



## Public Accounts Committee

**James Bowler CB**  
**Permanent Secretary**  
**HM Treasury**  
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**Westminster**  
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**By email: [Action.PermSec@hmtreasury.gov.uk](mailto:Action.PermSec@hmtreasury.gov.uk)**

**Professor Sir Ian Diamond**  
**UK National Statistician**  
**Head of the Government Analysis Function**  
**UK Statistics Authority**  
**Statistics Houses**  
**Newport**  
**South Wales**  
**By email: [Millie.Tyler@ons.gov.uk](mailto:Millie.Tyler@ons.gov.uk)**

2 December 2022

### **Treasury Minute response to the Committee's report on use of evaluation and modelling in government**

Dear Permanent Secretary and Professor Diamond,

Thank you for the August 2022 Treasury Minute response to our report on the use of evaluation and modelling in government. I was pleased to read of some positive steps since our evidence session; for example, the commitment to publish the Evaluation Task Force's strategy covering how it will improve evaluation, and the development of a central tracking system to monitor compliance with spending review settlement conditions. These developments provide us with some assurance that steps are being taken to address our concerns around lack of robust evaluation across much of government spending. Your commitment to the development of an assessment framework to support implementation of the Analysis Function's Functional Standard is welcome.

While I recognise that departments have been asked to keep Treasury Minutes concise and to the point, robust evaluation arrangements are so important to evidence-based decision-making and to securing value for money that in this case we would be grateful for further reassurance in some areas.

At recommendation 2 we sought clarity over the interventions that HM Treasury will use if departments fail to meet their spending review settlement conditions related to evaluation. Thank you for listing out the levers at HMT's disposal to deal with such cases. I would be grateful if you could provide an update to the Committee in a year's time on circumstances in which you have used these levers to encourage action from departments in the use of evaluations.



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At recommendation 3 we sought clarity on funding of the Analysis Hub to enable it to discharge some of its new responsibilities, such as monitoring departments' implementation of the Analysis Functional Standard. The response did not refer to the funding requirement of the Analysis Function in this context. We understand that funding arrangements for the Analysis Function are still to be agreed, and an update on these arrangements, once finalised, would be welcomed. We also recommended that HMT sets out how it will gain confidence that outputs it uses from departments' business critical models have been quality assured appropriately. Thank you for your commitment to staff training to help HMT staff understand quality assurance requirements consistent with modelling standards. In addition, I would be grateful if you could set out the controls you will put in place to be confident that departments have quality assured modelled outputs in line with standards.

At recommendation 5 we highlighted the need for a published tracker with details of evaluations. We welcome the development of the online registry of evaluations, but your response gave the impression that there will be no mandatory requirement for departments to publish their evaluations on the online registry. Voluntary publication could undermine the expected benefits from greater transparency and opportunities for departments to learn from each other. I welcome further clarification on how you will use this initiative to make sure that Departments publish all their evaluations.

At recommendation 6 we highlighted the importance of assessing the range of plausible outcomes from models. We were encouraged by references to work on the Finance Standard. However, it was not clear how HMT plans to incorporate changes to the Standard into what it requires from departments when they present modelled outputs to HMT. I would be grateful for further detail on this.

Please write back to me **by the time the House returns from the Christmas recess.**

I am copying this letter to the Permanent Secretary at the Cabinet Office, the Treasury Officer of Accounts and to the Comptroller & Auditor General.

Yours sincerely

Dame Meg Hillier MP  
Chair of the Committee of Public Accounts