a subjective judgement and taking no account of a likely reduction of aircraft availability when the Carrier Strike Group has returned from deployment.

1. PAC recommendation: The Department should ensure that for future major programmes it adopts a more robust and objective definition of Full Operating Capability that takes account of capability gaps and the ability to sustain that capability consistently after its declaration.

1.1 The government agrees with the Committee's recommendation.

Target implementation date: November 2026

1.2 As set out in the department's January 2026 response, the MoD continues to strengthen its approach to the delivery of military capability. Under Defence Reform the department have introduced the Integrated Force Strategic Cycle (IFSC), a single end-to-end process for the design, delivery and sustainment of military capability. It is a cross-Defence collaborative process through which the Armed Forces, National Armaments Group and Defence Nuclear Enterprise work together to deliver capability outcomes.

1.3 Multi-disciplinary teams will develop through-life costed, pan Defence Lines of Development options in response to problems statements that address capability gaps. Once an option is chosen, the commissioning process will consider the most appropriate procurement route, including whether to adopt spiral approaches, and ensure a common understanding of success criteria including those for entry into service. The Capability Sponsor, and Portfolio Director into whose portfolio the programme is commissioned, will work together to ensure that the programme continues to deliver the necessary capability outcomes, agreeing changes where necessary through appropriate governance. Once operational, changes to capability will also be addressed through the IFSC, which has been designed to operate at different tempos reflecting strategic and annualised cycles, and the ability to react dynamically in-year to changes in the operating environment.

2. PAC conclusion: The UK's F-35 does not have a standoff weapon, and aircraft availability is inadequate.

2a. PAC recommendation: The Department should set out in the Defence Investment Plan how it will ensure a standoff capability in the coming years before Spear 3 is fully integrated onto the aircraft.

2.1 The government agrees with the Committee's recommendation.

Target implementation date: November 2027

2.2 Following [the Committee Chair's letter dated 26 March 2026](#) the Committee Chair's letter dated 26 March 2026, which requested the department to set out how, in the absence of the Defence Investment Plan (DIP), it will ensure a standoff capability in the coming years before Spear 3 is fully integrated onto the aircraft, the [department responded on 30 April 2026](#). The response explained that the DIP will determine the timing and delivery of capabilities, ensuring that the UK, alongside its Allies, maintains critical operational outputs. Further details can be provided once the DIP is finalised.

2.3 In the interim, approvals have been given to proceed with a Foreign Military Sales (FMS) procurement the precision-guided munition, Small Diameter Bomb (SDB-II).

This acquisition will provide the F-35 with an interim stand-off capability until the introduction of SPEAR-3 into service.

2b. PAC recommendation: The Department should write to the Committee, alongside its Treasury Minute response to this report, setting out how it intends to increase F-35 availability so that its targets are consistently met.

2.4 The government agrees with the Committee's recommendation.

Recommendation implemented: April 2026

2.5 In its initial response to this recommendation the department committed to writing to the Committee by 30 April 2026 to outline how it intends to increase F-35 availability. The extended timeline was necessary to incorporate lessons from the Carrier Strike Group 25 deployment.

2.6 Accordingly, the department [wrote to the Committee](#) on 30 April 2026 providing updates on the following F-35 related topics:

- F-35 Availability
- Lessons from the Carrier Strike Group 25 Deployment
- Supply Chain and Spares Availability
- Corrosion management
- Workforce and Retention
- Infrastructure

4. PAC conclusion: Accommodation at RAF Marham is substandard, exacerbating issues with recruitment and retention. Despite the urgent need to address this, upgrades will not be completed under current plans until 2034.

4. PAC recommendation: The Department should urgently look to prioritise investment to bring forward completion of improvements to RAF Marham accommodation on a much earlier timescale than 2034. It should write to the Committee within 6 months as to how it intends to do this.

4.1 The government agrees with the Committee's recommendation.

Recommendation implemented: April 2026

4.2 The department has already responded to the Committee Chair's letter, [dated 26 March](#), which requested the department to set out how it will prioritise investment to bring forward completion of improvements to RAF Marham accommodation on a much earlier timescale than 2034. The department's response explained that the Defence Infrastructure Organisation (DIO) is facilitating the construction of four Single Living Accommodation (SLA) Blocks at RAF Marham, within an already condensed programme timeline.

- Building 1 has been completed and is in the process of hand over.
- Buildings 2 and 3 are modular units being constructed off-site. Building 2 is completed awaiting installation. Building 3 is 75% complete.
- Building 4 is scheduled for completion by end May 2026.
- Demolition of existing redundant buildings has now started to allow for the installation of the new modular buildings.

4.3 The overall completion date for the four buildings is May 2027 and, no further work orders at present have been issued to advance the programme beyond this date.

4.4 Once the DIP is finalised, HQ AIR will re-prioritise its infrastructure requirements against its 4-year Control Total. This will include the Committee's recommendation to prioritise infrastructure investment to bring forward the 2034 deadline for completion of SLA improvements at RAF Marham.

5. PAC conclusion: The Department has taken a narrow and short-term approach to management and costs and has failed to realistically appraise the programme's whole-life cost.

5a. PAC recommendation: The Department should

- **set out in its upcoming Defence Investment Plan the expected long-term impact on costs and capability of any short-term savings measures, on both the F-35 and other major programmes.**

5.1 The government agrees with the Committee's recommendation.

Target implementation date: November 2027

5.2 Following [the Committee Chair's letter dated 26 March 2026](#), which requested the department to set out, in the absence of the Defence Investment Plan (DIP), the expected long-term impact on costs and capability of any short-term savings measures, on the F-35 and other major programmes, the department [responded on 30 April 2026](#). The response explained the department is working with speed to finalise the DIP. Once it is published it will balance the department's existing programmes against its spending trajectory and requirements. As these are not short-term measures rather a holistic reassessment of existing programmes against the priorities set out in the Strategic Defence Review, it is not practicable to provide this information at this time.

5b. PAC recommendation: The Department should

- **build on its recent whole-life cost analysis by including all relevant non-equipment costs to give a more complete through-life cost forecast of the programme.**

5.3 The government agrees with the Committee's recommendation.

Target implementation date: November 2026

5.4 The department has improved its approach to cost estimating early in the programme lifecycle to support the development of business cases, reduce optimism bias and enable better-informed and robust investment decision-making. Under Defence Reform this approach is being incorporated into the Integrated Force Strategic Cycle to better set programmes up for success at the outset. In the options development process, multi-disciplinary teams will develop through-life costed, pan Defence Lines of Development options in response to problems statements. This process leverages expertise from all areas of Defence, including the Military Commands, to ensure that comprehensive, costed solutions that are affordable and achievable are considered. Through the commissioning process, delivery routes are established across Defence for the work packages required to deliver the entirety of the programme.

Fifty-second Report of Session 2024-26

Department for Environment, Food & Rural Affairs

Resilience to threats from animal disease

Introduction from the Committee

Animal disease outbreaks are a significant threat to the UK's farming and food security, to human health, to rural communities, to wildlife and to the economy and trade. Outbreaks can have a significant economic cost. The major foot and mouth disease outbreak of 2001 cost the public and private sectors an estimated £5.2 billion and £8.6 billion, respectively (in 2023–24 prices). The government's 2025 National Risk Register (NRR) includes four animal disease outbreaks that would have significant impacts.

Animal diseases are categorised as exotic (not normally present in the UK, such as foot and mouth disease) or endemic (already present in the UK, such as bovine tuberculosis (TB)). Factors such as climate change and antimicrobial resistance are likely to increase the rates of endemic diseases and the frequency and variety of exotic disease outbreaks.

The Department is responsible for providing policy, guidance and funding to maintain and strengthen animal disease resilience in England. APHA, an executive agency of the Department, has the lead operational role. Local authorities also have an important role, both in responding to outbreaks and reducing the risk of outbreaks happening. The management of animal diseases is a devolved issue in Northern Ireland, Scotland and Wales, although some aspects such as border controls are GB-wide.

Relevant reports

- NAO report: [Resilience to animal diseases](#) – Session 2024-25 (HC 946)
- PAC report: [Resilience to threats from animal disease](#) – Session 2024-26 (HC 885)
- [Treasury Minute](#) – January 2026 (CP 1488)

Update to the Government response to the Committee

Following the government's last response to the Committee on this report (CP 1488 above), the remaining recommendations are updated below.

1. PAC conclusion: The Department and APHA are not adequately prepared for the most severe - or more serious concurrent - animal disease outbreaks.

1a. PAC recommendation: The Department and APHA must act now to improve preparedness for a major outbreak by:

- **Updating all specific exotic disease control strategies over the next year.**

1.1 The government agrees with the Committee's recommendation.

Target implementation date: March 2027

1.2 The department and Animal Plant Health Agency (APHA) have committed to a staged and prioritised approach to improve preparedness for major animal disease outbreaks.

1.3 The department and APHA, working with policy colleagues in the Welsh and Scottish Governments, are on track to review and update the published disease control strategies for

foot and mouth disease (FMD), avian influenza, African swine fever and lumpy skin disease (LSD) by March 2027:

- The updated '[Disease control strategy for African and Classical Swine Fever](#)' in Great Britain was published in May 2026.
- Publication of the 'Notifiable avian disease control strategy' is expected by the end of 2026.
- The '[Foot and mouth disease control strategy](#)' for Great Britain was reviewed and published on 24 July 2025. The department and APHA are updating various policies, including lessons identified from the national Tier 2 FMD disease exercise "Exercise Aspen", and will take account of these in the next update by March 2027.
- Due to the ongoing presence of LSD in Europe, the department is refining LSD control policies and will be updating the control strategy for Great Britain by March 2027.
- For zoonotic diseases, contingency information on managing disease risks to humans will be included in the updates to the relevant disease control strategies.

1.4 These updates will take account of the UK and EU negotiations at the time of publication, for a Sanitary and Phytosanitary (SPS) Agreement, which aims to establish a common SPS area, and joint working with the EU on threats to the UK's biosecurity from animal disease outbreaks.

1b. PAC recommendation: The Department and APHA must act now to improve preparedness for a major outbreak by:

- **Working with local resilience forums to understand barriers to preparedness, and provide support to overcome these.**

1.5 The government agrees with the Committee's recommendation.

Target implementation date: February 2027

1.6 The department and APHA, working with Ministry of Housing, Communities and Local Government, reviewed and updated in February 2026 key contacts at each Local Resilience Forum (LRF) Secretariat. This will facilitate collaboration between teams to share information, including planning assumptions, to assist with local response planning.

1.7 APHA has taken steps to improve information sharing across a wider range of resilience partners – including updating information within its dedicated section of Resilience Direct (the UK's secure platform for government agencies to share information on exercising, planning, outbreak response and recovery).

1.8 APHA is exploring whether becoming categorised under the [Civil Contingencies Act](#) (2004) as a category 1 (core organisation) or 2 (key cooperating organisation) responder would deliver benefits in terms of outbreak or emergency response capabilities. Both category 1 and 2 responders have a duty to cooperate in responding to outbreaks and emergencies. Engagement amongst the category 1 and 2 responders is facilitated through LRFs. A final decision is expected by Autumn 2026.

1c. PAC recommendation: The Department and APHA must act now to improve preparedness for a major outbreak by:

- **Using upcoming exercises to fully evaluate the UK's preparedness for severe outbreaks, including the scenario where the response becomes overwhelmed.**

1.9 The government agrees with the Committee's recommendation.

Target implementation date: February 2027

1.10 Early findings from the national pandemic exercise ‘Exercise Pegasus’ were included in the [Pandemic Preparedness Strategy](#) published on 25 March 2026, with further lessons learned now being developed and applied across government.

1.11 Defra has captured department-specific learning to be developed and applied from Exercise Pegasus. This work provides the basis for tracking and addressing agreed actions through established resilience and management processes. Emerging recommendations from Exercise Pegasus are currently being tested across government, before the final Exercise Pegasus Recommendation Report is published in Winter 2026.

1.12 Evaluation work from Exercise Aspen (an exercise that explored readiness of the United Kingdom to respond to, and recover from, a national outbreak of FMD) has been internally reviewed. A publicly available evaluation report is expected to be published by Autumn 2026. The lessons learned from Exercise Aspen will inform the annual review of the Exotic Notifiable Disease Contingency Plan for England, due to be undertaken by Winter 2026.

1.13 APHA implemented tiered preparedness ratings in January 2025, referred to as indices (strategic, tactical, and operational, which provide an assessment of each business unit’s readiness and resilience to respond to exotic disease incursions) covering disease, pest, and invasive species threats. These indices provide a living record of response capability and capacity, ensuring that there is a continuously updated document on preparedness that evolves to reflect ongoing changes.

1.14 As part of this new model, APHA launched a managed 12-month rolling exercise programme in April 2026 that provides more frequent and development-focussed exercises aimed at assessing the readiness of the agency for major animal disease outbreaks. This will improve visibility and accountability of exercising with the purpose of providing enhanced assessments in the outbreak preparedness indices and ensuring continuous improvement of response by services.

2. PAC conclusion: Not enough is being done to tackle the high level of vet vacancies within APHA, which limits its ability to respond to an outbreak.

2. PAC recommendation: APHA should in the next year produce a veterinary workforce strategy to address vet vacancies. This should set out its understanding of the underlying issues, and how it will make most effective use of tools/solutions including: using other technical staff; learning from previous schemes; and how other countries are approaching this issue.

2.1 The government agrees with the Committee’s recommendation.

Target implementation date: March 2027

2.2 The department is leading a cross-government project, including with the devolved governments, on veterinary recruitment and retention to develop a workforce strategy. Work is on track for publication by March 2027.

2.3 The consultation on reforms to the [Veterinary Surgeons Act 1966](#), intended to widen the veterinary professional team and strengthen workforce capacity, opened on 28 January and closed on 25 March. The department aims to publish its consultation response in Summer 2026.

3. PAC conclusion: APHA’s surveillance activities to detect disease outbreaks early are not sufficiently comprehensive or risk-based.

3. PAC recommendation: To ensure its surveillance activities provide the maximum benefits from the resources available, APHA should set out in the next six months a clear plan and milestones for delivering the updates to its surveillance processes that are needed to ensure they are risk-based, efficient and supported by good management information.

3.1 The government agrees with the Committee's recommendation.

Recommendation implemented: May 2026

3.2 APHA is strengthening surveillance in relation to risk management and performance oversight, and a plan is in place for further work, with key milestones being regularly tracked and reviewed.

3.3 Improvements to surveillance activities include:

- The Animal By-Products (ABP) risk matrix review and compliance dashboard development work is ongoing. Phase one of the review, which focussed on the higher risk and priority premises types, is complete. Phase two of the review, which will involve updating the lower risk and priority premises types, will commence in June 2026.
- The APHA Private Veterinary Laboratory Project delivered improvements to intelligence on animal disease threats via data sharing agreements in March 2026.
- APHA is developing a 'Surveillance Data Orchestration Tool', which will aid in the detection of emerging disease threats by improving collation and analysis of large volumes of data. Funding has been allocated, with development of the tool planned for completion by Winter 2026.
- APHA has established a performance management framework that meets Defra, Scottish Government and Welsh Government requirements, supported by regular governance meetings. A wider performance programme is under way to further improve the use of performance data, including reviewing Key Performance Indicators (KPIs) and dashboards for surveillance activity, with completion expected by Spring 2027.

4. PAC conclusion: APHA has not made fast enough progress with modernising its systems and processes, to allow it to better deploy its resources.

4. PAC recommendation: APHA should ensure that modernising its systems and processes for animal diseases is a key strategic objective. This needs to be supported by a clear delivery plan and milestones for when new services will be phased in and when the transformation will be completed.

4.1 The government agrees with the Committee's recommendation.

Target implementation date: February 2027

4.2 The Delivering Sustainable Futures (DSF) Programme had a £10.9 million funding provision for 2025-26 and £16.3 million for 2026-2027. The programme is set to run from 2024-25 until 2029-30 with a total expected funding commitment estimated as £90.6 million over the six years. The programme provides APHA with a clear plan for transforming end-to-end disease and pest management processes and systems.

4.3 DSF Programme's focus in 2025-26 was on building core capabilities and starting to make improvements for customers and staff. These will continue to scale in 2026-27 along with commencing work to transform whole services, end-to-end.

4.4 Following successful pilots and due to rollout more widely in Spring-Summer 2026, a digital customer contact form has been designed and developed, which will replace over 30

external APHA mailboxes, and enable the collation of customer data insights whilst improving customer contact.

4.5 Development continues the strategic platform for digital submission and automated receipt of animal movement licence applications during endemic and exotic disease restrictions.

4.6 APHA will commence development of automated risk-based determination of disease movement licence applications from Autumn 2026, which will reduce reliance on manual checks.

4.7 Development of a customer-facing portal will commence during the 2026-27 financial year, which will allow customers to update and maintain their data and view licence application status.

6. PAC conclusion: The Department's progress delivering a multi-species livestock tracing system has been extremely slow and may not provide an integrated system for the UK.

6. PAC recommendation: The Department should ensure that progress against its revised timetable is maintained, and that its approach to developing its multi-species livestock tracing system is fully aligned across all devolved administrations.

6.1 The government agrees with the Committee's recommendation.

Target implementation date: Summer 2027

6.2 The work to implement a multi-species livestock tracing system is being reviewed in light of EU Sanitary and Phytosanitary negotiations and to ensure that the delivery approach can deliver the technical requirements needed.

6.3 The department is committed to introducing changes to cattle identification, registration and reporting that will improve the government's ability to respond effectively to disease. These changes will also simplify regulations and support industry to boost productivity, food security and international trade.

6.4 The department plans to deliver Bovine Electronic Identification (BEID) for new-born calves in 2027. Electronic cattle traceability will strengthen the UK's ability to prevent, detect, and respond to animal disease outbreaks, protecting farmers and the rural economy.

6.5 Animal ID and traceability policy is devolved. The [Livestock Information Transformation Programme](#) (LITP) is working closely with devolved governments to deliver aligned livestock traceability across the UK, so that systems and processes are compatible.

7. PAC conclusion: Controls at the border to prevent a new disease arriving in the UK via illegal meat imports are insufficient to the level of risk.

7. PAC recommendation: The Department should:

- **undertake research to understand the reasons for the apparent increase in illegal meat imports to the UK to inform future policy and funding decisions; and**
- **when determining the resources made available to DPHA and Border Force at Dover to tackle illegal meat imports, weigh this against the significant costs a major disease outbreak could have if introduced through the port of Dover.**

- ***the Department should set out what more can be done to educate travellers not to bring illegal food products into the UK and that high fines are imposed on those that do.***

7.1 The government agrees with the Committee's recommendation.

Target implementation date: December 2026

7.2 The department has established an Illegal Imports Project to tackle the issue of illegal meat imports. The scope and timelines of the project are still being finalised, with additional resource being put in place to support delivery of a revised approach across issues such as data availability, enforcement, EU engagement and use of intelligence.

7.3 The department recognises the importance of travellers understanding the rules that apply to them regarding bringing food products into the UK. The department has contracted a third party to conduct a nationally representative survey to establish a baseline of public awareness, understanding and information-seeking behaviour, relating to rules for personal imports from the EU. The first survey, designed to monitor changes over time, was conducted in March 2026. The department aims to publish the results by the end of June 2026 and repeat the survey in October 2026. In the meantime, the department continues to work in partnership with other government departments, the devolved governments and the travel industry to raise public awareness of rules for personal imports from the EU into Great Britain. This includes:

- The department having updated GOV.UK guidance and posters, and shared communications toolkits with ports, airports and travel operators.
- Direct communications from Eurostar/Le Shuttle and DFDS ferries to their customers.
- Information aimed at farm employees in a recent Defra farming newsletter.
- Collaboration with Border Force to display posters in passenger waiting areas at Dunkirk and Calais ports.
- Communications on Defra and Animal and Plant Health Agency social media channels in advance of holiday periods.

7.4 The department has reviewed the funding arrangements for Dover Port Health Authority to improve operational coverage to tackle illegal meat imports at the Short Straits, which are the ferry connection routes between the port of Dover and Calais and Dunkirk, and the Channel Tunnel railway connection between Folkestone and Calais. The department is providing Dover Port Health Authority an enhanced settlement for this financial year.

8. PAC conclusion: The Department does not have a strategy to tackle shortages in animal vaccines.

8. PAC recommendation: Building on the Veterinary Medicines Directorate's Statement of Intent, the Department should, working with the Veterinary Medicines Directorate and other stakeholders, develop over the next year a long term strategy and plan for securing adequate animal vaccine supply to the UK.

8.1 The government agrees with the Committee's recommendation.

Target implementation date: November 2026

8.2 The Veterinary Medicines Directorate (VMD) engaged with the sheep sector to determine which authorised vaccines should be prioritised for improved communication and support proactive action on supply issues, while also identifying therapeutic gaps to encourage future innovation. VMD has mapped the domestic veterinary vaccine

manufacturing landscape to understand existing capability and future risks. VMD has surveyed global stakeholders across the supply chain to understand barriers and potential solutions to support vaccine availability and innovation.

8.3 The VMD is planning further species-specific workshops with vaccine end users to inform development of the Vaccine Availability Action Plan. The Action Plan advisory board and wider governance structure will be established during 2026. VMD plans to publish a high-level action plan by November 2026.

8.4 The department is on track as part of the joint industry-government avian influenza vaccine taskforce to publish a follow-up report on HPAI vaccination in Summer 2026. The field vaccination trial started in March 2026.

8.5 APHA is on track to complete phase 3 of the Bovine TB vaccine field trials in Summer 2026. APHA intends to use the findings to inform the VMD regarding assessment of applications for GB Marketing Authorisations (MA) for the BCG vaccine and the companion DIVA skin test.

9. PAC conclusion: The Department does not have an overarching long-term strategy for strengthening resilience to the increasing risk from animal diseases.

9. PAC recommendation: The Department should provide the Committee with an update in 18 months' time on its progress in developing a long-term strategy for animal diseases. The strategy should be sufficiently comprehensive and reflect interdependencies with the other areas of the Department's work, such as on plant health and honeybees.

9.1 The government agrees with the Committee's recommendation.

Target implementation date: Summer 2027

9.2 Work is underway to develop a long-term strategy to strengthen animal disease control and resilience to both endemic and exotic diseases and actions needed to strengthen prevention, preparedness response and recovery.

9.3 Work to develop a future strategy will take account of the UK and EU negotiations for a Sanitary and Phytosanitary (SPS) Agreement, which will establish a common SPS area, and in turn significantly reduce barriers to trade in relation to movements of agri-food goods. This means the department will work jointly with the EU on threats to the UK's biosecurity and public health from animal disease.

Fifty-third Report of Session 2024-26

Foreign, Commonwealth and Development Office

Cost of maintaining the FCDO's overseas estate

Introduction from the Committee

The Foreign, Commonwealth & Development Office (FCDO) manages around 6,500 properties overseas, most of which are located in 282 posts in 180 countries and territories. Properties FCDO manages include Embassies, High Commissions, Consulates, offices, official Residences and accommodation for staff and their families, and amenities such as sports facilities. FCDO's total overseas estate portfolio was valued at £2.5 billion in March 2024.

FCDO uses its estate to carry out the UK's diplomatic, development and consular work around the world. As at December 2024, FCDO had more than 2,200 UK staff based overseas, and it employed 9,143 country-based staff. FCDO's overseas estate also hosts 5,200 staff from other UK government departments and bodies. FCDO provides the 'One HMG Overseas' platform, which provides services including HR, transport, accommodation and finance and to more than 35 other UK government departments, devolved administrations and other bodies. For example, the Department for Business and Trade (DBT) bases staff overseas to support UK trade, exports and investment. Aside from the estate's functional use as office or residential space, the overseas estate is important for delivering diplomatic and wider government objectives and is a signal of the importance of the UK's relationship with the host country.

We have reported before on the many challenges government encounters in managing property in the UK, such as difficulties capturing estate data, its declining condition and being unable to fund preventative maintenance. FCDO faces additional challenges to these in managing its overseas estate.

FCDO staff work in some of the most vulnerable locations worldwide and extra security arrangements can be needed, and FCDO also has to adapt to a wide range of different environments, local laws and standards, supplier and labour markets. As a result, FCDO's estates maintenance approach varies between posts: 84% of posts either have their own in-house estate teams or outsource locally, with the remaining 16% (in Europe and Asia) maintained through regional facilities management contracts.

FCDO's overseas posts are responsible for managing their own operations, including their estates. Within FCDO, the Estates, Security and Network Directorate (ESND) supports posts to manage their estate by setting corporate standards, providing guidance and providing technical assistance.⁶ ESND is also responsible for managing large capital estate projects, such as those completed recently in Washington D.C. and Ottawa.⁷ FCDO spent around £263 million in total on estate maintenance, projects and support in 2023–24.

Relevant reports

- NAO report: [Managing FCDO's overseas estate](#) – Session 2024-25 (HC 878)
- PAC report: [Cost of maintaining the FCDO's overseas estate](#) – Session 2024-26 (HC 884)
- [Treasury Minute](#) – January 2026 (CP 1488)

Update to the Government response to the Committee

Following the government's last response to the Committee on this report (CP 1488 above), the remaining recommendations are updated below.

1. PAC conclusion: FCDO does not have a coherent overall strategy for getting the most out of its £2.5 billion overseas estate.

1a. PAC recommendation:

- ***FCDO should ensure that its new overseas estates strategy sets out the size, shape and location of the estate it needs to support UK government objectives, including the requirements of other government departments.***

1.1 The government agrees with the Committee's recommendation.

Revised target implementation date: December 2026

Original target implementation date: March 2026

1.2 The FCDO has extended its initial timeline for developing this complex Strategy while it has been working through its new approach to international development, and re-prioritising staff resourcing across its overseas network to deliver greatest impact on Ministerial priorities following its tight Spending Round settlement. To ensure the Strategy fully takes account of these shifts and will be resilient in a volatile future international operating environment, the Chief Operating Officer has this month brought additional resource into their team to work on this strategy. This Estates Strategy will be one of the priority issues for the FCDO Executive Committee over the coming months. The updated strategy, including detailed delivery plan, will be completed by the end of 2026.

2. PAC conclusion: Much of FCDO's overseas estate is in poor condition, and its estates maintenance backlog would cost an estimated £450 million to resolve.

2a. PAC recommendation: The FCDO should:

- ***Ensure that it builds upon the more certain funding for its overseas estate it received in the 2025 Spending Review to put its overseas estate onto a sustainable footing.***

2.1 The government agrees with the Committee's recommendation.

Target implementation date: by end March 2029, in line with the Spending Review period.

2.2 Between January and March 2026, the Global Maintenance Programme (GMP) team developed the Annual Programme of Works (APW) for Year 1 of this spending period (Financial Year 2026–27) and issued this plan to the FCDO primary supply chain (FCDO Services and Jones Lang LaSalle) for implementation with a focus on mitigating high-risk, and urgent health and safety maintenance repairs.

2.3 In parallel, the GMP team commenced detailed planning for Years 2 and 3 of this Spending Review period which will maximise allocated budgets to reduce Estate risk while allowing a high degree of agility as additional Estate surveys are concluded. The FCDO's aim is to have firm plans in place for the rest of the Spending Review period by the end of Q3 Fiscal Year 2026-27.

2.4 The department has an agreed programme of works which uses the prioritisation and planning system for the delivery of multi-year capital projects (agreed at FCDO's Management Board in November 2024 and at the Executive Committee in February 2025).

2c. PAC recommendation: the FCDO should: write to the Committee within six months categorising which buildings:

- **pose a risk to health and safety;**
- **pose a risk to FCDO operations;**
- **require urgent maintenance.**

2.5 The government agrees with the Committee's recommendation.

Recommendation implemented: May 2026

2.6 The FCDO has written to the Committee within 6 months of the report's publication date providing the details in the recommendation.

3. PAC conclusion: FCDO's central estate function does not have adequate oversight of estate activities, both at overseas posts and across its project portfolio.

3. PAC recommendation: FCDO should implement its plans to improve its governance model, including establishing a new estates governance board and publishing a new maintenance strategy for posts. FCDO should update the Committee in its Treasury Minute response on its progress in improving central oversight of its overseas estate.

3.1 The government agrees with the Committee's recommendation.

Revised target implementation date: December 2026

Original target implementation date: March 2026

3.2 To improve estates governance, in October 2025, the then Director of Estates, Security & Network Directorate established a new Estates Committee to review strategically the operations and investments in the FCDO's overseas and UK estates. This recommendation for the Estates Committee part was implemented by March 2026. The Estates Committee will continue to meet quarterly and report into the FCDO Corporate Committee, which is chaired by the Chief Operating Officer. FCDO's Asset Management Board (AMPB) now sits monthly, with a wider remit, looking across all aspects of the overseas Estate.

3.3 Although the finalisation of the Estate Strategy is a work in progress, the FCDO has agreed a maintenance strategy that will form a key component of the overall Estate Strategy. The maintenance strategy reflects good industry practice, is based on a planned preventative maintenance and whole of life asset management philosophy, and reflects, with an appropriate international dimension, Cabinet Office and Government Property Agency Functional Standards and Property Guides. To support the maintenance strategy, the FCDO has published two of the four volumes of the FCDO Estate Standard Operational Procedures with a focus of hard facilities management being overseen, managed and controlled, globally, by the central estates team subject matter experts.

3.4 The maintenance strategy includes a shift in controlling hard facilities management to the central estates team. This shift will have an impact on the FCDO-2030 workforce planning as staff at post change line management, roles, responsibilities and accountability. This change in strategy will ensure that the high-risk maintenance requirements are managed by the central estates team which will substantially reduce the operational risk across the estate. The implementation of this shift is aligned with the implementation of the future Estates strategy.

5. PAC conclusion: Some FCDO high-profile estate projects have run significantly over time and budget.

5. PAC recommendation: FCDO should immediately restart centrally collecting and analysing lessons learned from its estate capital projects, to ensure it has appropriate oversight of project risks and can manage delivery effectively. FCDO should update the Committee in its Treasury Minute response on its progress, including the impact of its new design authority and gateway review processes.

5.1 The government agrees with the Committee's recommendation.

Recommendation implemented: March 2026

5.2 The FCDO has successfully undertaken a pilot Project Evaluation Review and is drawing on the lessons learned from this to enable a wider rollout across its capital programme.

5.3 The Department's Design Authority and strengthened gateway review processes form a key part of this approach. The Design Authority provides technical and professional leadership and is a key part in ensuring that lessons from previous projects are embedded into design specifications, standards, and early-stage approvals. Gateway reviews conducted at completion of the Royal Institute of British Architects (RIBA) Stages 2, 3 and 4, now include reviews of cost, procurement and contract strategies, alongside design outputs, ensuring better challenge, assurance, and alignment with the FCDO's strategic objectives. This is expected to contribute to more consistent and predictable delivery outcomes across project delivery.

5.4 In addition, the FCDO is in the process of establishing its Estates Programme and Planning Office, to further strengthen the resource and technical expertise/capability required to deliver its capital programme. This will include a focus on the lessons-learned process and implementation of the outcome of reviews.

Fifty-fourth Report of Session 2024-26

Ministry of Defence

Afghanistan Response Route

Introduction from the Committee

Since 2010, the UK government has operated schemes which offered the possibility of resettlement in the UK for eligible Afghan citizens. These schemes primarily focused on people who were employed to assist British forces while the UK had a military presence in Afghanistan over a 20-year period, from October 2001 to August 2021. These roles sometimes came with significant risk to those Afghan citizens and their families, who feared reprisals from the Taliban.

On 1 April 2021, amidst a deteriorating security situation in Afghanistan, the Department launched the Afghan Relocations and Assistance Policy (ARAP) scheme. This was for Afghan citizens who worked for or with the UK government in exposed or meaningful roles, and followed the Intimidation Policy and Ex-gratia scheme which had been in place since 2010 and 2013, respectively.⁴ Amidst a deteriorating security situation in Afghanistan, the Department was working at pace to help Afghan citizens at high risk, through the ARAP and the previous Ex-gratia scheme. The Department has overall accountability for the ARAP scheme, and is responsible for processing applications, assessing eligibility and relocating eligible Afghan citizens and their families to the UK. The Home Office is responsible for issuing UK visas and granting entry clearance.

On 15 July 2025, the Defence Secretary announced the lifting of a super-injunction which had prevented reporting on the existence of a significant data breach relating to the Department's Afghan resettlement schemes. The super-injunction also covered the ARR scheme, which the Department had set up to resettle individuals put at high risk as a result of the data breach.⁷ The data breach occurred in February 2022, and the Department said that it first became aware of it in August 2023 when personal details of 10 individuals were posted online on Facebook. In September 2023, the High Court granted the Department a super-injunction.⁸

The breach occurred when a Defence official emailed a spreadsheet of applicants to the ARAP and Ex-gratia schemes, to a trusted source outside the Department. The official intended to send information relating to around 150 applicants to gather information to assess their eligibility but inadvertently shared 33,345 lines of data which contained information relating to 18,700 applicants and, in some instances, their family members. This was because the spreadsheet contained embedded data which was not evident to the sender.

Relevant reports

- NAO report: [The Afghanistan Response Route](#) – Session 2024-26 (HC 1288)
- PAC report: [Afghanistan Response Route](#) – Session 2024-26 (HC 1391)
- Home Office [Quarterly immigration system statistics - September 2025](#)
- [Treasury Minute](#) – January 2026 (CP 1488)

Update to the Government response to the Committee

Following the government's last response to the Committee on this report (CP 1488 above), the remaining recommendations are updated below.

1. PAC conclusion: The Department's poor management of personal information put the lives of many thousands of Afghans at risk.

1. PAC recommendation: The Department should write to the Committee by March 2026 and every six months to provide an update on resettlement activity through the ARR.

1.1 The government agrees with the Committee's recommendation.

Target implementation date: every six months from March 2026 until the completion of the ARR.

1.2 [The department wrote to the Committee on 2 April 2026](#) to provide an update on resettlement activity. The government's aim remains, by the end of this Parliament, to relocate and settle all eligible Afghans under the Afghan Resettlement Programme.

1.3 The Home Office [publishes statistics on immigration arrivals every quarter](#) which are available on GOV.UK.

4. PAC conclusion: The Department failed in its responsibility to enable effective scrutiny by the Public Accounts Committee and the National Audit Office.

4a. PAC recommendation The Department should agree with the Committee and the Comptroller and Auditor General how it will ensure they have sufficient and timely information to enable them to undertake their roles in the context of any similar situations in the future.

4.1 The government agrees with the Committee's recommendation.

Recommendation implemented: Spring 2026

4.2 This issue will be covered by the new guidance issued by the Treasury Officer of Accounts on the principles and practicalities of sharing information in the event of a super-injunction. To enable the normal scrutiny functions on this area following the lifting of the super-injunction in July 2025, the department has provided regular updates to the Committee and fully supported the [NAO report](#) published on 18 March 2026. The department has also welcomed the scrutiny by Committees such as the House of Commons Defence Committee following the lifting of the super-injunction.

4b: PAC recommendation: The Treasury Officer of Accounts should issue new guidance on how Accounting Officers should act in the event of super-injunctions.

4.3 The government agrees with the Committee's recommendation.

Target implementation date: Spring 2026

4.4 The Treasury has been discussing this issue with the Government Legal Department and will shortly issue a [Dear Accounting Officer letter](#). This will provide guidance on how to ensure the serious impact of super-injunctions on public and parliamentary accountability is minimised as far as possible. In particular it will set out the need to consider the statutory duty to give assistance, information and explanation to the Comptroller and Auditor General (C&AG) to enable them to meet their statutory duty to examine government department's accounts.

Fifty-fifth Report of Session 2024-26

Department of Health and Social Care

Reducing NHS waiting times for elective care

Introduction from the Committee

Since 2013, the standard, statutory, waiting time for elective care has been that for 92% of elective care pathways, treatment should begin within 18 weeks of patients being referred. This target was last achieved in September 2015. At January 2025, around 6.25 million patients were waiting for elective care on 7.43 million different elective care pathways. Patients waited for up to 18 weeks on 4.37 million pathways (59% of the total) and for more than 18 weeks on 3.06 million pathways.² By July 2025 nearly 192,000 patients were waiting for over one year.³ NHSE is responsible for managing waiting times in the NHS, with oversight and overall policy direction being provided by the Department.

In February 2022, NHSE published its recovery plan for tackling the COVID-19 backlog of elective care, setting out how it planned to recover elective and cancer care over the three years up to March 2025.⁵ The aim of the plan was to reduce waiting times by increasing capacity, prioritising patients who were waiting the longest and improving information and support for patients. The plan also included changes to how care is delivered through three transformation programmes covering diagnostics, surgery and outpatients.

The diagnostic transformation programme aimed to build new Community Diagnostic Centres (CDCs) and equipment to move patients through diagnostic services more quickly. By 10 September 2025 just over £2.2 billion of capital spending had been drawn down, around 98% of the amount that had been allocated.

The surgical transformation programme planned to build or create surgical hubs to carry out low complexity operations more efficiently.⁷ By 10 September 2025, £1.04 billion had been drawn down for surgical hubs.

The outpatients programme aimed to free up capacity by reducing the number of referrals made and reducing the number of follow-up appointments.⁹ Outpatient make up the majority of the elective pathways waiting list, and 80% of elective care pathways end through an outpatients appointment.

Relevant reports

- NAO report: [NHS England's management of elective care transformation programmes](#) – Session 2024-25 (HC 766)
- PAC report: [Reducing NHS waiting times for elective care](#) – Session 2024-26 (HC 820) [Treasury Minute](#) - January 2026 (CP 1488)

Update to the Government response to the Committee

Following the government's last response to the Committee on this report, (CP 1488) the remaining recommendations are updated below.

3. PAC conclusion: NHS England's approach to transformational change was deeply flawed in both monitoring of progress and the delivery of intended outcomes.

3a. PAC recommendation: The Department of Health and Social Care and NHS England should:

- ***set up data collections or processes for tracking costs and benefits as early as possible when setting up new services or transforming existing services including the recent extension of specialist telephone advice to GPs.***

3.1 The government agrees with the Committee's recommendation.

Target implementation date: October 2026

3.2 Both NHSE and DHSC recognise the importance of incorporating monitoring and evaluation from the outset of policy development, supported by a robust evidence base where possible, and regular data for monitoring performance.

3.3 'Specialist telephone advice to GPs' is commonly referred to as Advice & Guidance (A&G) and can be utilised via telephone and other communication methods, increasingly through digital channels.

3.4 The department has established data collections that provide regular performance information on A&G. This is used to monitor performance, assure delivery and support evaluation.

3.5 To support data collections and governance of A&G, NHS England is improving the Electronic Referral Service (e-RS).

3.6 From July 2026, where A&G requests are managed within the e-RS user interface, all referral pathways must support the option to provide A&G, and from October 2026 where a third-party service is used. To support this change during 2026-27 e-RS will be enhanced to provide a breakdown of the types and forms of requests submitted, thus supporting the tracking of costs and benefits of A&G.

3.7 NHSE commissioned North of England Care System Support to produce a detailed review of the costs and benefits of A&G delivery. This report evidences the benefits to patients, clinical teams and health economies.

3.8 Data collections or processes for tracking costs and benefits for the national diagnostics programme have been in place since 2021 and continue to be used to demonstrate progress and value for money as the department works towards delivering the 1% operational standard for six week waits for diagnostic tests.

3b. PAC recommendation: The Department of Health and Social Care and NHS England should:

- ***focus reporting on the achievement of policy aims (expected outcomes for patients) to ensure that the capital funding provided delivers intended outcomes.***

3.9 The government agrees with the Committee's recommendation.

Recommendation implemented: January 2026

3.10 DHSC and NHSE wish to note the importance of also reporting on the delivery of physical capital assets. There are several capital elements to planned care: an electives programme and a cancer and diagnostics programme.

3.11 The National Diagnostic Board played an important assurance role in the delivery of diagnostic capital projects and in reporting on delivery milestones as well as their impact on performance targets and alignment with policy objectives.

3.12 Similarly, the monthly Elective Capital Programme Board had an important assurance function in the oversight of elective capital projects.

3.13 Additionally, the monthly Elective Hubs Oversight Group continues to receive performance reports for all surgical hubs, including on capped theatre utilisation (a measure of theatre productivity). It also receives reports from the national Getting It Right First-Time (GIRFT) hubs accreditation programme.

3.14 A National Institute for Health and Care Research (NIHR) Policy Research Programme evaluation of 2022-25 Targeted Investment Fund schemes that are non-hubs started in January 2026 and will report in 2028.

3.15 In January 2026, the Diagnostic and Elective capital boards merged to form a single Planned Care Capital Assurance Board, consolidating existing work done within programmes to monitor outcomes and benefits and to report on the achievement of policy aims, as well as providing a more sophisticated view of the interaction between a range of capital investments. The Board will continue to review and refine the most effective means of quantifying the impacts of capital investment.

4. PAC conclusion: We are not confident that the Department is being realistic about the immense effort needed to reduce NHS elective care waiting times, and see a significant risk that digital solutions are being treated as a 'cure-all' as the 10 Year Plan is being implemented.

4b. PAC recommendation: NHSE and the Department should set out:

- how it will solve the problem of legacy IT equipment and ensure that the IT systems used in different parts of the NHS are properly connected; and***

4.1 The government agrees with the Committee's recommendation

Revised target implementation date: Winter 2026

Original target implementation date: April 2026

4.2 To address legacy technology and improve interoperability, NHS England is working to ensure that referral and appointment management capabilities integrate more effectively with provider electronic patient record (EPR) systems and other local platforms. This includes developing options for direct integration with provider systems, to widen choice for NHS providers and reduce dependency on particular technology.

4.3 The plan to ensure that IT systems across the NHS are connected is being delivered through the One Digital programme, including the Transforming and Connecting Care programme, a four-year programme which commenced on 1 April 2026. Through this, DHSC and NHSE are driving a national approach to interoperability, based on mandated standards (including HL7 FHIR), and support for integrated care systems to connect local services.

4.4 As noted in the letter dated 19 May to the Committee, the publication of the proposed architecture for connecting records is due at the end of 2026, the target implementation date has been revised accordingly.

4.5 In parallel, the plan to address legacy IT equipment is underway through the Frontline Productivity programme, a four-year programme commencing on 1 April 2026. Through this, DHSC and NHSE will support providers to modernise legacy infrastructure, including through c£300 million of national funding to catalyse provider investment in replacing legacy infrastructure.

4.6 This complements the Establishing Operational Excellence programme, which aims to unify and modernise NHS health data systems, ensuring connectivity and data access. Key initiatives include replacing outdated platforms, automating data collection, and leveraging digital tools to reduce administrative burden and improve patient safety and outcomes.

5. PAC conclusion: NHS England's performance to date has not demonstrated that it can secure the clinical engagement that will be necessary to transform waiting lists.

5. PAC recommendation: The Department should

- **set out what it plans to do differently to secure clinical engagement on the outpatients transformation programme to improve waiting times.**

5.1 The government agrees with the Committee's recommendation.

Recommendation implemented: March 2026

5.2 Securing clinical support, including Royal Colleges and specialist societies, is essential for successful outpatient transformation. It has been the main challenge in previous transformation efforts. The department has embedded lessons learned from previous efforts - strengthening clinical engagement, ensuring clinicians are delivery partners in transforming planned care, as set out in the Elective Reform Plan, 10 Year Health Plan and Medium-Term Planning Framework. Significant elements of outpatient care will be delivered remotely or in community settings. This aligns with the Royal College of Physicians' ['Prescription for Outpatients'](#) report, published April 2025.

5.3 The department has already engaged with clinicians to secure their support, including a series of clinically-led roundtables to inform pathway reforms, and by holding a ministerial launch event at Downing Street and a summit on Urgent and Emergency Care and Outpatients, hosted by the Royal College of Surgeons. At these events Royal College leaders and National Clinical Directors of several medical and surgical specialties pledged their support to deliver transformation. This has been critical to our initial delivery phase. The department will continue to engage clinicians to strengthen the evidence base for reforms, foster broad clinical endorsement, and identify and resolve implementation barriers.

5.4 The department will continue to use, existing forums with Royal Colleges and Getting It Right First-Time (GIRFT) leads to test delivery. It has undertaken a series of webinars to reach a wider set of clinicians and supported by publishing national guidance. Engagement with specialist societies is ongoing, and new forums are being set up to work more closely with clinical staff.

6. PAC conclusion: We are concerned that the Department for Health and Social Care and NHS England are still announcing major reforms without either delivery plans or secured funding.

6b. PAC recommendation: [The department should:]

- **set out the likely costs, with associated funding, together with an impact assessment, for the ICB redundancies and the absorption of NHS England.**

6.1 The government agrees with the Committee's recommendation.

Recommendation implemented: May 2026

6.2 In respect of the abolition of NHS England, the government will publish an Impact Assessment in the normal way, alongside the forthcoming legislation. In respect of the reforms

to the role and purpose Integrated Care Boards, the DHSC Permanent Secretary [updated the Committee](#) in writing on 11 December 2025.

Fifty-sixth Report of Session 2024-26

BBC

BBC Accounts and Trust Statement 2024-25

Introduction from the Committee

The BBC is a public corporation established by Royal Charter.² It is operationally and editorially independent of government, sponsored by the Department for Culture, Media & Sport (DCMS) and regulated by Ofcom. The current Charter runs from 1 January 2017 to 31 December 2027 and is due for review.³ The Charter sets the BBC's mission "to act in the public interest, serving all audiences through the provision of impartial, high quality and distinctive output and services which inform, educate and entertain." The BBC delivers television, radio and online services across the UK and internationally. It is primarily funded by the licence fee, supplemented by commercial income (including BBC Studios and global content sales).

The BBC publishes two statutory annual accounts audited by the NAO: the Television Licence Fee Trust Statement covering licence fee collection; and the BBC Group Annual Report and Accounts (ARA) outlining the BBC Group performance and finances, including how it spends income derived from the licence fee. For 2024–25, the NAO issued unqualified opinions on both sets of accounts, confirming that the financial statements were true and fair and complied with the relevant standards. The C&AG's report on the Trust Statement noted licence fee income trends, evasion levels and changes to licence fee administration in 2024–25.

In 2024–25, the BBC collected £3.8 billion of licence fee income and 23.8 million licences were in force at year end (2023–24: 24.1 million). The licence fee payable in 2024–25 was £169.50. The BBC generated other income of £2.1 billion in 2024–25, mainly from its commercial activities, and the BBC Group reported an in-year deficit of £132 million.⁶

The BBC World Service is included in the BBC Group accounts. Since 2016–17, it has been funded mainly by the licence fee, supplemented by grant funding from the Foreign, Commonwealth & Development Office (FCDO). In 2024–25, FCDO provided a grant of £104 million towards BBC World Service operating costs of £262 million.⁷ The BBC World Service plays a vital role in countering disinformation and supporting democracy and we plan to examine the World Service at a future session.

The governance, regulation and funding arrangements described above provide the framework for this report. The Committee's examination focuses on the licence fee: its level, how it has changed over time and non-payment, including reasons and consequences. We also consider the BBC's income from commercial and other sources, and how the overall funding mix affects what the BBC can deliver in terms of programmes and services for audiences.

Relevant reports

- NAO report: [BBC Group Accounts 2024-25](#)
- PAC report: [BBC Accounts and Trust Statement 2024-25](#) – Session 2024-26 (HC 1230)
- [BBC Group Annual Report and Accounts 2024-25](#)
- Ofcom report: [Media Use and Attitudes 2025](#)
- [Treasury Minute](#) - January 2026 (CP 1488)

Update to the BBC's response to the Committee

Any further updates from the BBC to the recommendations in the Committee's report can be found on the [Committee's website](#).

Treasury Minutes Progress Reports Archive

Treasury Minute Progress Reports provide 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
June 2026	Session 2017-19: updates on 2 PAC reports Session 2019-21: updates on 1 PAC report Session 2021-22: updates on 3 PAC reports Session 2022-23: updates on 12 PAC reports Session 2023-24: updates on 19 PAC reports Session 2024-26: updates to 50 PAC reports	CP 1593
December 2025	Session 2017-19: updates on 2 PAC reports Session 2019-21: updates on 1 PAC report Session 2021-22: updates on 5 PAC reports Session 2022-23: updates on 24 PAC reports Session 2023-24: updates on 30 PAC reports Session 2024-26: updates to 25 PAC reports	CP 1453
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 855
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

Publication Date	PAC Reports	Ref Number
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 2015-16: updates on 3 PAC reports Session 2016-17: updates on 7 PAC reports Session 2017-19: updates on 73 PAC reports Session 2019: updates on 2 PAC reports 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 PAC reports	CP 313
February 2020	Session 2010-12: updates on 2 PAC reports Session 2013-14: updates on 1 PAC report Session 2015-16: updates on 3 PAC reports Session 2016-17: updates on 14 PAC reports Session 2017-19: updates on 71 PAC reports	CP 221
March 2019	Session 2010-12: updates on 2 PAC reports Session 2013-14: updates on 4 PAC reports Session 2014-15: updates on 2 PAC reports Session 2015-16: updates on 7 PAC reports Session 2016-17: updates on 22 PAC reports Session 2017-19: updates on 46 PAC reports	CP 70
July 2018	Session 2010-12: updates on 2 PAC reports Session 2013-14: updates on 4 PAC reports Session 2014-15: updates on 2 PAC reports Session 2015-16: updates on 9 PAC reports Session 2016-17: updates on 38 PAC reports Session 2017-19: updates on 17 PAC reports	Cm 9668
January 2018	Session 2010-12: updates on 2 PAC reports Session 2013-14: updates on 5 PAC reports Session 2014-15: updates on 4 PAC reports Session 2015-16: updates on 14 PAC reports Session 2016-17: updates on 52 PAC reports	Cm 9566
October 2017	Session 2010-12: updates on 3 PAC reports Session 2013-14: updates on 7 PAC reports Session 2014-15: updates on 12 PAC reports Session 2015-16: updates on 26 PAC reports Session 2016-17: updates on 39 PAC reports	Cm 9506

Publication Date	PAC Reports	Ref Number
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
January 2017	Session 2010-12: updates on 1 PAC report Session 2013-14: updates on 5 PAC reports Session 2014-15: updates on 7 PAC reports Session 2015-16: updates on 18 PAC reports	Cm 9407
July 2016	Session 2010-12: updates on 6 PAC reports Session 2012-13: updates on 2 PAC reports Session 2013-14: updates on 15 PAC reports Session 2014-15: updates on 22 PAC reports Session 2015-16: updates on 6 PAC reports	Cm 9320
February 2016	Session 2010-12: updates on 8 PAC reports Session 2012-13: updates on 7 PAC reports Session 2013-14: updates on 22 PAC reports Session 2014-15: updates on 27 PAC reports	Cm 9202
March 2015	Session 2010-12: updates on 26 PAC reports Session 2012-13: updates on 17 PAC reports Session 2013-14: updates on 43 PAC reports	Cm 9034
July 2014	Session 2010-12: updates on 60 PAC reports Session 2012-13: updates on 37 PAC reports	Cm 8899
February 2013	Session 2010-12: updates on 31 PAC reports	Cm 8539
July 2012	Session 2010-12: updates on 28 PAC reports	Cm 8387
January 2012	Session 2010-12: updates on 13 PAC reports	Cm 8271

