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Meg Hillier MP
Public Accounts Committee
Houses of Parliament, Westminster,
SW1A 0AA
By email

24 March 2021

Dear Ms Hillier,

Public Accounts Committee – Session of 8 March 2021

Following the session on 8 March, I am writing to reply to two questions raised by the Committee.

The Committee asked about access to cash, and the timetable for future legislation.

In the 2020 Budget, the Government announced that it would bring forward legislation to protect access to cash and ensure that the UK's cash infrastructure is sustainable in the long term. We discussed this issue at a PAC hearing in October, and the Government responded to the Committee's subsequent recommendations in the *Treasury Minute: Government responses to the Committee of Public Accounts on the Thirtieth to the Thirty-Fourth reports from Session 2019-21*, published last month.

As set out in that response, the Government is considering the responses to its *Call for Evidence on Access to Cash*, which sought views on the key considerations associated with cash access, including deposit and withdrawal facilities, cash acceptance, and regulatory oversight of the cash system. Access to cash is a complicated issue, and it is important that legislation is not rushed, but is carefully designed to accommodate current cash needs, and to anticipate changing access needs over time. The Government will set out next steps in due course. In the meantime, the Government continues to work closely with the financial regulators and the industry to monitor and respond to short-term risks to the cash system.

The Committee also asked about the update to the remit of the Bank of England's Monetary Policy Committee (MPC), to reflect the importance of environmental sustainability and the transition to net zero. The Committee asked what that change would mean for the Bank of England's portfolio, and how this aligned with the timetable for reaching a net zero economy.

The UK is required to reach net zero territorial emissions by 2050. This commitment aligns the UK with the 1.5 degree goals in the Paris Agreement.

The Government sets the MPC's remit: it is for the independent MPC to implement it. In the minutes of its March meeting, the Committee said that "in the coming months, the Bank of England would provide more information about its proposed approach to adjusting the Corporate Bond Purchase Scheme to account for the climate impact of the issuers of the bonds it held, with a view to adapting its approach by the time of the next scheduled round of reinvestment operations in 2021 Q4".

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