

# HM Treasury 2020-21 Main Estimate memorandum

## 1 Overview

### 1.1 Objectives

HM Treasury's (HMT's) objectives, as set out in its published Single Departmental Plan, are as follows:

1. Place the public finances on a sustainable footing, ensuring value for money and improved outcomes in public services
2. Ensure the stability of the macro-economic environment and financial system, enabling strong, sustainable and balanced growth as we leave the EU
3. Increase employment and productivity, ensuring strong growth and competitiveness across all regions of the UK through a comprehensive package of structural reforms, taking advantage of the opportunities provided by leaving the EU
4. Build a great Treasury, by creating a more open, inclusive and diverse department, underpinned by professionalism, skills and management excellence

### 1.2 Spending controls

HMT's spending is broken down into a several different spending totals, for which Parliament's approval is sought.

The spending totals which Parliament votes are:

- Resource Departmental Expenditure Limit ("**Resource DEL**")- day to day running costs
- Capital Departmental Expenditure Limit ("**Capital DEL**")- investment in infrastructure
- Resource Annually Managed Expenditure ("**Resource AME**")- less predictable spending, on production of UK coinage and income from dividends and interest
- Capital Annually Managed Expenditure ("**Capital AME**")- less predictable investment spending: payments under the Help to Buy: ISA scheme and receipts from loan repayments

In addition, Parliament votes a net cash requirement, designed to cover the elements of the above budgets which require HM Treasury to pay out cash in year

### 1.3 Main areas of spending

The graphic below shows the main components of HMT's proposed budget for the new year, included in the latest Main Estimate, and the proportions of funds spent by bodies within the Group.

## Resource DEL: total budget £276.9m, 2020-21

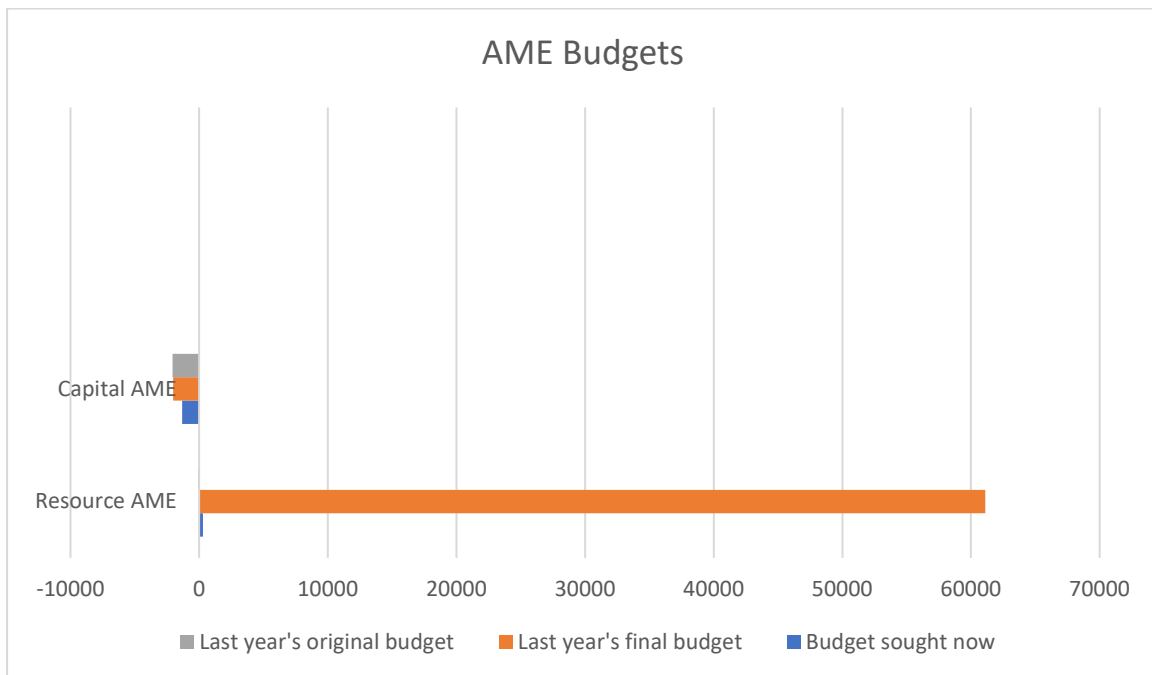
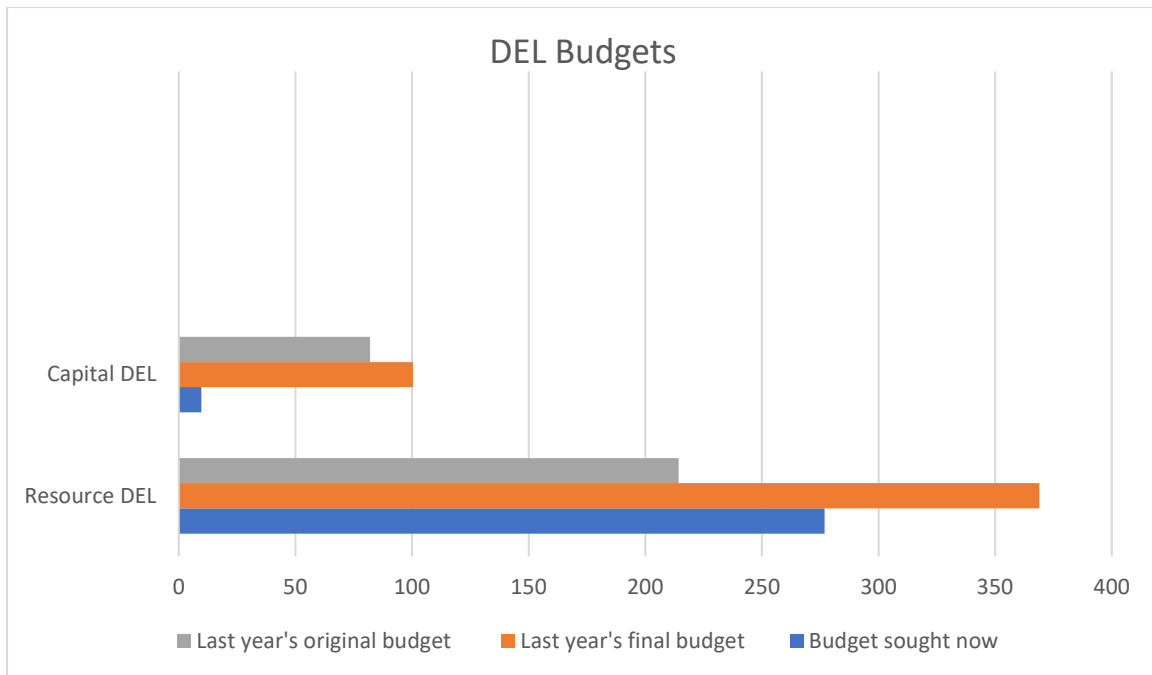
■ Core Treasury ■ Agencies ■ ALBs ■ Non-voted



### 1.4 Comparison of spending totals sought

The table and graphic below show how the totals sought for HMT in its Main Estimate compare with last year:

Spending total Amounts sought this year (Main Estimate 2020-21)		Compared to final budget last year. (Supplementary Estimate 2019-20)		Compared to original budget last year (Main Estimate 2019-20)	
		£ m	%	£m	%
Resource DEL	£276.9 m	-£92.0m	-24.9%	55.3m	24.9%
Capital DEL	£9.7 m	-£90.7m	-90.3%	-£72.3m	-88.2%
Resource AME	303.1m	-£60,796.7m	99.5%	£78.9m	+502.5%
Capital AME	-£1,329.9m	£676.7m	33.7%	£733.3m	55.1%



### 1.5 Key drivers of spending changes since last year

Resource DEL spending mainly differs due to the previous year including reserve claims for Oil and Gas Decommissioning payments and settlement of a legal claim and 2020-21 reserve claims and Budget measures as shown in table B in the Excel tables. A robust forecast of Oil and Gas payments and in 20-21 was not available at the time the Main Estimate was compiled but the situation will be reassessed for the Supplementary Estimate.

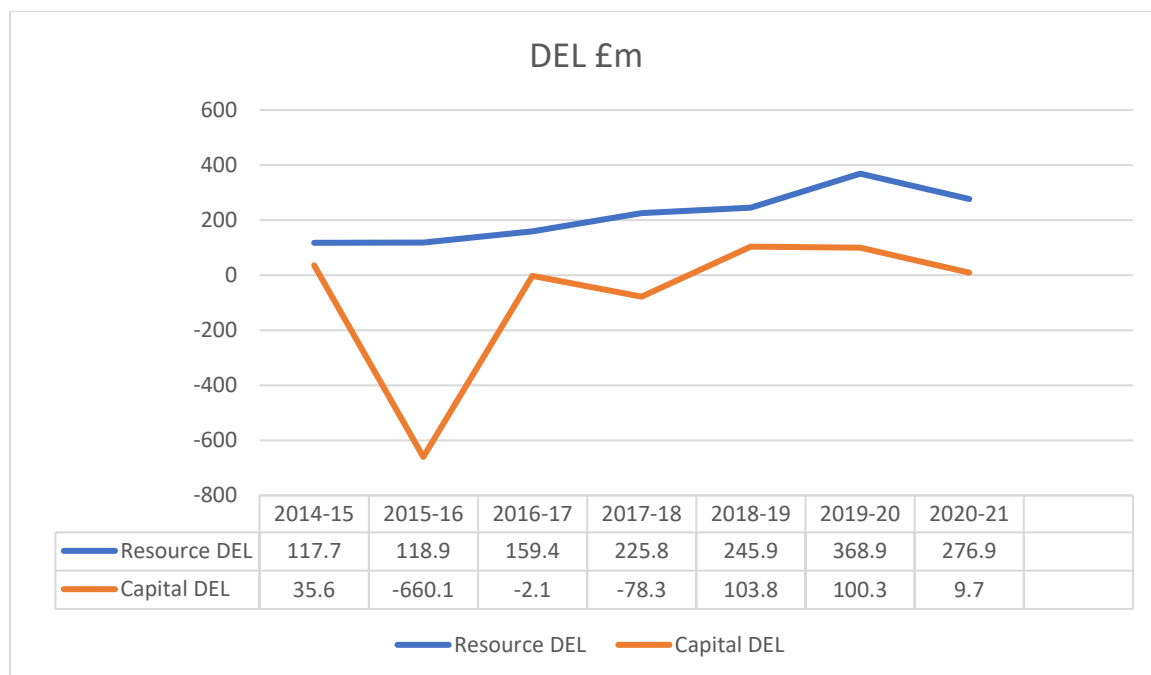
Resource AME spending in the Main Estimate does not reflect any element for the forecast change in the fair value of the Bank of England Asset Purchase Facility Fund (BEAPFF) derivative. Its volatility (which can be + or - £10bn per month) is such that forecasting the change in its value cannot be made until nearer the end of the financial year. More significantly, the previous year's Estimate included a non-cash provision for the EU Withdrawal Agreement financial settlement of £47bn.

## 1.6 New policies and programmes; ambit changes

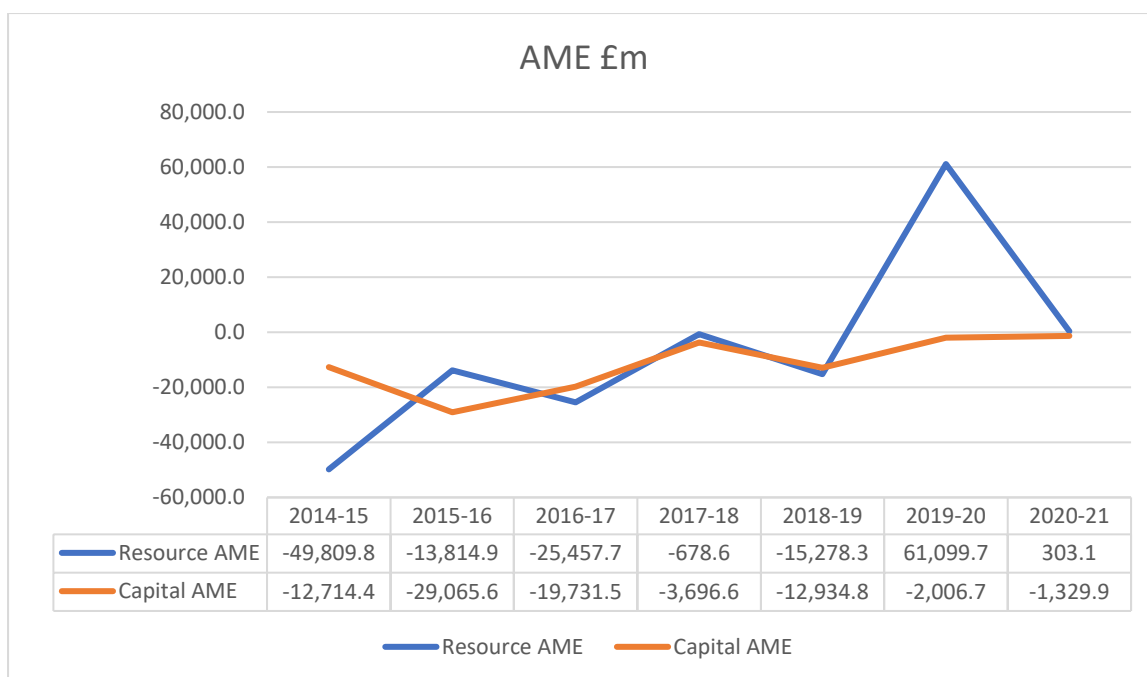
Both the DEL and AME ambits have been expanded with the inclusion of 'governmental response to the coronavirus Covid-19 pandemic'.

## 1.7 Spending trends

The charts below show overall spending trends for the last five years and plans presented in Estimates for 2020-21.



- Resource DEL - the reduction in 2020-21 mainly arises from 2019-20 including a reserve claim of £84m for settlement of a legal claim.
- Capital DEL – the troughs in 2015-16 and 2017-18 resulted from the sale of Eurostar shares and the repayment of the Greater Manchester Waste loan respectively. The reduction in 2020-21 arises from the final payment to the Asian Infrastructure Investment Bank of £93m having been made in 2019-20.



- Resource AME – the general volatility between years reflects changes in the fair value of the BEAPFF derivative. The large increase in 2019-20 arises from a forecast increase in the fair value of the BEAPFF derivative and the inclusion of a provision for the EU Withdrawal Agreement financial settlement.
- Capital AME – the differences between years arise from changes in the level of UKAR asset sales and Lloyds/RBS share sales.

## 1.8 Administration costs and efficiency plans

Administration costs have increased since last year principally through the addition of £24m from the DEL reserve to finance Covid 19 related spending.

Spending total Amounts sought this year (Main Estimate 2020-21)		Compared to final budget last year. (Supplementary Estimate 2019-20)		Compared to original budget last year (Main Estimate 2019-20)	
		£ m	%	£m	%
Administration costs	£252.3 m	£37.7 m	17.6%	£60.2 m	31.3%

## 1.9 Funding: Spending Review and Budgets

The level of RDEL funding for HMT for 2020-21 is based on the rolled forward 2019-20 baseline with additions including £24m for Covid related spending. For CDEL, spending is much lower in 20-21 than the prior year due to the final payment for the Asian Infrastructure Investment Bank having been made in 2019-20 and provision for the Digital Infrastructure Investment Fund (DIIF) and Charging

Infrastructure Investment Fund (CIIF) having been reclassified to AME in 2020-21. Details of funding changes are set out in the Table B in the Excel tables.

## 2 Spending detail

### 2.1 Explanations of changes in spending

#### Resource DEL

The table below shows how HMT's spending plans for Resource DEL compare with last year.

Subheads	Description	Resource DEL				see note number
		£ million		%		
		<i>This year (2020-21 Main Estimates budget sought)</i>	<i>Last year (2019-20 Supp Estimates budget approved)</i>	change from last year		
A	Core Treasury	203.7	304.8	-101.1	-33.2%	1
B	Debt Management Office	23.6	20.8	2.8	13.5%	
C	Government Internal Audit Agency	2.9	2.4	0.5	20.8%	
D	Office of Tax Simplification	1.0	1.0	0	0%	
E	Office for Budget Responsibility	3.8	3.4	0.4	11.8%	
F, G, H, I	HMT owned companies with token £1k provision	0.0	0.0	0.0	0.0%	
J	Departmental Unallocated Provision	3.5	0	3.5	100.0%	
K	Asian Infrastructure Investment Bank	9.5	9.5	0	0%	
L	National Infrastructure Commission	5.0	5.0	0	0%	
M	UK Government Investments Limited	15.9	14.7	1.2	8.2%	
N	Banking and gilts registration services (Non-voted)	8.0	7.3	0.7	9.6%	
	<b>total voted and non voted</b>	<b>276.9</b>	<b>368.9</b>	<b>-92.0</b>	<b>-24.9%</b>	

Differences of more than 10% which are more than £10 million are explained below. Numbers relate to the relevant row in the table above. Further detail of spending within these totals is given in the Table at Annex A.

#### 1. Core Treasury.

2020-21 provision is just over £100m lower than 2019-20 final provision mainly due to the prior year including additions of £54m in respect of Decommissioning Relief Deeds and £84m for the repayment of a Contingencies Fund advance for the settlement of a legal claim. At the time of compiling this year's Main Estimate, a robust forecast of the likely need for spending on Relief Deeds was not available. The need for a similar addition in 2020-21 and its size will be assessed at the time of the Supplementary Estimate. 2020-21 includes a

reserve claim of £24m to fund Coronavirus related spending to bring in additional skills and capacity from external experts in corporate finance and restructuring to meet the urgent demand.

### Capital DEL

The table below shows how spending plans for Capital DEL compare with last year.

Subheads	Description	Capital DEL				%	see note number
		£ million		change from last year			
		<i>This year (2020-21 Main Estimate budget sought)</i>	<i>Last year (2019-20 Supplementary Estimate budget approved)</i>				
A	Core Treasury	8.2	5.5	2.7	49.1%		
B	Debt Management Office	0.8	0.9	-0.1	-11.1%		
K	Asian Infrastructure Investment Bank	0	93.3	-93.3	-100.0%	2	
L	National Infrastructure Commission	0.7	0.7	0	0%		
	<b>total voted</b>	<b>9.7</b>	<b>100.4</b>	<b>-90.7</b>	<b>-90.3%</b>		

Differences of more than 10% which are more than £10 million are explained below.

#### 2 Asian Infrastructure Investment Bank (AIIB)

In 2019-20 the final instalment of US\$122m (£93.3m) was made to the AIIB.

### Resource AME

The table below shows how spending plans for Resource AME compare with last year.

Subheads	Description	Resource AME				%	note number
		£ million		change from last year			
		<i>This year (2020-21 Main Estimate budget sought)</i>	<i>Last year (2019-20 supplementary Estimate budget approved)</i>				
O	Core Treasury (AME)	0.3	21.9	-21.6	-98.6	3	
P	Provisions	-0.5	7.0	-7.5	-107.1%		
Q, R	UK coinage	18.0	24.7	-6.7	-27.1%		

S	Royal Mint Dividend	-4.0	-4.0	0	0%	
T	Investment in the Bank of England	-50.0	-50.0	0	0%	
U	Loans to Ireland	-21.9	-57.1	35.2	61.9%	4
V	Sovereign Grant funding of the Royal Household	85.9	82.4	3.5	4.2%	
W	Financial Services Compensation Scheme	85.0	61.0	24.0	39.3%	5
X	UK Asset Resolution Limited	175.0	50.0	125.0	250.0%	6
Y	Help to Buy (HMT) Limited	0	0	0	0%	
Z	Help to Buy ISA	10.0	10.0	0	0%	
AA	UK Government Investments Limited	1.0	1.0	0	0%	
	<i>Assistance to financial institutions, businesses and individuals</i>	0	13,949.0	-13,949.0	-100%	7
	<i>EU Withdrawal Agreement Financial Settlement</i>	0	47,000.0	-47,000.0	-100%	8
<i>Non-voted</i>						
AC	Royal Household Pensions	3.9	3.5	0.4	11.4%	
AD	Civil List	0.4	0.4	0	0.4%	
	total voted and non voted	303.1	61,099.8	-60,796.7	-99.5%	

Differences of more than 10% which are more than £10 million are explained below.

### 3. Core Treasury (AME)

2019-20 provision included £21.6m for spending on tax liabilities following errors in the calculation of some public service pensions (the GAD vs Milne case). 2020-21 provision covers the cost of administering the Equitable Life Payments Scheme of £250k.

### 4. Loans to Ireland

The Loans to Ireland Act received Royal Assent on 21 December 2010 and provided Parliamentary authority for a £3.2bn loan to Ireland as part of an international assistance package. The RAME provision in 2020-21 is for interest payments which are £35m lower than those received in 2019-20 due to loan repayments. The loan is expected to be fully repaid by the end of this financial year.

### 5 Financial Services Compensation Scheme

An increase of £24.0 million from £61 million last year to £85.0 million this year. The higher FSCS requirement is due to a number of new Self Invested Personal Pensions operators failing, increased compensation as result of potential London Capital & Finance claims, and the phasing of claims which are now expected to materialise in 2020/21 rather than in 2019/20 that has led to brought forward fund balances being used to offset the 2020/21 levy.

### 6 UK Asset Resolution

An increase of £125.0 million from £50 million last year to £175.0 million this year. In its annual results announcement on June 15th 2019, UKAR noted that, having achieved its objective of repaying the Government's financial investment in B&B and NRAM, it was exploring a sale of the residual asset portfolios and legal entities to take place in 2020. At



that point UKAR was scheduled to move to grant in aid funding and UKAR's 2020-21 budget was set on that basis. However, given the ongoing volatility in global markets due to COVID-19, and following discussions with interested parties, the sale process has now been put on hold and UKAR will remain a self-financed body until the sale is completed. A revised UKAR resource budget, likely to be lower due to interest income from mortgages, and a negative capital budget, due to mortgage redemptions, will be included in the Supplementary Estimate in February 2021.

#### 7 Assistance to financial institutions, businesses and individuals

This section mainly covers the fair value adjustment of the Bank of England Asset Purchase Facility Fund derivative. The fair value of the BEAPFF derivative represents the best estimate of the amount due to HM Treasury from the Bank of England on settlement of the scheme. It is arrived at by calculating the difference between the fair value of the assets as at the reporting date and their purchase price in the quantitative easing, less administration and interest charges. The fair value is very volatile and can vary by + or - £10bn per month. As with previous years an assessment of the change in fair value will be made in January for the 20-21 Supplementary Estimate.

#### 8 EU Withdrawal Agreement Financial Settlement

The 2019-20 Estimate included a provision of £47bn for non-cash provisions in its 2019-20 Supplementary Estimate for liabilities that could crystallise as cash payments after 31 March 2021.

#### Capital AME

The table below shows how spending plans for Capital AME compare with last year.

Subheads	Description	Capital AME				note number
		£ million		%		
		<i>This year (2020-21 Main Estimate budget sought)</i>	<i>Last year (2019-20 supplementary Estimate budget approved)</i>	change from last year		
U	Loans to Ireland	-1,613.5	-1,613.5	0	0%	
V	Sovereign Grant funding of the Royal Household	3.0	6.3	-3.3	-52.4%	
W	Financial Services Compensation Scheme	0.5	0.5	0	0%	
Y	UK Asset Resolution Limited	0	-650.0	-650.0	100.0%	6
AA	Help to Buy: ISA	175.0	160.0	15	9.4%	9
AB	Infrastructure Finance Unit Limited	105.0	90.0	15.0	16.7%	10
	<b>Total voted and non voted</b>	<b>-1,330.0</b>	<b>-2,006.7</b>	<b>676.7</b>	<b>33.7.7%</b>	

#### 9 Help to Buy ISA

The Help to Buy: ISA scheme commenced on 1 December 2015 and offers first time buyers government bonuses to be claimed on completion of a successful property purchase. The government will award a 25% bonus based on an individual's monthly savings in an HTB:ISA account with a minimum bonus of £400 and a maximum of £3,000. The scheme closed to

new entrants in November 2019, and all bonuses must be claimed by 2030. The increase of £15m in 2020-21 reflects increases in the expected level of eligible deposits and therefore bonus payments. However, since the implementation of measures to contain the spread of COVID-19 Help to Buy: ISA bonus claims have substantially reduced, reflecting the delay of first time buyers entering the housing market and postponement of property purchases. A revised forecast will be included in the Supplementary Estimate in February 2021.

#### 10 Infrastructure Finance Unit Limited

The company administers the Digital Infrastructure Investment Fund (DIIF) and the Charging Infrastructure Investment Fund (CIIF) on behalf of HM Treasury. Originally DIIF and CIIF spending was classified to DEL but has now been reclassified to AME. HMT has no control over either the size of the investments or when they might be made so the spending has been reclassified to capital AME where the unpredictability of the spending might more easily be managed.

### 2.2 Ring fenced budgets

Within the totals, the following elements are ring fenced ie savings in these budgets may not be used to fund pressures on other budgets

Resource DEL

Ring fenced budgets Amounts sought this year (Main Estimate 2020-21)		Compared to final budget last year. (Supplementary Estimate 2019-20)		Compared to original budget last year (Main Estimate 2019-20)	
		£ m	%	£m	%
Depreciation	£5.9m	£0	0%	£0	0%

### 2.3 Changes to contingent liabilities

There have been three changes to contingent liabilities in the Main Estimate –

- No 1 - as announced by the Monetary Policy Committee on 19<sup>th</sup> March, the Asset Purchasing Facility has been increased by £200bn making the total liability £645bn.
- No 2 - relates to the UK Guarantees liability that has reduced by £233.5m to £747m.
- No 3. is a new liability that was announced on 17 March by the Treasury authorising the Bank of England to purchase high quality Commercial Paper from non-financial institutions that made a material contribution to the UK economy. The government has indemnified the Bank and Covid Corporate Financing Facility Limited from any losses arising. The liability is unquantifiable.

### 2.3 Details of the coverage of each Estimate section

DEL

**Section A Core Treasury** - covers the administrative costs of the Treasury's core business, formulating and implementing the Government's financial and economic policies. It also covers core

Treasury programme costs including the printing of Budgets and Estimates, conferences and accommodation costs.

**Section B Debt Management Office (DMO)** - covers running costs of the United Kingdom Debt Management Office (DMO). The DMO is an executive agency of the Treasury specialising in the delivery of treasury management services and related policy advice to central government. It incorporates the Public Works Loan Board (PWLB) and the Commissioners for the Reduction of the National Debt (CRND). The main objective of the PWLB is to lend capital sums to and collect repayments from local authorities and thereby minimise local authorities' cost of borrowing. The main objective of the CRND is to provide a fund management service to public sector clients

**Section C Government Internal Audit Agency (GIAA)** - GIAA reviews the functions and activities of government and public sector organisations, assessing their efficiencies and risks and making recommendations for improvement to add value to public services and improving how effectively organisations provide them. The majority of GIAA's costs are funded by income from those organisations using their services.

**Section D Office of Tax Simplification (OTS)** – the OTS is jointly funded by the Treasury and HMRC and the spending represents the running costs of the Office which was created in July 2010 to provide the Government with independent advice on simplifying the tax system.

**Section E Office for Budget Responsibility (OBR)** – covers the costs of salaries and accommodation and is paid as a grant in aid. The OBR was created to provide independent and authoritative analysis of the public finances. This includes producing forecasts for the economy and public finances, judging progress towards the Government's fiscal targets, assessing the long-term sustainability of the public finances and scrutinising the Treasury's costing of Budget measures.

**Section F IUK Investments Limited and Section G IUK Investments Holdings Limited** were set up to look after the government's Private Finance investments.

**Section H HM Treasury UK Sovereign SUKUK plc** – the special purpose vehicle created to enable the issue of sovereign Sukuk, the Islamic equivalent of a bond.

**Section I Royal Mint Advisory Committee on the design of coins (RMAC)** – the RMAC became a Treasury body in January 2010 under arrangements for vesting the Royal Mint. The committee has around a dozen members and usually meets two or three times a year to make recommendations to the Chancellor on the design of new coins. The expenses of the Committee are met by the Royal Mint and no grant-in-aid payment is made by the Treasury.

**Section J Departmental Unallocated Provision (DUP)** – the DUP is departmental reserve set aside to cover spending pressures that might arise in the course of the financial year. Use of the DUP is assessed at the time of the Supplementary Estimate later in the year.

**Section K Asian Infrastructure Investment Bank** - the spending is funded from the Prosperity Fund to finance the last of four annual payments to the AIIB Special Fund which provides project preparation assistance to low income countries in Asia. The UK's \$50m contribution to the Fund was announced by the Chancellor at the 2016 UK-China Economic and Financial Dialogue.

**Section L National Infrastructure Commission** - the Commission was set up to provide an impartial assessment of infrastructure needs and improve the long term planning and delivery of infrastructure, both inside and outside of government. The Commission became an Executive Agency of the Treasury in January 2016.

**Section M UK Government Investments Limited** - in May 2015 the Chancellor announced that the Shareholder Executive (ShEx) and UK Financial Investments (UKFI) would to be brought together under a single holding company, UK Government Investments (UKGI). UKFI ceased to operate on 31 March 2018 and UKGI assumed responsibility for its legacy operations with effect from 1 April 2018.

**Section N Banking and Gilts Registration Services** – relates to payments from the National Loans Fund (NLF) to Computershare Investor Services plc for the management of the gilts register and payments from the Exchange Equalisation Account (EEA) to the Bank of England for managing the EEA.

AME

**Section O Core Treasury (AME)** – this section covers AME spending not covered by other sections. At present the section covers the administration of the Equitable Life Payments Scheme.

**Section P Provisions** – represents the creation and use of DEL and AME provisions.

**Section Q UK Coinage manufacturing costs and Section R UK Coinage metal costs** – payments to the Royal Mint for the cost of the manufacture, storage and distribution to cash centres (banks etc) of UK coinage.

**Section S Royal Mint dividend** – HM Treasury wholly owns the Public Dividend Capital of the Royal Mint Trading Fund and is eligible for a dividend on its investment each year.

**Section T Investment in the Bank of England (BoE)** – HM Treasury wholly owns the capital stock in the BoE and the Bank is required to pay HM Treasury in lieu of a dividend a sum equal to 50 per cent of its net profit for its previous financial year, or other such sum as HM Treasury and the BoE may agree.

**Section U Loans to Ireland** £-83.9m (£-83.9m) resources – the resources represent interest income based on the loan made under the Loans to Ireland Act 2010.

**Section V Sovereign Grant funding of the Royal Household** - the Sovereign Grant finances the net spending of the Royal Household, which is consolidated within HM Treasury's Supply Estimate. From 1 April 2013 onwards the amount of grant was equal to a prescribed percentage - initially 15% - of the Crown Estate's surplus revenue in the financial year two years prior. In accordance with the Sovereign Grant Act 2011, the Royal Trustees (Prime Minister, Chancellor and the Keeper of the Privy Purse) reviewed the Sovereign Grant and concluded it should be temporarily increased to fund an urgent 10-year overhaul of Buckingham Palace, as announced on 18 November 2016. A statutory instrument was approved on 15 March 2017 in the House of Commons for the temporary increase of the Sovereign Grant from 15% to 25% of Crown Estate profits commencing on 1 April 2017.

**Section W Financial Services Compensation Scheme (FSCS)** – the FSCS was set up under the Financial Services and Markets Act 2000, becoming operational on 1 December 2001. The FSCS is the UK's compensation fund of last resort for customers of authorised financial services firms that are likely to be unable to pay claims against it. The FSCS is funded by the financial services industry. Every firm authorised by the FCA is obliged to pay an annual levy to cover the running costs and compensation payments made by the FSCS and no grant in aid payment is made by the Treasury.

**Section X UK Asset Resolution Limited** – UKAR is the holding company established on 1 October 2010 to bring together the businesses of B&B and NRAM. The core objective of UKAR is to maximise value for taxpayers through the prudent management of NRAM's and B&B's closed mortgage books, while treating all stakeholders fairly.

**Section Y Help to Buy (HMT) Limited** – this body’s spending is funded through guarantee fees charged to lenders and the expectation is that fees will offset spending.

**Section Z Help to Buy ISA** - the Help to Buy: ISA was announced in the March 2015 Budget. Under the scheme first time buyers purchasing a property in the UK will be able to save up to £200 per month in a Help to Buy: ISA and receive a bonus of up to £3,000. The bonus amount is calculated as 25 per cent of the balance in the buyer's Help to Buy: ISA, (with a minimum of £400 and capped at £3,000) with the bonuses being paid upon the completion of the purchase of an eligible property. The scheme has been available since December 2015 and the first homes to be acquired using it were purchased in February 2016. The scheme closed to new applicants in November 2019.

**Section AA UK Government Investments Limited** – this section covers work undertaken on behalf of UKAR.

**Section AB Infrastructure Finance Unit Limited** - the company administers the Digital Infrastructure Investment Fund (DIIF) and the Charging Infrastructure Investment Fund (CIIF) on behalf of HM Treasury. The DIIF is a £400m Fund, which began in 2017, to be invested over 4 years in UK projects and companies that are engaged in designing, building and operating full fibre digital communications networks, with the aim of increasing access to commercial finance for the sector. A condition of any DIIF investment is that it is matched by private sector investors on identical terms. The CIIF was announced by the Chancellor of the Exchequer at Budget 2017 that the government would, in partnership with the private sector, establish a new electric vehicle charging infrastructure investment fund of £200m. The aim of the fund is to catalyse the rollout of electric vehicle charging infrastructure that is required to support the electrification of vehicles, by providing greater access to finance on a commercial basis. As with the DIIF, a condition of any CIIF investment is that it is matched by private sector investors on identical terms

**Section AC Royal Household Pensions** – the scheme is analogous to the Principal Civil Service Pension Scheme and covers pension payments to employees paid from the Civil List prior to 1 April 2001. The gross cost of the payments is partly offset by employers and employees contributions.

**Section AD Civil List** - to fund an annuity for the Duke of Edinburgh.

### 3 Priorities and performance

#### 3.1 How spending relates to objectives

The table below shows how expenditure against relevant subheads contributes to Departmental priorities under the Single Departmental Plan

Objective>>>>	1: Place the public finances on a sustainable footing, ensuring value for money and improved outcomes in public services	2: Ensure the stability of the macro-economic environment and financial system, enabling strong, sustainable and balanced growth as we leave the EU	3: Increase employment and productivity, ensuring strong growth and competitiveness across all regions of the UK through a comprehensive package of structural reforms, taking	4: Build a great Treasury, by creating a more open, inclusive and diverse department, underpinned by professionalism, skills and management excellence
Estimates subheads				

			advantage of the opportunities provided by leaving the EU	
A	X	X	X	X
B	X			
C	X			
D	X		X	
E	X	X	X	
F, G, L, AB	X		X	
H	X			
I, Q,R, S	X			
M, AA		X	X	
N		X		
P	X	x		
T	X	X		
O, U		X		
W		X		
X		X		
Y, Z		X		

### 3.2 Measures of performance against each priority

HMT's Single Departmental plan (see [here](#)) sets out the following high-level objectives, and measures of performance, for the department for the current financial year.

1. Place the public finances on a sustainable footing, ensuring value for money and improved outcomes in public services

- Public sector Net Debt (PSND) as a percentage of GDP
- Cyclically-adjusted Net Borrowing as a percentage of GDP
- Public Sector Net Borrowing (PSNB) as a percentage of GDP

2. Ensure the stability of the macro-economic environment and financial system, enabling strong, sustainable and balanced growth as we leave the EU

- GDP Growth
- CPI Inflation

3. Increase employment and productivity, ensuring strong growth and competitiveness across all regions of the UK through a comprehensive package of structural reforms, taking advantage of the opportunities provided by leaving the EU

- UK Employment Rate (%)
- Business investment as a share of GDP
- Output per hour

4. Build a great Treasury, by creating more open, inclusive and diverse department, underpinned by professionalism, skills and management excellence

- Civil Service People Survey

The latest update to these performance measures is [here](#).

## 4. Accounting Officer Approval

This memorandum has been prepared according to the requirements and guidance set out by the House of Commons Scrutiny Unit, available on the Scrutiny Unit website.

The information in this Estimates Memorandum has been approved by myself as Departmental Accounting Officer.

Tom Scholar

Permanent Secretary

HM Treasury

04 May 2020