

Meg Hillier MP
Chair of the Committee of Public Accounts
House of Commons London
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[By email]

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Dear Ms Hillier,

PAC hearing (15 June) on the Government's response to COVID-19

At the Public Accounts Committee hearing on the Government's response to COVID-19, you asked us to provide the Committee with information on why the various ministerial directions were not published sooner. I also promised to write to Nick Smith MP, with information on the effectiveness of the furlough scheme for agencies.

Ministerial directions

As you know, the assumption that ministerial directions are published was introduced in 2011, and the principles introduced then still apply today. Paragraph 3.4.5 of Managing Public Money states that where an accounting officer receives a direction, they should "arrange for the existence of the direction to be published, no later than in the next report and accounts, unless the matter must be kept confidential".

Since these principles were introduced, it has become standard practice for most directions to be published on the gov.uk website within a few days of being issued. But this did not happen in the case of most directions related to COVID-19 issues. At the hearing on 15 June, Sam Beckett set out why the eight BEIS directions had not been published earlier. Following the hearing, I looked into the four remaining directions. The DHSC direction was issued on 29 March and published on 30 March. In the case of MHCLG, the direction was issued on 23 March, and Jeremy Pocklington wrote to you on the same day explaining why he was not publishing immediately. That direction was subsequently published on 12 June. For DWP the direction was issued on 8 April and published on 18 June. For DfT the direction was issued on 20 March and will be published imminently. DWP and DfT have explained that they wanted to finalise their end-year position before publishing these directions, which led to a delay.

The Treasury believes that a ministerial direction should be made public as soon as possible after it is issued, unless there is a broader public interest in keeping it confidential. I have asked the Treasury Officer of Accounts to write to Accounting Officers to remind them of the importance of this.

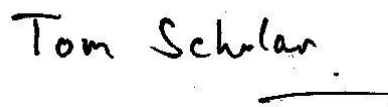
Effectiveness of the furlough scheme for agencies

Mr Smith asked about how the furlough scheme applies to agency workers, and I promised to write with further information.

Where agency workers are paid through PAYE, they are eligible to be furloughed and receive support through the Coronavirus Job Retention Scheme, including where they are employed by umbrella companies. Furlough should be agreed between the agency, as the deemed employer, and the worker. Where an agency supplies clients with workers who are employed by an umbrella company that operates the PAYE, it will be for the umbrella company and the worker to agree whether to furlough the worker or not.

As to the specific issue raised by Mr Smith, if an employer has made an error and not included employees that were furloughed during a claim period in a relevant claim, they may have underclaimed. This is set out in HMRC's guidance¹. If an employer has made an error that has resulted in an underclaimed amount, they should contact HMRC to amend their claim.

I have written to Mr Smith in similar terms.

A handwritten signature in black ink that reads "Tom Scholar". The signature is written in a cursive style with a horizontal line underneath the name.

Tom Scholar

¹ <https://www.gov.uk/guidance/claim-for-wages-through-the-coronavirus-job-retention-scheme>