National Audit Office

OVERVIEW

Department for Business and Trade

Departmental Overview 2022-23

We are the UK's independent public spending watchdog

March 2024

About this overview

This guide has been produced to support the Business and Trade Committee in its examination of the Department for Business and Trade's (DBT) remit, plans and budget. It summarises the key information and insights that can be gained from our examinations of the predecessor departments (the Department for Business, Energy and Industrial Strategy and the Department for International Trade) and the budget awarded to DBT in the Spring Budget 2023.

The guide includes:

- How DBT is structured
- Recent NAO work relating to DBT and its responsibilities
- Budget and future spending commitments
- Financial challenges and risks
- Major projects and programmes
- DBT work on economic growth and trade
- Key ambitions and commitments
- DBT partner organisations

How we have prepared this guide

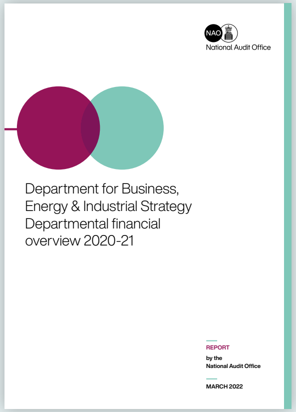
The information in this guide draws on the findings and recommendations from our financial audit and value for money programme of work, and from publicly available sources.

We have cited these sources throughout the guide to enable readers to seek further information if required. Where analysis has been taken directly from our value for money or other reports, details of our audit approach can be found in the Appendix of each report, including the evaluative criteria and the evidence base used.

Other analysis in the guide has been directly drawn from publicly available data and includes the relevant source as well as any appropriate notes to help the reader understand our analysis.

Other relevant publications

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



This is the first guide to DBT we have published. We published *Department for Business, Energy and Industrial Strategy Departmental financial overview 2020-21*, which covered one of DBT's predecessor departments, in March 2022.

Also of interest: *Department for International Trade and UK Export Finance: Departmental Overview 2019*

More information about central government accounting and reporting

You may also be interested in our interactive guide to *Good practice in annual reporting* (February 2024) 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.

Departmental Overview 2022-23

Contents

About the National Audit Office

The National Audit Office (NAO) is the UK's independent public spending watchdog. We scrutinise public spending for Parliament and are independent of government and the civil service. We help Parliament hold government to account and we use our insights to help people who manage and govern public bodies improve public services.

The Comptroller and Auditor General (C&AG), Gareth Davies, is an Officer of the House of Commons and leads the NAO. We audit the financial accounts of departments and other public bodies. We also examine and report on the value for money of how public money has been spent.

In 2022, the NAO's work led to a positive financial impact through reduced costs, improved service delivery, or other benefits to citizens, of £572 million.

If you would like to know more about the NAO's work on DBT, or are interested in the NAO's work and support for Parliament more widely, please contact:

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Part One • Overview

About the Department for Business and Trade

The Prime Minister announced changes to the roles and responsibilities of central government departments in February 2023. This reorganisation is called a machinery of government change.

As part of these changes, the government created a single department for economic growth, the Department for Business and Trade (DBT). DBT brings together the relevant parts of the former Department for Business, Energy and Industrial Strategy and the former Department for International Trade.

DBT's aim is to support businesses to invest, grow and export, creating jobs and opportunities across the country. It seeks to:

- redraw rules to ensure businesses thrive, markets are competitive and consumers are protected;
- secure investment from UK and international businesses;
- advise, support and promote British businesses to grow and export;
- open up new markets for businesses by removing barriers and striking trade deals; and
- promote free trade, economic security and resilient supply chains.

DBT needs to work with other bodies across government to meet its objectives, including the Department for Energy Security and Net Zero, the Department for Levelling Up, Housing and Communities and the Department for Science, Innovation and Technology.

The government's policy paper *Making Government Deliver for the British People*, which announced the machinery of government change, set out DBT's six initial priorities:

1. Deliver growth opportunities across the economy; backing business by improving access to finance and delivering a pro-enterprise regulatory system.
2. Promote British businesses on the global stage and attract high-value investment, boosting export volumes and market access, including through high-quality Free Trade Agreements with India and other priority partners.
3. Promote competitive markets and address market-distorting practices to support economic growth, whilst protecting consumers.
4. Champion free trade internationally, protect businesses from unfair competition, promote economic security and supply chain resilience.
5. Support business growth and innovation by making the most of Brexit freedoms – repealing unnecessary EU law and removing regulatory burdens.
6. Deliver legislation on setting minimum service levels for priority public service sectors and review, reform, retain and/or repeal retained EU law by December 2023.

Part One • Overview

How DBT is structured

The Department for Business and Trade (DBT) works with 19 agencies and public bodies to deliver its objectives. One arm's-length body (the Trade Remedies Authority) was previously sponsored by the former Department for International Trade, and the other 18 were previously sponsored by the former Department for Business, Energy and Industrial Strategy. The organisations vary in size, from an organisational expenditure of £0.09 million to £1,242 million. Slide 19 to 25 provide more detail about each organisation, including responsibilities and headcount where available.

The Department for Business and Trade's partner organisations and their organisational expenditures

Non-ministerial department
Competition and Markets Authority (£106 million)

Executive agency
Companies House (£106 million)
The Insolvency Service (£410 million)

Non-departmental public body	
British Hallmarking Council (£0.09 million)	Trade Remedies Authority (£16.6 million)
Advisory, Conciliation and Arbitration Service (£62 million)	Competition Service (£5.65 million)
Regulatory Policy Committee (£1.2 million)	Financial Reporting Council (£51 million)
Low Pay Commission (£0.83 million)	Small Business Commissioner (£0.86 million)

Tribunal
Central Arbitration Committee (£0.67 million)
Competition Appeal Tribunal

Public corporation
Post Office (£1,242 million)

Other
British Business Bank (£128 million)
Certification Officer (£0.66 million)
Groceries Code Adjudicator (£0.89 million)
Office of the Regulator of Community Interest Companies (£0.29 million)
Pubs Code Adjudicator (£2.06 million)

Note

1 Figures are published organisational expenditure for 2022-23. Where 2022-23 figures were not available, we have used the latest published data.

DBT's accountability responsibilities vary for each type of organisation. For example, DBT establishes policy for executive agencies, while non-ministerial departments establish their own policy, and DBT sets their strategic frameworks. DBT also works closely with UK Export Finance, the UK's export credit agency, which is a ministerial department.

Accountability arrangements vary between different types of public bodies

Administrative status	Explanation	Distinct legal identity	Accountable to Parliament via minister	Directly accountable to Parliament	Board appointed by the government
Executive agency	Acts as a branch of its home department.	✗	✓	✗	✓
Non-ministerial department	Has characteristics like a department, without a minister, and operates independently from any sponsoring department.	✓	✓	✓	✓
Non-departmental public body	Operates separately from its sponsoring department.	✓	✓	✓	For advisory bodies, the whole board is appointed by the government. For executive bodies, only the Chair and non-executive board members are appointed by the government.
Public corporation	A public entity at least 50% funded through commercial activities.	Separate legal entity only if incorporated.	✓	✓	✓
Tribunal	Tribunals are specialist judicial bodies that decide disputes in a particular area of law.	✓	✓	✓	✗

Note

1 Advisory non-departmental public bodies have responsibilities to advise ministers. The Low Pay Commission and Regulatory Policy Committee are advisory non-departmental public bodies.

Source: National Audit Office analysis

Part One • Overview

DBT's internal structure

Business

Is responsible for work with business sectors across the economy, supporting them to invest, grow and export. It establishes priorities to grow the economy and agrees sector action plans setting out how it will implement these priorities across DBT and wider government.

Competition, Markets and Regulatory Reform

Is responsible for enabling enterprise to flourish through policy, delivery and regulation that is pro-growth.

Corporate Services

Provides organisational support services including: Business Services and Security; Commercial, Communications and Marketing; Data and Technology; Digital; Finance; Grant Delivery; Human Resources; and Project Delivery and Change.

Domestic and International Markets and Export

Supports UK small and medium sized enterprises (SMEs) to improve productivity, and all UK businesses to take advantage of trade opportunities. This includes export strategy and delivery, sector-specific support for exporters and investors and support to exporters through teams in over 100 countries.

Economic Security and Trade Relations

Leads on DBT's aim to create a fair rules-based trading environment through: providing the UK's voice in the World Trade Organisation, G7 and G20; managing the UK's trade disputes and remedies interests; implementing trade agreements; leading the government's effort to remove trade barriers; strengthening critical supply chains; addressing economic security threats; and regulating military and other sensitive exports.

Strategy and Investment

Works across government with the aim of marketing the UK as an investment destination, utilising its business network to improve the UK investment environment and attracting investment, in collaboration with the Office for Investment (a joint DBT and Number 10 unit). It also provides support for ministers in setting and delivering DBT's strategy, alongside analysis, trade advocacy, international engagement and priority event delivery.

Trade Policy Implementation and Negotiations

Delivers a programme of work that aims to secure greater market access for exporters, bringing greater opportunities and supporting economic growth across the UK. It aims to negotiate and implement trade agreements and develop related domestic regulatory policy. It aims to balance the UK's regulatory sovereignty and trade liberalisation, to ensure coherence between the UK's domestic policy approach and its international economic priorities.

Source: National Audit Office analysis of the Department for Business and Trade's 'About us' webpages and documentation

Part One • Overview

Recent National Audit Office work relating to DBT and its responsibilities

Reports on business support

COVID-19 business grant schemes: In response to COVID-19, the former Department for Business, Energy and Industrial Strategy (BEIS) provided local authorities with grant funding across several schemes to allocate to local businesses during national lockdown periods and periods of local restrictions. This 2023 report examined how effectively the government set up and delivered the grant schemes. For more information on the report see Slide 9.

Our 2021 *Investigation into the British Business Bank's accreditation of Greensill Capital* followed our 2020 report on the *British Business Bank,* which examined whether the Bank was improving access to finance for small and medium sized enterprises (SMEs) and was well prepared to respond to future challenges. More information on the British Business Bank can be found on Slide 26.

The Bounce Back Loan Scheme: an update report in 2021 followed our 2020 *Investigation into the Bounce Back Loan Scheme,* which described the purpose and function of the Scheme, its performance to date, and how the government managed value for money risks on its largest and most risky business loan support scheme. For more information on the report see Slide 10.

Business support schemes: Our 2020 report included a description of the overall landscape of the government's support to business and how the former BEIS supported businesses, as well as an assessment of a sample of schemes and an assessment of how the former BEIS managed its business support portfolio. For more information on the report see Slide 14.

Reports on international trade

Supporting investment into the UK: Our 2023 report examined whether the former Department for International Trade (DIT) was well positioned to secure an impact from its support for inward investment. For more information on the report see Slide 15.

Progress with trade negotiations: This report examined the government's progress with its programme of trade negotiations and what it had achieved by December 2021. For more information on the report see Slide 17.

Trade Remedies Investigations Directorate: This 2021 briefing provided details of the former DIT's progress in establishing a trade remedies function. Trade remedies are measures put in place to help protect UK businesses from unfair imports.

Support for exports: Our 2020 report examined the former DIT and UK Export Finance's (UKEF) progress and performance against their overall export support objectives. For more information on the report see Slide 15. More information on UKEF can be found on Slide 28.

Reports on cross-cutting topics

Regulating after EU Exit: Our 2022 report considered three regulators whose work has been significantly affected by EU Exit, including the Competition and Markets Authority (CMA). More information on the CMA can be found on Slide 27.

Monitoring and responding to companies in distress: Lessons learned included a good practice guide designed to support officials in government departments and other bodies who may be engaged in monitoring the risks of company distress and responding where necessary. It was published alongside a lessons learned report in October 2023. For more information on the report see Slide 14.

Part Two • Spending and financial management

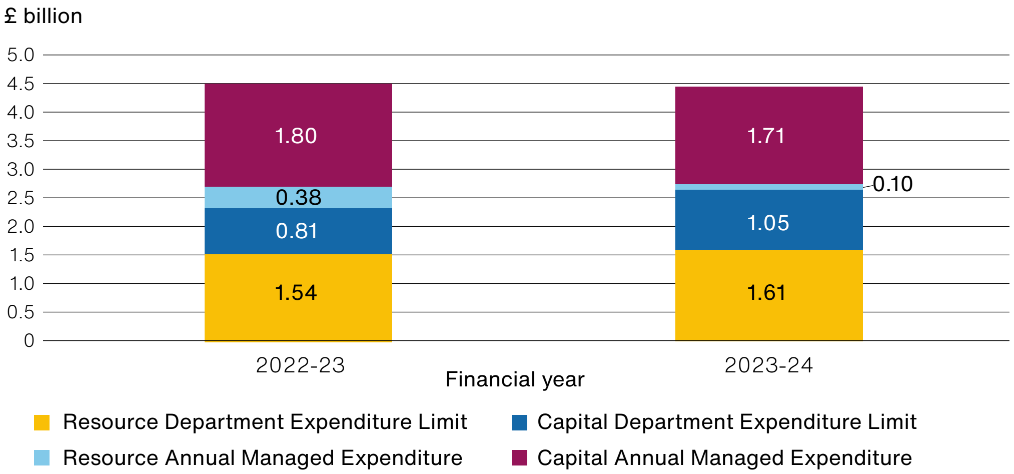
DBT's budget and future spending commitments

The Department for Business and Trade's (DBT) total budget is made up of a Department Expenditure Limit (DEL) and Annual Managed Expenditure (AME), which are both subject to spending limits set by the government in Spending Reviews. DEL and AME are further split into capital and resource funding:

- Resource DEL is spending on day-to-day resources and administration costs.
- Capital DEL is spending on investments.
- Resource AME is expenditure that is inherently volatile or demand-led, meaning the department does not always have the ability to manage spending.
- Capital AME covers similar principles, but relates to investments that will deliver returns or cash benefits in the future.

DBT's budget for 2023-24 is £4.91 billion. It sought parliamentary approval for £4.46 billion expenditure in May 2023. The remaining £0.45 billion did not require parliamentary approval.

Department for Business and Trade's voted budget 2022-23 and 2023-24



Notes

1 Figures are in cash terms.

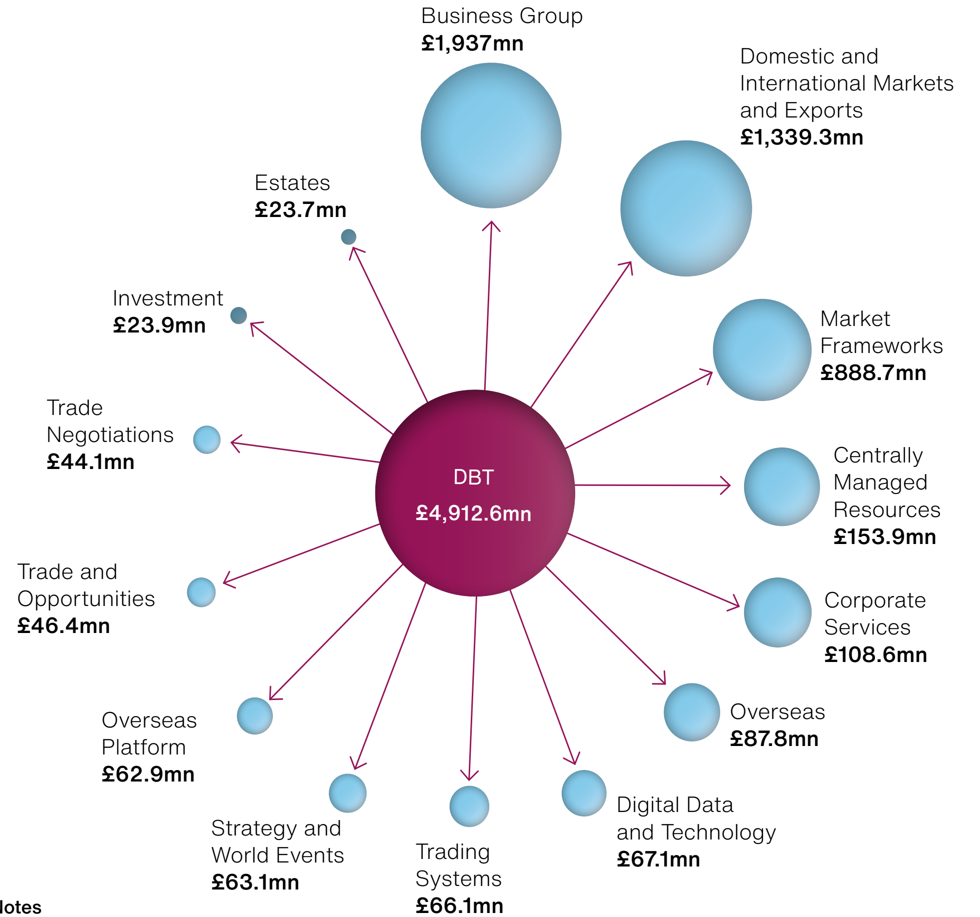
2 Figures for 2022-23 provision have been adjusted for transfer, classification and machinery of government changes to reflect the 2023-24 Estimate structure.

3 A voted budget is the funding subject to parliamentary approval.

Source: National Audit Office analysis of HM Treasury, *Central Government Supply Estimates 2023-24: Main Supply Estimates*, HC 1383, May 2023

The Secretary of State for Business and Trade wrote to the Business and Trade Committee in June 2023, setting out DBT's main areas of spending in 2023-24. DBT is yet to finalise the resources and funding available to its partner organisations.

Department for Business and Trade areas of spending 2023-24



Notes

1 Figures are in cash terms.

2 The total spend analysed includes non-voted annual managed expenditure (AME) spending, which is not subject to parliamentary approval.

3 Definitions for each area of spend are listed in the source document.

Source: National Audit Office analysis of Letter from the Secretary of State for Business and Trade to the Chair of Business and Trade Committee, *Main Estimate 2023-24: Explanatory Memorandum*, 12 June 2023

Part Two • Spending and financial management

Financial challenges and risks

In the following three slides, we outline three key financial challenges and risks for the Department for Business and Trade (DBT):

- COVID-19 business support grant schemes;
- COVID-19 loan guarantee schemes; and
- Post Office Horizon IT compensation.

COVID-19 business support grant schemes

In response to COVID-19, the former Department for Business, Energy and Industrial Strategy (BEIS) provided local authorities with grant funding, through eight schemes to allocate to local businesses during national lockdown periods and periods of local restrictions. The figure on the right shows the profile of spending between March 2020 and March 2023, in which period local authorities distributed COVID-19 grants totalling £22.8 billion.

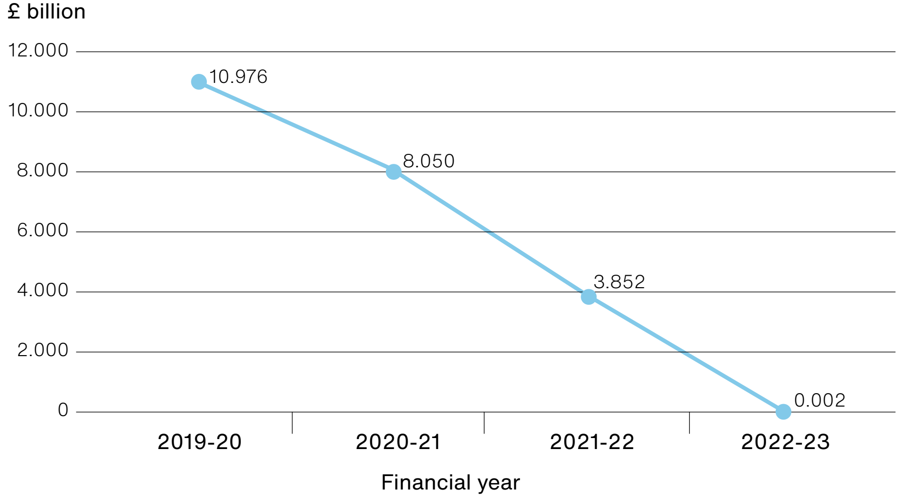
Risk: fraud and error

An estimated £1.1 billion was lost as a result of error and fraud in these schemes in 2020-21 and 2021-22 (just under 5% of the value of grants paid to businesses). We reported that the former BEIS, working through local authorities, had recovered £11.4 million (around 1%) of these losses by mid-February 2023. DBT provided an updated figure of £33 million to the Committee of Public Accounts in January 2024.

To inform effective decision making, DBT needs an assessment of the extent to which losses are recoverable, and an assessment of the investment required to recover them. Without such assessments, an overall judgement about the value for money of the schemes remains open.

Our 2023 *COVID-19 business grant schemes* report found that the government achieved its primary objective, to deliver financial support to businesses quickly. However, the government did not know the impact of these grants on maintaining jobs, or how much support might have been given to businesses that did not need it.

Former Department for Business, Energy and Industrial Strategy COVID-19 business support grant schemes: net expenditure 2019-20 to 2022-23



Note

1 No new funding was provided under these schemes in the 2022-23 financial year. All payments were committed by the department in previous years.

Source: National Audit Office analysis of Department for Business, Energy and Industrial Strategy, *Annual report and accounts 2022 to 2023*, HC 1796, 19 October 2023

Part Two • Spending and financial management

Financial challenges and risks *continued*

COVID-19 loan guarantee schemes

- The former Department for Business, Energy and Industrial Strategy (BEIS) invited UK commercial finance providers to participate in four schemes to facilitate access to debt finance by businesses across the UK adversely affected by the COVID-19 pandemic. Eligible businesses could apply to lenders accredited under the schemes for loans, with the department assuming all or part of the credit risk incurred. It estimated this credit risk, measured as Lifetime Expected Credit Loss, at £11.3 billion across the four schemes. In addition, the former BEIS reported it had paid £5.83 billion in claims to finance providers in 2022-23 to cover the cost of defaults by businesses.
- The COVID-19 guarantee schemes were material to the financial statements, with the Bounce Back Loan Scheme (BBLS) being the largest at £9.7 billion.

Risk: Bounce Back Loans – fraud and error

- The Comptroller and Auditor General highlighted BBLS fraud and error risk in the Key audit matters section of his report on the former BEIS' Annual Report and Accounts 2022-23. This sets out the matters of most significance in the audit. The former BEIS made a disclosure in its Annual Report and Accounts 2022-23 concerning the measurement of its liability under BBLS. The measurement of the guarantee liability is highly sensitive to assumptions regarding probability of default and loss given default, with particular sensitivity to assumptions regarding the rate of fraud and error occurrence and associated loss. The value of any future claims is dependent on wider macroeconomic conditions.
- The former BEIS' most recent estimate of the fraud incidence in the scheme was 8.9% (up from 7.5%), but it acknowledged that the actual rate is likely to be higher.

Our 2021 report *The Bounce Back Loan Scheme: an update* concluded that the government prioritised getting Bounce Back Loans to small businesses quickly but failed to put adequate fraud prevention measures in place. This followed on from our 2020 *Investigation into the Bounce Back Loan Scheme,* which described the scheme's purpose and function, performance to date and how the government managed value for money risks.

In 2022-23, the former BEIS worked with the National Investigation Service (NATIS) and the Insolvency Service (INSS) to investigate the most serious cases of fraud and undertake prosecution work. In 2022-23, INSS brought criminal prosecutions against eight directors for misconduct related to COVID-19 schemes.

BBLS recoveries, arrests, and investigations by NATIS

	2022-23	2021-22
BBLS recoveries	£3.5 million (£2.8 million returned direct to lenders and £0.7 million returned to HM Treasury)	£3.8 million (£2.6 million returned direct to lenders and £1.2 million returned to HM Treasury)
BBLS arrests	34	49
Ongoing investigations	211	43

BBLS civil enforcement outcomes by INSS

	2022-23	2021-22
Director Disqualification Orders and Undertakings: Allegation Types in Insolvent Disqualifications, Great Britain	956	818
Of which, COVID-19 financial support scheme abuse (predominantly related to BBLS)	459 (48%)	140 (17%)
Allegation Types in Bankruptcy and Debt Relief Restrictions Orders and Undertakings, Great Britain	268	349
Of which, COVID-19 financial support scheme abuse (predominantly related to BBLS)	101 (37%)	60 (17%)

Notes

1 Director disqualification is the process whereby a person is disqualified, for a specified period, from becoming a director of a company, or directly or indirectly being concerned or taking part in the promotion, formation, or management of a company without permission from the court.

2 These statistics relate to individuals that are subject to a bankruptcy or debt relief order in England and Wales, where the individual is considered to have been dishonest or blameworthy.

Source: National Audit Office analysis of Department for Business, Energy and Industrial Strategy, *Annual report and accounts 2022 to 2023*, HC 1796, 19 October 2023

Part Two • Spending and financial management

Financial challenges and risks *continued*

Post Office Horizon IT compensation

The Horizon IT compensation dispute primarily concerns the reliability of the Horizon computer system installed in post offices from 1999, issues related to postmasters' contracts and the culture of the Post Office at the time.

The civil case was settled in 2019 after litigation at the High Court, and in 2020, appeals of criminal cases in which the Post Office had acted as prosecutor began through the criminal courts. Several of these appeals were overturned by the Court of Appeal in 2021. An independent public inquiry was established in 2020, and became a statutory inquiry in June 2021, which is ongoing.

Post Office Limited has committed to make payments to individuals in three schemes, to compensate:

- those who had been wrongly convicted of fraud, theft and false accounting, later overturned by the court (compensation for Overturned Convictions);
- those who were affected by financial discrepancies related to previous versions of the Post Office's Horizon IT system (the Horizon Shortfall Scheme); and
- postmasters who were not paid during a period of suspension (Postmaster Suspension Pay).

Risk: uncertain liability

In its Annual Report 2022-23, the former Department for Business, Energy and Industrial Strategy (BEIS) reported that the Post Office will be unable to fund the full amount of compensation estimated to be payable and still continue to maintain the levels of public service provision that the Department deems necessary. As the sole shareholder in the company, the Secretary of State for Business and Trade has undertaken to provide an amount of funding to the Post Office to support compensation payments for approved claims under all three schemes. The new Department for Business and Trade (DBT) is also delivering a scheme (the Group Litigation Order scheme) to provide additional compensation for members of the group litigation *Alan Bates and Others v Post Office Limited*.

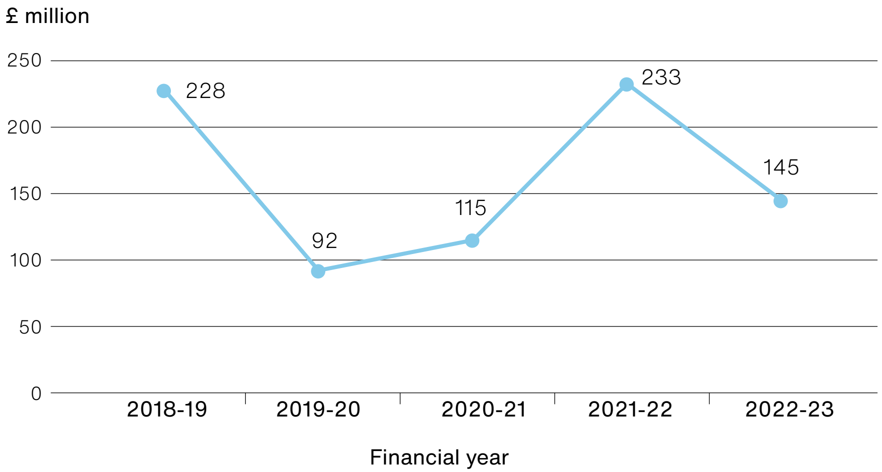
The former BEIS' liability estimate is uncertain both in relation to the total amount and the timing of payments. The total discounted liability as at 31 March 2023 is estimated at £600 million, around 12% of DBT's budget.

As of 1 March 2024, the government has paid £179 million to over 2,800 claimants across three schemes:

- Horizon Shortfall Scheme: £107 million;
- Group Litigation Order Scheme: £34 million total value of all payments including interim payments; and
- Overturned Convictions Scheme: 102 convictions have been overturned: £38 million total value of all payments including further interim payments.

DBT has not published data on claims paid under the Postmaster Suspension Pay scheme.

Former Department for Business, Energy and Industrial Strategy net expenditure on the Post Office 2018-19 to 2022-23



Note

1 Net expenditure includes the subsidy of the Post Office network, grants for capital spending, loans and payments related to the Horizon IT Compensation schemes.

Source: National Audit Office analysis of Department for Business, Energy and Industrial Strategy, *Annual report and accounts 2022 to 2023*, HC 1796, 19 October 2023

Part Three • Key areas of DBT's business

Major projects and programmes

The Infrastructure and Projects Authority's annual report 2022-23 stated that the Department for Business and Trade (DBT) leads the delivery of three major projects included in the Government Major Projects Portfolio (GMPP). These are typically those where approval is required from HM Treasury, either because the budget exceeds a department's delegated authority level and/or because the project is novel, complex, contentious or requires primary legislation. DBT-led major projects had a forecast whole-life cost of £944 million, and DBT forecast their monetised benefits (quantified benefits to society) as £781 million as at March 2023.

Project/programme	Description	Delivery confidence assessment as at March 2023	End date	Whole-life cost (£mn)
Automotive Transformation Fund	The Automotive Transformation Fund (ATF) is designed to support the creation of a zero-emission vehicle supply chain in the UK. The ATF supports late-stage research and development and capital investment across parts of the electric vehicle supply chain.	Amber	31/03/25	747
Export Support Service Programme	The Export Support Service Programme (ESSP) aims to improve services for small and medium sized enterprises, in line with DBT's export strategy, bringing these together into a single system that costs less, works more efficiently and provides an improved and integrated customer experience.	Amber	31/03/25	124
Investment Transformation Programme	The former Department for International Trade established a transformation programme to deliver its investment strategy, which aims to offer a more tailored service for different types of investors, supported by stronger enabling functions.	Amber	31/05/25	73

Notes

1 Delivery confidence assessment reflects ratings, reported in the Infrastructure and Projects Authority's (IPA's) annual report, at a fixed point in time using a three-point scale (red, amber and green): Green means 'successful delivery of the project on time, budget and quality appears highly likely'. Amber means 'successful delivery appears feasible but significant issues already exist, requiring management attention' and red means 'successful delivery of the project appears to be unachievable'.

2 'End date' is the latest approved end date.

3 The Investment Transformation Programme reported £781 million forecast monetised benefits. The Automotive Transformation Fund and Export Support Service Programme did not report forecast monetised benefits.

Sources: Infrastructure and Projects Authority, *Annual Report on Major Projects 2022-23* and *DBT Government Major Projects Portfolio data, 2023*

Part Three • Key areas of DBT's business

Support for business

The following slides provide more detail on some of the work that the Department for Business and Trade (DBT) and its predecessor departments have done in the following areas: 1) support for business; 2) inward investment; 3) exports; and 4) international trade.

1. Support for business

There are around 5.6 million businesses in the UK, covering varying sizes and sectors. The government relies on business expansion and development to achieve economic growth. DBT has a range of services aiming to support businesses to invest, grow and export. They aim to:

- help businesses sell overseas;
- get local market help to sell overseas;
- help overseas businesses locate in the UK;
- help UK businesses expand into overseas markets;
- connect overseas buyers with UK businesses; and
- support all small and medium sized enterprises (SMEs) to start up, improve productivity and grow.

DBT relies on the British Business Bank (BBB) to administer investment programmes on its behalf that support the growth of small and medium sized enterprises. More information on BBB can be found on Slide 26.

Investment Zones programme

In March 2023, the government launched the refocused Investment Zones programme in 12 areas across the UK. Each zone aims to drive growth in key future sectors and bring investment to the local area. Each zone has access to interventions worth £80 million over five years, including tax reliefs and grant funding. In the Autumn Statement 2023, the government extended the programme to 10 years, increased the total funding to £160 million per zone and announced an additional zone in Wales. The Department for Levelling Up, Housing and Communities has overall responsibility for the programme. DBT provides sectoral expertise and trade and investment support.

Sector strategies

The *Advanced manufacturing plan* published in 2023 proposes measures to build supply chain resilience and improve the UK's business environment. This includes the publication of a *UK battery strategy*, which brings together government activity to achieve a globally competitive battery supply chain by 2030. The Plan includes an additional £4.5 billion to help unlock private investment in strategic manufacturing sectors through to 2030. This includes £2 billion for automotive, £975 million for aerospace, £520 million for life sciences and £960 million for green industries (carbon capture utilisation and storage, hydrogen, offshore wind, electricity networks and nuclear energy).

In July 2023 DBT announced the UK had secured over £4 billion investment from Tata Group for a new 40GWh gigafactory, through the Automotive Transformation Fund. The gigafactory will manufacture batteries for zero-emission vehicles.

DBT operates several sector-specific strategies and programmes of work, including the Critical Minerals Strategy, Aerospace Technology Institute Programme and Shipbuilding Credit Guarantee Scheme. More information can be found on Slide 18.

Part Three • Key areas of DBT's business

Support for business *continued*

1. Support for business *continued*

Made Smarter Adoption programme

The Made Smarter Adoption programme supports manufacturing SMEs to adopt digital technologies like robotics and autonomous systems, AI, 3D printing and data systems. In the Autumn Statement 2023, the government committed to expanding the programme, up to £16 million in 2025-26.

Support schemes

Our 2020 report *Business support schemes* found that the former Department for Business, Energy and Industrial Strategy (BEIS) administered more schemes to support businesses than any other department, costing around £2.4 billion a year. We found that the landscape of business support across government had developed piecemeal and included a mix of policy interventions administered by different departments. The government recognised the need to make support better coordinated and prioritised.

Companies in distress

Our 2023 *lessons learned report* highlighted the Department for Business and Trade's (DBT) responsibilities for ensuring businesses thrive and consumers are protected.

DBT developed a *Supply chains resilience framework*, which sets out five areas for public and private sector organisations to consider when looking to mitigate risks and vulnerabilities in their supply chains.

Smarter regulation

In September 2023, DBT launched the *Smarter regulation programme,* which aims to reduce burdens on businesses and promote innovation and growth by:

- reforming existing regulations to minimise regulatory burden and ensure our regulations are contemporary and forward looking;
- making regulation a last resort, not a first choice. This includes making use of alternatives to regulation wherever beneficial; and
- ensuring a well-functioning regulatory landscape.

Examples of support services

- Events
- Training
- Advice – including an overseas network of staff in over 100 countries
- Guidance
- Funding and finance
- Market-specific information

Part Three • Key areas of DBT's business

Inward investment and exports

2. Inward investment

The Department for Business and Trade (DBT) has responsibility for inward investment, which was transferred from the former Department for International Trade (DIT) in February 2023. Inward investment involves an overseas entity either investing in or purchasing assets in the UK, thereby introducing foreign money into the UK economy. Inward investment can bring economic benefits by creating new jobs, developing new infrastructure, and boosting productivity through new technologies and skills.

In its Annual Reports and Accounts 2022-23, the former DIT reported it had spent £90 million supporting inward investment.

In our 2023 report, *Supporting investment into the UK*, we concluded that the former DIT was increasing the value it adds by focusing on the projects with the highest economic impact and strengthening how it works with other departments. While there was some evidence that the former DIT's support had some impact on investors' decisions to invest, it remained difficult to determine how much investment would have happened without government involvement.

In March 2023, the Chancellor and the Secretary of State for Business and Trade commissioned a review to examine options for improving the UK's investment promotion operations in the face of increasing competition from overseas. Lord Harrington's *Review of Foreign Direct Investment* was published alongside the Autumn Statement 2023. The government's response agreed in principle with the Review's headline recommendations. It committed to establishing a new Ministerial Investment Group and to increase resources for the Office for Investment and DBT teams which provide direct support to investors, to help target and secure the most strategically valuable investments for the UK.

3. Exports

DBT has responsibility for exports, which was transferred from the former DIT in February 2023. In November 2021, the government published its export strategy, outlining how the government will support businesses to respond to export opportunities and the ambition to reach £1 trillion of exports per year by 2030. More information on the export strategy can be found on slide 28.

The former DIT spent £148 million in 2022-23 on supporting UK business to take full advantage of trade opportunities, including those arising from delivering Free Trade Agreements (FTAs) facilitating UK exports. Recent exports statistics include:

- UK exports of goods and services in 12 months to December 2023: £870 billion
- UK exports as a percentage of GDP in 12 months to September 2023: 33.1%
- UK share of exports to the world in 2022: 3.2%

Our 2020 report *Support for exports* concluded that the former DIT had made a good start in developing a strategy and the operating arrangements it needed to support export growth. It also found that both the former DIT and UK Export Finance (UKEF) needed to work together to strengthen their approach to ensure that they achieved value for money over time.

In December 2021, DBT and UKEF signed a Memorandum of Understanding that sets out principles for cooperation and shared goals in providing support for business. More information on UKEF and its relationship with DBT can be found on slide 28.

DBT has a network of over 1,400 staff in more than 100 countries, led by nine HM Trade Commissioners. The Overseas Network is responsible for supporting growth through market access economic diplomacy work, trade policy, and UK exports and investment across the world. It is also responsible for working with partner governments and businesses overseas to support UK trade.

International trade

4. International Trade

The Department for Business and Trade (DBT) has responsibility for international trade, which was transferred from the former Department for International Trade (DIT) in February 2023.

Trade agreements

Trade agreements set out the rules for buying and selling goods and services between two or more countries. There are different types of trade agreements, including free trade agreements (FTAs), partnership agreements, investment treaties and sector-specific agreements.

FTAs aim to make trade easier between countries by removing or reducing existing barriers to trade. They are intended to offer a range of benefits to the UK economy, businesses, consumers and wider society by opening overseas markets to UK exports, supporting UK supply chains, increasing consumer choice and increasing the UK's global influence. Other types of agreements are more focused in scope; for example, they aim to amend regulation, share data or facilitate digital trade between countries.

In 2021 we reported that the former DIT had renegotiated 36 existing agreements with non-EU trading partners, and 62.5% of total UK trade was covered by partners with an FTA.

Since then, two more FTAs have come into force: the UK-Australia Free Trade Agreement and the UK-New Zealand Free Trade Agreement, along with the Eastern and Southern Africa (ESA) countries-UK Economic Partnership (for Mauritius, Seychelles and Zimbabwe only). In July 2023, the UK signed an agreement to join the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) – an Asia-Pacific trade bloc of 11 countries (including Brunei and Malaysia, where the UK did not already have a bilateral FTA in place). DBT reported that the percentage of total UK trade in 2022-23 covered by partners with an FTA was 64%.

At present, the UK has signed three agreements that are yet to fully enter into force, is currently negotiating ten agreements, and is undertaking a public consultation on a further two trade agreements.

Agreement	Stage
ESA-UK Economic Partnership Agreement	Signed. In force for Mauritius, Seychelles and Zimbabwe. Not in force for Madagascar and Comoros
The UK and the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP)	Signed but not in force
UK-Ukraine Digital Trade Agreement	Signed but not in force
Singapore Investment Treaty	Negotiating
UK-Canada Free Trade Agreement	Negotiating
UK-Greenland Free Trade Agreement	Negotiating
UK-Gulf Cooperation Council Free Trade Agreement	Negotiating
UK-India Free Trade Agreement	Negotiating
UK-Israel Free Trade Agreement	Negotiating
UK-Mexico Free Trade Agreement	Negotiating
UK-South Korea Free Trade Agreement	Negotiating
UK-Switzerland Free Trade Agreement	Negotiating
UK-US Critical Minerals Agreement	Negotiating
UK-Maldives Free Trade Agreement	Public consultation
UK-Turkey Free Trade Agreement	Public consultation

UK-EU economic relationship

DBT supports implementation of the UK-EU Trade and Cooperation Agreement (TCA), aiming to maximise the benefits for business flowing from the TCA and ensure the TCA's services trade provisions are implemented properly. DBT also provides expertise in trade negotiations on manufactured goods, including Technical Barriers to Trade, Rules of Origin and tariffs.

Part Three • Key areas of DBT's business

International trade *continued*

International trading system

The international trade system is a complex network of laws, regulations and agreements governing the exchange of goods and services between countries. In 2022-23, the former Department for International Trade (DIT) spent £77 million (13.7% of total expenditure) and used 680 full time equivalent (FTE) (13% of its total workforce) in support of this work.

The Department for Business and Trade leads the UK's international trade policy, including representation at the World Trade Organisation (WTO), G7 and G20. It aims to tackle market-distorting practices and economic coercion, defend UK business from unfair trading practices, strengthen critical supply chains, address economic security threats and regulate military and other sensitive exports.

In its 2022-23 Annual Report and Accounts, the former DIT highlighted its implementation of LITE (the new online export licensing system), defended the UK's first defensive dispute as an independent WTO member, and extended two waves of exceptional suspensions to support the healthcare response to COVID-19. It also highlighted its work to protect industry from unfair trade through the Trade Remedies Authority, and in supporting the cross-government response to the war in Ukraine with efforts to isolate Russia in the WTO and G7.

DBT priorities

A key component of the 2023 *Integrated Review Refresh* (IR23) is the government's commitment to a free and open Indo-Pacific. DBT's programme for 2023-24 is focused on bringing the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) into force, securing a comprehensive Free Trade Agreement (FTA) with India, and progressing negotiations with Canada, Mexico, Israel, Switzerland, Turkey and the Gulf Cooperation Council. Outside of the trade negotiation programme, the IR23 vision is for a resilient, open and fair multilateral trading system that can evolve to meet global developments and challenges.

Our 2021 report on *Progress with trade negotiations* acknowledged the progress that the former DIT has made building its capacity to lead a challenging and intense period of trade negotiations, but called for the former DIT to provide greater transparency around its objectives, to make better use of its stakeholder views and to ensure it has sufficient focus on implementing deals already secured.

Part Three ▪ Key areas of DBT's business

DBT's key ambitions and commitments 2021–2023

Ambitions and commitments before February 2023 were made by the Department for Business and Trade's (DBT) predecessor departments: the former **Department for Business, Energy and Industrial Strategy** and the former **Department for International Trade.**

July 2021:
Hospitality strategy launched and refreshed. This strategy set out how the government would work with the hospitality sector as it reopened and recovered from COVID-19, to build the sector's longer-term resilience.

June 2022:
Monitoring and evaluation strategy launched, which set out the strategy for monitoring and evaluating the former Department for International Trade's activities.

February 2023:
DBT and the Department for Energy Security and Net Zero jointly announced the British Industry Supercharger: targeted measures to bring the energy costs for key UK industries in line with other major economies.

March 2023:
The *Spring Budget* launched a refocused Investment Zones programme to boost productivity and growth, for example through grant funding and tax reliefs. DBT provides sectoral expertise and trade and investment support to the Department for Levelling Up, Housing and Communities, which has overall responsibility for the programme.

April 2023:
The *Digital Markets, Competition and Consumers Bill* was introduced to Parliament to reform competition and consumer policy to drive growth and productivity. It is co-sponsored by the Department for Science, Innovation and Technology.

February 2024
DBT launched the *UK critical imports and supply chains strategy*, which aims to build resilient supply chains and safeguard critical imports.

Formation of DBT in February 2023

July 2021 | Jan 2022 | Jan 2023 | Jan 2024

November 2021:
Export Strategy: Made in the UK, Sold to the World published, which set out how the government would support businesses to respond to export opportunities around the world.

July 2022:
UK Critical Minerals Strategy launched, which aims to improve the security of supply of critical minerals.

May 2023:
The *Smarter regulation to grow the economy* programme launched, on how to improve regulation across the UK economy to reduce burdens, push down the cost of living and drive economic growth. DBT has since announced specific work, including a consultation on product safety and a call for evidence on package travel legislation.

The UK-Australia and UK-New Zealand Free Trade Agreements come into force.

November 2023:
The *Trade (Comprehensive and Progressive Agreement for Trans-Pacific Partnership) Bill* is announced. The Bill intends to aid the UK's accession to the Trans Pacific Partnership trade agreement by implementing specific areas of the treaty into domestic law.

The *Autumn Statement* extended the Investment Zones programme.

Alongside the Statement, the government published its response to the *Harrington Review of Foreign Direct Investment*.

Advanced manufacturing plan published, which sets out priorities for the development and deployment of clean and digital manufacturing technologies.

Battery strategy launched, which sets out the government's vision for the UK to have a globally competitive battery supply chain by 2030.

Post Office (Horizon System) Compensation Act 2024 was introduced to Parliament to provide for the payments to compensate persons affected by the Horizon system.

Part Four ▪ DBT partner organisations

Overview of DBT's partner organisations

Advisory, Conciliation and Arbitration Service

Facts and figures	
Governance	Executive non-departmental public body
Total expenditure	£62 million
Staff	974
Geographical range	Great Britain

Note
1 The total expenditure and staff figures include funding and staff that the Advisory, Conciliation and Arbitration Service provides to the Central Arbitration Committee and Certification Officer.

About

The Advisory, Conciliation and Arbitration Service (Acas) works with employers and employees to improve workplace relationships.

It is mid-way through its four-year strategy *Making working life better for everyone in Britain,* running from 2021 to 2025. The strategy is built around four ambitions:

- growing Acas' reach and access;
- resolving disputes more quickly and effectively;
- forging consensus on the future of work; and
- embracing difference, increasing inclusion, enforcing fairness.

British Business Bank

Facts and figures	
Governance	Other
Operating expenditure	£128 million
Operating cashflows	(£401 million)
Staff	609
Geographical range	UK

About

British Business Bank is an economic development bank wholly owned by the Department for Business and Trade, but is operationally independent.

The Bank's mission is to drive sustainable growth and prosperity across the UK, and enable the transition to a net zero economy, by improving access to finance for smaller businesses.

The Bank's strategic objectives were updated in 2023 to:

- driving sustainable growth;
- backing innovation;
- unlocking potential; and
- building the modern, green economy.

British Hallmarking Council

Facts and figures	
Governance	Executive non-departmental public body
Operating expenditure (2022)	£0.09 million
Staff (2022)	0 The Chair is paid via an honorarium, and the Secretary is a contractor.
Geographical range	UK

About

The British Hallmarking Council supervises the hallmarking activities of the four Assay Offices (the official UK bodies that test the purity of precious metals in the UK), to ensure there is adequate provision of hallmarking within the UK.

It is responsible for:

- working with the Assay Offices and Trading Standards to ensure that hallmarking law is enforced;
- creating regulations to help the Assay Offices in their work and to help the UK jewellery trade grow;
- proposing legal changes and advising the Secretary of State for Business and Trade;
- maintaining the high standards of the UK's hallmarking facilities; and
- monitoring the work of the UK Assay Offices and their established sub-offices (including any sub-offices offshore).

Overview of DBT's partner organisations part 2

The Central Arbitration Committee

Facts and figures	
Governance	Tribunal
Total expenditure	£0.67 million
Staff	9 secretariat staff
Geographical range	Great Britain

About

The Central Arbitration Committee encourages fair and efficient arrangements in the workplace by resolving collective disputes, primarily in relation to trade union recognition in England, Scotland and Wales, either by voluntary agreement or, if necessary, through a legal decision.

Certification Officer

Facts and figures	
Governance	Other
Total levy	£0.66 million
Staff	6
Geographical range	Great Britain

About

The Certification Officer is responsible for statutory functions relating to the proper governance of trade unions and employers' associations.

Its priorities are to:

- ensure all its functions are carried out as efficiently, as economically, as fairly and as far as possible in accordance with the government's administrative strategy; and
- work with the Department for Business and Trade (DBT) to ensure that the new obligations on trade unions and powers for the Certification Officer contained in the *Trade Union Act 2016* are brought in effectively.

Companies House

Facts and figures	
Governance	Executive agency
Operating expenditure	£106 million
Staff	1335
Geographical range	UK

About

Companies House incorporates and dissolves limited companies. It registers company information and makes it available to the public.

Its main responsibilities are to:

- incorporate and dissolve limited companies;
- examine and store company information; and
- make information available to the public.

The Economic Crime and Corporate Transparency Act 2023 introduced new identity verification requirements and gave powers for Companies House to challenge dubious information. It gave stronger powers for law enforcement to seize, freeze and recover cryptoassets.

Note

1 Cryptoassets are a store of value that can be transferred or exchanged digitally.

Part Four ▪ DBT partner organisations

Overview of DBT's partner organisations part 3

The Competition and Markets Authority

Facts and figures	
Governance	Non-ministerial department
Operating expenditure	£106 million
Staff	928
Geographical range	UK

About

The Competition and Markets Authority (CMA) helps people, businesses and the UK economy by promoting competitive markets and tackling unfair behaviour.

The *Digital Markets, Competition and Consumers Bill* proposes the regulation of competition in digital markets, to amend the *Competition Act 1998* and the *Enterprise Act 2002* and to make changes to competition law and consumer rights.

The Bill gives new powers to the CMA to intervene to promote competition in digital markets.

The Competition Appeal Tribunal

Facts and figures	
Governance	Tribunal
Operating expenditure	£0 (provided by the Competition Service)
Staff	0 (provided by the Competition Service)
Geographical range	UK

About

The Competition Appeal Tribunal is a specialist judicial body with a cross-disciplinary expertise in law, economics, business and accountancy, whose function is to hear and decide cases involving competition or economic regulatory issues.

The Competition Service

Facts and figures	
Governance	Executive non-departmental public body
Total expenditure (2021-22)	£5.65 million
Staff	20
Geographical range	UK

About

The Competition Service's purpose is to fund and provide support services to the Competition Appeal Tribunal. Support services cover everything necessary to facilitate the carrying out by the Competition Appeal Tribunal of its statutory functions and includes, for example, administrative staff, accommodation and office equipment.

Part Four · DBT partner organisations

Overview of DBT's partner organisations part 4

The Financial Reporting Council

Facts and figures	
Governance	Executive non-departmental public body
Operating expenses	£51 million
Staff	443
Geographical range	UK

About

The Financial Reporting Council (FRC) regulates auditors, accountants and actuaries, and sets the UK's Corporate Governance and Stewardship Codes. It promotes transparency and integrity in business. Its work is aimed at investors and others who rely on company reports, audit and high-quality risk management.

DBT has given a guarantee to FRC that it will grant it funding if the Council's general voluntary funding from external sources falls sufficiently.

In November 2023, the Secretary of State for Business and Trade issued the FRC with a new remit letter updating the government's priorities for the FRC's work.

It sets out the FRC's core responsibility to enhance public trust and confidence in the quality of audit, corporate reporting and governance whilst supporting the UK's economic growth and international competitiveness.

The Groceries Code Adjudicator

Facts and figures	
Governance	Other
Total expenditure	£0.89 million
Staff	7
Geographical range	UK

About

The Groceries Code Adjudicator (GCA) is responsible for regulating the relationships between the UK's largest grocery retailers and their direct suppliers by encouraging, monitoring and enforcing compliance with the Groceries Supply Code of Practice.

The GCA is funded by a levy on the businesses it regulates, which is currently the 14 designated retailers with a UK annual groceries turnover of more than £1 billion.

The Department for Business and Trade published its third statutory review of the GCA in July 2023, and found it had been effective in enforcing the Code between 2019-20 and 2021-22.

The Low Pay Commission

Facts and figures	
Governance	Advisory non-departmental public body
Total expenditure	£0.83 million
Staff	8
Geographical range	UK

About

The Low Pay Commission is an independent body that advises the government about the National Living Wage and the National Minimum Wage.

Part Four ▪ DBT partner organisations

Overview of DBT's partner organisations part 5

The Office of the Regulator of Community Interest Companies

Facts and figures	
Governance	Other
Expenditure	£0.29 million
Staff	7 employed by Companies House
Geographical range	UK

About

The Office of the Regulator of Community Interest Companies decides whether an organisation is eligible to become, or continue to be, a Community Interest Company (CIC). It is responsible for investigating complaints – taking action if necessary – and it provides guidance and assistance to help people set up CICs.

The Post Office

Facts and figures	
Governance	Public corporation
Total expenditure	£1,242 million (see notes)
Staff	3,486
Geographical range	UK

About

The Post Office provides mail, financial and government services to the public through its nationwide network of post office branches.

One of the central projects in its *Intent to 2025 strategy* is the delivery of investment in new branch technology to replace the Horizon system.

Notes

1 This includes £255 million for impairment of fixed assets and £84 million for depreciation and amortisation (the loss of value of assets over time).

2 Expenditure is offset by commercial revenues. For 2022-23 revenue from contracts with customers totalled £855 million.

The Pubs Code Adjudicator

Facts and figures	
Governance	Other
Total expenditure	£2.06 million
Staff	10
Geographical range	England and Wales

About

The Pubs Code Adjudicator (PCA) is responsible for enforcing the statutory Pubs Code. The Pubs Code regulates the relationship between all pub companies owning 500 or more tied pubs in England and Wales and their tied tenants.

The PCA is funded by a levy on the businesses it regulates, which is currently the six largest pub-owning businesses in England and Wales.

The Department for Business and Trade published its second statutory review of the Pubs Code and the Pubs Code Adjudicator in October 2023, and found that the PCA had been effective in enforcing the Code between 2019-20 and 2021-22.

Part Four • DBT partner organisations

Overview of DBT's partner organisations part 6

The Regulatory Policy Committee

Facts and figures	
Governance	Advisory non-departmental public body
Total expenditure	£1.2 million
Staff	8, and a supporting secretariat of 15 Department for Business and Trade staff
Geographical range	UK

About

The Regulatory Policy Committee is the independent regulatory scrutiny body for the UK Government. The Committee assesses the quality of evidence and analysis used to inform government regulatory proposals. This independent advice and scrutiny helps ensure that ministerial policy decisions are based on accurate evidence, and helps to produce better regulation.

The Small Business Commissioner

Facts and figures	
Governance	Executive non-departmental public body
Operating expenditure (2021-22)	£0.86 million
Staff	9
Geographical range	UK

About

The Small Business Commissioner ensures fair payment practices for Britain's 5.6 million small businesses, and supports them in resolving their payment disputes with larger businesses.

It is responsible for:

- providing general advice and information to small businesses on:
    - resolving disputes and dealing with an unpaid invoice;
    - checking contracts and getting invoices right;
    - signposting small businesses to existing support and dispute resolution services; and
- considering and investigating complaints about payment issues between small business and their larger customers making (non-binding) recommendations on how the parties should resolve their disputes.

The Insolvency Service

Facts and figures	
Governance	Executive agency
Operating expenditure	£410 million
Staff	1668
Geographical range	Great Britain

About

The Insolvency Service is a government agency that helps to deliver economic confidence by supporting those in financial distress, tackling financial wrongdoing and maximising returns to creditors.

Its ambitions in its 2021–2026 strategy are:

- fewer avoidable insolvencies through new guidance and education initiatives upstream of financial failure;
- a clear and accessible user journey for people in financial distress;
- an agency that is a great place to develop a career with tools and technology to deliver excellent services;
- an inclusive and innovative organisation fit for the future;
- more connectivity across government and the insolvency industry to share best practice; and
- an insolvency framework that delivers the best outcomes possible for our stakeholders.

Part Four ▪ DBT partner organisations

Overview of DBT's partner organisations part 7

The Trade Remedies Authority

Facts and figures	
Governance	Executive non-departmental public body
Total expenditure	£16.6 million
Staff	140
Geographical range	UK

About

The Trade Remedies Authority's mission is to defend the UK against unfair international trade practices. It investigates whether new trade remedies are needed to prevent injury to UK industries caused by unfair trading practices and makes recommendations on appropriate measures to defend UK economic interests to the Secretary of State for Business and Trade.

In April 2023, it published its *Corporate and Business Plan 2023 to 2026,* in which it set out strategic goals on cases, digital, people and reputation. In July 2023 it published its first Annual Report and Accounts, covering the period June 2021 to March 2023. Its total budget allocation for 2023-24 is £18.8 million.

Part Four • DBT partner organisations

Spotlight: British Business Bank

The British Business Bank (BBB) is one of the Department for Business and Trade's (DBT) key partner organisations.

BBB is a group consisting of a parent company, British Business Bank plc, and a number of subsidiaries – including the Start Up Loans Company and British Patient Capital Limited – each with their own investment objectives. The Bank additionally currently administers eight investment programmes on behalf of DBT. At the end of the 2022-23 financial year, the Bank was supporting over 90,000 businesses with £12.4 billion finance through its core finance programmes.

COVID-19

BBB administers the COVID-19 emergency loan schemes on behalf of DBT. This includes the Coronavirus Business Interruption Loan Scheme (CBILS), the Coronavirus Large Business Interruption Loan Scheme (CLBILS) and the Bounce Back Loan Scheme (BBLS), all of which are now closed. In 2022-23, BBB's total COVID-19 scheme direct expenditure (direct operating expenditure and attributable staff costs) was £43 million, 34% of BBB's operating expenditure. This cost was fully recharged to DBT and is incorporated into the diagram on the right.

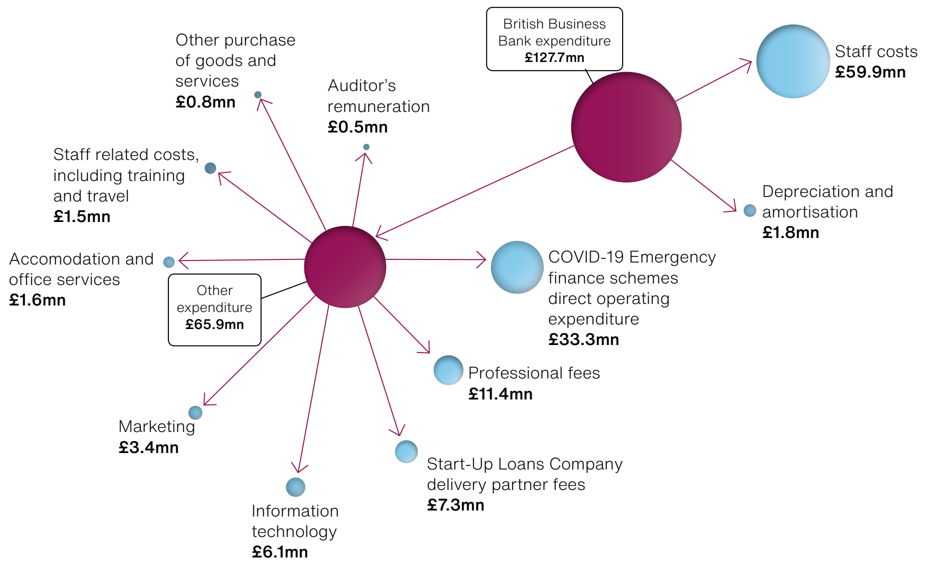
Nation and Region Investment Funds (NRIFs)

BBB is responsible for administering the NRIFs on behalf of the government. Their purpose is to drive sustainable economic growth by supporting innovation and creating local opportunity for new and growing businesses across the UK. In the Spending Review 2021, the government announced a £1.6 billion commitment to a next generation of NRIFs. Four of these launched in 2023 (South West, Scotland, Wales and Northern Ireland) and two more are due to launch in early 2024 (Midlands Engine II and Northern Powerhouses II).

Autumn Statement 2023 announcements

Future Fund: Breakthrough is a UK-wide scheme to encourage private investors to co-invest with the government in research and development firms in key technology sectors. In the Autumn Statement, the government announced an extension of £50 million, bringing the total fund to £425 million. The government also confirmed its intention to establish a Growth Fund within BBB, which would give pension schemes access to the Bank's pipeline of opportunities. It also announced £250 million of funding for the Long-Term Investment in Technology and Science (LIFTS) scheme, to increase investment in key science and technology sectors.

British Business Bank spending by operating segment 2022-23



Notes

1 British Business Bank operating expenditure includes the cost of the provision of services on behalf of the Department for Business and Trade (DBT) and administration of investment programmes, which is recovered from DBT through a management fee. It also includes all investment-related expenditure and gains and losses.

2 Figures may not sum, due to rounding.

Source: National Audit Office analysis of British Business Bank, *Annual Report and Accounts 2023*, 25 September 2023

Our 2020 report on the *British Business Bank* examined whether the Bank was improving access to finance for small and medium sized enterprises (SMEs). We found positive signs but concluded that it needed to develop its evidence on performance and costs, and make sure its financial management and governance arrangements were robust, to ensure it demonstrated value for money over time.

Our 2021 *Investigation into the British Business Bank's accreditation of Greensill Capital* found that the Bank followed a streamlined version of its established process for accrediting lenders when assessing Greensill's application. Applying a more sceptical accreditation process might have led the Bank to further explore several concerns around loan default rates, ethical standards and its business model. The Bank quickly picked up the loans allegedly in breach of the scheme rules, but had it done more due diligence, it is possible this situation could have been avoided.

Part Four ▪ DBT partner organisations

Spotlight: The Competition and Markets Authority

The Competition and Markets Authority (CMA) is one of the Department for Business and Trade's (DBT) key partner organisations.

In 2022-23, the CMA spent £6.26 million on building and integrating its three new functions:

Subsidy Advice Unit (SAU)

Subsidies are financial assistance that authorities can offer to companies to support policies that are in the public interest, to address a market failure or equity concern. Since January 2023, subsidy control is the responsibility of the SAU after EU Exit. The unit evaluates the assessments of subsidies considered to be the most likely to distort competition, and provides expert advice to public authorities. The SAU also has a monitoring function in reporting on the effective operation of the subsidy control regime.

Office for the Internal Market (OIM)

Established in September 2021, the OIM contributes to the successful operation of the UK Internal Market by providing independent assessments of the impact of any differences in rules and regulations between the devolved administrations, applying economic and other technical expertise to provide advice to the UK Government and devolved administrations. It is then up to the governments to decide on appropriate action.

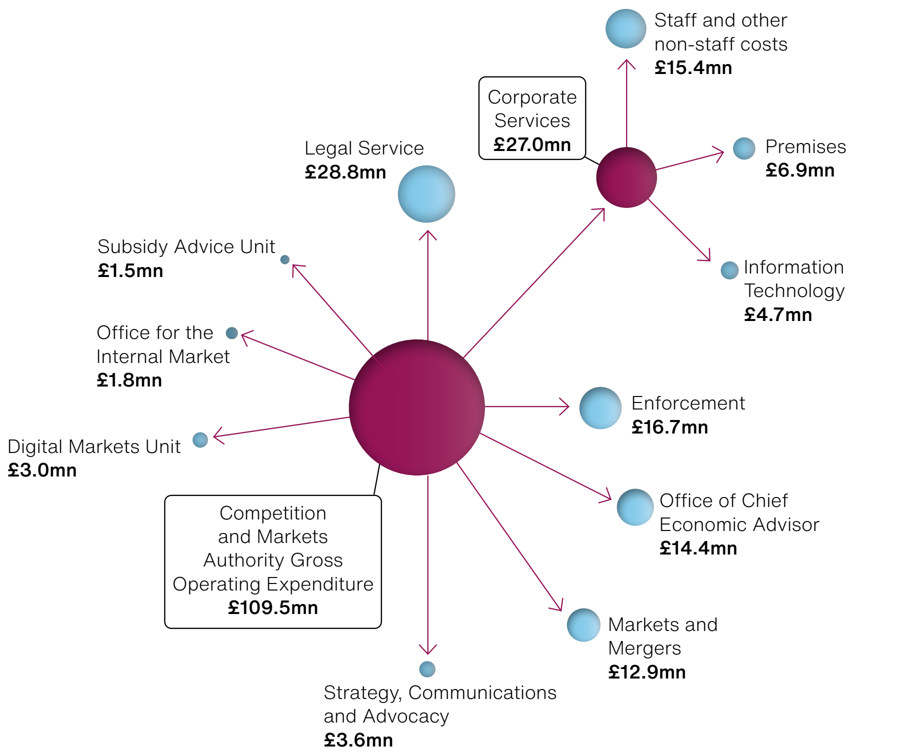
Digital Markets Unit (DMU)

The DMU was established in April 2021 within the CMA as an interim arrangement, since its powers will require legislation to be passed. The DMU will oversee a new regulatory regime for digital firms, promote greater competition and innovation and protect consumers and businesses from unfair practices.

Our May 2022 report *Regulating after EU Exit* considered three regulators whose work has been significantly affected by EU Exit, including the CMA. It found that all were building capability to match their increased responsibilities but faced operational challenges that need to be addressed as they moved away from interim arrangements.

Recruitment and retention of staff is likely to continue to be a key risk area for the CMA in 2023-24, with increased competition with wider government organisations and the private sector in a competitive job market for specialist skillsets. This risk is recognised by the CMA and is reflected in several risks in the Corporate Risk Register.

Competition and Markets Authority's spending by operating segment 2022-23



Note

1 Figures may not sum due to rounding.

Source: National Audit Office analysis of Competition and Markets Authority, *Annual Report and Accounts 2022 to 2023*, HC 1460, 17 July 2023

Part Four • DBT partner organisations

UK Export Finance

About

UK Export Finance (UKEF) is the UK's export credit agency and a government department that is strategically aligned with the Department for Business and Trade (DBT). Both organisations report to the Secretary of State for Business and Trade, and the Chief Executive of UKEF sits on the DBT Executive Committee. The Chair of UKEF's Board is also one of DBT's Non-Executive Board Members.

UKEF works with private credit insurers and lenders to help UK companies access export finance (loans, insurance policies or bank guarantees that enable international trade to take place as easily and securely as possible). It helps UK companies to:

- win export contracts by providing attractive financing terms to their buyers;
- fulfil contracts by supporting working capital loans; and
- get paid, by insuring against buyer default.

In 2022-23, UKEF issued £6.5 billion of financial support to further UK exports.

Our 2020 report *Support for exports* concluded that the former Department for International Trade (DIT) had made a good start in developing a strategy and the operating arrangements it needed to support export growth. It also found that both the former DIT and UKEF needed to work together to strengthen their approach to ensure that they achieved value for money over time.

The NAO and the Committee of Public Accounts' recommendations provided impetus to the former DIT and UKEF to agree a Memorandum of Understanding (MoU) in March 2021. The MoU set out how the former DIT and UKEF, within their respective remits, will jointly deliver shared objectives for trade, exports and investment. The MoU was re-signed in 2023 to reflect the creation of DBT, alongside an additional Partnership Agreement that sets out objectives and targeted areas for collaboration.

Export strategy

The government's 2021 export strategy *Made in the UK, Sold to the World* set out a 12-point action plan, one of which is the responsibility of UKEF. In response, one of the actions UKEF took was to expand its Export Development Guarantee (EDG). The EDG helps companies access high-value loan facilities for general working capital or capital expenditure purposes, and can provide partial guarantees covering up to 80% of the risk to lenders for a maximum repayment period of up to five years. As part of the strategy, UKEF made the EDG available to companies that don't currently export, or have operations in the UK, and extended the maximum repayment period up to 10 years if the loan is to develop clean growth exports such as renewable energy.