



Public Accounts Committee

James Bowler CB
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19 May 2023

Treasury Minute response – The Creation of the UK Infrastructure Bank

Dear Mr Bowler,

Thank you for the response to the Committee's report on The Creation of the UK Infrastructure Bank. I am grateful for some of the commitments made, in particular your commitment to write to the Committee on recommendation 4, on the results of the advisory function pilot projects.

However, we were disappointed with your response to three of the Committee's recommendations. Our specific concerns are:

- Recommendation 2: on Treasury's decision to launch the Bank at pace and progress in rolling out the Bank. You agreed with the recommendation and committed to writing to Parliament six-monthly on roll-out progress until March 2024, which we welcome, but thereafter reporting only annually through the ARA process. However, it is not certain that the Bank will be fully rolled-out by March 2024, for example whether the Bank will have recruited all the staff it says it needs. Your response makes no reference to our recommendation regarding the meaning of "long lasting institution" or plans for Treasury taking dividends.
- Recommendation 3: on the Bank's strategic view of where it best needs to target its investments. You agreed with our recommendation that the Bank should write to the Committee within 3 months outlining its investment strategy for making a full range of investments, including a timeline for when it



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expects to be making deals proactively. However, your response referred to the Bank's Strategic Plan, which was already published in June 2022 before the Committee's evidence session, as including an investment strategy. The Plan covers descriptions of investment opportunities rather than the range of investments where the Bank plans to invest and does not include a timeline for when it expects to be making deals proactively.

- Recommendation 6: on how the Bank will measure and report its performance and evaluate its activities. You agreed that by March 2024 the Bank should write to the Committee detailing how it has implemented a full suite of performance metrics and targets including productivity and green performance. Your response indicates that 'from the outset, the Bank has had a clear set of metrics related to its performance, that reflected its position as a growing organisation'. This appears inconsistent with the NAO report finding that 'the Bank launched with a number of aspects still to be settled (including) detailed objectives and performance metrics'. Your response did not make reference to how productivity and green performance would feature in the Bank's performance measurement and evaluation.

I would be grateful if you could provide me with further information on how you will deal with these concerns by 18 June 2023. I am copying this letter to the Comptroller and Auditor General, the Treasury Officer of Accounts, and the Chief Executive of the UK Infrastructure Bank.

Yours Sincerely

Dame Meg Hillier
Chair of the Committee of Public Accounts



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