



House of Commons  
Committee of Public Accounts

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# COVID 19: Cost Tracker Update

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**Twelfth Report of Session 2021–22**

*Report, together with formal minutes relating  
to the report*

*Ordered by the House of Commons  
to be printed 19 July 2021*

## The Committee of Public Accounts

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Powers of the Committee of Public Accounts are set out in House of Commons Standing Orders, principally in SO No. 148. These are available on the Internet via [www.parliament.uk](http://www.parliament.uk).

### Publication

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### Committee staff

The current staff of the Committee are Jessica Bridges-Palmer (Media Officer), Ameet Chudasama (Committee Operations Manager), Richard Cooke (Clerk), Rose Leach (Committee Operations Officer), Ben Rayner (Second Clerk), Ben Shave (Chair Liaison).

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## Summary

According to the NAO's COVID-19 cost tracker, the government's response to the pandemic has exposed the taxpayer to significant financial risk for the foreseeable future, with the estimated lifetime cost of the government's measures reaching an eye-watering £372 billion in May 2021, with £172 billion reported spent. In making decisions and initiating measures at a much greater pace than during normal times, the Government took on a greater level of risk by relaxing some of the rules around spending decisions. Whilst departments faced difficulties in responding quickly to the pandemic, these risks did not always achieve good value for money. This is particularly the case in the estimated £92 billion of loans guaranteed by government as of May 2021, £26 billion of which we were alarmed to learn are now expected to be lost as a result of bad loans to businesses although the exact scale of loss is not going to be known for some time. HM Treasury must follow through on its plans to improve the quality of impact assessments and accounting officer assessments, and its intention to further embed the principles of good financial stewardship outlined in *Managing Public Money*.

As the UK recovers from the pandemic, it is now more vital than ever that the government, and HM Treasury as custodians of our future finances, maintain accountability for public money, transparency over how it is being used and clarity over what it is achieving. We therefore expect HM Treasury to include a comprehensive framework for managing the risks to public finances resulting from the COVID-19 response in its upcoming Spending Review. This will be followed up on when we hold a further session with HM Treasury later in the year after the NAO's next update to the cost tracker in October 2021.

The NAO's COVID-19 cost tracker has shown how information on the actions taken across the whole of government and their estimated costs can be identified and presented in one place, enabling the full picture to be understood. This will be vital in helping government prepare for future fast-paced crisis, or indeed any large cross-government programme, to enable government to make well-informed and rapid financial decisions. Such an approach should be supported by government and replicated in other situations where it would aid decision making, for example, achieving net-zero greenhouse gases by 2050.

## Introduction

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Shortly after the World Health Organisation declared COVID-19 to be a pandemic on 11 March 2020, government began announcing a series of measures to support public services, workers and businesses. The National Audit Office (NAO) has been collecting and publishing information on the government's COVID-19 response measures—the COVID-19 cost tracker—first published in September 2020 and updated in January 2021 and May 2021. The cost tracker presents the range of government measures (categorised by lead department and the nature of the measure), the estimated lifetime cost for implementing the measure, and how much has been spent to date. In May 2021, the cost tracker revealed that the total cost of government's measures was estimated to be £372 billion, with £172 billion reported spent. The total value of loans guaranteed by government was estimated to be £92 billion, and the write-off costs associated with loan schemes was estimated to be £26 billion. The cost tracker does not capture every aspect and consequence of government's actions, which potentially underplays the true cost of the response. To make decisions and disburse funding more quickly, government relaxed the usual rules over the management of public money and took on significant financial risks, which government may have to manage for many years and which will have implications for future spending decisions.

## Conclusions and recommendations

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1. **The NAO's COVID-19 cost tracker shows the importance and value of capturing, sharing and presenting timely data on government's actions and costs during a crisis.** The cost tracker collates information from across all central government ministerial departments, and HM Revenue & Customs. It represents the only single record bringing together all of government's measures in response to the pandemic, their costs and how much has been spent against them. HM Treasury has worked closely with the NAO on the production of the cost tracker, supplementing it with internal departmental spend data, which is in part categorised into COVID-related and non-COVID-related spend. HM Treasury confirmed that the cost tracker presented a good snapshot of the government's pandemic response, and a very reasonable estimate of the total whole-life cost. HM Treasury highlighted the value of the cost tracker and the relationship it has established with the NAO. We consider the NAO's COVID-19 cost tracker to be a model that could be applied in other situations and in planning for large cross-government programmes, such as achieving net-zero greenhouse gases by 2050.

**Recommendation:** *HM Treasury should develop a closer partnership with the NAO to produce the next, and future, updates to the cost tracker, through sharing its COVID/non-COVID categorised data, and the reconciliation to its own data.*

**Recommendation:** *By the end of the year, the Government should write to us and explain how it will monitor the costs of other large cross-government programmes that would benefit from an approach similar to the cost tracker, for example, the drive to achieve net-zero greenhouse emissions, and the ongoing costs of EU exit.*

2. **The value of the cost tracker is lessened by poor data from some government departments and functions.** The level of completeness and accuracy of COVID-related data is variable across government departments. Several departments are still not able to provide a robust assessment of their COVID-related activity, or the extent to which other activity has been cancelled or displaced. While HM Treasury is working with government finance functions to improve definitions and recognition of COVID-19 related expenditure in the accounts, these systems have only been put in place recently and more needs to be done to embed them. Existing systems are still not adequate to provide timely and accurate data. There also remain areas of spending where it is not possible to distinguish between COVID-driven or non-COVID-driven expenditure, for example, spending in the NHS, and Universal Credit (DWP).

**Recommendation:** *To support the next iteration of the cost tracker, and in advance of the autumn Spending Review, HM Treasury should continue working with departments to develop robust methodologies for identifying and capturing the full cost of COVID-19, including economic impacts and the extent of displaced activity, to have a clear basis for future fiscal decisions and recovery plans.*

3. **The COVID-19 response means government will be exposed to significant financial risks for decades to come.** As a consequence of responding quickly to the pandemic, government has taken on significant financial risks that are spread across multiple government departments and schemes. While we acknowledge that

there was a need to relax the usual rules surrounding major spending decisions and introduce flexibilities due to the emergency circumstances of the pandemic, we are concerned that this has created serious risks that may require managing for years. A clear example of risks from the government's approach materialising is the 10,000 shipping containers of personal protective equipment (PPE) ordered earlier in the pandemic that we heard in May were still yet to be unpacked. HM Treasury used the example of vaccines development to show how government took on necessary risk, in this case to develop vaccines much more quickly, with government spending more to achieve that speed. The Chief Secretary to the Treasury has explained, in his 1 April 2021 letter to the Chair of the Treasury Committee, government's approach to spending controls during COVID-19, acknowledging that there were successes and areas where lessons need to be learnt on how best to apply an emergency control framework.

**Recommendation:** *HM Treasury should develop a single cross-government framework for monitoring and managing the risks to public finances stemming from government's COVID-19 response. HM Treasury should then explain in the autumn Spending Review how it plans to manage these risks and any fiscal trade-offs that will need to be made.*

4. **Achieving value for money from government expenditure during COVID-19 is being compromised by poor quality impact assessments and Accounting Officer assessments.** Government accepted the need for a higher risk appetite in order to make decisions and move funding more quickly for COVID-related measures, adapting the Managing public money principles to the extraordinary situation. It flexed its approach to value for money to adapt to the need to act quickly and provide funding rapidly. HM Treasury believes that the Managing public money framework worked well over the pandemic. However, it acknowledges that impact assessments for some COVID-19 measures needed better data and better evidence to justify the financial investment. Furthermore, it accepts that there needs to be clearer guidance around Accounting Officer assessments, particularly around how you assess risk appetite in an emergency, and assessments across multiple departments. It is planning on identifying and sharing examples of good assessments, and more training across finance functions on how Managing public money works, including for ministers.

**Recommendation:** *HM Treasury should report back to this Committee by the end of 2021 on its progress improving the quality of impact assessments and Accounting Officer assessments, and its roll out of training on Managing public money, so that proper emphasis on achieving value for money is restored.*

**Recommendation:** *HM Treasury should review major COVID-related spending decisions to identify cases where decisions made during the pandemic have resulted in poor value for money. It should report its findings back to this Committee by the end of 2021, and use the lessons learnt to produce guidance to minimise the risk of this happening in the future.*

5. **The total value of government-backed loans has increased greatly during the crisis.** To provide businesses with access to funding quickly during the pandemic, government launched a number of loan schemes, delivered by private sector



providers under the direction of the British Business Bank. The total value of loans issued is currently expected to be £92 billion. Government guaranteed these loans by up to 100% of their value in order to compensate the private sector for an increased risk of borrower default. Government currently estimates that the calls on these guarantees may amount to as much as £26 billion, which would represent a significant drain on the public sector budget. HM Treasury expects all loans to be repaid but accepts that there is a high degree of uncertainty around this, as the repayment profile will depend on the strength of the economy and of the underlying businesses. HM Treasury is unclear about how it plans to manage the expanded loan book and the associated risks.

**Recommendation:** *Through the autumn Spending Review, HM Treasury should set out how it is managing the significant expansion of the value of government loan guarantees and the associated risk of write-offs, and the steps being taking to reclaim the taxpayer's investment.*

6. **It will become increasingly important to distinguish between spending that is aimed at economic and societal recovery from COVID-19, from spending in direct response to COVID-19.** The cost tracker suggests that around 92% of the cost of government's COVID-19 measures is categorised as being in direct response to the pandemic, with the remaining 8% attributed to the wider economic and societal recovery from the pandemic. However, this distinction is inexact, as for some measures it can be difficult to precisely define whether spending relates to the response phase or the recovery phase of government's overall response to the pandemic. Some measures contribute to both objectives, for example the vaccines programme. For some measures, it is difficult to distinguish activity that results directly from COVID-19 from business-as-usual activity, for example with new Universal Credit claims. HM Treasury acknowledges the need for better understanding of the progress of the pandemic and the economy in order to assess the cost of recovering from COVID-19. It expects more reliable information to be available by September as the uptake and repayments against major schemes like the Bounce Back Loans Scheme become clearer.

**Recommendation:** *Government should, through the autumn Spending Review, set out a fully costed plan for recovering from the COVID-19 pandemic and returning to 'business as usual'.*

# 1 HM Treasury's understanding of COVID-19 costs

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1. On the basis of the COVID-19 cost tracker published by the Comptroller and Auditor General, we took evidence from HM Treasury about the costs of government's response to the COVID-19 pandemic.<sup>1</sup>

2. Shortly after COVID-19 was declared a pandemic on 11 March 2020, the government began to announce a series of measures to support public services, workers and businesses. Since then, the National Audit Office (NAO) has been collecting information on the government's COVID-19 response measures. In its initial report *Overview of the UK government's response to the COVID-19 pandemic*, the NAO estimated the total cost of government's measures at May 2020 to be £124 billion.<sup>2</sup>

3. Subsequently, the NAO has collated and presented this information in a web-only published database—the COVID-19 cost tracker—updating it every four months. The cost tracker describes the range of government measures, categorised by lead department and the nature of the measures. Where data are available to the NAO, it presents the relevant department's estimated total cost for implementing the measure, and how much has been spent to date.<sup>3</sup>

4. The first NAO COVID-19 cost tracker was published on 8 September 2020 and estimated that the combined cost of COVID-19 measures at that point to be in excess of £210 billion, of which £70 billion was reported spent. By the first update in January 2021, the total estimated cost of measures had risen to £271 billion, of which £116 billion was reported spent. The latest NAO cost tracker estimates that at May 2021 the total cost of measures has increased further to £372 billion, with £172 billion reported spent.<sup>4</sup>

5. The NAO estimates the total value of loans guaranteed by government to be £92 billion, comprising loans issued through business support schemes such as the Coronavirus Business Interruption Loan Scheme, the Coronavirus Large Business Interruption Loan Scheme, the Bounce-Back Loan Scheme, the Future Fund and the Covid Corporate Financing Facility. The total write-off cost associated with the loan schemes is estimated to be £26 billion.<sup>5</sup>

## Capturing timely data

6. HM Treasury acknowledged how valuable the NAO's COVID-19 cost tracker is in documenting and understanding government's costs in responding to the pandemic, and how helpful it's collaboration with the NAO to produce the cost tracker had been. It described the cost tracker as a very useful framing mechanism for presenting the detail of departments' expenditure, stating that if the NAO had not created the cost tracker then HM Treasury would have needed to devise something similar.<sup>6</sup>

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1 The COVID-19 cost tracker, available at: [COVID-19 cost tracker - National Audit Office \(NAO\)](#)

2 C&AG's Report, *Overview of the UK government's response to the COVID-19 pandemic*, Session 2019–21, HC 366, 21 May 2020

3 The COVID-19 cost tracker, available at: [COVID-19 cost tracker – National Audit Office \(NAO\)](#)

4 Qq 12, 13, 56

5 Q 47

6 Qq 1, 14, 15

7. HM Treasury told us that it is tracking and controlling public expenditure on COVID-19 in the same way that it does routinely for all public expenditure, through regular monthly reporting of departments' spending, which it described as a robust mechanism for tracking spend. It puts more focus and effort on tracking particular items of COVID-19 spending because they are large and, in many cases, novel.<sup>7</sup> It has used the cost tracker to corroborate departments' spend-to-date data, and to reconcile and challenge consistency of data across departments. Through the cost tracker, HM Treasury has picked up issues with categorisation of cost data, with the way in which departments are recording data, and with the completeness of information. It plans to use the cost tracker as a source of key information for the Whole of Government Accounts.<sup>8</sup>

8. HM Treasury has, over the last few months, started to identify items of spending that are COVID-related, and designate them as such.<sup>9</sup> It described how for some areas of expenditure it is straightforward to do so, for example, the business support grant schemes. For other areas, it is not possible to categorise expenditure as COVID-driven or not, for example, spending in the NHS – it is possible to identify the net increase in spend, but not how much of that is driven by COVID-19. Similarly, for universal credit spending, the number and amount of universal credit claims is known, but individual claims are not categorised as resulting from the impact of COVID-19 or otherwise.<sup>10</sup>

### Completeness of departmental data

9. HM Treasury confirmed that it regards the NAO's £372 billion estimate of the total cost of the government's response to the pandemic to be a good representation of the total gross lifetime costs of policy decisions driven by COVID-19, and a reliable snapshot based on what is known now. It remarked that the NAO's estimate is close to the figure of £407 billion for the COVID-19 funding made available at the Budget, and that it can reconcile the £35 billion difference between the two.<sup>11</sup>

10. The cost tracker purposefully excludes some financial decisions that government has taken as a result of the pandemic to support the recovery from the pandemic, for example the corporation tax super deduction and increases in capital spending that were announced in Budget 2020. It also does not include the effect of COVID-19 on receipts to public finances. HM Treasury told us that it is better that the scope of the cost tracker remains as it is, and that wider effects of the pandemic are covered elsewhere, for example in the Office for Budget Responsibility's forecasts. The cost tracker is therefore a good measure of the gross cost of government's policy response to the pandemic, but there are broader measures of the overall cost of the pandemic that could be drawn.<sup>12</sup>

11. We challenged HM Treasury on why several departments are not able to provide the NAO with a complete assessment of the costs and spend of their COVID-related activity. We heard how there are measures for which estimating the lifetime cost is difficult because of a lack of evidence upon which to base cost estimates, and how some departments have concentrated on the quality of estimates rather than producing more timely, but rougher,

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7 Qq 1, 2

8 Qq 3, 14

9 Q 1

10 Qq 3, 4, 6, 7

11 Qq 12, 13

12 Qq 5, 16, 17, 22

estimates. HM Treasury drew attention to two groups of government measures where evidence is lacking: those measures that have yet to start, and those that relate to tax where the effect has not yet been seen. There are measures where the cost will depend on take-up, and that in turn will depend on the progress of the pandemic, for example the cost of the testing programme. HM Treasury expects the estimated total cost of the pandemic to change over time and expressed confidence that it would have a much clearer assessment of the total cost of the pandemic within the next 12 months.<sup>13</sup>

12. HM Treasury told us of what it is doing to improve its understanding of the costs of the pandemic. It has provided departments with instructions on how to gather the information that is needed to make cost estimates of COVID-19 measures.<sup>14</sup> It described how it had instigated monthly tracking of information from local authorities, which enabled it to understand what local authorities were spending on and put in place escalation routes for emergency funding that could be transferred quickly. When asked why information to the same level of detail and accuracy could not be gathered from the NHS, we heard that the Department of Health and Social Care has good standardised data capture tools, but data from across the entire group is only consolidated at year end because of the huge scale of the exercise. HM Treasury said that as part of this year's year-end production of reports on accounts, it would have conversations with all departments about lessons learned and consider what best practice should be, including how the NHS can gather timelier data that can be aggregated more quickly.<sup>15</sup>

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13 Qq 8–12

14 Q 9

15 Qq 25, 28

## 2 HM Treasury's understanding and management of risks to public finances through the pandemic

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### COVID-19 financial risks

13. HM Treasury reiterated what the Chief Secretary to the Treasury set out in his letter of 1 April 2021 to the Chair of the Treasury Committee: that the COVID-19 pandemic is a national health emergency that has required a response by government without precedent in terms of speed and scale.<sup>16</sup> Consequently, government was prepared to accept a greater level of uncertainty about the efficacy of spending compared with normal times. HM Treasury told us how it became clear very quickly that responding to the crisis would require it to use the spending control framework more flexibly than it otherwise would have done. It increased delegated departmental spending limits, allocated additional funding for departments to use, and delegated greater authority to departments to enable them to make spending decisions.<sup>17</sup> HM Treasury confirmed that it was consulted upon major new funding commitments before they were announced.<sup>18</sup>

14. HM Treasury used the example of vaccines development to explain how government took on necessary risk, in this case to develop vaccines much more quickly than would usually have been the case. The rapid development of a vaccine was central to dealing with the pandemic and recovering from it, and there was strong public interest in supporting it. Government set up the Vaccines Taskforce to create momentum and get ahead in the vaccines programme, in conditions of considerable uncertainty that required difficult judgments, for example around pricing. HM Treasury provided advice that maintained a focus on value and good financial practice, in the context of it being a critical national priority to make rapid progress on the vaccines programme.<sup>19</sup>

15. The Chief Secretary to the Treasury acknowledged in his letter of 1 April 2021 that a consequence of an enhanced risk appetite is that risks are more likely to crystalize. A clear example of risks from the government's approach materialising is the 10,000 shipping containers of personal protective equipment (PPE) ordered earlier in the pandemic that were yet to be unpacked when we took evidence on the matter in May.<sup>20</sup> HM Treasury cautioned that the current estimates of the expected cost of the government's COVID-19 response are snapshots of government's exposure as of today, rather than assessments of the final bill. For some of government's actions, for example the business loan schemes, the full extent of financial risks will become apparent over future years.<sup>21</sup> HM Treasury told us that it is updating its guidance on undertaking risk assessments during an emergency.<sup>22</sup>

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16 Qq 18, 20, 21; Letter of 1 April 2021 from the Chief Secretary to the Treasury to the Chair of the Treasury Committee

17 Qq 21, 51

18 Q 52

19 Q 20

20 Q 55; Letter of 1 April 2021 from the Chief Secretary to the Treasury to the Chair of the Treasury Committee

21 Q 12

22 Q 40

## Achieving value for money

16. HM Treasury told us that over the pandemic it had kept the same basic framework for public expenditure decisions, with a strong emphasis on value for money, but that it had adapted it and made it more flexible to recognise the circumstances. In some areas, value for money was best achieved by moving quickly and accepting the need for a higher-than-normal risk appetite. As time has gone by, HM Treasury has been looking at where it can tighten up and reintroduce the usual set of controls, and it confirmed that it had done so in a quite a few areas.<sup>23</sup>

17. HM Treasury explained that it told accounting officers that throughout the pandemic they remained responsible for assuring themselves that public money was being properly spent, for applying the principles of *Managing public money* and for accounting to Parliament for their spending.<sup>24</sup> HM Treasury considers that *Managing public money* has worked well as a framework over the pandemic, with the principles within it having proved to be enduring, and the framework having the flexibility and agility to respond to the pandemic.<sup>25</sup> When quizzed over the increased use of accounting officer directions over the pandemic, HM Treasury responded the directions enabled accounting officers to set out publicly the financial challenges they were facing. It has concluded that the accounting officer direction process worked well in supporting rapid decision making, and that it was the appropriate mechanism for accounting officers to raise their concerns.<sup>26</sup> It added that over the pandemic there had been closer decision-making between ministers and officials, which had sped up and improved the quality of decisions.<sup>27</sup>

18. HM Treasury acknowledged that the process of undertaking impact assessments for some major COVID-19 schemes had been challenging and hampered by poor data and evidence.<sup>28</sup> It used the example of the excess stockpiles of PPE to illustrate that big lessons need to be learned.<sup>29</sup> This fits with a trend the Committee has previously picked up on, that less reliance is being placed on impact assessments, and their quality appears to be waning, despite being integral to understanding whether policies will deliver value for money. HM Treasury has also concluded that there needs to be clearer guidance around accounting officer assessments and on how to apply the principles and the tests in *Managing public money*. It is planning on identifying and sharing examples of good accounting officer assessments. It plans to update the guidance on how to undertake accounting officer assessments in an emergency, and when policy and delivery are undertaken across multiple departments, for example testing in schools, where the accounting officers of the Department for Health and Social Care and the Department for Education worked together. HM Treasury told us that it is also planning more training across finance functions on how to apply *Managing public money*, including for ministers.<sup>30</sup>

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23 Q 18  
 24 Q 21  
 25 Q 40  
 26 Q 43  
 27 Q 44  
 28 Q 53  
 29 Q 54  
 30 Qq 40–42

## Government-backed loans

19. The NAO's COVID-19 cost tracker presents a current estimate of the cost of write-offs of government-backed loans made in response to the pandemic of £26 billion.<sup>31</sup> HM Treasury confirmed that it recognises this amount as a good snapshot based on current information on what the total losses might be.<sup>32</sup> It cautioned that there is a large degree of uncertainty around this amount as there is a wide range of estimates for the proportion of loans that might default. Repayment rates will be driven by the underlying strength of the economy and the pace of the recovery.<sup>33</sup> HM Treasury told us that until there is a reasonable record of repayments under the loans, and until there is a much clearer sense of how the economy can be expected to perform, there will inevitably be a wide range for estimates for the possible total loss.<sup>34</sup> If the economy performs well, HM Treasury expects a lower rate of default than currently forecast.<sup>35</sup>

20. HM Treasury referred specifically to the Bounce Back Loan Scheme, which accounts for £22.8 billion of the forecast total write-off costs of £26 billion.<sup>36</sup> It told us that the first loan schemes had been too slow to grant loans to small businesses with no borrowing history and therefore no existing borrowing relationship with a bank or other lender. Even where there were existing relationships it had taken too much time for the lender to go through the approval process, introducing the major risk that a large number of businesses would not be able to survive long enough to get accredited for a loan. It was therefore an explicit policy decision to set up a scheme that would disburse loans quickly, and lenders were asked to set aside their normal processes for approving loans.<sup>37</sup> However, HM Treasury stated that it expected loans to be repaid given the generous repayment terms offered, including repayment periods lasting up to ten years.<sup>38</sup>

21. HM Treasury told us that it is currently considering its longer-term approach to the management of COVID-19 legacy schemes, including the outstanding loans to businesses. It has not yet decided whether there is benefit in consolidating loan books across departments. As part of its overall monitoring of the economy, it is gathering information on how the loans are affecting businesses across different sectors, and to what extent the management of the loan books is achieving a range of economic policy objectives.<sup>39</sup>

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31 The COVID-19 cost tracker, available at: [COVID-19 cost tracker – National Audit Office \(NAO\)](#)

32 Q 47

33 Q 46

34 Q 60

35 Q 46

36 Q 47; The COVID-19 cost tracker, available at: [COVID-19 cost tracker – National Audit Office \(NAO\)](#)

37 Qq 45, 49

38 Qq 46, 60, 61

39 Q 66



## 3 The post-pandemic recovery

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### Spending on the recovery

22. The NAO's latest COVID-19 cost tracker estimates that around 90% of the projected cost of the pandemic will be spent on the government's response to COVID-19, and around 10% on the recovery phase.<sup>40</sup> HM Treasury explained that it is extremely difficult to categorise much COVID-related spending as either part of dealing with the pandemic, or part of recovering from it. It highlighted the vaccines programme as an example of a government action that bridges the two categories. Similarly, economic support schemes, such as the furlough scheme and the various business loan schemes, are both a response to the immediate situation and a critical part of recovery, because they are designed to minimise the long-term damage to the economy from the pandemic. HM Treasury told us it intends to work with the NAO on how best to capture the forecast costs of the recovery.<sup>41</sup>

23. HM Treasury assured us that in broad terms government's pre-pandemic plans and programmes have remained largely in place. It told us that the areas where there has been significant reprioritisation or pausing have tended to be the ones that have been badly affected by COVID-19, the most obvious example being the NHS where delivery of efficiencies planned for this financial year have not been possible. However, most of the rest of the government's public spending programmes have continued as planned.<sup>42</sup> HM Treasury was not able to give us an estimate of the cost attached to programmes that have been paused or cancelled.<sup>43</sup> It told us that government's two largest savings projects that reprioritise funding to the COVID-19 response are the changes to the overseas aid budget and the freezing of public sector pay.<sup>44</sup>

24. HM Treasury expected more reliable information on the cost of the recovery to become available around September 2021, as the uptake and repayments against major schemes like the Bounce Back Loans Scheme become clearer.<sup>45</sup> It told us that the government will give further details on its plans for recovering from the pandemic in the Spending Review later this year, when it will set out plans for the remaining three years of this parliament. However, HM Treasury assured us that where departments have immediate requirements, it has a reserve allocated for the purpose of dealing with in-year spending pressures.<sup>46</sup>

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40 Q 19; The COVID-19 cost tracker, available at: [COVID-19 cost tracker – National Audit Office \(NAO\)](#)

41 Qq 19, 58

42 Qq 29, 32, 33, 69

43 Qq 29–31

44 Q 31

45 Q 47

46 Qq 24, 38, 39, 57, 59



# Formal minutes

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**Monday 19 July 2021**

Virtual meeting

Members present:

Dame Meg Hillier, in the Chair

Mr Gareth Bacon

Sarah Olney

Sir Geoffrey Clifton-Brown

Kate Osamor

Mark Francois

James Wild

Draft Report (*COVID 19: Cost Tracker Update*), proposed by the Chair, brought up and read.

*Ordered*, That the draft Report be read a second time, paragraph by paragraph.

Paragraphs 1 to 24 read and agreed to.

Summary agreed to.

Introduction agreed to.

Conclusions and recommendations agreed to.

*Resolved*, That the Report be the Twelfth of the Committee to the House.

*Ordered*, That the Chair make the Report to the House.

*Ordered*, That embargoed copies of the Report be made available, in accordance with the provisions of Standing Order No. 134.

[Adjourned till Thursday 22 July at 9:15am]

## Witnesses

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The following witnesses gave evidence. Transcripts can be viewed on the [inquiry publications page](#) of the Committee's website.

### Thursday 27 May 2021

**Sir Tom Scholar**, Permanent Secretary, HM Treasury; **Cat Little**, Director General Public Spending, HM Treasury; **Conrad Smewing**, Director of Public Spending, HM Treasury

[Q1-70](#)

## Published written evidence

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The following written evidence was received and can be viewed on the [inquiry publications page](#) of the Committee's website.

CTU numbers are generated by the evidence processing system and so may not be complete.

- 1 COVID-19 Review Observatory, Birmingham Law School, University of Birmingham ([CTU0001](#))

# List of Reports from the Committee during the current Parliament

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All publications from the Committee are available on the [publications page](#) of the Committee's website.

## Session 2021–22

Number	Title	Reference
1st	Low emission cars	HC 186
2nd	BBC strategic financial management	HC 187
3rd	COVID-19: Support for children's education	HC 240
4th	COVID-19: Local government finance	HC 239
5th	COVID-19: Government Support for Charities	HC 250
6th	Public Sector Pensions	HC 289
7th	Adult Social Care Markets	HC 252
8th	COVID 19: Culture Recovery Fund	HC 340
9th	Fraud and Error	HC 253
10th	Overview of the English rail system	HC 170
11th	Local auditor reporting on local government in England	HC 171
1st Special Report	Fifth Annual Report of the Chair of the Committee of Public Accounts	HC 222

## Session 2019–21

Number	Title	Reference
1st	Support for children with special educational needs and disabilities	HC 85
2nd	Defence Nuclear Infrastructure	HC 86
3rd	High Speed 2: Spring 2020 Update	HC 84
4th	EU Exit: Get ready for Brexit Campaign	HC 131
5th	University technical colleges	HC 87
6th	Excess votes 2018–19	HC 243
7th	Gambling regulation: problem gambling and protecting vulnerable people	HC 134
8th	NHS capital expenditure and financial management	HC 344
9th	Water supply and demand management	HC 378
10th	Defence capability and the Equipment Plan	HC 247
11th	Local authority investment in commercial property	HC 312
12th	Management of tax reliefs	HC 379

<b>Number</b>	<b>Title</b>	<b>Reference</b>
13th	Whole of Government Response to COVID-19	HC 404
14th	Readying the NHS and social care for the COVID-19 peak	HC 405
15th	Improving the prison estate	HC 244
16th	Progress in remediating dangerous cladding	HC 406
17th	Immigration enforcement	HC 407
18th	NHS nursing workforce	HC 408
19th	Restoration and renewal of the Palace of Westminster	HC 549
20th	Tackling the tax gap	HC 650
21st	Government support for UK exporters	HC 679
22nd	Digital transformation in the NHS	HC 680
23rd	Delivering carrier strike	HC 684
24th	Selecting towns for the Towns Fund	HC 651
25th	Asylum accommodation and support transformation programme	HC 683
26th	Department of Work and Pensions Accounts 2019–20	HC 681
27th	Covid-19: Supply of ventilators	HC 685
28th	The Nuclear Decommissioning Authority's management of the Magnox contract	HC 653
29th	Whitehall preparations for EU Exit	HC 682
30th	The production and distribution of cash	HC 654
31st	Starter Homes	HC 88
32nd	Specialist Skills in the civil service	HC 686
33rd	Covid-19: Bounce Back Loan Scheme	HC 687
34th	Covid-19: Support for jobs	HC 920
35th	Improving Broadband	HC 688
36th	HMRC performance 2019–20	HC 690
37th	Whole of Government Accounts 2018–19	HC 655
38th	Managing colleges' financial sustainability	HC 692
39th	Lessons from major projects and programmes	HC 694
40th	Achieving government's long-term environmental goals	HC 927
41st	COVID 19: the free school meals voucher scheme	HC 689
42nd	COVID-19: Government procurement and supply of Personal Protective Equipment	HC 928
43rd	COVID-19: Planning for a vaccine Part 1	HC 930
44th	Excess Votes 2019–20	HC 1205
45th	Managing flood risk	HC 931
46th	Achieving Net Zero	HC 935

<b>Number</b>	<b>Title</b>	<b>Reference</b>
47th	COVID-19: Test, track and trace (part 1)	HC 932
48th	Digital Services at the Border	HC 936
49th	COVID-19: housing people sleeping rough	HC 934
50th	Defence Equipment Plan 2020–2030	HC 693
51st	Managing the expiry of PFI contracts	HC 1114
52nd	Key challenges facing the Ministry of Justice	HC 1190
53rd	Covid 19: supporting the vulnerable during lockdown	HC 938
54th	Improving single living accommodation for service personnel	HC 940
55th	Environmental tax measures	HC 937
56th	Industrial Strategy Challenge Fund	HC 941