HM Treasury

Treasury Minutes

Government Response to the Committee of Public Accounts on the Sixty-first to the Sixty-seventh reports from Session 2022-23

CP 941 September 2023

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

September 2023

CP 941

This publication is available at www.gov.uk/official-documents.

Any enquiries regarding this publication should be sent to us at: public.enquiries@hmtreasury.gov.uk

ISBN 978-1-5286-4447-1

E02982675 9/23

Printed on paper containing 40% recycled fibre content minimum.

Printed in the UK by HH Associates Ltd. on behalf of the Controller of His Majesty's Stationery Office.

Government response to the Committee of Public Accounts Session 2022-23

Report Title **Page**

Sixty-first report of Session 2022-23

Ministry of Justice

Progress on the courts and tribunals reform programme

Introduction from the Committee

HM Courts and Tribunals Service (HMCTS) - an executive agency of the Ministry of Justice (the Ministry) - is responsible for the administration of the criminal, civil and family courts in England and Wales. In 2016, HMCTS launched an ambitious portfolio of reforms which it later consolidated into the courts and tribunals reform programme (the programme). Through its reforms, HMCTS aims to modernise the courts and tribunals system by introducing new working practices and moving inefficient paper-based services online, while also improving access to justice for users of its services, including vulnerable groups. Overall, the reforms are expected to reduce operating costs within the criminal justice system.

The programme comprises 44 projects across five workstreams: criminal courts (crime); civil and family courts and tribunals (civil, family and tribunals); the court and tribunal estate (property) and two workstreams for cross-cutting projects such as video hearing technology. The projects cover a wide range of services, some of which the public can access directly, such as new online portals for probate and divorce applications. HMCTS is also rolling out a new digital case management system for criminal courts called common platform, to address inefficiencies such as paper-based working. Common platform is intended to allow access to all parties involved in a case including the Crown Prosecution Service (CPS), an independent organisation that prosecutes criminal cases in England and Wales.

HMCTS originally planned to deliver the programme within four years but is now seven years into the programme. When we last reported on the programme in 2019, HMCTS had extended its timetable twice and expected to complete the programme by December 2023. In March 2023, following increased delivery risk, HMCTS decided to reset its programme and extend its timetable for the third time. It now plans to deliver most of its projects by March 2024, three months later than planned, and expects to complete delivery of common platform, in March 2025, over a year later than planned. By December 2022, HMCTS had spent £1.1 billion of its £1.3 billion budget for the programme. However, as at December 2022, it only had £120 million of funding left to deliver the rest of the programme as HMCTS was not able to retain unspent funding from previous years. HMCTS expects the reforms to provide £220 million in yearly savings from 2025–26, with a total of £2 billion in lifetime savings, although this does not reflect the impact of its recent reset of the programme.

Based on a report by the National Audit Office, the Committee took evidence on 30 March 2023 from the Ministry of Justice. The Committee published its report on 30 June 2023. This is the government’s response to the Committee’s report.

Relevant reports

- NAO report: Progress on the courts and tribunals reform programme – Session 2022-23 (HC 1130)
- PAC report: Progress on the courts and tribunals reform programme – Session 2022-23 (HC 1002)

Government response to the Committee

1. PAC conclusion: We are seriously concerned that despite a long history of resets to the programme, HMCTS has had to revise and delay its plans again.

1. PAC recommendation: In the Treasury Minute response, the Ministry and HMCTS should outline what they are doing to assure themselves and Parliament that their plans are now realistic and will not require further resets. The response should state how HMCTS will continue to monitor the feasibility of its plans.

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

Recommendation implemented

1.2 The ambitious reform programme is designed to improve courts and tribunals for both those who use them and for those working in them.

1.3 The programme has undergone one major timeline reset previously. The programme set out a six-year plan to March 2022 in its first approved business case in October 2016 (PBC3). This was later extended to December 2023 in January 2019 (PBC5). In February 2023, the programme had a second major extension, a 3-month extension for the civil family and tribunal elements, and 15-months to ensure there is sufficient time to safely embed the considerable changes in the criminal courts. The programme has been able to do this without exceeding the funding in the last approved business case (PBC6, 2021) due to underspends in previous years.

1.4 HM Courts and Tribunals Service (HMCTS) agrees that it initially under-estimated the complexity of some of the reforms. The programme has always been very ambitious and when it was conceived it was world-leading. The strategic and financial case for the reforms remains strong. HMCTS also under-estimated the impact of the COVID-19 pandemic, which has affected the roll-out of some core infrastructure.

1.5 The programme has maintained momentum in delivering 11 reformed services out of the 15 that remain in scope despite the COVID 19 challenges and wider criminal justice system industrial action. The Ministry of Justice (the department) recognises that it has not got everything right in implementation, and is committed to continuing to learn lessons, including those set out in the most recent National Audit Office (NAO) and Committee reports.

1.6 The programme is conducting ongoing reviews of plans, with oversight by the programme boards, and the overarching portfolio board. The regular reporting provided to the portfolio board, main HMCTS board, and externally includes updated confidence assessments against each portfolio-level milestone. The programme board includes independent critical friends. The programme also updates the MoJ Departmental Board to provide further assurance and continue to complete deep dives conducted by the MoJ Delivery Board.

2. PAC conclusion: HMCTS's failure to engage sufficiently with staff and stakeholders throughout the common platform rollout has increased the burden on courts and staff already under significant pressure.

2. PAC recommendation: HMCTS should set out in its Treasury Minute response how it will improve its approach to engagement and transparency to ensure that staff and stakeholder concerns are responded to adequately. This should include how it will monitor the effectiveness of its new feedback mechanism.

2.1 The government agrees with the Committee's recommendation

Recommendation implemented

2.2 The decision to adjust the timetable for delivering new Common Platform functionality came directly from listening to and responding to feedback.

2.3 The Crime Programme overhauled its staff feedback process to introduce:

- a new digital form with clear service level agreements;
- senior management team sponsors for each HMCTS region;
- feedback data and outcomes made available to all staff;
- monthly feedback webinars and weekly updates to report on action taken; and
- greater staff involvement in directly prioritising and resolving issues.

2.4 The programme will continue working with user focus-groups for efficient prioritisation of fixes and real-time feedback on changes, while maintaining regular engagement with trade unions to discuss plans and gather suggestions for improvement.

2.5 The programme continues to facilitate regular forums and engagement opportunities with partners including the judiciary, police, Legal Aid Agency, Probation and Prison Service, and the Crown Prosecution Service. Defence practitioners can now attend two drop-in sessions every week to get answers to issues, alongside regular additional sessions to give feedback on functionality.

2.6 In the Civil Family and Tribunals (CFT) Programme, a new post go-live implementation support framework is used to ensure staff and judicial office holders are being supported, particularly in the immediate days and weeks following the release of new functionality. This includes the collation of feedback via multiple channels and post go-live webinars to hear more about the functionality and new ways of working, with question-and-answer sessions enabling those responsible to respond to feedback and queries.

3. PAC conclusion: We are concerned that HMCTS does not yet fully understand how reforms are impacting court users, victims, or the public's access to justice.

3. PAC recommendation: HMCTS should outline in its Treasury Minute response:

- ***how it intends to obtain regular feedback on how services are impacting users and access to justice more widely; and***
- ***dates for when it plans to publish access to justice assessments for the remaining services, together with any actions it will take in response to findings for all completed assessments.***

3.1 The government agrees with the Committee's recommendation

Recommendation implemented

3.2 HMCTS already obtains and uses regular feedback on how services are impacting users, for instance, through surveys embedded throughout the digital application process and after submission, through contact with users via contact centres and the web chat facility. HMCTS monitors this and other user related data including Google analytics, speech analytics, complaints, user satisfaction and access to justice metrics. All this data is fed through to service development and improvement and, as necessary, the department also conducts new research with users to get even more targeted feedback on specific areas.

3.3 Four completed Access to Justice assessments will be published in the autumn 2023. Further publications will follow in 2024 and into 2025 as services continue to be rolled out and assessments carried out. The department will then publish them as summary reports on completion. Where impacts are identified, the department will complete further investigative work to understand the underlying cause(s) and, where appropriate, implement a service fix which will be then monitored to ensure improvements are made. In addition to the assessments, the department is conducting an overarching evaluation of the Reform programme which is particularly focussed on access to justice and vulnerable users. An update to the evaluation plans [HMCTS Reform MOJ Evaluation: Progress Report] was published on Gov.UK in March 2023.

4. PAC conclusion: HMCTS and the Ministry cannot fully assess whether the reforms have provided value for money as they have not captured the full costs of the programme.

4. PAC recommendation: The Ministry and HMCTS should write to us within six months setting out how they will assess the full cost of the reform programme. This should include:

- ***costs not included in its most recent business case, such as CPS's development of common platform interfaces;***
- ***costs of additional functionality required to get services up to the standards intended; and***
- ***estimated costs to complete paused projects if it decides to continue them in the future.***

4.1 The government agrees with the Committee's recommendation

Target implementation date: December 2023

4.2 The government will respond to the Committee by the six-month deadline, setting out how it will assess the full cost of the programme, considering the proposed inclusions where they are within the scope of the programme.

4.3 In some cases it will be necessary to rely on estimates rather than full costings as full information may not be available.

5. PAC conclusion: HMCTS has not specified how its recent changes to the programme will impact the savings promised, nor can it demonstrate whether reformed services are on track to deliver the required efficiencies

5. PAC recommendation: As part of its Treasury Minute response, HMCTS should set out:

- ***The impact of recent changes to its plans on the expected savings from the programme; and***
- ***What it is doing to better understand how efficiently reformed services are working and how it will use this information to ensure it is on track to deliver expected savings.***

5.1 The government agrees with the Committee's recommendation

Recommendation implemented

5.2 Recent changes to plans mean that savings will be delivered later than originally envisaged, but the overall Reform programme is still expecting to achieve the full value of 'end state' benefits in the Reform business case. The delay in achieving benefits will result in £50 million fewer recurring annual net savings by the end of 2025-26. However, the full recurring annual net savings of £227 million are still expected once benefits have fully accumulated, in line with the original business case, and this will include additional benefits to restore the £12 million benefits lost from the projects descoped by the recent changes. These full benefits will be achieved a year later than originally expected - by the end of 2026-27.

5.3 HMCTS has developed unit costs of outputs across 15 of its largest services, which are updated quarterly. By tracking changes in unit costs over time, HMCTS can obtain important evidence about the impact of Reform and other changes on the efficiency of service delivery. The unit costs are now showing, for example, that the operational cost of processing a divorce case has reduced from a baseline of £121 (the unit cost estimate prior to the COVID-19 pandemic) to £68 in Quarter 4 of 2022-23. A unit cost is derived using both cost and output levels and is therefore impacted by changes in either of these measures. Unit costs are monitored routinely by the HMCTS Finance and Performance Committee chaired by the HMCTS Chief Financial Officer and are tracked against the unit cost reductions that are expected as a result of HMCTS Reform. Unit costs are also reported to the full HMCTS board.

6. PAC conclusion: The Ministry and HMCTS have not demonstrated that lessons learned from this reform programme and their other major projects have been put into practice effectively.

6. PAC recommendation: The Ministry and HMCTS should write to us as part of the Treasury Minute response setting out how they will ensure lessons learned from digitalising their processes are fed into both the remainder of the programme and into other major departmental projects.

6.1 The government agrees with the Committee's recommendation

Recommendation implemented

6.2 The department has already learnt lessons through a number of processes including early adopter evaluations, outputs of maturity assessments and lessons from the closure of multiple projects.

6.3 The department is planning a series of lessons learnt activities as it approaches each individual programme closure, with a focus in particular on the Common Platform.

6.4 The department is currently piloting a lesson learned platform, the aim of which is to share lessons across all projects, particularly those major projects and programmes on the Government's Major Projects Portfolio. The pilot will be evaluated in the autumn, and subject to its findings, the department intends to launch a lesson learned platform across the department and its agencies/arm's length bodies in spring 2024. New projects will refer to this platform to ensure lessons are being factored in.

Sixty-second report of Session 2022-23

Department of Health and Social Care

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

Introduction from the Committee

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

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

Based on a report by the National Audit Office, the Committee took evidence on 20 March 2023 from the Department of Health and Social Care and the UK Health Security Agency. The Committee published its report on 5 July 2023. This is the government's response to the Committee's report.

Relevant reports

- DHSC Annual Report and Accounts 2021 to 2022 – (HC 1043)
- PAC report: Department of Health and Social Care 2021-22 Annual Report and Accounts – Session 2022-23 (HC 997)

Government response to the Committee

1. PAC conclusion: Three years after the start of the pandemic, the Department still does not have adequate controls over its PPE and there continues to be high ongoing storage and disposal costs for unusable items.

1. PAC recommendation: The Department should set out in its Treasury Minute response how it will ensure that:

- ***It puts in place adequate inventory controls over its PPE;***
- ***Its disposal plan for unusable inventory is carried out in the most appropriate and cost-effective way; and***
- ***It recovers maximum value from suppliers which failed to deliver against their contractual terms.***

We expect the Department to be able to report its progress on these matters to the Committee at a future evidence session.

1.1 The government agrees with the Committee's recommendation

Recommendation implemented

1.2 Since the pandemic, the Department of Health and Social Care has kept the Committee regularly updated on personal protection equipment (PPE) inventory controls, disposal activity and commercial resolution activity. Through the quarterly PPE updates, the department provides the Committee with updates specifically relating to PPE stock management; disposals and associated costs; running costs of PPE storage; and dissolution activities including legal proceedings. The most recent update was shared with the Committee in June 2023, with the next update due at the end of summer 2023.

1.3 In March 2023, the department also wrote to the Committee setting out the strategy for the future of PPE. This strategy sees Supply Chain Coordination Limited (SCCL) manage the PPE supply chain for business-as-usual distribution to health and care setting and responsibility for maintaining adequate inventory controls. SCCL ensures that inventory controls are in place across all warehouses and reports are produced on a periodic basis to inform future procurements and excess stock disposal plans. In addition, SCCL will continue to deliver the department's plan to dispose of remaining excess PPE including by product recycling and energy production through waste processes.

1.4 As the Committee will be aware, the Contract Dissolution Team within the department remain committed to recovering maximum value from suppliers which have failed to deliver against their contractual terms. The department continues to investigate contracts where there is some degree of dissatisfaction and will continue to report to the Committee on this through the quarterly updates.

2. PAC conclusion: The Department does not yet have a clear plan in place for a national emergency stockpile for any future pandemic.

2. PAC recommendation: The Department should develop and implement a clear, cost-effective plan for a national emergency stockpile to respond to any future pandemic.

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

Recommendation implemented

2.2 The department has in place a clinical countermeasure programme of some appropriate medicines and consumables to respond to a range of scenarios, for example vaccines (including an Advance Purchase Agreement to guarantee access to a pandemic specific influenza vaccine), and therapeutics, such as antivirals. In addition, the new UK-Moderna strategic partnership is setting up research and development and manufacturing facilities in the UK with the capacity to produce up to 250 million vaccines per year in the event of a pandemic.

2.3 The department is working closely with SCCL on the necessary volumes of PPE that are needed to provide resilience to future pandemics and is preparing advice on both short-term procurements and longer-term resilience. The department will continue to refine its approach over time based on the latest information available. To provide additional resilience and value for money, in April 2023 the department signed a service level agreement with SCCL, to support rotation of stockpiled product into business as usual wherever possible.

2.4 The department is committed to learning lessons from the COVID-19 pandemic and has sought, and continue to consider, expert advice on products (including PPE, medicines and vaccines) that should be held, or otherwise contracted for, to support the UK's preparedness for future pandemic and emerging infectious disease threats. An enhanced approach to clinical countermeasures is one aspect of the department's wider, flexible pandemic response plans, which are kept under review and regularly updated to reflect the latest scientific information, lessons learned from exercises and our response to emergencies, including the COVID-19 pandemic.

3. PAC conclusion: There was a fundamental absence of formal governance arrangements at UKHSA and the Department failed to respond to the heightened risks of setting up a new and complex organisation at pace.

3. PAC recommendation: The Department must work with UKHSA to ensure that the governance arrangements at UKHSA are assessed, rectified and that the remaining vacancies within its governance structure are resolved as a matter of urgency.

3.1 The government agrees with the Committee's recommendation.

Recommendation implemented

3.2 On 1 April 2021, the government announced the establishment of the UK Health Security Agency (UKHSA) as this country's permanent standing capacity to prepare for, prevent and respond to threats to health. From 1 October 2021, the department and the newly formed UKHSA prioritised significant efforts on the response to the COVID-19 pandemic. The operational focus in winter 2021-22 was the response to the Omicron variant and then the implementation of the Living with Covid Strategy from February 2022.

3.3 As a new organisation, the Chair and CEO of UKHSA were centred on the need for effective governance from UKHSA's inception. Once the non-executive member recruitment which started in spring 2021 was completed in April 2022, UKHSA swiftly moved to establishing a fully functioning suite of corporate governance, including the advisory board, and holding four distinct committee meetings by September 2022. The Audit and Risk Committee appointed in April 2023 a non-executive as Chair who is a qualified accountant, with the department chairing the appointing panel and facilitating the approvals process.

3.4 The Chair and CEO engaged the Government Internal Audit Agency (GIAA) to assist in a review of the corporate governance, which was completed in May 2022. This helped identify detailed actions to improve the governance framework from the advisory board through the executive line. These were completed by March 2023, which a follow-up GIAA audit confirmed. The department contributed to GIAA's review and met regularly with UKHSA to support progress and commissioned a GIAA review of sponsorship to better support and oversee UKHSA. UKHSA and the department continue to work closely to further strengthen governance arrangements.

4. PAC conclusion: UKHSA had a fundamental weakness in financial controls and process which resulted in it being unable to prepare auditable accounts.

4. PAC recommendation: UKHSA should urgently ensure robust financial controls and processes are put in place and that there is a clear plan in place to deliver unqualified accounts.

4.1 The government agrees with the Committee's recommendation.

Target implementation date: Autumn 2023

4.2 UKHSA is urgently working to improve and strengthen existing financial controls and processes, to evidence compliance with government functional standards and best practice. Following the disclaimed 2021-22 audit opinion, UKHSA immediately established a Finance and Control Improvement Programme to inform the production of 2022-23 auditable accounts and continue to provide oversight and scrutiny of UKHSA's financial controls.

4.3 The programme will develop to systematically address areas where controls and processes can be improved further. Activities have been focussed on the accounts production but will broaden out into wider financial management and controls without losing focus on the accounts.

4.4 The aim of the programme is to enable UKHSA to achieve a fully clean, unqualified audit opinion at the earliest feasible opportunity, which is the 2024-25 accounts. Due to the disclaimed opinion, NAO advised it is not possible to achieve a clean audit for 2022-23. Unqualified accounts must demonstrate a clean audit position over successive years to enable an accurate prior year comparator.

4.5 The programme is governed by a board chaired by UKHSA's Chief Executive, with representation from DHSC, GIAA and HMT. The UKHSA Audit and Risk Committee oversees the programme closely with regular formal progress reporting to the department.

4.6 The programme will have a fully developed, multi-year project plan in place by Autumn 2023. This aligns with the expected outcome of the 2022-23 audit and allows any further findings to be incorporated. In the meantime, UKHSA intends to continue driving rapid progress, tightly managed through the improvement programme.

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

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

5.1 The government agrees with the Committee's recommendation.

Target implementation date: July 2026

5.2 The department is committed to the removal of all qualifications. The department has largely addressed the root causes of ongoing qualifications, mainly through the provision of audit evidence for consumables inventories in the Core Department and Agencies' and Group's Statement of Financial Position.

5.3 The department is committed to a return to a pre-summer recess timetable. The department is working to a multi-year plan which aims to bring the timetable forward by approximately two months each year. The department currently aims to lay its 2022-23 accounts in November 2023 and return to a pre-summer recess timetable for the 2025-26 financial year.

5.4 However, the factors underpinning the delays in local audit completion, mainly capacity issues are not wholly within the control of the department. The government is working to address these, and successful resolution of these issues will be critical in enabling the department to lay its accounts ahead of the summer recess. For context, local audits would need to all be completed at least one month sooner than the deadline of 30 June 2023 set for the 2022-23 audit cycle.

5.5 In addition, the increased requirements on auditors (including the National Audit Office (NAO)) lead to particular challenges on a large and complex departmental group. Whilst the department and NAO recognise these challenges, they themselves are not expected to be a barrier to achieving a pre-summer recess audit timetable.

6. PAC conclusion: There have been repeated and unacceptable governance and accounting failures within the Departmental Group which has led to poor financial control, undermined Parliamentary accountability, and money being spent without Parliamentary approval.

6. PAC recommendation: The Department must set out how it will establish sufficient capability to deliver effective oversight across its Group to manage emerging and developing issues and ensure it avoids future financial and governance failings.

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

Target implementation date: December 2023

6.2 As the Committee is aware, the department has undertaken a financial reset programme. This programme established robust financial controls and governance across the department and its arms' length bodies.

6.3 This programme put in place a proportionate, risk-based financial control framework that ensures that areas of spend subject to external controls (for example, by HM Treasury and Cabinet Office) are reviewed and approved as required by Managing Public Money. Internal delegations ensure that spending proposals below those subject to external controls are also subject to appropriate review and approval and maximise value for money.

6.4 During 2021-22 the financial reset programme was still being implemented. The department has now put into place controls which are proportionate in reducing the risk of future financial and governance failings.

6.5 Despite the clear processes and improvements set out above, it is important to note that ensuring full compliance across such a diverse and sizeable group is inherently challenging. As such, whilst the department believes the processes and controls in place represent a proportionate and robust risk mitigation, they cannot guarantee full compliance from all bodies.

6.6 The department keeps these controls under continual review and applies a 'lessons learnt' process in the event that governance issues are identified.

Sixty-third report of Session 2022-23

Department for Transport

HS2 Euston

Introduction from the Committee

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

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

Based on a report by the National Audit Office, the Committee took evidence on Monday 24th April 2023 from the Department for Transport. The Committee published its report on 7th July 2023. This is the government's response to the Committee's report.

Relevant reports

- NAO report: High Speed Two: Euston – Session 2022-23 (HC 1201)
- PAC report: HS2 Euston – Session 2022-23 (HC 1004)

Government response to the Committee

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

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

1.1 The government agrees with the Committee's recommendation.

Target implementation date: Summer 2025

1.2 The government has commenced the Euston Reset Programme, which aims to develop an affordable Euston campus that maximises delivery of benefits against prioritised outcomes within available funding. The overall ambition for the Reset Programme is to confirm an updated scheme covering the scope of the HS2 station, first phase of Redevelopment of the Conventional Rail Station (RECS), and any development enabling works, which is affordable and deliverable, by April 2025.

1.3 The Programme is being led by the Department for Transport (the department), with The Euston Partnership (TEP) fulfilling the role of programme manager and HS2 Ltd, Network

Rail and Lendlease, (the Master Development Partner) involved in development work. HS2 Ltd is undertaking work in order to understand the key cost drivers of the current station design and the reasons why the station cost increased following the move to a 10-platform single-stage build design in 2021. The department is also working with Camden Council, Transport for London, and the Greater London Authority in order to carefully prioritise requirements and to consider compromises on transport and wider development requirements.

1.4 The Reset Programme has been designed to consider a broad range of potential early options for the Campus – adopting an approach to design that encourages all previously held assumptions, requirements, and constraints to be challenged with a view to securing as many benefits as can be afforded.

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

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

2.1 The government agrees with the Committee's recommendation.

Target implementation date: Summer 2025

2.2 The objective of the Euston Reset Programme is to ensure that the scope of the HS2 station design is affordable and provides value for money to the taxpayer and that the programme is set up appropriately for HS2 Ltd to manage cost risk. The Euston Reset Programme will include the setting of a realistic budget range and assessment of maturity for the updated station design that is adopted and a new delivery-into-service date will be provided in due course.

3. PAC conclusion: The Department does not yet know the costs and impacts of pausing construction.

3. PAC recommendation: We expect departments to have identified the costs associated with decisions on pausing projects so that Ministers can make fully informed decisions and so that departments can manage these costs effectively.

- ***For Euston, the Department should produce an interim report in three months on how they and HS2 Ltd are managing the costs of the pause, exactly how much has already been spent including costs associated with Network Rail and how much more they expect to spend to complete the project. This should include the cost of settling contractual obligations. HS2 Ltd should also include in that update the proportion of the supply chain at Euston, in particular small and medium sized enterprises, that have been re-employed elsewhere on the HS2 programme. The Department should also report on how much of the design work for the revised projects had been done and how much remains to be completed.***

3.1 The government disagrees with the Committee's recommendation.

3.2 The department did consider the projected costs of pausing the work but was not in a position to continue even had it wished to give the scale of the affordability pressure. It is working with HS2 Ltd to ensure that the costs of the pause are being managed effectively.

HS2 Ltd is demobilising construction activities at Euston in a controlled manner. It is noted that, whilst most work on the station site has stopped, some activities are continuing to complete certain ‘no regrets’ assets that were underway, such as the construction of the replacement London Underground traction substation.

3.3 The department will write to the Committee to set out the spend to date on the HS2 station (including spend on adjusting Network Rail infrastructure to enable construction of the HS2 station) once this information is available from HS2 Ltd and its suppliers, along with details of the costs of settling contractual obligations and the extent to which the supply chain has been re-employed elsewhere on the HS2 project. Details of further spend to complete the station, including further design work, will necessarily follow after completion of the Euston Reset Programme when the design of the station to be implemented has been confirmed.

4. PAC conclusion: The Department and HM Treasury have not reached a clear understanding about how they would manage high levels of inflation on the HS2 programme, including accessing Government-held contingency.

4a. PAC recommendation: The Department should agree with HM Treasury and report back to the Committee in six months on how they will manage the continued consequences of high inflation.

4.1 The government agrees with the Committee’s recommendation.

Target implementation date: January 2024

4.2 HM Treasury’s standard approach, as set out in Consolidated Budget Guidance and reaffirmed in the 2022 Autumn Statement, is that departments must absorb inflationary pressures within their existing budgets in the first instance. This means that in the first instance, pressures have to be managed within the DfT capital portfolio, which is particularly difficult given the size of the HS2 programme. As is also standard, HM Treasury is open to considering the case for additional funding for such pressures if there is clear evidence of how they have arisen, of the steps that have been taken to manage them, and that they are clearly unavoidable, unforeseeable, and unabsorbable.

4.3 To manage these effects, HM Treasury agreed to defer expenditure across a number of transport capital programmes prior to Spring Budget 2023. DfT and HM Treasury have been discussing how they might manage future cost pressures on the programme in order to best protect value for money for taxpayers, including by giving DfT sufficient flexibility to manage HS2’s budgets as effectively as possible, and will report back to the Committee in six months.

4b. PAC recommendation: HM Treasury should set out to the Committee how it will work with all departments to manage the consequences of high inflation on major capital programmes.

4.4 The government agrees with the Committee’s recommendation.

Recommendation implemented

4.5 HM Treasury note that inflation is impacting scheduling as well as costs. To manage these effects, HM Treasury agreed to defer expenditure across a number of transport capital programmes prior to Spring Budget 2023. As mentioned at the recent Committee session on Resetting Government Programmes, projects and programmes will also have the opportunity to reforecast and reassess their costs and benefits at their scheduled review points. HM Treasury may need to make further trade-offs across the portfolio to manage the impact of inflation. This will happen, if necessary, at the next spending review.

4c. PAC recommendation: The Department should also establish and set out to the Committee the requirements to access the government contingency on the HS2 Programme.

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

Target implementation date: January 2024

4.7 The Development Agreement established between the department and HS2 Ltd outlines the principles for accessing the government-held contingency on HS2. Before accessing government-held contingency, HS2 Ltd must consider the use of its existing funds, including making use of its flexibility rights and delegated contingency. The exception is any Secretary of State Retained Risk events, which results in a material and adverse impacts on HS2 Ltd.'s ability to deliver the programme, that cannot reasonably be mitigated by HS2 Ltd. These include the COVID-19 pandemic and any applicable changes to legislation, such as relevant tax reforms. Provision of government-held contingency in these scenarios remains subject to appropriate scrutiny and collective agreement by the department and HM Treasury. The department will provide an update to the Committee in six months.

5. PAC conclusion: The Department's reports to Parliament on the HS2 Programme did not reflect the significant level of uncertainty in its estimated cost of Euston station.

5a. PAC recommendation: The Department should provide, as part of its six-monthly updates to Parliament on the HS2 programme, clear explanations of the maturity of its cost estimates and the risks that could result in material changes to provide greater transparency.

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

Target implementation date: December 2023

5.2 The HS2 Parliamentary report published in October 2022 set out HS2 Ltd.'s assessment of a £0.4 billion pressure for Euston station above its £2.6 billion budget, which was aligned with the range against which it had incentivised Mace Dragados to deliver the single-stage design, which was £2.6-£3.6 billion. Information regarding the significant additional pressure from the £4.8 billion revised estimate only became available in January 2023. In advance of the subsequent Parliamentary Report, which was published in June 2023, the department disclosed this transparently to Parliament through the National Audit Office.

5.3 The department is committed to upholding transparency in the HS2 programme.

5b. PAC recommendation: We note that our sister committee the Transport Select Committee asked questions at their hearing on the 21 June 2023 (Questions 163 to 167, Oral Evidence) in relation to the six-monthly reports to Parliament. They queried:

- ***Why the existing report was late and contained so little information***
- ***Whether the next six-monthly report would be submitted to Parliament on time.***
- ***Whether the 2019 figures would now be stated on 27 March 2023 report figures?***
- ***Whether the next report would have an up-to-date BCR?***

We fully endorse all of these questions and expect them to be fully covered in the next report.

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

5.5 External factors affected the department's original plans for an earlier publication of the HS2 Parliamentary Report, which was further delayed as it has taken time to work through the implications of the 2023 Spring Budget. The department remains committed to transparency and providing a timely and accurate update on HS2 in the next Parliamentary Report. Details regarding the cost information reported in the Parliamentary Report provided in October 2022 are outlined in paragraph 5.2 above.

5.6 Reporting progress on the programme in 2019 values does not reflect the significant inflation that has occurred since and the department intend to work with HM Treasury to update the price base, subject to agreement between both parties.

5.7 The department provides Benefit-Cost Ratio (BCRs)s within business cases. This will not be included within the six-monthly reports to Parliament.

5.8 The department expects to publish the next report no later than 6 months after the previous one.

6. PAC conclusion: The Department has not yet learned lessons from managing major rail programmes.

6. PAC recommendation: The department needs to demonstrate to Parliament and the public that they are successfully embedding the lessons from past rail projects and not just repeating the same mistakes. Specifically on Euston the Department and HS2 Ltd should report back to the Committee on:

- ***what measures the Department and contractors took internally to address costs overruns and to identify who was responsible?***
- ***what lessons they have learned from the Euston project and how it will apply them at both Birmingham Curzon Street, Manchester Piccadilly, having done so they will scrutinise the revised costs carefully to avoid further cost occurring in other parts of the HS2 programme?***
- ***and how it will manage the integration of work on the Euston site once it has decided what it wants to achieve there.***

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

Target implementation date: Summer 2025

6.2 The department has a strong culture of learning lessons from managing major rail programmes, which includes working with the Infrastructure and Projects Authority in order to learn lessons from Crossrail. The department made the decision not to proceed to full construction of Euston Station in the next two years due to affordability and profiling issues. It will continue to apply lessons learnt across phases of the HS2 programme.

6.3 A culture of lessons learned is actively encouraged within the department, and specific initiatives are promoted in the individual directorates running each part of the HS2 project, including a structured learning and development programme, peer-to-peer learning, mentoring, and shadowing and facilitated workshops.

6.4 As part of the Euston Reset Programme, the department is working to identify the cost drivers of the previous station cost estimate of £4.8 billion. High Speed Rail Group is learning from the more mature elements of the HS2 programme, including those from Birmingham Curzon Street and other major projects in the department's portfolio. These are being actively shared with projects that are less mature.

6.5 HS2 Ltd are undertaking work in order to understand the key cost drivers of the current station design and the reasons why the station cost increased following the move to a 10-platform single-stage build design in 2021. The department is also keen to understand appropriate lessons to enact as part of the Euston Reset Programme. Learning, both within the department and at HS2 Ltd will be shared with colleagues developing Manchester Piccadilly and Birmingham Curzon Street stations.

6.6 The department is working with delivery partners to complete the optioneering stage of the Euston Reset Programme. Once appropriate options have been identified, the department will undertake a sift process in which only solutions that are deliverable cross-campus will be considered.

Sixty-fourth Report of Session 2022–23

The Home Office

The Emergency Services Network

Introduction from the Committee

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

The programme to deliver ESN has faced significant delays and was reset in 2018. We have questioned the Department about its management of ESN 13 times, and issued three reports, each finding the programme to be high risk and raising concerns about the department's ability to manage those risks. One such risk related to Motorola's dual position as owner of Airwave, and key supplier to ESN. In April 2021, the Home Office wrote to the Competition & Markets Authority (CMA) expressing concerns over Airwave's excessive profits and Motorola's weak incentives to complete ESN. To prevent the CMA from forcing it to sell Airwave, Motorola announced in November 2021 that it would leave ESN. The Department is currently looking for a new supplier to replace Motorola. Other parts of the ESN programme have also made less progress than expected, and the Department currently has no firm estimates of when it will finish building ESN or what it will cost.

Based on a report by the National Audit Office, the Committee took evidence on Monday 27 March 2023 from the Home Office. The Committee published its report on 14 July 2023. This is the government's response to the Committee's report.

Relevant reports

- NAO report: Progress with delivering the Emergency Services Network Session 2022-23 (HC 1170)
- PAC report: The Emergency Services Network Sixty-Fourth Report of Session 2022–23 (HC 1006)

Government response to the Committee

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

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

1.1 The government agrees with the Committee's recommendation.

Target completion date: end of June 2024 following Lot 2 award

1.2 The Independent Assurance Panel (IAP) has worked with the programme for several years and produced a number of reports. It is tasked by, and reports directly to, the Home Office (the department's) finance and investment committee on behalf of the Permanent Secretary.

1.3 The department is fully focussed on the programme challenges and will commission an overall report after the new supplier has been appointed. The department will task the IAP on specific topics based on the programme's progress as it develops.

1.4 The last IAP review endorsed the Emergency Services Mobile Communications Programme (ESMCP) strategic direction and concluded that it represents far superior value for money than delaying, pausing, restructuring, or ending the programme.

1.5 The IAP review confirmed that nearly all countries are on the same journey as the UK, that the global marketplace is now sufficiently diverse, and that the competition to find an alternative supplier to Motorola will attract bids from a wide range of companies. This conclusion reinforces the programme's own international comparative research.

1.6 The Home Office has delivered a large proportion of the technical programme of work required to start mass transition. The technical solutions for aircraft use between 500 and 10,000 feet has been proven. A successful coastline survey of Great Britain has proven the solution up to 12 miles out to sea. Over 700 of the 1000-plus new masts required have been built and are in operation; the programme is on course for completing 292 rural and remote masts by the end of 2024. Coverage has been provided in 71 special locations, and the programme is on track to provide coverage in the London Underground by the end of 2024.

1.7 The IAP will continue to provide critical assessment and challenge throughout the life of the programme.

1.8 There will be a number of progress reports at various stages through the procurement process.

2. PAC conclusion: The department's failure to deliver ESN creates a significant cost for the emergency services who must pay to fund ESN and to maintain Airwave for longer.

2. PAC recommendation: As part of the new ESN business case, the department should explore with users how savings created by the CMA imposing a charge control on Airwave can be used to help fund transition activities and new Airwave devices as well as maintaining Airwave

2.1 The government agrees with the Committee's recommendation.

Target implementation date: end December 2023

2.2 If the CMA decision is upheld following appeal, and the charge control comes into effect, there will be scope to reduce local costs for users of the Airwave service and the department will continue to engage with users to determine how best to support user organisations with transition activities.

2.3 Scope for central support is limited by the way government funds are allocated across departments, policy areas and programmes. This will constrain the ability to pass the charge control savings directly onto users.

2.4 The reduced costs of Airwave will result in an overall government saving, rather than a department or programme gain. Funding decisions beyond the financial year 2024/25 are subject to future HM Treasury spending reviews based on the programme's approved business case.

2.5 The ESMCP is reviewing the business case to reflect the CMA ruling to impose a charge control and procurement of new suppliers. Users are expected to realise savings from reduced Airwave costs. Delayed spend on ESN devices will offset the cost of new Airwave devices. The programme business case includes agreed principles that govern how costs are allocated centrally or to user groups. These principles can be varied only with agreement from all users and funding sponsor bodies.

2.6 The programme is engaging closely with user organisations to provide support for their transition activities, while operating in accordance with Home Office and HMG governance and funding structures.

3. PAC conclusion: The department cannot yet prove to the emergency services that ESN will be good enough to replace Airwave.

3. PAC recommendation: The department should set out an outline plan for the main building blocks of ESN by the end of 2023, including when they will be prototyped, built, and tested in real world conditions, and which includes sufficient time for testing by emergency services, and allows feedback to be incorporated into the final version of ESN. This information should inform the main business case which we understand is due in the first quarter of 2024.

3.1 The government agrees with the Committee's recommendation.

Target implementation date: end December 2023

3.2 The department has drafted an outline plan, the ESMCP control plan.

3.3 The control plan shows the main building blocks, dependencies and sequencing, and includes elapsed time contingency. The control plan includes all elements of prototyping, and testing (including real-world testing), as well as the activities leading to user transition and Airwave shutdown. The durations of all phases that affect users (for example, formal 'service acceptance' and transition from Airwave) have been agreed with users. The control plan is now out for consultation with users, and it will be agreed before the end of 2023. The control plan will be turned into a full Programme Plan after the new User Services supplier is confirmed, and their delivery plan is known. In 2024, the programme will return to the Major Projects Review group with a business case, budget and clear plan, prior to the award of the User Services contract.

4. PAC conclusion: We remain concerned the department does not have the capability to successfully bring the various elements of ESN together.

4. PAC recommendation: By the time the new user services contract is in place, the department should obtain an independent opinion on whether ESN has a credible integration plan and the resources in place to deliver it.

4.1 The government agrees with the Committee's recommendation.

Target implementation date: July 2024

4.2 The department has concentrated efforts on addressing the complexity of the integration required for success.

4.3 The department will commission the IAP to monitor, comment on and assure both the integration plans of the bidders for the User Services contract; the later delivery of them by the successful consortium; the appropriateness and scale of the resources dedicated to it; and the overall integration with the mobile services contract.

4.4 The Home Office continues to strengthen the core capabilities of the Programme Management team, by recruiting experienced specialists and by establishing partnerships with external technical delivery experts. This includes ensuring the Home Office procures the full range of technical capabilities required from the new Lot 2 supplier.

5. PAC conclusion: It is still not clear how the department will ensure that there are clearly defined responsibilities or plans in place for operating ESN as a live service, raising questions about whether ESN will provide the intended benefits for the emergency services.

5. PAC recommendation: As part of the new business case, the department should create a plan for how it will restart work on how ESN will operate as a live service and ensure the emergency services agree that the future operating model meets their needs.

5.1 The government agrees with the Committee's recommendation.

Target implementation date: March 2024

5.2 The government agrees with the need to ensure there are clear responsibilities and plans in place for operating ESN when it goes live.

5.3 The department's current contracts define the core elements of the live service model, including the roles of the key suppliers for User Services, Mobile Services, and other suppliers.

5.4 The User Services supplier will take on the role as 'Service Integrator' providing all user groups with a single 'entry point' for service and support. Following Motorola's exit from the programme, the Department has updated the definition of the Service Integrator role based on experience to date.

5.5 The department has developed a new model for User Organisation billing, which will be implemented through the new User Services contract.

5.6 The Programme Manager will work with the Leadership team, users, suppliers and recently appointed Live Service Manager to complete definition and implementation of the overall Programme Operating model.

6. PAC conclusion: The department risks creating a new monopoly supplier in EE, which could reduce long-term value for money.

6. PAC recommendation: The department should ensure that the new EE contract for ESN network infrastructure includes sufficient protection against EE making excessive profits and requires all infrastructure to fully comply with telecommunications standards and allows other network suppliers to be introduced in future if they are better value.

6.1 The government agrees with the Committee's recommendation.

Target implementation date: December 2023

6.2 Home Office commercial officials and Cabinet Commercial Services have reviewed the non-binding heads of terms, and independent economists and commercial lawyers have critiqued these reviews to ensure to the greatest extent possible that a contract based upon these terms represents value for money.

6.3 The new contract with telecommunications company EE will be awarded on an open book basis with a gain share mechanism built in. This will give us visibility over their costs and gross profit margin, with any savings made through, for example, greater efficiency, being shared between EE and the Home Office.

6.4 The new contract will be structured to allow for the Home Office to reprocure all ESN suppliers around 2 years after programme completion.

6.5 The entire programme is being delivered in line with international technical standards. This will enable commercial competition for the supply of all elements at regular intervals.

Sixty-fifth report of Session 2022-23

Department of Health and Social Care

Progress in improving NHS mental health services

Introduction from the Committee

Many people will experience mental health problems in their lives. Around one in six adults in England have a common mental health disorder, and around half of mental health problems start by the age of 14. People with mental health conditions often have poorer physical health, education and housing, so it is vital they are able to access the services and support that they need.

The Department of Health & Social Care (the Department) is responsible for mental health policy. NHS England (NHSE) oversees the commissioning of NHS-funded services, with most services commissioned locally by integrated care boards (ICBs), which replaced clinical commissioning groups (CCGs) in 2022. In 2021–22, the NHS spent £12.0 billion on mental health services, around 9% of its total budget. In 2011, the government acknowledged a large treatment gap for people with mental health conditions and sought to establish 'parity of esteem' between mental and physical health services. From 2016, the Department and NHSE made specific commitments to improve and expand NHS-funded mental health services. NHSE, working with the Department and other national health bodies, set up and led a national improvement programme to deliver these commitments.

Based on a report by the National Audit Office, the Committee took evidence on 20 April 2023 from the Department of Health and Social Care. The Committee published its report on 21 July 2023. This is the government's response to the Committee's report.

Relevant reports

- NAO report: Progress in improving mental health services in England – Session 2022-23 (HC 1082)
- PAC report: Progress in improving NHS mental health services – Session 2022-23 (HC 1000)

Government response to the Committee

1. PAC conclusion: Workforce shortages are constraining the improvement and expansion of NHS mental health services.

1. PAC recommendation: In six months' time, NHS England should write to the Committee setting out what targeted interventions are envisaged for the mental health sector under the plan to ensure it can get the doctors, nurses, therapists, and other clinical and non-clinical staff that the service needs, and who will be responsible for delivering them.

1.1 The government agrees with the Committee's recommendation.

Target implementation date: January 2024

1.2 The NHS Long Term Workforce Plan, published on 30 June 2023, considers the challenges facing the NHS workforce over the next 15 years, including mental health, and sets out the steps needed to address this, including: actions and reforms to close supply shortfalls, improve retention, increase workforce productivity, and develop a modern and inclusive employment culture.

1.3 The plan sets out a need to ensure the growth of the overall mental health and learning disability workforce is the fastest of all care settings – 4.4% per year to 2036-37 – to meet increasing demand and drive parity of esteem between physical and mental health. NHS England will continue to develop and refresh the modelling approach and plan, and publish a refreshed projection every two years (or aligned to fiscal events as appropriate). This process will be supported by ongoing engagement with stakeholders. NHS England will work closely with regions, systems, providers and wider partners to drive forward the implementation of the Long-Term Workforce Plan.

1.4 The National Mental Health programme continues to create new roles, develop a national campaign to promote careers in mental health, develop NHS Talking Therapies workforce development and retention guidance, and develop enhanced use of digital technologies to help improve the productivity of and increase access to mental health services.

1.5 NHS England will provide an update on progress in January 2024 as part of its joint letter with DHSC to the Committee.

2. PAC conclusion: Data and information for NHS mental health services still lags behind that for physical services.

2. PAC recommendation: In six months' time the Department and NHS England should write to the Committee, setting out how they will:

- ***improve the quality and completeness of the data on mental health services, including cost of services and patient outcomes;***
- ***ensure these data are shared appropriately to support integrated care systems to improve services locally, including tackling inequalities; and***
- ***improve the evidence base on the cost-effectiveness of their investments, for example, on the roll out of mental health support teams in schools***

2.1 The government agrees with the Committee's recommendation

Target implementation date: January 2024

2.2. NHS England is working to improve the recording of information on patient need, as well as other areas, through the implementation of the Mental Health Services Dataset (MHSDS) version 6 in April 2024. The version 7 update, which is currently scheduled for April 2025, is likely to include the introduction of the International Classification of Diseases (ICD) - 11 diagnostic standard, and support for the new mental health currencies in development, which will better track patient-level costs. Integrated care systems can access data from the MHSDS for commissioning services, service planning, monitoring performance and reporting on performance.

2.3 As part of improving data on patient outcomes, NHS England is aiming to have 50% of patients in Children and Young People (CYP), perinatal and adult community mental health services recording a paired outcome score (where the patients have the same outcome measure recorded at least twice so progress can be measured) by the end of the year where the outcomes data quality key performance applies, and will look to extend that target in future strategies. Furthermore, an independent impact evaluation of Mental Health Support Teams (MHSTs) has also been commissioned via the National Institute of Health Research, which will include a cost effectiveness analysis of MHSTs. These improvements collectively will put the department and NHS England in a better position to jointly assess the effectiveness of different interventions that have been implemented and will be used to inform the creation of future strategies.

2.4 DHSC will provide an update in January 2024 as part of its joint letter with NHS England to the Committee.

3. PAC conclusion: New integrated care boards and partnerships could struggle to prioritise mental health services and support, in the face of funding pressures and the need to reduce backlogs for physical health services.

3. PAC recommendation: NHS England and the Department should evaluate how well the new integrated care boards and partnerships are supporting mental health services and how well their own support arrangements work to address variation between, and poorer performance in, local areas.

3.1 The government agrees with the Committee's recommendation

Target implementation date: Summer 2024

3.2 The NHS Oversight Framework outlines NHS England's approach to overseeing Integrated Care Boards (ICBs) and trusts, utilising 63 metrics, 6 of which relate to mental health. NHS England will continue to undertake delivery assurance within the new model outlined in the NHS Operating Framework, which is complemented by central data repositories that provide an overview of performance at a national, regional, ICB and sub-ICB level. NHS England segments ICBs and NHS trusts on a scale of 1 to 4 and provides mandated support for the most challenged providers and systems. NHS England also conducts annual performance evaluation of ICBs.

3.3 From 2023-24, all ICBs are also required to include a statement of the amount and proportion of expenditure incurred by the ICB in relation to mental health in their annual report, increasing ICBs' public accountability for their decisions on mental health investment. NHS England will assure ICB spending plans and actual spend. To ensure mental health is sufficiently prioritised, the Health and Care Act 2022 requires that ICBs must have a member who has mental health expertise on the Board.

3.4 NHS England is working within the new operating model to ensure systems are empowered to self-assure spending and delivery, but significant risks and issues will continue to be escalated to support a strategic response.

3.5 NHS England and the department will continue to monitor this approach to ensure that appropriate support is being offered to ICBs.

4. PAC conclusion: There is still no clear definition of the end goal of 'parity of esteem' 12 years after the government first set out its ambitions.

4. PAC recommendation: In its update to us in six months, the Department should also set out what achieving full 'parity of esteem' between mental and physical health services means in practice, for example, comprehensive access and waiting times standards and outcomes, timescales, funding, and workforce requirements.

4.1 The government agrees with the Committee's recommendation

Target implementation date: January 2024

4.2 DHSC is working with NHS England to produce a definition of parity of esteem, incorporating feedback from key stakeholders and lived experience advisors. DHSC will provide an update on progress in January 2024 as part of its joint letter with NHS England to the Committee.

5. PAC conclusion: The Department and NHS England have still not committed to rolling out waiting times standards to all mental health services.

5. PAC recommendation: In its update to us in six months, the Department and NHS England should set out their plan for implementing the new service standards.

5.1 The government agrees with the Committee's recommendation

Target implementation date: January 2024

5.2 Waiting time standards already exist within Mental Health services; specifically for CYP Eating Disorder Services (95% of CYP with eating disorders accessing treatment within 1 week for urgent cases and 4 weeks for routine cases) as well as NHS Talking Therapies services (75% of people accessing treatment within 6 weeks and 95% of people accessing treatment within 18 weeks), as detailed in the Mental Health Implementation Plan.

5.3 Over the course of the Clinical Review of Standards (CRS), a patient-centred waiting time standard, informed by pilot sites, lived experience advisors and clinical experts was developed, and a public consultation undertaken.

5.4 Urgent and Emergency Care waiting times data was published on 13 July 2023. Collecting data to measure community waits for mental health is more complex and so will take longer, but the aim is to publish data for mental health community waiting times by the end of the financial year. Work also continues to improve data quality.

5.5 Once robust baseline data has been collected, work can begin to analyse appropriate standards given projected demand, capacity and resources. Setting a performance standard (i.e. the percentage of people accessing treatment in line with this measure) will need to be considered in the light of this further work and available resources.

5.6 NHS England will provide an update on progress as part of its joint letter with DHSC to the Committee in January 2024.

6. PAC conclusion: Preventive and public health services for mental health have not had the same priority and focus on improvement as NHS mental health treatment services.

6. PAC recommendation: The Major Conditions Strategy must clearly set out how preventive and public health services for mental health will be improved and expanded, including how the right workforce will be secured.

6.1 The government agrees with the Committee's recommendation

Target implementation date: by spring 2024

6.2 The Major Conditions Strategy: case for change and our strategic framework was published on 14 August. This sets out the Department for Health and Social Care's strategic approach to improving care for people living with six groups of conditions. As part of this, the department recognises the importance of mental ill-health as a major condition, as well as the importance of prevention, ensuring physical health needs of people with mental ill-health are addressed, and ensuring that mental health is included as a core part of how the other major conditions are treated.

6.3 To support this work, the department has set out multiple policies that can help to support mental health and wellbeing. These include the implementation of a new mental health and wellbeing impact assessment tool to support policy makers across government in considering and addressing the impacts of any new policies on mental health and wellbeing; outlining government's role in supporting employers to improve the support they provide for the mental and physical health of themselves and their employees; and increasing the number of schools and colleges with an embedded mental health support team.

6.4 The final report will be published in early 2024 and will include consideration of how the right workforce may be secured. DHSC is working closely with NHS England, as part of the implementation of the NHS Long Term Workforce Plan, which included a commitment to grow the proportion of NHS staff working in mental health, primary and community care.

Sixty-sixth report of Session 2022-23

Department of Health and Social Care

PPE Medpro: awarding of contracts during the pandemic

Introduction from the Committee

As part of its response to the COVID-19 pandemic the Department of Health and Social Care ('The Department') needed to purchase a huge amount of personal protective equipment (PPE) very quickly. In the year 2020–21, it spent over £12 billion on PPE through what this Committee has previously found to be a "haphazard purchasing strategy"1 including a series of contracts let with unproven, newly created, companies. The Department's approach to contracting for PPE was rushed and outside the usual procurement route. This led to many risky contracts. The result was some £9 billion written off, including £4 billion of PPE that cannot be used in the NHS.

Because there was no national centralised model for procuring and allocating PPE to the health and social care sectors that needed it at the time, the Department established a parallel supply chain and a 'High Priority Lane' (known generally as the 'VIP' lane). This allowed referrals of potential suppliers from MPs, Peers, ministers, and senior officials. Later, in January 2022, the High Court ruled that the use of the High Priority Lane was unlawful.

PPE Medpro was one of the private companies awarded valuable contracts having been referred through this High Priority Lane by Baroness Michelle Mone. PPE Medpro was set up on 12 May 2020. It was awarded its first contract, worth £81 million, a month later on 12 June to supply 210 million face masks. The Department awarded a second contract a couple of weeks later on 26 June, worth £122 million for sterile surgical gowns.

In January 2022, the House of Lords Commissioners for Standards announced that Baroness Mone was subject to an inquiry relating to her alleged involvement in procuring contracts for PPE Medpro leading to potential breaches of the House of Lords Code of Conduct. That investigation is currently on hold while related matters are the subject of criminal investigation by the National Crime Agency. It was announced that Baroness Mone would be taking a leave of absence from the House of Lords on 6 December 2022.

On 6 December 2022, the House of Commons debated and agreed that all papers, advice and correspondence involving Ministers and Special Advisers relating to contracts for PPE awarded to PPE Medpro by the Department should be released to the Public Accounts Committee.

On 19 December 2022 the Government commenced legal proceedings against PPE Medpro on the second contract, worth £122 million for the supply of gowns. The Department has stated that it does not believe that these gowns were fit for use. This is a claim that PPE Medpro deny. Baroness Mone has publicly denied involvement with PPE Medpro.

Based on the information shared by the Department of Health and Social Care, the Committee published its report on 18 July 2023. This is the government's response to the Committee's report.

Relevant reports

- PAC report: PPE Medpro: awarding of contracts during the pandemic – Session 2022-23 (HC 1590)
- Department of Health and Social Care 2020-21 Annual Report and Accounts (HC 1053)
- Department of Health and Social Care 2021-22 Annual Report and Accounts (HC 1043)

Government response to the Committee

The government notes the Committee’s report.

Sixty-seventh report of Session 2022-23

HM Revenue & Customs

Child Trust Funds

Introduction from the Committee

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

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

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

Based on a report by the National Audit Office, the Committee took evidence on Thursday 18 May 2023 from HM Revenue and Customs. The Committee published its report on 26 July 2023. This is the government's response to the Committee's report.

Relevant reports

- NAO report: Investigation into Child Trust Funds – Session 2022-23 (HC 1197)
- PAC report: Child Trust Funds – Session 2022-23 (HC 1231)

Government response to the Committee

1. PAC conclusion: The Child Trust Fund scheme is not reaching many of the people it was designed to help.

1. PAC recommendation: HMRC should do more to find and contact young people who have not claimed their Child Trust Funds, to ensure they are aware they have an account and know how to access their money.

HMRC should:

- ***Give more support to providers to help them trace account holders.***
- ***Work with other departments that might also have ways to raise awareness of Child Trust Funds among young people, for example, the Department for Education.***

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

Recommendation implemented

1.2 Although primary responsibility sits with Child Trust Fund (CTF) providers, His Majesty's Revenue & Customs (HMRC) has processes in place to find and contact young people who have not claimed their matured CTFs. In June 2023 HMRC published information on CTFs up to April 2022, including new tables showing the cumulative number of matured accounts. These indicate that as of 5 April 2022 around 428,000 matured CTF accounts had not been claimed, and approximately 338,000 had been claimed or were transferred to an ISA.

1.3 HMRC engages actively with external partners with the ability to interact with the CTF demographic group to raise awareness and provide further information. This includes family and friends, other government departments and partner organisations (such as the Money and Pensions Service), youth-focused charities, schools, banks, and other providers. As detailed below this is underpinned by a dedicated CTF working group, bi and multi-lateral engagement with key departments and a communications plan.

1.4 HMRC actively participates in meetings of the dedicated CTF working group. This comprises trade bodies and CTF providers and is scheduled to meet in September. The need to trace, and engage with, account holders is an established feature of discussions.

1.5 Quarterly meetings take place between HMRC, the Department for Education (DFE) and The Share Foundation – the charity appointed by DFE to manage CTFs and Junior ISAs of looked after children. A meeting took place in August and the next is provisionally scheduled for late Autumn 2023. Those meetings provide the opportunity to explore whether financial education can embrace awareness of CTF. HMRC also works closely with the Ministry of Justice (MoJ) as MoJ refines its approach to mental capacity and is working with MoJ and the Department for Work and Pensions on ways to raise awareness of CTFs with the parents of young adults without mental capacity.

1.6 HMRC has also developed a detailed communications plan which targets young people in two groups**.** Group 1 (18+) focuses on raising awareness of the matured CTFs waiting to be claimed and aims to reduce the number of unclaimed accounts. This includes ongoing work with the University and Colleges Admissions Service to encourage awareness among student peer groups. Group 2 (15-17) focuses on accounts which are due to mature in the next two years, to ensure that the number of unclaimed CTFs doesn't rise.

1.7 HMRC has reviewed its current strategies for raising awareness of, and ability to trace, CTFs. While HMRC is confident that its activities are sufficient and proportionate HMRC will explore with its partners further ways in which the government can aid young people and their parents in tracing their accounts for adoption in 2024-25.

2. PAC conclusion: providers are charging fees for passively managing many Child Trust Funds and some could do more to connect young adults with their accounts.

2. PAC recommendation: HMRC should work in partnership with other parts of government to ensure that all providers are incentivised to establish contact with all young people whose Child Trust Funds they manage, and so that they earn fair fees, proportionate to their level of activity.

2.1 The government agrees with the Committee's recommendation.

Recommendation implemented

2.2 Child Trust Fund (CTF) providers have the lead responsibility in making sure account holders are aware of and have access to their accounts.

2.3 HMRC is an active participant in the dedicated CTF working group which comprises trade bodies such as The Investing and Saving Alliance and UK Finance, and CTF providers such as OneFamily and Nationwide Building Society.

2.4 As set out above, the need for CTF providers to trace, and engage with, account holders is an established feature of discussions. HMRC will continue to use these meetings to encourage further activity on the part of CTF providers, who are aware of their responsibilities to their customers under Financial Conduct Authority (FCA) rules. While terms and conditions are a matter for the industry, the new FCA consumer duty rules require firms to act to deliver good outcomes for retail customers and provide products and services which offer fair value.

2.5 HMRC also acts on any intelligence it receives from FCA or others regarding compliance problems with CTFs.

3. PAC conclusion: The Child Trust Fund scheme is not easily accessible for the families and carers of children and young people lacking mental capacity.

3a. PAC recommendation: In its Treasury Minute response, the government should set out what steps different bodies, including the Ministry of Justice and its equivalents in the home nations, are taking to help the families of young people who lack mental capacity to access their Child Trust Funds without excessive bureaucracy and cost.

3.1 The government agrees with the Committee's recommendation.

Recommendation implemented

3.2 Supporting families of young people who lack the mental capacity to access funds in their matured Child Trust Fund (CTF) involves a number of government departments across the United Kingdom. While the government believes needs are best met, in the main, through the relevant responsible department overseeing a specific area, effective cross government engagement is key to supporting families. Although the MoJ and devolved administrations have responsibility for the government's approach to mental capacity, HMRC has responsibility for legislation surrounding Child Trust Funds (CTF) to include specific reference to mental capacity and provided links to the relevant bodies in England and Wales, Scotland and Northern Ireland: what-happens-when-your-child-is-18. HMRC is also working with MoJ and Department for Work and Pensions (DWP) to explore ways in which the parents of children without capacity are informed, including adapting existing DWP communications.

England and Wales

3.3 Once the MoJ became aware that some families of young people who lacked mental capacity were struggling to access their funds, MoJ took immediate action. On 1 December 2020, MoJ announced that parents or guardians of young adults without mental capacity could ask for a court fee waiver when seeking access to a mature CTF.

3.4 In November 2021, the MoJ consulted on a Small Payments Scheme as a potential mechanism for accessing a range of smaller value accounts. Responses indicated that the proposal would not allow easy and quick access. Rather, the best solution would be to improve the existing system.

3.5 Following a successful pilot in 2022, the application process for the Court of Protection (CoP) has undergone significant work to streamline and digitise it, reducing application processing times from 26 to 8 weeks. 95 percent of property and affairs applications are now made by an online process rather than on paper. A sample of a completed application form for a mature CTF has been placed on [Gov.uk](Gov.uk) to assist parents and carers making an application.

3.6 A significant barrier to access is a lack of awareness of the Mental Capacity Act 2005 (MCA) and how and when to access funds. To directly address this MoJ launched an awareness raising programme, the first part of which was a new toolkit: Making Financial Decisions for young people: parent and carer toolkit (9 June 2023). The toolkit raises awareness of the MCA to help families of young people understand their rights and what they need to do in order to manage the finances of the young person without capacity and outlines the Court of Protection process.

3.7 The MoJ is working with The Investment and Savings Alliance (TISA) to promote the toolkit with parents and carers and investigating how information on the MCA can be made available in correspondence sent out by CTF providers in advance of the account maturing, to ensure parents and carers are able to engage in the legal processes as early as possible.

3.8 The MoJ is also working with the DWP to raise awareness of CTF through signposting on its website and through its communications with affected parents/ guardians. This work is at an early stage but is being actively pursued. In addition, MoJ is working with stakeholders in both the disability and finance sectors to raise awareness of the MCA and ensure that materials are available to support individuals to navigate the legislation.

Scotland

3.9 In Scotland the ability to access a matured CTF of an adult lacking capacity is dependent on whether the account is cash or stocks and shares based.

3.10 Where the matured CTF is a cash account, the Access to Funds (ATF) procedure provides a simple way of accessing the funds. This involves an application to the Office of the Public Guardian (Scotland) rather than the courts. In February 2021, the Scottish Government agreed with the Public Guardian that the £91 fee for an ATF application would be waived where the application was to access funds in a CTF. This was publicised online and announced on the Public Guardian's news page.

3.11 Where the matured CTF is a stocks and shares account, an application to the Sheriff Court for an intervention order or a guardianship order is required. Generally, a solicitor is involved in making such an application. Where the young person is eligible for legal aid, no court or OPG registration fees are payable however, means testing for legal aid is dependent on the type of order being sought. In the vast majority of situations in Scotland the legal aid system enables an adult with little capital (including funds in a matured CTF) to access those funds.

Northern Ireland

3.12 Currently, where a person wishes to manage the financial and property affairs of an adult who lacks mental capacity, and no Enduring Power of Attorney has been registered, they must apply to the High Court to become a Controller. Where the Court has received medical evidence confirming the individual's incapacity and is satisfied that there is a need to appoint a Controller, it will make an order appointing a person as Controller, giving them legal authority to manage financial affairs on behalf of the patient in accordance with the Court's instructions. Alternatively, the Court may decide to make a 'short procedure order', rather than appointing a Controller, usually where the value of the individual's assets or income is relatively low. The relevant court fees for the application, and on the granting of an order, are prescribed in legislation. Depending on the patient's circumstances, an application for remission may be granted on the grounds of hardship.

3.13 The Department of Justice (Northern Ireland) is aware of the issues around access to mature CTFs by parents/ carers of young people lacking mental capacity and is aware of the concerns raised in England and Wales. The matter has also been raised with the Department by the Master (Care and Protection), who hears applications for court orders concerning the financial and property affairs of a person lacking capacity. The Department has been following the MoJ consultation and its outcome and intends to prepare a paper on the current position in Northern Ireland to inform consideration by autumn 2023 of whether any changes may be required.

3b. PAC recommendation: the government should include in the response statistics on how many people have used, successfully or otherwise, the current options available in each nation and set out the impact of the specific steps the government has taken so far to help these families, such as fee waivers.

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

Recommendation implemented

England and Wales

3.15 The Mental Capacity Act provides for the jurisdiction of the Court of Protection (CoP) where a child under 16 is likely to continue to lack capacity when they reach 18. In these cases, the court can make decisions even though the child is under the age of 16 at the time of the application. This means that parents do not have to wait until their child reaches 18 before making an application and ensures that they can receive the necessary permissions well before the CTF matures.

3.16 The figure of 15 applications to the COP in 2021 (quoted in the Committee's report) relates to the number of cases where the Child Trust Fund was quoted as being the sole asset. This is not an accurate reflection of total court applications as many applications for the age group 16-21 year-olds made in the years July 2020 – March 2023 would have involved other assets, for example, damages awards, in addition to the CTF.

3.17 A more complete reflection for the period July 2020 – March 2023 for the age group 16–21-year-olds is illustrated in the table below, where those aged 16 years are young people whose CTF had not yet matured, and 19-21 years is the age of the account holder who had not yet accessed their matured CTF.

Number of Court of Protection applications for age group			
Year	July 2020 - August 2021 (Age 16-19)	September 2021 - August 2022 (Age 16-20)	September 2022 - March 2023 (Aged 16-21)
Number of applications	86	379	312

3.18 Where the application was made in the years 2020 - 2023 for a young person aged 16, the requisite court order would be received a full two years before the CTF matured, allowing parents to instruct on and access the CTF as soon as possible upon maturity. The figures in the above table are a subset of Family Court Statistics published by the MoJ.

Scotland

3.19 The Office of the Public Guardian (Scotland) advises that, to August 2023, 21 notes of interest relating to matured CTFs have been received and assistance and guidance has been provided where needed. There have been no applications to use the ATF scheme to access funds in a matured cash CTF. Any cases which have arisen have been either intervention orders or guardianships but data on the numbers involved is not collected centrally.

Northern Ireland

3.20 Since 1 September 2020, when the first CFT holders turned 18 years, the Office of Care and Protection (part of the High Court) in Northern Ireland has received 6 applications where the only asset required to be managed is a CTF. These have been dealt with by the making of a Short Procedure Order. Remission from court fees was available in 4 of these cases. There will be cases where an application has been made for a court order because the patient has assets additional to a CFT and/or is in receipt of Direct Payments but these would be harder to identify.

4. PAC conclusion: The objectives of the Child Trust Fund policy have not been achieved, but there is still time for HMRC to act.

4a. PAC recommendation: HMRC should act immediately to ensure that the most is made from the Child Trust Fund scheme. In its Treasury Minute response, it should set out how it will work with other government departments, including DfE, the MoJ and HMT, and other organisations to plan and implement activity which addresses all four of the Child Trust Fund policy's objectives

4.1 The government disagrees with the Committee's recommendation.

4.2 As set out above, the government remains committed to ensuring all children and families with a matured CTF can access it and will continue to support activity to address the barriers highlighted in the committee's report for certain groups by working collaboratively across government.

4.3 However, the government believes that the existing policy framework of supporting and encouraging people of all incomes and at all stages of life to save is the right one and addresses the recommendation. The Help to Save scheme is intended to promote financial resilience among working households on low incomes by encouraging a regular, long-term savings habit and building a financial buffer to help people to plan and prepare for the future. The Junior ISA allows parents and family to save for a child's future in a tax-free environment while the introduction of the Lifetime ISA supports those saving for a first home or later life. Savers also benefit from the Starting Rate for Savings of up to £5,000, the Personal Savings Allowance of up to £1,000 and the annual ISA allowance of £20,000. As a result of current savings tax reliefs, 95% of individuals with savings income outside of an ISA in 2020-21 did not pay tax on said income.

4.4 The government recognises that economic and financial education are important parts of a broad and balanced curriculum which provides the essential knowledge to ensure that young people are prepared to manage money well and make sound financial decisions. Pupils currently receive financial education through the maths and citizenship elements of the National Curriculum, which is compulsory in maintained schools. While Academies and free schools have greater freedom and autonomy in how they operate in areas such as the curriculum, they are expected to teach a curriculum that is comparable in breadth and ambition to the National Curriculum, and many choose to teach the full National Curriculum to achieve this.

4.5 In 2021, MAPS published financial education guidance documents for primary and secondary schools in England. That guidance encourages conversations about money in the classroom by setting out ten steps schools can take to boost the delivery of financial education throughout a child's school career.

4.6 HMRC also supports the work being undertaken by Industry bodies such as The Investing and Savings Alliance (TISA) to address gaps in the personal finance knowledge of young adults in the workplace through training courses such as 'The Essentials of Money Management', which aims to help firms support their staff to make informed financial decisions.

4b. PAC recommendation: make an assessment of whether similar issues are likely to affect other tax-free savings accounts the government is currently planning, promoting, and/or making contributions towards, such as lifetime ISAs and Junior ISAs for children in care. The government should work with other stakeholders to adapt how it implements these schemes to help protect the long-term benefits and enable better management over the full lifetime of such schemes.

4.7 The government agrees with the Committee's recommendation.

Recommendation implemented

4.8 HMRC undertakes on-going evaluation of the operational aspects of the CTF scheme based on provider and user comment and research. This information informs changes to both existing and prospective savings schemes. For example, amendments to the CTF legislation is reflected in the Junior ISA and ISA legislation and vice versa.

4.9 The technology landscape has changed significantly for HMRC and the financial services industry since the CTF scheme was developed in 2004, and what was an appropriate operating model then would be unlikely to be employed now. For example, the Lifetime ISA (LISA) which was introduced in 2017 is a digital system which requires monthly on-line reporting by ISA managers and the mandatory use of national insurance numbers. The Help to Save Scheme uses DWP data to confirm eligibility and its use of the government gateway to create account ensures HMRC has email addresses for participants in the scheme. In contrast, the CTF scheme employed paper vouchers for account opening and is dependent on parents informing HMRC and account providers of changes in their personal details, making it challenging to contact account holders.

4.10 In the context of looked after children, quarterly meetings take place between HMRC, the DFE and The Share Foundation (TSF). A meeting took place in August and the next meeting is provisionally scheduled for late Autumn. Those meetings provide the opportunity to explore any obstacles (whether operational or legislative) to TSF's effective management of the CTFs and Junior ISAs of looked after children. The Share Foundation reports quarterly and annually on its performance and those of local authorities, The regular meetings also provide the opportunity to monitor TFS's performance, which will subsequently inform any amendments to the commercial contract.

5. PAC conclusion: HMRC does not collect the data from providers needed to plan timely action to improve young people's engagement with their accounts and assess whether its actions are working.

5a. PAC recommendation: HMRC should improve the timeliness of its data collection and statistical releases, to present a more accurate and up-to-date assessment of the scheme.

5.1 The government agrees with the Committee's recommendation.

Target Implementation date: Summer 2024

5.2 HMRC is exploring opportunities for publishing more timely information on CTFs. HMRC has reminded providers of the requirement to make returns within 60 days of the end of the tax year. HMRC is also improving its analytical processes to reduce lead times. HMRC anticipates that future statistical information up to tax year 2023 to 2024 will be published by tax year in the Summer of 2024.

5.3 Since the Committee hearing, HMRC has published more recent information on CTFs up to April 2022 in June 2023, including new tables showing the cumulative number of matured accounts. Prior to the publication, HMRC was aware that some Child Trust Fund providers had not completed the requisite annual return. HMRC identified and reminded providers of the outstanding returns and these are included in the latest published statistics. The issue of missing returns was addressed in paragraph 3.3 of the Annual savings statistics: background quality report on Gov.UK.

5b. PAC recommendation: HMRC should use this improved understanding of the status of Child Trust Funds to target activity to improve young people's awareness and management of their accounts

5.4 The government agrees with the Committee's recommendation.

Recommendation implemented

5.5 HMRC has reviewed its established strategy for raising awareness of, and ability to trace, CTFs and is confident that what HMRC is, and has been, doing to raise awareness among young adults is sufficient and proportionate. HMRC continues to explore new routes to reunite young people with their CTF and will use these if it deems necessary.

5.6 HMRC's current strategy will reunite the majority of accounts with their owners, but HMRC recognises there will be a small number of cases where further action may be required. HMRC will monitor how many accounts remain open and judge when it is appropriate to intervene. The vast majority of people will know where their account is, but HMRC will consider whether individuals should be contacted directly once it becomes clear they have lost contact.

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

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

6.1 The government agrees with the Committee's recommendation.

Target Implementation date: Summer 2025

6.2 HMRC is committed to evaluation. The evaluation framework was published in 2021 and sets out HMRC's approach to achieving good quality monitoring and evaluations of its policies in line with government good practice. HMRC has committed to publishing its external research programmes in the HMRC annual report and accounts and has made the same commitment for evaluation. A list and brief description of HMRC's research reports, and the final research report, is available on GOV.UK. HMRC also publishes a list of HMRC planned evaluation publications.

6.3 Any evaluation plan, however, needs to be carefully considered and proportionate recognising that resources are limited. The CTF is an intervention that has been discontinued and is not currently part of the policy framework. While there are undoubtedly some lessons that can be learned, any evaluation plan will need to be mindful of this wider context. A more detailed plan for evaluation will be formalised in Winter 2023.

6.4 In addition, evaluation and similar analysis are not solely the purview of Government. HMRC also seeks to be open and pro-active in the way it manages its relationships with external stakeholders such as academics and external researchers, including those researching CTFs, and permits access to HMRC data via the HMRC Datalab.

Treasury Minutes Archive[1]

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

Session 2022-23

Committee Recommendations:	444	
Recommendations agreed:	396	(89%)
Recommendations disagreed:	48	

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

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

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

Publication Date	PAC Reports	Ref Number
September 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 Minutes Progress Reports provide updates on the implementation of recommendations from the Committee of Public Accounts. These reports are Command Papers laid in Parliament.

Publication Date	PAC Reports	Ref Number
June 2023	Session 2013-14: updates on 1 PAC report Session 2017-19: updates on 11 PAC reports Session 2019-21: updates on 5 PAC reports Session 2021-22: updates on 29 PAC reports Session 2022-23: updates on 27 PAC reports	CP 847
December 2022	Session 2013-14: updates on 1 PAC report Session 2017-19: updates on 16 PAC reports Session 2019-21: updates on 14 PAC reports Session 2021-22: updates on 38 PAC reports Session 2022-23: updates on 8 PAC reports	CP 765
June 2022	Session 2013-14: updates on 1 PAC report Session 2017-19: updates on 27 PAC reports Session 2019-21: updates on 34 PAC reports Session 2021-22: updates on 30 PAC reports	CP 691
November 2021	Session 2013-14: updates on 1 PAC report Session 2016-17: updates on 3 PAC reports Session 2017-19: updates on 33 PAC reports Session 2019: updates on 2 PAC reports Session 2019-21: updates on 47 PAC reports Session 2021-22: updates on 5 PAC reports	CP 549
May 2021	Session 2010-12: updates on 1 PAC report Session 2013-14: updates on 1 PAC report Session 2015-16: updates on 0 PAC reports Session 2016-17: updates on 4 PAC reports Session 2017-19: updates on 47 PAC reports Session 2019: updates on 2 PAC reports Session 2019-21: updates on 28 PAC reports	CP 424
November 2020	Session 2010-12: updates on 1 PAC report Session 2013-14: updates on 1 PAC report Session 2015-16: updates on 0 PAC reports Session 2016-17: updates on 7 PAC reports Session 2017-19: updates on 73 PAC reports Session 2019: updates on 2 reports	CP 313
February 2020	Session 2010-12: updates on 2 PAC reports Session 2013-14: updates on 1 PAC report Session 2015-16: updates on 3 PAC reports Session 2016-17: updates on 14 PAC reports Session 2017-19: updates on 71 PAC reports	CP 221

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

978-1-5286-4447-1
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