Written evidence submitted by the Chief Secretary to the Treasury, Rt Hon Elizabeth Truss MP (CBC 16)

1. We are grateful to the Committee for inviting us to comment on its inquiry. As an initial comment we would like to recognise the crucial role that Parliament plays in financial scrutiny and the importance the Government places on the engagement it has with Members through debates in the Chamber and the value of scrutiny by the existing Committees.

2. Departmental Select Committees already hold departments to account for their existing and future plans, their annual accounts and how they spend their budgets. We are not convinced that the advance review of Government spending plans and policies should be separated from the Departmental Committees that hold the expertise and detailed knowledge required for effective scrutiny.

3. In particular, we are concerned that separating issues of economy, effectiveness and efficiency from consideration of the merits of a particular policy is to create an artificial and unnecessary distinction for a Committee while conducting scrutiny at the initial stages of policy formulation.

4. In addition, it likely that the overlap of responsibilities of a new budget committee with those of existing parliamentary committees may introduce confusion into the scrutiny process.

5. The Government recognises that the establishment of new committees is ultimately a matter for the House. However, while HM Treasury can in no way to speak on behalf of the Public Accounts Committee, or Departmental Select Committees, we agree with the concern, as highlighted in the inquiry terms of reference, that it is important to be mindful of the potential impact the creation of a new budget committee would have on their work.

6. We also leave it to the National Audit Office to comment on the appropriateness or otherwise of their providing assistance to such a committee but note that a change in role may require legislative measures in an already busy legislative timetable.

7. For the above reasons we are sceptical of the benefits of an additional parliamentary committee over and above the strengths of existing scrutiny arrangements. I would welcome the opportunity to discuss these issues further with the Committee.

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