Sir Tom Scholar  
Permanent Secretary  
HM Treasury  
1 Horse Guards Road  
London, SW1A 2HQ  

21 June 2019  

The Committee has had an opportunity to consider the Main Estimate and its accompanying Memorandum laid by the Department on 9 May 2019.

The Committee has a number of queries on the matters listed below:

**Additional Brexit Funds**

1. In your letter dated 9 May 2019 on the Main Estimate, you stated that the Treasury does not “hold an estimate of total departmental spend on EU Exit, or a detailed breakdown of EU Exit spend”. Please could you provide a breakdown of spend on EU exit by department in 2018–19 and 2017–18, by liaising with all departments?

   - Does the Treasury have any knowledge on whether the bulk of additional funding that was allocated to EU exit spending in the Supplementary Estimates of 2017–18 and 2018–19 was actually spent on EU exit, or whether in fact most departments diverted this additional funding to other areas?
     - Does the Treasury have any estimate on the level of funding that departments might have diverted from other areas to Brexit related activities as well?

   - On what basis is the Treasury allocating funds for continued preparation on EU exit, when it has no estimate of departments’ actual spending on EU exit in the prior years?

   - The HMRC Main Estimate Memorandum indicates that Brexit funds for HMRC are ring-fenced and savings in these budgets may not be used to fund pressures on other areas of the department. Could you confirm that all additional funds relating to Brexit for other departments are ring-fenced in this way?
     - Were funds relating to Brexit awarded to departments in the Supplementary Estimates of 2017–18 and 2018–19 also ring-fenced?
Spending Review

2. Could you confirm whether there will be a Spending Review in Autumn 2019?
   - If it does not take place in Autumn 2019, when will it take place?

HMT Main Estimate

3. The Main Estimate Memorandum for Treasury states that there is a reserve claim for funding of £35 million related to EU Exit. Could you provide a breakdown of what it will be spent on?
   - Of that spending, what proportion is spending in preparation for a “No Deal” exit?

British Steel loan

4. We understand that the Government entered into a fully commercial agreement with British Steel, where it lent British Steel £120 million to purchase the necessary emissions allowances. Did the Government pay over the £120 million before British Steel went into liquidation?
   - If not, is the Government able to recover its funds?

Rt Hon. Nicky Morgan MP
Chair of the Treasury Committee