HM Treasury

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Sir Geoffrey Clifton-Brown MP
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House of Commons
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13 January 2026

Dear Sir Geoffrey,

Follow up to the Committee's hearing on National Savings and Investments' (NS&I) Business Transformation Programme on 18 December 2025

I am writing further to my appearance at the Public Accounts Committee hearing on 18 December 2025 to discuss the NAO report: '*NS&I's Business Transformation Programme*', to clarify two parts of evidence provided by HM Treasury and set out how HM Treasury will provide the further evidence as requested by the Committee. Dax Harkins will be writing to you separately to set out how NS&I will respond to the Committee's requests of NS&I.

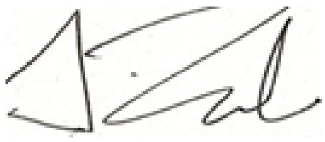
Firstly, I would like to clarify the responses provided in response to questions 17 and 38.

In response to question 17, the Second Permanent Secretary to the Treasury outlined that the financial reporting under the Transformation Programme has improved over recent months, and that scrutiny from NS&I's Business Transformation Programme (BTP) Committee has been invaluable in driving these improvements. To support the reporting, NS&I has brought in an accountant dedicated to overseeing financial reporting and Programme expenditure. During the hearing, the Second Permanent Secretary outlined that this accountant had been brought onto NS&I's BTP Committee and liaises with the Finance Directorate. I would like to clarify that the accountant brought in is a part of NS&I's Finance Directorate and prepares the financial reports received by the Committee. As noted above, under these arrangements the quality of financial reporting has improved materially over recent months.

In response to question 38, I set out that NS&I is now supported by two Non-Executive Directors (NEDs) with significant experience in delivering transformation programmes. Considering their expertise, the Economic Secretary to the Treasury has required the Chair of NS&I's BTP Committee, Melanie Moreland, to endorse the allocation of the contingency funding within NS&I's budgets. In my response, I set out that NS&I will be unable to access its contingency funding unless the Chair of the BTP Committee agrees and I would like to clarify how this process works. NS&I will receive contingency funding as part of its annual funding requirement at the start of the financial year. NS&I will present to its BTP Committee how it intends to allocate this funding, and this allocation must be endorsed by the Chair of NS&I's BTP Committee to provide assurance that the most pressing risks facing the programme have been provisioned. Should NS&I not receive this endorsement the matter would be escalated to HM Treasury, and we would intervene as appropriate. However, as set out in our Framework Document with NS&I, our expectation remains that NS&I will follow the advice of its Board.

Turning now to the further evidence requested by the Committee. The Committee requested to have sight of the quarterly review point reports NS&I's BTP Committee will provide to HM Treasury. The next review point is expected in February and will include an overview of progress made along with remaining or emerging challenges. To support these review points, NS&I intends to create a dashboard capturing progress across key areas, reviewed by the Chair of NS&I's BTP Committee. These dashboards will be shared with the Committee going forward.

Finally, the Committee also requested a note from David Goldstone. We propose that any views and validation from David are included in future updates from NS&I as part of their assurance on their plans. We understand NS&I intend to provide the Committee with an update on the delivery plan once further clarity on the direction of travel is known, providing an optimal point for David to provide his validation as part of NS&I's correspondence to you.



James Bowler

HM Treasury Permanent Secretary