Department for Business, Energy & Industrial Strategy Departmental financial overview 2020-21

REPORT

by the
National Audit Office

MARCH 2022

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What this guide is about

About this guide

We have prepared this guide as a summary of key information and insights that can be taken from the annual report and accounts of the Department for Business, Energy & Industrial Strategy (the Department) and related bodies in the sector in England and Wales.[1] In 2020-21 the Department spent nearly £54 billion.[2] Of this, more than £32 billion was spent responding to the COVID-19 pandemic.

The guide includes:

- how the Department is structured and where it spends its money;
- what information is included in the published annual report and accounts for the organisations in the Department's group;
- the Comptroller and Auditor General's (C&AG's) audit opinion on the Department's accounts; and
- key areas of interest in the accounts.

This report updates our previous overview, a Departmental Overview, published in January 2021.

1 The Department published its *Annual report and accounts 2020-21*, the most recent available, on 25 November 2021; Department for Business, Energy & Industrial Strategy, *Annual report and accounts 2020-21*, HC 808, November 2021.
2 The Department and its group's total net expenditure of nearly £54 billion for 2020-21 is reported in its annual report and accounts, Statement of Comprehensive Net Expenditure.

How we have prepared this guide

The information in this guide draws on the findings from our financial audit programme of work and from publicly available sources, including the annual report and accounts of the Department and its bodies.

We have cited these sources throughout the guide to enable readers to seek further information if required, as well as including any appropriate notes to help the reader understand our analysis.

Other relevant publications

More information about our work on the business and enterprise sector, and the energy and environment sector, as well as information about our other recent and upcoming reports can be found on the NAO website.

More information about central government accounting and reporting

You may also be interested in our interactive guide to *Good practice in annual reporting* (February 2021), which sets out good-practice principles for annual reporting and provides illustrative examples taken from public sector organisations who are leading the way in this area.[3]

3 National Audit Office, *Good practice in annual reporting*, February 2021.

About the Department

The Department for Business, Energy & Industrial Strategy (the Department) has a wide remit and is responsible for a range of government priorities. These include: supporting businesses, both through the COVID-19 pandemic and over the longer term; providing support for investment in innovation, such as in science and new technologies like artificial intelligence; and achieving the government's target to achieve net zero greenhouse gas emissions by 2050 (**Figure 1**).

The Department's structure

As at the end of March 2021, the Department was organised into business units covering the following areas:

- **Business sectors** – responsible for business investment; cities and local growth; advanced manufacturing; infrastructure and materials; life sciences; and retail.
- **Energy and security** – responsible for clean electricity; energy resilience; energy security and networks; nuclear decommissioning; nuclear development; oil and gas; and smart systems.
- **Energy transformation and clean growth** – responsible for clean growth; EU energy and climate change; international energy and climate change; science and innovation for energy and climate change; heat and business energy; home and local energy; and smart metering implementation.
- **Market frameworks** – responsible for corporate governance; consumers and competition; labour markets; better regulation; and regulatory delivery.
- **Science innovation and growth** – responsible for business growth; international science and innovation; UK science and research; and space.
- **Trade, international, the Union and analysis** – responsible for the central strategic and coordination function for trade with Europe and the rest of the world; engagement with the devolved administrations and protecting the Union, including the UK internal market; and the Department's analysis function and the national security and international directorate.
- **Vaccines Taskforce** – responsible for securing a supply of vaccines, including the research and development of potential vaccines; selecting vaccines to purchase; securing UK access to sufficient quantities of vaccines; and developing manufacturing capacity to ensure supply.

Figure 1
The Department for Business, Energy & Industrial Strategy's (the Department's) priorities as stated for 2020-21

The Department started the 2020-21 financial year with three priorities and added a fourth in April 2020 to reflect its contribution to fighting coronavirus

Priorities	Details
Backing business: backing long-term growth and taking advantage of Brexit	• Make the UK the best place to start and grow a business, taking advantage of Brexit to build the UK's competitive advantage, create jobs and encourage investment. • Increase opportunity by levelling up economic activity. • Strengthen our national security regime, protecting against hostile actors and retaining UK investment in strategic sectors. • Drive up productivity and create high-value, better paid jobs, by boosting our world-class sectors.
Unleashing innovation	• Make the UK a science superpower – backing ideas, eliminating bureaucracy, and supporting talent from home and abroad. • Double investment in research and development to drive discovery and boost future-facing sectors like artificial intelligence and life sciences. • Foster open and competitive markets that support innovators and new entrants.
Tackling climate change and delivering net zero	• Deliver net zero, ending our contribution to global warming by 2050. • Drive the green industrial revolution through the Prime Minister's Ten Point Plan, boosting growth and creating jobs in clean technologies, infrastructure, and energy in all parts of the UK.[2] • Accelerate international climate action through strong global leadership.
Fighting coronavirus: supporting businesses through the pandemic and recovery (added April 2020)	• Support a safe return to the workplace, restoring jobs and livelihoods and rebuilding consumer confidence. • Support businesses through the pandemic and recovery, engaging closely to understand needs and delivering vital support schemes. • Ensure the continued development and manufacture of vaccines for deployment in the UK and overseas to protect lives. • Manage economic shocks, helping protect businesses and jobs where possible.

Notes

1 In July 2021, the Department published its Outcome Delivery Plan (ODP) for 2021 to 2022, which details its priority outcomes and long-term policy objectives, the Department's strategy for achieving them, and the metrics that will be used to track performance. The government considers that ODPs place a greater emphasis on joint working between departments, enabling departments to plan together to deliver shared outcomes. The Department's priorities for 2021-22 are the same as they were in 2020-21.

2 HM Government, *The Ten Point Plan for a Green Industrial Revolution: Building back better, supporting green jobs, and accelerating our path to net zero*, November 2020.

Source: Department for Business, Energy & Industrial Strategy's *Annual report and accounts 2020-21* and Outcome Delivery Plan: 2021 to 2022

In addition, the Department's management includes a scientific adviser who is responsible for ensuring policies are supported by the best science and engineering advice available, advising ministers and senior officials on science and engineering matters, acting as head of the science and engineering profession within the Department, and working with the wider community of chief scientific advisers to share good practice and resolve cross-departmental challenges.

The Department delivers many of its objectives through other bodies. For example, UK Research and Innovation is responsible for providing support to businesses and communities for research and innovation, and the Nuclear Decommissioning Authority is responsible for the clearing up of the UK's legacy nuclear sites. In 2020-21 the Department had 43 partner organisations, such as executive agencies and non-departmental public bodies, which employed more than 17,400 permanent staff (**Figure 2**).

Where the Department spends its money

The Department's net expenditure in 2020-21 was £55.6 billion.[4] This includes:

- £44.2 billion of budgeted expenditure, known as Departmental Expenditure Limit (DEL); and
- £11.4 billion of spending that could not reasonably have been budgeted, known as Annually Managed Expenditure (AME). This includes, for example, the Department's COVID-19 financial guarantees and the impact of changing discount rates on the nuclear decommissioning provision.

Figure 3 on pages 10 and 11 illustrates how £44.2 billion of total net DEL expenditure was spent by the Department in 2020-21. Its largest areas of spending were:

- business support grants provided during the pandemic (£19 billion);[5]
- support for research and innovation through UK Research and Innovation (more than £9 billion); and
- a grant from the Department to the Nuclear Liabilities Fund (more than £5 billion).[6]

4 The Department's expenditure of £55.6 billion is reported in the Statement of Parliamentary Supply, which is prepared in accordance with HM Treasury's *Consolidated Budgeting Guidance*. This guidance sets out the principles and standards underpinning the budgeting system mandated for use in central government; HM Treasury, *Consolidated Budgeting Guidance: 2020-21*, March 2020.

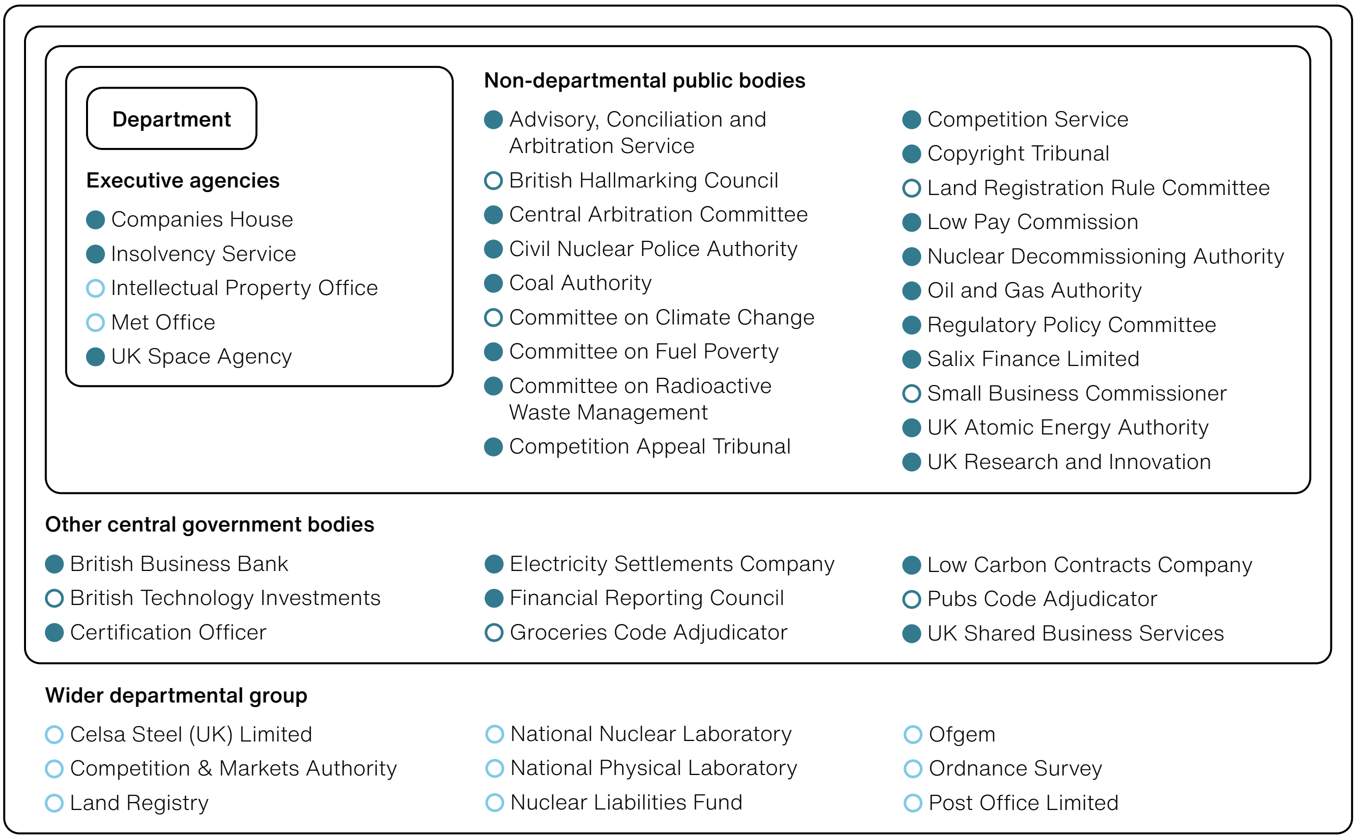
5 In Figure 3, this is included in 'Delivering an ambitious industrial strategy'.

6 In Figure 3, this is included in 'Managing energy legacy safely and responsibly'. The Nuclear Liabilities Fund (NLF) was established to meet costs of decommissioning eight nuclear power stations in the UK. This contribution was made in recognition of the impact on the NLF of an increase of over £2 billion in the estimated cost of decommissioning combined with continued low returns from NLF investments in the National Loans Fund. Approximately 80% of NLF's assets are held in the National Loans Fund; Comptroller and Auditor General, *The decommissioning of the AGR nuclear power stations*, Session 2020–2022, HC 1017, National Audit Office, January 2022.

Figure 2

The Department for Business, Energy & Industrial Strategy (the Department) and the 43 partner organisations which formed part of its group in 2020-21

In 2020-21 the Department's group included 43 other public bodies, which it called partner organisations, not all of which were included in the Department's consolidated accounts



- Consolidated (included) in the Department's accounts
- Not consolidated in the Department's accounts on the basis of materiality[2]
- Not consolidated in the Department's accounts as these were not designated bodies[2]

Notes

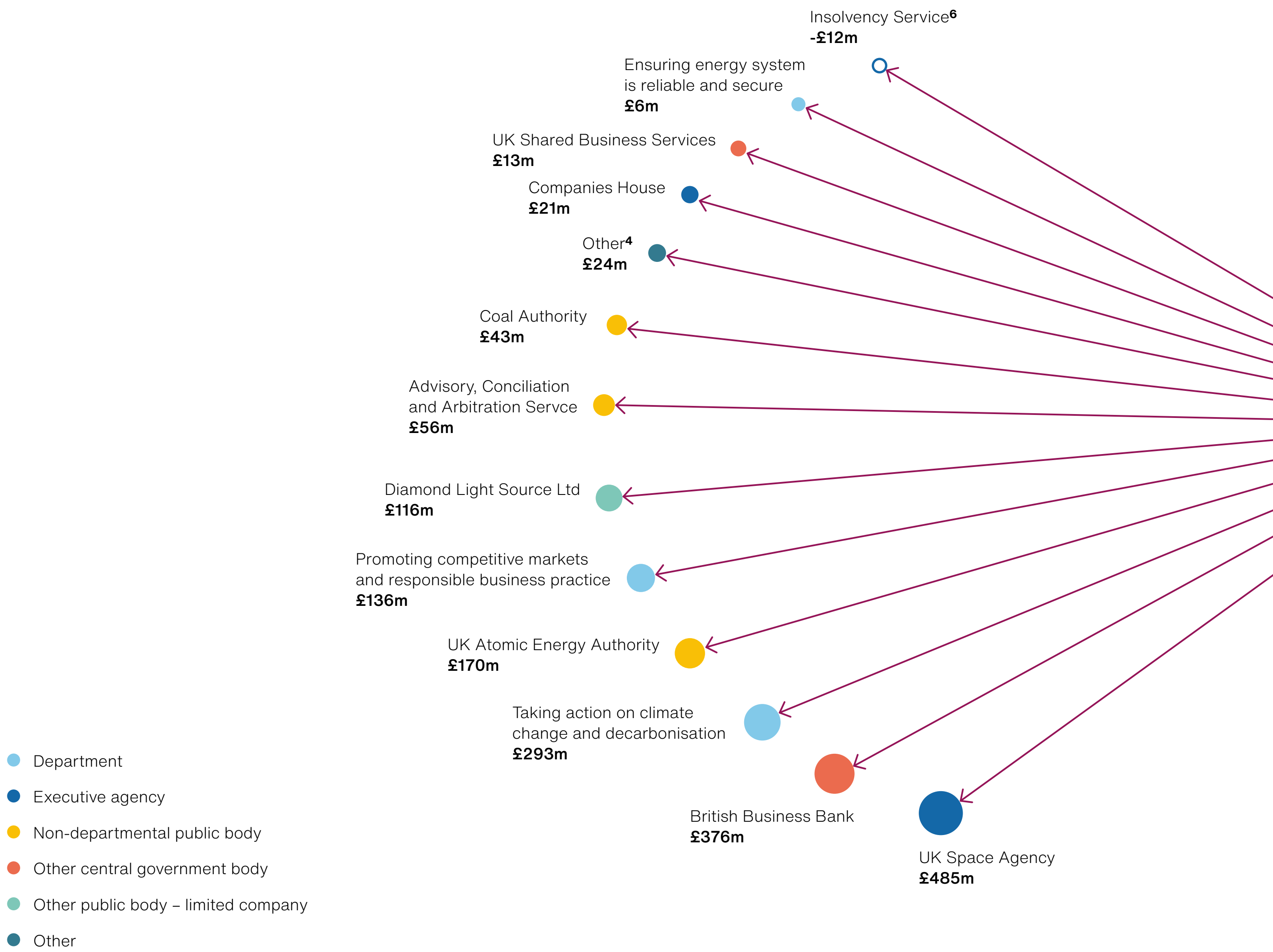
1. In total, the Department's group consisted of 93 organisations (the Department and 92 other bodies). Of these 93 organisations, 70 were consolidated in the Department's group and 23 were not. This figure only represents the Department and the 43 bodies it refers to as its partner organisations.
2. Of the Department's 43 partner organisations, 25 were consolidated and 18 were not. Of the 25 partner organisations that were consolidated, 22 were designated bodies identified by the Government Resources and Accounts Act 2000 (Estimates and Accounts) Order 2020 and three were not (these were executive agencies, which while administratively distinct are legally part of the Department). Of the 18 partner organisations that were not consolidated, seven were not consolidated on the basis of materiality (that is their absence would not be considered significant). The remaining 11 organisations were not consolidated because they were not designated bodies (under the same Order): five were public corporations; three were non-ministerial departments; two were trading funds and one was a central government fund.
3. Of the remaining 49 organisations (out of 93) in the Department's group that are not represented in this figure (because the Department does not consider them partner organisations), 44 were consolidated in the Department's group, four were not consolidated on the basis of materiality and one was not consolidated due to being dormant.
4. Executive agencies carry out executive functions of government separately from, but within a policy and resources framework set by, a department. Non-departmental public bodies (commonly referred to as NDPBs) are not a department or part of one but have a role in the processes of national government and operate at 'arm's length' from ministers. The Department defines 'other central government bodies' as 'not yet classified as NDPBs'. In 'wider departmental group', the Department includes a range of organisation types that, while not consolidated, work to achieve its objectives (including public corporations, non-ministerial departments and central government funds).
5. The Government Resources and Accounts Act 2000 (Estimates and Accounts) Order 2020 designates specified central government bodies in relation to the Department, including for the purpose of the Department's annual report and accounts. The designations were effective for the financial year that ended on 31 March 2021.

Source: National Audit Office analysis of the Department for Business, Energy & Industrial Strategy, *Annual report and accounts 2020-21*

Figure 3

Department for Business, Energy & Industrial Strategy (the Department) group's expenditure in 2020-21

The Department group's 'Departmental Expenditure Limit' (DEL) in 2020-21 was more than £44 billion

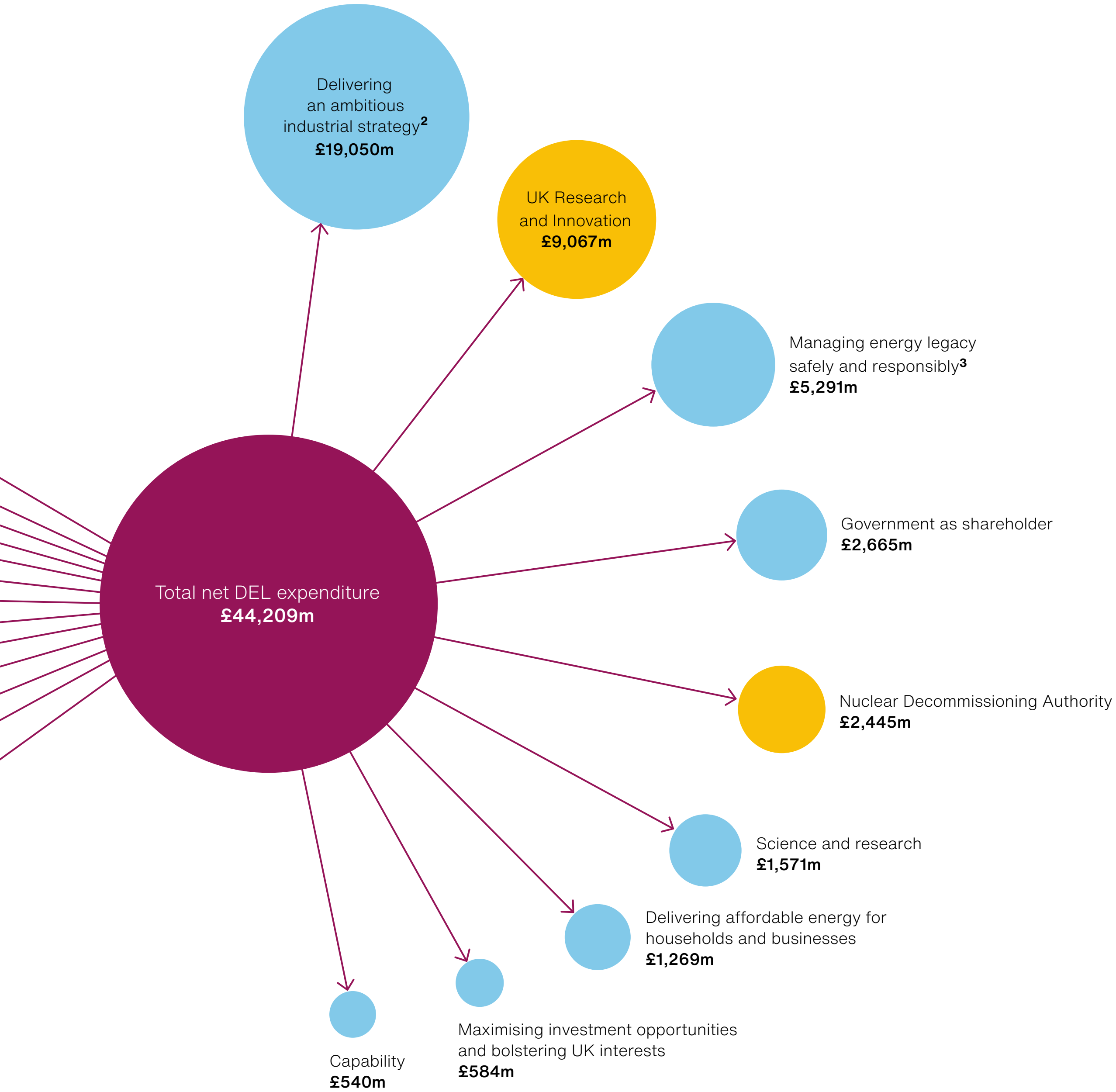


Notes

1 All monetary values in the figure are net of any income. Figures are based on total net combined resource and capital expenditure in the Department's Statement of Parliamentary Supply. 'Departmental Expenditure Limit' (DEL) is spending to cover plans the Department is committed to, announced at spending reviews. The figure does not include 'Annually Managed Expenditure', which is spending that 'cannot reasonably be subject to firm three-year limits' and is typically more difficult to predict.

2 'Delivering an ambitious industrial strategy' includes business support grants provided during the pandemic (£19 billion).

3 'Managing energy legacy safely and responsibly' includes a £5,070 million grant from the Department to the Nuclear Liabilities Fund (NLF). The NLF was established to meet the costs of decommissioning eight nuclear power stations in the UK.



4 'Other' includes expenditure by partner organisations (organisations the Department is accountable for, that help it deliver its objectives) and other organisations in the Department's group not separately identified.

5 Expenditure is proportional to the area of the bubble.

6 The Insolvency Service received more income than it spent, and therefore its DEL net expenditure is negative.

Source: National Audit Office analysis of Department for Business, Energy & Industrial Strategy, *Annual report and accounts 2020-21*

The pandemic has increased the proportion of expenditure directly by the Department rather than its partner organisations compared with previous years. Some £31.9 billion (72%) was spent by the Department and its executive agencies, and £12.3 billion (18%) was spent by other partner organisations. This contrasts with previous years when most expenditure had been through the Department's partner organisations.[7]

Future liabilities

The Department's accounts include significant liabilities for future spending. The Department's total liabilities were £188 billion at the end of March 2021 (**Figure 4**). The largest liability is the provision made for future nuclear decommissioning costs (£135.1 billion), which stretches out to 2137. The very long timescale and complexity of nuclear decommissioning gives rise to considerable uncertainty in this cost estimate, particularly in the later years (see 'The C&AG's audit opinion' on page 18).[8] The nuclear decommissioning provision constitutes more than 43% of all provisions across government reported in the Whole of Government Accounts (WGA) for 2018-19 (the most recent WGA data available).[9]

In addition to its provisions, at the end of March 2021 the Department had other liabilities of more than £48 billion. These included:

- nearly £20 billion of financial guarantees, associated with the Department's response to COVID-19 (see 'The Department's response to the COVID-19 pandemic' on page 20). These were classified as current liabilities in the Department's 2020-21 annual report and accounts, which means that the Department expects them to crystallise within 2021-22; and
- nearly £17 billion relating to Contracts for Difference (CfDs). CfDs fix the revenue government will pay for a unit of electricity, to a low-carbon generator, over a set timeframe of typically 15 years. Forecasting electricity generation volumes and wholesale electricity prices over such long timescales involves considerable uncertainty (see 'The C&AG's audit opinion' on page 18).

7 In 2019-20, of £14.1 billion DEL expenditure, £3.1 billion (22%) was spent by the Department and its executive agencies, and £11.0 billion (78%) was spent by other partner organisations.
8 The Nuclear Decommissioning Authority has focused on estimating the cost in the first 20 years, which represents £60 billion (44%) of the total £135.1 billion. For more information, see Nuclear Decommissioning Authority, *Annual Report and Accounts 2020/21*, HC 437, July 2021.
9 For more information, see HM Treasury, *Whole of Government Accounts: year ended 31 March 2019*, HC 500, July 2020.

Figure 4

The Department for Business, Energy & Industrial Strategy (the Department) group's total liabilities as at the end of March 2021

The Department group's total liabilities at the end of March 2021 were £188 billion

Liability	Value of liability	Proportion of total liabilities
Nuclear Decommissioning Authority decommissioning provision	£135.1 billion	71.9%
Financial guarantees	£19.8 billion	10.5%
Contracts for Difference	£16.9 billion	9.0%
Trade payables	£10.9 billion	5.8%
Coal Authority provision	£2.5 billion	1.3%
Other	£2.7 billion	1.4%
Total	**£188 billion**	**100%**

Notes

1 'Contracts for Difference' (CfDs, which fix the revenue government will pay for a unit of electricity, to a low-carbon generator, over a set timeframe) represents Hinkley Point C (a nuclear power station; £1.2 billion) and other CfDs (£15.7 billion). The £16.9 billion CfDs is per the Department's Statement of Financial Position and reflects the carrying value as at 31 March 2021 (further details can be seen in note 9 of the Department's annual report and accounts). This note also discloses the fair value of the CfDs which is £89 billion, of which £52 billion relates to Hinkley Point C and £37 billion to other CfDs. The fair value of CfDs represents the Low Carbon Contracts Company's (LCCC's) best estimate of the payments it will be committed to make, if and when electricity generators supply low-carbon electricity in accordance with their contractual terms. These are based on estimates of future electricity prices. Should no low-carbon electricity be supplied in accordance with the contractual terms, then LCCC is not under any obligation to make these payments.

2 'Other' represents a British Energy provision (£632 million), a UK Atomic Energy Authority decommissioning provision (£443 million), Retirement Benefit Obligations (£392 million), a Concessionary Fuel provision (£303 million), Loan Commitment Liabilities (£146 million), a Legacy Ailments provision (£128 million), a British Shipbuilders provision (£129 million), other core Department and agencies provisions (£131 million), Early Departure Costs and Restructuring (£80 million), Reinsurance contracts (£69 million), and other provisions relating to non-core bodies within the Department's reporting group (£234 million).

3 Figures may not sum due to rounding.

Source: National Audit Office analysis of Department for Business, Energy & Industrial Strategy, *Annual report and accounts 2020-21*

Future forecast spending

In the Autumn Budget and Spending Review 2021, the Department's settlement for the period 2021-22 to 2024-25 (excluding COVID-19 DEL) increased from £17.9 billion to £23.8 billion, an average annual real-terms growth rate of 7.5% (**Figure 5**). The increase reflects:

- Government's increasing investment in research and development (R&D) to deliver its *Innovation Strategy*.[10] The Department's funding for R&D will increase by nearly £3 billion per year to £14.2 billion in 2024-25.
- Measures to support achieving net zero. The Department will spend £15 billion over the spending review period as part of the government's Net Zero Strategy.[11]

While 'capital DEL' which represents investment spending will increase by more than 8%, 'resource DEL' which represents day-to-day spending including, for example, pay and procurement, will increase by just over 1%. This means the Department will need to undertake careful business planning and organise its resources effectively to ensure efficient structures and processes for policy design and implementation.

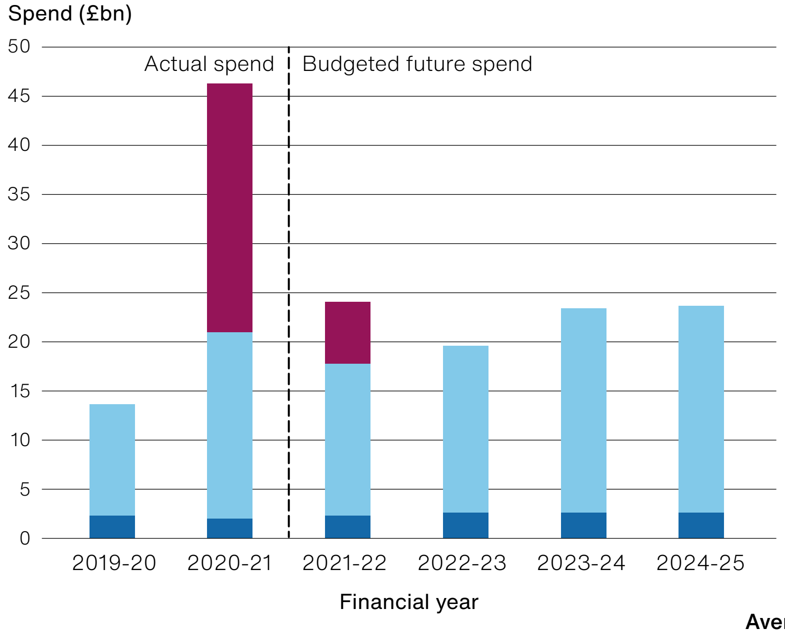
10 The government's Innovation Strategy is intended to spur innovation, science and technology; Department for Business, Energy & Industrial Strategy, *UK Innovation strategy: Leading the future by creating it*, July 2021.

11 HM Government, *Net Zero Strategy: Build Back Greener*, October 2021.

Figure 5

Department for Business, Energy & Industrial Strategy's (the Department's) actual and budgeted future spend, in monetary terms, 2019-20 to 2024-25

Between 2021-22 and 2024-25, the Department's capital spending is expected to increase by 8.3% whereas resource spending is expected to increase by 1.4%



	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	Average annual real-terms growth 2021-22 to 2024-25
COVID-19 DEL	–	25.4	6.3	–	–	–	–
Capital DEL	11.2	18.8	15.6	17	20.8	21.2	8.3%
Resource DEL	2.5	2.1	2.3	2.6	2.7	2.6	1.4%
Total DEL	**13.7**	**46.3**	**24.2**	**19.6**	**23.5**	**23.8**	**7.5%**[3]

Notes

1 The Department's spending includes 'Departmental Expenditure Limits' (DEL) which refers to the principal amounts that government departments have been allocated to spend. Typically total DEL includes 'Resource DEL', which represents current, day-to-day spending (including for example pay and procurement) and 'Capital DEL' which represents investment spending. 'COVID-19 DEL' represents additional and ringfenced spending for the Department's response to the COVID-19 pandemic in 2020-21 and 2021-22. 'Total DEL' here is the sum of resource, capital and COVID-19 DELs.

2 These amounts have not been deflated and are as presented in the Autumn Budget and Spending Review 2021.

3 The annual average real-terms growth rates, as calculated by HM Treasury, do not include COVID-19 DEL.

Source: National Audit Office analysis of HM Treasury, Autumn Budget and Spending Review 2021

Content of the annual report and accounts

Section	Performance report	Accountability report		
			Corporate governance report	
Content	Provides information on the Department, its main objectives and the principal risks that it faces. It must provide a fair, balanced and understandable analysis of the Department's performance.	Used to meet key accountability requirements to Parliament. It must include a corporate governance report, remuneration and staff report, and Parliamentary accountability and audit report.	Sets out the composition and organisation of the Department's governance structures, and how they support the achievement of its objectives. It includes a Directors' report, a Statement of Principal Accounting Officer's responsibilities, and a Governance Statement (see right).	Directors' report – includes the titles and names of all ministers who had responsibility for the Department during the year, Permanent Secretary of the Department, composition of the management board, and potential conflicts of interest.
To what extent is it audited	Reviewed for consistency with information in the financial statements.	Reviewed and tested for consistency with information in the financial statements; opinion provided.	Reviewed for consistency with information in the financial statements and with the auditors' wider understanding of the Department.	Reviewed for consistency with information in the financial statements and with the auditors' wider understanding of the Department.

				Financial statements
		Remuneration and staff report	**Parliamentary accountability and audit report**	
Statement of Accounting Officer's responsibilities – required to explain the responsibilities of the accounting officer of the Department. In preparing the accounts, the accounting officer is required to comply with the requirements of the Government Financial Reporting Manual (the FReM).	Governance Statement – brings together the judgements made by the accounting officer in using resources to allow them to make informed decisions about the Department's progress in light of the risks and opportunities the Department is facing. It should provide a clear picture of the control structure of the body and a sense of its vulnerabilities and resilience to challenges.	Sets out the Department's remuneration policy for directors; reports on how that policy has been implemented; and discloses the amounts awarded to directors. Also includes staff numbers, cost and composition; sickness absence data; consultancy expenditure; off-payroll engagements; and exit packages.	Includes: • Statement of Parliamentary Supply, showing expenditure against the amounts authorised by Parliament. • Other Parliamentary accountability disclosures. • Certificate and Report of the Comptroller and Auditor General to the House of Commons.	Includes: • Statement of Comprehensive Net Expenditure. • Statement of Financial Position. • Statement of Cash Flows. • Statement of Changes in Equity. • Notes to the accounts.
Reviewed by: • comparing with the requirements of the FReM; and • confirming that the disclosures match the auditors' understanding of the Department.	Reviewed for: • compliance with the requirements set out in *Managing Public Money*; • quality of the content in the context of risks identified during the audit process and the auditors' wider knowledge of the Department; and • consistency with the findings of any relevant National Audit Office value-for-money reports or other work.	Reviewed for consistency with information in the financial statements. Key tables in the remuneration report, staff numbers and costs, and exit packages are fully tested.	Audited and subject to an audit opinion.	Audited and subject to an audit opinion.

The C&AG's audit opinion

The Comptroller and Auditor General (the C&AG) provides an independent audit opinion on more than 400 individual accounts across the public sector, in line with the applicable standards set out in his audit certificate. His opinion comprises two main parts:

- A true and fair audit opinion on each account.[12] This involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error.[13]
- An audit opinion on regularity on the vast majority of accounts. This involves obtaining evidence that resources have been used in the way that Parliament intended and authorised.

The main points of the C&AG's audit opinion are summarised below. See pages 124–129 of the Department for Business, Energy & Industrial Strategy's (the Department's) annual report and accounts for the full certificate.

True and fair opinion

The C&AG gave an unqualified true and fair opinion on the Department's accounts. He took reasonable assurance that the financial statements are a true and fair view of the state of the Department's affairs; however, he highlighted four financial statement areas in 'emphasis of matter' paragraphs (the first two were similarly reported in 2019-20):[14]

- **Nuclear Decommissioning Authority's provisions (£135.1 billion)** – given the very long timescales involved and the complexity of the plants and materials being handled, a considerable degree of uncertainty remains over the value of the liability for decommissioning nuclear sites.

12 There are two true and fair opinions given by the C&AG, one for the Department's accounts and the other for the Trust Statement.

13 As defined in International Accounting Standard 1, a matter is material if its omission or misstatement would, in the judgement of the auditor, reasonably influence the decisions of users of the financial statements.

14 As defined in International Standard on Auditing 706, an emphasis of matter paragraph is included in the auditor's report and refers to a matter appropriately presented or disclosed in the financial statements that, in the auditor's judgement, is of such importance that it is fundamental to users' understanding of the financial statements.

- **Low Carbon Contracts Company's Contracts for Difference derivatives (£16.9 billion)** – given the high degree of estimation uncertainty inherent in forecasting electricity generation volumes and wholesale electricity prices into the late 2030s, and 2060s for Hinkley Point C.[15] There is also a great deal of subjectivity involved in selecting a wholesale electricity price forecast input that conforms to the principles of fair value.

- **COVID-19 financial guarantees and loan schemes (£19.8 billion)** – the expected credit loss liability of the Department's business support schemes is highly sensitive to assumptions regarding probability of default, with sensitivity to assumptions regarding the rate of fraud occurrence and fraud loss.

- **COVID-19 business support grants estimations (£5.6 billion)** – due to these schemes being administered by local authorities, the Department had to estimate the value of 2020-21 expenditure for some grant schemes. While the associated estimated spend is based on the best information that the Department had available, there is uncertainty over the final value of these schemes as the actual values which have been paid out to businesses could differ to the values calculated in the estimation process.[16]

Regularity opinion

The C&AG gave a qualified regularity opinion on two areas of the Department's accounts due to estimated material levels of fraud and error:

- **COVID-19 financial guarantees and loan schemes**

  The Department reported an estimated credit loss of £19.8 billion as at 31 March 2021. The rate of fraud and error was estimated to be in a range of 8.15% to 14.15%, reflecting £3,615 million to £6,275 million, with the central estimate value being £4,944 million (11.15%) of loan facilities.[17]

- **COVID-19 business support grants estimations**

  The Department estimated that material levels of fraud and error are present in the payments made to businesses by local authorities on behalf of the Department. Its central estimate of the level of fraud and error in relation to the initial three schemes is 8.9% (£1,038 million).[18] The Department's statistical analysis provides a range for its estimate of 4.4% (£514 million) to 13.4% (£1,562 million) with a 95% confidence interval.[19]

15 Hinkley Point C is a nuclear power station.
16 The grant schemes that were estimated were: Local Restrictions Support Grant (Closed) and (Closed) Addendum Schemes, Local Restrictions Support Grant (Open) and Closed Business Lockdown Payment schemes.
17 More recent (unaudited) information from the Department suggests the fraud estimate may be 7.5%.
18 The initial three grant schemes were: Small Business Grant Fund; Retail, Hospitality and Leisure Grant Fund; and Local Authority Discretionary Grant Fund.
19 This confidence interval indicates that the Department is 95% confident that the monetary value lies between £514 million and £1,562 million.

Key areas of interest

The Department's response to the COVID-19 pandemic

The COVID-19 pandemic had a significant impact on the activities and spending of the Department for Business, Energy & Industrial Strategy (the Department) in 2020-21, and continues to do so in the current financial year. As at September 2021, the Department had reported spending £28.7 billion on measures to respond to the COVID-19 pandemic, and estimated that its lifetime costs would be £57.7 billion. This represents the third-largest estimated lifetime costs of any department. More details on lifetime costs are available in our COVID-19 cost tracker.[20] We have also drawn together wider learning on the government's response in our May 2021 report *Initial learning from the government's response to the COVID-19 pandemic*.[21]

Vaccine Taskforce

The Department was responsible for securing a supply of vaccine for the UK, which included supporting the research and development of potential vaccines; selecting which vaccines to purchase; securing UK access to sufficient quantities of vaccines; and developing manufacturing capacity to ensure supply. The Department entered into contracts with pharmaceutical companies to supply vaccines, and also expand vaccine manufacturing capability.

20 National Audit Office, COVID-19 cost tracker, available at: www.nao.org.uk/covid-19/cost-tracker
21 Comptroller and Auditor General, *Initial learning from the government's response to the COVID-19 pandemic*, Session 2021-22, HC 66, National Audit Office, May 2021.

The total funding available to the COVID-19 vaccine programme in 2020-21 and 2021-22 is £8.3 billion, including £4.6 billion for the Vaccine Taskforce (the Taskforce) which was created by the Department in April 2020. The majority of the Taskforce's funding (£3.9 billion) is to purchase vaccines, and by March 2021 it had completed agreements with pharmaceutical companies to supply 407 million doses, and the Department had spent nearly £1.8 billion.[22] It also had financial commitments of more than £2.5 billion as a result of the activities of the Taskforce. In the same month, the Department and the Department of Health & Social Care (DHSC) announced that responsibility for the Taskforce was to be shared by both departments, and that in time vaccine contracts would be managed and paid for by DHSC. From 1 August 2021, practical responsibility for ensuring regularity, propriety and value for money of public funds used in support of DHSC activities (such as clinical development) transferred to DHSC.[23]

In December 2020 we published *Investigation into preparations for potential COVID-19 vaccines*.[24] This report found that the Department had worked to an accelerated timetable to make a vaccine available within 12–18 months, when developing any vaccine and delivering it to the public typically takes at least 10 years. The Department made spending decisions based on information that was constantly changing and committed taxpayer funds to: secure access to potential vaccines; develop manufacturing processes; and to develop plans to deploy a vaccine. However, we also reported that the Department had to pay more than originally anticipated to purchase potential vaccines, and that the taxpayer may incur additional costs in future because the contracts with each contain some form of indemnity protection for the pharmaceutical companies in the event of liabilities or legal action arising from any adverse effects that might result from the vaccines.

22 Of the £1.8 billion, £643 million related to upfront payments to pharmaceutical companies for vaccine development, £618 million related to vaccines transferred to the Department of Health & Social Care (DHSC) and £577 million for vaccine doses procured and prepaid but not yet delivered to DHSC. In September 2021 the government announced that it would terminate its agreement with a pharmaceutical company to supply 100 million COVID-19 vaccine doses. It cited a breach of obligations by the company and that the vaccine would not have met UK regularity requirements. In 2020-21, the Department had spent £243 million on this vaccine and considers this to be 'fruitless' expenditure.

23 Regularity, propriety, feasibility and value for money are parliamentary expectations of the stewardship of public money, defined in HM Treasury, *Managing Public Money*, May 2021. Regularity is the concept of compliance with the relevant legislation and wider legal principles such as subsidy control and procurement law, delegated authorities and following the guidance in *Managing Public Money*. Propriety is the concept of meeting high standards of public conduct, including robust governance and the relevant parliamentary expectations, especially transparency. Feasibility is the principle that proposals with public expenditure implications should be implemented accurately, sustainable and to the intended timetable. Value for money is the process under which an organisation's procurement, projects and processes are systematically evaluated and assessed to provide confidence about suitability, effectiveness, prudence, quality, value and avoidance of error and other waste, judged for the Exchequer as a whole.

24 Comptroller and Auditor General, *Investigation into preparations for potential COVID-19 vaccines*, Session 2019–2021, HC 1071, National Audit Office, December 2020.

In February 2021 we published *The rollout of the COVID-19 vaccination programme in England*.[25] This found that the vaccine programme has operated at unprecedented pace, scale and complexity, and in conditions of profound uncertainty, to achieve the pressing objectives of supporting the creation of vaccines, securing access to them, and administering them to the population as quickly as possible. Given the unprecedented circumstances of the pandemic and the programme's achievements up to October 2021, we assessed that it had provided value for money to date.

Support for businesses

The Department created grant schemes to support businesses impacted by the pandemic.[26] Under these schemes, the Department provided nearly £22 billion of grant funding to local authorities in England during 2020-21. Local authorities were responsible for making grants to eligible businesses, in line with Department guidance; however, responsibility for ensuring grants were used as Parliament intended rests with the Department. As at the end of March 2021, the Department estimated nearly £19 billion had been distributed by local authorities to businesses, but up to £1.6 billion of this may be fraud and error.

The British Business Bank (the Bank) ran four financial guarantee and loan schemes on behalf of the Department to support businesses impacted by the pandemic.[27] Three of these schemes provide a government guarantee should borrowers default, of 80% or 100%, on loans issued by private lenders of between £2,000 and £200 million. In 2020-21 the Department guaranteed more than £79 billion of loans under these three schemes, which has led to the Department recognising liabilities of nearly £20 billion and expenditure of more than £21 billion. The fourth scheme was intended to help businesses that were unable to access other business support, by providing convertible loans of between £125,000 and £5 million, matched by private investment, and subsequently converted to equity.[28] As at the end of March 2021, just over £1 billion in loan funding had been provided under the scheme.

25 Comptroller and Auditor General, *The rollout of the COVID-19 vaccination programme in England*, Session 2021-22, HC 1106, National Audit Office, February 2022.

26 These schemes included: Small Business Grants Fund; Retail, Hospitality and Leisure Grant Fund; Local Authority Discretionary Grant Fund; Local Restriction Support Grants; Additional Restrictions Grant; Christmas Support Package; and the Closed Business Lockdown Payment.

27 These schemes include: Coronavirus Business Interruption Loan Scheme (CBILS), Coronavirus Large Business Interruption Loan Scheme (CLBILS), Bounce Back Loan Scheme (BBLS) and Future Fund (FF).

28 Businesses may not be eligible for the other financial guarantee and loan schemes if, for example, they do not yet sell a product or make profit, and instead rely on equity investment.

We have reported three times on matters that relate to these schemes:

- In July 2021 we published *Investigation into the British Business Bank's accreditation of Greensill Capital*, following the collapse of that financial services group, which was a lender under the Coronavirus Business Interruption Loan Scheme (CBILS) and the Coronavirus Large Business Interruption Loan Scheme (CLBILS).[29] We concluded that the Bank followed a streamlined version of its established process for accrediting lenders for CLBILS when assessing Greensill's application and that accreditation process was streamlined in response to the policy need to deliver money to businesses at pace during the pandemic. Applying a less streamlined and more sceptical accreditation process might have led the Bank to further question several of Greensill's statements.
- In October 2020 we published *Investigation into the Bounce Back Loan Scheme*.[30] Although we acknowledged in our report that the Department moved very quickly to set up the scheme, it prioritised one aspect of value for money – payment speed – over almost all others. Lenders were expected to approve and make loan payments in as little as 24 hours, facilitated by, in part, removing credit and affordability checks required under the Consumer Credit Act.[31] This meant the Department was prepared to tolerate a very high level of losses.
- In December 2021 we published *The Bounce Back Loan Scheme: an update*.[32] We reported that 1.5 million Bounce Back Loans worth £47 billion had been made. By the end of March 2021, the Department estimated that 37% of Bounce Back Loans worth £17 billion will not be repaid, and 11% worth £4.9 billion were potentially fraudulent. As the scheme progressed, additional counter-fraud measures were introduced, but most came too late to prevent fraud and were focused instead on detection.[33] We concluded that government prioritised getting Bounce Back Loans to small businesses quickly, but counter-fraud activity was implemented too slowly to be effective and government's activity to limit taxpayers' exposure to fraudulent loans was inadequate. The Department's response, in collaboration with other organisations including law enforcement, had resulted in 65 arrests and recovery of £3.5 million. It plans to continue its response for "several years".

29 Comptroller and Auditor General, *Investigation into the British Business Bank's accreditation of Greensill Capital*, Session 2021-22, HC 301, National Audit Office, July 2021.

30 Comptroller and Auditor General, *Investigation into the Bounce Back Loan Scheme*, Session 2019–2021, HC 860, National Audit Office, October 2020.

31 If a potential fraud risk was identified with an application, the loan should be approved within 48 hours to allow for additional manual checks to be carried out.

32 Comptroller and Auditor General, *The Bounce Back Loan Scheme: an update*, Session 2021-22, HC 861, National Audit Office, December 2021.

33 Thirteen additional counter-fraud measures were introduced to complement those measures already in place which included know-your-customer, anti-fraud and anti-money-laundering checks.

Net zero

In June 2019, government passed legislation committing it to achieving 'net zero' greenhouse gas emissions by 2050.[34] This means reducing emissions substantially from current levels, with the greenhouse gases the UK still emits in 2050 being equal to or less than what is removed from the atmosphere by either the natural environment or carbon capture technologies. Achieving net zero will require wide-ranging changes to the UK economy, including further investment in renewable electricity generation, as well as changing the way people travel, how land is used and how buildings are heated. The Department has overall responsibility in government for achieving net zero. It also has policy responsibility for some of the highest-emitting sectors of the economy, such as the power and industrial sectors.

Expenditure during 2020-21

Government announced the Green Homes Grant Voucher Scheme in July 2020. This scheme offered homeowners the opportunity to apply for up to £5,000 funding (£10,000 for low-income households) to install energy efficiency improvements and low-carbon heat measures in their homes. The Department initially expected the scheme to run between September 2020 and March 2021, support up to 82,500 jobs over six months and enable up to 600,000 households to save up to £600 on their energy bills. The Department spent £73 million on the scheme during 2020-21.[35]

In September 2021, our report *Green Homes Grant Voucher Scheme* found that the Department worked at an ambitious pace to deliver a scheme which would contribute to the long-term aim of achieving net zero while delivering a short-term economic boost. However, the tension between these two key aims and the short delivery time was never properly reconciled leading to an overly complex scheme that could not be delivered to a satisfactory level of performance in the time available. In November 2020, the Department announced that the scheme would be extended beyond March 2021. However, in March 2021 it announced that it would close the scheme to new applicants, as originally planned, at the end of March 2021. Should all current applications at the time of our report have been processed, the scheme will have upgraded an expected 47,500 homes, at a cost to the taxpayer of about £314 million. The total cost includes more than £50 million for programme management and administrative expenses.[36]

Government is investing £1 billion during 2020-21 and 2021-22 in its Public Sector Decarbonisation Scheme. This scheme provides grants for public sector bodies to fund heat decarbonisation and energy efficiency measures. In 2020-21, the Department spent £608 million on this scheme.

34 The Climate Change Act 2008 (2050 Target Amendment) Order 2019.
35 The £73 million includes £37.1 million for administrative and programme costs and £35.9 million capital spend (on vouchers).
36 Comptroller and Auditor General, *Green Homes Grant Voucher Scheme*, Session 2021-22, HC 302, National Audit Office, September 2021.

The Renewable Heat Incentive (RHI) is a scheme to encourage a switch from fossil fuel heating systems to renewable and low-carbon alternatives in homes and business premises in Great Britain. The RHI pays people and businesses money in the form of a tariff for each unit of heat produced from renewable sources, with participants receiving payments over seven years (domestic) or 20 years (non-domestic). The scheme closed to new non-domestic participants in March 2021 but remains open to new domestic participants until March 2022. In 2020-21, the Department paid a total of £848 million to participants in the scheme. The Department will continue making payments through the RHI scheme until 2041. The Department has estimated total lifetime costs for the existing scheme of £23 billion, of which £18 billion could be spent between 2021-22 and 2041-42.[37]

Future spending

During 2020-21, and in the period since, the Department published several net zero strategy documents that commit it to significant future expenditure to achieve net zero:

- In October 2021, the Department published its *Net Zero Strategy*.[38] This is government's most comprehensive articulation to date of its long-term plan for transitioning to a net zero economy. It sets out illustrative scenarios of net zero power use and technology in 2050 and models an indicative trajectory to meet emissions targets up to the Sixth Carbon Budget, which sets an interim emissions target for the period 2033 to 2037. The strategy states that government has committed £26 billion capital investment to achieving net zero in documents published since 2020.
- The Department has published a range of sector-specific strategies, including its *Heat and Buildings Strategy* (October 2021), which sets out government's plan to reduce carbon emissions from the 30 million homes and workplaces in the UK;[39] the *Energy White Paper: Powering our Net Zero Future* (December 2020), which sets out government's vision to transition to clean energy by 2050 to help achieve net zero;[40] and the *Industrial Decarbonisation Strategy* (March 2021) which sets out government's vision for industry decarbonising while remaining competitive and without pushing emissions abroad (so-called 'carbon leakage').[41]

37 Comptroller and Auditor General, *Low-carbon heating of homes and businesses and the Renewable Heat Incentive*, Session 2017–2019, HC 779, National Audit Office, February 2018.
38 HM Government, *Net Zero Strategy: Build Back Greener*, October 2021.
39 HM Government, *Heat and Buildings Strategy*, CP 388, October 2021.
40 HM Government, *The Energy White Paper: Powering our Net Zero Future*, CP 337, December 2020.
41 HM Government, *Industrial Decarbonisation Strategy*, CP 399, March 2021.

The Autumn Budget and Spending Review 2021 settlement provided £15 billion for the Department over the spending review period as part of the Net Zero Strategy.[42] This included £1 billion on carbon capture usage and storage; up to £1.7 billion to enable a large-scale nuclear project to take a final investment decision;[43] and nearly £4 billion for energy efficiency improvements.

In December 2021, the Department started its fourth allocation round for Contracts for Difference (CfDs).[44] CfDs are the government's main mechanism for supporting low-carbon electricity generation, where renewable generators receive fixed revenues for electricity generated over a set timeframe of typically 15 years.[45] The costs or savings of CfDs are passed onto consumers' energy bills. In comparison to the third round (which ran from May to September 2019), the capacity of renewable energy that government supports could be doubled in the fourth round from 5.8 gigawatts (GW) to up to 12GW. There will be three categories, referred to as 'pots' in round four: established technologies (including onshore wind and solar); less-established technologies (including geothermal, tidal stream and wave); and offshore wind projects.

Innovation

Unleashing innovation was one of the Department's priorities in 2020-21. The Department aims to make the UK a "science superpower" by reducing bureaucracy and attracting international talent; investing in research and development including in artificial intelligence and life sciences; and fostering a competitive market to support innovators and market entrants.

42 HM Treasury, Autumn Budget and Spending Review 2021, *A stronger economy for the British people*, HC 822, October 2021.

43 The Autumn Budget and Spending Review 2021 noted that the government was in negotiations with EDF, a company which constructs and operates nuclear power stations in the UK.

44 CfDs incentivise investment in renewable energy by providing developers of projects with high upfront costs and long lifetimes with direct protection from volatile wholesale prices, and they protect consumers from paying increased support costs when electricity prices are high.

45 Allocation rounds are competitive auctions that have run every two years. Through the auction process the lowest-price bids are successful, which is intended to drive efficiency and cost reduction.

OneWeb

In June 2020 the Department purchased a stake in OneWeb, a satellite technology company operating in the UK and the United States of America, for $500 million (£374 million). The Department's accounting officer sought a ministerial direction for this purchase, as while she believed risks to regularity, propriety and feasibility could be managed, this was not the case in relation to risks to value for money.[46] A ministerial direction to proceed was issued in June 2020. The Department's stake in the company of nearly 41% was worth £348 million at the end of March 2021. The UK Space Agency received £442,000 of income from OneWeb in 2020-21, relating to satellite licence applications. Since then, OneWeb has secured additional private investment, and the government's stake had reduced to 20.5% as at September 2021.

Horizon Europe

In December 2020, as part of the UK-EU Trade and Cooperation Agreement (TCA), the Department negotiated association membership status to Horizon Europe, the world's largest collaborative research and development programme with a budget of approximately €95 billion between 2021 and 2027.[47] As part of the same agreement, the UK also gained access to other EU programmes including Euratom Research and Training.

Future spending

In July 2021, the Department published its *Innovation Strategy*, which sets out its ambitions for the UK to be an innovation-led economy and to make the UK a global hub for innovation by 2035.[48] This reiterated government's target of increasing public and private sector research and development expenditure to 2.4% of gross domestic product.[49]

46 Ministerial directions are formal instructions from ministers telling their department to proceed with a spending proposal, despite an objection from their permanent secretary. Permanent secretaries, who are directly accountable to Parliament for how the department spends its money, have a duty to seek a ministerial direction if they think a spending proposal breaches any of the following criteria: regularity (if the proposal is beyond the department's legal powers, or agreed spending budgets); propriety (if it does not meet "high standards of public conduct", such as appropriate governance or parliamentary expectations); value for money (if something else, or doing nothing, would be cheaper and better); and feasibility (if there is doubt about the proposal being "implemented accurately, sustainably or to the intended timetable").

47 Official Journal of the European Union, *Trade and Cooperation agreement between the European Union and the European Atomic Energy Community, of the one part, and the United Kingdom of Great Britain and Northern Ireland, of the other part*, April 2021.

48 Department for Business, Energy & Industrial Strategy, *UK Innovation Strategy: Leading the future by creating it*, July 2021.

49 The 2.4% target was first announced in 2017, with the objective of achieving this by 2027; HM Government, *Industrial Strategy: Building a Britain fit for the future*, Cm 9528, November 2017.

In the October 2021 Autumn Budget and Spending Review, government committed to increasing the Department's funding for research and development to £14.2 billion a year by 2024-25. This is intended to help government achieve the objectives of its *Innovation Strategy*, and promote innovation and private investment, international collaborations, vaccine development, aerospace and space technologies, and levelling up.

In March 2021, the Department introduced the Advanced Research and Invention Agency Bill to create a new organisation intended to fund high-risk, high-reward research. In May 2021 the Department announced that government was committed to investing £800 million in the Agency over its first four years. The Advanced Research and Invention Agency Act was given Royal Assent in February 2022, and the Agency will be led by scientists who will have freedoms to identify and fund science and technology.

The Department's major projects

As at 31 March 2021 the Department had the fourth largest set of projects, by number and value, on the Government Major Projects Portfolio (GMPP).[50] It had 15 projects with an estimated whole-life cost of approximately £50.9 billion.

The Infrastructure and Projects Authority (IPA) supports and assesses the most complex and high-risk government projects. It also oversees the GMPP. Through its assurance work on government projects, up to March 2021 it provided a 'delivery confidence assessment' rating that measures likelihood of delivering objectives to time and cost. As at the end of March 2021, of the Department's 15 major projects (**Figure 6** on pages 29 and 30), the IPA rated:[51]

- four projects as 'green' or 'amber/green' in delivery confidence, which the IPA defined as, respectively, 'successful delivery of the project on time, budget and quality appears highly likely' and 'successful delivery appears probable';
- eight projects as 'amber', defined as 'successful delivery appears feasible but significant issues already exist, requiring management attention'; and
- three projects as 'amber/red' or 'red', defined as, respectively, 'successful delivery of the project is in doubt, with major risks or issues apparent in a number of key areas' and 'successful delivery of the project appears to be unachievable'.

50 Infrastructure and Projects Authority, *Annual Report on Major Projects 2020-21*, July 2021. The GMPP aims to improve the delivery of the government's biggest and riskiest projects by increasing transparency and providing independent assurance.

51 The IPA provides assessments of a project's likelihood of delivering to time, budget and quality. The definitions in the bullets have been paraphrased. IPA's assessments and full delivery confidence assessment definitions can be found as part of the GMPP here: www.gov.uk/government/collections/major-projects-data

Figure 6

The Department for Business, Energy & Industrial Strategy's (the Department's) projects on the Government Major Projects Portfolio (GMPP), as at the end of March 2021

The Department had 15 projects on the GMPP with an estimated whole-life cost of approximately £50.9 billion

Project name	Project description	Delivery risk rating	End date	Cost (£m)
Smart Metering Implementation Programme	Replace traditional gas and electricity meters with smart meter equivalents.	A	June 2025	20,137
Geological Disposal Facility Programme	Construction of a permanent facility as a solution to long-term management of higher-activity radioactive waste in the UK (excluding Scotland).	G	December 2040	12,743
Vaccines Taskforce	Secure vaccine access for the UK, make provision for international distribution of vaccines and establish long-term vaccine strategy to prepare for future pandemics.	AG	December 2022	6,238
Social Housing Decarbonisation Fund	Decarbonise social housing over the 2020s in pursuit of carbon and fuel poverty targets.	A	March 2030	4,627
New Polar Research Vessel	Construction of Royal Research Ship Sir David Attenborough to replace two existing polar research/ supply vessels with one dual purpose ship.	AG	December 2022	1,420
Met Office Supercomputing 2020+ Programme	Procure a new supercomputer with more computing power than the existing supercomputer.	AG	August 2032	1,242
Public Sector Decarbonisation Scheme	Grants to public sector bodies to fund heat decarbonisation and energy efficiency measures.	A	March 2022	1,116
Sellafield Product and Residue Store Retreatment Plant	A facility to process special nuclear material, such as plutonium, into a form suitable for safe and secure storage until 2120.	AR	November 2026	764
Replacement Analytical Project	Replace existing analytical facilities at Sellafield.	A	July 2028	644
SIXEP Continuity Plant	Replace existing effluent treatment plant at Sellafield, including providing interim waste storage capability.	AR	December 2027	590
Green Homes Grant: Local Authority Delivery	Grants from government to local authorities in England to support energy improvements to the worst-quality homes by installing energy efficiency measures and low-carbon heating.	A	March 2022	505
Green Homes Vouchers Programme[4]	Financial support to the energy performance and low-carbon heat industries. Homeowners could apply for grants to install energy efficiency measures in their homes.	R	May 2021	469

Figure 6 *continued*

The Department for Business, Energy & Industrial Strategy's (the Department's) projects on the Government Major Projects Portfolio (GMPP), as at the end of March 2021

Project name	Project description	Delivery risk rating	End date	Cost (£m)
Heat Networks Investment Project	Create the conditions for a sustainable heat network market by investing in heat network capacity and capability.	A	March 2022	376
Space Based PNT Programme	Improve the resilience of UK critical national infrastructure by ensuring positioning, navigation and timing (PNT) signals from space.	A	June 2030	27
Home Upgrade Grant[5]	Install energy efficiency measures and implementing low-carbon heating in low-income, off-gas grid homes in England.	A	March 2023	No information
				Total **£50,898**

Notes

1 'Delivery risk rating' reflected the Infrastructure and Projects Authority (IPA) delivery confidence assessment rating at a fixed point in time (in this case, March 2021) using a five-point scale of red (R), amber/red (AR), amber (A), and amber/green (AG) and green (G):

- Green and amber/green were defined as, respectively, 'successful delivery of the project on time, budget and quality appears highly likely', and 'successful delivery appears probable'.
- Amber was defined as 'successful delivery appears feasible but significant issues already exist, requiring management attention'.
- Amber/red and red were defined as, respectively, 'successful delivery of the project is in doubt, with major risks or issues apparent in a number of key areas' and 'successful delivery of the project appears to be unachievable'.

The definitions in the bullets have been paraphrased. IPA's assessments and full delivery confidence assessment definitions can be found as part of the GMPP here: www.gov.uk/government/collections/major-projects-data

2 Note these risk ratings were as at 31 March 2021 and from 1 April 2021 the IPA changed how it assesses and rates projects.

3 'End date' reflected the IPA project end date (latest approved end date).

4 The Green Homes Vouchers Programme (also referred to elsewhere in this report as the Green Homes Grant Voucher Scheme) was rated 'red' as the scheme was closed to new applicants on 31 March 2021, which meant the Department could no longer achieve its objectives.

5 The Home Upgrade Grant project was still in its planning stage therefore no information was available for the lifetime cost of the scheme at the time the data were published.

Source: National Audit Office analysis of the Infrastructure and Projects Authority's and the Department for Business, Energy & Industrial Strategy's Government Major Projects Portfolio data, 2021

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