



## Public Accounts Committee

Jeremy Pocklington CB  
Permanent Secretary  
Department for Levelling Up, Housing and Communities  
2 Marsham Street  
London  
SW1P 4DF

12 January 2023

### Treasury Minute response – Supporting local economic growth

Dear Permanent Secretary,

Thank you for the response last August to the Committee's report on *Supporting local economic growth*.

We are grateful for the information you provided on expected spending profiles for Round 1 of the Levelling Up Fund, your explanation of assurance undertaken on deliverability, and for the update you provided on your department's progress against its commitments to improve local growth evaluation. We look forward to receiving further information in the summer on this and on your processes for feeding evaluation findings back into your local growth activity and wider levelling up agenda.

However, the Committee was disappointed that you did not accept one of the Committee's recommendations. Our first recommendation concerned the need to determine principles for awarding funding before the identities of shortlisted bidders are disclosed to ministers. Your response says that you disagree with the Committee, saying that ministers need discretion to consider where bids are located and the historic investments in those areas when making final decisions.

The Committee remains of the view that agreeing principles before disclosing shortlists to ministers is entirely compatible with the proper exercise of ministerial discretion within those agreed principles. The risk the Committee is addressing here is that of perceived improper ministerial involvement in the decision-making process. This risk could be minimised by following our recommendation.

The Committee will be holding a recall session with the Department on 23 January 2023. I would be grateful if you could there provide a fuller explanation of why you concluded that our recommendation was not compatible with proper ministerial decision making.

I am copying this letter to the Comptroller and Auditor General and the Treasury Officer of Accounts

**Dame Meg Hillier MP**

**Chair of the Committee of Public Accounts**