



Department for
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& Industrial Strategy

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Dear Chair,

**FOLLOW UP TO QUESTIONS RAISED AT THE PUBLIC ACCOUNTS COMMITTEE
ON THE 2021-22 ANNUAL REPORT AND ACCOUNTS ON 5 DECEMBER 2022**

I am writing to update the Committee with additional information to my responses on questions 136-138 on the Performance Report raised during my appearance on 5 December 2022.

Reporting Metrics

It was noted that BEIS reported three metrics covering the priority outcome “unleash innovation and accelerate science and technology” when the Treasury has eight metrics for this outcome.

As the Committee will be aware these eight metrics are set out in “[Spending Review 2021: Priority outcomes and metrics](#)” a supplementary document to the 2021 Spending Review. Specifically, table 2.1 lists the priority outcomes and metrics for BEIS.

The differences between the HM Treasury report and the BEIS Annual Report and Accounts are set out below:

Priority outcome	Spending Review 2021	BEIS Annual Report and Accounts
Help businesses to bounce back from the impacts of COVID-19 and support renewed investment in the economy	5	2
Reduce UK greenhouse gas emissions to net zero by 2050, while supporting green jobs and mobilising investment to deliver a green industrial revolution across the UK	8	5
Unleash innovation and accelerate science and technology throughout the country, through increased private and public investment, to increase productivity and UK global influence	8	3

Boost enterprise by making the UK the best place in the world to start, grow and invest in a business	9	4
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These priority outcomes and metrics were published initially as part of the 2020 Spending Review as “[Provisional priority outcomes and metrics](#)” and were published in December 2020.

These outcomes were further refined by departments, working with HM Treasury and the Cabinet Office as part of an iterative and collaborative process, to form part of an Outcome Delivery Plan (ODP) starting in the 2021-22 year, these replace Single Departmental Plans and are available to the public.

During the 2021 Spending Review (SR21) in October 2021 funding was even more closely linked to spend with bids required to be linked to these agreed priority outcomes. Additional development of the metrics set out in the ODP was carried out as part of the Spending Review process, resulting in additional metrics being included in the Spending Review supplementary information.

These updated metrics will form the basis for updated ODPs, covering 2022-25. However, the metrics used were not available at the time of the 2021-22 ODP.

The BEIS [Outcome Delivery Plan 2021-22 \(ODP 21\)](#), published in July 2021, sets out the four priority outcomes and the metrics applicable to each. This information is available online but is intended to be published for review as part of a Departments Annual Report and Accounts for the relevant year. Both the ODP and the Annual Report and Accounts report at a moment in time. The Department has shifted priorities since which can be seen in SR21, which will be reported on within the 2022-23 Annual Report and Accounts.

The metrics included within the ODP21 are as a result of continuous collaboration with HMT Public Value Unit. The approach strives to be flexible given HM Government’s and BEIS’ changing priorities, as well as providing analytically robust metrics. The Department worked closely with the HMT Public Value Unit (PVU) to expand the list of metrics included within the ODP:

- We took the PVU feedback into account while also ensuring that our metrics reflected departmental priorities and were analytically robust
- On R&D, the team organised a series of workshops with stakeholders from BEIS, HMT and UKRI to agree additional metrics
- On Net Zero, the team provided metrics in line with more wider Net Zero reporting the department does.
- Metric development plans were shared with CO and N10 as part of the ODP process and feedback was taken into account
- Metrics were reviewed by the Department’s Officials and Ministers and their feedback was taken into account
- Following the above steps, new metrics were added to the reporting process

Following SR21 BEIS and HMT agreed an additional set of metric development plans to be developed for ODP22.

Some flexibility is allowed in this public reporting where information is commercially sensitive. BEIS have five performance metrics related to COVID-19 recovery, but only one of these is published on Gov.uk. This is due to the sensitivity at the time of publication regarding the number of Advanced Purchase Agreements, modalities and doses of COVID-19 vaccines.

By the time of publication of the 2021-22 BEIS Annual Report and Accounts (ARA) disclosure of the number of advanced purchase agreements and modalities was non-sensitive, providing greater clarity on the department's performance against goals.

BEIS 2021-22 Annual Report and Accounts follows and was audited with respect to several requirements, these being:

- International Financial accounting standards as adapted and interpreted by HM Treasury's Government Financial Reporting Manual 2021-22, and;
- HM Treasury's Public Expenditure System Paper (PES) "Guidance on the preparation of annual reports and accounts for 2021-22"

The PES paper sets out requirements for disclosure in the Annual Report, including performance reporting, and requires "A summary of priority outcomes agreed at SR21, as well as strategic enabler objectives contained within the ODP".

In line with the objective for ODPs BEIS published data covering its 2021-22 ODP in the 2021-22 ARA, and this therefore resulted in fewer metrics being reported on than were present in the SR21 supplementary documentation.

I hope you find that the information I have provided in this letter addresses the Committee's questions, and I look forward to our future engagements.

A handwritten signature in grey ink, appearing to read 'Sarah Munby', is positioned above the printed name.

Sarah Munby