



Business, Energy and Industrial Strategy Committee

House of Commons, London SW1A 0AA

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Rt Hon John Glen MP
Chief Secretary to the Treasury
HM Treasury
1 Horse Guards Road
London SW1A 2HQ

25 April 2023

Dear Chief Secretary

Purchase of OneWeb

In July 2020, a consortium led by the UK Government made a successful bid for OneWeb, a leading satellite technology company. The Department for Business, Energy and Industrial Strategy [announced](#) that the UK Government would contribute \$500 million and that it had taken a significant equity share in the company.

The [BEIS Annual Report and Accounts for 2020-21](#) noted (at page 68) professional financial advice that a positive return on the investment might be achieved. But it was also noted that a broad range of uncertainties remained, and that it was hard to be confident in the underlying assumptions or the likely returns. The ARA stated that:

Due to the time and date available, HM Treasury had not subjected the investment to the scrutiny of a full Green Book compliant business case, including considering whether alternative options for investment might provide a better return

The view of the Accounting Officer was that a Ministerial Direction was required for the purchase on value for money grounds, and that was issued on 26 June 2020.

It would seem that usual processes were unable to be undertaken at the speed required and I would therefore be grateful if you could tell the Committee:

- What procedures, new or otherwise, are now in place for urgent investment decisions where full value for money assessments cannot be undertaken within a required timeframe, and what checks are made to ensure that due process is being followed;
- Whether you are satisfied that those procedures and any subsequent monitoring are sufficient to safeguard the use of public money; and
- Whether the Treasury will now undertake a retrospective value for money assessment of the OneWeb transaction and publish the outcomes of that assessment.

Lastly, it has proven very difficult to get information from Government on this transaction, primarily because of the involvement of Downing Street. This includes the Committee's attempts to get a clear answer on the source of the funds for the purchase of OneWeb. Whilst the funding was, for accounting purposes, funnelled through BEIS accounts, the only answer the Committee has had in response to questions about the source of the funds was that they came from a 'general reserve'.

There has been some suggestion that funding was allocated from a specific national security-related budget, for example, but the Government has either refused to answer our questions or has merely replied with its 'general reserve' answer.

This scrutiny process has therefore been inadequate and I would ask for better cooperation in future.

I would be grateful for a reply to my questions by Monday 15 May if possible. I am copying this letter to Dame Meg Hillier MP, Chair of the Committee of Public Accounts.

Yours sincerely,

A handwritten signature in black ink that reads "Darren Jones". The signature is written in a cursive, flowing style with a large initial 'D' and 'J'.

DARREN JONES MP
CHAIR, BUSINESS, ENERGY AND INDUSTRIAL STRATEGY COMMITTEE