7 Government Response: Treasury Minutes

Background

7.1 If the subject is of sufficient importance Government replies to Select Committee reports may be made as Command Papers that are laid before Parliament in the name of a Minister. More usually a reply is sent to the Committee who arranges for it to be published as a House of Commons paper. In the case of Public Accounts Committee reports, a reply is always made in the form of a Treasury Minute presented in the name of the Financial Secretary to the Treasury and published as a command Paper. This note provides general guidance for departments on preparing their contribution to the Treasury Minute.

Drafting a Treasury Minute

General

7.2 It falls to the department or agency concerned to draft each response to a Committee report in consultation with the relevant Treasury expenditure team. However, the text requires the approval of the Financial Secretary, the Prime Minister's Office and the Whips Office prior to publication as a Treasury Minute. These processes are organised by Treasury Officer of Accounts (TOA) team.

7.3 Where a number of departments have an interest in a particular report, the lead department nominated in the letter commissioning contributions to the Treasury Minute should liaise with the other departments concerned and incorporate their contributions in the reply. Where it falls to the Treasury to provide a response to a particular conclusion the relevant expenditure team will ensure that this is incorporated into the reply.

Timetable

7.4 The objective is to reply to a PAC report within about two months of that report's publication as required by **the Osmotherly rules**. In practice, as replies are normally grouped together so that one Treasury Minute covers a number of PAC reports, the two month timetable can vary slightly. In addition as Treasury Minutes are not normally laid during a Recess, replies to reports published shortly before or during a Recess may be delayed. Since in addition to drafting, the necessary approval must be obtained from departmental Accounting Officers, the Treasury and Ministers, the timetable for publication is tight and must be adhered to carefully.

Procedure

7.5 TOA write to relevant departments around the time when Committee reports are published. The letter sets out the timetable for providing draft responses to the Treasury. Departments should address **first** drafts to their Treasury expenditure team, with copies to TOA. **Final** agreed texts should be addressed to TOA and copied to the Treasury expenditure team.

7.6 If, when considering the response departments foresee problems that will require discussion with the Treasury, they should approach their Treasury expenditure team straightaway, rather than wait until the first draft has been received. Once the Treasury has agreed the draft it should be submitted to the Accounting Officer and as necessary, to departmental Ministers for approval. Any changes made at this stage should be cleared with the Treasury before the final version is formally submitted.

7.7 TOA will arrange for the approval of Treasury Minutes by the Financial Secretary, the Prime Minister's Office and the Whips' Office, and for publication. Departments will receive confirmation in advance when the Minutes will be laid before Parliament and published. Embargoed copies will be available from TOA once the Treasury Minute is laid before Parliament (normally 24 hours before publication).

Briefing and Press Notices

7.8 The Prime Minister's Office requires briefing for Prime Minister's Questions on every Treasury Minute (see Chapter 8 "Briefing No 10"). The Prime Minister's Policy Office provides guidance for departments on how to structure the briefing. Departments should send this briefing direct to No 10, copied to the Treasury (TOA team), by noon on the Tuesday before it is laid. Treasury Minutes are embargoed until the time of publication.

7.9 The Treasury does not issue a press notice on publication of a Treasury Minute. It is for the department concerned to determine what level of publicity to give to its response to a report by the Committee. New guidance on this will be issued once the Cabinet Office has concluded its review of Osmotherly Rules in the light of the Hutton Inquiry.

Style and Format

7.10 Departments should respond to the Committee conclusions and recommendations as fully and as positively as possible. Replies should make clear whether a conclusion has been accepted or not. Clear explanations should be given of the actions that the department has taken, or will take, to implement accepted recommendations. The Committee has a keen interest in the action taken by departments in response to its reports, so implementation target dates should be given whenever possible. Where a conclusion or recommendation is rejected the reasons for doing so should be clearly stated.

7.11 Replies should not be argumentative or appear to set the National Audit Office (NAO) against the Committee by implying that rejection or criticism of a PAC recommendation is justified because it was not reflected in the NAO report that gave rise to the hearing.

7.12 Statements should not be included in Treasury Minutes unless they accurately reflect the position at the time of publication. Where at the time of drafting a statement needs to be confirmed, or further action is anticipated by the date it is laid it should appear in square brackets in the draft. Departments should inform TOA of any later information that may need to be added to the text, so that this is not overlooked in the final run-up to publication (which can be quite hectic).

7.13 The aim should be to provide clear, direct and succinct responses to the Committee's conclusions and recommendations. Introductory paragraphs of general material, not connected to specific conclusions and recommendations, should not normally be included in a Treasury Minute except in exceptional circumstances: for instance where there has been a change in organisation or policy, since the time of the NAO report or the hearing, which affects the reply. An example would be where responsibility for the subject of the report had been transferred from one department to another.

7.14 Departments should reply to all the conclusions while seeking to avoid unnecessary repetitions. Departments should seek advice from TOA (see contacts in Chapter 10) before drafting a response, if they are not clear how to proceed. A sample Treasury Minute page is shown at the end of this section.

7.15 The Committee conclusions should be reproduced in the Treasury Minute subject to the following conventions:

- conclusions should be preceded by the words "**PAC conclusion (x):**";
- there is no need to reproduce the text of conclusions in full. Key phrases and recommendations should be retained, those parts of conclusions which are simply commentary or description may be omitted;
- where conclusions are shortened, departments should as far as possible keep to the Committee's words, only changing or adding to them to ensure the shortened version makes sense. Omissions should be indicated by dots (three dots when leaving out words in the middle of a sentence, four in other circumstances). Sub-editing for sense should be indicated by square brackets;
- the department's response will follow the conclusion to which it relates. It is sometimes appropriate to provide a composite reply to two or more related conclusions. In these cases the relevant conclusions should be grouped together; these may be shortened but each conclusion must be kept distinct and the reply should cover every conclusion/recommendation in the group.

Style Conventions

7.16 The following style conventions should be employed:

- **Headings** – initial capitals for the title of the report, but not for subordinate headings (if used). Subordinate headings to be in italics.
- If a department, body, etc is to be referred to by initials, it should be identified in full, followed by the initials in brackets, the first time it is referred to in the response. Thereafter the initials should be used in both the Committee's conclusions and the Government's response.
- DTI (not "the DTI")
- DTI is/the Committee is (not are)
- the Committee (not "the PAC")
- xx million (not m)
- 2003-04 (not 2003/04)

- Interdepartmental - do not hyphenate
- Colon without dash precedes indented item(s)
- % in words "per cent"
- The figures "one" to "nine" should be written in words, 10 and above in figures.
- **Department/Government** – with lower case when referring to departments or governments generally (e.g. "several departments have... ", "agreements have been negotiated with several foreign governments"); and with initial capital when referring to a particular department or government, (e.g. "the Department/Government will consider this recommendation... ", "Government policy is... ", "this is a matter for the French Government").

Correcting Statements in Treasury Minutes

7.17 Departments should inform the Committee well in advance of any related Committee hearing, when decisions have been taken that affect statements in a Treasury Minute.

7.18 Departments are therefore asked to inform the Committee in writing of any decisions or events that invalidate statements made in a Treasury Minute and of which the Committee might reasonably expect to be made aware. The following procedures are intended to ensure that Treasury Minutes in response to Committee reports are kept under review and that earlier ones are scrutinized only where they are relevant to a forthcoming Committee hearing:

- any decisions taken or events occurring within a year of publication of a Treasury Minute which materially invalidate any statements in that Minute should be reported in writing to the Committee Clerk, with a copy to the National Audit Office (NAO). This applies whether or not there is a relevant forthcoming Committee hearing; and
- as part of the routine preparation for future Committee hearings, departments should check the text of earlier relevant Treasury Minutes. If any statement in a Minute is invalidated materially by subsequent decisions or events (and action has not already been taken to inform the Committee and NAO as above) this should be reported in writing to the Committee Clerk, with a copy to the NAO, at least four weeks before the hearing.

7.19 Departments are not however required to follow the above procedures in cases where the decisions or events have been or are about to be recorded in a further NAO report. Nor are departments expected, unless they so wish, to inform the Committee of developments of a normal kind occurring after the publication of a Treasury Minute. This guidance is concerned only with cases where statements in a Treasury Minute are rendered factually inaccurate or misleading to a significant extent.

Departmental Annual Reports

7.20 Departments are required to include in their annual report recommendations made by the Public accounts Committee and a summary of progress since the Treasury Minute related to those recommendations was published. This task is made much easier if departments have proper systems in place for monitoring progress with the implementing of recommendations and for regular reviews by their audit committees.

7.21 The Treasury provides guidance on the coverage of departmental Annual Reports and details are set out in Public Expenditure System (PES) papers that can be viewed on its GSI website at:
www.hm-treasury.gsi.gov.uk/psd/pes_papers/PES_papers_home.htm.

An Extract from a Treasury Minute

Seventeenth Report

Department of Health

Hip replacements: an update

PAC conclusion (i): Around 1 in 10 of consultants use hip prostheses for which there is inadequate evidence of effectiveness. Innovation can bring benefits for patients, but there needs to be strict safeguards for new models with little or no track record. The NHS Purchasing & Supply Agency should issue a full list of prostheses which meet the NICE standard as soon as possible.

1. The Department agrees with this recommendation. In September 2000, NHS Purchasing & Supply Agency (NHS PASA) published a database on its intranet site containing the claims of manufacturers regarding their products and whether they met the National Institute for Clinical Effectiveness (NICE) benchmarks or not, therefore fulfilling its requirement under the NICE guidance. However, whilst much of the data supplied was satisfactory, problems were highlighted with the accuracy and validity of some of the data. As a consequence NHS PASA set up the Orthopaedic Data Evaluation Panel (ODEP) to give an independent view of manufacturers' claims regarding their products in relation to the NICE benchmarking standards. All manufacturers were asked to submit data for products meeting the 10-year benchmark to the ODEP for evaluation. The results were made available to the NHS via the NHSnet on 31 March 2004.

2. ODEP is now looking at manufacturers' claims on how their prostheses meet the NICE entry benchmark (three year benchmark). Manufacturers are currently collating data in support of this benchmark for submission to ODEP in September 2004. NHS PASA plan to publish the outcome of this evaluation in early 2005.

RELEVANT GUIDANCE

Dear Accounting Officer letter of 2 October 1989 "Correction of Statements in Treasury Minute". On the Treasury's website at:

- www.hm-treasury.gov.uk/media/B8B/CD/dao89correction.pdf