Department for Business, Energy & Industrial Strategy

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Dame Meg Hillier MP
Chair
Public Accounts Committee
Westminster
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13 January 2022

Dear Dame Meg Hillier,

PAC recommendations – "Lessons from Greensill Capital"

I was grateful for the opportunity to answer questions from you and other members of the Committee on 22 July 2021 as part of your inquiry into Greensill Capital. I am writing in response to two of the recommendations made in your report, which the Department has considered carefully.

1: PAC recommendation: Alongside its Treasury Minute response, the Department should write to the Committee by the end of the year setting out what steps it will take to encourage the sharing of information on companies across government, appropriately balancing commercial and legal sensitivities with the public interest.

The Department recognises that sharing information on companies across government and between public bodies can bring benefits for policymaking, service delivery, and efforts to mitigate financial crime. The Department already plays an active role in facilitating this practice across government in a sensible and proportionate way, where permitted by law and with regard for the appropriate balance of sensitivities and interests.

BEIS has raised the importance of this across other departments that are responsible for coordinating business information and will work closely with Cabinet Office and HM Treasury to develop existing processes where necessary, bearing in mind commercial and legal restrictions. The Department also works closely with its arms-length bodies, including Companies House and the Insolvency Service, on appropriate data sharing, for example in response to fraud in the Bounce Back Loan Scheme.

The Department keeps its internal processes under regular review.

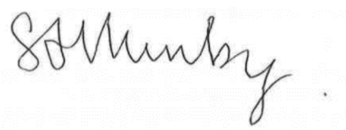
6a: PAC recommendation: Alongside its Treasury Minute response, the Department should write to the Committee within three months setting out the principles it will apply to future correspondence with the Bank on matters for which the Bank is operationally independent, to minimise any future perception of influence.

The Department is extremely mindful of the need to respect the British Business Bank's operational independence and will always seek to ensure any correspondence with the Bank reflects that, where it applies.

The Shareholder Relationship Framework Document governs the relationship between the Bank and the BEIS Secretary of State, who is the sole shareholder, and informs how officials from the Department and the Bank work together on a day-to-day basis. This document includes a specific undertaking ("Operational Independence Undertaking") which sets out the Bank's independence in respect of operational or commercial matters, though it does not apply to activities undertaken by the Bank's "Service Arm", such as the Covid-19 programmes. "Service Arm" activity is governed by a service agreement and matters of operational independence for programmes carried out by the "Service Arm" are defined in relevant service agreement schedules.

The Shareholder Relationship Framework Document is currently being updated. As part of this process, consideration will be given to whether any changes are required on the matter of operational independence with respect to "Service Arm" activity, including with respect to correspondence between the Department and Bank in relation to the delivery of such activity. The Department will write to the Committee on the outcome of its considerations, likely in the Spring.

Best Wishes,



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