



HM Treasury

Treasury Minutes

Government Response to the Committee of Public Accounts on the Fifth report and the Tenth to the Seventeenth reports from Session 2024-25



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

May 2025

CP 1328



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ISBN 978-1-5286-5721-1

E03359938 05/25

Printed on paper containing 40% recycled fibre content minimum.

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

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

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Fifth Report of Session 2024-25

Department of Health and Social Care

NHS financial sustainability

Introduction from the Committee

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

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

Based on a report by the National Audit Office, the Committee took evidence on Monday 25 November 2024 from the Department for Health and Social Care and HM Treasury. The Committee published its report on Wednesday 29 January 2025. This is the Government's response to the Committee's report.

Relevant reports

- NAO report: [NHS Financial Management and Sustainability](#) – Session 2024-25 (HC 124)
- PAC report: [NHS financial sustainability](#) – Session 2023-24 (HC 350)

Government response to the Committee

1. PAC conclusion: Integrated Care Boards' capacity to carry out thorough and timely financial planning is severely hampered by delays in NHSE issuing planning instructions and approving final budgets.

1. PAC recommendation: DHSC, NHSE and HMT should publicly commit to issue guidance and meaningful indicative budgets to systems no later than Christmas in future, and NHSE should approve ICB final budgets at least a month before the start of each financial year.

1.1 The government agrees with the Committee's recommendation.

Target implementation date: December 2025

1.2 NHS England publishes planning guidance as soon as funding is finalised and approval is received by Government, in recent years this has been actioned on the same day. NHS England (NHSE) and the Department of Health and Social care (DHSC) continue to work together to enable planning guidance to be published well in advance of the start of the financial year, and ideally before Christmas.

1.3 Having published [2025-26 planning guidance](#) on 30 January 2025, NHSE is working with Integrated Care Boards (ICBs) and providers to have full plans developed before the start of the 2025-26 financial year.

1.4 NHSE and DHSC will continue to work together and with HM Treasury to improve the planning process and ensure timely publication of guidance to the system, and earlier agreement of priorities and financial allocations for future years.

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

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

2.1 The government is considering this recommendation.

Target implementation date: to be advised

2.2 The underlying financial position of the NHS providers and systems is significantly improved in 2024-25 compared to 2023-24 with an end of year deficit of around £600 million compared to £1.5 billion in the prior year with the first stable year since the pandemic. This is the right trajectory of improvement for the 10 Year Health Plan to set out how the government and NHSE will deliver an NHS fit for the future. It will consider the activities highlighted by the committee, in particular:

- How to build a prevention-focussed health system. This will mean that people live healthier lives for longer.
- How to shift the balance of care from hospital-centred to community-based settings. This will mean that fewer people go to hospital with more care being delivered in settings suitable for people's needs.
- How to maximise the impact of data and digital technology in healthcare. This will mean that diseases are diagnosed earlier, patient care is improved, and staff have more time to treat patients.

2.3 Funding for 2026-27 onwards will be determined following Spending Review Phase 2 and will be aligned to support the delivery of the 10 Year Health Plan.

2.4 Spend in community healthcare and digital technology are already monitored, and as outlined in response to the Committee's recommendation 5a, the department and NHSE are considering measuring and tracking health prevention spend in the context of developing the 10 Year Health Plan.

2.5 Actions to strengthen longer-term strategic financial planning are also being considered in the context of developing the 10 Year Health Plan and will be helped by a multi-year settlement at Spending Review Phase 2.

2.6 This recommendation will be considered in more detail ahead of the Plan's publication in Spring. The Committee will be notified of the response to this recommendation when it is confirmed.

2b. PAC recommendation: The Department and NHS England should not look for loopholes to get round the new regulations and instead should prepare for how it will manage its finances properly without access to the safety valve of moving money from capital to revenue.

2.7 The government agrees with the Committee's recommendation.

Recommendation implemented: October 2024

2.8 Decisions to switch CDEL to RDEL have previously been made, in line with the principles set out in 'Consolidated Budgeting Guidance' and in agreement with HM Treasury, to meet financial pressures and protect frontline care.

2.9 The fiscal rules set out by the Chancellor at the Autumn Budget 2024 mean that no further capital-to-revenue transfers will be used. The department and NHSE welcome the Chancellor's decision not to allow further capital to revenue switches and recognise the importance of capital investment in the NHS in delivering an effective and productive healthcare system.

2.10 In 2025-26, record levels of capital investment into health have been agreed, with a budget of £13.6 billion. Excluding years affected by the Covid-19 pandemic, this settlement represents the highest DHSC capital budget in real terms since 2010.

2.11 The NHS has lived within its overall budget in every recent financial year. NHS systems must now agree credible operational and financial plans for the year and deliver on those plans, under rigorous scrutiny and oversight from Ministers, DHSC and NHS England.

3. PAC conclusion: NHSE displays a remarkable complacency about the realisation of future NHS productivity improvements, which, if achieved, would be unprecedented.

3. PAC recommendation: NHSE should set out in detail which specific actions and initiatives it expects to contribute to the unprecedented increase in productivity it has committed to, and by how much. This should include specific measures to address poor staff retention and sickness rates, which contribute to low productivity.

3.1 The government agrees with the Committee's recommendation.

Target implementation date: Autumn 2025

3.2 The NHS is working hard to recover lost productivity caused by the Covid-19 pandemic. The most recent ONS publication of annual Public Sector Productivity shows:

- NHS productivity continuing to recover in 2022-23, after the sharp rebound in productivity in 2021-22 following the Covid pandemic and the subsequent increase in demand – overall productivity improved by 1.9% between 2021-22 and 2022-23.
- By the end of 2022/23, NHS productivity was 5.4% below the level it was in 2019-20, before the before sustained improvement as measured based on ONS methodology by NHS England over the last two years.
- Consistent with the ONS methodology productivity has continued to improve and acute sector productivity is 2.7% higher in the year to December 2024.

3.3 To support improving productivity further NHSE are focused on:

- Increasing clinical and operational productivity –training more than 20,000 NHS managers and clinicians, and working with 25 Boards to build capacity and capability for improvement. The Enterprise Resource Planning (ERP) will make more efficient use of diagnostic and surgical capacity. Referrals will be optimised using A&G and clinical triage.
- Maximising the value of our workforce – improving retention, reducing sickness-absence and reducing reliance on temporary staffing. The NHS has reduced spending on agency, from £3.5 billion in 2022-23 to a forecasted spend of £2.1 billion in 2024-25. Substantive staff retention has improved, supported by the National Retention Programme. In November 2024, the leaver rate was 6.8%, which is below the Long Term Workforce Plan target range.
- Technology-enabled transformation – maximising the use of data and digital to improve the efficiency of services. Deploying Electronic Patient Record (EPR) systems and investment in the NHS App and other patient-facing services to free-up staff time.
- Moving care to the right setting and improving prevention – realise savings by treating patients in less resource intensive settings and avoiding expensive hospital admissions.
- Maximising the value of our spending – for example in medicines spending, driving uptake of best value biosimilar medicines with an ambition to save £1bn by 2029.

3.4 For 2025-26, every provider has been sent a bespoke pack identifying productivity and efficiency opportunities. The plan for delivering productivity improvements from 2026-27 will be set out following Phase 2 of the Spending Review.

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

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

4.1 The government agrees with the Committee's recommendation.

Target implementation date: Spring 2026

4.2 NHS funding allocations (including for primary care) already take account of deprivation and health inequalities. Areas with populations of relatively greater deprivation and higher premature mortality receive a relatively higher level of funding to recognise greater need and help tackle health inequalities, for example through supporting outreach activity.

4.3 NHSE regularly reviews and updates the formula used to set allocations and will do so again ahead of setting financial allocations for 2026-27.

4.4 There is also evidence that NHSE investment in a range of interventions is reaching those most in need of help, for example:

- Targeted Lung Health Checks programme, which seeks to diagnose lung cancer at an early stage, has now invited nearly 30% of the eligible population and is diagnosing around 200 cancers per month, 75% at an early stage. The Rapid Cancer Registration Dataset shows that people from disadvantaged backgrounds are now most likely to be diagnosed with lung cancer at an early stage.

- Early intervention in mental health: 44% of pupils and learners have access to Mental Health Support Teams as of Spring 2024, exceeding the original commitment to cover 20%-25% of the country and 50% coverage is expected in Spring 2025.

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

5a. PAC recommendation:

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

5.1 The government is considering this recommendation.

Target implementation date: to be advised

5.2 The government recognises the importance of having a clear definition of prevention spending.

5.3 HM Treasury has developed a working definition of prevention which will be iterated as public sector reform continues.

5.4 Prevention is one of the 'three shifts' the Secretary of State has set out as strategic ambitions for the health system in England. Measures for supporting the prevention shift are being considered in context of the work of the 10 Year Health Plan. The government does not wish to pre-empt the content of the 10 Year Health Plan. However, notwithstanding this, defining health prevention spend could be an enabler of the shift from sickness to prevention, and so this recommendation will be considered in the context of developing the 10 Year Health Plan. The Committee will be notified of the response to this recommendation when it is confirmed.

5.5 Previous scoping work identified that an extensive mapping exercise would be needed to define health prevention spend, so any plans in this area following publication of the 10 Year Health Plan would likely take longer than 6 months to implement.

5b. PAC recommendation:

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

5.6 The government is considering this recommendation.

Target implementation date: to be advised.

5.7 Prevention is one of the 'three shifts' the Secretary of State has set out as strategic ambitions for the 10 Year Health Plan.

5.8 Funding for 2026-27 onwards will be determined following Spending Review Phase 2 and will be aligned to support the delivery of the 10 Year Health Plan.

5.9 The department and NHSE do not wish to pre-empt the 10 Year Health Plan and Spending Review Phase 2. This recommendation is therefore under consideration. The Committee will be notified of the response to this recommendation when it is confirmed.

5c. PAC recommendation ...

- **...and give local systems the flexibility and autonomy they need to direct this funding where it can have the greatest impact.**

5.10 The government agrees with the Committee's recommendation.

Recommendation implemented: January 2025

5.11 The department and NHSE recently announced changes to the NHS operating model to move power from the health centre to local leaders. In keeping with this change, 2025-26 Operational Planning Guidance removed many ringfences, giving local systems greater control and flexibility over how funding is deployed to best meet the needs of their population.

5.12 Additionally, NHSE will soon publish a revised NHS oversight framework that will reward those ICBs and providers that are doing well with greater financial freedoms and flexibilities.

5.13 To maximise the impact of investment, Integrated Care Systems (ICSs) already have a duty to base their integrated care strategies upon local joint strategic needs assessments (JSNAs). These JSNAs identify the areas and cohorts of greatest need in a system that providers and the ICB within the ICS are required to address.

6. PAC conclusion: NHSE's long-held ambition to move more care from hospitals to the community has stalled.

6. PAC recommendation: NHSE should ensure that, year on year, a greater proportion of its funding is spent in the community, in line with its own policy ambition. Any review of Continuing Healthcare funding and the Better Care Fund, DHSC and NHSE should not make changes that will see these community-based funds redirected to hospitals.

6.1 The government is considering this recommendation.

Target implementation date: to be advised

6.2 NHS investment in primary medical care and community services (including continuing care) increased faster than overall ICB spend in 2023-24.

6.3 DHSC and NHSE have prioritised mental health in its plans for 2025-26, requiring ICBs to meet the Mental Health Investment Standard. To continue to reform and improve mental health services and improve value for money for the taxpayer, all mental health providers will be asked to submit, implement and report against a plan to enhance productivity during 2025-26.

6.4 In 2025-26 funding through the Better Care Fund is also being maintained, as set out in published revenue and contracting guidance.

6.5 Through the 10 Year Health Plan and the multi-year Spending Review, NHSE, with DHSC, is focusing on enabling a greater shift from hospital to community – including considering how funding decisions over coming years can support this. This recommendation is therefore under consideration. The Committee will be notified of the response to this recommendation when it is confirmed.

7. PAC conclusion: Despite ambitions to improve productivity through the introduction of new technologies, the switch to digital in parts of the NHS has been glacially slow.

7. PAC recommendation: Alongside its Treasury Minute response, NHSE should write back to the committee setting out its plans to reduce the reliance of NHS providers on paper within 18 months, including key milestones, and the proportion of NHS institutions it expects to be paperless at each milestone. A specific deadline should be set to end the use of fax machines within the NHS.

7.1 The government disagrees with the Committee's recommendation.

7.2 It is right that all patient records in the NHS should be digitised. In 2025-26 Operating Planning Guidance, NHSE and DHSC has prioritised investment in:

- running and maintaining the vital national IT systems;
- NHS technology and digital to free up staff time, ensure all Trusts have Electronic Patient Record (EPRs), improve cyber security and enhance patient access through the NHS App.

7.3 There are ongoing conversations with DHSC, HM Treasury and No10 on approval of investment plans for 2025-26, which include 160+ ongoing projects to install, upgrade and optimise EPRs.

7.4 The government is working to reduce paper records; 91% of secondary care trusts currently have an EPR, forecast at 96% coverage by March 2026. The remaining 4% are advanced in their plans.

7.5 In recent years, within the funding and priorities set by the government, we have invested in the adoption of the NHS App, EPRs and Federated Data Platforms. Our Spending Review bid includes major reforms to improve productivity such as the single patient record, modernising data platforms and major upgrades to the NHS App.

7.6 The government is ensuring all providers proactively offer NHS App-first communications to patients through NHS Notify potentially reducing the cumulative volume of letters by c.500 million after 5 years.

7.7 Trusts and ICBs are expected to restrict fax machine use, which will no longer be usable by 2027 when analogue phonelines are switched off.

7.8 The government does not agree that providers should be fully paperless as some patient communications have to be sent by letter, committed to through digital inclusion and reducing health inequalities.

Tenth Report of Session 2024-25

Department for Transport

HS2: Update following the Northern leg cancellation

Introduction from the Committee

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

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

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

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

Based on a report by the National Audit Office, the Committee took evidence on 19 December 2024 from the Department for Transport. The Committee published its report on 28 February 2025. This is the Government's response to the Committee's report.

Relevant reports

- NAO report: [HS2: update following cancellation of Phase 2](#) – Session 2024-25 (HC 128)
- PAC report: [HS2: Update following the Northern leg cancellation](#) – Session 2024-25 (HC 357)

Government response to the Committee

1. PAC conclusion: The Department and HS2 Ltd share responsibility for repeated failures on the HS2 programme, which now needs a fundamental reset.

1. PAC recommendation:

- **The Department and HS2 Ltd should write to the committee before the 2025 summer recess, setting out the key components of how they are undertaking the reset of the programme, including the actions, milestones and outcomes.**
- **The Department should write to the committee before the 2025 summer recess, setting out what changes it will make to substantively improve its oversight and financial control of the programme and report regularly to this Committee on the effectiveness of these measures.**

1.1 The government agrees with the Committee's recommendation.

Target implementation date: Summer 2025

1.2 Following the former Secretary of State's [written ministerial statement](#) on 20 October 2024, work is well underway within the Department for Transport to improve the oversight and financial control of the HS2 programme.

1.3 The government has taken swift action to bring the cost and delivery of HS2 back under control. This includes making clear that HS2 Ltd and its suppliers must reset their contracts so that they deliver the best possible value for taxpayers, launching an independent review to ensure the project's past mistakes are not repeated, and reinstating robust ministerial oversight of the project through the Ministerial Task Force.

1.4 The department has made it clear to the new HS2 Ltd CEO that alongside safety, cost control must be a central focus to HS2 Ltd. The Secretary of State has commissioned the CEO to undertake a comprehensive review of the programme, including HS2's current cost position and the current capability and culture of HS2 Ltd, and make recommendations to inform the reset. The department expects to provide an update on this work in its next 6-monthly report to Parliament.

1.5 The department will write to the Committee before summer recess to outline the steps taken to improve oversight and financial control of the programme and a more detailed plan for programme reset. Further updates will be provided through the department's future six-monthly reports to Parliament on HS2.

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

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

2.1 The government agrees with the Committee's recommendation.

Target implementation date: Spring 2026

2.2 The Secretary of State has commissioned the CEO of HS2 Ltd to undertake a comprehensive review of the programme, including HS2's current cost position and the capability and culture of HS2 Ltd, and to make recommendations to inform the programme reset.

2.3 The department and HS2 Ltd have agreed the areas of cost estimation that need to be addressed to enable a robust and reliable life-cycle cost of HS2 to be set, these include, reset of project schedule and duration, consolidation of costs incurred, scope delivered, quantities remaining and an evaluation of supply chain productivity.

2.4 The department is working closely with HS2 Ltd, accompanied by NISTA and HM Treasury advice, to finalise the cost estimating methodology over the summer and to fully implement it as part of the reset of the programme in 2026.

2.5 Once this process is complete, the department will provide a further update to inform the Committee at the earliest opportunity providing additional further details on the agreed approach to cost estimation methodology.

3. PAC conclusion: HS2 Ltd's construction contracts are unacceptable to the public purse and it is imperative that HS2 Ltd deliver on its assurances to us that it can renegotiate these and deliver significant cost savings.

3. PAC recommendation:

- **The Department's six-monthly progress updates to Parliament should include progress on contract renegotiations and the level of savings made.**
- **HS2 Ltd should write to the committee before the 2025 summer recess, setting out what steps it will take if the contracts cannot be negotiated on more favourable terms.**

3.1 The government disagrees with the Committee's recommendation.

3.2 The department agrees with the substance of the recommendation but will require more time before it can update the Committee. HS2 Ltd has concluded the first phase of commercial renegotiations, however further work is still needed to conclude this process. The negotiations are highly commercially sensitive, and it may not be possible to set out details including of levels of savings while they are still ongoing.

3.3 Following his appointment, the new CEO of HS2 Ltd committed to a complete programme reset over the coming year, which includes developing revised ranges for both cost and schedule, as well as a new baseline which will be contracted to HS2 Ltd's supply chain.

3.4 To ensure a holistic overhaul of the programme, work to renegotiate contracts has been subsumed into the programme reset, and until this work concludes HS2 Ltd will be applying pressure through robust contract management of their existing contracts using all available levers. Further updates will be provided through the department's future six-monthly reports to Parliament on HS2.

4. PAC conclusion: HS2 Ltd's efforts to reduce the environmental impact of HS2 are not delivering value for money, with the c.£100 million cost of a protective 'bat tunnel' more than doubling the cost of that section of railway alone.

4. PAC recommendation: In its letter to us before the 2025 summer recess, the Department should set out how it will work with the Department for Environment, Food and Rural Affairs to assess what impact the new nature restoration fund would have had on the section of the line where the bat tunnel is, and use that case study to help refine the operation of the fund.

4.1 The government agrees with the Committee's recommendation.

Target implementation date: Summer 2025

4.2 The department intends to provide the Committee with a preliminary response in its letter to the Committee before the Summer recess begins in July 2025.

4.3 The proposed measures in the Planning and Infrastructure Bill which would inform a re-assessment of this issue, including the Nature Restoration Fund and Environmental Delivery Plans, are not anticipated to be finalised, nor receive Royal Assent, until later in the year.

4.4 Once the measures are confirmed, and it is understood how they are intended to work in practice, the department will provide a final response to the Committee. This should be possible by early 2026.

4.5 The department is already working with the Department for Environment, Food and Rural Affairs to inform operation of the measures in response to the issues raised by the legal requirements for the HS2 bat mitigation structure.

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

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

5.1 The government agrees with the Committee's recommendation.

Target implementation date: December 2026

5.2 The new CEO of HS2 Ltd started in post in December 2024. He has commenced, as part of the reset, a comprehensive change programme to reshape the organisation so that it has the skills and capabilities needed to deliver HS2. The reset programme is expected to conclude in 2026.

5.3 The new CEO has made some early changes to the Executive leadership team to help drive the reset work. Parallel activity is being undertaken by the department to ensure it has the right structures, skills and capabilities in place.

5.4 A new Chair is being appointed to succeed the previous Chair of HS2 Ltd who departed on 31 March 2025. An early priority for the new Chair will be to review board capability and capacity and make recommendations to the department drawing from a wide range of evidence, including the Major Projects Governance and Assurance Review. The department will commence a recruitment exercise to fill identified gaps in the Board's capability, which will be undertaken in line with the requirements in the Governance Code on Public Appointments.

5.5 Key performance indicators for 2025-26 are being agreed by the department. Performance against these will be published in HS2 Ltd's Annual Report and Accounts and are the principal means by which organisation-wide performance will be assessed. HS2 Ltd is also introducing a new performance-related pay scheme to incentivise its most senior leaders, which will be directly linked to HS2 delivery to time and budget.

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

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

6.1 The government agrees with the Committee's recommendation.

Target implementation date: Summer 2025

6.2 The department's next six-monthly update to Parliament is expected to be published in Summer 2025 and will include an update on progress on Euston.

6.3 The department is also responding to the Committee's [letter of 6 March 2025](#) requesting an update on the HS2 Euston tunnelling schedule.

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

7. PAC recommendation:

a) HS2 Ltd should carry out as soon as possible an assessment of residential property to identify what is surplus to requirements and give former owners the right to buy it back. It should report back to the Committee the results of the assessment and report regularly on progress in returning the property to former owners.

b) The Department should also include in its six-monthly update to Parliament:

- **the timetable for both decision-making regarding all property no longer needed and their disposal.**
- **its approach to addressing future West Coast Main Line capacity issues and rail connectivity in the North.**

7.1 The government agrees with the Committee's recommendation.

Target implementation date: Summer 2025

7.2 Preparatory work on a disposal programme for Phase 2 is already underway. As part of these preparations, the department is undertaking a review of the portfolio of land that was previously acquired for Phase 2. This includes the identification of properties subject to Crichel Down Rules.

7.3 The department will write to the Committee to confirm the next steps for a disposal programme. The Department will take time to carefully develop a disposal programme that delivers value for money for taxpayers and does not disrupt local property markets.

7.4 The department agrees to include the information requested by the Committee regarding the disposal programme in a future six-monthly report to Parliament. As part of this update, the department will include its approach to addressing future West Coast Main Line capacity issues and rail connectivity in the north, following the outcome of the spending review.

8. PAC conclusion: Over the last decade the Department and HS2 Ltd have repeatedly said they are learning lessons but there is little evidence that lessons have been applied effectively and mistakes avoided.

8. PAC recommendation: Alongside its Treasury Minutes response, the Department should write to the committee setting out the key lesson they have drawn and then in its six-monthly update, explain how those lessons have been put in practice.

8.1 The government agrees with the Committee's recommendation.

Target implementation date: Summer 2025

8.2 The department is committed to learning lessons on the programme and has worked closely with HM Treasury and the National Infrastructure and Service Transformation Authority to identify key lessons from the programme and how those can be applied. Over the course of the HS2 programme reset and transformation of HS2 Ltd, the department aims to implement these lessons. The department will also take into account the findings of the Major Transport Projects Governance and Assurance Review, led by James Stewart, many of which will be implemented as part of the programme reset.

8.3 Lessons from HS2 are also being shared with the Inter-Ministerial Group for Infrastructure, NISTA and the Office for Value for Money so that they can be taken into account across Government.

8.4 The department will write to the Committee outlining the key areas of lessons and will provide further updates in the next Parliamentary report.

Eleventh Report of Session 2024-25

HM Treasury

Excess Votes 2023-24

Introduction from the Committee

This Report is part of the framework of control over government spending. Resource-based Supply requires Departments to estimate and manage the financial resources they need during each financial year on an accruals basis for commitments to provide services, and on a cash basis to meet commitments as they mature. Parliament authorises Departments' proposed cash spending and use of resources.

HM Treasury is responsible for monitoring and overseeing Departments' compliance with the limits authorised by Parliament and for controlling adjustments to the approved limits during the financial year. If a Department needs to adjust its budget during the year, it has one opportunity to do so via a Supplementary Estimate, which is approved by Parliament towards the end of the financial year.

Resource-based Estimates reflect accruals and non-cash consumption of resources, such as depreciation. A cash limit is also voted by Parliament together with a non-budget line, through which departments are required to record adjustments to their prior year costs. Parliament expects Departments to stay within the limits they are voted. Any expenditure outside the limits authorised by Parliament potentially undermines parliamentary control over public spending. A breach of any of the budgetary control limits, the cash limit or the non-budget line results in the need for the expenditure to be regularised through the Parliamentary Excess Votes process.

Under Standing Order of the House of Commons number 55(2) (d), the Committee of Public Accounts scrutinises the reasons behind any individual bodies exceeding their allocated resources, and reports to the House of Commons on whether it has any objection to making good the reported excesses. Once the Committee has reported, Statements of Excesses will be presented to Parliament, to be voted into the Supply and Appropriation (Anticipation and Adjustments) Act. The passing of this Act authorises the additional grant by Parliament to regularise the excesses incurred by departments.

Figure 1 shows the excess incurred in 2023–24. Parliament is being asked to approve additional budget for the excess reported in the table.

The Committee published its report on 26 February 2025. This is the Government's response to the Committee's report.

Figure 1: Summary of the 2023–24 Excess

Department	Voted Capital Departmental Expenditure Limit		Voted Capital Annually Managed Expenditure Limit		Voted Resource Annually Managed Expenditure Limit	
	Excess	Amount to be voted	Excess	Amount to be voted	Excess	Amount to be voted
	£	£	£	£	£	£
Electoral Commission	422,000	422,000				
Office of Qualifications and Examinations Regulation	1,931,000	1,931,000	64,000	64,000		
Department for Business and Trade					219,401,000	219,401,000

Relevant reports

- [Central Government Supplementary Estimates 2023-24](#) (HC 500)
- [Central Government Statement of Excesses 2023-24](#) (HC 657)
- The Electoral Commission: [Supplementary Estimate 2023-24](#) (HC 531)
- The Electoral Commission: [Annual Report and Accounts 2023-24](#) (HC 193)
- The Electoral Commission: [Statement of Excesses 2023-24](#) (HC 725)
- Office of Qualifications and Examinations Regulation: [Annual Report and Accounts 2023-24](#) (HC 27)
- Department for Business and Trade: [Annual Report and Accounts 2023-24](#) (HC 391)
- PAC report: [Excess votes 2023-24](#) Session 2024-25 (HC 719)

Government response to the Committee

1. PAC conclusion: The Electoral Commission exceeded its Capital Departmental Expenditure Limit of £1,455,000 by £422,000.

1a. PAC recommendation: Under the terms of the Standing Order of the House of Commons number 55(2)(d), we recommend that Parliament provides the additional resources by means of an Excess Vote, as set out in Figure 1.

1.1 The Electoral Commission agrees with the Committee's recommendation.

Recommendation implemented: March 2025

1.2 Following the publication of the 2023-24 excesses by the Committee, HM Treasury has laid the [Statement of Excesses 2023-24](#). These excesses are included in the [Supply and Appropriation \(Anticipation and Adjustments\) Act 2025](#) providing the additional resources by means of an Excess Vote which received Royal Assent on 11 March 2025.

1b. PAC recommendation: In its Treasury Minute response, the Electoral Commission should set out what actions it has taken to ensure that, in future, the impact of its operational decisions on the resources authorised by Parliament are fully understood and managed.

1.3 The Electoral Commission agrees with the Committee's recommendation.

Recommendation implemented: March 2025

1.4 The overspend was due to the Commission's failure to appropriately account for the budgetary impact of new leases for office space in Belfast and Cardiff in either the main or supplementary spending estimates submitted to Parliament. This was caused by an error in a technical accounting judgement relating to IFRS 16 by the finance department and flagged by the NAO in its 2023-24 audit.

1.5 The Electoral Commission ('the Commission') has taken the following actions:

1.6 Reviewed and increased Finance team capacity (and structure): the Commission has established a new Finance organisational structure with increased numbers of suitably qualified staff across all teams, including a permanent finance director to oversee the Commission's financial management and processes. The National Audit Office (NAO) states that it considers its recommendations in relation to finance team capacity have been implemented.

1.7 Updated processes: the Commission has updated its processes to ensure that the impact of any operational decisions on its Accounts is fully understood and reported in an accurate and timely manner. Including implementing regular reviews and checks to prevent similar issues in the future. The NAO notes that the Commission "performed significant work to respond to the recommendations by the NAO audit team".

1.8 Improving technical accounting capability: the Commission has addressed technical accounting errors related to IFRS 16 by providing additional training to the finance team, revised procedures to ensure accurate accounting judgements and estimates, and commissioning a technical review and report by an appropriately qualified and reputable third-party accounting organisation.

1c. PAC recommendation: As this is not the first time that a publicly funded body has contravened the accounting requirements in IFRS 16 relating to the treatment of leases, HM Treasury should send a detailed guidance note to all bodies that have their accounts audited by the C&AG and NAO.

1.9 The government agrees with the Committee's recommendation.

Recommendation implemented: March 2025

1.10 The recent technical paper commissioning work on the 2025-26 Main Estimates included links to online IFRS 16 Leases guidance available to all departments. This included IFRS 16 Leases application guidance, IFRS 16 budgeting guidance, the IFRS 16 guidance from the Financial Reporting Manual and the guidance available on the Government Finance Function online resource OneFinance. The covering email to the technical paper also drew particular attention to the guidance linked within the paper.

1.11 HM Treasury has also committed to its Financial Reporting Advisory Board that it will do a post implementation review of IFRS 16 for central government. HM Treasury engages with departments as part of the implementation process, but it is also important departmental Accounting Officers can share their feedback on the success of the implementation of IFRS16,

because ultimately, they are responsible for ensuring their finance teams have the right training in place when new accounting standards are implemented.

2. PAC conclusion: The Office of Qualifications and Examinations Regulation (Ofqual) exceeded its Capital Departmental Expenditure Limit of £805,000 by £1,931,000 and its Capital Annually Managed Expenditure Limit of £0 by £64,000.

2a. PAC recommendation: Under the terms of the Standing Order of the House of Commons number 55(2)(d), we recommend that Parliament provides the additional resources by means of an Excess Vote, as set out in Figure 1.

2.1 The government agrees with the Committee's recommendation.

Recommendation implemented: March 2025

2.2 Following the publication of the 2023-24 excesses by the Committee, HM Treasury has laid the [Statement of Excesses 2023-24](#). These excesses are included in the [Supply and Appropriation \(Anticipation and Adjustments\) Act 2025](#) providing the additional resources by means of an Excess Vote which received Royal Assent on 11 March 2025.

2b. PAC recommendation: In its Treasury Minute response, the Office of Qualifications and Examinations Regulation should set out what actions it has taken to ensure that, in future, the accounting consequences of operational decisions, and the impact of such decisions on the resources authorised by Parliament, are fully understood and managed.

2.3 The government agrees with the Committee's recommendation.

Recommendation implemented: March 2025

2.4 Ofqual's Audit, Risk and Assurance Committee reviewed the context and detailed circumstances leading to the excess. Whilst the Committee was satisfied that this breach resulted from a technical point of interpretation rather than a failure of control or governance, it has nevertheless sought and received assurance that management has responded appropriately to the specific recommendation of the auditors in this respect, namely that management should ensure it has the capacity, technical knowledge and processes in place to appropriately consider the accounting and budgetary reporting treatment for transactions that may be complicated to account for.

2.5 In addition to this specific recommendation, forecasts are scrutinised on a monthly basis, a dialogue is maintained with HM Treasury colleagues throughout the year and management is engaged with the external audit team well in advance of year-end to ensure that any such issues are surfaced and resolved in a timely manner.

3. PAC conclusion: The Department for Business and Trade was authorised a Voted Resource Annually Managed Expenditure limit of £950,594,000. Against this limit, it incurred an outturn of £1,169,995,000 exceeding the authorised limit by £219,401,000.

3a. PAC recommendation: Under the terms of the Standing Order of the House of Commons number 55(2)(d), we recommend that Parliament provides the additional resources by means of an Excess Vote, as set out in Figure 1.

3.1 The government agrees with the Committee's recommendation.

Recommendation implemented: March 2025

3.2 Following the publication of the 2023-24 excesses by the Committee, HM Treasury has laid the [Statement of Excesses 2023-24](#). These excesses are included in the [Supply and Appropriation \(Anticipation and Adjustments\) Act 2025](#) providing the additional resources by means of an Excess Vote which received Royal Assent on 11 March 2025.

3b. PAC recommendation: The Department should write to the Committee by 31 March 2025 setting out:

- *its arrangements for monitoring with Post Office Limited the applications made under the Horizon Shortfall Scheme, with a view to ensuring that payment forecasts are fit for purpose;*
- *when it expects to have the information it needs to settle every claim;*
- *and by what date it will be able to present evidence to support the reasonableness of its cost estimates for this scheme.*

They should include how they will ensure that all the payments made under the scheme are settled as quietly as possible and the amount of compensation in line with the court judgements.

3.3 The government agrees with the Committee's recommendation.

Recommendation implemented: March 2025

3.4 The Department for Business and Trade has [written to the Committee on 28 March 2025](#) to provide the requested information.

3.5 The department receives regular management information from the Post Office on scheme progress, which it uses to update cost estimates. These estimates are subject to quality assurance by analysts and financial leads.

3.6 The department commissions the Post Office each month to provide a forecast update and funding is provided monthly according to those agreed forecasts. The presentation of evidence to support the reasonableness of cost estimates for all schemes will be disclosed as part of the department's annual report and accounts (ARA) for 2024-25.

3.7 There is considerable uncertainty over total scheme costs and when all cases will be settled as the scheme is still open to applications. However, the government is committed to progressing claims as quickly as possible and is taking steps to improve the redress process, working closely with the Post Office. This includes the introduction of the £75,000 fixed sum award, streamlined governance and greater use of automation. The department is in regular dialogue with the Post Office and legal representatives of claimants to consider what further improvements could be made.

3.8 Fully assessed cases are considered against established legal principles and case law, before awards are made. Ministers have, however, committed to introduce an appeals mechanism, which will enable those Horizon Shortfall Scheme claimants who are unhappy with the assessment of their case to challenge the offer that they have received.

Twelfth Report of Session 2024-25

Ministry of Justice

Crown Court backlogs

Introduction from the Committee

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

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

Based on a report by the National Audit Office, the Committee took evidence on Thursday 9 January 2025 from the Ministry of Justice. The Committee published its report on Wednesday 5 March 2025. This is the Government's response to the Committee's report.

Relevant reports

- NAO report: [Reducing the backlog in the Crown Court](#) – Session 2024-25 (HC 634)
- PAC report: [Crown Court backlogs](#) – Session 2024-25 (HC 348)

Government response to the Committee

1. PAC conclusion: We are concerned that the Ministry of Justice (MoJ) has simply accepted that the backlog, already excessively high, will continue to grow and that it will now wait for the results of the Leveson Review before starting to plan the fundamental changes it knows are needed to bring the backlog down.

1a. PAC recommendation: In its Treasury Minute response, MoJ should set out a plan of actions it can start now to address the backlog in the Crown Courts, building on the Criminal Justice Action Plan, whilst it waits for the Leveson Review.

1.1 The government agrees with the Committee's recommendation.

Recommendation implemented: March 2025

1.2 The Ministry of Justice (MoJ) is committed to bearing down on the Crown Court backlog and is delivering a wide range of work to achieve this:

- Having increased magistrates' court sentencing powers from 6 to 12 months for a single triable-either way offence;
- Funding 110,000 Crown Court sitting days in 2025-26, the highest allocation ever provided and 4,000 more than originally allocated the previous financial year;

- Boosting court maintenance funding to £148.5 million, the highest figure spent on maintenance and capital works in 10 years;
- Ongoing judicial recruitment for 34 Circuit Judges, including 19 in Crime and up to 70 Recorders. Further recruitment will launch in 2025-26 for 55 Circuit Judges, including 45 in Crime.
- Increasing criminal legal aid solicitors funding by £92 million per annum, subject to consultation;
- Working with cross-system partners through the judiciary-led Criminal Courts Improvement Group to drive efficiencies across the criminal justice system (CJS);
- Trialling a ‘Case Coordinator’ role in ten Crown Courts, aiming to improving adherence to the Better Case Management principles;
- Funding vital victim and witness support services – over 2022-2025, the MoJ spent at least £460 million on victim support services, including on dedicated services for victims of domestic abuse and sexual violence.

1.3 However, demand on the courts is now so great that these actions alone are not enough to reduce the outstanding caseload.

1.4 The system requires substantial reform, and the MoJ looks forward to receiving the Independent Review of the Criminal Courts’ recommendations on longer-term structural reform options in Spring 2025.

1b. PAC recommendation: Alongside this, MoJ should rapidly investigate options for how it might implement the reforms that the Leveson Review is considering, so that it can move to implementation swiftly upon the review’s conclusion.

1.5 The government agrees with the Committee’s recommendation.

Target implementation date: July 2025

1.6 Without pre-empting its report, work is already underway to ensure swift response to and implementation of recommendations from the Independent Review of the Criminal Courts once received.

1.7 The MoJ is actively considering the implementation plans which would be required for the options for reform, as set out in [the Independent Review of the Criminal Courts’ Terms of Reference](#).

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

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

2.1 The government agrees with the Committee’s recommendation.

Target implementation date: September 2026

2.2 The volume and proportion of trials involving sexual offences that are ineffective is small relative to ineffective trial outcomes in other types of cases. The number of trials involving sexual offences which are ineffective are declining. MoJ agrees that any trial

ineffectiveness here is particularly sensitive. MoJ [routinely publishes detailed datasets](#) on ineffective trials, including by references to different cohorts of case types as well as by causal reasons behind the ineffectiveness.

2.3 Judicial listing practices already recognise the special status of cases involving serious sexual offences, and judges generally list such trials as fixtures, meaning that hearing dates are more certain. Guidance from the Senior Presiding Judge is that rape and serious sexual offence cases should be listed as fixtures on first listing. This will often require counsel's availability to be taken into account when dates are fixed, which courts can obtain at Pre-Trial Preparation Hearings where advocates supply dates to which they can commit.

2.4 While listing and case prioritisation is ultimately a matter for the independent judiciary, there is a clear focus on this cohort of especially sensitive cases. MoJ will continue to publish routine data on trial effectiveness as well as supporting the work of the senior judiciary in ensuring that there is priority afforded to this work.

2b. PAC recommendation: MoJ should continue to protect the additional funding it has secured for victim support, and work with organisations providing support to look for ways to enhance this vital service.

2.5 The government agrees with the Committee's recommendation.

Recommendation implemented: April 2025

2.6 As part of Spending Review Phase 1 allocations, the MoJ protected funding for Violence Against Women and Girls (VAWG) support services as much as possible in 2025/26, rolling over the Rape and Sexual Abuse Support Fund, as well as ringfenced spending on community-based sexual violence and domestic abuse support. These ringfences were originally established following an increase in demand for support during the Covid-19 pandemic and have continued since.

2.7 Beyond this, MoJ remains committed to improving the support available for victims but cannot pre-empt the outcome of Phase 2 of the Spending Review. MoJ works closely with commissioners and providers who receive funding, including Police and Crime Commissioners who receive most of MoJ's victim support budget to commission local support services. As part of grant monitoring processes, MoJ is regularly engaging with providers to help improve the support offer for victims.

3. PAC conclusion: For some time now, MoJ has been failing to adequately forecast increases in the number and mix of cases being sent to the Crown Court, reducing its ability to plan how the courts system may need to adapt to meet the varying caseload.

3. PAC recommendation:

- **MoJ should make better use of the data available to it to improve its approach to forecasting and understanding of future Crown Court cases.**
- **MoJ and HMCTS should use its improved forecasts to more quickly plan and implements changes to the courts system—its processes, people and infrastructure—to better meet the future caseload.**

3.1 The government agrees with the Committee's recommendation.

Recommendation implemented: April 2025

3.2 Future caseload estimates are a projection based on what is currently known and understood about the system. They are used to aid policy development, capacity planning and resource allocation within MoJ, HMCTS and His Majesty's Prison and Probation Service (HMPPS).

3.3 MoJ is committed to regularly reviewing its projections for the CJS, ensuring they capture:

- Latest data and trends on demand and activity;
- New interventions in the system e.g. court capacity changes, new operational policies or legislation that has recently received royal assent;
- Latest evidence and insight on future expected activity agreed with partners across the CJS.

3.4 Over the period reviewed by the National Audit Office, the accuracy of the projections was primarily affected by a combination of unforeseen events (e.g. industrial action), and areas where assumptions about the future had a particularly high degree of uncertainty (e.g. the duration of pandemic impacts on the CJS and the impact of the rapid expansion in the number of police officers).

3.5 Nevertheless, MoJ is committed to keeping its use of data, evidence and assumption setting under continual review. This includes:

- Development and use in projections of the "OneCrown" single data pipeline to improve the coherence and quality of data on courts.
- Future demand scenarios reviewed in collaboration with the Home Office (HO) and Crown Prosecution Service (CPS) considering the latest evidence on the factors that influence charge activity in policing (e.g. see chapter 2 of [Prison Population Projections: 2024 to 2029 - GOV.UK](#)).

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

4a. PAC recommendation: MoJ, led by the Lord Chancellor, should urgently discuss with the Lady Chief Justice how to reduce remand numbers to the 2019 level, which would free up 8,000 vitally needed prison places.

4.1 The government agrees with the Committee's recommendation.

Target implementation date: October 2025

4.2 Judges are responsible for listing, and remand cases are being prioritised by judges in line with legislative requirements. The government is working hard to enhance the capacity of the criminal justice system to dispose of cases more efficiently, and to that end it has commissioned independent reviews which will report shortly. In light of those reports, the Lord Chancellor will continue to discuss with the Lord Chief Justice the importance of doing all we can, together with CJS partners, to expedite and appropriately prioritise the hearing of remand cases, with particular focus on the oldest cases.

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

4.3 The government agrees with the Committee's recommendation.

Target implementation date: April 2027

4.4 The MoJ is currently exploring several initiatives to address the question of time spent on remand. Based on current proposals, the MoJ anticipate being able to develop improved insights on time spent on remand by the end of March 2026. Any further work to understand the impact and outcomes of this will take additional time beyond that date. Once this data development is complete, MoJ will aim to include them in the relevant publication by April 2027.

4c. PAC recommendation: MoJ and HMCTS should urgently review how the number of people on remand for over two years can be reduced to the bare minimum.

4.5 The government agrees with the Committee's recommendation.

Target implementation date: October 2025

4.6 There is a close relationship between the outstanding caseload and the prison remand population. While the listing of cases is a matter for the independent judiciary, custody time limits mean that there is a statutory obligation to prioritise the hearing of remand cases. Listing data shows that these cases are being prioritised.

4.7 MoJ's existing action to reduce the outstanding caseload – including extending magistrates' court sentencing powers, increasing Crown Court sitting days, and the Independent Review of the Criminal Courts – should help expedite the trials and sentencing of those held on remand.

4.8 MoJ will consider further steps when it receives the Independent Review of the Criminal Courts' recommendations.

5. PAC conclusion: The proportion of hearings that do not take place on the day they are scheduled (ineffective trials) remains far too high, and there are causes of ineffective trials that MoJ and HMCTS could be more active in addressing now.

5. PAC recommendation: Alongside its Treasury Minute response, MoJ should write to the Committee to set out:

- ***Its understanding of the causes of ineffective trials and the impact each has.***
- ***Whether professional capacity is a significant factor affecting ineffective trials.***
- ***What the impact has been on ineffective trial rates of changes it has made, for example, increases in legal aid fees.***
- ***What further actions are required and by whom to address the causes of ineffective trials.***

5.1 The government agrees with the Committee's recommendation.

Recommendation implemented: April 2025

5.2 In response to this recommendation, the Ministry of Justice has written to the Committee alongside this Treasury Minute response.

6. PAC conclusion: MoJ could not tell us which of the actions it funded from nearly £500 million of additional funding it received through the 2021 Spending Review had the biggest impact on reducing the backlog, nor could it quantify what it expects the cost to be of dealing with the backlog now, raising concerns over MoJ's ability to put a convincing and costed bid to the current Spending Review.

6. PAC recommendation: Alongside its Treasury Minute response, MoJ should write to the Committee to clearly set out:

- **What it has spent in total since 2021 on reducing the backlog in the Crown Courts and how the additional funding was used.**
- **The actions and interventions that money was spent on.**
- **What it assesses has been the impact of that additional investment, including identifying the most cost-effective interventions.**

6.1 The government agrees with the Committee's recommendation.

Recommendation implemented: April 2025

6.2 In response to this recommendation, the Ministry of Justice has written to the Committee alongside this Treasury Minute response.

7. PAC conclusion: Despite MoJ assuring us that it has rectified the processing errors that led to it publishing inaccurate Crown Court statistics, we remain concerned that other datasets within the criminal justice system may be affected by the same quality and accuracy issues.

7a. PAC recommendation: In its Treasury Minute response, MoJ should:

- **Set out how it has assured itself that other datasets within the criminal justice system are accurate and are not affected by the same issues that reduced the accuracy of Crown Court data.**

7.1 The government agrees with the Committee's recommendation.

Recommendation implemented: March 2025

7.2 The external assurance review of the process and methods used to produce Crown Court caseload statistics concluded that MoJ can have a significant level of confidence in the Crown Court caseload statistics.

7.3 MoJ also made an improvement to the measurement of the magistrates' caseload data in the [December statistics publication](#). That followed work that HMCTS undertook to modernise its data and management information (MI). This was driven by the work to merge data from the legacy case management system, Libra, with the new data from Common Platform. During that work, HMCTS found evidence that the magistrates' courts open caseload data had previously been overstated due to a variety of issues identified in the data derived from the legacy case management system, Libra. This revision represented an improvement in methodology, and an improvement in accuracy of the magistrates' caseload data.

7.4 There are a small number of additional cohorts of legacy cases that are continuing to be investigated for remedial action and so the magistrates' open caseload will be further revised in future. The first phase of the additional changes was released in the criminal courts statistics quarterly on 27 March 2025. They resulted in a downwards revision of around 17,000

open cases (less than 0.1% of those cases which have passed through the magistrates' court on the legacy Libra system since 2010).

7.5 Other elements of caseloads in the CJS (e.g. Police recorded crime or issues of charging decisions) are for other government departments.

7b. PAC recommendation:

- ***MoJ should set out what scope it sees for further digitisation or the use of AI to enhance the efficiency of the courts and the timely administration of justice.***

7.6 The government agrees with the Committee's recommendation.

Recommendation implemented: April 2025

7.7 HMCTS has been trialling several potential use cases for Artificial Intelligence (AI) in the courts and tribunals, working in collaboration with the judiciary. MoJ is in the early stages of proving the effectiveness of transcription in Immigration Tribunals, as well as some early exploration of hearing summarisation. It is anticipated that these could also be used in the Crown Court but would be subject to further pilots in that jurisdiction and is dependent on Spending Review (SR) funding.

7.8 HMCTS has also previously trialled the use of AI for knowledge management to Common Platform (CP) users to provide operational staff with quicker and easier access to knowledge relevant to their roles and responsibilities. Scaling this up further is dependent on SR funding.

7.9 More widely, HMCTS is collaborating with CJS partners about improving the efficiency of data sharing. This is at an early stage but could include the use of AI and a separate cross-CJS AI group is being formed to explore this. Again, this work is contingent on the outcome of the Spending Review.

7.10 With regards to further digitisation, there are plans to decommission legacy systems (Xhibit and Libra) which will reduce dual-keying by Crown Court staff. This is currently planned to be completed by Spring 2027. In addition, the feasibility of improving integration between casework and document management systems is being explored (CP & Digital Case System).

Thirteenth Report of Session 2024-25

Department for Education

Improving educational outcomes for disadvantaged children

Introduction from the Committee

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

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

Based on a report by the National Audit Office, the Committee took evidence on Monday 13 January 2025 from the Department for Education. The Committee published its report on Friday 7 March 2025. This is the Government's response to the Committee's report.

Relevant reports

- NAO report: [Improving educational outcomes for disadvantaged children](#) – Session 2024-25 (HC 125)
- PAC report: [Improving educational outcomes for disadvantaged children](#) – Session 2024-25 (HC 365)

Government response to the Committee

1. PAC conclusion: The Department has made some progress improving educational outcomes for disadvantaged children, but does not fully capture outcomes or breakdown performance.

1. PAC recommendation: Within the next six months, DfE should set out and publish:

- *its desired progress in narrowing the disadvantaged gap over the next three, five and ten years; and*
- *how it considers the attainment gap alongside other measures and data, including on educational attainment and wider outcomes, to fully assess progress for all and selected groups of disadvantaged children.*

1.1 The government disagrees with the Committee’s recommendation.

1.2 The Department for Education strongly agrees too many children are held back by their background, with gaps between disadvantaged children and their peers opening early and widening throughout education. These gaps are not acceptable. The department is the lead department for the government’s Opportunity Mission, an ambitious, long-term and cross-governmental mission to break the link between a young person’s background and future success. This mission underpins the department’s work, including to help every child to achieve and thrive at school, and has a specific focus on improving outcomes for disadvantaged children.

1.3 Impact will be measured through attainment at the end of secondary school. The department publishes headline attainment measures at national and regional level and by pupil characteristics including disadvantage status for:

- Average Attainment 8 score;
- Progress 8;
- Percentage of pupils attaining grades 5 or above in English and maths;
- Percentage of pupils entering the full EBacc combination of qualifications;
- EBacc Average Point Score;
- Key stage 4 disadvantage gap index.

1.4 The department is focused on narrowing the disadvantage gap as quickly as possible. Progress is already closely monitored by the department and others through published data including the attainment measures outlined above, and key stage 1 and 2 attainment measures at national and regional level with a range of characteristic breakdowns.

1.5 The department continually uses data to review progress across cohorts. This includes pupil-level data including disadvantage status for internal use. Monitoring assesses progress and determines how best to support all pupils, particularly disadvantaged pupils. In monitoring progress against the Opportunity Mission, the department will routinely bring data together to understand and monitor the impacts of interventions and tailor its approach.

2. PAC conclusion: DfE continues to improve its evidence base for what works, but the rationale for certain funding decisions, in particular increasing core funding, does not always follow the evidence.

2. PAC recommendation: Whilst continuing to build an understanding of what works, DfE should re-assess the evidence base for funding decisions and, as part of this, set out its funding priorities for 2025–26, including where pupil premium falls within this.

2.1 The government agrees with the Committee’s recommendation.

Target implementation date: September 2025

2.2 The department is reviewing the allocation of core funding for schools. This review is looking at the operation of the schools national funding formula (NFF), including the operation of “additional needs” funding in the NFF. The NFF targets funding to areas with larger proportions of pupils with additional needs, including deprivation. The deprivation factors in the NFF act as broader proxy measures for schools that are most likely to need extra resources to support their pupils to reach their full potential – including pupils with special educational needs and disability (SEND).

2.3 The department is reviewing the operation of the additional-needs factors within the NFF, including the weightings that they have within the formula. This will look at the evidence

base for these funding decisions, including the extent to which the factors used correlate with incidence of additional needs, including SEND. The interaction between pupil funding and NFF funding will be considered as part of this review. The NFF allocations and pupil premium funding rates for 2025-26 have already been published, and so the focus of the review will be on future funding years. This review will inform decisions on the NFF and pupil premium for 2026-27, and the following years of the spending review period.

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

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

3.1 The government agrees with the Committee’s recommendation.

Target implementation date: April 2026

3.2 The Family Hubs and Start for Life programme will continue to evaluate the rollout of their services overall alongside the delivery of individual elements. Evaluations will continue to be commissioned and led by independent evaluation teams.

3.3 In December 2024 the department announced a 45% uplift to the Early Years Pupil Premium (EYPP), increasing the amount of EYPP to up to £570 per eligible child per year – additional support for the most disadvantaged children. The department is keen to ensure that EYPP spend is used effectively by providers to improve children’s outcomes. To this end the department has published guidance, for the first time, to support local authorities in ensuring spend is used effectively. The department has also worked with the Education Endowment Foundation (EEF) to support the development and launch of practical, evidence-informed advice for early years setting leaders on maximising the use of EYPP in their context - [Early Years Pupil Premium | EEF](#).

3.4 To expand the evidence base on EYPP the department will work with EEF to monitor the impact of the EYPP uplift who will commission an independent, comprehensive mixed-methods impact and process evaluation to explore the potential mechanisms linking EYPP uplift and supporting improved outcomes for disadvantaged children.

3.5 The department is, in parallel, engaging with a number of local authorities to explore barriers to take up.

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

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

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

4.1 The government agrees with the Committee's recommendation.

Target Implementation date: December 2027

4.2 The department is reviewing options to improve reporting arrangements for the pupil premium grant, including potential digital solutions by Academic Year 2027-28. This could support schools' development of effective, evidence-based pupil premium strategies and provide the department with better data on how schools allocate this funding. The department is also exploring ways to automate the current data collection and analysis process to obtain better data from schools ahead of a digital solution, from Academic Year 2025-26.

4.3 Pupil premium conditions of grant and guidance for school leaders set out reporting requirements for the grant, including the requirement that schools publish an updated strategy statement by 31 December each year. Schools with more than five pupils eligible for pupil premium are required to publish a strategy statement annually on their school website, using a DfE template designed to support effective and efficient strategy development.

4.4 The department currently reviews a sample of pupil premium statements to ensure schools comply with the conditions of grant and that their planned activities align with the department's evidence-based 'menu of approaches'. All schools that are non-compliant are contacted by the department and asked to ensure that they publish a compliant statement. Of the schools found to be non-compliant in 2024, only 4% remained non-compliant in March 2025.

4.5 The National Tutoring Programme was designed as a time limited four-year programme to support pupils to catch up on lost learning due to the pandemic. The department invested £1 billion over its four-year life cycle, which ended on 31 August 2024. The department is collecting data on whether pupils are receiving tutoring through the school census in 2024-25.

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

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

5.1 The government agrees with the Committee's recommendation.

Target implementation date: December 2027

5.2 The department supports effective evidence-based decision making in early years, school and 16-19 sectors principally through its grant funding of the EEF, the designated What Works Centre for education. Following its re-endowment in 2022, the EEF's work is funded to at least 2032.

5.3 The EEF's core purpose is to be the independent arbiter of evidence on effective practice in raising the attainment of disadvantaged pupils. It does this by funding rigorous trials of teaching and learning interventions; assessing the findings from these trials – including their impact on disadvantaged pupils – as well as other high-quality research studies worldwide; and distilling and communicating evidence to the sector in ways that drive the adoption of proven approaches.

5.4 The department actively promotes the EEF's evidence to frontline decision makers in various ways – notably through published guidance and wider communications on effective

use of the pupil premium; and via DfE-led school and early years teaching and leadership development programmes, which are underpinned by EEF evidence on effective practice in teaching, learning and education management.

5.5 The department will continue to monitor how schools use evidence of what works in developing their pupil premium strategies and is considering how to target support to improve schools' use of the pupil premium. Recent survey data shows school leaders find implementation and evaluation to be the most challenging aspects of developing and delivering effective pupil premium strategies. The department will work with the EEF to consider how best to build schools' capability and confidence to benefit their disadvantaged pupils.

5.6 The department continues to work with EEF as evidence partner for the Stronger Practice Hubs programme to strengthen understanding of evidence informed practice and grow the evidence base of what works in Early Years settings.

6. PAC conclusion: The Department is relying on the 'Opportunities Mission' to bring together its own, and wider government's, work to support disadvantaged children but it remains unclear how this will work in practice.

6. PAC recommendation: The Department should set out how it will use the opportunities mission to further join-up data and performance information, and embed the cultural changes needed for effective cross-government working.

6.1 The government agrees with the Committee's recommendation.

Target implementation date: July 2025

6.2 The department is working across government and society to deliver the Opportunity Mission. It has set out a clear priority milestone for this parliament to ensure every child has the Best Start in Life, with 75% of children reaching a good level of development at age 5 by 2028. There is a strong evidence base of the impact of early child development on future outcomes, particularly for disadvantaged children. Delivering this target requires effective joined up working across education, health, local government and beyond.

6.3 The mission has a particular focus on improving outcomes for children and young people experiencing economic disadvantage; with experiences of care; and with special educational needs and disabilities. As the report highlights, accurate, consistent and robust cross-government data and performance information is critical to this.

6.4 Across the Opportunity Mission, the department is working to improve and join-up data to understand and track outcomes. Cross-government data work is underway in a range of key areas, including with the Department for Work and Pensions (DWP), HM Revenue and Customs (HMRC), and the Office for National Statistics (ONS) to link parental income data and outcomes for children.

6.5 Outcome and delivery metrics are being brought together in a single source of data to track progress across all mission areas, including for key groups of disadvantaged children and young people. This will underpin monitoring and assurance on progress, including through Mission Boards.

6.6 On wider cross-departmental collaboration, key departments are being built into governance for the Mission and its individual pillars. The Spending Review process is bringing together key departmental contributions to the mission. At the same time, multi-disciplinary expert teams have also been formed to support innovation, including Test and Learn approaches, that will help further strengthen cross-government planning and delivery.

Fourteenth Report of Session 2024-25

Department for Transport

Public charge points for electric vehicles

Introduction from the Committee

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

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

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

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

Based on a report by the National Audit Office, the Committee took evidence on Monday 20 January 2025 from the Department for Transport. The Committee published its report on 12 March 2025. This is the Government's response to the Committee's report.

Relevant reports

- NAO report: [Public charge points for electric vehicles](#) – Session 2024-25 (HC 379)
- PAC report: [Public charge points for electric vehicles](#) – Session 2024-25 (HC 512)

Government response to the Committee

1. PAC conclusion: There is a clear geographical divide in the location of public charge points.

1. PAC recommendation: As part of its Treasury Minute Response, the Department should set out how it identifies and assesses sub-regional variability in public charge point need, and how it might use this to see where intervention is needed in future.

1.1 The government agrees with the Committee's recommendation.

Recommendation implemented: April 2025

1.2 The department currently produces [quarterly statistics](#) on electric vehicle (EV) charging infrastructure which breaks down chargepoint provision by local authority. As part of these releases, statistics on the number of charging devices per 100,000 population are produced which shows the relative provision of local authorities, accounting for the number of residents. This data allows ongoing monitoring and assessment of sub-regional variability.

1.3 Sub-regional need was a guiding principle when allocating Local Electric Vehicle Infrastructure (LEVI) funding. Four variables were used to assess need and allocate funding to local authorities. The number of public charging devices per 100,000 was included in the allocation model to capture existing levels of charging infrastructure across the country. The estimated number of vehicles without off-street parking was included to reflect the increased need for public charging in areas with a heavier reliance on the public charging network. The relative level of deprivation across England and the level of rurality were also included in the funding allocation calculation. These variables were included as areas with more rural households and greater levels of deprivation are less likely to present a positive commercial case for private sector provision.

1.4 The government will look to take a similar needs-based approach to any interventions required in future. The government will also pay close attention to outcomes from early LEVI Fund procurements and their impact on sub-regional variability and use these in the design of future interventions.

2. PAC conclusion: Delays to the Local Electric Vehicle Infrastructure (LEVI) programme mean that local authorities need further support.

2. PAC recommendation: The Department should write to the committee within six months with an update on progress with LEVI, in particular:

- **The amounts of money spent.**
- **The number of projects which have completed procurement.**
- **Whether any procurements failed.**
- **How the Department is continuing to support local authorities.**
- **delivering their projects.**
- **How the Department is applying lessons from LEVI to its other programmes.**
- **engaging local authorities.**

2.1 The government agrees with the Committee's recommendation.

Target implementation date: September 2025

2.2 The department will write to the Committee within six months to provide an update on the progress and delivery of the LEVI programme, including the areas specified in the recommendation.

2.3 Since publication of the Committee's report, a further 28 projects have been approved. As of the end of March 2025, 38 of the 78 LEVI projects have been approved for delivery. In addition, a further 33 projects have been issued with their funding alongside actions to complete ahead of procurement. By the end of financial year 2024-25, £324.6 million of LEVI capital funding was awarded to 71 projects. These projects comprised 100 local authorities as some collaborated and submitted joint applications. The department continues to work closely with local authorities to ensure they are supported to progress their LEVI projects.

2.4 In December 2024, the government confirmed an additional £22 million to continue the LEVI Capability Fund in financial year 2025-26. This should help ensure local authorities can retain existing expertise to deliver LEVI projects and wider charging infrastructure.

3. PAC conclusion: The Department has been slow to ensure the availability of ultra-rapid charge points at motorway service areas.

3. PAC recommendation: The Department should write to the committee within six months setting out the steps it is taking to address gaps in ultra-rapid charge point provision across the strategic road network, particularly at motorway service areas.

3.1 The government agrees with the Committee's recommendation.

Target implementation date: September 2025

3.2 As set out in the NAO's report, the number of chargepoints installed on and around the Strategic Road Network (SRN) that can charge vehicles quickly has grown substantially and is ahead of expectations. As of January 2025, there are more than 5,250 rapid and ultra-rapid chargepoints within one mile of the SRN, including more than 1,100 at motorway service areas. This means that the number of chargepoints on both measures has doubled over the last 18 months.

3.3 However, there is more to do to improve the distribution of chargepoints on the SRN. There are some motorway service areas without a minimum baseline provision as well as gaps in chargepoint provision on some stretches of major A roads. There are also many charging sites that will require large power capacity upgrades to meet future demand, some of which may not be commercially viable in the near term.

3.4 The government will write to the Committee in September 2025 to provide an update on the rollout of ultra-rapid chargepoints at motorway service areas and across the wider SRN. This update will include work that has been undertaken to understand why gaps in provision exist and outline next steps to address these gaps.

4. PAC conclusion: The Department has put in place regulations to improve consumer experience, but some drivers pay significantly more than others to charge their vehicles.

4. PAC recommendation: As part of its Treasury Minute Response, the Department should set out:

- **How it will monitor the impact of the Public Charge point Regulations, including at the local level.**
- **How it will monitor the cost of public charge point use by different groups in society.**
- **How the issue of VAT on public charging points will be considered by HMT and the Department.**

4.1 The government agrees with the Committee's recommendation.

Recommendation implemented: April 2025

4.2 The department has appointed the Office for Product Safety and Standards (OPSS) to act as the regulator for the Public Charge Point Regulations 2023 (PCPR). The department will monitor compliance through reporting from OPSS. In addition, the impact of the PCPR will be assessed through the department's Technology Tracker, monitoring of open data from chargepoints, and engagement with industry and consumer groups. The PCPR will be reviewed within five years of coming into force, as per section 13 of the Regulations, and the department will publish the outcomes of this review.

4.3 The department already monitors the cost of charging across a range of charging channels, including domestic chargepoints, and fast, rapid and ultra-rapid public charging. This is undertaken on an ongoing basis using publicly available information on electricity tariffs and data purchased from Cornwall Insight on the cost of electric vehicle charging.

4.4 The government will continue to work with HM Treasury to understand the variance in costs associated with public and domestic charging and the extent to which any change in policy might impact the price of public charging, as well as consumer demand for EVs.

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

5. PAC recommendation: As part of its Treasury Minute Response, the Department should set out:

- **The outcome of the review of the charge point accessibility standard and what actions it is taking to ensure that charge point accessibility is improved.**
- **What it is doing to encourage alignment of accessibility standards for charge points internationally.**

5.1 The government agrees with the Committee's recommendation.

Target implementation date: December 2025

5.2 The department acknowledges that the chargepoint network needs to work for all users, including those with disabilities. It has been working with industry, disabled users, accessibility experts, charities, consumer groups and the devolved administrations to review the Publicly Available Specification (PAS) 1899:2022 standard for chargepoint accessibility. Recommendations from this review and proposed next steps will be confirmed in due course.

5.3 The PAS 1899 was the first standard of its kind internationally. The department will continue to monitor international standards in this space as they emerge and will drive efforts to harmonise with these international standards in future.

6. PAC conclusion: The Department has more to do in planning ahead for the widespread adoption of electric vehicles.

6. PAC recommendation: As part of its Treasury Minute Response, the Department should set out:

- **How it is developing its vision for a well-functioning public charging network, and the steps it will need to take next to ensure the network develops in the way intended. This should include how traffic regulation orders about dedicated parking bays for electric vehicles could be simplified.**
- **How it will improve coordination with the Department for Energy Security and Net Zero to ensure all major road schemes deliver more charging points.**

6.1 The government agrees with the Committee's recommendations.

Recommendation implemented

6.2 The government's vision is that all drivers can charge conveniently for both daily and long-distance driving and that there is a compelling, and visible, charging offer for prospective electric vehicle (EV) purchasers.

6.3 As set out in the report, the UK is on track to meeting a projected need of 300,000 public charging devices by 2030. The clarity on the transition to EVs has catalysed over £6 billion of private sector investment in UK charging infrastructure. The publication on 7 April 2025 of the [response to the consultation](#) on phasing out sales of new petrol and diesel cars from 2030 and supporting the ZEV transition shows the government has worked with the

industry to both strengthen its commitment to the phase out and introduce practical reforms to support industry to meet this ambition.

6.4 Going forward there is a key role for government to address challenges ahead by further: simplifying chargepoint installation, ensuring nationwide chargepoint distribution and strong rapid chargepoint coverage and maintaining an accessible public charging experience.

6.5 Traffic regulation orders (TRO) can enforce and designate EV only, on-street parking bays. The department is digitalising TROs and will require all authorities that use them to send digital copies to a central publication platform that the department is building. This will reduce the time it takes for authorities to make TROs. The digital publication service (D-TRO) has been built and is available for voluntary use and testing. The requirement should come into force later in 2025.

6.6 The Office for Zero Emission Vehicles (OZEV) is a joint unit between the Department for Transport (DfT) and the Department for Energy Security and Net Zero (DESNZ). The department already works closely with DESNZ to ensure the improved rollout of chargepoints in all market areas. Within DfT, OZEV sits in the Road Transport Group, enabling OZEV to work closely with colleagues to encourage the installation of chargepoints on major road schemes.

Fifteenth Report of Session 2024-25

Ministry of Justice

Prison Estate capacity

Introduction from the Committee

The Ministry of Justice (MoJ) is responsible for justice policy, while its executive agency, HM Prison and Probation Service (HMPPS), is responsible for managing prison and probation services in England and Wales. As at 28 October 2024 there were 85,900 people held in 124 prisons in England and Wales, 108 of which are publicly operated.

In response to projected increases in demand, MoJ committed in October 2021 to deliver 20,000 additional prison places by the mid-2020s through a mixture of new prisons, additional houseblocks and refurbishments, and temporary accommodation. Between 2020 and September 2024, HMPPS delivered 6,518 of these places. MoJ now estimates it will deliver its commitment around five years later than planned. Estimated costs have increased significantly by at least £4.2 billion (80%).

Consequently, the prison estate has been operating at close to full capacity since autumn 2022, with many prisons severely overcrowded. MoJ has had to implement various emergency measures, such as releasing prisoners early, to ensure that the criminal justice system continues to function.

Based on a report by the National Audit Office, the Committee took evidence on Monday 27 January 2025 from the Ministry of Justice. The Committee published its report on Friday 14 March 2025. This is the Government's response to the Committee's report.

Relevant reports

- NAO report: [Increasing the capacity of the prison estate to meet demand](#) – Session 2024-25 (HC 376)
- PAC report: [Prison Estate Capacity](#) – Session 2024-25 (HC 366)

Government response to the Committee

1. PAC conclusion: MoJ's and HMPPS's efforts to increase prison capacity since 2021 have failed to deliver the number of additional places needed.

1. PAC recommendation: MoJ and HMPPS should set out how they will ensure that lessons learned to date from their projects to increase prison places are incorporated into the remainder of the programme and into future major estate projects.

1.1 The government agrees with the Committee's recommendation.

Recommendation implemented: April 2025

1.2 The Ministry of Justice (MoJ) and HM Prison and Probation Service (HMPPS) are committed to implementing findings and recommendations from reviews, subject to assessment, and is actively adapting processes to incorporate knowledge gained from the delivery of the 20,000 prison place programmes.

1.3 Findings from an internal 2022 Peer Assurance Review with Network Rail highlighted several areas for improvement, with a significant proportion having been implemented in the

period since. Notably, both the MoJ and HMPPS will continue to capture lessons learned for prison place programmes quarterly. This learning is proactively shared across programmes and stakeholders to improve future delivery.

1.4 To ensure that the Lessons Learned Strategy, and associated Log, remain fit for purpose and consistent with current best practice, HMPPS is committed to reviewing these on a minimum of a bi-annual basis, with the next review point in October 2025. HMPPS will ensure these materials can be used to embed delivery insights into the 20,000 prison place programmes, land acquisition workstreams and longer-term prison supply through iterative best practice. Additionally, Senior Responsible Owners (SROs) are committed to overseeing regular internal lessons learned exercises at key milestones, ensuring informed delivery of their programmes.

1.5 Upon completion of the ongoing review into the handling of prison capacity, the MoJ and HMPPS will consider how best to apply recommendations to improve delivery of the remaining 14,000 prison places.

1.6 The MoJ and HMPPS will continue to be active in feeding into future major infrastructure projects and strategies across government.

2. PAC conclusion: MoJ's and HMPPS's plans to deliver the remaining 14,000 places by 2031 are still fraught with risk and uncertainty.

2. PAC recommendation: In the Treasury Minute response, MoJ and HMPPS should outline what they are doing to assure themselves and Parliament that their plans are now realistic. The response should state how MoJ and HMPPS will manage risks and monitor the feasibility of their plans, particularly in relation to gaining required planning permission.

2.1 The government agrees with the Committee's recommendation.

Recommendation implemented: April 2025

2.2 The 20,000 prison place programmes undertook a robust re-baselining exercise between December 2023 and December 2024. The process used Quantitative Schedule Risk Analysis alongside Reference Class Forecasting methodology to gain additional assurance. Lessons learned are being applied as programme plans develop, increasing confidence in the feasibility of remaining delivery.

2.3 MOJ and HMPPS will continue to monitor plans and delivery dates through monthly 'Integrated Property Plan' meetings. At-risk milestones are identified and escalated, allowing for more efficient resolution. Programmes must feed into a monthly risk Senior Leadership Team forum, which is responsible for identifying and mitigating cross-cutting risks and issues, as well as a weekly report highlighting slippage and mitigation initiatives for programmes delivering across 2025.

2.4 The vast majority of the 20,000 prison place programmes now have planning permission, can proceed under Permitted Development Rights, or do not require planning. For future prison builds, where appropriate, the MoJ and HMPPS will seek to secure planning permission through the Crown Development Route, expected to come into force in spring 2025.

2.5 The revised [National Planning Policy Framework](#) makes clear that significant weight should be placed on the importance of new, expanded or upgraded public service infrastructure (such as prisons) when considering development proposals. A strategic approach to achieving Nutrient Neutrality is being developed through the Planning and Infrastructure Bill. These measures provide the MoJ and HMPPS with greater assurance on

the feasibility of obtaining planning permissions, reducing the risk of delays to delivery timelines.

3. PAC conclusion: Despite releasing thousands of prisoners early, MoJ forecasts it will run out of capacity again in early 2026.

3a. PAC recommendation: Alongside the Treasury Minute response, MoJ should produce a business case setting out steps to address the prison estate maintenance backlog much more rapidly, including any extra resources that would be required and its progress on re-tendering contracts for maintenance projects held by ISG.

3.1 The government disagrees with the Committee's recommendation.

3.2 HMPPS acknowledges the importance of addressing the prison estate maintenance backlog and remains committed to undertaking the necessary work to ensure compliance with fire safety standards, improve the overall condition of the estate, and reduce the risk of permanent capacity losses. Future investment decisions and corresponding business cases will depend on the outcome of the ongoing Spending Review round.

3b. PAC recommendation: Once the next phase of the Sentencing Review is published in spring 2025, MoJ should provide an update to the Committee, within two months, outlining:

- **how this will affect the forecast prison place shortage and any further mitigation that may be required.**
- **how it will use any resulting increase in headroom in the estate to accelerate plans to reduce its maintenance backlog and progress its fire safety works.**
- **how many cells it estimates will not meet the required fire safety standards by its 2027 deadline.**
- **how much additional funding it is seeking from Phase 2 of the Spending Review to help it tackle its maintenance backlog.**
- **how it plans to deal with any consequent impact on the demand for probation services.**

3.3 The government agrees with the Committee's recommendation.

Target implementation date: The department will update the Committee two months after the Independent Sentence Review publishes its final report.

3.4 HMPPS will provide an update within two months of the publication of the next phase of the Sentencing Review in spring 2025, detailing the impact on the forecast prison place shortage and any further mitigation required. HMPPS will also report on the maintenance backlog including fire safety improvement and the potential number of cells that may come offline at the end of 2027. This will be underpinned by the funding requested from Phase 2 of the Spending Review across HMPPS Estates including Probation and plans to support demand in community.

4. PAC conclusion: The prison capacity crisis has led to decisions and inefficiencies which represent poor value for money.

4. PAC recommendation: In its Treasury Minute response, MoJ should set out how it will estimate the costs to the Criminal Justice System caused by acute prison capacity pressures, in order to strengthen its strategic case for longer term planning and investment.

4.1 The government agrees with the Committee's recommendation.

Recommendation implemented

4.2 As the Committee notes, there have been acute issues in responding to prison capacity which have also led to additional costs in the Criminal Justice System, including: the cost of running temporary demand measures to alleviate prison capacity; extra staffing resource for prisons and probation; delaying maintenance; the costs of running Operation Safeguard; and the cost to overcrowd cells.

4.3 As part of the Spending Review process, the MoJ estimated costs to the Criminal Justice System through internal forecasting and modelling processes, including the additional costs as a result of the acute issues in responding to prison capacity. The MoJ undertakes frequent modelling to be able to advise on future financial plans and strengthen longer term planning. The MoJ has used these estimations to provide a stronger basis for future investment negotiations with HMT as part of the Spending Review process. For the prison capacity programme specifically the MoJ released the [10-year capacity strategy](#) on 11 December 2024 which publicly set out some of the cost estimates to complete the programme by 2031. The MoJ will continue to monitor these costs and amend estimates where necessary.

5a. PAC conclusion: The prison capacity crisis risks undermining the safety and security of prisons and reduces HMPPS's ability to rehabilitate offenders.

5a. PAC recommendation: In its Treasury Minute response, MoJ and HMPPS should set out how they intend to evaluate the impact of prison capacity pressures on key areas such as:

- **completeness of risk assessments for new prisoners;**

5.1 The government disagrees with the Committee's recommendation.

5.2 HMPPS recognises the importance of completing risk assessments for new prisoners to identify and address their immediate needs. HMPPS staff assess prisoners for their risk of self-harm, or harm to or from others by other prisoners on arrival in custody.

5.3 Health assessment and treatment in custody is the responsibility of NHS England and NHS Wales. All newly arrived prisoners must be assessed by a healthcare professional as part of the reception health screen process, which includes risk of suicide or self-harm or whether other medical issues such as mental health, drug or alcohol issues are present. NHS England Health and Justice Commissioners monitor compliance with requirements through their contract monitoring procedures. Welsh Government and Local Health Boards are responsible for monitoring activity in prisons in Wales.

5.4 Established governance arrangements provide an opportunity for Governors, NHS Health and Justice Commissioners, (England) or Local Health Boards (Wales) and providers to respond to local healthcare delivery, including the impact of capacity mitigation measures.

5.5 Although it is not possible to evaluate the impact of prison capacity measures on this area, HMPPS will continue to monitor completeness of risk assessments in a range of ways, including assurance through Safety Audits conducted by the HMPPS Performance, Assurance and Risk Group which will consider whether prisons meet expectations to manage the risks of violence and self-harm, including risk assessments such as the Cell Sharing Risk Assessment as well as risks to self and others. HMPPS will continue to review safety data which identifies the time periods in which self-harm and assaults occur.

5b. PAC recommendation: In its Treasury Minute response, MoJ and HMPPS should set out how they intend to evaluate the impact of prison capacity pressures on key areas such as:

- **self-harm and levels of violence;**

5.6 The government agrees with the Committee's recommendation.

Recommendation implemented: April 2025

5.7 HMPPS recognises the challenges that capacity pressures have on providing a safe environment and can make it harder to effectively manage prisons. There is no single cause of self-harm or violence in prison and there are a range of interacting imported and situational factors that contribute including crowding.

5.8 The MoJ has evaluated the impact of prisoners living in overcrowded prison cell conditions with the analysis showing that they were c.20% more likely to be involved in an assault. The analysis shows that crowding does not directly impact self-harm rates, although there is some evidence that crowding may impact drivers of self-harm, including the mental wellbeing of prisoners. Self-harm is extremely complex and there are a range of clinical, custodial, historical and sociodemographic factors that increase self-harm risks and therefore, a single factor such as crowding is unlikely to be the only reason.

5.9 As outlined in the [Prison Estate Expansion: Evaluation Strategy – GOV.UK](#), the plan is to assess the impact of different types of prison builds on prison safety, focusing on indicators such as self-harm and assaults. The expansion programme covers a range of build types, including new prisons, new houseblocks of varying sizes on existing prison sites, refurbishments, and rapid deployment cells.

5.10 HMPPS regularly monitors monthly self-harm and violence data, and the Prison Performance Tool Dashboard is used on a quarterly basis to monitor overall prison performance. One area considered is safety, with both quantitative and qualitative measures included.

5c. PAC recommendation: In its Treasury Minute response, MoJ and HMPPS should set out how they intend to evaluate the impact of prison capacity pressures on key areas such as:

- **access to prison services such as education, drug rehabilitation, and work opportunities;**
- **access to purposeful activity and time spent outside of cells.**

5.11 The government agrees with the Committee's recommendation.

Recommendation implemented: April 2025

5.12 Action is underway to improve delivery through the national regime model. This annual cycle mandates prisons to set out their planned delivery, against the agreed national priorities which for 2025-26 specifically asks prisons to focus on increasing the quantity and quality of purposeful and rehabilitative activity. Governors are held to account through performance management systems to increase attendance across the totality of purposeful activity and understand the barriers to access dependant on the specific issues, which could include the capacity issues, impacting each establishment.

5.13 A substantial evaluation programme is underway to understand the impact of initiatives and programmes on reoffending outcomes.

6. PAC conclusion: MoJ's and HMPPS's main focus has been on managing the capacity crisis rather than rehabilitating offenders to reduce reoffending.

6. PAC recommendation: Once the next phase of the Sentencing Review is published in spring 2025, within two months, MoJ should write to the Committee setting out:

- **how it plans to improve the rehabilitative environment in prison, for example, by reducing crowding.**
- **what additional funding it requires to increase probation capacity and provision of community support, including substance misuse treatment.**
- **how it will evaluate the impacts of any future changes to probation and community sentencing on reoffending rates.**

This plan should include both a target and a timetable to reduce reoffending and set out a forecast reduction in demand for prison places over time if successfully implemented.

6.1 The government agrees with the Committee's recommendation.

Target implementation date: The department will update the Committee two months after the Independent Sentence Review publishes its final report.

6.2 Following the publication of the Government response to the Independent Sentencing Review, the MoJ will provide an update to the Committee on plans to improve the rehabilitative environment in prisons; on the implications for probation and for community support; and how the impact of changes will be monitored and evaluated.

Sixteenth Report of Session 2024-25

HM Treasury

Whole of Government Accounts 2022-23

Introduction from the Committee

The Whole of Government Accounts (WGA) provides a consolidated view of the government's financial position and performance. It is a set of financial statements prepared by HM Treasury in accordance with the International Financial Reporting Standards (IFRS) and the Government Financial Reporting Manual (FRoM). WGA is made up of over 10,000 bodies across the whole public sector including central government departments, local authorities, devolved administrations, the NHS, academy schools and public corporations.

In 2022–23, the UK public sector spent £1.13 trillion on public services and collected revenue of £975 billion. Most of government expenditure is financed through taxation revenue. In 2022–23, government collected £857.7 billion in taxation, £83 billion more than in 2021–22.

The C&AG has disclaimed his audit opinion on the WGA for 2022–23, for the first time in its 14-year history, as a result of the ongoing local authority audit crisis which has led to a significant amount of English local authorities being included in the accounts based on unaudited data, and an even greater number being missing entirely from the accounts.

Based on a report by the National Audit Office, the Committee took evidence on 23 January 2025 from HM Treasury and the Ministry of Housing, Communities and Local Government. The Committee published its report on 19 March 2025. This is the Government's response to the Committee's report.

Relevant reports

- PAC report: [Whole of Government Accounts 2022-23](#) – Session 2024-25 (HC 367)
- HM Treasury report: [Whole of Government Accounts 2022-23](#) (HC 289)

Government response to the Committee

1. PAC conclusion: Missing and unaudited data have led to a disclaimed opinion on WGA 2022–23, for the first time in 14 years.

1. PAC recommendation: The Treasury should write to the Committee within six months setting out its approach to and progress in reducing the level of missing and unaudited data within the WGA in future years.

1.1 The government agrees with the Committee's recommendation.

Target implementation date: September 2025

1.2 HM Treasury will respond to the committee within 6 months of the Committee's report to provide an update on actions taken to address missing and unaudited data. The department intends to write after the Cycle 1 deadline for draft 2024-25 data so that it can provide an indication of the likely 2024-25 position (local authority deadline 29 August 2025).

1.3 The Ministry for Housing, Community and Local Government's (MHCLG) work on the local audit crisis will help revert the focus of local authorities to more recent financial information. The government expects the level of missing data to reduce in 2024-25, although

it may take longer to reach a point where no audit opinions are disclaimed due to the local audit crisis.

1.4 In March 2025, The HM Treasury Director of Public Spending wrote to local authorities that did not participate in the Whole of Government Accounts (WGA) 2023-24 to set expectations for WGA 2024-25. This prompted an immediate response from local authorities including some submitting data for their 2024-25 opening balances, suggesting they are likely to participate in the next cycle. HM Treasury will work with MHCLG to communicate with all local authorities throughout the 2024-25 process to ensure they are aware of expectations.

2. PAC conclusion: The Treasury and MHCLG have plans to try and fix the crisis in local authority audit arrangements, but it has taken too long to put these plans in place.

2a. PAC recommendation: Alongside the Treasury Minute response to this report:

- **MHCLG should write to the Committee setting out key dates relating to resolution of the local audit crisis and how the department will achieve these dates, including how the department will ensure that the LAO is able to achieve its objectives.**

2.1 The government agrees with the Committee's recommendation.

Recommendation implemented: May 2025

2.2 MHCLG has written to the Committee alongside the publication of this Treasury Minute. The government does not agree with the Committee's conclusion that it has taken too long to put these plans in place.

2.3 Following the election, which led to a change in approach, the government took decisive action. In July 2024, it announced six statutory backstop dates, two of which have already passed, to clear the local audit backlog and allow the system to recover. In December 2024, it launched a strategy to overhaul local audit, and in April 2025, it announced 16 further commitments to streamline and fix the fragmented system.

2b. PAC recommendation: Alongside the Treasury Minute response to this report:

- **The Treasury should write to the Committee within three months with an update on its work to align financial year-end dates for academies for WGA purposes.**

2.4 The government agrees with the Committee's recommendation.

Recommendation implemented: May 2025

2.5 HM Treasury has written to the Committee alongside the publication of this Treasury Minute. The letter was sent to the Committee on 7 May 2025.

3. PAC conclusion: We are concerned that MHCLG does not have sufficient oversight of local government to foresee issues and intervene where appropriate.

3. PAC recommendation:

- **Alongside the Treasury Minute response to this report, MHCLG should write to the committee explaining its approach to identifying local authorities that are under financial pressure and submit their latest risk assessment analysis.**

- ***MHCLG should also, within six months, set out the consequences for local authorities failing to meet the backstop deadline.***

3.1 The government agrees with the Committee's recommendation.

Recommendation implemented: May 2025

3.2 MHCLG has written to the Committee alongside the publication of this Treasury Minute. The government disagrees that MHCLG does not have sufficient oversight of local government to foresee issues and intervene where appropriate.

3.3 As evidenced in the recent NAO report on local government financial sustainability, MHCLG uses modelling and a range of other financial information to understand the overall financial resilience of the sector, as well as the relative position of individual local authorities from a finance and governance perspective. These are set out in the accompanying letter.

4. PAC conclusion: The Treasury has made some improvements to the accessibility of WGA and the information it contains, but there is still more work to do.

4. PAC recommendation:

- ***The Treasury should continue to improve the accessibility of the WGA and consider producing a 'pocket handbook' or similar to help people understand and navigate the document.***
- ***The Treasury should also set out its plans for digitisation of the accounts and how this will achieve greater accessibility.***

4.1 The government agrees with the Committee's recommendation.

Target implementation date: Autumn 2025

4.2 HM Treasury has sought to continually improve WGA. The most recent improvement for the 2022-23 account was the inclusion of accounting spotlights, which provide a detailed overview of accounting concepts. In previously years there have been developments in the use of trend data and infographics. We have also improved the level of disclosures relating to missing and unaudited data.

4.3 HM Treasury officials are open to providing briefing to MPs on WGA where requested. Summary publications such as a WGA pocketbook can be useful, but HM Treasury feels that greater impact can be made by investing in providing more open access to WGA data. HM Treasury will design a draft summary WGA pocketbook after WGA 2023-24 is published and will share an early draft with the committee prior to publication.

4.4 HM Treasury will continue to assess opportunities for greater digitisation in future years, however the priority is ensuring that the WGA recovery plan is completed, and that WGA returns to a stable and timely publication schedule, before we consider digital options.

5. PAC conclusion: The impact of discount rate changes is obscuring the ability to identify meaningful trends in large public sector financial liabilities within the WGA.

5. PAC recommendation:

- ***The Treasury should include additional information within the 2023–24 WGA to demonstrate the undiscounted position of significant liabilities and provide trend analysis and narrative to explain the changes to these discounted figures over time. This narrative should include information on how the Treasury and Departments are actively managing these liabilities.***
- ***The Treasury should also increase disclosure on actuarial assumptions other than the discount rate and how they impact government liabilities.***

5.1 The government agrees with the Committee’s recommendation.

Target implementation date: July 2025

5.2 One of the important principles of WGA is that it summarises and presents information already in the public domain. It is correct that departmental accounts should be the first place where information relevant to departmental finances are published, with WGA acting as an opportunity to aggregate, summarise and analyse trends. Where undiscounted data is available it will be published in the WGA performance report.

5.3 The 2023-24 WGA performance report will include long term trend analysis of significant assets and liabilities. Where possible updates on how government seeks to manage liabilities will be provided. Linkages between discount rate information in different parts of the Performance Report and Accounting Notes will be reviewed in the 2023-24 WGA to streamline the content.

5.4 Accounting standards require disclosure of significant assumptions and sensitivities as part of the notes to the financial statements. These include sensitivity analysis for other key assumptions: rate of increase in pensions, rate of increase in salaries or life expectancy in retirement.

6. PAC conclusion: The WGA is not sufficiently focused on long–term financial risk.

6. PAC recommendation: The Treasury should outline how the WGA disclosures will be updated to ensure the long–term financial risks are more transparent and how the information in the WGA will be used to make such improvements.

6.1 The government agrees with the Committee’s recommendation.

Target implementation date: July 2025

6.2 The WGA is a valuable source of information on government liabilities, providing a comprehensive picture across the whole public sector. There are other similarly valuable sources of information such as departmental accounts, or the fiscal sustainability and risk updates provided by the OBR. The intent is to provide useful information on the evolution of key balances over a long period. The accounting rules that underpin WGA are generally retrospective, focussing on the current valuation of future liabilities as at the respective balance sheet date. Under these accounting rules it is not possible to forecast future balance sheets, but other publications such as the ONS Public Sector Net Worth statistics provide this information on a statistical rather than accounting basis. WGA seeks to improve by summarising relevant information from these other publications. For the 2023-24 WGA the focus will be to include long term trend information back to the first published WGA.

Seventeenth Report of Session 2024-25

The Ministry of Housing, Communities and Local Government

The Remediation of Dangerous Cladding

Introduction from the Committee

Following the 2017 Grenfell Tower disaster, the Ministry of Housing, Communities & Local Government (MHCLG) has led the government's support for remediating residential buildings with unsafe cladding. In 2023, MHCLG brought its five remediation programmes into a single portfolio, comprising two grant programmes for high-rise buildings (over 18 metres), a newer Cladding Safety Scheme for predominantly medium-rise buildings (11–18 metres), and two monitoring schemes for self-remediation by social housing providers and developers.

The previous Committee examined progress in remediating dangerous cladding in 2020. It found that progress had been unacceptably slow and condemned the badly missed target for Grenfell-style aluminium composite material (ACM) cladding to be removed from almost all high-rise blocks by June 2020. It warned that it was imperative that MHCLG met its new target, which was for works on the remaining high-rise blocks to be completed by the end of 2021. By December 2024, work had yet to start on nearly a quarter of the 1,323 buildings in MHCLG's high-rise programmes.

Almost eight years on from Grenfell, work is yet to start on over half of the 5,000 buildings in MHCLG's portfolio and as many as 7,000 unsafe buildings over 11 metres are still to be identified. MHCLG's current best estimate is that the cost of remediating all 9,000 to 12,000 buildings over 11 metres that may need it is £12.6 to £22.4 billion (central estimate of £16.6 billion). It plans to keep taxpayer contributions capped at £5.1 billion, with private owners, social housing providers and developers paying the remainder. Developers will pay to remediate buildings within the ongoing Developer Remediation Programme and, from autumn 2025, through a Building Safety Levy on new developments.

In 2022, concerned that too many buildings were undergoing unnecessary and costly remediation work, MHCLG adopted new guidance – PAS 9980 – for assessing the fire risk of external walls. This took a more proportionate approach to remediation and allows for greater use of lower cost mitigations, such as sprinklers. MHCLG's Remediation Acceleration Plan, published in December 2024, set a target of 2029 for completing remediation on all high-rise buildings over 18 metres and for completing, or having a completion date for all buildings over 11 metres, otherwise landlords would be liable for severe penalties.

Based on a report by the National Audit Office, the Committee took evidence on 3 February 2025 from the Ministry of Housing, Communities and Local Government and Homes England. The Committee published its report on 21 March 2025. This is the Government's response to the Committee's report.

Relevant reports

- NAO report: [Dangerous cladding: the government's remediation portfolio](#) – Session 2024-25 (HC 303)
- PAC report: [The Remediation of Dangerous Cladding](#) – Session 2024-25 (HC 362)

Government response to the Committee

1. PAC conclusion: Given the lack of progress to date and the remaining challenges ahead, we are sceptical about the adequacy and achievability of MHCLG's Remediation Acceleration Plan.

1. PAC recommendation: MHCLG should, within six months, provide the Committee with an update clearly setting out:

i) what it is doing to address the gaps between its Remediation Acceleration Plan and the policy and legislative changes needed to deliver them, and by when it expects them to be addressed;

ii) what it is doing to ensure that non-cladding defects are not holding up progress on cladding remediation; and

iii) Homes England's progress identifying buildings with dangerous cladding;

iv) when it is going to produce proposals to ensure that all fire safety defects, irrespective of whether they are related to cladding issues, are properly addressed.

1.1 The government agrees with the Committee's recommendation.

Target implementation date: Autumn 2025

1.2 The government is working to publish an update of the Remediation Acceleration Plan in Summer 2025; however, this is dependent on the outcome of the 2025 Spending Review. The update to the Committee will dovetail with this work, and therefore an update will be provided in Autumn 2025.

1.3 The update will address the (i) policy and legislative changes required to implement the Remediation Acceleration Plan and (iii) progress in identifying buildings with dangerous cladding.

1.4 For (ii), the government has not seen significant evidence that non-cladding defects are slowing down remediation. It is however committed to removing blockers to accelerate remediation and this will be included in the Autumn update.

1.5 For (iv), legislation exists that addresses the enforcement of internal and external fire safety defects. The government has however seen a need to strengthen legislation to make enforcement of cladding remediation more effective. It is therefore working towards creating a legal duty on those responsible for buildings at or above 11 metres to take the necessary steps to fix their buildings within clear timescales. An update will be included in the Autumn response.

2. PAC conclusion: Insufficient capacity and skills across regulators, local authorities and the construction sector risks undermining MHCLG's acceleration plans.

2. PAC recommendation: MHCLG should, by the end of July 2025, write to the Committee clearly setting out what action it is taking to help ensure there is sufficient capacity across the remediation system, and how it is assuring itself on progress.

2.1 The government agrees with the Committee's recommendation.

Target implementation date: July 2025

2.2 The government agrees to update the Committee on the work it is doing to increase capacity and skills across the building sector to accelerate remediation, by the end of July 2025.

2.3 Progressing remediation and ensuring that residents are safe in their own homes is a priority for this government. Whilst the government accepts that the context is challenging, it does not accept that it has been complacent about the risks identified by the Committee.

2.4 Examples of the work MHCLG has done to increase capacity and skills across the sector supporting government's remediation and housebuilding objectives include: providing additional funding to boost the Building Safety Regulator's (BSR) capacity of case officers; improve infrastructure, training and processes to maximise BSR's operational efficiency; bringing in additional experienced and qualified building control inspectors from private sector Registered Building Control Approvers to bolster its capacity to deal with both remediation work and Gateway applications for new High-Rise Buildings.

2.5 The department is also working with mayoral strategic areas to drive remediation through Local Remediation Acceleration Plans – bringing together expertise, local knowledge and resources to create single area strategies.

2.6 In terms of capacity and skills in the construction sector, the department continually monitors and reacts to changes and capacity in the remediation supply chain, via market capacity surveys, supplier engagement forums and through continual liaison and collaboration with delivery partners.

3. PAC conclusion: We are appalled that those living in affected buildings continue to suffer an unacceptable financial and emotional toll.

3. PAC recommendation: MHCLG and Homes England should write to the Committee annually, starting alongside its TM response, with an update on how effectively it is putting residents at the heart of its remediation efforts, including:

- **the usage and effectiveness of the 'Tell Us Tool' to help identify affected buildings;**
- **the effectiveness of its dispute resolution process and whether it is using restrictions on developers;**
- **how it is measuring and monitoring adherence to the Code of Practice and what action it is taking for any breaches; and**
- **the outcomes of resident surveys conducted for the Cladding Safety Scheme.**

3.1 The government agrees with the Committee's recommendation.

Target implementation date: Summer 2025

3.2 The government will write to the Committee annually from Summer 2025, until Summer 2029 when, in alignment with the RAP, all 18m+ buildings with unsafe cladding in government-funded schemes will be remediated, and every 11m+ building will either be remediated, have a completion date, or landlords will face severe penalties.

4. PAC conclusion: MHCLG is not doing enough to manage the risk that residents in affected buildings face exorbitant insurance premiums in the long term.

4. PAC recommendation: MHCLG should urgently:

- **undertake a review of insurance premiums so it understands how rates compare for those remediated under both the new and old standard; and**
- **consider what more it can do to:**
 - i) help bring down insurance premiums for residents awaiting remediation works; and**
 - ii) address the risk that insurance for buildings remediated in accordance with the newer PAS 9980 standard is unaffordable even after works are complete, and**
 - iii) ask the insurance industry to provide information about the overall costs of insurance premiums in high rise buildings post Grenfell and the increased insurance company payouts to policy holders.**

4.1 The government agrees with the Committee's recommendation.

Target implementation date: December 2025

4.2 The government agrees with the Committee that it is important to build evidence on the cost of buildings insurance. MHCLG therefore continues to work with industry and other stakeholders to gather data on insurance costs including premiums for buildings before, during and after remediation. This data will inform MHCLG's work with industry, announced in December 2024, the Remediation Acceleration Plan (RAP), to consider whether for the duration of remediation programmes, government might support industry to reduce fire related liabilities, in order to reduce the high insurance bills some leaseholders are facing. The evidence being collected will help to ensure any options for support are targeted and effective.

4.3 The government's view is that remediation reduces risk and that this should be reflected in pricing. PAS 9980 has been developed by the British Standards Institute who drew on expert advice from professionals across industry and public consultation. Recognising that insurers set prices based on risk and their obligation to provide products that are fair value, MHCLG has also asked the insurance industry to build the evidence on the claims performance of remediated buildings and to share that with the government.

4.4 The government will share an update on progress by the end of 2025.

5. PAC conclusion: Eight years on from Grenfell, we are concerned that MHCLG still does not know how many buildings have dangerous cladding, how much it will cost to address, or how long it will take.

5a. PAC recommendation: MHCLG should:

- **By the end of July 2025, publish its latest estimates for how many buildings are affected by dangerous cladding, how much remediation will cost (including latest unit cost data), and when it expects work to be completed; and**
- **indicate when it will respond to the Morrell report on product testing and safety and whether as part of that they will be giving consideration for a requirement that all tests of materials, those that fail as well as those that are successful, should be published.**

5.1 The government agrees with the Committee's recommendation.

Target implementation date: Summer 2025

5.2 The government will publish latest building number estimates by the summer. The exact timing of publication of estimates of costs and works completion dates, however, will depend on the outcome of the forthcoming Spending Review. A firmer publication timeline can be provided once this is known.

5.3 The government welcomes the [review](#) by Paul Morrell OBE and Anneliese Day KC. Their review maps out the existing system, identifies weaknesses, and sets out recommendations for addressing these where they considered it appropriate. It makes clear this is a complex area in need of reform. The [Construction Products Reform Green Paper](#), published on 26 February 2025, is the government's direct response to the review and signals its commitment for comprehensive proposals for system wide reforms to the construction products regime to give consumers confidence and underpin supply chains and housing delivery.

5b. PAC recommendation: MHCLG should:

- ***bring forward, by the end of 2025, detailed proposals as to how construction manufacturers should be required to pay a share of the fire safety remediation costs and how this will relieve the pressure on leaseholders and tenants.***

5.4 The government disagrees with the Committee's recommendation.

5.5 The government is currently consulting on redress routes as part of the Construction Products Reform Green Paper. Moreover, leaseholders and tenants are protected from the cost of cladding remediation, which is covered either by government remediation schemes or by developers under the government's remediation contract.

6. PAC conclusion: MHCLG's previous attempts to speed up remediation exposed the taxpayer to increased risk of fraud.

6. PAC recommendation: MHCLG should, by the end of 2025: use findings from fraud measurement exercises to strengthen its counter-fraud controls and ensure they are adequate to meet accelerated funding demand; and share relevant learning across the Ministry to help prevent fraud in other programmes.

6.1 The government agrees with the Committee's recommendation.

Target implementation date: December 2025

6.2 The government will provide an update on the feasibility of fraud measurement by the end of 2025.

6.3 The government has worked extensively to ensure that the action taken for the NAO recommendation is both efficient and effective. The government reviewed the Public Sector Fraud Authority's recommended approach for fraud loss measurement which is a highly technical process. The public sector standard to effectively complete this exercise is 18 months in length, therefore full outputs will not be available until Autumn 2026. The response and approach has been agreed with the NAO and has been indicated in the six-monthly update to the PSFA.

6.4 The government will use initial findings and continued engagement with PSFA and NAO to drive continual improvement to counter fraud controls. The government will share learning across the Ministry and with the PSFA to help prevent fraud in other programmes.

7. PAC conclusion: We are not convinced that MHCLG is taking the potential impact of its remediation plans on wider housebuilding targets seriously enough.

7. PAC recommendation: MHCLG should, by the end of 2025, publish a formal assessment of the impact of its remediation policies (including the Building Safety Levy) on housebuilding projections in both the social and private sectors and what action needs to be taken to ensure the building of 1.5 million homes is not affected by these policies.

7.1 The government agrees with the Committee's recommendation.

Target implementation date: December 2025

7.2 The government will write to the Committee before the end of 2025 to provide an update on the interaction between remediation policies and housebuilding ambitions. Specifically on the Building Safety Levy, the government will publish an impact assessment alongside the draft levy regulations that will be put before Parliament later this year. The levy has been designed to minimise any detrimental impact on housing supply, whilst balancing the need to raise the revenue required to remediate buildings. It will come into effect in Autumn 2026.

Treasury Minutes Archive¹

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

Session 2024-25

Committee Recommendations: 140
Recommendations agreed: 130 (93%)
Recommendations disagreed: 10

Publication Date	PAC Reports	Ref Number
April 2025	Government response to PAC reports 1-4, 6-9	CP 1306
May 2025	Government response to PAC reports 5,10-17	CP 1328

Session 2023-24

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

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

Session 2022-23

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

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

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

Publication Date	PAC Reports	Ref Number
November 2023	Government response to PAC reports 68-71	CP 968
January 2024	Government response to PAC reports 72-79	CP 1000
February 2024	Government response to PAC reports 80 [1-6 Session 23-24]	CP 1029

Session 2021-22

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

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

Session 2019-21

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

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

Session 2019

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

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

Session 2017-19

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

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

Session 2016-17

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

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

Session 2015-16

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

Publication Date	PAC Reports	Ref Number
December 2015	Government responses to PAC reports 1 to 3	Cm 9170
January 2016	Government responses to PAC reports 4 to 8	Cm 9190
March 2016	Government responses to PAC reports 9 to 14	Cm 9220
March 2016	Government responses to PAC reports 15-20	Cm 9237
April 2016	Government responses to PAC reports 21-26	Cm 9260

Publication Date	PAC Reports	Ref Number
May 2016	Government responses to PAC reports 27-33	Cm 9270
July 2016	Government responses to PAC reports 34-36; 38; and 40-42	Cm 9323
November 2016	Government responses to PAC reports 37 and 39 (part 1)	Cm 9351
December 2016	Government response to PAC report 39 (part 2)	Cm 9389

Treasury Minutes Progress Reports Archive

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

Publication Date	PAC Reports	Ref Number
March 2025	Session 2017-19: updates on 3 PAC reports Session 2019-21: updates on 1 PAC report Session 2021-22: updates on 9 PAC reports Session 2022-23: updates on 41 PAC reports Session 2023-24: updates on 36 PAC reports	CP 1284
May 2024	Session 2017-19: updates on 5 PAC reports Session 2019-21: updates on 1 PAC report Session 2021-22: updates on 10 PAC reports Session 2022-23: updates on 53 PAC reports Session 2023-24: updates on 6 PAC reports	CP 1102
December 2023	Session 2017-19: updates on 9 PAC reports Session 2019-21: updates on 2 PAC reports Session 2021-22: updates on 18 PAC reports Session 2022-23: updates on 48 PAC reports	CP 987
June 2023	Session 2013-14: updates on 1 PAC report Session 2017-19: updates on 11 PAC reports Session 2019-21: updates on 5 PAC reports Session 2021-22: updates on 29 PAC reports Session 2022-23: updates on 27 PAC reports	CP 847
December 2022	Session 2013-14: updates on 1 PAC report Session 2017-19: updates on 16 PAC reports Session 2019-21: updates on 14 PAC reports Session 2021-22: updates on 38 PAC reports Session 2022-23: updates on 8 PAC reports	CP 765
June 2022	Session 2013-14: updates on 1 PAC report Session 2017-19: updates on 27 PAC reports Session 2019-21: updates on 34 PAC reports Session 2021-22: updates on 30 PAC reports	CP 691
November 2021	Session 2013-14: updates on 1 PAC report Session 2016-17: updates on 3 PAC reports Session 2017-19: updates on 33 PAC reports Session 2019: updates on 2 PAC reports Session 2019-21: updates on 47 PAC reports Session 2021-22: updates on 5 PAC reports	CP 549
May 2021	Session 2010-12: updates on 1 PAC report Session 2013-14: updates on 1 PAC report Session 2016-17: updates on 4 PAC reports Session 2017-19: updates on 47 PAC reports Session 2019: updates on 2 PAC reports Session 2019-21: updates on 28 PAC reports	CP 424
November 2020	Session 2010-12: updates on 1 PAC report Session 2013-14: updates on 1 PAC report Session 2016-17: updates on 7 PAC reports Session 2017-19: updates on 73 PAC reports Session 2019: updates on 2 reports	CP 313

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

978-1-5286-5721-1
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