



Treasury Committee

Rt Hon Rachel Reeves MP
Chancellor of the Exchequer
HM Treasury

Thursday 6 February 2025

Subject: HM Treasury and the Spending Review

Dear Chancellor

I write to you regarding the ongoing spending review, and HM Treasury's own position within it. However, I note that the Financial Secretary to the Treasury has ministerial responsibility for HM Treasury Group, and the Chief Secretary to the Treasury is responsible for the spending review process. I would welcome a response from who you think most relevant given the questions below.

In its Autumn 2024 Budget the government announced the commencement of a multi-year Spending Review (SR25), to be published in Spring 2025. Alongside this, you committed to improved standards of fiscal transparency to Parliament and are involving a wider group of stakeholders in the process. The Charter for Budget Responsibility states that the Treasury shall refer the Spending Review and associated documents to the House of Commons Treasury Committee.

The Treasury Committee welcomes this commitment to fiscal transparency. It is critical that Parliament can engage at an early stage to understand, scrutinise and inform the House of those spending decisions and their wider consequences. This is true of government as a whole, but also at a detailed departmental level. To conduct scrutiny effectively – and hold the Accounting Officer to account - we need good information to understand the issues facing your department and the plans you have for spending public money in the future.

We are therefore requesting that HM Treasury shares its initial Spending Review submission with the Committee, to help us better understand your department's funding pressures and spending aspirations, and thus facilitate constructive scrutiny. It was agreed by Liaison Committee that all Committees would request this information to form the evidence base for scrutiny at both departmental and cross-government level.

We understand that elements of the submission are sensitive, and that this is an ongoing part of (spending) policy development. As such we would understand that some redactions may be required.

If the Treasury is unwilling to release its own SR25 submission, then this Committee (collaborating with the House of Commons Scrutiny Unit) is seeking the following information from you, in relation to your department and any associated arms-length bodies:



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1. At a minimum, the Resource and Capital DEL figures requested, and their key components, in line with your SR submission.
2. What your policy priorities are for the Spending Review period, including those commitments made by the government during the election;
3. Details of spending commitments already made for the Spending Review period (for example, DHSC's commitment to the NHS Long-term Workforce Plan), by year, and by amount;
4. How you engage those outside the department (such as service users, business, academia and other key stakeholders), in formulating ideas for priorities and areas of saving;
5. What policy areas you have identified that require collaboration with other departments, and how you have co-ordinated with them;
6. Policy commitments (including those in legislation) which may have a significant spending impact (for example, reducing carbon emissions to net zero by 2050) over the Spending Review period, with likely costs;
7. Details of investment/capital spending priorities and likely costs of projects, and any consequences of delays to investment spending on future capital spend, maintenance spend, or policy provision; and
8. Plans for efficiencies, including information on how they might be achieved and details of the amounts of savings they are expected to generate. This should explain areas of policy or provision you regard as being efficient or where further savings can be made; where further cuts may mean loss of service provision or affect policy; and any areas where additional spending is required to achieve efficiency gains.

Please supply this information as soon as your initial submissions have been shared with the Treasury's spending review team.

Additionally, the Committee would also welcome an outline of how HM Treasury as a department is treated in the spending review process, given the relevant minister in charge of the spending review process is also a Treasury minister.



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We will be sharing your response with the House of Commons Scrutiny Unit and the Liaison Committee to enable Committees to work together to scrutinise the Government's overall plans.

The Committee will publish this letter, and in due course, your reply.

Yours sincerely

Dame Meg Hillier MP
Chair of the Treasury Committee