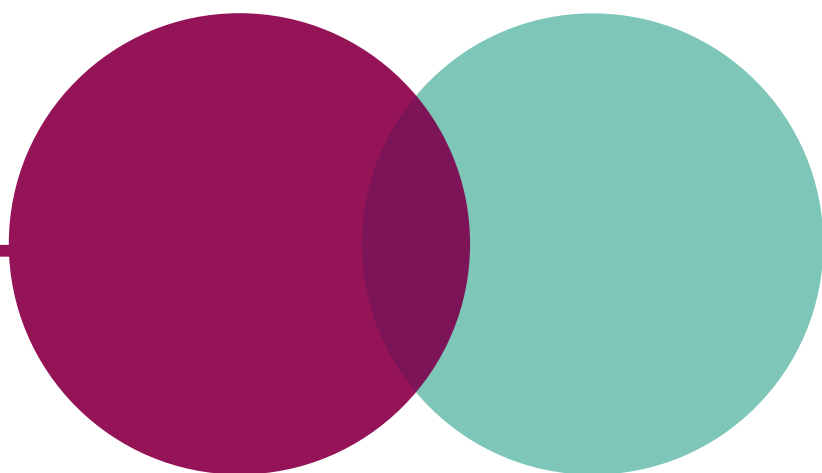




National Audit Office



Initial learning from the government's response to the COVID-19 pandemic

Cross-government


REPORT

**by the Comptroller
and Auditor General**

SESSION 2021-22

19 MAY 2021

HC 66



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National Audit Office

Initial learning from the government's response to the COVID-19 pandemic

Cross-government

Report by the Comptroller and Auditor General

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Commons in accordance with Section 9 of the Act

Gareth Davies
Comptroller and Auditor General
National Audit Office

13 May 2021

Lessons learned reports

Our lessons learned reports bring together what we know on important recurring issues to make it easier for others to understand and apply the lessons from our work.

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Foreword by the Comptroller and Auditor General

The scale and nature of the COVID-19 pandemic and the government's response are without precedent in recent history. The pandemic continues to be a major challenge for government, public sector bodies, as well as people across the UK and worldwide. Many people have died, and many lives have been adversely affected. The overall long-term impact and cost of the pandemic remains uncertain but will be substantial.

To date, the National Audit Office (NAO) has published 17 reports focusing on key parts of the response where there is scope for government to learn lessons from this experience about how it does and should operate. This report brings together our initial thoughts on this learning across six themes:

- risk management;
- transparency and public trust;
- data and evidence;
- coordination and delivery models;
- supporting and protecting people; and
- financial and workforce pressures.

The COVID-19 pandemic has stress-tested the government's ability to deal with unforeseen events and potential shocks. Government has often acted at unprecedented speed to respond to a virus which has caused dramatic disruption to people's lives, public service provision and society as a whole. Government had to continue to deliver essential public services, while reprioritising resources to deliver its response to the COVID-19 pandemic and supporting staff to work from home. In its response, government has had to streamline decision-making, work across departments and public bodies and use a range of delivery structures. Departments will need to reflect on the lessons learned to ensure that they capitalise on the benefits and opportunities these new ways of working have brought.

While the response to the pandemic has provided new learning from both what has worked well and what has not worked well, it has also laid bare existing fault lines within society, such as the risk of widening inequalities, and within public service delivery and government itself. The relationship between adult social care and the NHS, workforce shortages, the challenges posed by legacy data and IT systems, and the financial pressure felt by parts of the system all require long-term solutions.

The challenges posed by the pandemic have highlighted the importance for government of adopting a systematic approach to preparing for high-impact events, evaluating its performance frequently, and acting quickly on learning points while adhering to required standards of transparency and accountability even in emergencies. This goes beyond meeting legal (or audit) requirements. It involves adhering to the standards that government has set for itself to maintain and strengthen public trust. Also, if government can build resilience into systems and delivery chains, and develop consistently robust horizon scanning, risk management and operational management capabilities across government, this will help it to cope better with future emergency responses while also improving business-as-usual activities.

This report provides our initial thoughts on the learning government can draw from its response to date, based on fieldwork which was mostly carried out in 2020. We aim to refine this thinking as we continue our work. Government will recognise and has already acted on some of these learning points, but given their importance, we reiterate them in this report. These issues, as well as more recent developments in the government's pandemic response, will be further explored in our future work. And we will continue to draw out lessons from the government's response to the pandemic to support its own evaluation of its performance and provide Parliament and the public with timely reporting for accountability and learning.

Gareth Davies

Summary of learning

We have identified learning for government from its initial response to the COVID-19 pandemic across six themes. Our main messages across these six themes are set out below.

Risk management



Identifying the wide-ranging consequences of major emergencies and developing playbooks for the most significant impacts.

Being clear about risk appetite and risk tolerance as the basis for choosing which trade-offs should be made in emergencies.

Transparency and public trust



Being clear and transparent about what government is trying to achieve, so that it can assess whether it is making a difference.

Meeting transparency requirements and providing clear documentation to support decision-making, with transparency being used as a control when other measures, such as competition, are not in place.

Producing clear and timely communications.

Data and evidence



Improving the accuracy, completeness and interoperability of key datasets and sharing them promptly across delivery chains.

Monitoring how programmes are operating, forecasting changes in demand as far as possible, and tackling issues arising from rapid implementation or changes in demand.

Gathering information from end-users and front-line staff more systematically to test the effectiveness of programmes and undertake corrective action when required.

Coordination and delivery models



Ensuring that there is effective coordination and communication between government departments, central and local government, and private and public sector bodies.

Clarifying responsibilities for decision-making, implementation and governance, especially where delivery chains are complex and involve multiple actors.

Integrating health and social care and placing social care on an equal footing with the NHS.

Balancing the relative merits of central, universal offers of support against targeted local support.

Supporting and protecting people



Understanding to what extent the pandemic and government's response have widened inequalities, and taking action where they have.

Providing appropriate support to front-line and other key workers to cope with the physical, mental and emotional demands of responding to the pandemic.

Financial and workforce pressures



Placing the NHS and local government on a sustainable footing, to improve their ability to respond to future emergencies.

Ensuring that existing systems can respond effectively and flexibly to emergencies, including provision for spare or additional capacity and redeploying staff where needed.

Considering which COVID-19-related spending commitments are likely to be retained for the long term, and what these additional spending commitments mean for long-term financial sustainability.

Introduction

1 In May 2020, the National Audit Office (NAO) published its first report on the government's response to the pandemic, an *Overview of the UK government's response to the COVID-19 pandemic*. We noted that this report would help identify a risk-based series of descriptive and evaluative reports where government faced particular challenges and there was most to learn. Since then we have published a further 16 reports on the government's response to the COVID-19 pandemic, as well as regularly updating the estimated costs of the government's response on our website.¹

2 The NAO's reports on the government's response to the COVID-19 pandemic cover many of the key programmes, such as the employment support schemes (the Coronavirus Job Retention Scheme and the Self-Employment Income Support Scheme), the Bounce Back Loan Scheme, NHS Test and Trace, and the supply of personal protective equipment, as well as more cross-cutting themes such as procurement during the pandemic and local government finance. A full list of our reports is provided in Appendix One and a list of the recommendations from these reports is provided in Appendix Two. By the end of April 2021, the Committee of Public Accounts had held sessions on 16 out of the 17 reports we published. Appendix One also provides a list of the Committee's COVID-19 reports that had been published by 1 May 2021.



¹ All of the reports are available on the dedicated COVID-19 section of our website at: www.nao.org.uk/about-us/covid-19/ and the cost tracker is available at: www.nao.org.uk/covid-19/cost-tracker/

3 By the end of March 2021, the estimated lifetime cost of measures announced as part of the government's response was £372 billion (**Figure 1** on page 10). The largest programmes, by estimated lifetime cost, are the Coronavirus Job Retention Scheme (£62 billion), NHS Test and Trace (£38 billion) and self-employment income support (£27 billion). **Figure 2** on page 11 highlights the estimated lifetime costs by lead department, with the highest-spending departments being HM Revenue & Customs (£111 billion), the Department of Health & Social Care (£92 billion) and the Department for Business, Energy & Industrial Strategy (£59 billion).

4 This report draws out learning from the reports that we have published to date, as well as other work we have published that covered the COVID-19 pandemic, such as our good practice guides on fraud and error and operational delivery,² our report on *The adult social care market in England*,³ and our *Departmental Overview 2019-20: Department for Work & Pensions*.⁴ It sets out this learning across six themes:

- risk management;
- transparency and public trust;
- data and evidence;
- coordination and delivery models;
- supporting and protecting people; and
- financial and workforce pressures.

We will continue to draw out learning from the government's response to the pandemic from our future work.

² National Audit Office, *Good practice guidance: Fraud and error*, March 2021, available at: www.nao.org.uk/report/good-practice-guidance-fraud-and-error/ and National Audit Office, *Improving operational delivery in government: A good practice guide for senior leaders*, March 2021, available at: www.nao.org.uk/report/managing-operations-senior-leaders-guide/

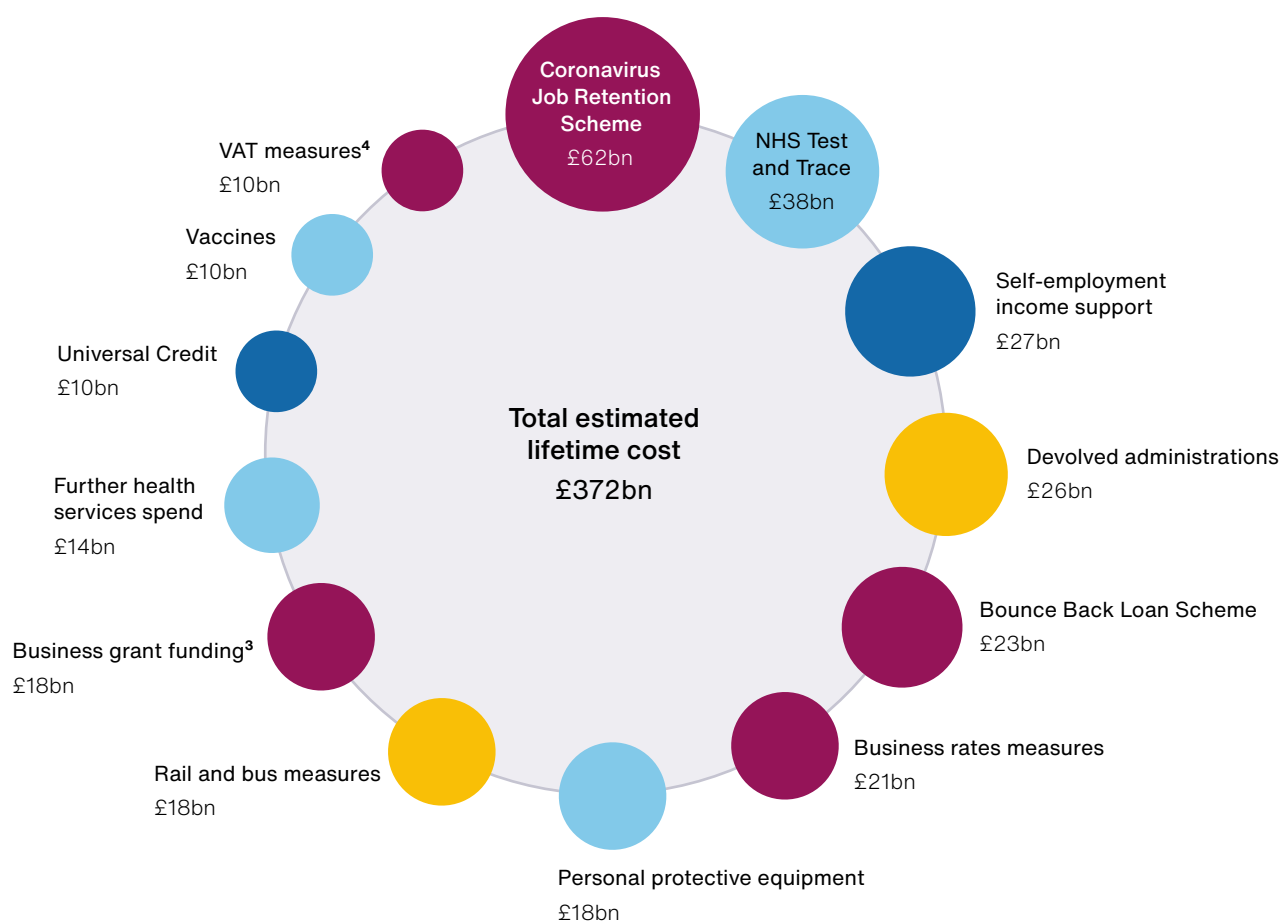
³ Comptroller and Auditor General, *The adult social care market in England*, Session 2019–2021, HC 1244, March 2021, available at: www.nao.org.uk/report/adult-social-care-markets/

⁴ National Audit Office, *Departmental Overview 2019-20: Department for Work & Pensions*, October 2020, available at: www.nao.org.uk/report/departmental-overview-2019-20-department-for-work-pensions/

Figure 1

Breakdown of the estimated lifetime costs of the government's response to the COVID-19 pandemic by programme, March 2021

The programmes highlighted in this diagram accounted for 79% of the estimated cost of the government's response announced up to 31 March 2021



- Support for businesses
- Support for health and social care
- Support for individuals
- Support for other public services and emergency responses

Notes

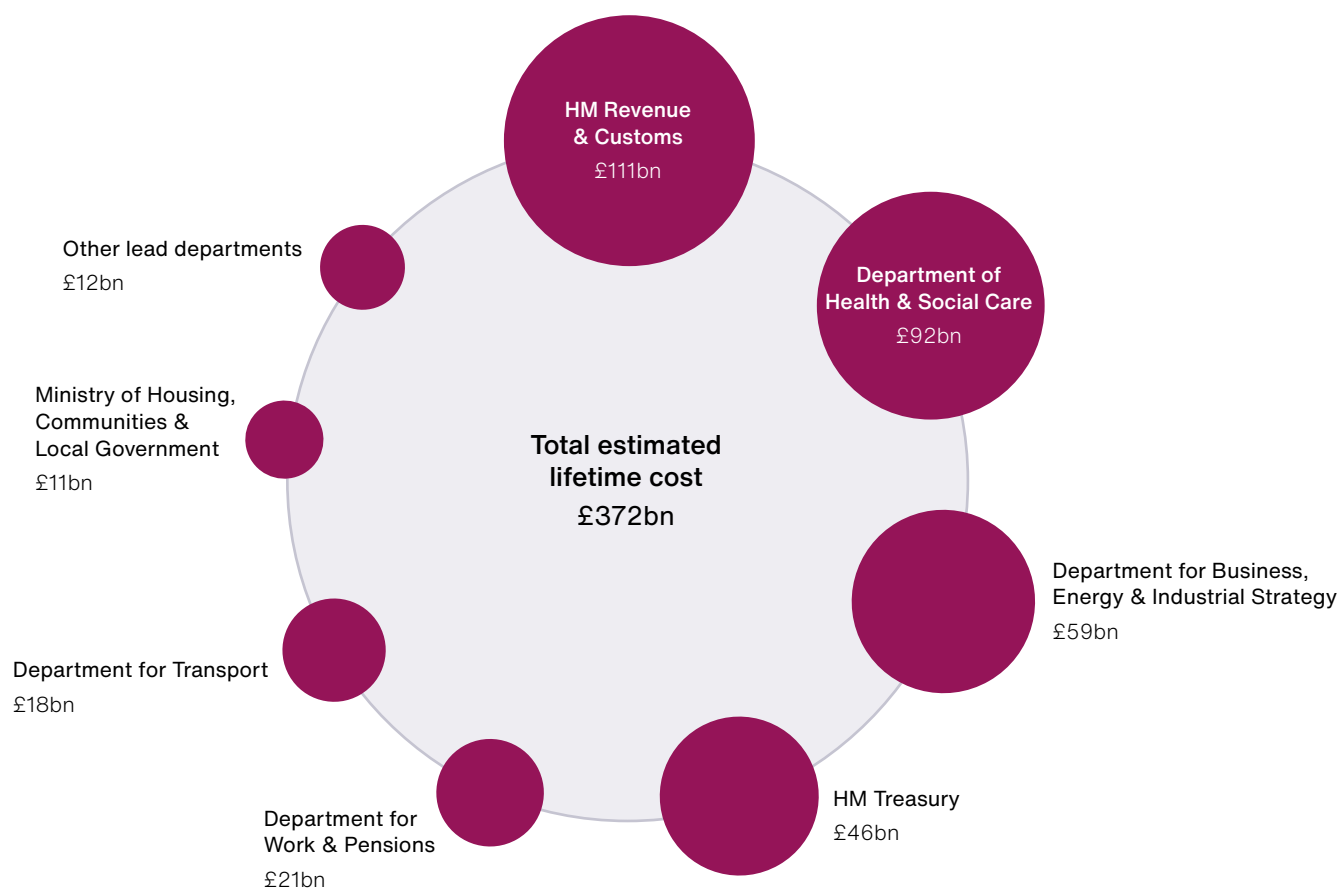
- 1 Figures are rounded to the nearest billion.
- 2 The area of each bubble is proportional to the estimated cost of the programme.
- 3 Business grant funding includes the Closed Business Lockdown Payment, the Innovate UK Business Support Package, the Retail, Hospitality and Leisure Grant Fund and the Small Business Grant Fund.
- 4 VAT measures include reduced VAT rates and VAT deferrals, except for the temporary VAT zero rate on personal protective equipment, which has been included in the personal protective equipment measures.
- 5 The programmes shown in this diagram account for £294 billion of the estimated lifetime costs of the government's response. The remaining cost (£78 billion) relates to support for individuals, businesses, health and social care, and other public services and emergency responses.

Source: National Audit Office COVID-19 cost tracker

Figure 2

Breakdown of the estimated lifetime costs of the government's response to the COVID-19 pandemic by lead department, March 2021

HM Revenue & Customs, the Department of Health & Social Care and the Department for Business, Energy & Industrial Strategy accounted for 70% of the estimated costs of the government's response announced up to 31 March 2021

**Notes**

- 1 Figures are rounded to the nearest billion.
- 2 The area of each bubble is proportional to the estimated cost response by each lead department.
- 3 Spend on responses may not appear in a lead department's accounts. For example, HM Treasury is the lead department for support to the devolved administrations (£26 billion). However, these items appear in the accounts of other government departments.

Source: National Audit Office COVID-19 cost tracker

Risk management

Learning



Identifying the wide-ranging consequences of major emergencies and developing playbooks for the most significant impacts.



Being clear about risk appetite and risk tolerance as the basis for choosing which trade-offs should be made in emergencies.



5 The government's response to the COVID-19 pandemic aims to protect people from exposure to the virus, ensure that those infected are cared for and mitigate damage to the economy. As well as ongoing risks, such as those related to exiting the EU, government has had to manage the risks generated by the pandemic and the risks associated with its own response measures. The pandemic and government's response so far have highlighted the importance of carrying out robust risk planning and being clear about risk appetite and risk tolerance as the basis for choosing which trade-offs should be made in emergencies.

Risk planning



Identifying the wide-ranging consequences of major emergencies and developing playbooks for the most significant impacts.

6 Government lacked a playbook for many aspects of its response. For example, pre-existing pandemic contingency planning did not include detailed plans for:

- **identifying and supporting a large population advised to shield.** The testing of plans and policies for the identification and shielding of clinically extremely vulnerable (CEV) people were not objectives of Exercise Cygnus, an exercise carried out in 2016 to assess the UK's preparedness for an influenza pandemic;

Key facts from our published work

19

Ministerial directions published in 2020



35% to 60%

Estimated percentage of loans from the Bounce Back Loans Scheme that may not be repaid



5% to 10%

HM Revenue & Customs' planning assumption for the percentage of payments from the Coronavirus Job Retention Scheme that were due to fraud and error



- **employment support schemes.** Instead, HM Treasury and HM Revenue & Customs (HMRC) told us they drew on economic contingency planning designed for financial rescues, developed following the credit crisis; draft policy work on wage subsidy schemes; and lessons learned from other countries, such as Germany;
- **financial support to local authorities, such as mechanisms for compensating authorities for a fall in income.** The Ministry of Housing, Communities & Local Government (MHCLG) told us it had stress-tested its response to an economic shock as part of its contingency planning. However, the economic impact of the pandemic exceeded the economic shock assumed for this stress-testing; and

- **managing mass disruption to schooling on the scale caused by COVID-19.** The Department for Education's emergency response function was designed to manage disruptions due to localised events such as floods.

No playbook can cover all the specific circumstances of every potential crisis. Nevertheless, more detailed planning for the key impacts of a pandemic and of other high-impact low-likelihood events can improve government's ability to respond to future emergencies. It may also bring other benefits, such as creating new relationships and improving understanding between organisations.

Risk appetite and trade-offs from acting quickly



Being clear about risk appetite and risk tolerance as the basis for choosing which trade-offs should be made in emergencies.

7 Once the scale of the COVID-19 outbreak in the UK became apparent, the government made several rapid, large-scale spending decisions and implemented some measures at pace. For example, the food box deliveries for CEV people were up and running within days of being announced. In a matter of weeks, personal protective equipment (PPE) and ventilator procurement were set up, employment support and business loan schemes were up and running, and the campaigns to house rough sleepers and deliver school meal vouchers were designed and implemented. Government was also quick to announce unringfenced funding (£3.2 billion between March 2020 and April 2020) to help local authorities address the financial pressures caused by the pandemic.

8 To enable speed of action, government relaxed controls and streamlined spending approvals, recognising that this would lead to an increased risk of fraud and error:

- **In designing employment support schemes, HMRC acknowledged that it would need to make certain trade-offs between its normal approach of preventing as much fraud and error as possible and ensuring grants reached claimants quickly.** HMRC drew up longlists of potential controls for both schemes. In total it identified 42 potential controls for the Coronavirus Job Retention Scheme (CJRS), of which 24 were implemented by the go-live date and 57 for the Self-Employment Income Support Scheme (SEISS), of which 38 were delivered by the end of April 2020. HMRC's planning assumptions were that between 5% and 10% of payments from the CJRS and between 1% and 2% of payments from the SEISS were due to fraud and error. In September 2020, this amounted to between £2 billion and £3.9 billion for the CJRS and between £130 million and £270 million for the SEISS.
- **The number of Universal Credit claimants roughly doubled in 2020 and the Department for Work & Pensions (DWP) suspended some controls such as face-to-face appointments to support vulnerable people during lockdown and manage demand.** Of Universal Credit payments, £1.7 billion (9.4%) were overpaid in 2019-20 before COVID-19. DWP accepts that the increased caseload and easements made to the process of applying for benefits will lead to a further increase in fraud and error levels.

- **The Department for Business, Energy & Industrial Strategy (BEIS), in conjunction with the British Business Bank (the Bank), has estimated that between 35% and 60% of loans from the Bounce Back Loans Scheme may not be repaid, and this represents both credit and fraud risks.** In March 2021, the estimated value of these loans was between £16 billion and £27 billion based on loans to date. BEIS and the Bank are working on estimating what proportion is due to fraud.
- **By January 2021, the Department of Health & Social Care (DHSC) had spent £10.2 billion on PPE, with an estimated lifetime cost of around £15.2 billion.** The Government Counter Fraud Function has assessed a high risk of fraud in the procurement of PPE. DHSC has yet to estimate the size of this potential fraud.

While some controls were relaxed, the overall framework set out in *Managing Public Money* has remained in place throughout the pandemic as the basis on which accounting officers should make decisions to ensure that public funds are used in the public interest.

9 Government accepted other trade-offs from acting quickly, such as paying higher prices for goods than it would have paid before the pandemic. For example, DHSC experienced increasing global competition to buy ventilators and made purchases primarily on the offer's credibility, not price. It also paid high prices for PPE because of the global surge in demand for these goods and export restrictions in some countries.

10 Government focused on getting some programmes up and running quickly, recognising that they may need to be amended as they went.

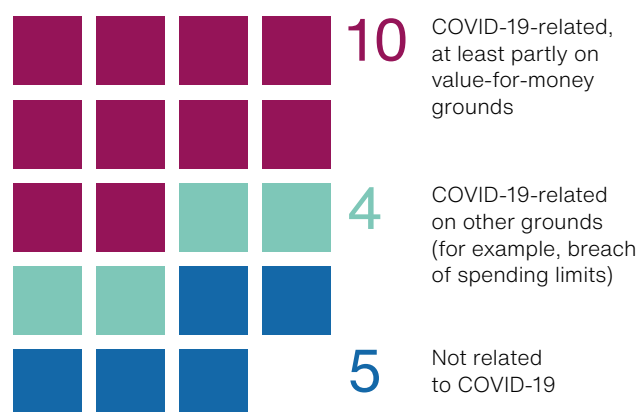
For instance, due to limitations in the datasets available, initially some 870,000 CEV people were identified centrally as eligible for support to help them shield. A further 420,000 were identified as eligible by 12 April 2020 and another 900,000 people by 7 May 2020. When the Bounce Back Loan Scheme was launched on 4 May 2020 (seven days after it was announced), the Bank had a reporting portal for lenders, but this required manual data entry for each application. An automatic reporting functionality was introduced in mid-June 2020. Governance arrangements of some programmes were also redesigned during the response (for example, see paragraph 30).

11 Some departments made good use of ministerial directions to proceed with programmes where they lacked assurance over value for money.

Due to the speed at which programmes were being implemented, accounting officers could not gain assurance over the value for money of several COVID-19 response measures. These included the Bounce Back Loan Scheme, the Local Authority Discretionary Grants Fund and the Retail, Hospitality and Leisure Business Grants Fund. As prescribed by *Managing Public Money*, some accounting officers obtained directions from ministers to proceed with these programmes. In 2020, 19 ministerial directions were published, compared with an average of five per year between 2017 and 2019 (**Figure 3**).⁵

Figure 3

Ministerial directions published in 2020



Notes

- 1 Six ministerial directions were published in 2019 (four on value-for-money grounds).
- 2 The total does not include the Prime Minister's Personal Minute issued to the Cabinet Office Permanent Secretary on 28 June 2020 to authorise an exit payment.
- 3 The ministerial directions have been categorised by the National Audit Office. The categorisation has not been agreed with HM Treasury.

Source: National Audit Office analysis of GOV.UK data

⁵ Ministerial directions are formal instructions from ministers telling their department to proceed with a spending proposal, despite an objection from their permanent secretary. Permanent secretaries, who are directly accountable to Parliament for how the department spends its money, have a duty to seek a ministerial direction if they think a spending proposal breaches any of the following criteria: regularity (if the proposal is beyond the department's legal powers, or agreed spending budgets); propriety (if it does not meet "high standards of public conduct", such as appropriate governance or parliamentary expectations); value for money (if something else, or doing nothing, would be cheaper and better); and feasibility (if there is doubt about the proposal being "implemented accurately, sustainably or to the intended timetable").

Transparency and public trust

Learning



Being clear and transparent about what government is trying to achieve, so that it can assess whether it is making a difference.



Meeting transparency requirements and providing clear documentation to support decision-making, with transparency being used as a control when other measures, such as competition, are not in place.



Producing clear and timely communications.

12 In responding to a new virus and global pandemic, government faced exceptionally challenging circumstances. The public sector has needed to respond in unprecedented ways while seeking to maintain and build public trust. Central to this is setting clear objectives, being transparent about what actions were taken and why, the trade-offs being made, and providing clear, consistent and timely communications.

Objectives



Being clear and transparent about what government is trying to achieve, so that it can assess whether it is making a difference.

13 Detailed objectives help to ensure that the success of programmes can be measured.

For example, HM Revenue & Customs (HMRC) agreed clear principles for its employment support schemes, including that the claim process should be simple and the grant calculation straightforward. Although the Bounce Back Loans Scheme achieved its initial objective of quickly supporting small businesses, a lack of more detailed scheme-specific objectives will make it difficult to measure its ultimate success.



Key facts from our published work

148

New guidance documents and updates to existing material published by the Department for Education between 16 March and 1 May 2020



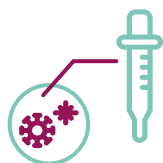
25%

Percentage of contracts with a value over £25,000 awarded in response to the pandemic up to 31 July 2020 where the contract awards were published within the 90-day target



0.07%

Spend on communication as a percentage of government's expected total investment in purchasing and manufacturing COVID-19 vaccines for the UK, deploying them in England and supporting global efforts to find vaccines as at 8 December 2020 (£8 million out of £11,702 million)



Evidence to support decision-making



Meeting transparency requirements and providing clear documentation to support decision-making, with transparency being used as a control when other measures, such as competition, are not in place.

14 Transparency, including a clear audit trail to support key decisions, is a vital control to ensure accountability, especially when government is having to act at pace and other controls (for example, competitive tendering) are not in place. On the ventilator programmes, we found sufficient record of the programmes' rationale, the key spending decisions taken, and the information departments had to base those on. However, in the procurement of personal protective equipment (PPE) and other goods and services using emergency direct awards during the pandemic, we and the Government Internal Audit Agency found that there was not always a clear audit trail to support key decisions, such as why some suppliers which had low due diligence ratings were awarded contracts. HMRC initially ruled out publishing the details of every company claiming furlough payments, which might have alerted some employees that their employer was acting fraudulently.

15 We found that many of the contracts awarded during the pandemic had not been published on time. Of the 1,644 contracts awarded across government up to the end of July 2020 with a contract value above £25,000, 75% were not published on Contracts Finder within the 90-day target and 55% had not had their details published by 10 November 2020. The Cabinet Office and DHSC acknowledged the backlog of contract details awaiting publication and noted that resources were now being devoted to this, having earlier been prioritised on ensuring procurements were processed so that goods and services could be made available for the pandemic response.

Communications and public engagement



Producing clear and timely communications.

16 Effective communication and public engagement are crucial to ensuring that COVID-19 response programmes succeed.

Effective communication helps achieve policy objectives and strengthens public trust by helping the public understand what the government is doing, why, and what it means for them and their communities.

- In our work, we found examples of effective, clear and consistent communications. For instance, HMRC developed a range of communication and engagement plans for its employment support schemes. It notified self-assessment taxpayers that they may have been eligible for the Self-Employment Income Support Scheme, reached out to some of the largest employers to check if they intended to apply for the Coronavirus Job Retention Scheme, and worked with ethnic minority and faith-based organisations to publicise the schemes.
- Despite government advertising and communications relating to NHS Test and Trace, reported levels of non-compliance with self-isolation requirements were high.
- DHSC has acknowledged variation in the public's perception of COVID-19 vaccines, with some groups more hesitant than others. Designing effective targeted communications will be important if the optimum level of vaccine take-up is to be achieved.

17 Communications from government were not always clear and timely. For example:

- guidance on PPE (issued jointly by DHSC, Public Health England and NHS England & NHS Improvement) changed 30 times up to 31 July 2020, including material and relatively minor changes. While frequent updates were needed to reflect an increased understanding of a new virus and a rapidly changing policy position, social care representatives raised concerns about the guidance, including that the frequency of changes made it confusing; and
- the Department for Education calculated that, between 16 March and 1 May 2020, it published 148 new guidance documents and updates to existing material. Stakeholders told us that guidance was often published at the end of the week or late in the evening, putting schools under pressure, especially when guidance was for immediate implementation. When the guidance was updated, schools were not always clear what changes had been made.

Data and evidence

Learning



Improving the accuracy, completeness and interoperability of key datasets and sharing them promptly across delivery chains.



Monitoring how programmes are operating, forecasting changes in demand as far as possible, and tackling issues arising from rapid implementation or changes in demand.



Gathering information from end-users and front-line staff more systematically to test the effectiveness of programmes and undertake corrective action when required.



18 The insight generated through reliable data is crucial to the way government delivers services for citizens, improves its systems and processes, and makes decisions. Our work has repeatedly emphasised the importance of evidence-based decision-making at all levels of government activity and the problems that arise when data are inadequate. The pandemic has again highlighted the role of high-quality data in enabling effective service delivery, monitoring and improvement. It has generated new datasets and data collection processes that can be used to inform future service delivery.

Accuracy, completeness and sharing of data



Improving the accuracy, completeness and interoperability of key datasets and sharing them promptly across delivery chains.

19 **Timely sharing of data has been vital for providing front-line services and managing the response at the national level.** For instance, while the Department of Health & Social Care (DHSC) and the Cabinet Office ran their programmes to increase the number of ventilators separately, they worked toward the same overall targets and exchanged progress data daily. The Ministry of Housing, Communities & Local Government (MHCLG) introduced a monthly survey of cost pressures and income losses experienced by local authorities due to the pandemic. Despite some data quality issues, it provided an important dataset that several departments have used to shape their responses.

Key facts from our published work

95%

Proportion of Self-Employment Income Support Scheme claimants who were satisfied or very satisfied with their experience up to August 2020



815,000

Number of clinically extremely vulnerable people whose details were passed to local authorities to check if these people needed help



375,000

Number of clinically extremely vulnerable people who were sent letters advising them to shield but did not receive a follow-up call due to missing or inaccurate telephone numbers provided in NHS patient records

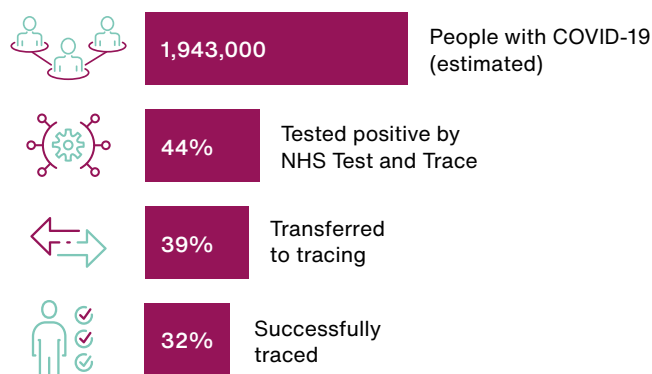


20 However, timely sharing of data has not always occurred, and legacy IT issues remain challenging:

- NHS Test and Trace (NHST&T) publishes a large volume of data every week which helps understand the progress of COVID-19 and tracing performance (**Figure 4**). However, local authorities did not initially have access to all the NHST&T data they needed to deliver their local pandemic response.
- By 22 March, when shielding was announced, 870,000 people had been identified centrally as clinically extremely vulnerable (CEV). It took three weeks to identify and communicate with a further 420,000 CEV people. This was largely down to the challenge of extracting usable data from different NHS and GP IT systems.

Figure 4

Estimated number of people in England infected with COVID-19, receiving positive tests, transferred to the tracing service and reached by NHS Test and Trace



Note

1 Data relate to the period from 28 May 2020 to 4 November 2020.

Source: Comptroller and Auditor General, *The government's approach to test and trace in England – interim report*

21 In responding to the pandemic, government has expanded the range of data that it can use for decision-making. For example, MHCLG now has data on the potential scale of the population in England which either sleeps rough or is at risk of doing so. At the start of the outbreak, there was no systematic national process to collect a wide range of information from care providers, other than on vacant beds (for instance, on levels of personal protective equipment and workforce absences). For care homes, a tool commissioned by NHS England & NHS Improvement (NHSE&I) in 2019 was adapted and expanded, and data have been collated since early April 2020. Government has also taken steps to improve the quality of its data. For example, NHST&T received advice from the Office for National Statistics and a rapid review by the UK Statistics Authority.

22 Limitations in the accuracy and completeness of the data used and collected by government have affected some pandemic response measures. For example, NHSE&I sent letters to all those advised to shield. However, missing or inaccurate telephone numbers within NHS patient records meant that the shielding programme could not follow up these letters with calls to some 375,000 CEV people. While it was known to all parties that a proportion of telephone numbers in NHS records were missing or inaccurate, the shielding programme agreed to use telephone numbers from NHS records as a starting point to follow up hard-copy letters. The Government Digital Service shared with local authorities the contact details of people that could not be reached, so local authorities could check if these people needed help. Local authorities also struggled with inaccurate contact information.

Monitoring performance, flexing government's response and forecasting demand



Monitoring how programmes are operating, forecasting changes in demand as far as possible, and tackling issues arising from rapid implementation or changes in demand.

23 Government has been able to take remedial action to address some issues arising from rapid implementation, and improve performance.

For example, the Department for Education and its contractor acted quickly to solve initial problems experienced by schools and families on its free school meal voucher scheme. This resulted in improved performance. In terms of vaccines, NHSE&I has had to continually review and adapt its deployment plans to ensure it could respond to the latest information about which vaccines had been approved, which groups in society needed to be vaccinated, how many doses of vaccines would be available, and when and how those vaccines needed to be deployed. The Department for Digital, Culture, Media & Sport adjusted elements of its response to take account of the pandemic's progression and the impact it has had on the arts and culture sector.

24 Data limitations affected the government's ability to assess the effectiveness and value for money of some measures, which made it harder to adapt its response and manage the risks of rapid implementation:

- MHCLG attempted to collect data from local authorities on basic care provision for CEV people but was unable to identify a workable solution acceptable to local authorities by the end of July 2020, when the programme ended. Local authorities reported that bringing together data on basic support provided by a mix of local authority and voluntary groups was too burdensome. In the absence of these data, MHCLG accepted that it had some assurance that local authorities were meeting basic needs given that local authorities had provided similar support for a number of years. Its engagement with local authorities also gave it some assurance that they were meeting basic needs.
- While HM Revenue & Customs (HMRC) monitored the take-up rate of the Self-Employment Income Support Scheme among different age and gender profiles, it does not have data to monitor take-up rates among different ethnic groups, as these data are not necessary for the administration of taxes.

25 Government's ability to forecast changes in demand, and to update programmes based on updated demand, has been variable:

- During March 2020, in response to changes in planning assumptions approved by the Scientific Advisory Group for Emergencies, NHSE&I revised down its estimate of the peak number of ventilator beds that could be needed. In April, based on the lower demand, ministers adopted new targets for the ventilator programme to provide additional resilience in the system and prepare for a potential second wave.

- The staff utilisation rate for contact tracers fell to under 1% in August 2020. NHST&T was initially unable to reduce staffing levels to meet its target utilisation rate of 50% due to lack of flexibility in contracts. The utilisation rate then rose, ranging between 10% and 56% in October 2020.
- NHST&T did not predict the scale of increased demand for COVID-19 testing in September 2020, when schools and universities reopened, and could not satisfy the demand for tests until mid-September 2020.

Validating interventions by gathering end-user feedback



Gathering information from end-users and front-line staff more systematically to test the effectiveness of programmes and undertake corrective action when required.

26 Gathering feedback from end-users and front-line staff is essential for monitoring the effectiveness of interventions and improving existing processes. For example, HMRC carried out surveys of employers, employees and self-employed people who accessed the employment support schemes. The high satisfaction scores recorded gave HMRC confidence that it was delivering a good customer experience to claimants. On the other hand, while NHS provider organisations told us they were always able to get the PPE needed in time, this was not the experience reported by some front-line workers, particularly Black, Asian and minority ethnic staff. Public Health England's stakeholder engagement to better understand the impact of COVID-19 on Black, Asian and minority ethnic groups reported deep concerns about the support that these workers in health and care settings received, stating that "it was recognised that a lot has been done since the start of the pandemic to improve access to PPE and mitigate risk, but concerns were expressed that these safeguards were not applied equally across ethnic groups".

Coordination and delivery models

Learning



Ensuring that there is effective coordination and communication between government departments, central and local government, and private and public sector bodies.



Clarifying responsibilities for decision-making, implementation and governance, especially where delivery chains are complex and involve multiple actors.



Integrating health and social care and placing social care on an equal footing with the NHS.



Balancing the relative merits of central, universal offers of support against targeted local support.



27 The pandemic response has involved extensive coordination between departments, arm's-length bodies, local and national government, and public-private collaboration. Delivery chains have often been complex and involved multiple actors. Against this backdrop, setting out effective governance arrangements, with clear responsibilities and accountabilities, is vital to delivering outcomes.

Cross-government coordination and public-private collaboration



Ensuring that there is effective coordination and communication between government departments, central and local government, and private and public sector bodies.

28 The pandemic response involved examples of effective cross-government and public-private sector collaboration:

- Policy and operational staff at HM Revenue & Customs (HMRC) and HM Treasury (HMT) worked closely to develop the employment support schemes, with HMT leading on policy design and HMRC leading on administrative design, implementation and administration.
- The Ministry of Housing, Communities & Local Government's (MHCLG's) initial engagement with local authorities on supporting clinically extremely vulnerable people to shield was directive rather than consultative. It recognised that it needed to improve engagement with local authorities and moved to a collaborative approach. The small number of local authorities we spoke to criticised government's engagement with them in the first few weeks of the initiative, with some noting that engagement improved over summer.

Key facts from our published work

17

Lead departments involved in the COVID-19 response which had an estimated lifetime response cost of more than £1 million, as of end of March 2021



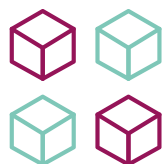
More than 7

Organisations involved in purchasing, manufacturing and deploying vaccines in England



4.7m

Number of food boxes delivered to clinically extremely vulnerable people between 27 March and 1 August 2020 through private sector contracts



- The Cabinet Office worked with industry to develop new, or modify existing, ventilator or anaesthesia machine designs to meet standards that the Medicines and Healthcare products Regulatory Agency developed for rapidly manufactured ventilators, and to increase manufacturing capacity to build each design at a much greater scale than usual. This involved securing new factory capacity for each design, managing global supply chains and ensuring regulatory approvals were in place.
- The purchase, manufacturing and deployment of vaccines involves extensive cross-government and public-private collaboration (**Figure 5**).

Figure 5

Organisations involved in purchasing, manufacturing and deploying vaccines in England

Access to vaccines and manufacturing capability

Prime Minister	• Overall direction and strategy
Vaccine Taskforce	<ul style="list-style-type: none"> • Identifying vaccines, securing access • Developing manufacturing capacity • Enhancing ability to deliver rapid clinical trials
Pharmaceutical companies	• Developing and manufacturing vaccines

Deploying vaccines

Joint Committee on Vaccination and Immunisation	• Advising on priority groups for vaccination
Medicines and Healthcare products Regulatory Agency	• Approving vaccines for use
NHS England & Improvement	<ul style="list-style-type: none"> • Operational delivery of the deployment • Administering vaccines
Public Health England	<ul style="list-style-type: none"> • Storing and distributing vaccines • Supplying other goods (for example, syringes)

Source: Comptroller and Auditor General, *Investigation into preparations for potential COVID-19 vaccines*

Responsibilities for decision-making, implementation and governance



Clarifying responsibilities for decision-making, implementation and governance, especially where delivery chains are complex and involve multiple actors.

29 Effective governance and clear responsibilities and accountabilities are important for an effective rapid response in an emergency.

For example, the Department for Work & Pension's (DWP's) clear prioritisation of paying benefits and suspension of other activities enabled it to process an unprecedented number of claims during the first lockdown. This was supported by clear governance within DWP. On the other hand, we found that several organisations had responsibility for approving, maintaining and distributing personal protective equipment (PPE) from the pandemic influenza stockpile. There were issues with warehousing, logistics and quality of stock.

30 Government has modified the governance arrangements of key pandemic response programmes:

- NHS Test and Trace (NHST&T) initially had an unusual organisational relationship with the Department of Health & Social Care (DHSC). Although NHST&T was subject to DHSC's financial, information and staffing controls, its head, the executive chair, did not report to the DHSC's ministers or permanent secretary, but rather to the Prime Minister and the Cabinet Secretary. Since NHST&T is embedded within DHSC, these dual reporting lines brought risks of unclear accountability. We did not undertake a systematic review to determine if these risks had materialised and had seen no evidence that they had.
- In September 2020, a faster process for approving vaccines expenditure was introduced by government and the governance for vaccines activities was revised. DHSC appointed a single senior responsible officer to oversee deployment to create a unified programme to reduce duplication, streamline responsibilities, facilitate cross-departmental working, and increase transparency and accountability.

The relation between health and social care



Integrating health and social care and placing social care on an equal footing with the NHS.

31 Issues predating the pandemic made responding to the crisis more difficult in some areas.

The relationship between adult social care and the NHS has been challenging for decades. We have reported on successive efforts to integrate the two sectors: there have been 12 government white papers, green papers and consultations, and five independent reviews on integration over the past 20 years. Certain aspects of the initial pandemic response reflected a greater emphasis on health than on social care. For example, national bodies initially provided more PPE support to hospitals than to social care. NHS trusts received 80% of their estimated PPE requirement through national schemes between 20 March 2020 and 31 July 2020, whereas social care providers received 10% of their estimated requirement (based on the information available at the time).⁶ DHSC told us that it took different approaches to providing PPE to social care and trusts during the pandemic. Social care providers, which are mostly private- or voluntary-sector organisations, either obtained PPE from wholesalers (as they did prior to the pandemic) or from local resilience forums and DHSC's helpline, which it set up to respond to emergency requests, whereas trusts received PPE directly from the cross-government PPE team set up by DHSC.

⁶ Distributions to trusts include a very small volume of PPE delivered to other healthcare settings.

32 In responding to the pandemic, DHSC has increased its focus on social care. DHSC outlined how, under the current Care Act 2014, its oversight of the social care market had been limited. Stakeholders reported DHSC's limited engagement with, and understanding of, the sector going into the pandemic. Prior to COVID-19 there was no process in place to collect a wide range of data from providers regularly. In response to COVID-19, DHSC has increased the data it obtains on care providers and it intends to legislate for new powers to collect further data. As part of its adult social care winter plan, DHSC carried out a review of risks to local care markets and service continuity issues, offering targeted support. It also re-established a director-general post with sole responsibility for social care, increased its policy team threefold and set up specific teams to provide support and challenge to local government on the COVID-19 response.

Central and local delivery models



Balancing the relative merits of central, universal offers of support against targeted local support.

33 Pandemic response measures have employed a combination of universal offers and targeted delivery models. For instance:

- the Everyone In campaign was rolled out across England to provide accommodation for all rough sleepers. For the winter of 2020, the campaign was supplemented with a targeted programme focused on the areas with large numbers of rough sleepers;

- in May 2020, the government launched NHST&T, bringing together a national programme for testing and tracing. By July 2020, local authorities had started to set up their own locally run contact tracing schemes to cover the minority of cases that the national service could not reach, working in conjunction with NHST&T. In August, NHST&T reduced the number of national-level contact tracers and designated a proportion of its specialist tracing staff to work exclusively to facilitate those local authorities that had their own scheme. By the end of October, 40% (60) of local authorities had a scheme in place, with a further 46% (69) planning to set one up; and
- while the Culture Recovery Fund accepted applications from across England, one of its goals was to help 'level up' cultural resources for deprived communities. This was reflected in the funding criteria. An analysis by the Department for Digital, Culture, Media & Sport found that the 10% of local authorities most in need of levelling up were more successful in their grant applications than those least in need.

34 Universal offers of support can be developed at speed but may not always be as cost-effective as targeted offers.

A government review of the shielding programme concluded that, due to the speed and context in which the programme was developed, it was largely offered universally, resulting in poor targeting and inefficient use of funds. The review noted that, should shielding be needed again, adopting a local support model could improve flexibility and, potentially, be more cost-effective.

Supporting and protecting people

Learning



Understanding to what extent the pandemic and government's response have widened inequalities, and taking action where they have.



Providing appropriate support to front-line and other key workers to cope with the physical, mental and emotional demands of responding to the pandemic.



35 The COVID-19 pandemic has required government to work at pace and scale to save lives, keep people out of hospitals and support those not working or in school. Due to the speed of the response required, government did not always fully consider the implications of design decisions on different groups of individuals. In future, there will be opportunities for government to reflect on how its actions may have affected inequalities, and what ongoing assistance may need to be provided to the front-line and other key workers, on whom the pandemic placed significant physical, mental and emotional demands.

The pandemic's impact on different groups and the risk of widening inequalities



Understanding to what extent the pandemic and government's response have widened inequalities, and taking action where they have.

36 The pandemic has disproportionately impacted specific groups of people. For example:

- the virus is disproportionately deadly for certain groups, particularly the elderly, men, some ethnic groups, and those with some pre-existing medical conditions; and

Key facts from our published work

12.2m

Minimum number of people who benefited from employment support schemes up to September 2020



33,139

Number of people brought into accommodation in response to the pandemic as at end of November 2020



36%

Median estimate of the possible growth in the attainment gap between disadvantaged children and their peers from March to September 2020



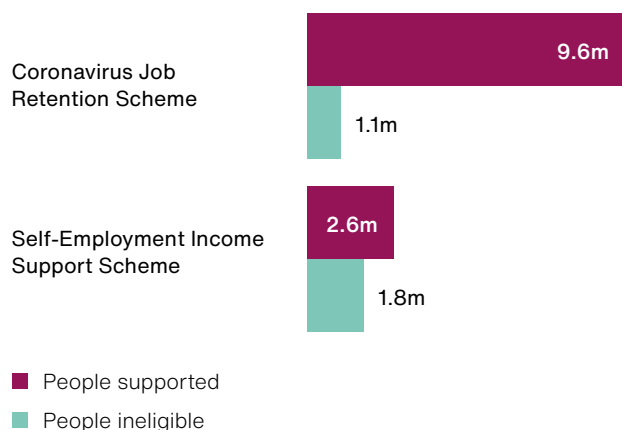
- disrupted schooling is likely to have longer-term adverse effects on children from disadvantaged backgrounds in particular. The Education Endowment Foundation has projected that school closures in the 2019/20 academic year might widen the attainment gap between disadvantaged children and their peers by between 11% and 75%, with a median estimate of 36%, likely reversing progress made to narrow the gap since 2011. Representative groups told us that remote learning had been especially difficult for children with special educational needs and disabilities.

37 Employment support programmes helped many people, but some people were not eligible.

The schemes have been largely successful in protecting jobs through the first lockdown period, with at least 12.2 million people benefitting from support. As many as 2.9 million people were not eligible for the schemes, partly as a result of policy decisions about how to target the schemes and partly because of constraints in the tax system to help guard it against fraud (**Figure 6**). For example, Self-Employment Income Support Scheme claims from around 200,000 people who became self-employed after the 2018-19 tax year were not allowed because HM Revenue & Customs (HMRC) validated applications by using 2018-19 self-assessment records. Had lockdown occurred later in 2019-20, the number of self-employed people excluded could have been greater. More frequent filing of tax return data is not currently supported by HMRC's systems. It is due to be in place from April 2023, as part of HMRC's Making Tax Digital programme.

Figure 6

People supported and ineligible for the employment support schemes up to 20 September 2020

**Notes**

- Figures are for the period from when each scheme was made available, that is, 20 April 2020 for the Coronavirus Job Retention Scheme (CJRS) and 13 May for the Self-Employment Income Support Scheme (SEISS) to 20 September 2020.
- The individuals ineligible for the CJRS were short-term or freelance workers moving within jobs and limited company directors paid through dividends instead of salary (who could claim for earnings registered with the Pay-As-You-Earn scheme and apply for bounce back loans).
- Of the 1.8 million individuals ineligible for the SEISS, 1.6 million were ineligible due to decisions on how to target the scheme (for example, those with non-trading income higher than their trading profits) and 0.2 million were individuals newly self-employed in 2019-20. The latter are ineligible for the fourth SEISS grant, which covers the period from February to April 2021.

Source: Comptroller and Auditor General, *Implementing employment support schemes in response to the COVID-19 pandemic*

38 Some departments are undertaking work to understand the take-up of support schemes by different groups better. For example, HMRC has carried out equality impact assessments for its employment support schemes, as well as an analysis of the ethnic background of self-employed workers to inform its communication strategy. HMRC is planning further survey work to understand the take-up and customer experience of the schemes across different claimant groups.

Support for front-line and key workers



Providing appropriate support to front-line and other key workers to cope with the physical, mental and emotional demands of responding to the pandemic.

39 The pandemic placed great stress on some health and social care workers already under pressure before the COVID-19 outbreak.

For example:

- in May 2020, some 45% of doctors (3,936 out of 8,685) responding to a survey by the British Medical Association reported suffering from depression, anxiety, stress, burnout, emotional distress or other mental health conditions relating to or made worse by their work. Some registered managers in social care reported the mental health of workers was under massive strain, with individuals particularly concerned about getting ill and unknowingly passing the virus on; and
- some care workers, doctors and nurses considered that they were not adequately protected during the height of the pandemic's first wave and many social care providers highlighted being extremely close to running out of personal protective equipment. This created uncertainty, anxiety and stress.

Given the stress that staff were experiencing before the pandemic, and the additional pressures caused by COVID-19, it is likely that the after-effects of responding to the pandemic will be substantial and, for some people, long-lasting. In June 2020, NHS England & NHS Improvement told us it would establish outreach, screening and intervention via resilience hubs and is working to support the mental health of all key workers delivering health and care.

Financial and workforce pressures

Learning



Placing the NHS and local government on a sustainable footing, to improve their ability to respond to future emergencies.



Ensuring that existing systems can respond effectively and flexibly to emergencies, including provision for spare or additional capacity and redeploying staff where needed.



Considering which COVID-19-related spending commitments are likely to be retained for the long term, and what these additional spending commitments mean for long-term financial sustainability.



40 Financial and workforce pressures compounded government's challenges in responding to the pandemic. Government responded by increasing the workforce and redeploying staff to key areas. Government can strengthen its ability to respond to future emergencies by ensuring that the NHS and local government are financially sustainable, building an appropriate level of spare capacity in key services, and considering the long-term impact of pandemic-related spending commitments.

Financial pressures



Placing the NHS and local government on a sustainable footing, to improve their ability to respond to future emergencies.

41 The NHS and local government now face two main challenges: to maintain readiness and build resilience to respond to emergencies, such as COVID-19, and to ensure that other services are sustainable. Since 2010-11, both the NHS and local government have been under financial pressure. For example:

- local authorities' spending power (made up of government grants, locally retained business rates and council tax) fell by 28.7%, in real terms, between 2010-11 and 2019-20;
- the public health grant to local authorities decreased by £0.5 billion, in real terms, between 2015-16 and 2018-19; and
- additional funding for health and social care has at times been used to address immediate needs rather than to increase the long-term sustainability of these services.

Key facts from our published work

18,200

Number of additional staff deployed in clinical and support roles in the NHS by the end of April 2020



10,000

Number of Department for Work & Pensions staff redeployed as part of the initial response to the pandemic



94%

Percentage of chief finance officers from single tier and county councils who expect to make cuts in service budgets in 2021-22



42 Local authorities' finances have been scarred by the pandemic and will not bounce back quickly once the pandemic ends. As of early December 2020, three-quarters of local authorities have a reported funding gap in 2020-21 between their forecast pressures and estimated government support, and 94% of chief finance officers from single tier and county councils we surveyed expected to make cuts in service budgets in 2021-22.

Workforce pressures



Ensuring that existing systems can respond effectively and flexibly to emergencies, including provision for spare or additional capacity and redeploying staff where needed.

43 Existing workforce issues added to the challenges of responding to the pandemic.

Our previous reports had highlighted staffing shortages in both the health and social care sectors. For example, between October 2019 and December 2019, NHS trusts reported vacancy rates of 11% for nursing and 7% for medical staff. In a survey of the adult social care sector in late March 2020, 34% of providers responded that they urgently needed more staff.⁷

44 Staff constraints also limited the types of controls that HM Revenue & Customs could implement over furlough fraud (employers claiming money while their furloughed employees continue to work). Contacting furloughed employees retrospectively to check if they were working was ruled out as it would have required resources to be diverted away from helping employers make claims.

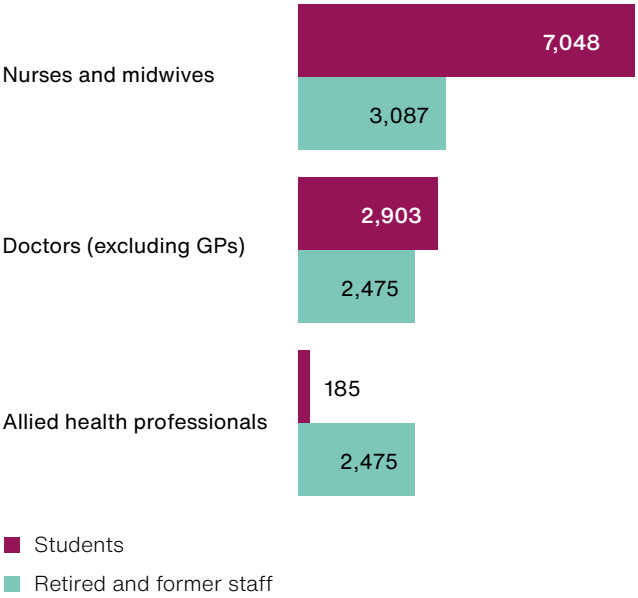
⁷ Skills for Care's analysis of Care Management Matters COVID-19 Survey looked at the impact of COVID-19 on the adult social care workforce. The survey was completed on 31 March 2020 by 211 adult social care providers.

45 Government took action to increase the workforce available and was able to redeploy staff in key areas:

- In the NHS, staff in non-patient-facing roles were asked to support clinical practice. By the end of April 2020, an extra 18,200 staff were deployed in clinical and support roles (**Figure 7**), including 10,100 students and 8,050 returning retired and former healthcare professionals. Planned care in the NHS was reduced to provide capacity for COVID-19 patients and non-COVID-19 demand for services was lower than usual levels. It is not yet known to what extent this will cause more patients to present, potentially with more acute problems, in future.
- A cross-government team involving 450 staff was set up to support the procurement of personal protective equipment by the Department of Health & Social Care.
- The Department for Work & Pensions redeployed around 10,000 staff at different points during its initial response, moving them from policy, back-office roles and other benefits and services into new claim handling roles, to maximise its jobcentre and service centre capacity.

46 Our good practice guide *Improving operational delivery in government* notes that government's operational management capability has changed little over the past 10 years. Government has often operated in a firefighting mode, reacting in an unplanned way to problems as they arise and surviving from day to day. Our evidence suggests that a fundamental shift in capability, capacity and resilience may be needed to cope better with future emergency responses.

Figure 7
Additional staff deployed to support the NHS in England during the first COVID-19 peak



Notes

- 1 Data for allied health professionals are as at 15 May 2020. Other data are as at 30 April 2020.
- 2 The figure excludes a small number of healthcare scientists, dentists and pharmacists who were redeployed.

Source: Comptroller and Auditor General, *Readying the NHS and adult social care in England for COVID-19*

Long-term financial sustainability



Considering which COVID-19-related spending commitments are likely to be retained for the long term, and what these additional spending commitments mean for long-term financial sustainability.

47 By the end of March 2021, the government had committed an estimated £372 billion to its response to the pandemic. This represents a highly significant, unplanned increase in public spending. While a portion of this spending relates to short-term measures, some commitments and liabilities are likely to remain for the medium and long term, although there are significant uncertainties about their amount and timeframe. For example:

- it is uncertain if the COVID-19 vaccination programme will need to take place regularly, for example becoming an annual programme. This would have long-term implications for NHS England & NHS Improvement's staffing and budgets; and
- some local authority finance directors expect the pandemic to have a medium-term to long-term impact on the sector's finances. Rather than them simply returning to normal once the pandemic is over, it is likely that a programme of financial recovery will be required, with potential long-term implications for the Ministry of Housing, Communities & Local Government's support for the sector.

These commitments may impact the longer-term sustainability of public finances. Sustainable public finances support economic stability, build fiscal resilience and increase government's ability to act to support individuals and the economy when this is needed.

Appendix One

Our scope and evidence base

Scope

1 This report has been prepared to provide initial insights from our work to date on the government's response to the COVID-19 pandemic. This report includes specific examples from our published work. These are illustrative examples and not indicative of the overall performance of specific departments. This report does not set out what action government has taken since these reports were published, or what actions government has taken or intends to take on the learning points set out in this report.

Evidence base

2 This report draws on the 17 National Audit Office (NAO) reports on government's response to the COVID-19 pandemic published up to 19 May 2021, which are listed in **Figure 8**. The recommendations included in these reports are listed in Appendix Two. The report also draws on other work we have published that covered the COVID-19 pandemic, including our COVID-19 cost tracker, good practice guides on fraud and error and operational delivery, report on *The adult social care market in England* and *Departmental Overview 2019-20: Department for Work & Pensions*.

3 The fieldwork underlying our evidence base was mostly carried out in 2020. No additional fieldwork was carried out for this report, except for providing up-to-date figures for the ministerial directions published in 2020 (see paragraph 11 and Figure 3). Other figures are based on previous NAO reports and have not been updated, even where more recent data may be available.

4 As of 1 May 2021, the Committee of Public Accounts had published 10 reports on government's response to the COVID-19 pandemic, which are listed in **Figure 9** on page 36. The Committee's reports are not part of the evidence base of this report.

Figure 8

National Audit Office reports on the government's response to the COVID-19 pandemic

Report	Website link
<i>Overview of the UK government's response to the COVID-19 pandemic</i> , Session 2019–2021, HC 366, May 2020.	www.nao.org.uk/report/summary-of-uk-governments-response-to-the-covid-19-pandemic/
<i>Readying the NHS and adult social care in England for COVID-19</i> , Session 2019–2021, HC 367, June 2020.	www.nao.org.uk/report/readying-the-nhs-and-adult-social-care-in-england-for-covid-19/
<i>Guide for audit and risk committees on financial reporting and management during COVID-19</i> , Session 2019–2021, HC 524, June 2020.	www.nao.org.uk/report/guidance-for-audit-and-risk-committees-on-financial-reporting-and-management-during-covid-19/
<i>Investigation into how government increased the number of ventilators available to the NHS in response to COVID-19</i> , Session 2019–2021, HC 731, September 2020.	www.nao.org.uk/report/increasing-ventilator-capacity-in-response-to-covid-19/
<i>Investigation into the Bounce Back Loan Scheme</i> , Session 2019–2021, HC 860, October 2020.	www.nao.org.uk/report/bounce-back-loan-scheme/
<i>Implementing employment support schemes in response to the COVID-19 pandemic</i> , Session 2019–2021, HC 862, October 2020.	www.nao.org.uk/report/implementing-employment-support-schemes-in-response-to-the-covid-19-pandemic/
<i>Investigation into government procurement during the COVID-19 pandemic</i> , Session 2019–2021, HC 959, November 2020.	www.nao.org.uk/report/government-procurement-during-the-covid-19-pandemic/
<i>The supply of personal protective equipment (PPE) during the COVID-19 pandemic</i> , Session 2019–2021, HC 961, November 2020.	www.nao.org.uk/report/supplying-the-nhs-and-adult-social-care-sector-with-personal-protective-equipment-ppe/
<i>Investigation into the free school meals voucher scheme</i> , Session 2019–2021, HC 1036, December 2020.	www.nao.org.uk/report/investigation-into-the-free-school-meals-voucher-scheme/
<i>The government's approach to test and trace in England – interim report</i> , Session 2019–2021, HC 1070, December 2020.	www.nao.org.uk/report/the-governments-approach-to-test-and-trace-in-england-interim-report/
<i>Investigation into preparations for potential COVID-19 vaccines</i> , Session 2019–2021, HC 1071, December 2020.	www.nao.org.uk/report/investigation-into-preparations-for-potential-covid-19-vaccines/
<i>Investigation into the housing of rough sleepers during the COVID-19 pandemic</i> , Session 2019–2021, HC 1075, January 2021.	www.nao.org.uk/report/the-housing-of-rough-sleepers-during-the-covid19-pandemic/
<i>Protecting and supporting the clinically extremely vulnerable during lockdown</i> , Session 2019–2021, HC 1131, February 2021.	www.nao.org.uk/report/protecting-and-supporting-the-vulnerable-during-lockdown/
<i>Local government finance in the pandemic</i> , Session 2019–2021, HC 1240, March 2021.	www.nao.org.uk/report/local-government-finance-in-the-pandemic/
<i>Investigation into the Culture Recovery Fund</i> , Session 2019–2021, HC 1241, March 2021.	www.nao.org.uk/report/investigation-into-the-culture-recovery-fund/
<i>Support for children's education during the early stages of the COVID-19 pandemic</i> , Session 2019–2021, HC 1243, March 2021.	www.nao.org.uk/report/support-for-childrens-education-during-the-covid-19-pandemic/
<i>Investigation into government funding to charities during the COVID-19 pandemic</i> , Session 2019–2021, HC 1236, March 2021.	www.nao.org.uk/report/investigation-into-government-funding-to-charities-during-the-covid-19-pandemic/

Note

- 1 Other National Audit Office outputs have also covered COVID-19 themes, such as our COVID-19 cost tracker, good practice guidance on fraud and error and on operational delivery, our report on *The adult social care market in England* and our *Departmental Overview 2019-20: Department for Work & Pensions*. For references, see footnotes 2 to 4 on page 8.

Figure 9

Committee of Public Accounts reports on the government's response to the COVID-19 pandemic

Report	Website link
<i>Whole of Government Response to COVID-19</i> , Thirteenth Report of Session 2019–2021, HC 404, July 2020.	https://committees.parliament.uk/publications/2024/documents/22788/default/
<i>Readying the NHS and social care for the COVID-19 peak</i> , Fourteenth Report of Session 2019–2021, HC 405, July 2020.	https://committees.parliament.uk/publications/2179/documents/20139/default/
<i>Covid-19: Supply of ventilators</i> , Twenty-Seventh Report of Session 2019–2021, HC 685, November 2020.	https://committees.parliament.uk/publications/3639/documents/35370/default/
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<i>COVID-19: Government procurement and supply of Personal Protective Equipment</i> , Forty-Second Report of Session 2019–2021, HC 928, February 2021.	https://committees.parliament.uk/publications/4607/documents/46709/default/
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<i>COVID-19: Test, track and trace (part 1)</i> , Forty-Seventh Report of Session 2019–2021, HC 932, March 2021.	https://committees.parliament.uk/publications/4976/documents/50058/default/
<i>COVID-19: Housing people sleeping rough</i> , Forty-Ninth Report of Session 2019–2021, HC 934, March 2021.	https://committees.parliament.uk/publications/5109/documents/50451/default/

Source: Committee of Public Accounts

Appendix Two

Recommendations made by the National Audit Office in its reports on the government's response to the COVID-19 pandemic

Implementing employment support schemes in response to the COVID-19 pandemic

1 To learn from their experience in implementing the employment support schemes, and to protect taxpayer interests **HM Treasury and HM Revenue & Customs should:**

- a** consider how to ensure that reliable data covering as many people as possible can be used to determine eligibility so that fewer people suffering loss of income are excluded from future similar schemes;
- b** monitor how far employment support schemes protect jobs, recognising that the approach may need to adapt rapidly in response to how the pandemic evolves over the coming months;
- c** increase the emphasis on using preventative controls for tackling fraud and error in the new schemes. Where appropriate for future schemes, carry out more direct work with employees to ensure employers treat them according to scheme rules, and increase visibility of which employers use employment support schemes;

- d** more quickly assess the total value of error and fraud; and explore the feasibility of commencing assessment activity earlier for future schemes so that some testing is undertaken while schemes are live;
- e** review whether a faster programme of recruitment and training can be provided for grant compliance staff, recognising that the activity may differ to tax compliance work; and
- f** review how to organise HM Revenue & Customs' compliance response to ensure that sufficient resources are committed to recover overpayments and fraudulent payments on both schemes where it is cost-effective to do so.

Investigation into government procurement during the COVID-19 pandemic

2 Our recommendations aim to ensure that, should the widespread need to procure goods with extreme urgency happen again, the associated risks to public money and propriety are managed effectively.

- a** **Awarding bodies should publish basic information on contracts in a reasonable time, in line with guidance to publish within 90 days of award.** Transparency is one of the key controls to mitigate the risks associated with emergency direct awards. Therefore, during these types of situation, it is critical that basic information on contract awards is published as soon as possible.

- b **The Cabinet Office should issue further guidance on specific procurement risks arising from greater use of regulation 32(2)(c).** The guidance should build on the lessons government has learned from the use of this regulation during the pandemic to date and in particular cover the levels of transparency and documentation required for key decisions, such as choice of procurement route. The Cabinet Office should continue to monitor the use of regulation 32(2)(c), as part of the decisions that it considers through the Cabinet Office controls process, to ensure any continued use is fully justified, and review the operation of procurement rules to encourage greater use of competitive procedures in extremely urgent procurements.
 - c **Awarding bodies should provide clear documentation for establishing and using procedures that may result in unequal treatment of suppliers.** While segmenting suppliers based on strength of evidence to deliver can be beneficial in speeding up the procurement process, awarding bodies need to ensure that the criteria for segmenting suppliers is documented, applied consistently and records of each evaluation of supplier's suitability are kept to support procurement decisions and avoid perceptions of unfair treatment.
 - d **When procuring directly from suppliers, awarding bodies need to provide clear documentation on how they have considered and managed potential conflicts of interest or bias in the procurement process.** Before awarding contracts, awarding bodies should document due diligence checks carried out on suppliers and associated parties. Steps to manage actual and perceived conflicts of interest, for example those set out in the Ministerial Code and Civil Service Management Code, or other actions taken by awarding bodies should be properly documented.
 - e **The Cabinet Office should review whether requirements for disclosure and management of relevant interests are sufficient in cases where public office-holders hold cross-government responsibilities for awarding contracts or procurement.** For such cases, the Cabinet Office should take steps to enable departments and other government bodies to identify any potential conflicts of interest by strengthening existing measures in place.
- The supply of personal protective equipment (PPE) during the COVID-19 pandemic⁸**
- 3 Given the human and financial investment required in a response such as this and the continuing risk of further outbreaks, it is essential that lessons are identified, learned and acted on as swiftly as possible. We recently reported on the commercial aspects of certain PPE contracts, and made recommendations for improving procurement. In taking forward its new PPE strategy, the Department of Health & Social Care will need to identify lessons that can be learned. Specifically:
- a The Department of Health & Social Care and its partners had to oversee and take many unplanned and unprecedented actions to obtain PPE during the emergency. Inevitably, some actions were more successful than others. A comprehensive lessons-learned exercise involving all the main stakeholders, including local government and representatives of the workforce and suppliers, would inform the planning for future emergencies. This should include: consideration of whether any issues with PPE provision or use might have contributed to COVID-19 infections or deaths; how to determine the priorities when there are shortages of essential equipment such as PPE; and how events are recorded during an emergency response to help learn lessons for the future.

8 These are lessons to be learned rather than recommendations.

- b** Business-as-usual activities within government need to strike the appropriate balance between operational and financial efficiency versus the longer-term need for resilience and capability for dealing with shocks. For PPE, this includes consideration of the cost implications of, and incentives needed for, developing and maintaining a domestic manufacturing base and increasing diversity in international supply.
- c** Emergency plans for dealing with a pandemic must provide for appropriate stockpiles of high-quality PPE together with comprehensive and resilient arrangements for the rapid procurement and distribution of PPE, based on reliable information. Plans need to include distribution of PPE to social care and all parts of the health system. Organisations responsible for maintaining and testing their plans must actively monitor for new threats that might overwhelm their plans.
- d** Effective governance, lines of accountability, and resourcing responsibilities are important for an effective rapid-response in an emergency situation. Developing these arrangements, and ensuring that they remain up to date, should be part of the emergency plan for activation when required.
- e** Clear, timely, two-way information and communication are vital for both providing services at the front-line and for managing the response at the national level. This includes information on national and local PPE stocks and requirements, and feedback loops. Deficiencies in information on, and communication about, PPE can lead to a breakdown of trust, failure to take effective action, and poor value for money.
- f** Despite efforts to integrate them over the years, health and social care have continued to be separate systems. During this crisis the social care sector was hit hard by shortages of PPE, and government needs to understand why national bodies provided more support to hospitals than to social care and how to prevent that happening again.

The government's approach to test and trace in England – interim report

- 4** NHS Test & Trace should:
 - a** **explore how to make fuller use of its theoretical maximum testing capacity each day**, so that existing infrastructure and resources are efficiently employed and more of those infected with COVID-19 can be identified and their contacts traced;
 - b** **plan against a range of plausible outcomes to ensure it has flexibility to respond to predictable and unexpected spikes in testing demand.** Problems emerged when schools and universities reopened in September, despite a predictable spike in demand. NHS Test & Trace also needs to have contingency plans in place so it can respond to unexpected spikes in community testing, in order to provide an effective service, maintain public confidence, and ensure availability of testing for hospital patients;
 - c** **set out a clear strategy for how national and local tracing teams will work together, informed by a good understanding of local authority capacity and performance.** The number of local authority-run schemes is set to increase, and NHS Test & Trace needs to be clear about how national and local services align, and who is best placed to carry out activities. It also needs to understand what local authority capacity and funding are required to deliver its objectives;

- d model and communicate as early as possible how changes in testing policy are likely to affect the workload of national and local tracing services.** Such changes could include increased testing of certain categories of key worker and the introduction of mass testing (formerly referred to as Operation Moonshot);
- e take steps to increase public engagement and compliance with self-isolation.** NHS Test & Trace is one of a number of bodies, alongside local authorities and the police, who can influence compliance. It must work closely with these bodies, drawing on the best public health and behavioural expertise to identify how its actions can best contribute. For as long as compliance is low, the cost-effectiveness of NHS Test & Trace's activities will inevitably be in doubt;
- f take account to the maximum extent possible of value for money and normal commercial good practice as it procures new infrastructure and services.** In particular, it needs to have sufficient flexibility in future contracts to allow government and contractors to respond effectively to changing requirements at reasonable cost; and
- g embed strong and sustainable management structures, controls and lines of accountability.** We have noticed arrangements where accountability does not clearly align with organisational and strategic objectives in other aspects of the government's COVID-19 response. With the creation of the National Institute for Health Protection, there is an opportunity to clarify arrangements.

Investigation into the housing of rough sleepers during the COVID-19 pandemic

- 5** Everyone In has also raised key issues that the government needs to address in the immediate future:
- a** Everyone In has for the first time provided data on the potential scale of the population in England which either sleeps rough or is at risk of doing so. The Ministry of Housing, Communities & Local Government needs to build upon this knowledge to understand fully the size and needs of this population and communicate this to local authorities.
 - b** Everyone In has resulted in a large number of people remaining in emergency accommodation and not being able to move on from it because they have no recourse to public funds. The government needs to establish what action it will take with this population.
 - c** The response to the resurgence of COVID-19 does not appear as comprehensive as the initial Everyone In in the spring. The Ministry of Housing, Communities & Local Government will need to keep under close review whether its more targeted approach will protect vulnerable individuals as decisively as the approach it took in the early stages of the pandemic.
 - d** It is clear that there is significant learning available from the experience of Everyone In for the Ministry of Housing, Communities & Local Government and all partners involved. The Ministry of Housing, Communities & Local Government should use this knowledge towards its goal of ending rough sleeping by the end of this Parliament, when it returns to its review of rough sleeping. Also, as the Department revisits its rough sleeping strategy, and to support its new objective for this, it should seek to align the initiatives and funding streams announced during COVID-19 into a cohesive plan.

Protecting and supporting the clinically extremely vulnerable during lockdown

- 6** To improve support to clinically extremely vulnerable (CEV) people when advised to shield in the future, we recommend that:
- a** the Department of Health & Social Care should ensure that **healthcare data systems allow easy, but secure, access to healthcare data**;
 - b** NHS England & NHS Improvement and NHS Digital should set out how they will **improve the accuracy of patient telephone numbers** to improve the speed of communication with patients;
 - c** the Department of Health & Social Care should set out **the core data requirements it is likely to need in a future pandemic** or civil emergency and how it can access these data in a timely manner;
 - d** the Department of Health & Social Care should establish **a robust plan on how to communicate clearly, quickly and consistently with CEV people** to ensure that people are clear if they need to shield, why they need to shield, how to shield and the support available to them;
 - e** by April 2021, the Ministry of Housing, Communities & Local Government should **review the effectiveness of the new National Shielding Service System**, introduced for the second lockdown, to ensure that it provides intended benefits;
 - f** the Ministry of Housing, Communities & Local Government should set out how it can **establish the capacity and capability of local authorities to support shielding-type exercises** in a timely way in the event of future pandemics or civil emergencies and how it can engage more effectively with local authorities; and
 - g** for future pandemic planning, government should consider how it **will approach balancing the relative merits of central, universal offers of support against targeted local support**.

Support for children's education during the early stages of the COVID-19 pandemic

- 7** We recommend that the Department for Education should:
- a** **conduct a full evaluation of its response to the COVID-19 pandemic**, covering both the early stages and the more recent disruption to schooling, including seeking input from schools and other stakeholders;
 - b** **put in place effective monitoring to track the longer-term impact of COVID-19 disruption on all pupils' development and attainment**, with a particular focus on vulnerable and disadvantaged children, and take action in light of the results;
 - c** **work with Ofsted to reintroduce arrangements for obtaining independent assurance about schools' provision**, while recognising the additional pressures that schools are under during the pandemic;
 - d** **act quickly on its early assessments of the catch-up programme during 2020/21**, to ensure that the funding is achieving value for money and the National Tutoring Programme schemes are reaching disadvantaged children as intended; and
 - e** **identify lessons for remote and online learning from innovative practice developed during the pandemic** and take account of these in its programmes to improve the use of educational technology.

CORRECTION SLIP

Title:

Initial learning from the government's response to the COVID-19 pandemic

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Correction One:

Paragraph 8, bullet 1 (page 14) of the report was produced in error, the last sentence was incorrect, a date was omitted, please see below.

The paragraph currently reads:

- 8 To enable speed of action, government relaxed controls and streamlined spending approvals, recognising that this would lead to an increased risk of fraud and error:
- **In designing employment support schemes, HMRC acknowledged that it would need to make certain trade-offs between its normal approach of preventing as much fraud and error as possible and ensuring grants reached claimants quickly.** HMRC drew up longlists of potential controls for both schemes. In total it identified 42 potential controls for the Coronavirus Job Retention Scheme (CJRS), of which 24 were implemented by the go-live date and 57 for the Self-Employment Income Support Scheme (SEISS), of which 38 were delivered by the end of April 2020. HMRC's planning assumptions were that between 5% and 10% of payments from the CJRS and between 1% and 2% of payments from the SEISS were due to fraud and error. This amounts to between £2 billion and £3.9 billion for the CJRS and between £130 million and £270 million for the SEISS.

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