



Treasury Committee

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By email

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Dear James,

Follow-up questions to the 12 December 2022 evidence session on the work of the Treasury

Thank you for giving evidence to the Treasury Committee on 12 December 2022. You and your colleagues agreed to write to the Committee on a series of matters:

1. What would be the net additional cost to the Government of giving public sector workers pay increases in line with inflation, taking into account pay increases already factored in to departmental settlements and the increased taxes that would be paid on the higher salaries? (Q153-164)
2. What impact has the Economic Crime (Transparency and Enforcement) Act 2022 had so far on the work of the Office for Financial Sanctions Implementation (OFSI)? (Q210)
 - In particular has it helped streamline and speed up parts of OFSI's work; and if so, how has it done so?
3. Could you please set out the full league table of 'financial management ratings' by Government Department. (Q223)

In Q203, following some discussion (Q199-203) you agreed to write on Table 4.3 of the 23 September *Growth Plan*. I would be grateful if you could please tell us:

4. How did the table on "Illustrative effects on tax receipts of higher GDP growth" (Table 4.3) in the 23 September Growth Plan come about? (Q199-203)
 - What role did Ministers have in commissioning the table?
 - Did Treasury officials regard it an unusual piece of analysis to appear in the main publication accompanying a fiscal event?
 - Did Treasury officials have any concerns about the quality of the analysis contained in the table or the risk of misinterpretation of it?

We did not have time in oral evidence for some key questions, which I would be grateful if you could please answer in writing:

5. According to the Treasury's Gender Pay Gap Report 2022, nearly 60% of the jobs in the lowest pay quartile are held by women, but less than half of the jobs in the top two pay quartiles are held by women. Please can you explain why that is, and what the Treasury is doing to ensure there are opportunities for progression for women in the lowest pay quartile?
6. The 'mini-Budget' in September announced the closure of the Office of Tax Simplification, with tax simplification instead to be embedded in HMRC and HM Treasury. Please can you explain how you plan to do this, and how you will report on the work you do in this area?
7. Note 18 on Financial Guarantees in the Annual Report and Accounts 2021-22 shows that one guarantee under the 'UK Guarantees Scheme' for infrastructure projects was called in and settled in full for £87 million in January 2022. Please could you explain what that guarantee was for, and whether the Treasury is expecting to have to pay out on more of its outstanding financial guarantees for infrastructure projects?

I would be grateful for a response to questions 1-7 by 11 January 2022.

During the 12 December 2022 session Committee Members also asked the Treasury to follow up on a number of issues, as set out below. I would appreciate it if you could provide updates on these in due course.

- i. To share with the Committee any insights from the HMT staff survey (Q117);
- ii. To follow up with the IMF to encourage them to give on-the-record evidence to the Treasury Committee (Q119);
- iii. To look into the impact of working from home on Whitehall productivity (Q166);
- iv. To keep the Committee informed of the Treasury's work on the impact of the Russian oil price cap on the international competitiveness of London's insurance market (Q214).

In line with the Committee's usual practice, I will be placing this letter and your responses in the public domain in due course.

With best wishes,



Harriett Baldwin MP
Chair of the Treasury Committee