Treasury Minutes

Government response to the Committee of Public Accounts on the Fourth to the Eleventh reports from Session 2017-19

Cm 9575
March 2018
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Presented to Parliament by the Exchequer Secretary to the Treasury by Command of Her Majesty

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Fourth Report of Session 2017-19
Department of Health and Social Care
Clinical correspondence handling at NHS Shared Business Services

Introduction from the Committee

The Department of Health is ultimately responsible for securing value for money for spending on all health services. NHS England has responsibility for arranging the provision of health services in England and for commissioning their provision. This includes primary care support services, for example, updating patient registration lists, processing contractual payments to GPs and redirecting correspondence. Until April 2016, NHS England contracted NHS Shared Business Services (NHS SBS), a private company part owned by the Department, to make sure that misdirected clinical correspondence was sent on to the correct GP in the East Midlands, South West and North East London. In March 2016, NHS SBS informed NHS England and the Department that it had found a backlog of correspondence which had not been redirected, some of which dated back several years. A total of 709,000 items of correspondence were eventually found to have been mishandled. NHS SBS missed many opportunities over at least five years to identify and rectify the problem.

Based on a report by the National Audit Office, the Committee took evidence, on 16 October 2017, from the Department of Health, NHS England, and NHS Shared Business Services. The Committee published its report on 29 November 2017. This is the Government response to the Committee’s report.

NAO and PAC Reports

- NAO Report: Clinical correspondence handling at NHS Shared Business Services - Session 2017-19 (HC 41)
- PAC Report: Clinical correspondence handling at NHS Shared Business Services – Session 2017-19 (HC 396)

Government responses to the Committee

1: PAC conclusion: NHS England failed to appreciate the seriousness of misdirected correspondence and still has not put effective measures in place to ensure clinical correspondence is handled properly.

1: PAC recommendation: NHS England should set out how it will ensure that all clinical correspondence is correctly handled, processed and redirected, where appropriate.

1.1 The Government agrees with the Committee’s recommendation.

Recommendation implemented.

1.2 NHS England has put in place a service to ensure that any correspondence or material, sent to the Primary Care Support England service (Capita) by GP practices, who have not applied the correct process, is promptly reviewed and returned to the sender or the GP with whom the relevant patient is registered. Where this is not possible, arrangements are in place to redirect the correspondence to an appropriate organisation to deal with it.

2: PAC conclusion: NHS England does not know the full extent of the problem as it continues to identify new items of misdirected correspondence.

2: PAC recommendation: NHS England should set out by 31 December 2017 how it can be sure that all unprocessed correspondence has now been identified.
2.1 The Government agrees with the Committee’s recommendation.

Recommendation implemented.

2.2 Primary Care Services England (PCSE), the service provided through Capita, have confirmed that all erroneous documentation held by them has now been identified and is being processed as part of the incident. The Primary Care Support (PCS) Incident Team is also undertaking a review, again in conjunction with PCSE, of other documentation to confirm that all other potential sources of unprocessed correspondence have been identified and processed. This will be completed by March 2018.

3: PAC conclusion: Eighteen months after the problem first came to light, NHS England still cannot confirm that no patients have been harmed by the repeated failures in the clinical correspondence redirection service.

3: PAC recommendation: NHS England should write to the Committee by 31 March 2018 to confirm the results of the review and what action it will take in response.

3.1 The Government agrees with the Committee’s recommendation.

Target implementation date: April 2018.

3.2 NHS England plans to write to the Committee, following completion of clinical reviews planned for 31 March 2018, to advise the final outcome of the clinical review process. This will cover both the NHS Shared Business Services and Primary Care Support England clinical correspondence elements.

4: PAC conclusion: It is unacceptable that NHS England has given up trying to find out whether any patients have been harmed simply because 2,000 GPs have not confirmed whether they have reviewed clinical correspondence about their patients.

4: PAC recommendation: NHS England should obtain positive assurance by 31 March 2018 from every GP reviewing correspondence that they have completed their checks and whether they have identified any cases where patients may have been harmed.

4.1 The Government disagrees with the Committee's recommendation.

4.2 The Government does not agree with the Committee’s conclusion that NHS England has “given up” trying to find out whether any patients have been harmed. Nor can NHS England force an individual GP to respond. However, it can, and has, put in place alternative arrangements where that is not forthcoming.

4.3 A rigorous process, including taking appropriate legal and clinical advice, was undertaken before making the original decision not to pursue these returns. Following the Committee’s hearing on 16 October 2017, NHS England has written to GPs again asking them to submit returns to the Incident Team for their affected patients by 31 January 2018. Where these have not been received, any monies paid for work not done will be reclaimed and, more importantly, clinical triage of the correspondence affecting those patients will be undertaken by NHS England clinicians.

5: PAC conclusion: Attempting to resolve misdirected clinical correspondence has so far cost an estimated £6.6 million and the total cost is still unknown.

5: PAC recommendation: NHS England should write to the Committee by 31 December 2017 to confirm how it will ensure that in future all contracts with third party suppliers include adequate compensation in the event of any failure to deliver; and how much it will cost to deal with the additional items of unprocessed clinical correspondence that have been found since the NAO report.
5.1 The Government agrees with the Committee’s recommendation.

**Target implementation date:** March 2018.

5.2 Future contracts with third party providers will continue to contain strong provisions for redress in the event of failure to deliver.

5.3 The cost of managing the clinical correspondence incidents is estimated at £9 million by the end of the financial year 2017/18, of which £6.6 million relates to the NHS SBS incident. Financial recovery from NHS SBS has continued to plan.

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6: **PAC conclusion:** *The Department’s weak oversight of its joint venture with Sopra Steria, a private company, meant that opportunities to identify the issues at NHS SBS were repeatedly missed.*

6: **PAC recommendation:** *The Department should set out for the Committee how the changes it has made to the governance of its six investments will ensure that it has adequate arrangements in place to oversee the services being delivered by these organisations.*

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6.1 The Government agrees with the Committee’s recommendation.

**Target implementation date:** December 2018.

6.2 The Department has already increased its membership of the NHS Share Business Services Board. In parallel, the company has therefore made organisational changes to ensure accurate assessment and reporting of risk is embedded in processes across the organisation, and made structural changes to the management of risk to ensure appropriate focus and timely reporting to the NHS SBS Management Team and the NHS SBS Main Board.

6.3 In November 2017, the Department established a new Governance Framework for DHSC Owned Companies. This includes a periodic review of all shareholdings and as part of this the Department’s holding of shares in NHS Shared Business Services will be reviewed late 2018.
Fifth Report of Session 2017-19
Department of Health and Social Care / Ministry of Justice
HM Treasury
Managing the costs of clinical negligence in hospital trusts

Introduction from the Committee

The NHS, including NHS trusts and foundation trusts are legally liable for any clinical negligence by their employees. Since 1995, NHS Resolution (the operating name of NHS Litigation Authority from April 2017) has provided indemnity cover for clinical negligence claims against trusts in England, through its Clinical Negligence Scheme for Trusts. The Department of Health oversees NHS Resolution and develops policy to manage the costs of clinical negligence. NHS Resolution is responsible for dealing with claims, including funding defence costs, and any legal costs or damages that become payable.

From 2006–07 to 2016–17, the number of clinical negligence claims registered with NHS Resolution each year doubled, from 5,300 to 10,600. Annual cash spending on the Scheme quadrupled over this period, from £0.4 billion to £1.6 billion. The estimated cost of settling future claims has risen from £51 billion in 2015–16 to £60 billion in 2016–17. There are two main factors contributing to the rising costs. First, increasing damages for a small but stable number of high-value, mostly maternity-related claims. These accounted for 8% of all claims in 2016–17, but 83% of all damages awarded. Second, increasing legal costs resulting from an increase in the number and average cost of low-value claims. Over 60% of successful claims resolved in 2016–17 had a value of less than £25,000.

Based on a report by the National Audit Office, the Committee took evidence, on 16 October 2017, from the Department of Health, Ministry of Justice, NHS Resolution, and NHS Improvement. The Committee published its report on 1 December 2017. This is the Government response to the Committee’s report.

NAO and PAC Reports

- NAO report: Managing the costs of clinical negligence in trusts - Session 2017-19 (HC 305)
- PAC report: Managing the costs of clinical negligence in hospital trusts – Session 2017-19 (HC 397)

Government responses to the Committee

1: PAC conclusion: Increasing financial pressure on the NHS have started to affect waiting times and the quality of care, which risks leading to even more clinical negligence claims and in turn even greater cost.

1: PAC recommendation: The Department and NHS Improvement should report back to the Committee by April 2018 on how they have ensured that trusts prioritise resources on patients that are most at risk of harm from increasing waiting times in the NHS.

1.1 The Government disagrees with the Committee’s recommendation.

1.2 The Department and NHS Improvement (NHISI) agree with the Committee that it is important that trusts have processes in place to prioritise those patients whose care is most urgent and time critical. However, the Department and NHISI consider the current arrangements in place to monitor the prioritisation of patients and performance against waiting times standards are adequate. Specifically, such operational performance oversight is part of the NHISI Single Oversight Framework, which is used to hold trusts to account on their performance.

1.3 Regular performance oversight meetings afford regional teams the opportunity to seek assurance from trusts that sufficient attention is being focused on assessing the clinical risk within waiting lists and to escalate concerns should these arise. When concerns that waiting times have become excessive arise,
‘Clinical Harm Groups’ can be constituted from the trust’s own clinical managers and representatives from the relevant NHSI regional team. The Groups work to mitigate the risk of harm to patients by directing specific remedial actions. Should this fail to result in sufficient risk mitigation, the regional team would escalate their concerns within NHSI and direct assurance that appropriate and sufficient action was being taken by the trust would be sought through formal contact with members of the trust’s executive team.

1.4 NHSI also operates the National Reporting and Learning System (NRLS), where all reported incidents of harm to patients while under the care of NHS organisations are received and reviewed. Although it has not happened to date, NRLS would facilitate the detection of any significant patterns of harm related to excessive waiting times and enable NHSI to respond appropriately with the trusts concerned.

1.5 In addition, the Department works closely with NHSI to ensure it understands system performance and the measures being taken to support providers and to ensure patient safety. This includes regular briefings and discussions on the overall operational situation as well as formal sponsorship meetings to discuss NHSI’s strategic role in the system and its capacity and capability.

2: PAC conclusion: The Government has been slow and complacent in its response to the rising costs of clinical negligence.

2: PAC recommendation: The Department, the Ministry of Justice, and NHS Resolution must take urgent and coordinated action to address the rising costs of clinical negligence. This includes reviewing whether current legislation remains adequate, and reporting back to the Committee by April 2018; continuing to focus on actions to reduce patient harm, in particular, harm to maternity patients; and appraising further measures to reduce the legal costs of claims, for example whether mediation should be mandated for certain types of claims.

2.1 The Government agrees with the Committee’s recommendation.

Target implementation date: September 2018.

2.2 The Government is developing a cross-government strategy to address the rising costs of clinical negligence, and will report back to the Committee by September 2018. As part of this, the Government has commenced a review of the adequacy of current legislation and will report back on this element to the Committee by the April 2018. As part of this work, the Government is looking at what further measures might reduce the legal costs of claims, including the potential benefits of alternative forms of redress such as mediation.

2.3 The Government will continue to focus on actions to reduce patient harm, including harm to maternity patients. Although evidence that action on safety would reduce cost or volume of claims is weak, action to improve safety is important nevertheless. In particular, in the National Maternity Safety Strategy - Progress and Next Steps
deleted, published November 2017, the Government restated its commitment to reductions in the rates of brain injuries. Claims for brain injuries at birth, where clinical negligence is proven, are generally the highest value claims. Increases in damages awarded in these cases are one of the major drivers for the recent rise in the costs of claims.

2.4 The Government has already commenced one piece of work to control legal costs. Following Lord Justice Jackson’s recommendation in his 2017 report on fixed recoverable costs
deleted (FRC), the Government has asked the Civil Justice Council to devise a bespoke process and set of FRC for clinical negligence claims up to £25,000. It is in these low-value claims that costs are most disproportionate. In addition, the Department will be publishing its consultation response on fixed recoverable costs shortly.

3.1 The Government agrees with the Committee’s recommendation.

Recommendation implemented.

3.2 In line with standard Treasury guidance, any impact assessment should take account of all additional costs and savings to the wider public sector.

3.3 Accounting Officers should ensure their organisation and any ALBs operate effectively and to a high standard of probity, which includes good governance, decision-making, and financial management. Accounting Officers take personal responsibility for regularity and propriety, affordability and sustainability, and value for money judged for the Exchequer as a whole and protecting Exchequer funds. Guidance is available in the Treasury guidance Managing Public Money.

4.1 The Government agrees with the Committee’s recommendation.

Target implementation date: March 2019.

4.2 The Government agrees it is important to respond to harmful incidents and complaints appropriately, identify learning opportunities and share best practice across the healthcare system. The Department continues to work with system partners to improve incident handling and complaints. In particular, trusts should have proper arrangements for reviewing care provided to patients who die unexpectedly in their organisations and all trusts are subject to new reporting arrangements in this regard. The Healthcare Safety Investigation Branch will begin a new programme of investigations of maternity incidents from April 2018.

4.3 The Parliamentary and Health Service Ombudsman (PHSO) produced the Ombudsman’s Principles, which outlined approaches for public bodies to take when responding to things going wrong, and My Expectations, a user-led vision for raising concerns and complaints. NHS England, working with PHSO, has developed a survey to measure complainants’ experiences across health and social care bodies to support improvements in local systems and complaints handling. NHS Improvement is considering using its Improvement Hub for trusts to share good practice in complaint handling.

4.4 NHS Resolution outlined plans to support trusts to be candid, provide explanations and manage concerns effectively in its five-year strategy, published in April 2017. Working with PHSO and other partners, it is developing a programme of education and practical support to NHS trusts in being open when an incident occurs; sharing best practice so that those harmed receive a prompt and transparent explanation and an assurance that lessons have been learned. This builds upon its guidance, Saying Sorry which suggests best practice for handling apologies.

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3: PAC recommendation: The Cabinet Office should consider including the “cost-shunting” impact of a policy when the impact assessment is produced and report back to the Committee by June 2018.

4: PAC conclusion: The NHS’s culture when things go wrong appears to be predominantly defensive, rather than candid and transparent, which limits its ability to learn lessons.

4: PAC recommendation: The Department and NHS Resolution should work with trusts to identify and spread best practice in handling harmful incidents and complaints. This should include how trusts say sorry and support patients when things go wrong.
5.1 The Government agrees with the Committee’s recommendation.

**Target implementation date:** April 2018.

5.2 The Government agrees more work is needed to understand the reasons behind clinical negligence claims. To help develop the evidence base in this area, the Department has recently commissioned a small scale mixed-method study to identify possible ‘drivers of litigation’; this work is now under way. NHS Resolution will initiate research on why people claim, the results of which will help shape decisions about future research options to inform national policy decisions.

5.3 NHS Resolution is increasing the focus of NHS trusts on the drivers of their claims costs both by more effective use of the pricing lever of its main indemnity scheme and by providing them with information they need to triangulate their claims data with other locally held data sources (such as incidents and complaints). It is also working with the ‘Getting it Right First Time’ initiative to integrate claims data into national dashboards.

5.4 In terms of work to support better insights from claims, complaints and incident data, NHS Improvement is developing a new Patient Safety Incident Management System. This will replace the existing National Reporting and Learning System (NRLS) which collects information about patient safety incidents from across the NHS. As part of this project, NHS Improvement will be considering the current classification for patient safety incidents. The Department, NHS Resolution and NHS Digital will work with NHS Improvement to explore the feasibility of adopting any new classification to apply to the collection of claims and complaints data, and report back on this to the Committee.

6.1 The Government agrees with the Committee’s recommendation.

**Target implementation date:** September 2018.

6.2 The Government will explore with NHS Resolution and others what the contributing factors may be to the increases in time taken to resolve claims and will report back to the Committee by September 2018 on the actions that could be taken to address this issue, bearing in mind the balance to be struck between the speed of settlement and achieving a fair outcome.
Sixth Report of Session 2017-19  
Home Office  
Growing threat of online fraud  

Introduction from the Committee

The growth of the internet and advances in digital technologies have created great opportunities for innovation and economic growth, but also more opportunities for online crime. Online criminals can target thousands of victims at the same time, causing financial and emotional harm to people and harm to businesses’ finances and reputations. In the year to September 2016 there were an estimated 1.9 million incidents of cyber-related fraud in England and Wales. The true cost of online fraud is unknown, but is likely to be billions of pounds a year. The Home Office is responsible for preventing and reducing crime, including online fraud. Many other bodies also play a role, including the police, banks and Action Fraud (which is run by the City of London Police). In 2016 the Department set up the Joint Fraud Taskforce to improve collaboration between all bodies in tackling online fraud.

Based on a report by the National Audit Office, the Committee took evidence, on 18 October 2017, from the Home Office, the City of London Police, Age UK, UK Finance, Lloyds, and the British Retail Consortium. The Committee published its report on 6 December 2017. This is the Government response to the Committee’s report.

NAO and PAC Reports

- NAO report: Online Fraud - Session 2017-19 (HC 45)
- PAC report: The Growing Threat of Online Fraud – Session 2017-19 (HC 399)

Government responses to the Committee

1: PAC conclusion: Banks do not accept enough responsibility for preventing and reducing online fraud and there is no data available to assess how well individual banks are performing.

1: PAC recommendation: The Department should set out minimum standards for banks to follow on preventing online fraud and on protecting bank customers and require banks to report to the Government on their performance. The Department should press the banking industry to make relative online fraud vulnerability performance data publicly available. The Committee expects the Department to provide a plan for publication of this data by Spring 2018. The Committee encourages banks to develop a voluntary scheme in the meantime to be more open with customers about the extent of fraud and how they are tackling it.

1.1 The Government agrees with the Committee’s recommendation.

Target implementation date: Autumn 2018.

1.2 The Department, on behalf of the Joint Fraud Taskforce (JFT) agrees more work is needed to establish best practice across the private sector to prevent fraud. This will complement ongoing work by the Payment Systems Regulator (PSR) and Financial Conduct Authority (FCA). The Department will work with JFT members to identify, develop, and promote best practice to raise prevention standards and will ensure it is flexible enough to respond quickly to new threats, enabling the private sector to react innovatively to protect customers.

1.3 The banking sector will, from January 2018, collect performance on fraud losses to report to the FCA. The Department will ensure information and other intelligence is shared with law enforcement and Government to help prevent fraud and will now work with JFT members to establish mechanisms to
regularly share performance data. The Department will work with other sectors to establish whether there is data which should practicably be published to help protect victims.

1.4 The Department agrees increasing publicly available information on fraud prevention would help incentivise performance and allow consumers to be more informed about anti-fraud measures. However, there may be risks and unintended consequences with publishing some fraud performance data. The Department will work with JFT partners to determine how to avoid these issues.

1.5 The Department will work with JFT members to agree the scope and focus of data for collection and what data can be published. The Department will report back to the Committee in spring 2018.

2: PAC conclusion: Unless all banks start working together, including making better use of technology, there will be little progress on tackling card fraud and returning money to customers.

2: PAC recommendation: Working with Joint Fraud Taskforce partners, the Department should make sure all banks to make better use of technology and information to reduce card fraud and return money to customers. This should include establishing minimum technical standards for strong customer authentication for electronic payments.

2.1 The Government agrees with the Committee’s recommendation.

Target implementation date: September 2019.

2.2 The Department agrees that technology can be harnessed to reduce fraud, and return losses to bank customers. Card scheme rules often ensure fraud victims are returned to the financial position they were in prior to being defrauded. The JFT will also oversee a pilot which will use technology to trace and return funds to victims of authorised push payment fraud.

2.3 The Taskforce oversees a Card Not Present (‘CNP’) project with the goal: ‘that consumers will be safer than ever before when using cards to purchase goods and services remotely. The goals are that fraud is reduced, transacting remains convenient, and retail sales continue to flourish. This approach will be supported by a package of technology and other measures developed under the Joint Fraud Taskforce that is aimed at enhancing security for consumers when they shop remotely.

2.4 This is underpinned by the Regulatory Technical Standards (RTS) on Strong Customer Authentication which will supplement the second Payment services Directive and are expected to apply from September 2019. These RTS will apply to electronic and online transactions. To limit the threat of fraud moving elsewhere in the cards network, a new security standard for mail and telephone order transactions will be explored. This vulnerability is not addressed by the Directive.

2.5 These are ambitious projects driven by a combination of regulation, collaboration across the payments sector and willingness to invest. The Department will set out clear milestones for the work; dates of completion; and an estimation of potential scale to the Committee by spring 2018.

2.6 These initiatives complement improvements being introduced by the Payment Systems Regulator, which seek to address authorised push payment fraud. The Department welcomes this progress.

3: PAC conclusion: The Committee is not convinced that current awareness campaigns such as Take Five are proving effective.

3: PAC recommendation: The Department, working with others on the Joint Fraud Taskforce, needs to develop a more informed approach to its education campaigns - being specific about what it is trying to achieve, evaluating what works best, and looking at opportunities for campaigns more targeted at specific groups.
3.1 The Government agrees with the Committee’s recommendation.

**Target implementation date:** Spring 2018.

3.2 The Department agrees that it should build on existing approaches to fraud and cyber-crime prevention campaigns, in collaboration with the rest of the UK Government and industry partners. ‘Cyber Aware’ and ‘Take Five’ target clearly defined audiences based on the latest data and analysis from partners and the Government. The Department’s approach is underpinned by Serious and Organised Crime Segmentation research, which identifies groups by their susceptibility to becoming victims of serious and organised crime based on their behaviours as well as data and evidence from the Government and Industry. This evidence-based approach ensures that the campaigns engage those most at risk with the protective advice they need.

3.3 The Department agrees that campaigns should be subject to rigorous research and evaluation to demonstrate effectiveness. Final evaluation of the latest phase of Take Five will take place in spring 2018. The Department is currently working with members of the Joint Fraud Taskforce to develop phase 3 of the ‘Take Five’ campaign. This will be targeted, and evidenced based with clear key performance indicators to measure impact.

3.4 The Department will report further with high level findings from the evaluation of phase 2 of Take Five and plans for phase 3 in April 2018.

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4.1 The Government agrees with the Committee’s recommendation.

**Target implementation date:** Summer 2018.

4.2 The Department has made improvements in the transparency of the Joint Fraud Taskforce, publishing documents related to the Taskforce on Gov.uk, including delivery structures and minutes of the Management Board and Oversight Board.

4.3 The Department will publish an annual report setting out the objectives and achievements of the Taskforce by summer 2018 and thereafter every 12 months.

Plans for improving the tracking of progress and benefits realisation of the individual strands that make up the JFT programme are being developed with partners. The Department will write to the Committee with an update before spring 2018.

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5.1 PAC conclusion: The Department has not yet put in place effective arrangements for its oversight of a coordinated and effective response to online fraud and for reporting on its progress.

5.2 PAC recommendation: The Department should develop specific plans for how it will measure progress in tackling online fraud and judge the success of the Joint Fraud Taskforce, and it should regularly publish information on progress and performance. It should update the Committee on progress by the end of March 2018.

5.3 PAC conclusion: The Department lacks data to judge whether its response to tackling online fraud is working.

5.4 PAC recommendation: The Department must prioritise efforts to improve the collection and reporting of data on fraud. It should update us on progress by the end of March 2018, when the Committee also expects to hear how it is improving information sharing between government, industry and law enforcement, and working with Action Fraud to reduce the gap between reported and actual fraud.
5.1 The Government agrees with the Committee’s recommendation.

**Target implementation date:** Summer 2018.

5.2 The Department recognises the significance of having a good understanding of the threat posed by fraud, so that the policy and law enforcement response is commensurate with both the scale and scope of the threat faced.

5.3 By April 2018, The Department will commission the ‘Understanding The Threat’ strand of the JFT to convene a wider group, from Government and industry, to consider the merits of developing a Government-owned national measure of fraud, to complement ONS, law enforcement and banking fraud loss data-sets. The Department will write to the Committee with these findings by summer 2018.

5.4 By spring 2018, the Department will publish evidence of the scale, nature and impact of fraud against individuals and businesses to support the work of the JFT and to solidify the evidence base on fraud.

5.5 The Department has already invested £5.5 million in a new IT system for Action Fraud and the National Fraud Intelligence Bureau. This will go-live in Spring 2018, and will vastly improve the reporting route for both individuals and businesses. The Department will work with the City of London Police to ensure that the improved system is utilised effectively, focusing on business in particular, to drive an increase in fraud reporting.

5.6 To improve the transparency of fraud data, the City of London Police will publish police force outcome data on the Action Fraud website in spring 2018. This will provide the public with a snapshot of local force demand and the policing outcomes achieved.

6.1 The Government agrees with the Committee’s recommendation.

**Target implementation date:** Spring 2019.

6.2 Working with the City of London Police, the national lead force for fraud, the Department will deliver a programme of work with the objective of improving the law enforcement response to fraud at all levels – this is already a key area of focus for the JFT. The Department will include details of this work in the JFT annual report.

6.3 The Department has asked HM Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) to conduct a thematic inspection of the national, regional and local law enforcement response to fraud. This will highlight pockets of best practice, as well as areas for improvement. Following publication of HMICFRS’s report, which will take place before the end of 2018, the Department will work with the City of London Police to deliver its recommendations.

6.4 City of London Police is refreshing its force communications strategy to improve collection and dissemination of best practice across policing. Mechanisms to systematise knowledge sharing and build stronger networks across policing including newsletters and more effective use of information sharing platforms (for example: The Police Online Knowledge Area POLKA).

6.5 The Department will develop a benefits measurement plan so that impact can be articulated effectively in line with publication of the HMICFS thematic report.

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6: PAC conclusion: *The response to tackling online fraud is variable across different police forces, and for some it is not a priority.*

6: PAC recommendation: *The Department should, with the City of London Police, establish what more they can do to help all police forces tackle online fraud, including opportunities to identify, develop and share good practice in a more systematic way.*
Seventh Report of Session 2017-19
HM Revenue and Customs / Home Office / HM Treasury
Brexit and the UK border

Introduction from the Committee

Effective management of the border is fundamental to ensuring the security of the UK and the smooth passage of people and goods. How well the government manages the border after the UK leaves the EU will be seen as an important test of the success of the UK’s new relationships with the EU and the rest of the world. In 2016, more than 310 million people and nearly 500 million tonnes of freight crossed the UK border. In the same year, the Home Office made 16.3 million decisions about the rights of citizens from outside the European Economic Area (EEA) to enter the UK. HM Revenue & Customs (HMRC) currently processes around 55 million customs declarations on imports and exports each year. Once the UK leaves the EU, the number of decisions needing to be made about permitting people or goods to cross the border could increase by 230% and 360% respectively, depending on the outcome of negotiations.

Border Force, part of the Home Office, is the main government organisation working at the border. It is responsible for securing the border and managing the flow of people and goods. A large number of other government organisations, however, have important border policy or operational responsibilities. These include HMRC, which is responsible for collecting tax, duties and excise, and processing customs declarations, and the Department for the Environment, Food and Rural Affairs (Defra) which has responsibilities for controlling the import of animals, plants and products of animal or plant origin. The Government has created a Border Planning Group (the Group) to oversee departments’ efforts to implement new border arrangements in the run-up to the UK’s exit from the EU.

Based on a report by the National Audit Office, the Committee took evidence, on 20 November 2017, from HM Revenue and Customs and the Home Office. The Committee published its report on 8 December 2017. This is the Government response to the Committee's report.

NAO and PAC Reports

- NAO report: The UK border – Session 2017-19 (HC 513)
- PAC report: Brexit and the UK border - Session 2017-19 (HC 558)

Government responses to the Committee

1: PAC conclusion: The Border Planning Group’s assumption that the risks to border activity will remain unchanged immediately post-Brexit is a risky approach.

1: PAC recommendation: By March 2018 the Border Planning Group should provide evidence to us that its assumptions on border risks are realistic, take account of the possibility that stakeholders might change their behaviours, and are regularly reviewed.

1.1 The Government agrees with the Committee’s recommendation.

Target implementation date: March 2018.

1.2 The Border Planning Group has, with Departments, already closely reviewed all activity (in relation to goods, freight, people, controls and checks on these) at the border and has considered for each activity the implication of EU exit on those activities. The activities themselves do not necessarily immediately change as a result of leaving the EU. The same goods, people and freight will cross the border, and security risks associated with those movements will not be materially different. Security controls already apply at ports of entry.
1.3 There are risks associated with the potential need for controls and checks. The Border Planning Group has reviewed all border locations (ports, airports and the Channel Tunnel) to understand the implications at these locations of controls and checks; and concluded that there are a number of locations, especially ‘Roll On - Roll Off’ ports (for example, Dover), where significant extra controls and checks would be difficult to accommodate without affecting the flow of traffic and people. Therefore, the Government is taking a pragmatic approach to border controls to ensure the flow of traffic at the border, and to implement controls and checks as they can be accommodated.

2: PAC conclusion: Departments’ current planning for the post-Brexit border relies too much on there being a negotiated transitional period.

2: PAC recommendation: The Border Planning Group must accelerate the detailed planning for managing the border in the event of a no-deal scenario and report back to the Committee by June 2018.

2.1 The Government agrees with the Committee’s recommendation.

Target implementation date: June 2018.

2.2 The Government has been clear that its policy is to seek transitional arrangements in the negotiations, and the Government has been equally clear that Departments must be ready for “no deal” even though it does not expect this. The Border Planning Group and all Departments with policy or operational responsibility for border activity have been actively planning for “no deal”. Departments have prioritised “no deal” scenario planning because it would require significant changes and the most planning, and would be needed for March 2019. Departments have a clear understanding of a “no deal” scenario and have plans for every commodity and activity, which needs to cross the border under this scenario.

3: PAC conclusion: In the lead up to Brexit, the Committee is not convinced that Government Departments have put in place the necessary clear leadership and accountability for effective border management, or are showing enough urgency.

3a: PAC recommendation: By March 2018 the Border Planning Group should report back to the Committee with a summary of the activities it is carrying out, the programmes it is overseeing and the risks it is managing. The Committee also expects someone to be put in charge and accept lead responsibility for co-ordinating the work of the Group.

3.1 The Government agrees with the Committee’s recommendation.

Target implementation date: March 2018.

3.2 The Border Planning Group has established arrangements for coordinating work, not only with Government Departments, agencies and their arm’s length bodies, but also with local authorities and all the non-governmental organisations responsible for managing or enabling the border (port and airport operators, carriers, agents and others). Plans and implications are being developed on a location by location, port by port basis, so these can be assessed and monitored.

3.3 Two Permanent Secretaries have been appointed to lead the work of the Border Planning Group, which focusses on co-ordinating the operational aspects of Departmental plans for dealing with border impacts of EU exit, with Department for Exiting the European Union (DEXEU) co-ordinating policy to inform negotiations. The Government is keeping under review how roles could be clarified.

4: PAC conclusion: The Committee is concerned that HM Treasury’s usual business model is inadequate for allocating Brexit funding to Departments who are forced to operate together, at pace, to a hard deadline.
4: PAC recommendation: HM Treasury should review its business model to ensure that it makes timely decisions about releasing money to departments so as to facilitate their preparations for Brexit.

4.1 The Government agrees with the Committee’s recommendation.

Recommendation implemented.

4.2 The Department has been working closely with all Departments including the DEXEU to understand where additional funding is required and where resources can be prioritised to focus on Brexit. The Department has invested almost £700 million additional funding to support Brexit preparations. 2017-18 funding totalled over £250 million and has now been fully allocated. The NAO reported that the 2017-18 process “has allowed Treasury to: review the requests from Departments in light of progress in negotiations; ensure that spending does not occur before the point of need; and ensure that plans can be adapted to address multiple scenarios where possible.”

4.3 At Autumn Budget 2017 the Chancellor set aside a further £3 billion over the next two years for preparations for a range of Exit scenarios, including “no deal”. The Department is working with the DEXEU and the rest of Whitehall to refine estimates of 2018-19 Departmental requirements. Whilst 2017-18 allocations were agreed over the year, as requirements dictated, the Department aims to allocate 2018-19 funding ahead of the financial year starting. Departmental allocations for 2019-20 will be agreed at a later date, as requirements will be affected by progress in negotiations with the EU.

4.4 This funding may (as usual) be conditional on a business case. The Department, Cabinet Office and Departments will jointly identify the spending issues requiring central approval and there will be a streamlined Treasury and Cabinet Office approval process.

4.5 The Department and the Group are working closely together, including establishing “no deal” border policy assumptions across Whitehall and reviewing funding requests, ahead of the Department making funding allocations.

5: PAC conclusion: Government Departments’ poor track record of delivering critical border programmes, such as e-borders, leaves the Committee sceptical that they are up to the challenges of planning for the border post-Brexit, including having enough people to manage it.

5: PAC recommendation: The readiness of the border to deal with the UK leaving the EU is a vital issue and we will monitor progress closely. The Committee expects all Departments to be in a position to provide updates on progress at future evidence sessions.

5.1 The Government agrees with the Committee’s recommendation.

Recommendation implemented.

5.2 The Government agrees that readiness of the border is a vital issue. Departments will be ready to update the Committee at future sessions.

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4 Implementing the UK’s exit from the European Union: The Department for Exiting the European Union and the centre of Government
Introduction from the Committee

There were 84,674 adults in prison in England and Wales in 2016–17, between 10% and 90% of whom are thought to have mental health issues. Rates of self-inflicted deaths and self-harm in prisons have risen significantly in the last five years, suggesting that mental health and overall well-being in prison has declined. There were 120 self-inflicted deaths in prison in 2016 and 40,161 incidents of self-harm, the highest on record. Prisoners with mental health issues face huge challenges in our prison system which witnesses told us that the current prison environment is often ill equipped to deal with.

HM Prison and Probation Service (HMPPS) is responsible for the management and operation of prisons in England and Wales and ensuring that the prison environment is safe, secure and decent. The Ministry of Justice is responsible for prison policy and commissioning services in prisons. NHS England is responsible for healthcare in prisons, both for physical and mental health. In 2016–17, NHS England spent an estimated £400 million providing healthcare in adult prisons in England, of which it estimates £150 million was spent on mental health services and substance misuse services, although it could not provide an exact figure.

Based on a report by the NAO, the Committee took evidence, on 23 October 2017, from the Ministry of Justice, HM Prison and Probation Service, and NHS England. The Committee published its report on 13 December 2017. This is the Government response to the Committee’s report.

NAO and PAC Reports

- NAO report: Mental health in prisons – Session 2017-19 (HC 42)
- PAC report: Mental health in prisons – Session 2017-19 (HC 400)

Government responses to the Committee

1.1 The Government disagrees with the Committee's recommendation.

1.2 NHS England commissions healthcare services from providers to conform to the quality requirements set out in the relevant Service Specifications. The new Service Specification for Mental Health will be used to commission services from April 2018. The service specification does not call for a particular level of staffing, rather the providers are expected to recruit and manage staffing levels themselves to deliver the services and meet the quality expectations of commissioners. Providers have delays in obtaining the necessary security clearance checks to get these staff working in prisons. Security clearance checks are provided through other government departments and a third-party HR service provider (Shared Services Connected Ltd) on behalf of the Ministry of Justice (MOJ) and HMPPS.

1.3 MOJ is tackling recruitment process waiting times with immediate fixes, such as a HM Revenues and Customs (HMRC) check that enables faster employer referencing, reducing the reliance on references from previous employers. In December 2017, the Department automated the clearance process for roles which require BPSS Disclosure Scotland, DBS Standard and DBS Enhanced Checks. The Department is also focussing on longer-term improvements to IT systems and processes to make them more efficient, whilst continuing to provide the appropriate vetting assurance.
1.4. Data samples for the new fully electronic process for employee background checks show significant reduction in clearances being completed:

- BPSS Disclosure Scotland Check - 3 working days (previously up to 25 working days)
- DBS Standard Check – 7 working days (previously up to 25 working days)
- DBS Enhanced Check – 9 working days (previously up to 25 working days).

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1b: PAC recommendation: *HM Prison and Probation Service should by the end of March 2018, reduce the time taken to recruit new prison officers and get them working in prisons.*

1.5 The Government agrees with the Committee’s recommendation.

**Target implementation date:** Summer 2018.

1.6 An independent Occupational Psychologist was commissioned by the Department to carry out a review of the recruitment process. The review identified several ways to improve aspects of the Prison Officer Recruitment process, including reducing the overall time-to-hire. The review’s recommendations have been agreed in principle and a central project team is assessing and implementing these. The Department has also been working closely with both internal and external stakeholders, with additional resource being made available to Shared Services Connected Limited (SSCL), the third-party supplier responsible for transactional HR and Payroll and Procurement services, to reduce the average time-to-hire.

1.7 Whilst this review has been underway, HM Prison and Probation Service’s Prison Officer Recruitment Programme has acted to improve time-to-hire:

- pre-employment checks have moved online through Disclosure Barring Services and Disclosure Scotland solution Disclosure;
- Prison Officer applicants are given time limits to submit responses at each stage of recruitment. If three deadlines are missed, the application is terminated to ensure resources are focussed on progressing genuine applications;
- Additional Service Level Agreements (SLAs) agreed between MOJ / HMPPS and SSCL have been introduced to ensure the progress of submitted applications; and
- Specialist recruitment campaigns have been introduced to alleviate vacancies in the hardest to fill sites.

1.8 Progress continues to be made in reducing the time taken for pre-employment checks, which remains a bottleneck in the recruitment process. To get prison officers into post more quickly, the Department is, where possible, permitting new starters to begin work in a prison whilst continuing to conduct higher level checks, subject to operational agreement and baseline checks being completed.

1.9 The Department will continue to improve the time-to-hire across the workforce and will update the Committee in Summer 2018.

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1c: PAC recommendation: *HM Prison and Probation Service should, by the end of January 2018, write to the Committee with details of the number and proportion of prison officers who have participated in the new mental health training.*

1.10 The Government agrees with the Committee’s recommendation.

**Recommendation implemented.**

1.11 All prison staff including key workers will receive the mental health awareness training that is being rolled out as part of the revised Suicide and Self-Harm Prevention (SASH) training course. Since May 2017, over 11,000 staff have been trained in at least one of the modules of this training. The Department will write separately to the Committee with updated training figures. The mental health
awareness module aims to inform staff of the most prevalent mental health issues in prison, including how a prisoner’s mental health might affect how they present themselves and how an officer might interact positively with prisoners presenting with mental health needs.

1.12 The Department is currently undertaking a needs analysis on mental health training requirements. This is with a view to revising the awareness package (included in the SASH training) and rolling out a new ‘enhanced mental health’ training package to members of staff who have more specialised roles. The revised mental health awareness package will include all the information staff will need to identify an individual with mental health issues, refer them for medical assessment and support them in their everyday interactions. The enhanced package will build on this knowledge providing more in-depth information around specific mental health conditions and how to manage risk in these individuals. The Department is reviewing the findings of the ongoing needs analysis to determine the next steps, including timings and the identification of resource to take this work forward.

1d: PAC recommendation: HM Prison and Probation Service should, by the end of January 2018, write to the Committee with details of the number and proportion of prison officers who have participated in the new mental health training.

1.13 The Government agrees with the Committee’s recommendation.

Target implementation date: July 2018.

1.14 As part of the Prison Safety and Reform White Paper published in November 2016, the Government committed to an increase of 2,500 prison officers by the end of 2018. The increase in staff will ensure that all male prisoners across the closed estate will have access to a key worker. These key workers will build constructive relationships with prisoners, reduce levels of frustration and, ultimately, reduce levels of violence. The impact of the keyworker model across the open estate is currently being considered.

1.15 Between the end of October 2016 (the closest data point in time to when the commitment was made) and the end of September 2017, the number of Band 3 to 5 prison officers (FTE) has risen from 17,955 to 19,210, a net increase of 1255 FTE officers. At the end of September 2017, there were also 1211 candidates who had received a job offer and been booked onto future Prison Officer Entry Level Training (POELT).

1.16 The September 2017 leaving rate for Band 3-5 Prison Officers was 9.6%. This is a decrease of 0.1 percentage points compared to the year ending 31 March 2017. The overall leaving rate across HMPPS over the last year stood at 8.5%, a 0.2 percentage point fall compared to the year ending 31 March 2017.

1.17 The Government is on track to deliver the increase of 2500 officers by December 2018 by continued deployment and development of attraction and marketing techniques, utilising a variety of communication channels including social media, programmatic and radio advertising. This is supplemented by local recruitment attraction plans and a recruitment and retention strategy for operational staff.

1.18 The Government will write to the Committee with updated recruitment, deployment and resignation figures by July 2018.

2: PAC conclusion: The failure to establish effective screening procedures means the Ministry of Justice, HM Prison and Probation Service and NHS England do not know the full extent of the number of prisoners with mental health issues.

2: PAC recommendation: HM Prison and Probation Service, the Ministry of Justice and NHS England should, by the end of March 2018, write to the Committee to explain how they will improve their screening processes and use the resulting data to make sure they have a complete understanding of the number of prisoners with mental health issues and the treatment they need.
2.1 The Government agrees with the Committee’s recommendation.

**Target implementation date:** March 2018.

2.2 The Government will write to the Committee by March 2018 to provide an update on how it will improve health and justice screening processes to improve its understanding of mental health need in prisons.

2.3 The Basic Custody Screening Tool is an initial questionnaire conducted by the offender management unit within 72 hours of entry into prison. It is a tool used for sentence and resettlement planning primarily, however, but it can identify prisoners suitable for referral to mental health services, including those at risk of self-harm and suicide (SASH). This questionnaire is completed by prison staff and is not a clinical diagnostic tool for mental health and substance misuse issues. Therefore, all prisoners receive a full health screening upon reception, conducted by a healthcare professional.

2.4 To improve the screening process, NHS England is rolling out new healthcare screening templates for first night reception screening and for the full healthcare screen that is required within one week of reception into prison.

2.5 The templates have been designed to match the current NICE guidance on healthcare screening, and will be in live operation across all prison healthcare services by March 2018. As part of the roll out, staff at all sites will receive training and are supported by a regional project manager. The screening is designed to identify mental and physical health needs, and everyone entering the prison estate will be screened. Where mental health needs are identified, referrals will be made to the mental health services in prisons. The new templates will ensure that screening data is entered into the clinical ICT system in a consistent way across England. In the future, this will provide an understanding of mental health prevalence, at a national and regional level, to inform strategic planning and policy development. It will also allow local and regional commissioners to more closely monitor the healthcare needs of the prison population, together with the performance of providers.

3: **PAC conclusion:** Increased availability of drugs in prisons has contributed to the increase in mental health issues of prisoners.

3: **PAC recommendation:** HM Prison and Probation Service and NHS England should review their detection and treatment programmes to ensure that they reflect the current behaviours and needs of prisoners.

3.1 The Government agrees with the Committee’s recommendation.

**Target implementation date:** Autumn 2018.

3.2 The Government agrees that the level of drugs in our prisons is too high and is determined to build on the significant steps already taken to deliver a holistic approach to tackle the supply and use of these drugs across our estate. HMPPS has already improved its search capabilities through investment in search dogs, body searches and metal-detecting scanners in every prison.

3.3 Over £2 million of additional resource will be invested in national and regional search capability to provide dedicated search teams in prisons across England and Wales, over the course of the year. This will significantly enhance HMPPS’ capability to tackle those behind the supply of illicit drugs. The Department is also reviewing its drug testing procedures to help better understand drug use trends in prison and inform drug offender management policies.

3.4 NHS England is developing a new service specification which instructs the commissioning of quality substance misuse services. This is currently under consultation and will come into effect from 1 April 2018.

3.5 The new specification will address issues resulting from the rise in the use of Psychoactive Substances (PS) and the resulting problematic behaviour. The new specification covers health needs assessments for substance misuse services and is refreshed annually, giving local commissioners the opportunity to vary services according to the need of each prisoner cohort.
3.6 The substance misuse specification is closely aligned with NHS England’s recently revised mental health service specification (which will also be in use from 1 April 2018). Together, these specifications will ensure that prison-based mental health and substance misuse healthcare services are commissioned to operate a ‘no wrong door’ policy, enabling individuals presenting with co-morbid or co-existing mental health and substance misuse problems to have their needs rapidly and holistically met through joined-up services.

4: PAC conclusion: Poor co-ordination and a lack of sharing information means that prisoners are not receiving continuity of treatment as they move between prison and the community.

4a: PAC recommendation: NHS England should, by the end of March 2018, evaluate the effectiveness of the link between NHS records in the community and in prison.

4.1 The Government agrees with the Committee’s recommendation.

Recommendation implemented.

4.2 NHS England have evaluated the link between NHS records in the community and in prison. This evaluation found that data-sharing between community and prisons is often not effective as it relies on a number of manual processes. On reception, healthcare services often ask community GP services to fax clinical records. On release from prison, patients are given a printed summary of their clinical record, which may not always find its way to a healthcare professional, for example if there is a delay in registering with a GP in the community.

4.3 In response to this, NHS England has already committed to improve the way that NHS records are linked to enhance data-sharing and progress is underway. The Health and Justice Information Service (HJIS) programme, which was initiated in November 2017, will improve the link between prisons and community by introducing a system of sharing clinical records between community and prison on reception, and from prison back to the community on release. This functionality will go live in a phased rollout from May 2019.

4b: PAC recommendation: NHS England should, by the end of March 2018, establish and disseminate information sharing protocols between prison, healthcare and probation staff so that all parties are fully informed about the services and support that prisoners will require on their release.

4.4 The Government agrees with the Committee’s recommendation.

Target implementation date: March 2018.

4.5 Dissemination of information sharing protocols is a local requirement and the joint responsibility of NHS England with HMPPS, via the National Prison Health Partnership Board (NPHPB) and the National Partnership Agreement (NPA), to deliver. The Information Sharing Agreements (ISAs) should be agreed at an establishment level between the relevant local commissioners and service providers. The local Prison Health Partnership Board is the forum where the ISA is agreed and monitored.

4.6 NHS England, through the NPHPB and jointly with HMPPS via the NPA will have a responsibility to ensure that all establishments have an ISA in place and that all staff are aware and comply with the requirements set out. Together, NHS England and HMPPS will undertake an audit of all prisons in England to identify which establishments have a current ISA in place, the date it was signed and date it was last reviewed. This will highlight which establishments require an ISA to be agreed and implemented and was completed in January 2018.

4.7 A standardised ISA template will also be developed and agreed, which reflects the imminent changes to the General Data Protection Regulations (GDPR).

4.8 This will be completed by 31 March 2018 and instructions will be issued to each establishment where an ISA is outstanding, or out of date, to confirm, via the Local Prison Health Partnership Board,
that they have an agreed and implemented, or are in the process of reviewing, an ISA that complies with current legislation and the imminent GDPR requirements.

5: PAC conclusion: It is a disgrace that too many prisoners wait far too long to be transferred to hospital or secure units.

5: PAC recommendation: HM Prison and Probation Service and NHS England should, by the end of January 2018, publish quarterly data on the number of prisoners transferred to hospital or secure units, how many prisoners are waiting at the time of publication, and how long both groups have waited.

5.1 The Government agrees with the Committee’s recommendation.

Target implementation date: Autumn 2020.

5.2 HMPPS and NHS England are unable to publish quarterly data by the end of January 2018 as there is currently no reporting system in place at a national level to collect all the data requested. HMPPS and NHS England propose an annual publication of national level data on secure transfer waits both to and from hospitals or secure units, which will require a new reporting system to be created.

5.3 NHS England’s 10 Point Plan for Transfer and Remission to and from Mental Health Hospitals outlines the steps towards publication of accurate data. This includes a review of service specifications for both prison mental health services and secure hospitals. These specifications will be implemented and commissioned against by April 2018, setting out the timescales against which commissioned services must be delivered.

5.4 Alongside this, NHS England is reviewing the guidance for hospital transfers and remissions. Significant discussions have already taken place to identify new clinically informed timescales. Publication of updated guidance to reflect these timescales will be drafted by April 2018. NHS England will begin a programme of training and implementation to ensure delivery against these timescales in 2018-19.

5.5 Currently a closed system is used to record clinical data. The Health and Justice Information Service system (HJIS), being rolled out from 2018-2020, will have the ability to share information with community healthcare services; this is integral to the collection of the relevant data that is quality assured and robust.

5.6 To permit the annual publication of national level data on secure transfer waits from August 2020, NHS England plans to introduce central reporting. The HJIS will record from the first point of referral in prison until the patient is transferred to a Mental Health hospital bed. It is essential to have new clinically informed timescales in place before this reporting commences. It is anticipated that data collection will begin in 2019. Annual publication will be possible once data has been collected and quality assured.

5.7 HMPPS and NHS England have committed to a benchmarking audit on an annual basis which will give the Government a snapshot at a point in time. This will take place in October each year, with headline data for the most recent audit available in April 2018.

6: PAC conclusion: NHS England’s oversight of its contracts to provide mental health services has been weak.

6: PAC recommendation: NHS England should write to the Committee by the end of January 2018 to confirm what actions it will take to ensure that it is getting value for money and that taxpayers’ money is not being wasted by paying for services that are not delivered or are well below the standards expected.

6.1 The Government agrees with the Committee’s recommendation.

Recommendation implemented.
6.2 In NHS England’s follow-up letter to the Committee, it set out the actions it was taking to ensure that it is getting value for money for the services it contracts for.

6.3 NHS England contracts outline a series of steps that must be taken where non-delivery of services occurs – this entails issuing remedial and then breach notices and the provider delivering against an agreed action plan. It is only after these avenues have been exhausted that the option for financial penalty can be invoked. However, this is dependent on the specific element of service in question being costed and clearly identified in the contract to enable financial claw back – this is legitimately not detailed in all large multimillion pound prime provider contracts.

6.4 It should be noted that healthcare providers often deliver services over and above what they are technically contracted for – for example: the recent rise in NPS incidents and the significant number of resulting “codes” diverts healthcare staff away from routine activities to attending emergencies.

6.5 Non-delivery of healthcare can occur and can be attributed to a number of factors - some down to the provider and others outside of their control. These include reasons to do with the prison regime, such as lockdowns, lack of prison officers to escort patients, or the lack of suitable accommodation within which healthcare can be delivered. Commissioners have to display a degree of flexibility in the context of a highly-restricted environment. If a provider struggles with a key clinical vacancy for a few months, but flexes other services to provide cover then NHS commissioners would not usually seek to use contracting levers but would work with the prison and provider to ensure continuity of care, and only use contractual measures as a last resort.
Introduction from the Committee

Tram-trains are vehicles that can operate across both street tramways and the national rail network. The Department for Transport identified that tram-trains offer the potential to reduce the cost of transport services and create growth by improving access to city centres. In 2009, it announced a pilot project between Sheffield and Rotherham to test the new technology and assess the potential to extend it to other cities. Network Rail is responsible for modifying the national rail sections of the route, while other organisations are responsible for modifying the tram network and purchasing the tram-train vehicles. The Department has provided the bulk of the funding for Network Rail’s work and for the project as a whole.

The original budget for Network Rail’s work was £15 million, which was expected to be completed by the end of 2015. However, Network Rail identified significant cost increases and delays in November 2014 and July 2016. On the first occasion, the Department’s Permanent Secretary allowed the project to proceed and agreed to fund the revised cost of £48.6 million. On the second occasion, the Rail Minister approved the project to continue despite the Permanent Secretary’s recommendation to cancel, but asked Network Rail to meet the funding shortfall. Network Rail now expects the project to cost £75.1 million and to complete its works in May 2018. We pay credit to Clive Betts MP for pursuing this issue and alerting the National Audit Office to his concerns.

Based on a report by the National Audit Office, the Committee took evidence, on 30 October 2017, from the Department for Transport and Network Rail. The Committee published its report on 15 December 2017. This is the Government response to the Committee’s report.

NAO and PAC Reports

- NAO report: The Sheffield to Rotherham tram-train project: investigation into the modification of the national rail network - Session 2017-19 (HC 238)
- PAC report: Sheffield to Rotherham tram-trains – Session 2017-19 (HC 453)

Government responses to the Committee

1. The Government agrees with the Committee’s recommendations.

1.1 The Government agrees with the Committee’s recommendations.

Target implementation date: March 2018.

1.2 The Department is working with Network Rail to improve cost estimates and manage financial risk and uncertainty. New processes will be implemented as part of the post-Bowe review and through an amendment to the Framework Agreement between the Department and Network Rail.

1.3 Network Rail are working to improve the reliability of its cost estimates and are establishing a way of quantifying the risk and uncertainty surrounding them as part of its Enhancement Improvement Programme (EIP). The EIP is a key part of Network Rail’s response to the series of challenges,
unforeseen cost increases and delays in the development and delivery of its major projects that it has faced in CP5.

1.4 A comprehensive programme is being developed to improve the capacity and capability of Network Rail’s in-house estimating team through strengthened estimators, integrated IT platforms and new controls and governance around the assurance and signoff of estimates. Network Rail are also developing a standard method of estimating and quantifying uncertainty that is based on the actual cost of comparable projects in the past relative to their original estimates.

1.5 Network Rail has also strengthened how research and development work is managed. Now all projects introducing novel technology are also subject to a formal technology readiness process in addition to our standard project governance process.

1.6 Following the Bowe review and learning the lessons from the tram train project, Network Rail changed its process so a formal final investment decision only takes place after adequate scope and specification challenge has taken place and the design and scope have been developed to a level that will allow costs estimates to be given with appropriate levels of confidence.

1.7 Network Rail have also introduced more formality, rigour and transparency around the gateway process that governs how projects progress through their different stages. As a result of this approach, mature well defined Network Rail projects see an average change in cost between estimate and completion of just 2.7%.

2.1 The Government agrees with the Committee’s recommendation.

Recommendation implemented.

2.2 Within Rail Group, Benefits Management and Evaluation planning is undertaken as a single exercise across projects. For some schemes, Benefits Management alone will provide sufficient evidence of scheme impacts, whereas for others Benefits Management and Evaluation will be required.

2.3 Since August 2016, the updated Rail Group Benefits Management and Evaluation Framework has been in place which sets out guidance on Benefits Management and Evaluation requirements for individual schemes, and outlines the key activities to be undertaken at each stage of the project lifecycle and an overview of roles and responsibilities. This sets out a clear expectation that projects should have a finalised Benefits Management and Evaluation plan that is robust and proportionate to the scheme, by the Full Business Case stage of approvals. Rail Group have dedicated Benefits Management and Evaluation resource who provide support and guidance to projects throughout the lifecycle, to ensure that appropriate plans and resources are in place and to continue to build capability in this area.

2.4 The Department reconsiders the Business Case throughout its development to support decision-making across the life of a project. Significant delays and cost increases are likely to result in a reassessment of the value for money of a scheme, as could other changes to the project design. Projects also often undertake a lesson learned exercise to improve the Departments appraisal techniques for future schemes.

3: PAC conclusion: The Department and Network Rail do not know how much taxpayers’ money has been wasted on future-proofing for an electrification project that has now been cancelled.
3.1 The Government agrees with the Committee’s recommendation.

Recommendation implemented.

3.2 Within the overall project costs relating to the 25kv future proofing of the overhead line electrification system, Network Rail has reviewed the incremental costs incurred to provide the 25kV ac capability which will not be used in the operation of the 750V dc overhead lines. This review identified direct costs of £8.5 million relating to design, components, and works wholly associated with 25kv capability.

<table>
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<th>Tram Train: 25kv passive Traction capability (cost premium analysis)</th>
<th>SICAT DC Contact System</th>
<th>Series 2 Master Series OLEM</th>
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<td>Extra anchor portal structures, ickle and greasborough</td>
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3.3 Network Rail has also considered the wider cost impact of this change in output requirement during the project’s design stage and the degree of additional complexity it created, such as applying different technical standards. It is not possible to clearly isolate these costs however the opinion of Network Rail’s Delivery Director is that created an additional premium of approximately £9 million. This brings the total additional cost to within a range of £17.5 million.

4: PAC conclusion: The Department and Network Rail have not evaluated how the lessons learned during this pilot project could reduce the costs of future tram-train schemes.

4a: PAC recommendation: The Department and Network Rail should, by the end of March 2018, write to the Committee with their assessment of the potential cost savings to future projects and what they calculate is an efficient price of building a tram-train system.

4.1 The Government agrees with the Committee’s recommendation.

Target implementation date: September 2018.

4.2 The Department proposes an alternative approach and timescale, where an independent assessment of Network Rail’s costs and root causes of cost increases be commissioned to take place
upon the completion of their scope of works. This is expected to be in summer 2018, with a view to publish a report by the end of September 2018.

4b: PAC recommendation: *The Department should publish its formal evaluations of the project, including a full assessment of the project as a whole, not just the Network Rail elements.*

4.3 The Government agrees with the Committee’s recommendation.

**Target implementation date:** September 2020.

4.4 The Department will aim to publish its evaluations of the project including a full assessment of the project as a whole by September 2020.
Introduction from the Committee

High Speed 2 Limited (HS2 Ltd) is a government-owned company which was established in 2009 to manage and deliver the £55.7 billion High Speed 2 rail link between London, Manchester and Leeds, via Birmingham. In 2016, HS2 Ltd’s management decided to relocate staff from its London office to Birmingham, and chose to run a redundancy scheme for staff who would no longer be needed or who were unwilling to move. Despite David Prout, the then-Director General High Speed 2 Group within the Department for Transport, telling Simon Kirby, the then-Chief Executive, in April 2016 that it was only allowed to offer statutory redundancy terms, HS2 Ltd offered staff enhanced redundancy terms. HS2 Ltd committed to paying a total of £2.76 million in redundancy payments to 94 individuals. In comparison, statutory redundancy terms would have resulted in payments to the same individuals worth a total of only £1 million.

The Comptroller and Auditor General issued a qualified audit opinion on the company’s accounts in July 2017 as £1.76 million of the redundancy payments were unauthorised. Both the Comptroller and Auditor General and the Government Internal Audit Service found a number of significant weaknesses in HS2 Ltd’s controls, which create risks of fraud and error.

Based on a report by the National Audit Office, the Committee took evidence, on 30 October 2017 from the Department for Transport and HS2 Ltd. The Committee published its report on 15 December 2017. This is the Government response to the Committee’s report.

NAO and PAC Reports


Government responses to the Committee

1: PAC conclusion: It is unacceptable that High Speed 2 Limited (HS2 Ltd) ran compulsory and voluntary redundancy schemes which were not authorised and resulted in an irrecoverable loss of £1.76m of taxpayers’ money.

1a: PAC recommendation: HS2 Ltd should, by the end of January 2018, write to the Committee outlining how it will ensure that all staff recognise that they are dealing with taxpayers’ money and that they are required to comply with the specific rules and regulations governing its use.

1.1 The Government agrees with the Committee’s recommendation.

Recommendation implemented.

1.2 HS2 Ltd has written to the Committee to outline the steps it has taken to ensure staff understand their responsibilities under the Framework Agreement and Managing Public Money (MPM) guidance.

1.3 A mandatory re-induction programme, covering a range of topics including MPM, the Development Agreement and Framework Document has been designed and is being rolled out for all staff at HS2 Ltd in January 2018 and continues throughout February 2018. All HS2 Ltd HR staff have been trained on HS2 Ltd’s new governance framework and MPM and have attended a training session specifically on MPM, delivered by the Department’s Finance Business Partner in November 2017. All new hires will also go through this training.
1.4 The Company is continuing to work on the recommendations from the NAO to improve its control environment, including reviewing and updating HR processes and approvals protocols. HS2 Ltd is also agreeing communications protocols with the Department to ensure that all formal approvals required from the Government are sought and received in writing.

2: PAC conclusion: The Committee is concerned that there appears to be a culture within HS2 Ltd of failing to provide full and accurate information to those responsible for holding it to account.

2: PAC recommendation: HS2 Ltd should ensure that all organisations overseeing the work of the company receive full and accurate information, and that proposals or requests to operate outside of the agreed framework document are reported to both the HS2 board and the Department. The Department must ensure that such notifications are fully considered, challenged and a formal response made to the HS2 board. Both organisations should ensure that appropriate sanctions are put in place for any failure to share full and accurate information.

Where a departure has been requested from the normal governance rules by HS2 Ltd, a wholly-owned subsidiary of the Department, the Chief Executive, as Accounting Officer for HS2 Ltd, should confirm in writing that the departure complies with the responsibility for safeguarding public funds, as set out in Managing Public Money.

The Chief Executive must report this to the relevant board committee and must at the same time report it to the main board as an authorised departure from normal governance rules, otherwise no departure may be made under any circumstances.

The former Chief Executive of HS2 Ltd, Simon Kirby, had been specifically instructed by the Department that enhanced redundancy terms were not acceptable but apparently chose not to communicate this to anyone else within the company. Even though the former Chief Executive no longer has a contractual relationship with either the company or Department, they both should carefully consider whether any further action can now be taken against that individual.

2.1 The Government agrees with the Committee’s recommendation.

Recommendation implemented.

2.2 A revision of the Framework Document will be published in February 2018. This revised version is clearer on the responsibilities of both HS2 Ltd and the Department.

2.3 HS2 Ltd has embedded a new governance regime and all staff have undergone mandatory training. Good progress is being made on drafting a suite of communications protocols and reviewing and updating those that already exist. An improved Framework Document, providing greater clarity on the control framework between the Department and HS2 Ltd will be rolled out as part of an awareness programme for staff involved in shareholder functions, wider programme delivery and expert support functions in the Department.

2.4 Separately, a Remuneration Framework has been developed to include updated HR controls - this will stipulate the control framework around HS2 Ltd remuneration activities and relevant approvals, and the process for initiating any potential departure from existing Framework Document controls. Additionally, HS2 Ltd has now instituted a "two key" approach for financial decisions which will be applied, at the appropriate level, to financial matters within the HR function and across the Company.

2.5 The Department has taken legal advice and set out its position in relation to further action against Simon Kirby in a letter to the Committee in November 2017.
3: PAC conclusion: *Despite running an infrastructure scheme worth £55 billion of taxpayers’ money, HS2 Ltd does not have in place the basic controls needed to protect public money.*

3: PAC recommendation: *HS2 Ltd should return to the Committee within 12 months to explain how it has addressed all the concerns relating to its financial controls raised by the Committee and the National Audit Office.*

3.1 The Government agrees with the Committee’s recommendation.

Recommendation implemented.

3.2 HS2 Ltd will return to the Committee, as requested, within 12 months to explain how it has addressed the concerns relating to its financial controls.

4: PAC conclusion: *HS2 Ltd and the Department still do not appear to understand the risks to the successful delivery of the programme, which is currently forecast to exceed the funding available by £1.8 billion.*

4: PAC recommendation: *HS2 Ltd and the Department should, before the end of January 2018, write to the Committee to explain how they are ensuring that they have a clear shared understanding of, and approach to addressing, the key risks to successful delivery.*

4.1 The Government agrees with the Committee’s recommendation.

Recommendation implemented.

4.2 On 29 January 2018, HS2 Ltd and the Department passed a letter to the Committee to explain how they approach risk and ensure shared understanding.
Homeless households

Introduction from the Committee

In June 2017, there were 78,180 households in England who had lost their homes and were placed in temporary accommodation by their local authorities. The number of these households has risen by 63% since the end of 2010. An unknown number of other homeless people are hidden in the overcrowded homes of friends or family, or are moving between hostels and the street. People become homeless for a number of reasons; the most common of these is the end of a private tenancy. Anyone can become homeless, but the risk is greatest for those on a limited income who live in expensive areas.

The Department is responsible for leading the government’s efforts to reduce homelessness. It sets policy and distributes funding to local authorities, who spend in excess of £1.1billion each year dealing with this issue. The Department is embarking on a new approach with the Homelessness Reduction Act, which will come into force in April 2018, and will require local authorities to intervene earlier to prevent more people from becoming homeless.

Based on a report by the National Audit Office, the Committee took evidence on 27 November 2017, from the Department for Communities and Local Government (now the Ministry of Housing, Communities and Local Government) and the Department for Work and Pensions. The Committee published its report on 20 December 2017. This is the Government’s response to the Committee’s report.

NAO and PAC Reports

- NAO report: Homelessness - Session 2017-19 (HC 308)
- PAC report: Homeless households – Session 2017-19 (HC 462)

Government responses to the Committee

1: PAC conclusion: The Department for Communities and Local Government (the Department) has not shown enough urgency in addressing the growing crisis of homelessness.

1a: PAC recommendation: The Department should, by the end of June 2018, publish a cross-government strategy for reducing homelessness that sets out clear targets and specific actions for all stakeholders to reduce all measures of homelessness.

1.1 The Government agrees with the Committee’s recommendation.

Target implementation date: July 2018.

1.2 The Government has established a Rough Sleeping and Homelessness Reduction Taskforce, which will be chaired by the Housing Secretary and will bring together Ministers from key departments.

1.3 The Taskforce will look first at rough sleeping and produce a cross-government strategy to eliminate rough sleeping by 2027. The Department has established a Rough Sleeping Advisory Panel to support this work, and will produce a strategy document by July 2018 to ensure its recommendations have been informed by a robust process of engagement with relevant stakeholders. The strategy will also include specific actions for stakeholders and other Departments.
1.4 To allow changes to homelessness prevention to become embedded following implementation of the Homelessness Reduction Act in April 2018, the Taskforce will then seek to develop a broader strategy to ensure progress is made on wider issues relating to all forms of homelessness and homelessness prevention.

2: PAC conclusion: Government departments are not working together effectively enough to address the national problem of homelessness.

2a: PAC recommendation: The Department for Communities and Local Government and the Department for Work and Pensions should work together to ensure that clear progress is made against the targets and measures in the strategy.

2.1 The Government agrees with the Committee’s recommendation.

Target implementation date: December 2018.

2.2 The Department will work closely with the Department for Work and Pensions (DWP), and other Departments to ensure progress is made against any targets and measures in the strategies developed to reduce rough sleeping and homelessness. This will be underpinned by the Work and Pensions Secretary’s role as a member of the Rough Sleeping and Homelessness Reduction Taskforce and an official level working group, led by the Economic and Domestic Affairs Secretariat in the Cabinet Office.

2b: PAC recommendation: The Department for Communities and Local Government should, by the end of 2018, write to the Committee to explain what reductions have been made across all measures of homelessness.

2.3 The Government agrees with the Committee’s recommendation.

Target implementation date: December 2018.

2.4 The Department will write to the Committee in December 2018 setting out the statistics for the measures of homelessness it records, together with details of progress with the new system of collecting data on statutory homelessness (H-CLIC), and early indications of the impact of the Homelessness Reduction Act.

2.5 H-CLIC will move from aggregated to case-level data and broaden the scope of the data the Department currently collects. This will give the Department a much more detailed picture of what help people have received from local authorities and, whether it has helped to prevent their homelessness, and will allow the Department to evaluate the impact of the Homelessness Reduction Act. The Department expects the first set of experimental statistics to be published by December 2018.

2.6 The Department currently publishes quarterly aggregated statutory homelessness data from local authorities as national statistics and will continue to do so until June 2018. There will be no gap in reporting periods from the previous data collection system to the new system. The usual September aggregated data publication will be replaced by the new case level data and published by December 2018. The precise timing will be subject to the quality of data received from local authorities. These new statistics will be experimental statistics, until they undergo a formal assessment for national statistics badging by the UK Statistics Authority.

2.7 The Department will continue to publish its annual autumn rough sleeping official statistics, and estimates of concealed households via the English Housing Survey, as usual.

2c: PAC recommendation: The Department for Work and Pensions should, by the end of 2018, write to the Committee to set out what work it has undertaken to identify any elements of welfare reform that are having an impact on homelessness and what steps it has taken to mitigate them.
2.8 The Government agrees with the Committee’s recommendation.

**Target implementation date:** December 2018.

2.9 The Department and DWP are committed to working together to understand the impact of welfare reform on homelessness. The Department and DWP will jointly be commissioning a feasibility study into researching the wider causes of homelessness, including households’ experience of the welfare system as well as other factors such as housing affordability or relationship breakdown.

2.10 The first stage of this joint work is an external workshop on 20 February with leading experts to test our ideas and approach to inform the commission of external research into the causes of homelessness and rough sleeping.

2.11 The Department and DWP expect to complete a feasibility assessment for this work in December 2018, following consultation with data owners and other stakeholders, and will write to the Committee in December 2018 outlining the findings of the feasibility assessment and next steps.

### 3: PAC conclusion

**There is an unacceptable shortage of realistic housing options for households that are either homeless or are at immediate risk of homelessness.**

### 3: PAC recommendation

The Department should take steps to eliminate the use of non-decent temporary accommodation and to enable local authorities to replace this supply with local alternatives that offer better value for money.

3.1 The Government agrees with the Committee’s recommendation.

**Target implementation date:** December 2018.

3.2 The Department is committed to supporting local authorities to improve the quality of temporary accommodation and is already taking steps to do so. Under homelessness legislation, all accommodation provided by a local authority in the discharge of its powers and duties under part 7 of the Housing Act 1996 must be suitable for the household, with suitability defined in legislation and statutory guidance.

3.3 The Homelessness Code of Guidance, which provides detailed guidance to local authorities on their duties, sets out their responsibilities to take account of the relevant legislation on overcrowding; fitness for habitation; houses in multiple occupation; health and safety; fit and proper landlords; as well as affordability and location. Factors including employment, schooling and health requirements must be considered in relation to location. The Guidance is clear that wherever possible housing authorities should avoid using Bed and Breakfast accommodation for homeless applicants, unless, in the very limited circumstances where this is likely to be the case, it is the most appropriate option for the applicant. Households with dependent children should only be accommodated in a B&B as a last resort, and then for no longer than 6 weeks.

3.4 To support the implementation of the Homelessness Reduction Act, the Department has set up a team of advisors who will work directly with local authorities — the Homelessness Advice and Support Team (HAST). An initial priority for these advisors has been providing targeted support for local authorities who have families in Bed and Breakfast accommodation beyond the statutory limit of 6 weeks. This work is already underway, and has included targeted visits, as well as a workshop involving authorities who use Bed and Breakfast to share best practice and experiences from authorities who have successfully tackled the problem. The HAST’s work will continue for an initial period of two years.

3.5 Local authorities have the responsibility to understand their local needs and housing markets and make commissioning decisions based on their local knowledge. The Department’s role is to monitor, support and challenge local authorities by promoting the sharing of good practice, targeting those authorities that do not appear to be performing, and supporting the development of creative solutions that deliver value for money.
3.6 In April 2017, the Department introduced the Flexible Homelessness Support Grant, which gives local authorities more control and flexibility in managing homelessness pressures. Funding for 2017-18 and 2018-19 is a total of £402 million. Unlike the DWP Temporary Accommodation Management Fee, which was a reactive payment that could only be used for particular types of temporary accommodation, the new grant is upfront funding, which can be used flexibly as part of councils’ resourcing for their homelessness strategies including more cost-effective ways of sourcing temporary accommodation.

3.7 £25 million of this Grant has been retained for London, where the issue is most acute, to look at improving collaboration on temporary accommodation between boroughs to increase the quality of temporary accommodation in the Capital and deliver greater efficiency in procurement. In April 2017, the Department commissioned a joint study, with London Councils and the Greater London Authority, to consider options. The Department is currently considering the recommendations, which it expects to take forward this year. The Department will report back on progress to the Committee by December 2018.

4: PAC conclusion: The supply of genuinely affordable housing does not match the needs of families and vulnerable groups and has exacerbated the increase in homelessness.

4a: PAC recommendation: The Department should write to the Committee by the end of January 2018 to set out how it will ensure that the supply of new genuinely affordable housing will be matched to areas of housing need; and how it will monitor the impact that this has on driving down the number of households in temporary accommodation.

4.1 The Government disagrees with the Committee’s recommendation.

4.2 Affordable housing remains the Government’s priority. Since 2010, over 357,000 new affordable homes have been delivered, including over 257,000 affordable homes for rent. The number of affordable homes built last year increased by more than a quarter, with more than 41,500 affordable homes delivered. The Government is committed to increasing the supply of new affordable homes to address housing need – that is why it announced £2 billion further funding, including funding for social rent, for the Affordable Homes Programme 2016-21, bringing total funding to over £9 billion, and a £1 billion programme of additional Housing Revenue Account (HRA) borrowing from 2019-20 to 2021-22.

4.3 Both programmes will focus on areas with high affordability pressures, recognising that the housing market is not working for all parts of the community in these areas. These programmes will help housing associations and local authorities to build more homes for people in need, and help to address homelessness. The Department expects to invite bids for both programmes through an addendum to the Affordable Homes Programme guidance and a prospectus for the additional borrowing programme. This will also set out the bidding criteria. The Department will write to the Committee to set out their approach when agreed.

4.4 However, the distribution of temporary accommodation is very uneven with only 15 local authorities accounting for 50% of all temporary accommodation. Local authorities with similar affordability and homelessness pressure profiles have very different numbers in temporary accommodation.

4.5 The Government’s view is therefore that new supply should take account of all housing pressures, not only numbers in temporary accommodation. Otherwise there is a risk that local authorities that have managed their homelessness pressures more effectively, without leaving households in temporary accommodation for long periods of time, will be penalised.

4.6 The Government’s has committed to review the implementation of the Homelessness Reduction Act within two years. The Department’s continued publication of statistics on affordable housing delivery and households in temporary accommodation will be used to monitor changes over time and will feed into the review. The Government will consider trends in temporary accommodation as part of the wider homelessness strategy.

5: PAC conclusion: The Department lacks the proper understanding of those who are homeless and it needs to ensure that they are being helped effectively.
5a: PAC recommendation: The Department, supported by data from the Department for Work and Pensions, should ensure that its new homelessness data system helps it to estimate the wider costs of homelessness to public services.

5.1 The Government agrees with the Committee’s recommendation.

Target implementation date: December 2018.

5.2 In 2017, the Department started working with a number of local areas to measure public service usage among a sample of rough sleepers, focusing particularly on the use of health (including mental health) and substance abuse services. This research will also provide data on welfare benefits and costs of rough sleepers to the Criminal Justice System. The data collection begins in Spring 2018 and the Department expects findings to be available in the Autumn 2018.

5.3 The Department’s new data collection system, H-CLIC, has the potential to be linked to other government databases. This would allow estimates to be made on the wider costs of homelessness to public services. The Department will be working through how H-CLIC can be linked to other Government Departments’ administrative databases, and how the Department can secure access to a comprehensive range of data sources, for example NHS data. As part of this work, the Department will be working with data owners and legal advisors to undertake a feasibility assessment which will be completed by the end of 2018.

5b: PAC recommendation: The Department, supported by data from the Department for Work and Pensions, should ensure that its new homelessness data system enables local authorities to access information on when homeless people have entered and exited the welfare system to monitor its impact on their housing situation.

5.4 The Government disagrees with the Committee’s recommendation.

5.5 H-CLIC has been designed as a data collection system for research and the production of statistics to capture information on all homeless households who approach a local authority for help. Capturing this extra information will greatly improve the Department's and DWP's understanding of the causes of homelessness, enabling better informed multi-agency conversations at a national and local level. However, it will not be possible for local authorities to use H-CLIC to access personal information on when homeless people have entered and exited the welfare system. While personal data from H-CLIC would not be shared, aggregated and de-identified statistical information would be available on homeless households who have disclosed that they are claiming welfare benefits.

5.6 From October 2018, jobcentres across England will have a legal duty to refer homeless people, and those at risk of becoming homeless, to a local authority housing team of the claimant’s choice. This duty will help claimants to access homelessness services as soon as possible, allowing local authorities to focus on prevention.

5c: PAC recommendation: The Department, supported by data from the Department for Work and Pensions, should ensure that its new homelessness data system enables local authorities to access information on when homeless people have entered and exited the welfare system to monitor its impact on their housing situation.

5.7 The Government disagrees with the Committee’s recommendation.

5.8 The H-CLIC system is designed to collect data on people who access homeless services, so it will not be able to measures those how are hidden and do not access these services.

5.9 The Department does collect information on overcrowding and on concealed households (usually defined as single adults or groups of adults, with or without children, who occupy the accommodation with, but do not belong to, the household reference person's family unit) through the English Housing Survey.

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5.10 Measuring “hidden homelessness” is a complex issue. It will always be difficult by its nature – people are often not in contact with services, and it is challenging to uncover everything that is going on in people’s lives. However, the English Housing Survey is a continuous survey which collects information about people’s housing circumstances and the condition and energy efficiency of housing across England. Each year initial results are published in a headline report at the beginning of the year, followed by a series of more detailed reports released in the summer. While the H-CLIC system will collect information on those who seek assistance from their local authority, the English Housing Survey provides the Department with better data on the “hidden homeless” population, as it is representative of all households in England.

5c: PAC recommendation: The Department, supported by data from the Department for Work and Pensions, should ensure that its new homelessness data system enables local authorities to access information on when homeless people have entered and exited the welfare system to monitor its impact on their housing situation.

5.11 The Government agrees with the Committee’s recommendation.

Target implementation date: December 2018.

5.12 H-CLIC will enable the Department to assess how effective local authorities are, and are not, at helping those who are homeless. H-CLIC will capture information on all homeless households who approach a local authority for help and information on the activity offered by the local authority, the length of time this was offered, and the outcome.
Treasury Minutes Archive

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

Session 2017-19

Committee Recommendations: 68
Recommendations agreed: 62 (91%)
Recommendations disagreed: 6 (9%)

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Session 2016-17

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

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Session 2015-16

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

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5 List of Treasury Minute responses for Sessions 2010-15 are annexed in the Government’s response to PAC Report 52
6 Report 32 contains 6 conclusions only.
## Treasury Minutes Progress Reports Archive

Treasury Minutes Progress Reports are the Government’s response on the implementation of recommendations from the Committee of Public Accounts. Treasury Minutes Progress Reports are Command Papers laid in Parliament.

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<td>Session 2014-15: updates on 4 PAC reports</td>
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<td>Session 2015-16: updates on 14 PAC reports</td>
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<td></td>
<td>Session 2016-17: updates on 52 PAC reports</td>
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