HM Treasury

Treasury Minutes

Government Response to the Committee of Public Accounts on the Fifty-seventh to the Sixty-first reports from Session 2024-26

CP 1533

March 2026

Government of the United Kingdom
HM Treasury

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

March 2026

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Government response to the Committee of Public Accounts Session 2024-26

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Fifty-seventh Report of Session 2024-26

HM Treasury

Government services: Generating income

Introduction from the Committee

Government charges users for certain services including, for example, passport applications, driving licences and access to courts and tribunals. Fees are typically set to recover the costs of providing a service, reducing reliance on taxpayer funding and avoiding cross subsidies or over-charging. Setting fees on this basis also supports transparency and efficiency. In 2023-24 (the latest audited data), central government collected approximately £8.8 billion from charged services (this was £8.9 billion in 2022-23).

The Treasury sets the principles for managing fees and charges in Managing Public Money (MPM). MPM provides guidance on handling public funds, with Chapter 6 outlining government's key principles for setting and managing fees and charges.3 Government bodies must operate within these principles, and accounting officers have a duty to ensure that spending is regular (they have the legal authority) and proper (compliant with Treasury guidance). The Treasury spending teams monitor compliance, but accountability ultimately rests with the department's accounting officer.

Government bodies are responsible for setting their own fees but need formal permission to introduce or change them. Ministers use primary legislation to establish fee powers, with secondary legislation used to amend fees. Over-recovery (charging more than cost) requires ministerial and Parliamentary consent; under-recovery (charging less than the cost), needs Treasury consent, and sometimes statutory authority. Annual reports and accounts must disclose specific information about fees, and accounting officers are responsible for compliance.

Fees change infrequently, while costs can fluctuate daily, often leading to financial imbalances. The Treasury expects these imbalances to be corrected within a reasonable time. Persistent imbalances between fees and costs creates risks for service resilience, taxpayer fairness and financial sustainability. Government bodies must demonstrate sound financial management, accurate understanding of costs, and effective fee-setting processes.

Based on a report by the National Audit Office, the Committee took evidence on Thursday 16 October from HM Treasury, the DVLA and Ministry of Justice. The Committee published its report on 10 December 2025. This is the government's response to the Committee's report.

Relevant reports

- NAO report: Financial management of fees and charges – Session 2024-25 (HC 947)
- PAC report: Government services: Generating income – Session 2024-26 (HC 890)

Government response to the Committee

1. PAC conclusion: The Treasury is not doing enough to actively support government bodies in managing their fees and charges effectively, resulting in inconsistent and poor practices across departments.

1. PAC recommendation: Alongside its Treasury minute response to this report, the Treasury should write to the Committee setting out a comprehensive time-bound plan on how it will be more systematic in supporting fee-charging public bodies. This should include issuing operational guidance on areas such as setting fees and making trade-offs; and establishing a mechanism to share good practice to support the improved financial management of fees and charges across government.

1.1 The government agrees with the Committee's recommendation.

Target implementation date: Spring 2026

1.2 HM Treasury will create a cross departmental working group to set out a comprehensive time-bound plan to be more systematic in supporting fee-charging public bodies, which will be shared with the Committee. As part of its remit, and as set out in the Committee's recommendation, the working group will discuss issuing operational guidance to government bodies and establish a mechanism to share good practice.

2. PAC conclusion: The Treasury has been too passive in its oversight of fees and charges resulting in large surpluses and deficits which unfairly impacts taxpayers and potentially future service users.

2. PAC recommendation: To ensure sufficient scrutiny over charged services and to support bodies to achieve their cost-recovery targets, the Treasury should:

- ***Introduce an annual review cycle within 12 months for all charged services covering service design, consent status and implications for fairness to taxpayers and current and future service users and fee payers.***
- ***Conduct targeted and proportionate deep-dives with bodies that have missed their cost recovery targets by more than 10% in two consecutive years and publish a time-bound recovery plan with clear milestones.***

2.1 The government disagrees with the Committees recommendation.

2.2 However, the government agrees with the principles behind the Committee's recommendation that cost recovery should be a conscious and transparent choice but considers improvements can be better achieved by other means. The Treasury will update the Financial Reporting Manual (FReM) to align to 6.11 of Managing Public Money (MPM) to include clearer reporting guidance for fee-charging public bodies to ensure more effective Parliamentary scrutiny and rather than an annual cycle will embed oversight through the Spending Review (SR) returns to ensure departments consider the appropriate subsidies and fees which will now occur every two years.

3. PAC conclusion: The Treasury and Department processes for changing fees are too slow and complex, which makes it harder for bodies to manage effectively their service costs and fee revenues.

3. PAC recommendation: The Treasury should write to the Committee within six months setting out a detailed plan to reduce the time and complexity involved in amending fees. A new system should encourage proportionate and incremental changes to fees and not disincentivise departments from making efficiencies which would enable fixed or reduced fees. This plan should indicate when the new arrangements will be in place and include:

- ***Standardised approval templates and timelines; risk-based consultation and oversight principles, and***

- ***A legislative review to remove unnecessary barriers and enable proportionate deregulation for routine fee amendments. It should scope the feasibility of consolidating legislation to provide for the Treasury to lay a comprehensive annual list of amendments to fees and charges for Parliament to approve, avoiding the need for secondary legislation in the future.***

3.1 The government agrees with the Committee's recommendation.

Target implementation date: May 2026

3.2 The Treasury will write to the Committee by May 2026 to set out proposals indicating the new arrangements to reduce the time and complexity of amending fees.

4. PAC conclusion: Charging bodies do not publish adequate or consistent information on their fees and charges to allow for effective public scrutiny and accountability.

4. PAC recommendation: The Treasury should set, by March 2026 in time for the next financial year, proportionate and standardised reporting requirements for fee-charging public bodies. These requirements must enable effective public and Parliamentary scrutiny by ensuring at a minimum that each body publishes:

- ***how fees are calculated;***
- ***the cost-recovery targets and actual performance with an explanation of any variance;***
- ***and the breakdown of costs included in fees, clearly identifying any cross-subsidies or costs included to support other areas of government.***

4.1 The government disagrees with the Committee's recommendation.

4.2 The government agrees that published information on fees and charges should be improved. This needs to be balanced against the wider aim to reduce the financial reporting burden and efforts to improve timeliness of financial reporting more generally. The Treasury will update the Financial Reporting Manual (FReM) to align to 6.11 of Managing Public Money (MPM) by Spring 2026 to include clearer reporting guidance for fee-charging public bodies to ensure more effective Parliamentary scrutiny.

4.3 The government will continue to keep this under review including considering as part of a wider review of Central Government financial reporting and consider if this will be sufficient or whether additional reporting requirements are necessary to achieve the Committee's objectives.

5. PAC conclusion: The Treasury's system for fees and charges has failed to incentivise cost reduction or productivity improvements, leading to missed opportunities to improve services.

5. PAC recommendation: The Treasury should, by March 2026, publish a plan to embed incentives for efficiency in the fee-setting framework. This plan must include explicit incentives to reward departments that improve productivity and modernise services for users through digital transformation and innovation.

5.1 The government disagrees with the Committee's recommendation.

5.2 The government agrees that incentives on departments for cost reduction and productivity improvements should apply as equally to all services regardless of the funding mechanism.

5.3 The Government Efficiency Framework (GEF) already provides extensive guidance for efficiency in the fee-setting framework and endorses public sector organisations to use the framework as a guiding set of principles on how they progress and track efficiencies. Where the costs of delivering a fee or charge service have been reduced through a technical efficiency and the fees/charges have been reduced (in line with 6.2.2. of Managing Public Money) and this can be clearly evidenced; this can be included as a monetisable non cashable efficiency.

5.4 Departments are therefore incentivised to drive efficiencies in their fee-funded services as this will count towards their bespoke technical efficiency targets agreed at the 2025 Spending Review. All government departments identified at least 5% savings and efficiencies by 2028-29, delivering technical efficiencies of almost £14 billion a year by 2028-29, with funding repurposed towards core priorities. The government is committed to continuous improvement and will repeat the technical efficiencies process at the next Spending Review.

5.5 Treasury, Parliament and the public will be able to both track and hold public bodies to account on how they are achieving efficiency savings to both the taxpayer and the fee payer as part of their overall publicly reported steps towards meeting their efficiency targets. This will also be assessed as part of departments' annual financial performance evaluations.

Fifty-eighth Report of Session 2024-26

Department for Science, Innovation and Technology

Government Services: Identifying costs

Introduction from the Committee

In 2024–25, central government departments spent an estimated £450 billion on the day-to-day 'current' running costs of public services, grants and administration. This is approximately 35% of public spending. By service we mean the people and underlying operations and activities to provide an outcome for a user. Examples include applying for an entitlement or submitting information required by regulations.

Departmental services underpinned by inefficient legacy systems and processes are expensive to run and become increasingly costly as changes are layered on top. Despite bold ambitions, government's own analysis of transformational efforts over the past decade or so has found that it has prioritised simpler, online citizen facing transactions for transformation. More complex and costly services have been left behind.

The 'Top 75' programme led by the Central Digital & Data Office (now Government Digital Service) under the digital and data roadmap 2022–2025 aimed to identify the costs in the 75 most used government services. A lack of sponsorship to improve data in departments and other public bodies limited its progress and the programme closed with only 29 of the top 75 services being assessed as 'great'. This highlights a recurring challenge: that without sustained effort, government will find it difficult to identify the basic data needed to understand what drives the cost of services and where money is being wasted so as to improve efficiency and productivity.

Improved efficiency is critical to government's plans for affordable public services. Simple cost reduction, through imposing headline budget reductions, does not address the underlying reasons for inefficiency of services or delivery processes in organisations, nor how effectively inputs and outputs deliver the right outcomes. Improving overall organisational efficiency requires better information to understand where the inefficiencies lie within thousands of public service delivery processes.

Based on a report by the National Audit Office, the Committee took evidence on Monday 20 October 2025 from the Cabinet Office, HM Treasury and Department for Science, Innovation and Technology. The Committee published its report on 12 December 2025. This is the government's response to the Committee's report.

Relevant reports

- NAO report: Improving government's productivity through better cost information – Session 2024-26 (HC 1291)
- PAC report: Government services: Identifying costs – Session 2024-26 (HC 1421)

Government response to the Committee

1. PAC conclusion: Departments are neither required nor sufficiently incentivised to identify and use detailed costing information at a level that is needed to drive improvements in productivity and efficiency at individual service level.

1. PAC recommendation: As part of the Treasury Minute response to this report, HM Treasury and the Cabinet Office should set out what steps they will take to hold Permanent Secretaries and other senior leaders in departments to account for taking ownership of the identification of costs at a level that enables them to focus on where productivity and efficiency in individual services can be improved. This could entail including a specific and explicit requirement in a 'Dear Accounting Officer' letter.

1.1 The government agrees with the Committee's recommendation.

Target implementation date: July 2026

1.2 The Treasury will issue an updated Dear Accounting Officer letter that explicitly sets expectations for Accounting Officers and senior leaders to identify, use and continuously improve service-level cost information, focusing on understanding cost drivers and productivity opportunities.

1.3 For efficiency, this letter will be issued in tandem with the forthcoming fees and charges Dear Accounting Officer letter, reflecting the close link between understanding the cost base and setting fair, transparent fees and charges. Both letters will reinforce requirements under Managing Public Money and the government's Value for Money guidance.

1.4 Compliance will be monitored through end-year finance assessments coordinated by the Government Finance Function, drawing on departmental evidence of service-level costing, benchmarking and benefits realisation. Findings will inform Permanent Secretary objectives and functional performance discussions.

1.5 Treasury will use cross-government forums (including the Finance Foundations Group) to share best practice, address barriers, and support departments to embed cost ownership in service governance, aligned to the Government Finance Function Strategy.

1.6 Where systemic issues are identified (for example, legacy systems or fragmented service ownership), the Treasury will work with departments to agree remediation plans and timelines, with progress reviewed through existing business planning and stocktake processes.

2. PAC conclusion: Most departments lack a sufficient understanding of their service costs and departments need help from HM Treasury and the Government Finance Function on the practical steps they can take to improve and upskill.

2. PAC recommendation: HM Treasury and the Government Finance Function should set out concrete ways in which departments must start to identify and record service costs within six months. This should include setting out what needs to be improved and practical guidance on how to make improvements.

2.1 The government agrees with the Committee's recommendation.

Target implementation date: July 2026

2.2 HM Treasury and the Government Finance Function are co-ordinating practical costing guidance, produced with departments and informed by NAO advice. The guidance will sit alongside Managing Public Money and Value for Money and provide a common, proportionate approach to service costing, including activity-based techniques, overhead apportionment, staff-time capture options, and linking costs to outcomes.

2.3 The Treasury will set a consistent standard for service costing, driven by departments and coordinated by the Government Finance Function. The standard will define:

- clear scope and boundaries for end-to-end services;
- a minimum data set for service costs (people, process, technology, estates);
- benchmarking and continuous improvement mechanisms;
- integration of risk, schedule and performance metrics;
- governance and assurance requirements at key decision points.

2.4 Consistency will be supported by the NOVA reference mode (NOVA is the UK Government's standardised, digital reference model that sets out leading-practice processes and data standards for Finance, HR, Commercial and Grants functions to improve consistency, efficiency and interoperability across departments), rollout of common ERP (Enterprise Resource Planning) solutions under the Shared Services Strategy for government, and a common chart of accounts, enabling comparable capture and reporting of service costs.

2.5 Capability will be strengthened through the Government Finance Academy and peer support via the Finance Foundations Group. Departments will pilot the standard and share lessons learned to refine the approach.

2.6 Progress will be reviewed through end-year functional assessments and existing performance management processes, with targeted support where barriers (such as legacy systems or data quality) impede delivery.

3. PAC conclusion: Legacy IT systems are a significant contributory factor in the cost of government services and an impediment to being able to gather better data to bring about improvements.

3a. PAC recommendation: DSIT should provide the Committee with a baselined list of legacy systems identified and the services they support alongside the Treasury Minute response to this report.

3.1 The government agrees with the Committee's recommendation.

Target implementation date: March 2026

3.2 The Department for Science, Innovation and Technology (DSIT) will share the available data with the chair of the Committee for dissemination to the Committee by the implementation date of March 2026. Given the nature of the systems included in this list many are less able to defend from cyber-attacks than other systems in government, so the department does not intend to make this list publicly available. The department will engage with the Committee directly to share this data whilst outlining the handling caveats.

3.3 DSIT last collected this data at the end of financial year 2023-24. Reporting was paused in financial year 2024-25 due to the burden that it was placing on departments and the effect this was having on their ability to focus in mitigating the risks posed by legacy systems. DSIT will publish the government's Legacy IT Action Plan later in 2026 which will include how DSIT will establish an improved baseline of priority legacy systems.

3b. PAC recommendation: In addition, DSIT should, within six months from the publication of this report, indicate which legacy systems should be targeted as a priority for further investigation into how far their limitations result in additional people and process costs in the operational business areas they support which, if addressed, would significantly reduce the costs of those services.

3.4 The government disagrees with the Committee's recommendation.

3.5 DSIT agrees that a more detailed analysis of the limitations posed by legacy systems on the additional people and process costs in the operational business areas they support would be beneficial. Research that has already been conducted by DSIT's internal analysis team indicates that, in general, a legacy system costs around 40% more annually than a more modern equivalent. Whilst much of the research analysed is not specific to the public sector and there are clearly variations in the potential savings depending on the type of system and the way they are modernised (from approximately 25% to 80%), DSIT assesses that this is a reasonable estimate of the potential cost savings until more detailed analysis can be conducted.

3.6 DSIT is currently focussing on better understanding the wider landscape of legacy IT in the United Kingdom public sector alongside the costs associated with this (per the Committee's recommendations in their reports on Use of AI in Government and Government cyber resilience), as well as prioritising the development of approaches to remediate legacy IT at scale and prevent new legacy IT. Having a more accurate and data-driven cross-government baseline is a pre-requisite to sequencing the required steps to address legacy systems. DSIT's Legacy IT Action Plan, being published later this year, will set out improvements to the visibility process to baseline legacy cross government. This improved baseline will inform the sequencing and prioritisation of scalable interventions to remediate legacy systems.

3.7 The department does not agree that this recommendation should be an immediate priority of the next 6 months given the above work already in progress and work already undertaking to understand the exposure and impacts of legacy technology, for example, as part of the State of digital government review alongside the above internal research.

4. PAC conclusion: The lack of Single Service Owners with accountability for all aspects of an end-to-end service inhibits departments' ability to identify the visibility of a service's end-to-end cost and the incentive to reduce it.

4. PAC recommendation:

- ***The Cabinet Office should, within the next six months, require Permanent Secretaries to appoint Senior Single Service Owners for all remaining services identified by the Cabinet Office and the Government Digital Service which do not yet have one in place.***
- ***The Cabinet Office should set out a deadline by which Permanent Secretaries must complete the identification and appointment of SSOs for their remaining services.***

4.1 The government agrees with the Committee's recommendation.

Target implementation date: March 2027

4.2 Assigning a Senior Service Owner (SSO) for all digital services is a valuable tool.

4.3 The Government Digital Service and the Cabinet Office will work together, issuing a letter encouraging Permanent Secretaries to complete an assessment of all SSO gaps within 6 months, maximum, and to appoint SSOs within 12 months, taking into account the technical feasibility of the data collection scale. The timescale will be accelerated if possible.

5. PAC conclusion: There is a lack of urgency and clear leadership for resolving the legacy systems and poor data issues that inhibit the realisation of benefits through greater productivity and efficiency that departments will reap from new technology such as AI.

5. PAC recommendation: As part of its response to this report, DSIT should set out how it will take the lead on systemic data and systems improvement across government in order to exploit new technologies such as AI. At the same time, the department should set out what further steps it will take to ensure it can both secure and retain board level CDIOs and senior specialists of the right calibre given it cannot match industry pay rates in all areas of the country.

5.1 The government agrees with the Committee’s recommendation.

Target implementation date: June 2026

5.2 In Spring 2026 DSIT will publish a strategic data roadmap for public sector data. Government Digital Service will set out a long-term plan for how public data should be governed, accessed and used. This plan will help to create smarter, faster public services, such as using data to improve transport or healthcare. It will also ensure that as the government uses technology like AI, data is always kept secure and used ethically.

5.3 To strengthen leadership and invest in talent, the government is introducing a requirement for all executive committees to include digital leaders and for boards to appoint digital non-executive directors by 2026.

5.4 Further action to attract, retain, and develop digital and data talent is being taken through the refinement of the Government Digital and Data Pay Framework and Capability Framework.

5.5 To support long-term workforce planning, talent pipelines are being developed and cross-sector skills exchange encouraged through initiatives such as the TechTrack apprenticeship programme, Digital and Cyber Fast Stream, the AI Accelerator, succession plans and the Digital Secondments Programme.

5.6 The impact of these initiatives will be monitored and evaluated through the Workforce Commission’s bi-annual reporting, the Senior Civil Service Benchmarking Tool, and ongoing workforce data collection. Transparency will be maintained through public reporting, including updates on digital leadership appointments, publication of Workforce Commission outputs (where appropriate), and the launch of major programmes such as TechTrack.

Fifty-ninth Report of Session 2024-26

Ministry of Justice

Ministry of Justice follow up: Autumn 2025

Introduction from the Committee

MoJ is responsible for prison policy and securing and allocating an adequate financial settlement, while its executive agency, HMPPS, is responsible for managing the prison and probation service in England and Wales. In the context of legal aid, MoJ is responsible for ensuring that the legal aid market in England and Wales is sustainable and accessible both in the short and long-term. LAA is responsible for commissioning and administering legally aided services.

The National Audit Office's December 2024 report on prison capacity highlighted HMP Dartmoor as an example of poor value for money caused by the capacity crisis. The prison had been earmarked for closure for several years, but HMPPS renewed its lease in 2022 due to capacity pressures, despite detecting high levels of radon gas in the prison in 2020. In 2024, HMPPS was forced to temporarily close the site, which can hold over 600 prisoners, and the prison remains closed. In our January 2025 session on prison estate capacity we questioned MoJ on its decision to renew the lease.

The previous Committee's 2024 report on legal aid expressed deep concerns around several areas, including MoJ's and LAA's lack of understanding of people's access to legal aid, slow progress in understanding wider costs of removing access to early legal aid advice and the sustainability of the legal aid sector, particularly civil legal aid where fees had not been increased since 1996. The Committee made recommendations in all of these areas, which MoJ and LAA accepted. However, in several areas MoJ and LAA committed to taking only limited actions in response to the report.

In April 2025, MoJ became aware of a cyberattack on the LAA's online digital services that resulted in a major data breach. In June 2025, we questioned MoJ on the action it had taken in response to the attack. MoJ confirmed that the LAA had taken its digital services offline to prevent further incidents and was instead using manual methods to keep its systems running.

Based on a report by the National Audit Office, the Committee took evidence on 23 October 2025 from the Ministry of Justice, Legal Aid Agency and HMPPS. The Committee published its report on 7 January 2026. 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)
- NAO report: Government's management of legal aid– Session 2023-24 (HC 514)
- PAC report: Ministry of Justice follow up: Autumn 2025 – Session 2024-26 (HC 1240)
- PAC Report: Value for Money from Legal Aid – Session 2023-24 (HC 481)
- PAC report: Prison estate Capacity – Session 2024-26 (HC 366)

Government response to the Committee

1. PAC conclusion: HM Prison and Probation Service's (HMPPS's) failure to negotiate a good deal on the lease of HMP Dartmoor means it is spending around £4 million a year of taxpayer's money on a prison it cannot use.

1. PAC recommendation: HM Prison and Probation Service should, in its Treasury Minute response, set out what it has learned from the failures of its decision making and contract management of the HMP Dartmoor lease negotiations, and how it will ensure that any future contracts deliver value for money.

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

Recommendation implemented:

1.2 HM Prison and Probation Service (HMPPS) has reviewed its handling of the HMP Dartmoor lease negotiations and as identified areas of learning, including on communications, roles and responsibilities, information sharing, decision making and long-term planning.

1.3 It is accepted that it would have been beneficial for commercial decision makers to have had a comprehensive understanding of the presence of radon at the site and the scale of mitigations required to manage it, prior to entering into negotiations and making a decision on the lease.

1.4 HMPPS has significantly improved and implemented updated radon policies and procedures, and training for employees, to ensure the effective management of radon. This has increased clarity on roles and responsibilities, improved communication and engagement across the business and improved mechanisms for the reporting and sharing of information.

1.5 HMPPS are also embedding learning from Dartmoor into future decision-making, to ensure that any future contracts deliver value for money. Generally, estates projects are delivered as part of the MoJ's capital maintenance programme. A number of factors are considered to ensure value for money and determine the optimal delivery route, including but not limited to urgency, cost, complexity and nature of the requirement.

2. PAC conclusion: Despite closing the prison in August 2024, the Ministry of Justice (MoJ) and HMPPS still do not have clear plans for the future of Dartmoor.

2. PAC recommendation: Once it has decided on its proposed approach to remediating the Dartmoor site, the Ministry of Justice and HM Prison and Probation Service should write to the Committee and set out in detail:

- ***its assessment of any proposed works against the Accounting Officer tests of regularity, propriety, feasibility and value for money;***
- ***its estimate of when the prison will be fit for use and how much the remediation will cost.***
- ***that it will continue to assess whether best value for money is served by continuing to spend money on an unoccupied prison or try to negotiate an early exit from the lease by carrying out a full commercial negotiation with proper professional advice.***

2.1 The government agrees with the Committees recommendation

Target implementation date: June 2026

2.2 The MoJ and HMPPS will write to the Committee once the proposed approach to remediating Dartmoor has been decided.

3. PAC conclusion: *We are not satisfied that MoJ and the Legal Aid Agency (LAA) are doing enough to ensure that people eligible for legal aid can access it, particularly those who are digitally excluded.*

3a. PAC recommendation: In its Treasury Minute response, the Ministry of Justice and the Legal Aid Agency should set out:

- ***Outside of exploring changes to contracts, how it plans to better monitor whether digitally excluded individuals can access legal aid.***

3.1 The government agrees with the Committee's recommendation.

Target implementation date: October 2026

3.2 The Committee's report notes that the Legal Aid Agency (LAA) has begun to explore what it can do to remove barriers to providers meeting with clients face-to face and the department can report that work is starting to increase the department's understanding of demand, including from digitally excluded individuals

3.3 In December 2025, the MoJ commenced a civil demand feasibility study with Ipsos, to identify options for the routine monitoring of demand for civil legal aid. This includes considering demand from vulnerable cohorts such as the digitally excluded. This study will report by the end of March 2026.

3.4 The department is pursuing a programme to transform the delivery of legal aid services, with a focus on the user experience of accessing legal aid. As part of this, MoJ and the LAA will build modernised digital systems that will enable better capture management information about user access to legal aid. However, improved "non-digital" routes for potential clients to access legal aid services will also be built. As part of this, alongside user research, the department will engage with organisations that work to fix the digital divide and explore best practice across government. The department will report back to the Committee on progress against that plan in October 2026.

3b. PAC recommendation: In its Treasury Minute response, the Ministry of Justice and the Legal Aid Agency should set out:

- ***What it is doing to close gaps in provision in areas where legal aid "deserts" still exist.***

3.5 The government agrees with the Committee's recommendation.

Target implementation date: October 2026

3.6 The department recognises the Committee's concern about legal aid provision, and the department would draw the Committee's attention to the letter of 6 November 2025 in which the MoJ outlined relevant policy and operational actions.

3.7 The Committee highlighted specific concerns around face-to-face provision for housing and debt advice. The Government is taking steps to support these sectors. Uplifts for controlled immigration & asylum and housing and debt legal aid work, generally early legal advice, some legal representation, and Housing Loss Prevention Advice Service (HLPAS), have now been implemented. This first step will inject an additional £18 million into the civil legal aid sector each year. An additional £2 million for licensed housing and immigration work, typically legal representation, will be delivered separately and as soon as possible

3.8 The LAA advertised areas where housing and debt coverage is required on a number of occasions during 2025 and as of January 2026 have secured outreach provision in eight of the 21 areas with a further six outreach offers currently being assessed. Six strategic market engagement events have been held since 26 January - promotion of these started on 12 January via Market engagement: Legal Aid for Housing and Debt - GOV.UK and Twitter. These sessions are designed to directly address barriers to provision in the remaining areas. Insights gathered will inform what further operational interventions can be made by LAA to secure coverage, and the department will report back to the Committee in Autumn 2026 on insight-led action to take forward.

4. PAC conclusion: More than ten years since the legal aid reforms, MoJ has still not demonstrated a sufficient understanding of the additional costs of legal aid reforms, particularly the impact of litigants in person.

4a. PAC recommendation: The Ministry of Justice should write to the Committee alongside its Treasury Minute response setting out:

- ***The results of and its response to its survey of local authorities about the effects of shunting costs to other government departments, and any further investigations it plans. For example, exploring where a lack of early advice creates additional costs for other areas, such as healthcare.***

4.1 The government agrees with the Committee's recommendation.

Recommendation implemented

4.2 The department has written to the Committee, alongside the Treasury Minute response, setting out the results of its survey of local authorities and any further investigations planned.

4b. PAC recommendation: The Ministry of Justice should write to the Committee alongside its Treasury Minute response setting out:

- ***On the impact of the increase in litigants in person on courts, including any additional time and cost as a result, and how it will improve the data it bases its analysis on. For example, taking into account how active a LIP is in court processes.***

4.3 The government agrees with the Committee's recommendation.

Target implementation date: October 2026

4.4 The department has written to the Committee, alongside the Treasury Minute response, setting out the current position on data collection for litigants in person, and the department's intention to write to the Committee in October 2026 setting out how the department will improve data and analysis.

5. PAC conclusion: We remain unconvinced that MoJ has put in place sufficient measures to ensure the future sustainability of the legal aid market.

5. PAC recommendation: Although Ministers are responsible for setting legal aid fees, the Ministry of Justice should better support them by routinely reviewing profitability and sustainability for all types of legal aid. It should set out its plans to do this in its Treasury Minute Response.

5.1 The government agrees with the Committee's recommendation.

Target implementation date: October 2026

5.2 The department recognises that understanding the sustainability of the market and taking steps to support it is important to maintain effective access to justice for clients.

5.3 The department's current focus in this regard is to improve understanding of demand for legal aid services and the sector's capacity to meet that demand. This provides direct insight into market sustainability. Part of building this understanding is the department's work, with support from Ipsos, to explore the feasibility of establishing a repeatable methodology that will help us monitor sustainability by improving the management information collected on demand. This information will feed directly into the legal aid digital transformation programme, which aims to support sustainability by ensuring new digital systems streamline processes and reduce administrative burdens.

5.4 The department will also explore options to routinely monitor the profitability of legal aid firms and interrogate the extent to which this impacts supply and influences market sustainability, alongside considering other factors. The department emphasises to the Committee the importance of these other factors because future sustainability is shaped not only by fee levels, but also by the experience of providers and clients, the complexity of the system, and associated administrative burdens. Driving improvement in these areas is a core aim of the transformation programme referenced above.

5.5 MoJ will provide an update to the Committee on this work in October 2026. Any future policy decisions based on this will be in the context of the department's spending review settlement.

6. PAC conclusion: Despite lessons learned from the cyberattack on the LAA, funding to address weaknesses across MoJ systems is uncertain.

6a. PAC recommendation: In the Treasury Minute response, the Ministry of Justice and the Legal Aid Agency should set out:

- ***The lessons it has learned from the crisis and how and when it plans to share these lessons with other government departments.***

6.1 The government agrees with the Committee's recommendation.

Recommendation implemented: August 2025

6.2 The MoJ and LAA have already identified and shared lessons from the attack through several routes. Internally, across MoJ, this has taken place at: MoJ Audit and Risk Assurance Committee; within the MoJ Executive Committee and Senior Leadership Group; and with the HMCTS Executive Leadership Team. Lessons have also been shared with Permanent Secretaries as part of their weekly cross-government meetings, and to the cross-government data practitioners' network.

6.3 In the months following the attack the department shared technical details with public sector security teams through the Government Cyber Coordination Centre (GC3) Impact Coordination Group, as well as writing to the HMG Chief Information Security Officer (CISO) network. The department has also taken experiences of the attack and developed a tabletop exercise that can be used by other departments to role play the scenario and test their thinking and business continuity systems against. This has been shared with the Government Cyber Unit for ongoing use.

6.4 The MoJ and LAA continue to work to identify lessons and to share these with stakeholders and are attending the National Cyber Security Centre (NCSC) CyberUK conference as a panel member in April 2026. Further sessions will be provided to assist any other department that requests it and the department has also offered to share learnings across the Operational Delivery Profession.

6.5 The Chief Executive of the Legal Aid Agency (LAA) set out the initial lessons learned at the Committee evidence session in October 2025, including the need for senior leaders to ensure that cyber-vulnerabilities are fully understood and business continuity plans cover a long period.

6b. PAC recommendation: In the Treasury Minute response, the Ministry of Justice and the Legal Aid Agency should set out:

- ***Whether it has sufficient funding to address the key risks identified from the review of its systems, once allocations are decided.***

6.6 The government agrees with the Committee's recommendation.

Recommendation Implemented

6.7 The MoJ has allocated funding to the transformation of LAA systems over the 2026-2029 period.

6.8 However, the department recognises that the landscape, particularly in relation to cyber security, continues to evolve. The department is taking a continuous assurance approach, reviewing and updating requirements based on latest security guidance from MoJ Digital and wider Government (NCSC), alongside agreed allocated funding. The department will apply government cyber security standards and the 'secure by design' principles as appropriate to all new systems.

6.9 The department has established escalation and governance routes in the event that new risks exceed current mitigation and controls. The department has effective mechanisms for seeking re-allocation and approval of funding in the event that specific targeted investment is required.

Sixtieth Report of Session 2024-26

Department for Work and Pensions

DWP follow-up: Autumn 2025

Introduction from the Committee

The Department is responsible for the delivery of welfare, pensions and child maintenance policy. It administers working-age, retirement, disability and ill-health benefits to more than 23 million people across Great Britain. In 2024–25, it spent £290.8 billion on pension and benefit payments plus £7.3 billion on running costs.

In its annual report and accounts for 2024–25, the Department published its new goals, which were agreed at the 2025 Spending Review. The first of these goals is to "enable people to get into work and to get on at work, ensuring employment opportunity for all". The Department relies on its network of around 640 jobcentres across Great Britain, organised into seven regions and 37 districts, to help people seeking employment or wanting to progress. In November 2024, the government published a white paper, Get Britain Working, which included a long-term ambition for an 80% employment rate. The white paper set out plans for reforming employment support including creating a new jobs and careers service, bringing together jobcentres with the National Careers Service in England.

The quality of service that the Department provides matters because claimants rely on the accurate and timely payment of the benefits to which they are entitled to avoid or mitigate financial hardship. We noted in our January 2025 report on DWP Customer Service and Accounts 2023–24 that poor service can have a range of detrimental impacts, including frustration, distress and disruption for customers, and additional cost for the Department as it, for example, has to deal with repeated calls from customers chasing progress.

The Department recognises that significant parts of its services remain largely unmodernised. Its Service Modernisation Programme is an 11-year organisation-wide programme, estimated to cost £312.1 million and running from 2022–23 to 2032–33, which is seeking to deliver benefits for customers, staff and taxpayers. This programme includes plans to upgrade substantial parts of the Department's legacy IT systems.

Based on a report by the National Audit Office, the Committee took evidence on 30 October 2025 from the Department for Work and Pensions. The Committee published its report on 9 January 2026. This is the government's response to the Committee's report.

Relevant reports

- NAO report: Supporting people to work through jobcentres – Session 2024-25 (HC 769)
- PAC report: Jobcentres – Session 2024-25 (HC 823)
- Treasury Minute: September 2025 (CP 1404)
- NAO report: DWP customer service – Session 2024-25 (HC 127)
- PAC report: DWP Customer Service and Accounts 2023-24 – Session 2024-25 (HC 354)
- Treasury Minute: April 2025 (CP 1306)
- NAO report: DWP Annual Report and Accounts 2024-25 (HC 995)
- PAC report: DWP follow up: Autumn 2025 – Session 2024-26 (HC 1447)

Government response to the Committee

1. PAC conclusion: The Department has not yet made clear how it plans to bring together the jobs and careers service with its new responsibilities for adult skills, in order to deliver the government's objectives.

1. PAC recommendation: The Department should, alongside its Treasury Minute response, write to the Committee setting out how it will integrate its new responsibilities for skills with the jobs and careers service, including details of key milestones, in order to deliver the objectives set out in the Post-16 Education and Skills white paper.

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

Target implementation date: October 2026

1.2 The government laid out its ambition for greater access to education and skills through the Post-16 Education and Skills White Paper. The White Paper aims to reform the Post-16 education and skills system so that it supports the development of the skilled workforce and our economy needs. The transfer of responsibility for adult skills and careers from the Department for Education to the Department for Work and Pensions (the department) on 16 September 2025 has created a single government lead on work and training for adults, bringing together employment support and skills development in one place.

1.3 The Jobs and Careers Service (JCS) will be a new single and universal service, providing a stronger focus on skills and careers. By incorporating its new responsibilities, including into the JCS, the department is creating a more coherent and employment-focussed skills system. A key milestone is the bringing together of the National Careers Service with Jobcentre Plus from 1 October 2026.

1.4 As the new service is being developed, the department will look to incorporate information on users' skills and available provision to signpost people to training where they have gaps that need addressing before they can get into or progress at work.

1.5 The department will publish an update in Spring 2026 in response to the "Get Britain Working: Reforming Jobcentres" (September 2025) report of the Work and Pensions Select Committee. This will set out further detail on how the department plans to integrate skills in the Jobs and Careers Service.

2. PAC conclusion: The Department does not have assurance that shortening the first meeting a Universal Credit claimant has with a work coach to 30 minutes will not adversely affect the support it provides.

2. PAC recommendation: The Department should set out how it will monitor the impact of shortening the first meeting claimants have with a work coach, including how it will assess the impact on different groups of claimants. As part of its monitoring, the Department should obtain feedback from claimants.

2.1 The government agrees with the Committee's recommendation.

Target implementation date: Summer 2027

2.2 All sites have now moved to a 30-minute initial claimant commitment meeting for new claimants, and the department recognises the importance of understanding the impact on the claimant experience from implementing this change.

2.3 The department will be undertaking a qualitative research project to gather claimant insight on their experiences at the initial claimant commitment meeting. This will include feedback on the length and content of the meeting.

2.4 As part of the department's plans to develop the Jobs and Careers Service, it will use the findings from this qualitative research alongside learning from the claimant commitment testing in its Pathfinder sites to consider the best way to provide support to claimants throughout their claim.

3. PAC conclusion: Greater transparency about jobcentre performance is needed to enable effective local scrutiny.

3. PAC recommendation: The Department should be more transparent by implementing our previous recommendation to publish regularly jobcentre-level data, including data on work coach numbers against need and into-work rates. This data could be included in the new quarterly labour market insights publication.

3.1 The government disagrees with the Committee's recommendation.

3.2 The department has provided the Committee with jobcentre level data on work coach numbers in the Committee members' constituencies, but the department's view remains that the right level to monitor performance is at a district and local authority level. This is because jobcentres work collectively across their geographies, and there is a danger of over interpretation of short-term fluctuations at a more local level. The into-work rates may, for example, fluctuate due to the arrival of a new employer or new job opportunities, so the figures could say more about changes in the local labour market than about jobcentre performance.

3.3 The department has recently started publishing its quarterly Get Britain Working Labour Market Insights. This allows stakeholders to review progress of their local jobcentre district and jobcentres within the local authority area on into-work rates. The department will be developing this publication and would be happy to take feedback from the Committee over the coming quarters as this data evolves.

4. PAC conclusion: It is unacceptable how long some PIP claimants are having to wait for their claims to be processed, which can cause them to get into debt and push them into poverty. The Department does not have an adequate plan to improve this in the short term.

4. PAC recommendation: Alongside its Treasury Minute response, the Department should write to the Committee to provide:

- for 2024–25, more detailed data on the time taken to process new PIP claims, specifically a breakdown of the number and proportion of claims processed as follows:

- ***within the target of 75 working days;***
- ***after the 75-day target but within six months;***
- ***after six months but within 12 months; and***
- ***after 12 months. The Department should also provide details of the longest waiting time recorded in 2024–25.***

- an update on its expected trajectory for when more PIP claimants can expect to receive a faster claim processing service as a result of the Health Transformation Programme, up to the programme's completion in 2029.

4.1 The government agrees with the Committee's recommendation.

Target implementation date: end of March 2026

4.2 The current average (median) duration for a Personal Independence Payment (PIP) New Claims stands at 16 weeks (October 2025) having not exceeded this level during any month since September 2022 and representing substantial improvement from a high of 26 weeks during August 2021. Further improvements in the longer-term will be delivered by the Health Transformation Programme.

4.3 The department is also providing opportunities to reduce journey times through service improvements. For example, offering over 90% of customers facility to submit claims digitally after calling to register claims, reducing delays such as postage time.

4.4 Recognising the Committee's interest in tracking improvements, and as published within the 2024-25 Annual Report and Accounts (ARA), the department has reviewed its timeliness standards, which reflect current policy and drive correct outcomes. This will be included in the 2025-26 ARA. The department is standardising its measures across service lines to 90% of cases cleared format. The department will however write to the Committee to provide the information available as requested, by the end of March 2026, to close this recommendation.

4.5 In addition to modernising the department's services and improving baseline performance, an additional 200 staff have been deployed in the past year. This increased capacity has enabled 416,000 planned Award Reviews to be processed between April and October 2025, an increase of 162,000 compared to the previous year, reducing delays for changes of entitlement during planned reviews.

4.6 PIP is not an income replacement benefit, as immediate support for people on low incomes with their living costs is available through Universal Credit. Successful PIP claims are backdated to the date of application.

5. PAC conclusion: While we are encouraged that the Department has ambitious plans to address the risks associated with its legacy IT systems, implementing these plans over the next three years will be highly challenging.

5a. PAC recommendation: The Department should set out more information about:

- ***its plans for reducing the risk from legacy IT systems over the next three years, including milestones for replacing key systems, and the changes its customers can expect as a result; and …***

5.1 The government agrees with the Committee's recommendation.

Recommendation implemented

5.2 By 2030-31 the department's legacy systems will become outdated. This could affect the department's ability to deliver services efficiently and may lead to higher long-term operating costs. Recognising the significant risk, the department analysed 250 systems in scope and developed an accelerated plan to address the 36 most critical systems which account for around 65% of the caseload, within the coming Spending Review.

5.3 The plan has three main steps:

- full transformation of some services, this is ongoing and includes migration from old systems;
- agreed treatment plans, such as refactoring, for the remaining systems; and
- Code fixes where required.

5.4 This was estimated to take the next five years, however with acceleration to resolve earlier, this will be delivered over the next three years.

5.5 Where systems are being transformed, customers will experience an improved level of service enabling them to take advantage of online features, such as being able to report a change of circumstance. For systems where an alternative approach is taken, customers will experience no deterioration in the level of service they currently receive.

5.6 The department remains focussed on reducing legacy technology risk through a systematic approach to decommissioning and migration. The department is forecasting a 5% reduction in red risks by the end of 2025-26, building to a cumulative reduction of 31% by the end of 2026-27, reaching a 58% cumulative reduction within three years against targeted critical systems, such as Disability Living Allowance (Child), Severe Disablement Allowance and Widowed Parent's Allowance.

5.7 The Government Internal Audit Agency's latest review states that the department demonstrates strong governance and leadership in managing technical debt.

5b. PAC recommendation: The Department should set out more information about:

- ***… the timetable for rolling out its pilot to enable citizens to do things across multiple benefits, rather than just one by one, and how long it will take to evaluate this pilot.***

5.8 The government agrees with the Committee's recommendation.

Recommendation implemented

5.9 The Service Modernisation Programme is delivering as intended. The Customer Account went live in September 2025 providing customers with a 24/7 service enabling them to access and immediately download a Proof of Benefit letter for Employment Support Allowance, Job Seeker's Allowance, Income Support, State Pension, Pension Credit, Disability Living Allowance, Attendance Allowance and Personal Independence Payment.

5.10 To date over 50,000 requests have been processed and by Summer 2026, the department expects customers will be able to view past and upcoming payments information across a range of benefits via the account.

5.11 Moving forward, the department will deliver the ability for customers to report certain changes in circumstance via the account. All required information will be captured at the first point of contact and shared across relevant benefit lines. The department is currently working on the first iteration of that service.

5.12 The department will deliver a message centre capability enabling customers and colleagues to view digital copies of letters. A minimum viable product is due to go live this Summer, followed by planned six monthly releases for additional notifications to be included.

5.13 The department will deliver functionality for customers to upload documentary evidence to support claims and changes, reducing risks associated with postal services, improving convenience for customers and reducing fraud, error and debt. All new capabilities will be rigorously evaluated following Government Digital Service standards, before releasing services to the public. As a Government Major Projects Portfolio programme, all deliverables are reviewed by the National Infrastructure and Transformation Authority (NISTA) to ensure quality, value and readiness for scale.

Sixty-first Report of Session 2024-26

Department for Education

Financial sustainability of Children's care homes

Introduction from the Committee

In March 2024, there were 83,630 'looked-after children' in England, equating to 70 in every 10,000 children, many of whom were vulnerable and had complex needs. For example, 66% had a history of abuse or neglect. Local authorities have a statutory responsibility for the care, safety and welfare of looked-after children, which can include providing a place to live. As at March 2024, looked-after children included 56,390 living in foster care and 16,150 in residential care. Residential care includes children's homes, secure children's homes, and supported accommodation which allows older children to live more independently.

Over the period 2019–20 to 2023–24, the local authority costs of supporting looked-after children in residential care increased by 96% to £3.1 billion, contributing to wider local authority budgetary pressures. However, with the number of children in residential care increasing by just 10% to 16,150, other factors have contributed to cost increases. Challenges providing the right residential care, in the right locations, and at the right cost, are widely recognised.

The Department has set out its response to these issues through a broader children's social care strategy "Stable Homes, Built on Love" published in February 2023 and a policy statement setting out its commitment to reform the children's social care system "Keeping Children Safe, Helping Families Thrive", published in November 2024. As part of its plans for reform, the Department has proposed draft legislation, the Children's Wellbeing and Schools Bill, considered by Parliament since December 2024. Among other aims, this seeks to provide greater financial and corporate transparency over providers and to ensure local authorities collectively commission more places

Based on a report by the National Audit Office, the Committee took evidence on 17 November 2025 from the Department for Education, the Children's Commissioner, the Association of Directors of Children's Services and the Children's Homes Association. The Committee published its report on 16 January 2026. This is the government's response to the Committee's report.

Relevant reports

- NAO report: Managing children's residential care – Session 2024-26 (HC 1290)
- PAC report: Financial sustainability of children's care homes – Session 2024-26 (HC 1233)

Government response to the Committee

1. PAC conclusion: The Department has not demonstrated the urgency and leadership needed to provide a children's residential care system that works.

1. PAC recommendation: The Department should demonstrate how it will take more ownership of the system by setting out: a clear definition of its role; what it wants to achieve, the associated actions and timeline; and how it will develop a joined-up system and approach with local authorities and wider government. It should write to us in six months setting out its approach.

1.1 The government agrees with the Committee’s recommendation.

Target implementation date: Spring 2029

1.2 The Department for Education recognises that there are several challenges in the children's social care placements market, including a more complex and older cohort of children and young people in care, and differing sufficiency challenges across England.

1.3 Local authorities (LAs) have statutory duties for care planning and providing appropriate placements for looked after children. They have the knowledge of their children and local provision and are best placed to make the right decisions for children and young people.

1.4 The department is taking decisive action to address the issues in the market and support LAs to deliver their statutory functions. The department is providing £2.4 billion to support earlier intervention and reduce the number of children entering care through the Families First Partnership programme. For those who come into care, the department’s investment in fostering will ensure as many children as possible are able to live in loving families. For children with the most complex needs, the department is creating over 600 additional open and secure specialist placements and refurbishing existing secure provision.

1.5 The department is also rolling out Regional Care Co-operatives (RCCs) which will harness the collective buying power of individual LAs and allow them to gain economies of scale. RCCs will be responsible for analysing future accommodation needs for looked after children across the region, publishing sufficiency strategies, recruiting and supporting foster parents, and commissioning care places. Further detail is set out in response to recommendation 6.

1.6 As requested, further information will be provided to the Committee in six months.

2. PAC conclusion: It is unacceptable that children are placed in illegal settings that are not inspected, increasing safety risks and offering no assurance over the quality of care.

2. PAC recommendation: In its Treasury Minute response, the Department should reaffirm its commitment to reducing the number of children in unregistered homes to zero by the end of 2027 and set out the specific actions it will take to do so.

2.1 The government disagrees with the Committee’s recommendation.

2.2 The department agrees with the Committee’s conclusion and is clear that placing children in unregistered settings is both unacceptable and unlawful. It has, however, not made a commitment to reduce the number of children in unregistered homes to zero by the end of 2027. Setting a fixed deadline does not sufficiently reflect the complexity of the issue.

2.3 The department is tackling the running and use of unregistered provision by driving down the demand for residential places, and increasing the sufficiency of high quality, registered placements. The actions set out in response to the committee’s first recommendation support this.

2.4 LAs often struggle to secure suitable, registered provision for children with the most complex needs. To address this, the government announced £560 million of capital funding to reform the children’s social care system and expand the children’s homes estate. This includes £53 million match-funding to help LAs create up to 200 specialist placements for children with complex trauma by March 2029. This builds on the 277 residential placements already delivered, with a further 70 due in 2026. The government is also expanding capacity in the secure children’s homes estate by 75 placements. Two new homes in the West Midlands and London - areas currently without provision - will open in 2028 and 2030, providing welfare and step-down placements. Four major rebuild projects are underway in Lincolnshire (2027), Devon and Hampshire (2030), and South Gloucestershire (2031).

2.5 New powers in the Children's Wellbeing and Schools Bill will strengthen enforcement against unregistered providers. From summer 2026 (subject to Royal Assent) Ofsted will be able to issue uncapped fines to providers operating or running unregistered settings, allowing faster action against providers. Ofsted will also consult on reforms to the inspection of local authority children's services (ILACS), including ways to increase their focus on sufficiency planning and the use of unregistered provision.

3. PAC conclusion: Providers of children's homes, including local authorities, are not offering the places needed locally, leading to children being placed in homes that do not meet their needs.

3. PAC recommendation: The Department should detail how it will better understand and address barriers to creating the places needed and set out how it will: provide local authorities more consistent funding and support to create new places; work with Ofsted to resolve delays registering new homes; address challenges in providers receiving planning permission where homes are needed; and ensure providers are better able to secure the qualified staff needed.

3.1 The government agrees with the Committee's recommendation.

Target implementation date: **Spring 2029**

3.2 The department recognises the importance of ensuring the right homes are available in the right places.

3.3 The department is providing LAs with long-term capital funding of £560 million for 2026–2030. This includes investment to refurbish and expand the children's homes estate as set out above.

3.4 The expansion of RCCs enable LAs to pool resources and create their own provision. The department is taking steps to remove the barriers that make it harder for providers, including LAs, to establish provision where it is needed.

3.5 In September 2025 the department supported Ofsted to update their registration prioritisation criteria. This enables Ofsted to prioritise applications for homes needed to meet identified sufficiency gaps, homes receiving DfE capital funding, and those providing specialist care for children with complex needs and/or disability.

3.6 The department is working with the Ministry of Housing, Communities and Local Government to consider reforms to remove barriers within the planning process. This work is ongoing and subject to ministerial approval.

3.7 To support children's homes providers to secure qualified staff, the department will commission an expert-led review of professional development for the residential workforce, to be completed in Summer 2026. It will recommend improvements to qualifications, training, career pathways and workforce standards. The department will work with LAs receiving DfE capital funding for new homes, and with newly formed RCCs, to ensure workforce principles are embedded.

3.8 The department has provided grant funding to both RCC pathfinders to strengthen workforce capability. Work is ongoing with Ofsted to improve the registration process for children's home managers, including simplifying transfer of registration when managers move between homes.

4. PAC conclusion: To reduce the demand for children's residential care, the Department is relying on there being more foster carers, but it has yet to address the significant challenges to increase numbers.

4. PAC recommendation: Drawing on what local authorities are doing, and its own analysis, the Department should set out how it will address the barriers to increasing the number of foster carers, with a clear timeframe and milestones.

4.1 The government agrees with the Committee's recommendation.

Recommendation implemented

4.2 On 4 February 2026 the department published an action plan and consultation, Renewing fostering: homes for 10,000 more children, which sets out the approach to significantly increasing the number of foster care places available to children and young people. This includes national recruitment and awareness raising, digital tools, and capital investment to expand the capacity in existing foster family homes; building on the existing regional recruitment hub model, ensuring prospective foster carers are supported throughout the whole process; a new innovation programme to spread and scale new models of care; bolstering the recognition and support to ensure that the existing foster carers are retained; and simplifying the rulebook to ensure relationships are at the heart of decision making.

5. PAC conclusion: Despite private providers providing most care home places, the Department does not fully understand their financial position.

5. PAC recommendation: The Department should set out how it will better understand the profits, motivations and debt positions of private providers and how it will then proactively address risks across the market.

5.1 The government agrees with the Committee's recommendation.

Target implementation date: Summer 2026 (timings subject to Royal Assent of Children's Wellbeing and Schools Bill)

5.2 The Financial Oversight Scheme will be established through the Children's Wellbeing and Schools Bill. It will increase financial and corporate transparency among the most "difficult to replace" providers and their corporate owners. This will allow the department to make a better, real-time assessment of financial risk (including debt positions), and provide advance warning to local authorities where there is a real possibility that risk to financial sustainability could lead a provider to cease operating, so they can take swift action and minimise disruption to children.

5.3 The Scheme will also require providers or their owners to develop and submit a contingency plan to ensure providers and their parent companies can prepare for the worse-case scenario of financial failure, playing an active role in managing their exit from the market. A similar Market Oversight function exists within adult social care (delivered by the Care Quality Commission) to assess the financial stability of 'difficult to replace' adult social care providers. The department has worked closely with CQC to learn from their experience and inform development of the scheme.

5.4 The department expects about 40 providers to be covered by the Scheme (around 42% of the looked after children's placement market in England). This may scale up or down in the future according to market developments to ensure aims of the Scheme continue to be met. Data from the Scheme will be used to help determine how overall profit levels are changing, or not, among providers in scope of the Scheme.

6. PAC conclusion: The Department has failed to address the problem of local authorities competing for places and the effect that has on driving up costs.

6. PAC recommendation: The Department should clarify, as part of the Treasury Minute, the principles behind the collaborative regional approach it is working towards, by when it expects to implement its model nationally, and how it will support local authorities in the meantime.

6.1 The government agrees with the Committee's recommendation.

Target implementation date: Spring 2029

6.2 Every child deserves safe, high-quality care close to home. Regional Care Cooperatives will make this a reality by transforming the children's social care system into one that is coherent, collaborative, and sustainable.

6.3 RCCs will harness the collective buying power of individual local authorities (LAs) and allow them to gain economies of scale. By pooling resources, improving forecasting, strengthening multi-agency collaboration, building expertise and capability and acting collectively as a single customer and provider, RCCs will transform care available for children.

6.4 In 2025, two RCC pathfinders were launched in Greater Manchester and the South-East. Ecorys UK have been commissioned to carry out an independent evaluation of the two pathfinders. The first report was published in 2025 and highlights the high potential of the RCC model. Learning from the pathfinders, the department now intends to accelerate the rollout of RCCs.

6.5 The department's vision is for every LA to be part of an RCC. The department wants to work in partnership with local areas to drive forward the development of RCCs quickly. On 4 February 2026 the department publicly set out its vision for RCCs, building on the pathfinders. Following this, an Expression of Interest will be launched in Spring, backed by over £10 million of funding, with the expectation to be able to support the setup of up to six new RCCs in 2026.

Treasury Minutes Archive[1]

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

Session 2024-26

Committee Recommendations: 483
Recommendations agreed: 454 (94%)
Recommendations disagreed: 29

Publication Date	PAC Reports	Ref Number
April 2025	Government response to PAC reports 1-4, 6-9	CP 1306
May 2025	Government response to PAC reports 5,10-17	CP 1328
June 2025	Government response to PAC reports 18-22	CP 1341
July 2025	Government response to PAC reports 23-26	CP 1367
August 2025	Government response to PAC reports 27-34	CP 1382
September 2025	Government response to PAC reports 35-42	CP 1404
December 2025	Government response to PAC reports 43-46 48 and 49	CP 1469
January 2026	Government response to PAC reports 50-55 (and 56 BBC)	CP 1488
March 2026	Government response to PAC reports 57-61	CP 1533

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

[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
February 2023	Government response to PAC reports 27-31	CP 802
March 2023	Government response to PAC reports 32-36	CP 828
May 2023	Government response to PAC reports 37-41	CP 845
June 2023	Government response to PAC reports 42-47	CP 847
July 2023	Government response to PAC reports 48-54	CP 902
August 2023	Government response to PAC reports 55-60	CP 921
September 2023	Government response to PAC reports 62-67	CP 941
November 2023	Government response to PAC reports 68-71	CP 968
January 2024	Government response to PAC reports 72-79	CP 1000
February 2024	Government response to PAC reports 80 [1-6 Session 23-24]	CP 1029

Session 2021-22

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

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

Session 2019-21

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

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

Session 2019

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

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

Session 2017-19

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

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

Session 2016-17

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

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

Session 2015-16

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

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

Treasury Minutes Progress Reports Archive

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

Publication Date	PAC Reports	Ref Number
December 2025	Session 2017-19: updates on 2 PAC reports Session 2019-21: updates on 1 PAC report Session 2021-22: updates on 5 PAC reports Session 2022-23: updates on 24 PAC reports Session 2023-24: updates on 30 PAC reports Session 2024-26: updates to 25 PAC reports	CP 1453
March 2025	Session 2017-19: updates on 3 PAC reports Session 2019-21: updates on 1 PAC report Session 2021-22: updates on 9 PAC reports Session 2022-23: updates on 41 PAC reports Session 2023-24: updates on 36 PAC reports	CP 1284
May 2024	Session 2017-19: updates on 5 PAC reports Session 2019-21: updates on 1 PAC report Session 2021-22: updates on 10 PAC reports Session 2022-23: updates on 53 PAC reports Session 2023-24: updates on 6 PAC reports	CP 1102
December 2023	Session 2017-19: updates on 9 PAC reports Session 2019-21: updates on 2 PAC reports Session 2021-22: updates on 18 PAC reports Session 2022-23: updates on 48 PAC reports	CP 987
June 2023	Session 2013-14: updates on 1 PAC report Session 2017-19: updates on 11 PAC reports Session 2019-21: updates on 5 PAC reports Session 2021-22: updates on 29 PAC reports Session 2022-23: updates on 27 PAC reports	CP 847
December 2022	Session 2013-14: updates on 1 PAC report Session 2017-19: updates on 16 PAC reports Session 2019-21: updates on 14 PAC reports Session 2021-22: updates on 38 PAC reports Session 2022-23: updates on 8 PAC reports	CP 765
June 2022	Session 2013-14: updates on 1 PAC report Session 2017-19: updates on 27 PAC reports Session 2019-21: updates on 34 PAC reports Session 2021-22: updates on 30 PAC reports	CP 691
November 2021	Session 2013-14: updates on 1 PAC report Session 2016-17: updates on 3 PAC reports Session 2017-19: updates on 33 PAC reports Session 2019: updates on 2 PAC reports Session 2019-21: updates on 47 PAC reports Session 2021-22: updates on 5 PAC reports	CP 549
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

Publication Date	PAC Reports	Ref Number
November 2020	Session 2010-12: updates on 1 PAC report Session 2013-14: updates on 1 PAC report Session 2016-17: updates on 7 PAC reports Session 2017-19: updates on 73 PAC reports Session 2019: updates on 2 reports	CP 313
February 2020	Session 2010-12: updates on 2 PAC reports Session 2013-14: updates on 1 PAC report Session 2015-16: updates on 3 PAC reports Session 2016-17: updates on 14 PAC reports Session 2017-19: updates on 71 PAC reports	CP 221
March 2019	Session 2010-12: updates on 2 PAC reports Session 2013-14: updates on 4 PAC reports Session 2014-15: updates on 2 PAC reports Session 2015-16: updates on 7 PAC reports Session 2016-17: updates on 22 PAC reports Session 2017-19: updates on 46 PAC reports	CP 70
July 2018	Session 2010-12: updates on 2 PAC reports Session 2013-14: updates on 4 PAC reports Session 2014-15: updates on 2 PAC reports Session 2015-16: updates on 9 PAC reports Session 2016-17: updates on 38 PAC reports Session 2017-19: updates on 17 PAC reports	Cm 9668
January 2018	Session 2010-12: updates on 2 PAC reports Session 2013-14: updates on 5 PAC reports Session 2014-15: updates on 4 PAC reports Session 2015-16: updates on 14 PAC reports Session 2016-17: updates on 52 PAC reports	Cm 9566
October 2017	Session 2010-12: updates on 3 PAC reports Session 2013-14: updates on 7 PAC reports Session 2014-15: updates on 12 PAC reports Session 2015-16: updates on 26 PAC reports Session 2016-17: updates on 39 PAC reports	Cm 9506
January 2017	Session 2010-12: updates on 1 PAC report Session 2013-14: updates on 5 PAC reports Session 2014-15: updates on 7 PAC reports Session 2015-16: updates on 18 PAC reports	Cm 9407
July 2016	Session 2010-12: updates on 6 PAC reports Session 2012-13: updates on 2 PAC reports Session 2013-14: updates on 15 PAC reports Session 2014-15: updates on 22 PAC reports Session 2015-16: updates on 6 PAC reports	Cm 9320
February 2016	Session 2010-12: updates on 8 PAC reports Session 2012-13: updates on 7 PAC reports Session 2013-14: updates on 22 PAC reports Session 2014-15: updates on 27 PAC reports	Cm 9202
March 2015	Session 2010-12: updates on 26 PAC reports Session 2012-13: updates on 17 PAC reports Session 2013-14: updates on 43 PAC reports	Cm 9034
July 2014	Session 2010-12: updates on 60 PAC reports Session 2012-13: updates on 37 PAC reports	Cm 8899
February 2013	Session 2010-12: updates on 31 PAC reports	Cm 8539

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