HM Treasury

Treasury Minutes

Government Response to the Committee of Public Accounts on the First and Fourth to Eighth reports from Session 2026-27

CP 1668

August 2026

Government of the United Kingdom
HM Treasury

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Government response to the Committee of Public Accounts Session 2026-27

First Report of Session 2026-27

Home Office

An analysis of the asylum system

Introduction from the Committee

The Home Office sets asylum and immigration policy, provides financial support and accommodation to destitute asylum seekers while claims are processed, and is responsible for removing people who arrive illegally or whose claims are refused. The MoJ oversees the justice system, with HM Courts & Tribunals Service (HMCTS) administering asylum appeals alongside the independent judiciary. Local authorities deliver support services, including social care and children's services, and have statutory duties to accommodate unaccompanied asylum-seeking children and to support people who are homeless or at risk of homelessness, including those leaving asylum accommodation after receiving a positive asylum decision.

In 2024–25, the Home Office and the MoJ spent around £4.9 billion on asylum, with the Home Office spending around £2.7 billion of this just on asylum accommodation. At the end of December 2025, around 100,600 people claimed asylum in the UK – more than two times higher than in the year ending December 2019.

In November 2025, the government announced an "entirely new asylum model", alongside plans to reduce costs by £1 billion a year by 2028–29. The government's policy statement set out policy and legal changes intended to reduce intake and increase removals, many of which will require Parliamentary approval. Following our evidence session, the Home Office wrote to us on 6 February and 25 February 2026 to provide additional details on governance, caseworker capacity, appeals reforms and accommodation planning.

A list of the written evidence we received from other parties is available on the Committee's website. Several common concerns were raised, which included: fragmented accountability; delays across the system; challenges in data sharing; and the impact of prolonged uncertainty on individuals, including survivors of gender-based violence. Submissions also emphasised pressures on local authorities arising from delayed accommodation decisions and move-on arrangements.

Based on a report by the National Audit Office, the Committee took evidence on Monday 19 January 2026 from the Home Office, Ministry of Justice and Ministry of Housing, Communities and Local Government. The Committee published its report on 5 June 2026. This is the government's response to the Committee's report.

Relevant reports

- NAO report: An analysis of the asylum system – Session 2024-26 (HC 1517)
- PAC report: An analysis of the asylum system – Session 2026-27 (HC 89)

Government response to the Committee

1. PAC conclusion: Government departments still do not have a grip on how they will manage asylum as an end-to-end system, or a clear sense of what they are trying to achieve.

1. PAC recommendation: The Home Office should, as part of its Treasury Minute response, confirm when it will have an agreed framework for how the end-to-end accountability for the asylum system operates in practice, and when this framework will be in operation to inform funding and capacity decisions. We expect the framework to be agreed with HM Treasury, the Ministry of Justice and Ministry of Housing, Communities and Local Government (MHCLG) no later than the end of 2026. It should include details on:

- ***the authority and decision-making powers of the new asylum group;***
- ***how the new Asylum System Board will operate and resolve cross-system trade-offs between speed, quality and cost, including the criteria and process for escalating disagreements and how these will be tracked and resolved;***
- ***the mechanisms for directing and coordinating activity and resources across the system; and***
- ***the Home Office's plan for agreeing shared system outcomes with the Ministry of Justice, MHCLG and other partners.***

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

Target implementation date: December 2026

1.2 The Second Permanent Secretary at the Home Office is accountable for outcomes from the migration and borders system as a whole and is the Accounting Officer for that system. The Asylum Group was established in November 2025, bringing together asylum policy, commercial and operational teams under a single Director General (DG). The Group is responsible for intake into the asylum system, processing asylum claims, managing asylum accommodation and commercial arrangements, and leading the end-to-end asylum system across government.

1.3 The Asylum System Board was established in January 2026 and brings together departments including the Ministry of Justice, Ministry of Housing Communities and Local Government, Ministry of Defence and the Treasury to provide strategic governance of the end-to-end asylum system. The Board supports a shared understanding of system objectives and outcomes, manages trade-offs between competing priorities, and promotes cross-Whitehall accountability and collaborative working. It also provides a route to escalate issues to the relevant Cabinet Committee where required.

1.4 The work of the Board to date has included:

- system strategy and objectives – agreeing a shared set of system objectives covering end-to-end decision-making, border security and system integrity, accommodation reform, community cohesion and public trust, value for money, and partnership working with local authorities and other stakeholders;
- cross-system coordination and trade-offs – agreeing an approach to managing trade-offs related to implementation of the 24-week statutory timeframe for supported asylum appeals with the Home Office, Ministry of Justice and the Courts and Tribunal Service; and
- reform assurance and oversight – assuring implementation of the reforms of the system announced by the Home Secretary in November 2025, including scrutiny of cross-system impacts and implementation planning, roles and responsibilities.

Remaining work includes completing the review of the Board's effectiveness, alignment of asylum governance with wider Migration and Borders governance within the Home

Office, and further embedding agreed objectives, roles, responsibilities and accountabilities across the asylum system.

2. PAC conclusion: The Home Office has yet to demonstrate that it has learned from previous attempts to reform the asylum system, putting it at continued risk of repeating past failures.

2. PAC recommendation: The Home Office should, alongside its Treasury Minute response, write to the Committee setting out how it will manage the risks if planned reforms are delayed or fail to deliver the expected improvements. This should set out the major risks to delivery, including:

- ***how it will manage barriers to case progression, particularly the unresolved "limbo" cases; and***
- ***how it will respond under different demand scenarios, including how savings targets will be protected or adjusted under each scenario.***

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

Target implementation date: December 2026

2.2 The Home Office is taking a structured, proactive approach to managing delivery risk. The Home Office has set up a single programme to deliver all measures in the Home Secretary's statement to Restore Order and Control. For all the measures across the asylum system, the Asylum System Board provides senior cross-government grip, bringing together the Home Office, HM Treasury, MoJ, HMCTS, MHCLG and other partners to oversee reform delivery, test assumptions, manage trade-offs and escalate decisions where needed.

2.3 We will write to the Committee before the end of December 2026 setting out the principal delivery risks and controls, including the risk of demand exceeding forecasts, delays to legislation or operational reforms, capacity constraints across decisions, appeals, accommodation and returns, and risks of pressure moving between parts of the system.

2.4 Savings will be protected through regular monitoring of reform impacts, clear ownership of delivery assumptions and early escalation. In the event that external demand or delivery dependencies materially affect the asylum savings profile, the Home Office will manage through departmental level financial planning and, as necessary, reprioritisation.

3. PAC conclusion: Poor data quality and weak management information continue to prevent effective management of the asylum system and undermine Parliament's ability to assess performance.

3. PAC recommendation: The Home Office should, alongside its Treasury Minute response, set out a system-wide data improvement plan that includes:

- ***a clear timetable with milestones and costs for delivering a shared data framework with Ministry of Justice, MHCLG and local authorities that sets out the data each partner requires to manage its part of the system;***
- ***the technical, operational and behavioural changes needed to implement this framework and support joint planning and decision-making;***

- ***a broad and balanced set of the system-level indicators it uses, or intends to use, to oversee the performance of the asylum system, including measures of both outcomes and efficiency; and***
- ***how it will assure the accuracy and reliability of this information.***

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

Target implementation date: December 2026.

3.2 The Home Office has already established firm delivery grip on asylum data improvement through the Asylum System Board, working with MoJ, HMCTS, MHCLG and local authority partners. This is reinforced by an end-to-end asylum system design review, a data discovery exercise and the Home Office's data sharing commitment in the National Plan to End Homelessness, which will strengthen data sharing with councils for newly granted refugees at risk of homelessness, supporting earlier homelessness assessments and intervention. Delivery is further supported through cross-government collaboration, including oversight through the Inter-Ministerial Group on Homelessness and Rough Sleeping.

3.3 Alongside this response, the Home Office is developing a system-wide data improvement plan with an initial review to be completed by December 2026. The plan will set out a phased programme of work, including priority data requirements, milestones, costs, dependencies and delivery options for a shared data framework. Significant delivery activity will continue beyond December 2026, but this review will clarify the information each partner needs to manage its part of the system and support more effective joint planning and decision-making.

3.4 Delivery is already focused on the practical changes needed to ensure the framework is effective: improving data quality at source, strengthening ownership, aligning definitions, reducing manual workarounds, improving interoperability and embedding stronger data disciplines across operational teams.

3.5 The department is also developing a balanced set of system-level indicators, aligned to asylum system objectives. These will cover outcomes, quality and efficiency, including intake, decisions, appeals, accommodation, supported population, returns, and local authority impacts. Accuracy and reliability will be assured through clear ownership, agreed definitions, regular quality checks, analytical sign-off and Board oversight.

4. PAC conclusion: Planning for how resources are allocated across the asylum system is fragmented and often reactive, repeatedly shifting backlogs rather than reducing them.

4. PAC recommendation: The Home Office, working with the Ministry of Justice, MHCLG and other partners, should develop and share with the Committee, no later than by the end of 2026, its understanding of the current capacity gaps across the system, their underlying causes and its plan for addressing them. As part of this, the departments should set out how they are bringing together and building on their existing modelling and system-design work to create a single shared evidence base that enables joint planning and decision-making.

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

Target implementation date: December 2026

4.2 The Home Office has established a cross-government analytical sub-group to provide stronger grip over the evidence, assumptions and modelling for asylum system planning. The group brings together analytical teams across government to agree assumptions, align approaches and build a shared evidence base for the end-to-end asylum system.

4.3 The group provides advice to the Asylum System Board, drawing on research, modelling, appraisal and evaluation. Its work will support a shared understanding of system pressures, the impact of solutions and what works, enabling better cross-system planning and decision-making.

4.4 The sub-group has initially focused on the Restoring Order and Control programme, ensuring analytical effort is directed at the department's priority reform activity. As it matures, the group will support inter-departmental work to identify capacity gaps across decisions, appeals, accommodation, returns and local authority impacts, and develop evidence-based options to address them.

4.5 The analytical sub-group reports to the Asylum System Board, connecting its work to senior cross-government governance. This provides a route to escalate risks, resolve disagreements and ensure decisions on capacity, sequencing and trade-offs are underpinned by shared evidence and assumptions.

4.6 The government recognises capacity constraints across the asylum system. The evidence base developed through the analytical sub-group will support an ongoing assessment of capacity gaps, their drivers and the effectiveness of interventions to address them. Given the dynamic nature of demand, operational performance and external factors, this assessment will be updated regularly and inform planning, prioritisation and risk management.

5. PAC conclusion: The Home Office does not yet have a credible long-term strategy for asylum accommodation and local authorities still lack a meaningful say over accommodation decisions.

5. PAC recommendation: The Home Office should, alongside its Treasury Minute response, write to the Committee setting out its long-term accommodation strategy. This should include details on how the intended mix of accommodation in the medium and long term is expected to change under different demand scenarios, and the latest trajectory for reducing the reliance on hotels. As part of this, it should explain how this strategy is being developed in collaboration with local authorities, including how it is considering the incentives and support that may be needed to increase the supply of dispersal accommodation.

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

Target implementation date: December 2026

5.2 The Home Office is reviewing its long-term asylum accommodation strategy to reflect the department's most recent strategic ambitions for the asylum system. This takes into account: the Home Office's work in collaboration with other government departments to deliver a range of alternative accommodation including potential former military sites; the reforms set out in December's Asylum Policy Statement; as well as the intention to move towards a mixed economy model, with a greater role for local delivery. The department continues to keep its approach under review to ensure the strategic direction enables the Home Office to deliver on its objectives.

5.3 Alongside this, the department is working on the future asylum contracts, as articulated to the HASC committee, as well as delivering on our plan to exit hotels.

5.4 Responsibility for delivery now sits under a single Asylum Group command, ensuring clearer accountability and end-to-end system oversight. This approach is designed to support better planning, improve system resilience, and ensure accommodation is fit for purpose over the long term.

5.5 The government will write to the Committee with further detail before the end of December 2026.

6. PAC conclusion: The Home Office has not demonstrated it has the commercial capabilities needed to manage asylum accommodation effectively.

6a PAC recommendation: The Home Office should, alongside its Treasury Minute response, write to the Committee sharing the full findings of its external review of its commercial capabilities and explain its improvement plan, including clear actions to strengthen its commercial capability, governance and contract oversight. As part of this, it should explain how it is applying these lessons to its approach to future acquisitions of large sites for asylum accommodation.

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

Target implementation date: December 2027

6.2 The Home Office has undertaken a comprehensive programme of activity to strengthen its commercial capability, governance, and contract oversight across asylum accommodation. This has been informed by external and internal review activity examining commercial capability and contract management processes, and by lessons identified through wider operational and assurance work. These findings are informing a structured improvement plan.

6.3 The department has strengthened the integration of commercial, financial and operational contract management, with clearer governance, improved accountability for supplier performance and stronger scrutiny of cost, delivery and risk. This includes more systematic contract assurance, improved performance monitoring and greater challenge of supplier information to support value for money decisions. A Commercial Director for Asylum was appointed in April; twenty additional commercial staff are being recruited. We are working with the Government Commercial Agency on renegotiating the asylum contracts by the end of the year.

6.4 The department has also increased focus on contract management capability, including the practical application of commercial skills to oversee complex accommodation contracts and secure better outcomes from existing arrangements. This includes stronger controls to support financial assurance, more effective use of contractual mechanisms and more consistent evidence to support decision-making.

6.5 These lessons are being applied to future acquisitions of large sites for asylum accommodation, with the aim of ensuring that appraisal, commercial design, governance, and ongoing contract management are stronger from the outset. Taken together, this work is intended to improve oversight, strengthen capability and support better value for money across the accommodation portfolio.

6.6 The government will write with an update to the Committee with further detail by December 2026.

6b PAC recommendation: The Home Office should undertake a full review of all hotel accommodation contracts to assess whether current profit levels are reasonable and whether the contract models remain fit for purpose. This review should set out how the department will use contractual levers, including break clauses and excess profit clauses, either retrospectively or prospectively, to address excessive profits and secure better value for money going forward.

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

Recommendation implemented

6.8 The Home Office has undertaken a comprehensive review of asylum accommodation contracts as part of a wider programme of contract assurance and lessons learned, including all hotel accommodation contracts and the broader asylum accommodation portfolio. This builds on recommendations highlighted in Home Affairs Select Committee's report on asylum accommodation (Asylum accommodation) and supports the department's strategy to exit the use of hotels by the end of this Parliament.

6.9 The department is making increased and more systematic use of contractual levers to manage value for money, including profit-sharing mechanisms and clawback provisions, which have already resulted in financial recoveries. The department continues to consider the use of contractual break clauses alongside other commercial options, taking account of the potential impact on service continuity and the sequencing of activity required to support the transition away from hotel accommodation and to put in place alternative provisions to continue to effectively accommodate around 100,000 asylum seekers. This includes ensuring that any decisions on contractual levers are aligned with the department's wider approach exiting hotels.

6.10 The department is moving to an annual review for profit share cycle to ensure ongoing scrutiny of profit levels, cost assurance and supplier performance. This work is to be informed by internal review activity and independent examination of contract management processes.

6.11 This approach goes beyond the scope of the Committee's recommendation by applying consistent scrutiny across the full accommodation portfolio, rather than limiting review to the contractual conditions on hotel accommodation, to best value for money.

7. PAC conclusion: The system of monitoring failed asylum seekers needs a complete overhaul.

7. PAC recommendation: The Home Office should write to the Committee alongside its Treasury Minute response to this report with its best estimate of how many failed asylum seekers are in the country and what proportion it is actively engaged with. That letter should include:

- ***the timescale in which it estimates it will deport most of them;***

- ***for how many of the remainder the Home Office does not know where they are, and what steps it is taking to trace and deport them;***
- ***the further steps the Home Office will take, through biometrics and regular reporting, to ensure that it can trace failed asylum seekers, and the penalties that will be imposed;***
- ***its plans for speeding up the deportation process; and***
- ***details on how the Home Office will improve its work with other government departments and local police forces to tackle illegal working by failed asylum seekers and sanction employers.***

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

Target implementation date: December 2026

7.2 Significant challenges have prevented the government from updating official estimates of failed asylum seekers in the UK. The Home Office engages with individuals throughout the UK who do not have lawful immigration status to progress and conclude their immigration case as quickly as possible, including, where possible, by removing them from the UK.

7.3 The Home Office is already modernising its contact management with those individuals in the community whose immigration status is of interest to the department. A new programme of work, led by Immigration Enforcement, has been established to provide clear senior oversight, align activity and ensure cross-cutting work is coordinated effectively.

7.4 A dedicated Contact Management Transformation Programme is in place to deliver the Home Office's contact management strategy, supported by funding to drive system-wide improvements. This programme provides a structured approach to implementation, ensuring that progress is coordinated, monitored and delivered at pace.

7.5 This work will be helped by reforms the department is implementing following the Home Secretary's statement on Restoring Order and Control. This legislative and operational work will help speed up the removal from the UK of those without lawful immigration status.

7.6 The Home Office works closely with local police forces and other partners to tackle illegal working and its associated harms, and enforcement activity against illegal working is at record levels.

7.7 As requested, the Home Office will write to the Committee by December 2026 to provide a more detailed response to the recommendation.

Fourth Report of Session 2026-27

HM Treasury, Department for Business, Innovation, Science and Trade

Regulating for growth

Introduction from the Committee

Regulations and regulatory powers derive from legislation, which is the responsibility of government departments to design. Regulators are in turn typically responsible for implementing this legislation while delivering their statutory duties and tend to act independently of government. The Department for Business, Innovation, Science and Trade (BIST) leads on policy design for regulatory reform across government, and HM Treasury leads on growth and productivity.

Regulation can support economic growth and other policy objectives pursued by government by stabilising markets and promoting competition. It also plays an important role building trust with both consumers and investors. However, when legislation is poorly designed or implemented, regulation can impose disproportionate costs on businesses, stifling productivity, investment and—ultimately—growth. The overall compliance cost born by business is not known.

Government has repeatedly tried to improve regulation to better support business. The Better Regulation Executive (BRE) was created in 2005 to lead the regulatory reform agenda to reduce and remove unnecessary regulation for the public, private and voluntary sectors. Since 2005 there have been at least 10 different cross-government initiatives to reduce the cost of regulation to support economic growth. The latest initiative is the Action Plan published by HM Treasury in March 2025 which encourages regulators and regulation to support innovation and economic growth, and commits to cut the administrative burden on business by 25%. The administrative burden is only a subset of the overall compliance cost to business. The Action Plan also sets out to strengthen regulator performance and challenge risk aversion in regulators, so they are empowered to focus on what matters.

Based on a report by the National Audit Office, the Committee took evidence on 16th March 2026 from HM Treasury and BIST. The Committee published its report on 10th June 2026. This is the government's response to the Committee's report.

Relevant reports

- NAO report: Regulating for growth – Session 2024-26 (HC 1595)
- PAC report: Regulating for growth – Session 2026-27 (HC 93)
- IRC report: Time is money: How regulators can support growth – Session 2024-26 (HL 201)

Government response to the Committee

1. PAC conclusion: HM Treasury does not know what risks it expects regulators to take, or how it will lead to GDP growth.

1. PAC recommendation: BIST and HM Treasury should set out how they will support departments to provide strategic policy steers to regulators that clarify their risk appetites. These should acknowledge the trade-offs regulators face, and articulate how regulatory actions are expected to contribute to growth in their respective sectors.

1.1 The government agrees with the Committee's recommendation.

Target implementation date: Autumn 2026

1.2 The government has now taken steps to set out what growth means for most major regulators. This includes outcome-focused Growth Goals for 2026-27 recently issued by Secretaries of State to key regulators, which are published on the Regulator Performance Monitoring webpage. These Goals are generally measurable and supported by specific and timebound key results to track progress and accompanied by impact narratives explaining how regulators' actions are expected to support economic growth.

1.3 As announced in the King's Speech, the government also plans to strengthen the Growth Duty via the Regulating for Growth Bill, ensuring that named regulators who have the genuine capacity to impact growth are required to actively promote economic growth alongside their core responsibilities. This builds on the success of the secondary international competitiveness and growth objectives for the Financial Conduct Authority and the Prudential Regulation Authority, which were introduced by the Financial Services and Markets Act 2023 to support competitiveness and growth for the financial services sector and the wider UK economy.

1.4 In line with the Committee's recommendations, the strengthened Growth Duty will be supported by statutory ministerial steers to guide regulators in their application of this reformed Duty. The strengthened Duty and steers will also be accompanied by reporting requirements to ensure accountability. Secretaries of State will tailor their strategic steers to sector-specific circumstances, helping regulators to implement the government's reformed Duty in ways which are responsive to specialised needs and assisting regulators in judging their approach to risk and growth, particularly in managing trade-offs.

2. PAC conclusion: HM Treasury will not know if the Action Plan has been successful, as it has not defined growth in any detail beyond an increase in GDP.

2. PAC recommendation: HM Treasury should establish a time horizon for growth targeted by the Action Plan, including supplementary indicators (such as investment, the costs associated with investment in different sectors, and productivity). This would establish if the Action Plan is influencing factors that increase GDP and by how much.

2.1 The government agrees with the Committee's recommendation.

Target implementation date: Spring 2027

2.2 The government agrees that it is important to be clear about the time horizon over which the Regulation Action Plan is expected to influence growth, and about the indicators that will be used to assess progress. Alongside the Modern Industrial Strategy and underpinned by HM Treasury's and BIST's developing analytical framework on the channels through which regulation can impact economic growth, the Action Plan is intended to drive economic growth by making the regulatory system simpler, targeted and proportionate, more predictable and transparent, and less risk averse while maintaining essential protections for consumers.

2.3 The Treasury and BIST will continue to use research to monitor the channels through which the reforms driven by the Action Plan are expected to enable growth and investment. For example, BIST has moved the Business Perceptions Survey to an annual footing instead of every two years and will continue to monitor administrative burdens as part of the delivery of the 25% target. The Unit will also continue monitoring the impacts of regulatory reform on key variables important for economic growth, Industrial Strategy monitoring and evaluation and impact assessments. The Treasury and BIST will continue to update and refine their approach to monitoring the Action Plan.

3. PAC conclusion: It can be burdensome, complex and difficult for businesses to navigate and cooperate with multiple regulators across government.

3. PAC recommendation: BIST should put in place arrangements to review how effective the different regulatory delivery models are, using the findings to improve the wider UK regulatory landscape and inform consideration of merging regulators. Such arrangements must include feedback from industrial sectors and consumer groups.

3.1 The government agrees with the Committee's recommendation.

Target implementation date: Spring 2027

3.2 The government agrees there is further work to do to review the effectiveness of different regulatory delivery models and improve the UK regulatory landscape, including where remits and responsibilities may cut across multiple regulators. Departments will continue to work with regulators and industry to identify where approaches like DEFRA's Lead Environmental Regulator (LER) and others could be applied more broadly, as well as improving how regulators work together across organisational boundaries.

3.3 To help businesses navigate the regulatory system, the government is also improving digital regulatory guidance, licensing services and user journeys to create a clearer, more joined-up experience. For example, targeted upgrades to licensing services will introduce clear, digital application journeys for priority licences such as temporary events notices, taxi licences and alcohol sales.

3.4 The government has a robust stakeholder engagement programme in place with regulators, businesses and consumer representatives, which helps to inform our regulatory reform agenda, including to identify further opportunities to improve the regulatory landscape.

4. PAC conclusion: BIST and HM Treasury do not have a grasp on which regulatory interventions they should prioritise to achieve the administrative burden reduction target.

4. PAC recommendation: This Autumn the Unit should publish a table of the interventions each department will prioritise to achieve the annual administrative burden reduction target and the expected reduction. It should then update it annually.

4.1 The government agrees with the Committee's recommendation.

Recommendation implemented

4.2 The government has provided regular public reporting against the target, including through the Regulation Action Plan Progress Report and accompanying technical annex, published on 8 July. This includes details about each department's delivered and future measures, one year on from the target being announced.

4.3 This update sets out that the government has identified £2 billion in net annual admin savings to businesses, made up of £1.5 billion estimated net annual admin savings from delivered measures and a further £0.6 billion estimated net annual admin savings from future measures[1]. The Progress Report and technical annex also detail these measures on a departmental basis and highlights a number of measures under development that the government is prioritising.

4.4 HM Treasury and BIST have committed to set out further details on these measures and their scale in due course, including in future updates on progress against the 25% target. Four future measures (BIST: Modernising corporate reporting, BIST: rationalising information on GOV.UK, DCMS: Review of financial thresholds in charity law and BIST: Establishing the National Underground Asset Register (NUAR)) were included in the Regulation Action Plan Update Technical Annex.

5. PAC conclusion: HM Treasury and BIST do not have a robust plan to achieve the 25% reduction in the administrative burden.

5a. PAC recommendation: The Unit should introduce milestones and regular progress reporting, to hold departments to account, and report annually to Parliament. Cost savings should be independently validated.

5.1 The government agrees with the Committee's recommendation.

Recommendation implemented

5.2 The government has introduced regular public reporting against the target, including through the Regulation Action Plan Progress Report and accompanying technical annex, published on 8 July. This includes details about each department's delivered and upcoming measures. HM Treasury and BIST have committed to set out further details on future measures and their scale in due course, including in future updates on progress against the 25% target.

5.3 Ensuring that savings are robust, credible and validated against business sentiment is essential to maintaining confidence in the programme. This is why the Government has published a general methodology for estimating administrative burdens, detailing the approach taken to standardising estimates for comparability, aligned to good practice by following the approach taken on Equivalent Annual Net Direct Cost to Businesses (EANDCB) used in Impact Assessments, and the principles set out in the HMT Green Book and AQuA Book. Estimates are quality assured and standardised to enable like-for-like comparisons across departments and measures.

5.4 In addition, the government continues to strengthen its evidence base on how businesses are realising the benefits of these reforms. For example, BIST has moved

[1] Numbers do not sum due to rounding. Numbers rounded to the nearest £1m and are in 2024 prices. Delivered measures are in force or operational between April 2025 and March 2026. In progress measures have quantified admin burden impacts and are not yet delivered but will be by the end of this Parliament.

the Business Perceptions Survey to an annual footing, which can provide regular, independent evidence directly from a representative sample of businesses on their experience of regulation, to inform wider Action Plan delivery. HM Treasury and BIST are exploring a range of options to strengthen the approach to validating progress against the 25% target, including options for independent validation, and will consider implementing further mechanisms where there are clear benefits to doing so.

5b. PAC recommendation: Alongside the information specified in recommendation 4, the Unit should monitor expected increases in the administrative burden arising from new legislation. This should be published, by department, and updated annually. This would enable transparency as to whether government is on track to meet its net reduction target of £5.6bn. Midway through the programme, if the Unit deems the programme to be off track, it must allocate administrative burden targets to departments.

5.5 The government disagrees with the Committee's recommendation.

5.6 The government already monitors the administrative burden arising from new legislation. The government set out its approach in detail through the Regulation Action Plan Progress Report and accompanying technical annex, published on 8 July. HM Treasury and BIST have committed to set out further details on future measures and their scale in due course, including in future updates on progress against the 25% target.

5.7 The commitment to reduce the annual administrative burden of regulation by 25% is a collective cross-government target, reflecting that burdens on businesses often arise from multiple regulatory systems and that opportunities for simplification vary across departments and over time. Departmental administrative burden targets are not required because all departments are already working with the Treasury and BIST to identify, develop and deliver reforms that contribute towards the overall target. The government will continue to monitor progress across the portfolio of measures and work collectively with departments to ensure that sufficient savings are identified and delivered to achieve the commitment by the end of the Parliament.

Fifth Report of Session 2026-27

Ministry of Defence

MoD follow-up Spring 2026

Introduction from the Committee

On the basis of the Comptroller and Auditor General's audit of the Ministry of Defence's (the Department) Annual Report and Accounts 2024–25, we took evidence from the Department to examine why he had qualified those accounts.

We also questioned the Department about issues that have caused this Committee and its predecessors concern in the past. These included the delayed publication of the Defence Investment Plan, and its impact on the UK defence industry; the lack of adequate Parliamentary scrutiny of the Defence Nuclear Enterprise; ongoing problems with the Ajax armoured vehicle programme; and recruitment and retention in the Armed Forces.

The Committee took evidence on 23 March 2026 from the Ministry of Defence. The Committee published its report on 7 June 2026. This is the government's response to the Committee's report.

Relevant reports

NAO summary: Ministry of Defence Accounts 2024-25 – 4 November 2025
MOD – Annual Report and Accounts 2024–25 – 4 November 2025 (HC 1130)
PAC report: MoD follow up Spring 2026 – Session 2026-27 (HC 95)
The Defence Investment Plan: Equipping our forces, defending our future - 30 June 2026

Government response to the Committee

1. PAC conclusion: The continuing lack of a deliverable long-term Defence Investment Plan is seriously undermining the Department's efforts to modernise the Armed Forces and achieve value for money for the taxpayer.

1. PAC recommendation: Once the Department has published the Defence Investment Plan, it should write to the Committee within three months setting out how it will use the Plan flexibly to take account of the changing international context when making ongoing decisions about expenditure and capabilities.

1.1 The government agrees with the Committee's recommendation.

Target implementation date: September 2026

1.2 The Defence Investment Plan (DIP) published on 30 June 2026 sets out how the department will invest a record £298 billion into defence over the next four years, implementing the vision of the Strategic Defence Review (SDR) within an affordable funding envelope. As both the SDR and DIP recognise, the face of warfighting is rapidly evolving and the Armed Forces must be ready to fight the next war, not the last one.

1.3 The department now runs an annual Strategic Planning Cycle (SPC) and has committed to provide annual updates to Parliament on the DIP before summer recess, the first of which will be published in July 2027. The department shall provide further details in the full letter to the Committee in due course.

2. PAC conclusion: It is completely unacceptable that the Department failed to maintain accounting records to support more than £6 billion of assets included in its 2024–25 Annual Report and Accounts.

2a. PAC recommendation: The Department should set out:

- ***What additional checks and processes it has put in place so that the Accounting Officer was assured that all balances reported in the 2025–26 financial statements presented to the National Audit Office for audit were supported by appropriate accounting records and complied with accounting policies.***

2.1 The government agrees with the Committee's recommendation.

Recommendation implemented: March 2026

2.2 Following the qualification of the Ministry of Defence's 2024-25 financial statements relating to Assets Under Construction (AUC) delivered by the Atomic Weapons Establishment (AWE), the department has implemented a comprehensive package of additional controls, checks and assurance activities over balances included in the 2025-26 financial statements.

2.3 These measures include a full review and validation of historic AUC balances, enhanced recording and scrutiny of accounting judgements, implementation of annual impairment reviews, reconciliation of AWE records to departmental accounts, and targeted testing of transactions against supporting evidence and accounting policy requirements.

2.4 The department has also strengthened its internal governance and oversight arrangements through enhanced review and sign-off requirements. This includes regular and dedicated balance sheet review sessions to examine significant balances in detail, challenge supporting evidence and accounting judgements, and provide additional scrutiny of balances prior to inclusion in the financial statements.

2.5 Together, these measures have provided a significantly stronger evidence base to support balances included within the 2025-26 financial statements and have improved the Accounting Officer's ability to obtain assurance over their completeness, accuracy and compliance with applicable accounting standards and Ministry of Defence policy.

2b. PAC recommendation: The Department should set out:

- ***How it will ensure that its checks and assurance processes continue to work as intended in future years.***

2.6 The government agrees with the Committee's recommendation.

Recommendation implemented: March 2026

2.7 The department has incorporated the lessons arising from the review of Assets Under Construction into a broader Ministry of Defence and Atomic Weapons Establishment joint Financial Improvement Workstream. Following AWE's transition to direct government ownership and operation, this workstream is supporting the ongoing alignment of AWE's financial management, governance and reporting processes with those of the MOD, while also addressing the specific issues identified through the review of Assets Under Construction.

2.8 This will strengthen financial management, governance, assurance, data quality and financial reporting across both organisations and is being delivered through dedicated workstreams covering people, processes, systems, data, reporting and balance sheet management.

2.9 This includes activity to embed sustainable end-to-end processes, improve the quality and retention of financial information, align financial systems and reporting arrangements and strengthen governance over key balance sheet areas. In addition, assurance procedures will continue to be undertaken to support financial information provided by the Atomic Weapons Establishment for inclusion within the department's accounts. Progress is monitored through clear governance arrangements, including regular senior-level review between the department and the Atomic Weapons Establishment and reporting to Audit and Risk Assurance Committees.

2.9 Together, these measures will ensure that improvements made in response to the qualification are embedded within normal business processes and continue to support accurate, timely and policy-compliant financial reporting in future years.

2.10 The department will periodically review the effectiveness of these controls and assurance processes through ongoing monitoring, internal assurance activity and Audit and Risk Assurance Committee oversight, ensuring that any emerging weaknesses are identified and addressed promptly.

2c. PAC recommendation: The Department should set out:

In writing to the Committee, how much of the costs it has written off, as soon as it has agreed the amount.

2.11 The government agrees with the Committee's recommendation.

Recommendation implemented: March 2026

2.12 Following the qualification of the Ministry of Defence's 2024-25 financial statements, the department undertook a comprehensive review of Assets Under Construction delivered by the Atomic Weapons Establishment and associated balances. The review substantiated the majority of the balances reported in the accounts and established a supportable and compliant position for future financial reporting. As a result of the review, the value of assets reported by the Ministry of Defence at 31 March 2025 reduced by approximately £2.1 billion.

2.13 £1.7 billion (81%) of this adjustment relates to historic expenditure that was determined not to meet the accounting requirements for capitalisation. Although this reduced the value of assets reported in the financial statements, it does not represent a loss of public value. Rather, it reflects the department's review and correction of historic accounting records, resulting in a more accurate and transparent valuation of assets held on the balance sheet.

2.14 Of the reduction, £408 million has been disclosed as a reportable constructive loss within the department's Accountability Report. This includes expenditure identified through detailed review where no enduring value was ultimately realised, together with amounts where enduring value could not be demonstrated with sufficient confidence. Consistent with a prudent approach to financial reporting and accountability, these amounts have been reported as losses.

2.15 The reported losses reflect decisions to discontinue, reshape or pursue alternative approaches to projects where this was judged to offer better value for money or a more effective route to delivering operational outcomes. The department considers it important that such decisions are taken when appropriate, rather than continuing expenditure on activities that no longer represent the best use of public funds.

3. PAC conclusion: The Department is not currently providing Parliament with sufficient transparency over its ever-increasing nuclear expenditure.

3. PAC recommendation: The Ministry of Defence must set out how and when it will routinely provide Parliament with more detailed cost and performance information for the nuclear enterprise, so that Parliament can provide taxpayers with the confidence that the increasing DNE budget is being spent wisely.

3.1 The government agrees with the Committee's recommendation.

Target implementation date: December 2026

3.2 The government has agreed to work with Parliament to seek to establish a new House of Commons-only Committee, appointed by the Prime Minister, to conduct scrutiny of Defence Nuclear Enterprise (DNE) expenditure and programmes. The new Committee will consider relevant reports from the National Audit Office. The government intends to work with Parliament to establish the new Committee by the end of the year, ensuring the Committee is subject to the necessary controls to conduct its work in this highly sensitive area.

4. PAC conclusion: The Department's delay in publishing the Defence Investment Plan risks weakening the UK's defence industrial base.

4. PAC recommendation: The Department should write to the Committee urgently, within two weeks of this report, to explain how it is mitigating the impact on suppliers of the delayed publication of its investment plan.

4.1 The government agrees with the Committee's recommendation.

Recommendation implemented: August 2026

4.2 The department will write to the Committee by the end of August 2026. The Defence Investment Plan (DIP) was published on 30 June 2026, setting out future demand signals for the UK's industrial base.

4.3 In the meantime, the department continued to work closely with suppliers. Delivering extant programmes and placing new contracts across the sector as well as continued engagement via formal mechanisms. 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 Defence.

4.5 The DIP will deliver a reformed approach to procurement, using all the levers at hand to ensure every contract signed delivers more British jobs, apprenticeships and innovation across the whole nation. This includes a 'Back British' policy, strengthening the industrial base, securing critical sovereign capabilities, and ensure that Defence produces the capabilities it needs at the pace and scale required for the Armed Forces.

The plan invests 12% of the equipment procurement budget this year into novel technologies, rising to 16% by 2029-30, which will be spearheaded by a newly created UK Defence Innovation organisation.

4.6 By implementing the DIP, the department will help generate economic growth and create nearly 60,000 extra direct and indirect UK industry jobs by 2029-30 compared to 2023-24. That would bring total forecast defence spending related jobs supported in the UK to more than half a million.

5. PAC conclusion: The Department is placing unrealistic expectations on how soldiers operate Ajax vehicles safely when it has still not resolved the underlying noise and vibration issues

5a. PAC recommendation: The Department should:

- ***Explain why it believes the current required operating parameters and restrictions for Ajax vehicles are realistic and appropriate, given the nature of the tasks those vehicles and their crews are expected to undertake both in training and on the battlefield.***

5.1 The government agrees with the Committee's recommendation.

Recommendation implemented: July 2026

5.2 The government agrees with the Committee's recommendation that consideration should be given to the current required operating parameters and restrictions for Ajax vehicles to ensure they are realistic and appropriate. All priority recommendations from the Independent Expert Panel Review have been agreed in principle and work is underway to align with extant Army Safety Investigation Team activity. This alignment activity will be completed in the Summer and will include a timetable for resulting actions.

5.3 The safety of our Service Personnel remains paramount. The Army Safety Investigation Team investigation and the Independent Expert Panel Review have both completed, and their findings indicate no single causal mechanism of the symptoms reported by soldiers but a combination of multiple factors. Both reports agreed that the platform is safe when operated and maintained within the correct parameters.

5.4 A phased approach to restarting the Ajax programme has begun. The first phase will include the restarting of trials using the current version of Ajax. A limited number of vehicles will be used and under tightly controlled conditions and maintenance regimes. The second phase will see the delivery of a number of improvements, including improvements to air filtration, crew compartment heating, and the electrical power generation system - key themes identified and prioritised following Exercise Titan Storm. These commitments will be met within the existing programme scope and financial envelope.

5.5 In light of the phased approach to restarting the programme, the Ministry of Defence (MOD) has resumed acceptance of the Ajax vehicles but has implemented strict new controls on the reintroduction of the Ajax vehicles that is focussed on providing an improved user experience.

5.6 The MOD continues to work closely with General Dynamics to deliver the vehicle that provides the world-leading capability that Service Personnel need.

5b. PAC recommendation: The Department should:

Provide a detailed memorandum which sets out precisely how much the Department will pay for Ajax. The memorandum should also include details of:

- ***How much the manufacturer will pay for the delays in delivering a vehicle that is fit for purpose;***
- ***The cost of modifications, including the 'Ajax 2' enhancements, needed to bring the vehicles up to that standard, including how much of the additional cost the manufacturer will bear; and***
- ***Why the Department still expects that Ajax can be made fit for purpose.***

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

Target implementation date: January 2027

5.8 The government cannot yet provide the precise cost apportionment requested by the Committee because commercial discussions regarding the future in-service support arrangements, and any further enhancements above the contract baseline, remain ongoing. This response therefore sets out the current position, pending conclusion of those discussions.

5.9 All payments to General Dynamics continue to be scrutinised to ensure they are appropriately evidenced, contractually justified and aligned with the Department's commercial governance arrangements. The extent to which General Dynamics will bear costs associated with delay, rectification, modification or enhancement remains subject to those ongoing discussions. The government will provide a fuller memorandum to the Committee once the commercial position has concluded and can be disclosed without prejudicing the MOD's commercial interests.

5.10 References to "Ajax 2" should not be interpreted as a separate programme or new acquisition. The term is shorthand for a package of ongoing and planned improvements to the Ajax family of vehicles, intended to address known issues, improve the Soldier experience and maintain relevance against evolving operational requirements. There is therefore no single discrete cost for "Ajax 2". The Approved Budgetary Limit for the Armoured Cavalry Programme remains £6.3 billion, unchanged since 2015, covering the Demonstration and Manufacture phases and Initial In-Service Support. Future in-service support arrangements, and any further enhancements above the contract baseline, will incur additional costs and remain subject to definition, agreement and approval.

6. PAC conclusion: The Department does not know whether a recent improvement in recruitment and retention is a result of changes it has made, or whether it can sustain these improved trends.

6a PAC recommendation: The Department should:

- ***Develop robust evidence about what factors affect the inflow and outflow of Armed Forces personnel and ensure that it closely monitors these factors.***

6.1 The government agrees with the Committee's recommendation.

Recommendation implemented: August 2026

6.2 Defence has developed a robust and continuously monitored evidence base on factors influencing inflow and outflow of Armed Forces personnel. Using independent research, attitude surveys and economic modelling, an understanding of the drivers of recruitment and retention across Services, ranks and demographic groups are considered.

6.3 Evidence varies across different Services, ranks and demographic groups, and indicates that recruitment is positively influenced by career progression, professional and personal development (e.g. sports and adventurous training) opportunities, and meaningful work. Conversely, concerns about danger and unsociable hours deter potential applicants. Positive retention influences include job satisfaction, pay satisfaction, leadership, service morale and job security, while poor morale, family-life impacts and civilian employment opportunities are drivers of voluntary outflow. Similar findings are evident among Reservists.

6.4 This picture is reinforced by economic modelling with a consistent trend since 2016 indicating that voluntary outflow tends to increase during periods of high inflation and strong labour markets, while higher military pay relative to civilian earnings can reduce incentives to leave.

6.5 The Armed Forces Recruiting Service aims to use real-time analytics, predictive modelling and live monitoring of candidate behaviour, recruitment attrition, conversion rates, candidate satisfaction and diversity measures, enabling continuous assessment of recruitment inflow drivers and early intervention where issues emerge.

6b PAC recommendation: Identify which initiatives to improve recruitment and retention are particularly cost-effective and ensure that these are applied more widely.

6.6 The government agrees with the Committee’s recommendation.

Target implementation date: Autumn 2027

6.7 MOD is developing the means, through the Flexible Workforce Programme (FWP), to assess the impact and cost-effectiveness of recruitment and retention interventions.

6.8 The FWP aimed at supporting a more agile, flexible, and skills-based workforce across Defence, aims to incorporate robust impact and cost-effectiveness evaluation to identify which interventions deliver the greatest benefits for recruitment and retention and should be scaled across Defence.

6.9 Work is underway to achieve Initial Operating Capability (IOC) by Autumn 2027 and Full Operating Capability (FOC) by 2031. MOD is aiming to begin realising the benefits of improved evaluation, monitoring and insight generation through the Total Reward Approach, ahead of full programme FOC.

6.10 Through FWP, MOD will be able to identify those initiatives that provide the greatest value for money and use the evidence from the FWP, to inform the wider adoption of the most effective recruitment and retention interventions across the Department.

Sixth Report of Session 2026-27

Department for Work and Pensions

The Access to Work Scheme

Introduction from the Committee

Access to Work is a demand-led grant scheme, which operates in Great Britain, to help people get, or stay in, work if they have a physical or mental health condition or disability. Funding may pay for things like specialist equipment, support workers such as a British Sign Language interpreter, the costs of travelling to work and physical adaptations to the workplace. The scheme is intended to provide support for people's needs within the workplace over and above an employer's legal duty to make reasonable adjustments. The Department typically approves support for individuals for three years, up to a maximum annual total, which was £69,260 in 2024–25 and 2025–26.

Demand for Access to Work support has increased significantly, with the total number of applications more than doubling, from 76,000 in 2018–19 to 157,000 in 2024–25. Although demand has risen, the Department considers that the number of people supported by the scheme is a low proportion of those who might be eligible. Low take-up could be due to a lack of awareness. The Department's spending on Access to Work provision increased by 96% in real terms from £163 million in 2018–19 to £321 million in 2024–25. As demand has risen, there has been an increase in the number of outstanding applications and payments, and in the time taken to process applications.

In March 2025, the government published a green paper setting out proposals to reform the country's incapacity and disability benefits system. This included proposals for the future of Access to Work in order to consider how public resources can generate the most value for the greatest number of people.

Based on a report by the National Audit Office, the Committee took evidence on 12 March 2026 from the Department for Work and Pensions. The Committee published its report on 12 June 2026. This is the government's response to the Committee's report.

Relevant reports

NAO report: The Access to Work scheme – Session 2024-26 (HC 1644)
PAC report: The Access to Work scheme – Session 2026-27 (HC 92)

Government response to the Committee

1. PAC conclusion: It is unacceptable that people do not know how long it will take the Department to process their applications for support.

1. PAC recommendation: The Department should, to provide transparency and help manage customers' expectations, publish key performance data each month, including how long on average it is taking to process applications.

1.1 The government agrees with the Committee's recommendation.

Target implementation date: Summer 2027

1.2 The Department for Work and Pensions agrees with the Committee on the importance of transparency and helping customers understand Access to Work performance. The department is aiming to build on performance through recruiting 480 extra staff to help resourcing to clear the backlog.

1.3 The department will continue to publish Access to Work performance information annually, instead of monthly, through the department's Annual Report and Accounts. This provides an established route for reporting performance information. The department also provides information through existing parliamentary and public accountability channels, including Parliamentary Questions, Freedom of Information requests and other standard parliamentary processes.

2. PAC conclusion: The Department's expectation that it will take at least 18 months to clear the applications backlog means hardship for individuals and businesses will continue for some time.

2. PAC recommendation: The Department should urgently develop and publish the plan not only to clear the Access to Work backlog but also to reduce significantly the time taken to process applications.

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

Recommendation implemented

2.2 The Secretary of State has announced a plan of action to clear the Access to Work applications backlog by September 2027. The department has increased the number of staff working on Access to Work by around 30%, from 500 in March 2024 to 657 in March 2026, and is continuing to prioritise applications where a customer is due to start work within four weeks. Around 96% of cases where a customer was due to start work within four weeks have been cleared within 28 days.

2.3 To further increase processing capacity and reduce waiting times, the department is recruiting an additional 480 case staff between September and November 2026 to process the higher volume of applications. It takes up to 6 months for case managers to become productive having completed their learning and consolidation. This will lead to more than twice as many staff working on Access to Work as there were in March 2024. The department is focused on progressing applications as quickly as possible while ensuring case managers receive the appropriate training required to make high-quality decisions.

2.4 Customers and suppliers are receiving payments more promptly once claims have been approved. The department will continue to monitor payment performance to ensure this improvement is sustained.

2.5 The department is concurrently considering wider changes to ensure Access to Work remains fair, sustainable, timely and efficient. This includes: (1) considering evidence from disabled people, employers and representative bodies; and (2) considering insights from the Collaboration Committees (lived experience and expert advisory groups), National Audit Office Report and work with the Independent Disability Advisory Panel.

3. PAC conclusion: We are concerned about the large volume of written evidence we received that highlighted people's experience of multiple failings in the Department's administration of the scheme.

3. PAC recommendation: In light of the written evidence the Committee has received, the Department should urgently engage with users of the scheme to uncover any administrative failings beyond delays, and write to the Committee by September 2026, with the full results of that engagement, setting out a roadmap for change, with defined milestones and a clear description of the service standards that users can expect and that the Department can be held accountable for providing.

3.1 The government agrees with the Committee's recommendation.

Target implementation date: Winter 2026

3.2 The department recognises the concerns raised through the Committee's written evidence and agrees that user engagement is essential to understanding whether there are administrative issues beyond delays in processing applications.

3.3 The department was already undertaking engagement with users of Access to Work to better understand their experience of the scheme. This includes working with the Disability Unit through its Regional Stakeholder Network. This network provides an established route for disabled people and disabled people's organisations to share their views and experiences, and the published minutes and outcomes from these discussions will help inform the department's assessment of the issues raised. The department will also continue to engage with the Independent Disability Advisory Panel, the Access to Work stakeholder forums and individual charities and representatives.

3.4 The department will use this engagement, and wider stakeholder engagement, to identify the key administrative issues experienced by users, including where communications, guidance, decision-making processes or customer support may need to be improved.

3.5 The department will write to the Committee as requested by the end of Winter 2026.

4. PAC conclusion: The Department does not know how many cases its case managers can process in a day, which hampers its workforce planning.

4a. PAC recommendation: The Department should undertake the planned work study and use it to set an up-to-date productivity standard for the number of cases its case managers can process in a day. It should share the results of the study with the Committee by the end of 2026, along with an action plan of how it plans to meet the new standard.

4.1 The government agrees with the Committee's recommendation.

Target implementation date: Summer 2027

4.2 The department is undertaking a comprehensive work study across Access to Work operations to validate processing times, support future resource planning, and identify opportunities to improve the service. The study will cover both core decision-making activity and service centre functions, ensuring that the department has a robust and up-to-date evidence base on which to assess productivity and operational performance.

4.3 Owing to the recruitment of a large number of new staff, it is likely that productivity will be depressed in the short term. Accordingly, findings from the study will be reviewed at regular intervals to ensure that they are analytically robust and provide a reliable basis for setting an updated productivity standard for the number of cases that case managers can process. The study will also systematically capture operational insight to support service improvements, increase efficiency and inform future workforce planning.

4.4 Progress will be reported on in the Annual Report and Accounts.

4b. PAC recommendation: In its Treasury Minute response to this report the Department should confirm whether it successfully introduced an integrated IT system by June 2026, and specifically whether that has put an end to the need for case managers to transfer information manually between the separate systems.

4.5 The government agrees with the Committee's recommendation.

Target implementation date: November 2026

4.6 The department is progressing work to refactor the legacy IT system that currently supports Access to Work. This is different from the longer-term plans for an integrated IT system described in the Committee's report. Refactoring is the systematic process of restructuring existing computer code to a modern platform and language to improve its readability, maintainability, and performance without changing its external behaviour or functionality. While the department had planned to refactor in June 2026, there has been a slight delay. The department now expects refactoring to be introduced in autumn 2026.

4.7 The new system will provide the foundation for a more integrated digital service for Access to Work. It will enable operational colleagues to process applications through a single service, reducing the need for case managers to manually transfer information between separate systems and supporting improvements in operational efficiency.

4.8 The department recognises that introducing the new system is an important step in improving administration of Access to Work. The move to a fully integrated service, as described in the Committee's report, will be delivered iteratively over several years. This phased approach will allow the department to introduce improvements incrementally, while continuing to support service delivery and improving the experience of staff who deliver Access to Work.

5. PAC conclusion: Deciding what workplace support the scheme should fund for each individual applicant is difficult and the Department's case managers need more support to make consistent decisions.

5. PAC recommendation: The Department should set out what more it plans to do to support its case managers, including improving its guidance to better support staff in assessing what support should be funded for people with a wide variety of health conditions.

5.1 The government agrees with the Committee's recommendation.

Target implementation date: Summer 2027

5.2 The department recognises the importance of ensuring Access to Work case managers have the right training, guidance and support to make timely, consistent and well-informed decisions for customers with a wide range of health conditions and disabilities.

5.3 The highly personalised nature of the Access to Work scheme means that consistent decision making can sometimes be challenging. The department is undertaking significant stakeholder engagement to better understand how guidance, training and operational support can be improved, particularly within the Support Worker categories. This engagement will help ensure case managers are better equipped to assess what support should be funded, taking account of the varied and sometimes complex needs of Access to Work customers.

5.4 The department has also introduced a contact strategy within its Standard Operating Process for all new applications. This ensures that Access to Work Case Managers talk to customers and employers in every instance and includes discussions around reasonable adjustments and support already in place.

5.5 The department is also increasing the number of case managers working on Access to Work, with plans to recruit 480 additional staff to process the higher volume of applications. As new case managers join the service, the department will ensure they receive appropriate training and support to handle complex applications confidently and consistently.

5.6 The department will continue to improve its training offer and operational guidance for case managers. The department will consider the findings from stakeholder engagement and specialist training activity as part of its ongoing work to improve case manager guidance. Any resulting changes will be communicated to the public.

5.7 Progress will be reported on in the Annual Report and Accounts.

6. PAC conclusion: In some cases, taxpayers have been paying for workplace adjustments that employers should have been covering.

6. PAC recommendation:

(a) The Department should set out clearly what support it expects employers to provide, with examples of reasonable adjustments covering employers of different sizes.

(b) The Department should engage directly with employers to establish how they are meeting their duty to provide reasonable adjustments as part of the process of assessing what support the scheme should fund for an applicant.

6.1 The government agrees with the Committee’s recommendation.

Target implementation date: Summer 2027

6.2 The department will review and update guidance to make clearer what type of support employers are generally expected to provide, and what support Access to Work will not normally fund.

6.3 The department recognises the importance of ensuring that Access to Work funding is used appropriately and does not replace the responsibility of employers to provide reasonable adjustments. Employers have a duty to consider and make reasonable adjustments for disabled employees and applicants, and Access to Work should complement, rather than substitute, that responsibility. The department has introduced a contact strategy within our Standard Operation Process for all new applicants. This ensures that Access to Work Case Managers talk to customers and employers in every instance and includes discussions around reasonable adjustments and support already in place.

6.4 The department is also taking steps to improve clarity on the respective roles of employers and Access to Work. This includes reviewing and updating guidance to make clearer what type of support employers are generally expected to provide, and what support Access to Work will not normally fund.

6.5 The department recognises the need to improve engagement with employers. As part of the Access to Work assessment process, the department will consider how best to strengthen its understanding of what support employers are already providing, and how they are meeting their responsibility to make reasonable adjustments. This will help ensure that Access to Work funding is targeted at additional disability-related support beyond what it is reasonable to expect employers to provide.

6.6 The department will develop and progress this recommendation and will report on progress in the Annual Report and Accounts.

7. PAC conclusion: The Department has not done enough to generate evidence on the value for money of the scheme.

7a. PAC recommendation: The Department should share with the Committee the evidence that underpins its assessment of the level of additionality needed for the scheme to break even.

7.1 The government agrees with the Committee's recommendation.

Recommendation implemented

7.2 Access to Work encompasses a broad range of support, with substantial variation in average unit costs. This means that the level of additionality required to break even varies significantly by the value of the package of support received.

7.3 Of the 74,190 Access to Work customers receiving payments, totalling £320.7 million in 2024-25, it is estimated that around 17,120 (23%) would need to remain in full-time work for a year, who would otherwise have been unemployed, for the scheme to break even fiscally. The estimate does not account for the costs of administering the scheme, only the cost of individual grants and contracted provision.

7.4 The key assumption is how much the exchequer saves from an additional Access to Work customer being in work for a full year. The most appropriate proxy for this is an estimate of how much the exchequer saves from one additional disabled person being in full-time or part-time work (source: Occupational Health: Working Better, 2023). One additional disabled person in full-time work, rather than being out of work and reliant on benefits, is estimated to save the government £18,000 a year (2023-24 prices). Figures are based on a single person aged 25+, working full-time (35 hours/week), receiving Universal Credit with Limited Capability for Work Related Activity, with no children or caring responsibilities, earning the median disability wage and paying average single-person rent.

7.5 The additionality estimate relates to full-time work and assumes the employment impact of support received in 2024-25 lasts for one full year. The department recognises that some customers may remain in work for more than one year because of the Access to Work support received in a given year, which would reduce the additionality required to break even.

7b. PAC Recommendation: The Department should undertake further work to assess the value for money of the scheme, including modelling the costs and benefits, and provide the Committee with a summary of the findings, including the assumptions that have underpinned the assessment.

7.6 The government agrees with the Committee's recommendation.

Recommendation implemented

7.7 The department will continue to regularly reassess its ability to quantitatively evaluate the impact of Access to Work, engaging with relevant experts, and will consider undertaking further qualitative research to better understand the benefits of the scheme.

7.8 On 25 June 2026, the department published a new Access to Work research report, 'Journeys to Access to Work'. This will help to refine the scope for any future evaluation.

Seventh Report of Session 2026-27

Department for Digital, Culture, Media and Sport

Financial resilience of government-sponsored museums and galleries

Introduction from the Committee

National museums and galleries are among the country's most visited free attractions and play a vital role in preserving national collections and supporting education and research. In 2024-25, the Department provided 15 government-sponsored museums and galleries with £484 million in grant-in-aid funding, about 25% of its overall spending and 88% of its spending on the museums and galleries sector as a whole. Since 2021-22, these institutions have needed to manage the combined challenges of reducing Government funding and increasing costs. There has been a real terms reduction of 16% in the level of Government funding as the Department has ended its emergency COVID-19 pandemic funding. At the same time, total expenditure by these museums and galleries has increased by 18% in real terms since 2021-22, driven by higher staff costs and rising energy and maintenance costs.

In response, museums and galleries have worked hard to increase commercial activity and diversify income through a range of methods, such as venue hire, exhibitions, membership schemes, hospitality and other innovative approaches, such as the British Museum's Pink Ball in October 2025. In 2024-25, their self-generated income totalled £563 million, a 53% real-terms increase since 2021-22. Those income streams, however, are vulnerable to wider economic conditions and visitor numbers, which have not returned to pre-pandemic levels.

Based on a report by the National Audit Office, the Committee took evidence on 20 April 2026 from the formerly named Department for Culture, Media and Sport. The Committee published its report on 24 June 2026. This is the government's response to the Committee's report.

Relevant reports

- NAO report: The financial resilience of DCMS-sponsored museums and galleries – Session 2024-26 (HC 1717)
- PAC report: Financial resilience of government-sponsored museums and galleries – Session 2026-27 (HC 96)

Government response to the Committee

1. PAC conclusion: The Department does not have a clear picture on whether museums and galleries are delivering value for the taxpayer with the public money it grants them each year.

1. PAC recommendation: The Department should, within six months, set out clear metrics by which it will assess how successfully museums and galleries are fulfilling their role in achieving its priority outcomes, and what consequences there will be for those that do not.

1.1 The government agrees with the Committee's recommendation.

Target implementation date: April 2027

1.2 The department has, as of August 2026, reviewed current key performance indicators (KPIs) to identify those areas where changes are needed to reflect priority outcomes, and consulted museums and galleries to understand the areas in which they currently collect, or could collect, data. At this stage, a range of revised indicators are being considered. Ministers will take a final decision on revised KPIs and how they will be used in Autumn 2026 with a period of implementation before the revised KPIs take effect from April 2027.

2. PAC conclusion: The Department is missing opportunities to help museums and galleries address some of the common challenges to their resilience.

2. PAC recommendation: The Department should identify the cross-sector issues it will prioritise in its support to museums and galleries and set out its plans for taking a more proactive role in these areas and driving value for money.

2.1 The government agrees with the Committee's recommendation.

Target implementation date: March 2027

2.2 The department has identified some specific areas of focus for the current financial year. In relation to cyber resilience, the department is supporting public bodies to build and improve capability and align with national cyber standards, as set out in more detail under recommendation 3. Alongside this, the department is also planning to review current collections storage arrangements across the museums and galleries to assess capacity levels and constraints, and the viability of future shared collections storage. The department is also looking to develop a pilot project to explore whether shared back office functions could drive better value for money across the museums.

3. PAC conclusion: The Department is not doing enough to ensure museums and galleries apply learning from recent threats to the physical security of their collections and their cyber security.

3. PAC recommendation: The Department should set out the concrete actions it and museums and galleries have taken and are taking to address cyber and physical security threats.

We understand that there may be confidentiality considerations, in which case the Department should also write to us privately.

3.1 The government agrees with the Committee's recommendation.

Recommendation implemented: June 2026

3.2 To strengthen cyber resilience, the department is implementing a coordinated strategy across its public bodies. Through the public bodies chief digital information, information security and technology officer forum and wider engagement with arm's-length bodies (ALBs), the department is supporting organisations to improve cyber capability, share good practice and meet cyber standards. This work is aligned with the Government Cyber Action Plan 2030, which aims to strengthen cyber resilience across government and will include the development of common guidance, tools and services and the exploration of shared capability models that can improve resilience and deliver efficiencies.

3.3 The department continues to invest into the physical security of national museums and galleries through the Public Bodies Infrastructure Fund (PBIF). In January 2026, the department announced an additional £480 million in PBIF funding, extending the programme through to 2029-30. PBIF funds critical estates maintenance to keep buildings safe and open to the public, protect people, collections and buildings and reduce identified security risks.

3.4 DCMS also works with the police and other agencies to identify and address security threats to museums. Following recent high-profile thefts, the department liaised with the National Police Chiefs' Council (NPCC) on updated security advice for museums, which was circulated through local forces in October 2025. The department is supporting the NPCC on a new Heritage Crime National Strategic Assessment to be published later this year.

4. PAC conclusion: The Department relies heavily on museums and galleries and their boards to ensure their own financial resilience, but their boards are not consistently well-equipped to do this effectively.

4. PAC recommendation: The Department should report to us in six months on:

a. The steps it has taken to ensure that those it appoints to the Boards of the museums and galleries have the right mix of skills required for the Boards to fulfil their functions effectively; and

b. The latest data for its performance in making these appointments, including their speed.

4.1 The government agrees with the Committee's recommendations.

Target implementation date: December 2026

4.2 The department is working closely with sponsored museums and galleries to ensure that it is appointing board members with the right mix of skills and experience and will report on progress in six months. Progress has already been made against both recommendations. All sponsored museums and galleries are now required to submit a skills audit of their board when seeking approval from Ministers to launch a new campaign.

4.3 In relation to timeliness, the department has revised its internal processes to strengthen alignment with the Commissioner's appointment targets for member and chair campaigns. Updated performance data is published annually in the Commissioner for Public Appointment's Annual Report.

5. PAC conclusion: The Department's current funding regime risks not providing museums and galleries with sufficient incentives to support themselves financially.

5. PAC recommendation: The Department should review the funding regime to identify how it can better incentivise the long-term commercial growth of the museums and galleries. Once this review is completed, it should write to us with its findings.

5.1 The government agrees with the Committee's recommendation.

Target implementation date: Summer 2027

5.2 The department is taking action to encourage continued commercial growth across the sector through the establishment of a Commercial Revenue Working Group with a number of ALBs, including the museums and galleries. The objective of the working group is to understand ways in which to further support growth of ALB self-generated income. The findings from this working group can be shared with the Committee once this work has sufficiently progressed. Though recently formed, the Working Group expects reportable progress and the implementation of many revenue generating initiatives by Summer 2027.

6. PAC conclusion: The Department does not have the necessary insights into museums and galleries to give it sufficient early warning of their potential financial failure.

6a. PAC recommendation: The Department should:

- ***Put in place the key performance indicators and tools that it will use to track the financial resilience of museums and galleries by the end of the 2026-27 financial year. This should include metrics to improve its insight into their financial management capabilities; and …***

6.1 The government agrees with the Committee's recommendation.

Target implementation date: April 2027

6.2 The department aims to identify a more comprehensive set of financial and non-financial indicators which will be used for regular reporting by the ALBs, allowing it to monitor early warning signs. Given the sensitivity of this data, the department anticipates keeping these distinct from published KPIs. The sponsored museums and galleries have been commissioned to map existing data and gather views on viable indicators. The responses will then be analysed, with targeted follow-up discussions to shape future reporting.

6.3 A mix of objective measures are being explored (such as the timeliness of accounts) and qualitative options (such as from direct liaison with arm's length body finance directors). The department also plans to use data from its annual reporting through the DCMS group accounts to help identify consistent benchmarking categories, such as staff costs and utilities, to ascertain common expenditure areas and useful sector benchmarks.

6b. PAC recommendation:

- ***… Set out the circumstances in which it would allow the financial failure of a museum or gallery.***

6.4 The government disagrees with the Committee's recommendation.

6.5 National museums and galleries are founded in legislation which requires that they safeguard and exhibit their collections on behalf of the nation. Unless there is a change in this legislation, this requirement will continue. As publicly funded charities, they operate within the rules of Managing Public Money and charity law. Accounting Officers are responsible for ensuring resources are managed on a sustainable basis. Trustees have a legal duty to manage their charity's resources responsibly, including where it faces financial difficulty. This status means that the primary responsibility for the financial management of these bodies sits with the organisations themselves.

6.6 Where concerns do arise about the financial management or financial sustainability of a sponsored museum or gallery, there are a range of interventions that the government could make depending on the specific situation. This could include seeking greater detail on the organisation’s financial plans and holding direct discussions with the Chair and senior leadership on their options to address concerns and the potential impact these measures could have on operations. Any further action would need to be considered on a case by case basis, taking account of the organisation's particular circumstances, in consultation with ministers.

Eighth Report of Session 2026-27

Department for Transport

Northern Powerhouse Rail

Introduction from the Committee

Poor transport between cities in the north of England stifles productivity and limits opportunities for workers and businesses. The region contains a population similar in size to that of London and the South East, but its economic performance is far weaker. Governments have promised improvements through Northern Powerhouse Rail since 2014, but decisions by successive governments have changed its scope and slowed progress.

In January 2026, the government announced its plans for Northern Powerhouse Rail. The programme will involve building new rail lines and stations and upgrading existing infrastructure, over three phases to be completed from the mid-2030s to the mid-2040s onwards. The government expects the programme to provide more frequent train services and shorter journey times between Liverpool and Manchester to the west of the Pennines, and Leeds, York and other cities to the east. The government also intends for the rail improvements to enable wider economic benefits as part of its Northern Growth Strategy.

The Department for Transport is responsible for funding and overseeing delivery as the sponsor for the programme. Two of the Department's arm's length bodies are responsible for parts of the programme – Network Rail for delivering existing line upgrades to the east of the Pennines and High Speed Two Limited (HS2 Ltd) for developing the plans between Liverpool and Manchester. The Department must also work with MHCLG, HM Treasury and local government bodies on funding and the delivery of wider benefits.

Based on a report by the National Audit Office, the Committee took evidence on 27 April 2026 from the Department for Transport, Ministry for Housing, Communities and Local Government and HM Treasury. The Committee published its report on 1 July 2026. This is the government's response to the Committee's report.

Relevant reports

- NAO report: Northern Powerhouse Rail – Session 2024-26 (HC 1734)
- PAC report: Northern Powerhouse Rail – Session 2026-27 (HC 97)

Government response to the Committee

1. PAC conclusion: It is still not clear how the government's renewed ambition for Northern Powerhouse Rail will translate into the promised benefits for the North.

1a. PAC recommendation: The Department must ensure the Northern Powerhouse Rail business case is clear in how it aligns to the Northern Growth Strategy priorities.

1.1 The government agrees with the Committee's recommendation.

Target implementation date: Autumn 2026

1.2 The Northern Powerhouse Rail Programme Business Case (PBC) is fully based on the Northern Growth Strategy outcomes.

1.3 The PBC is in development, with work underway with other government departments to align it with the Northern Growth Strategy. Supporting the Cabinet's vision for greater devolution, input is being sought from Mayoral Strategic Authorities (MSAs) through the governance structures established following the Compact Agreements of January 2026.

1.4 The department is aiming to complete assurance and approvals for the PBC in the Autumn and would then expect to publish it in line with normal policy. Following the PBC, there will be phase-based Outline Business Cases (OBCs) from 2027 onwards, and Full Business Cases (FBCs) before main construction for the relevant phase. There will also be opportunities for the PBC to be reviewed and updated as more detail from the phase-based OBCs and FBCs becomes available.

1b. PAC recommendation: The Department should set out how it will keep Parliament updated on progress throughout the programme.

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

Recommendation implemented

1.6 As part of the Government Major Projects Portfolio programme, NPR will continue to report to Parliament via the National Infrastructure and Service Transformation Authority reporting arrangements. Updates on NPR will also be included in relevant Northern Growth Strategy reports to Parliament.

1.7 Parliamentary reporting will be further reviewed in the event of NPR being designated as a mega-project.

1.8 Following the government's decision to consent the Manchester section of NPR Phase 2 through the adapted High Speed Rail (Crewe – Manchester) Bill, the Bill has been carried over into this Parliament and the Select Committee will report its work to the House when completed.

1c. PAC recommendation: The Department should set out how the new Green Book approach will affect its decision-making across the programme in practice.

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

Recommendation implemented

1.10 The department is implementing the updated Green Book through its Appraisal, Modelling and Evaluation Strategy (AMES), published in May 2026. AMES will make transport analysis more accessible, proportionate and aligned with local priorities, supporting clearer and more transparent decisions for people and places. It also strengthens appraisal, modelling and evaluation across the transport portfolio and will improve how the department assesses scheme costs, benefits and outcomes.

1.11 The department's Transport Analysis Guidance (TAG), which underpins transport appraisal, is based on Green Book principles and is being updated to reflect the latest reforms and deliver the improvements set out in AMES.

1.12 The updated Green Book places greater emphasis on strategic objectives, place-based outcomes and transformational change. It encourages a broader assessment of how investments contribute to economic growth, productivity, connectivity and opportunities for people and places.

1.13 This approach is informing the development of the Northern Powerhouse Rail Programme Business Case. While alternative options were considered, the preferred option was selected because it best aligned with the programme's strategic objectives, growth ambitions and intended long-term economic and connectivity outcomes for the North. The decision was based on a balanced assessment of strategic fit, economic impact, value for money, affordability and deliverability.

1.14 Delivering value for money for taxpayers will remain a core consideration as the programme develops. Further work will improve understanding of costs and delivery requirements to optimise the programme, maximise benefits across the North and support delivery of NPR's objectives.

2. PAC conclusion: There is a clear risk that the Department will not be able to manage the programme within its £45 billion funding cap.

2a. PAC recommendation: The Department should set out how much funding it will allocate to each phase, and how it will support local government to raise additional funds.

2.1 The government agrees with the Committee's recommendation.

Target implementation date: Spring 2027

2.2 The government is already intending to set out phase allocations in 2027, once work is completed on the key outstanding scope choices for Manchester Piccadilly, Liverpool and Bradford.

2.3 Indicative allocations for Phase 1 and Phase 2 will be developed with Mayors, and the joint working forums that have been established (the White Rose Rail Board and Liverpool-Manchester Rail Board) will be used to oversee the next stage of development work for phases one and two.

2.4 Through this process, the department will seek a shared understanding of the relative costs and benefits of options, allowing for an informed prioritisation of the £45 billion funding cap, including contingency arrangements and MSA contributions where appropriate.

2.5 Further developing the Government's Rewiring the State vision, a roadmap for fiscal devolution will be published at this year's Budget, subject to any further decisions. This will set out more detail on plans to give mayors control of a share of some national taxes, in line with the guiding principles of empowerment, accountability, sustainability, and fairness.

2b. PAC recommendation: HM Treasury should explain in detail how it determined the £45 billion funding cap before the entire project is designed, scoped and costed.

2.6 The government agrees with the Committee's recommendation.

Recommendation implemented

2.7 The establishment of a lifetime funding cap reflects the lessons learned from HS2 and other previous projects by setting a clear cap on the overall central government contribution of the programme, ensuring that trade-offs are consciously internalised in the development of the detailed programme scope. Applying the cap at this stage will ensure that decisions are taken early to maximise value for money within the programme while maintaining overall affordability, avoiding the overly relaxed approach to scope choices seen on previous projects that has driven runaway costs.

2.8 The £45 billion figure was determined through a balanced assessment which considered (a) provisional cost estimates of core scope elements of NPR, (b) appropriate contingency, and (c) the overall affordability of the programme within the government's wider fiscal position.

2c. PAC recommendation: The Department should clearly set out how it will manage its spending within the £45 billion funding cap, including how it will control costs, prioritise benefits and decide what to descope if cost pressures emerge.

2.9 The government agrees with the Committee's recommendation.

Target implementation date: Autumn 2026

2.10 The NPR programme adheres to both government and DfT best practices when it comes to programme controls, including change control and contingency management approaches.

2.11 The programme will ensure the £45 billion funding cap is effectively operationalised as a mechanism to control and assess affordability by allowing sufficient contingency for risk at each stage of the programme. The process will be structured to establish positive incentives around cost estimation and management, contingency and risk for HMG, delivery bodies, local partners and the supply chain. Further details will be set out in the PBC.

2d. PAC recommendation: Within six months, the Department should write to us to set out what it is doing to ensure HS2 Ltd's plans and cost estimates for phase 2 are realistic.

2.12 The government agrees with the Committee's recommendation

Recommendation implemented

2.13 The government has already taken steps to ensure that scheme costs are realistic, whilst ensuring that lessons have been learned from the HS2 experience. However, Phase 2 remains at an early stage of maturity. Multiple areas of scope are still to be fully defined, with work ongoing with MSAs on the final decisions required to confirm the scope of Phase 2, namely Manchester Piccadilly Station and the route into Liverpool.

2.14 The most recent set of costs for Phase 2 were prepared as part of pre-consultation development, in Summer 2025, which represents an early stage in the scheme development process (similar to Network Rail's Project Feasibility stage). These cost estimates were subject to HS2 Ltd's internal assurance processes. This included benchmarking against anticipated costs of HS2 Phase 1 assets and further comparisons on a cost per km basis. An overall cost range for Phase 2 was provided in line with lessons learned from major projects, with the upper end of the range informed by a technique called Reference Class Forecasting, which considers the potential outcome of a project by using historic performance of similar projects. HS2 Ltd's costs also apply a recommended level of risk appropriate for the maturity of the cost development, as per HMT Green Book guidance.

2.15 Current estimating work is focussed on opportunities and risks identified, including challenging assumptions and inputs to inform a more accurate departmental view of the potential cost of Phase 2 given the information currently available. An updated set of cost estimates is expected in Spring of 2027, at which point the department will provide further detail on the work that has been undertaken to ensure costs are realistic, whilst driving value for money.

3. PAC conclusion: The Department has not yet put in place appropriate governance arrangements with other central government departments.

3a. PAC recommendation: Within six months, the Department should write to us to confirm whether Northern Powerhouse Rail is a mega-project or not.

3b. PAC recommendation: Within six months, the Department should write to us to explain how the governance arrangements in place are appropriate for the programme's scale, longevity and dependence on other central government bodies for success.

3.1 The government agrees with the Committee's recommendations.

Target implementation date: January 2027

3.2 The government disagrees with the Committee's conclusion but is willing to accept the recommendations.

3.3 The government has embedded NPR within its wider governance arrangements for the Northern Growth Strategy, reporting to a dedicated Ministerial Task Force.

3.4 The government agrees to write to the Committee with an explanation of how the NPR governance arrangements are appropriate for the scale of the programme following approval of the Programme Business Case.

3.5 The department will write to the Committee regarding NPR's status as a mega-project following approval of the Programme Business Case.

4. PAC conclusion: The Department's arrangements for working with local government do not appear sufficient to manage the trade-offs it will need to make on funding and scope.

4. PAC recommendation: The Department should set out the principles by which it will work with local government and confirm by when it will update us on the arrangements in place.

4.1 The government agrees with the Committee's recommendation.

Target implementation date: January 2027

4.2 The government disagrees with the Committee's conclusion but is willing to accept the recommendation.

4.3 Working as part of the Northern Growth Strategy, the NPR programme has agreed partnership structures with MSAs following the January 2026 Compact

Agreements. These structures, and how they will operate, were jointly developed and agreed with MSAs.

4.4 In line with the Cabinet's vision for greater devolution, station groups allow MSAs, local councils and government to ensure integration between local growth and local transport plans, and station development. Route and phase prioritisation will be considered through the White Rose Rail Board and the Liverpool-Manchester Rail Board building recommendations for Yorkshire (Phase 1) and the North West (Phase 2), with a funding planning envelope.

4.5 Where the proposals of these Boards generate a cross-route impact, either on funding, sequencing, or service patterns, the decision will be escalated to the Extended Northern Growth Strategy Ministerial Task Force with the Mayors.

4.6 Terms of reference include the objectives and roles of each group. They commit all parties to principles to ensure collaborative working, including transparency of information, the relationship to decisions of government Ministers and success criteria for NPR against which recommendations are evaluated. A key principle is that commissioning of delivery bodies is on the basis of indicative service outputs. Work will assess interventions that would meet, exceed and compromise indicative outputs for journey times, reliability and frequency, so that trade-offs are based on clear evidence of all benefits and costs.

4.7 The department will write with detail of the final principles, the activities groups have undertaken, an evaluation of the arrangements, and any planned refinements.

5. PAC conclusion: The Department has not yet set out how Northern Powerhouse Rail will work alongside national and local transport plans and priorities.

5a. PAC recommendation: The Department should clarify:

- ***how it will work with local areas to support the development of local transport networks across the route while ensuring they integrate with the Northern Powerhouse Rail plans; and***

5.1 The government agrees with the Committee's recommendation.

Target implementation date: Autumn 2026

5.2 The individual station groups described above will look at integration between station proposals, onward travel and connections to other forms of transport, and local development plans to ensure the government and local places are pursuing an integrated strategy. This approach will be set out in further detail within the Programme Business Case.

5b. PAC recommendation: …how Northern Powerhouse Rail will help it meet the West Coast Main Line's capacity requirements.

5.3 The government agrees with the Committee's recommendation.

Recommendation implemented

5.4 The government recognises the importance of ensuring sufficient capacity on the West Coast Main Line to accommodate future growth in passenger and freight demand. NPR is primarily intended to improve connectivity and capacity between towns and cities across the North of England and, on its own, is not expected to have a significant impact on West Coast Main Line capacity requirements.

5.5 However, as set out in the Northern Growth Strategy in January 2026, the government's strategic objectives for NPR include supporting the future completion of a new railway between Birmingham and Manchester. This will be capable of supporting services to Scotland and the wider North West, ensuring we have a plan for West Coast Mainline capacity in the long-term.

5.6 In the shorter term, the department will continue to work with industry partners to maximise the efficient use of existing capacity on the West Coast Main Line through operational and timetable interventions.

6. PAC conclusion: We are not convinced that the Department has embedded all lessons from past failures into its management of the programme.

6a. PAC recommendation: Within six months, the Department should set out:

- ***how it is ensuring lessons from other rail programmes are consistently shared and embedded into its management of Northern Powerhouse Rail; and***

6.1 The government agrees with the Committee's recommendation.

Recommendation implemented

6.2 The NPR programme was the subject of a National Audit Office review, which published its findings in March 2026. The review found that 'DfT is taking a planned approach to identifying relevant lessons and good practice to inform its management of Northern Powerhouse Rail.'

6.3 The report also listed the 24 actions that the programme is tracking to embed lessons into the management of the programme.

6.4 The programme's approach and practices for lessons learned will be further detailed in the Programme Business Case.

6b. PAC recommendation: Within six months, the Department should set out

- ***…. how it will use recent planning reforms to reduce costs on Northern Powerhouse Rail; and***

6.5 The government agrees with the Committee's recommendation.

Recommendation implemented

6.6 The government is using recent planning reforms to support the more efficient delivery of Northern Powerhouse Rail and reduce costs associated with delay and uncertainty. The Planning and Infrastructure Act 2025 aims to speed up and streamline the planning process and accelerate the delivery of major infrastructure projects, with changes made to both the Development Consent Order process and the Transport and Works Act Order process.

6.7 The reform measures are designed to create faster and more predictable consenting frameworks for major transport projects, including streamlining transport consenting processes, reducing delays from legal challenges that are totally without merit, and enabling more proportionate routes through the planning system. These reforms are intended to improve confidence in project development and reduce the costs that can arise from prolonged consenting and decision-making periods.

6.8 The Millington-Manchester section of NPR will be consented via the High Speed Rail (Crewe-Manchester) Bill. The government will set out how it proposes to consent other parts of the programme in due course. In taking these decisions, the government will take account of costs and delivery considerations.

6c. PAC recommendation:

- ***how it will address the findings of the Government Internal Audit Agency (GIAA) that programme and project teams across the Department were not consistently applying the lessons the Department had identified.***

6.9 The government agrees with the Committee’s recommendation.

Target implementation date: January 2027

6.10 The department will write to the Committee within six months. This response will reflect that the GIAA findings were about programmes and projects in the department in general, rather than the NPR programme specifically.

Treasury Minutes Archive[2]

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

Session 2024-26

Committee Recommendations: 661
Recommendations agreed: 615 (93%)
Recommendations disagreed: 46

Publication Date	PAC Reports	Ref Number
April 2025	Government response to PAC reports 1-4, 6-9	CP 1306
May 2025	Government response to PAC reports 5,10-17	CP 1328
June 2025	Government response to PAC reports 18-22	CP 1341
July 2025	Government response to PAC reports 23-26	CP 1367
August 2025	Government response to PAC reports 27-34	CP 1382
September 2025	Government response to PAC reports 35-42	CP 1404
December 2025	Government response to PAC reports 43-46 48 and 49	CP 1469
January 2026	Government response to PAC reports 50-55 (and 56 BBC)	CP 1488
March 2026	Government response to PAC reports 57-61	CP 1533
April 2026	Government response to PAC reports 62-67	CP 1522
May 2026	Government response to PAC reports 68-75	CP 1587
July 2026	Government response to PAC reports 76-79 [2-3 Session 26-27]	CP 1649
August 2026	Government response to PAC reports 1,4-8	CP 1668

Session 2023-24

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

Publication Date	PAC Reports	Ref Number
February 2024	Government response to PAC reports 1-6 [80 Session 22-23]	CP 1029
March 2024	Government response to PAC reports 7-11	CP 1057
April 2024	Government response to PAC reports 12-18	CP 1070
May 2024	Government response to PAC reports 19-24	CP 1085
September 2024	Government response to PAC reports 26-29, 31, 33-38	CP 1151
October 2024	Government response to PAC reports 25, 26, 30 and 32	CP 1174

Session 2022-23

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

Publication Date	PAC Reports	Ref Number
July 2022	Government response to PAC reports 1, 3 & 10	CP 722
August 2022	Government response to PAC reports 2, 4-8	CP 708

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

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

Session 2021-22

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

Publication Date	PAC Reports	Ref Number
August 2021	Government response to PAC reports 1-6	CP 510
September 2021	Government response to PAC reports 8-11	CP 520
November 2021	Government response to PAC reports 7,13-16 (and TM2 BBC)	CP 550
December 2021	Government response to PAC reports 12, 17-21	CP 583
January 2022	Government response to PAC reports 22-26	CP 603
February 2022	Government response to PAC reports 27-31	CP 631
April 2022	Government response to PAC reports 32-35	CP 649
April 2022	Government response to PAC reports 36-42	CP 667
July 2022	Government response to PAC reports 49-52	CP 722

Session 2019-21

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

Publication Date	PAC Reports	Ref Number
July 2020	Government responses to PAC reports 1-6	CP 270
September 2020	Government responses to PAC reports 7-13	CP 291
November 2020	Government responses to PAC reports 14-17 and 19	CP 316
January 2021	Government responses to PAC reports 18, 20-24	CP 363
February 2021	Government responses to PAC reports 25-29	CP 376
February 2021	Government responses to PAC reports 30-34	CP 389
March 2021	Government responses to PAC reports 35-39	CP 409
April 2021	Government responses to PAC reports 40- 44	CP 420
May 2021	Government responses to PAC reports 45-51	CP 434
June 2021	Government responses to PAC reports 52-56	CP 456

Session 2019

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

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

Session 2017-19

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

Publication Date	PAC Reports	Ref Number
December 2017	Government response to PAC report 1	Cm 9549
January 2018	Government responses to PAC reports 2 and 3	Cm 9565
March 2018	Government responses to PAC reports 4-11	Cm 9575
March 2018	Government responses to PAC reports 12-19	Cm 9596
May 2018	Government responses to PAC reports 20-30	Cm 9618
June 2018	Government responses to PAC reports 31-37	Cm 9643
July 2018	Government responses to PAC reports 38-42	Cm 9667
October 2018	Government responses to PAC reports 43-58	Cm 9702
December 2018	Government responses to PAC reports 59-63	Cm 9740
January 2019	Government responses to PAC reports 64-68	CP 18
March 2019	Government responses to PAC reports 69-71	CP 56
April 2019	Government responses to PAC reports 72-77	CP 79
May 2019	Government responses to PAC reports 78-81 and 83-85	CP 97
June 2019	Government responses to PAC reports 82, 86-92	CP 113
July 2019	Government responses to PAC reports 93-94 and 96-98	CP 151
October 2019	Government responses to PAC reports 95, 99-111	CP 176
January 2020	Government response to PAC reports 112-119 [1 and 2]	CP 210

Session 2016-17

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

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

Session 2015-16

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

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

Treasury Minutes Progress Reports Archive

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

Publication Date	PAC Reports	Ref Number
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 847
December 2022	Session 2013-14: updates on 1 PAC report Session 2017-19: updates on 16 PAC reports Session 2019-21: updates on 14 PAC reports Session 2021-22: updates on 38 PAC reports Session 2022-23: updates on 8 PAC reports	CP 765
June 2022	Session 2013-14: updates on 1 PAC report Session 2017-19: updates on 27 PAC reports Session 2019-21: updates on 34 PAC reports Session 2021-22: updates on 30 PAC reports	CP 691
November 2021	Session 2013-14: updates on 1 PAC report Session 2016-17: updates on 3 PAC reports Session 2017-19: updates on 33 PAC reports Session 2019: updates on 2 PAC reports Session 2019-21: updates on 47 PAC reports Session 2021-22: updates on 5 PAC reports	CP 549

Publication Date	PAC Reports	Ref Number
May 2021	Session 2010-12: updates on 1 PAC report Session 2013-14: updates on 1 PAC report Session 2016-17: updates on 4 PAC reports Session 2017-19: updates on 47 PAC reports Session 2019: updates on 2 PAC reports Session 2019-21: updates on 28 PAC reports	CP 424
November 2020	Session 2010-12: updates on 1 PAC report Session 2013-14: updates on 1 PAC report Session 2016-17: updates on 7 PAC reports Session 2017-19: updates on 73 PAC reports Session 2019: updates on 2 reports	CP 313
February 2020	Session 2010-12: updates on 2 PAC reports Session 2013-14: updates on 1 PAC report Session 2015-16: updates on 3 PAC reports Session 2016-17: updates on 14 PAC reports Session 2017-19: updates on 71 PAC reports	CP 221
March 2019	Session 2010-12: updates on 2 PAC reports Session 2013-14: updates on 4 PAC reports Session 2014-15: updates on 2 PAC reports Session 2015-16: updates on 7 PAC reports Session 2016-17: updates on 22 PAC reports Session 2017-19: updates on 46 PAC reports	CP 70
July 2018	Session 2010-12: updates on 2 PAC reports Session 2013-14: updates on 4 PAC reports Session 2014-15: updates on 2 PAC reports Session 2015-16: updates on 9 PAC reports Session 2016-17: updates on 38 PAC reports Session 2017-19: updates on 17 PAC reports	Cm 9668
January 2018	Session 2010-12: updates on 2 PAC reports Session 2013-14: updates on 5 PAC reports Session 2014-15: updates on 4 PAC reports Session 2015-16: updates on 14 PAC reports Session 2016-17: updates on 52 PAC reports	Cm 9566
October 2017	Session 2010-12: updates on 3 PAC reports Session 2013-14: updates on 7 PAC reports Session 2014-15: updates on 12 PAC reports Session 2015-16: updates on 26 PAC reports Session 2016-17: updates on 39 PAC reports	Cm 9506
January 2017	Session 2010-12: updates on 1 PAC report Session 2013-14: updates on 5 PAC reports Session 2014-15: updates on 7 PAC reports Session 2015-16: updates on 18 PAC reports	Cm 9407
July 2016	Session 2010-12: updates on 6 PAC reports Session 2012-13: updates on 2 PAC reports Session 2013-14: updates on 15 PAC reports Session 2014-15: updates on 22 PAC reports Session 2015-16: updates on 6 PAC reports	Cm 9320
February 2016	Session 2010-12: updates on 8 PAC reports Session 2012-13: updates on 7 PAC reports Session 2013-14: updates on 22 PAC reports Session 2014-15: updates on 27 PAC reports	Cm 9202

Publication Date	PAC Reports	Ref Number
March 2015	Session 2010-12: updates on 26 PAC reports Session 2012-13: updates on 17 PAC reports Session 2013-14: updates on 43 PAC reports	Cm 9034
July 2014	Session 2010-12: updates on 60 PAC reports Session 2012-13: updates on 37 PAC reports	Cm 8899
February 2013	Session 2010-12: updates on 31 PAC reports	Cm 8539

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