National Audit Office

An Overview of the

Department for Business and Trade

for the new Parliament 2023-24

March 2025

OVERVIEW

Contents

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1 Introduction to the National Audit Office

Welcome to our Overview for the New Parliament: The Department for Business and Trade, part of our series of Overviews for the New Parliament, covering government departments and cross-cutting issues.

The National Audit Office (NAO) is the UK's independent public spending watchdog and is responsible for scrutinising public spending for Parliament. We audit the financial accounts of all departments, executive agencies, arm's-length bodies, some companies and charities, and other public bodies. We also examine and report on the value for money of how public money has been spent.

The NAO is independent of government and the civil service. The NAO's wide remit and unique access rights enables us to investigate whether taxpayers' money is being spent in line with Parliament's intention and to respond to concerns where value for money may be at risk.

We support all Members of Parliament to hold government to account and we use our insights to help those who manage and govern public bodies to improve public services. In 2023, the NAO's work led to a positive financial impact through reduced costs, improved service delivery, or other benefits to citizens, of £1.59 billion.

We are funded by, and accountable to, Parliament. As an Officer of the House of Commons, I am committed to ensuring that we support you and your staff in your work as a Member of Parliament, and your scrutiny of public spending and performance.

Our dedicated Parliamentary team can offer you support and put you in touch with our experts on subjects of interest to you and your constituents. If you would like more information about our work, or to arrange a briefing with me or one of my teams, please contact our Parliamentary Relations team at parliament@nao.org.uk.

Gareth Davies

**COMPTROLLER & AUDITOR GENERAL
NATIONAL AUDIT OFFICE**

Gareth Davies was appointed Comptroller & Auditor General (C&AG) in June 2019. He was appointed by the Monarch, following the approval of the House of Commons.

The C&AG has statutory authority to examine and to report directly to Parliament on whether government departments and other public sector bodies have spent taxpayers' money in the way Parliament intended. The C&AG and his staff are totally independent of government.

Gareth is a Fellow of the Chartered Institute of Public Finance and Accountancy and a Fellow of the Institute of Chartered Accountants in England and Wales. He is a non-executive Board member of the INTOSAI Development Initiative (IDI), which supports Supreme Audit Institutions (SAIs) in developing countries to sustainably enhance their performance and capacity.

2 How the NAO can help you as a Member of Parliament

How we support Parliament

We produce reports:

- on the annual accounts of government departments and their agencies;
- on the economy, efficiency and effectiveness with which government has spent public money; and
- to establish the facts where there are concerns about public spending issues.

We do not question government policy objectives. We look at how government has spent money delivering those policies and if that money has been used in the best way to achieve the intended outcome.

What we can offer

Through our website or our Parliamentary Relations team, MPs, peers and staff can:

- request a personal briefing on areas of our work that are of interest to them;
- sign up to receive embargoed copies of our reports on subjects of interest;
- make general queries about public spending, or raise concerns with us about value for money; and
- request advice on understanding and scrutinising departments' annual reports and accounts.

Resources available on our website

- **Reports:** Reviews of public spending and how well government is delivering.
- **Insights:** Learning and best practice to help people across government and the wider public sector.
- **Overviews:** Factual overviews of government departments, sectors and services.
- **Work in progress:** Our schedule of future publications.
- **Briefings:** Background information and factual analysis to support Select Committees.

Keep up to date with our work

- Sign up to our latest report updates
- Follow us on X or LinkedIn

How to get in touch

- Via our Parliamentary email inbox: parliament@nao.org.uk.

Auditing the accounts of all government departments and public organisations, helping assure money is being spent the way Parliament intended

Reporting to Parliament on the value for money of how public money has been spent and what has been achieved

Sending you embargoed copies of our reports before they are available to the public

Providing briefings to you or a member of your team on our work

Providing advice and training on examining government departments' annual reports and accounts

Giving evidence to Select Committees

Our fortnightly newsletter with our latest reports and new work

You can write to us with any queries or concerns about the misuse of public money or behaviour in public bodies we audit

3 About this Overview

This report has been produced to provide an introduction to the Department for Business and Trade (DBT) and the NAO's examination of its spending and performance. **It is intended to support the Business and Trade Committee and Members across the House in their examination of DBT**.

It summarises the key information and insights that can be gained from our examinations of DBT and related bodies in the sector in the UK and of DBT's annual report and accounts. DBT spends nearly **£2.7 billion each year** to support businesses to invest, grow and export.

The report includes:

- the role and remit of DBT;
- how DBT is structured;
- where DBT spends its money;
- specialist units and partner organisations;
- how DBT supports businesses, inward investment, exports and strikes trade agreements;
- major financial challenges and risks;
- how DBT supports and oversees regulation;
- key challenges facing DBT this Parliament; and
- where to find more information about DBT.

This report updates our previous report, *Overview: Department for Business and Trade 2022-23*, published on 14 March 2024.

How we have prepared this report

The information in this report draws on the findings and recommendations from our financial audit and value for money work, and from publicly available sources, including the annual report and accounts of the Department for Business and Trade and its partner organisations. In some cases, to provide the most up to date information, we have drawn on information from DBT documents.

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 any 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 DBT, as well as information about our other recent and upcoming reports can be found on the NAO website.

4 The Department for Business and Trade

The Department for Business and Trade (DBT) is a department for economic growth. It supports businesses to create jobs, opportunities and prosperity across the country.

In February 2023, the Department for International Trade was merged with the business-focused parts of the former Department for Business, Energy & Industrial Strategy to create DBT.

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 Environment, Food & Rural Affairs; the Department for Culture, Media & Sport; the Department for Science, Innovation & Technology; HM Treasury; and the Ministry of Housing, Communities & Local Government.

Our Cross-government working: lessons learned report and accompanying Good practice guide draw on insights from our previous work to set out what effective cross-government working looks like, and highlight some of the barriers and themes to consider.

In 2023-24, DBT's priority outcomes were as follows:

1 Redraw the rules to ensure businesses thrive, markets are competitive, and consumers are protected.

In 2023-24, DBT reported the following achievements:

- delivered reforms to address fraud, money laundering, and other economic crimes;
- increased the national living wage to two-thirds of median earnings; and
- continued work on the smarter regulation programme, which aims to improve the regulatory environment.

2 Secure investment from the UK and international businesses.

In 2023-24, DBT reported it had supported several international investments including:[1]

- Nissan's £2 billion investment in its Sunderland plant for electric vehicle manufacturing;
- BMW Group's £600 million investment in its Oxford MINI plant to produce two new all-electric car models;
- Tata Group's £4 billion investment in a UK gigafactory; and
- Siemens' £200 million investment in the Siemens Mobility rail village in Goole.

3 Advise, support and promote British businesses to grow and export.

In 2023-24, DBT reported the following achievements:

- assisted over 5,200 businesses in achieving more than £36 billion in 'Export Wins', a 7% rise in the number of supported wins since 2022-23;
- supported £5.4 billion of 'Outward Direct Investment wins';
- introduced the Advanced Manufacturing Plan to advance clean and digital manufacturing technologies, with a focus on the automotive and aerospace sectors; and
- continued collaboration with Ukraine by launching the UK-Ukraine TechBridge to strengthen links between the two nations' tech ecosystems.

4 Open up new markets for businesses by removing barriers and striking trade deals.

In 2023-24, DBT reported the following achievements:

- The UK – Comprehensive and Progressive Agreement for Trans-Pacific Partnership entered into force for the UK in December 2024; and
- the UK secured an extension to the Rules of Origin for electric vehicles and batteries with the EU and Türkiye, effective until 31 December 2026.

5 Promote free trade, economic security and resilient supply chains.

In 2023-24, DBT reported the following achievements:

- released the UK's first Critical Imports and Supply Chains Strategy, consolidating existing work on supply chains, identifying priorities, and outlining actions to improve resilience.

Source: National Audit Office analysis of Department for Business and Trade Annual Report and Accounts 2023 to 2024, HC 391, 30 January 2025

1 Some investments are still in the process of concluding.

5 How DBT is structured

DBT is led by the Secretary of State for Business and Trade and supported by a team of ministers and the Permanent Secretary, the department's most senior civil servant. DBT delivers its priority outcomes through its core department and sponsored partner organisations (Section 8). The core department is split into eight groups. Each group is led by a director general.

Business

Leads on engagement between the government and UK businesses. It acts as the government's centre of expertise on every sector of the economy, collaborating with relevant other government departments. It also leads departmental business engagement, the Post Office and activity which supports businesses facing shocks and emergency response.

Competition, Markets and Regulatory Reform

Aims to enable enterprise to flourish in a way that benefits all – businesses, workers, consumers – through policy, delivery and regulation.

Corporate Services

Provides enabling and professional functional expertise to support the organisation to deliver its objectives. Corporate Services includes: Commercial; Communications and Marketing; Digital, Data and Technology; Finance; Grant Delivery; People and Place; Project Delivery and Change; and Security and Knowledge Information Management.

Domestic and International Markets and Exports (DIME)

Focuses on advising, supporting, and promoting UK businesses to grow and export in both domestic and international markets. DIME also leads the sponsorship of the British Business Bank, which aims to improve access to finance for smaller businesses.

Economic Security and Trade Relations

Responsible for: the multilateral trading system; market access strategy; economic security; export controls; and sanctions; and responding to a changing international political landscape.

Office for Investment

Works to promote the UK to investors and businesses around the world, and to attract investment into the UK. It is also responsible for planning and delivering the UK's presence at the 2025 Osaka Expo on behalf of the government.

Strategy and Growth

Responsible for: overseeing the government's Industrial Strategy; leading the strategic centre of DBT; the planning and coordination of work to drive sustainable growth, trade and the creation of good jobs; the department's analysis group; the Chief Economist; and the Office for the Chief Scientific Adviser and its global futures directorate.

Trade Policy Implementation and Negotiations

Responsible for delivery of the Trade Strategy, the EU reset including operation of the Windsor Framework, FTA negotiations, and delivering growth through the UK's membership of CPTPP. It also supports multilateral objectives and implementation of signed FTAs.

Note

1 In 2023-24, DBT had seven groups: Business; Competition, Markets and Regulatory Reform; Corporate Services; Domestic and International Markets and Exports; Economic Security and Trade Relations; Strategy and Investment; and Trade Policy Implementation and Negotiations. DBT has since restructured the Strategy and Investment group, creating the Strategy and Growth group and the Office for Investment.

Source: National Audit Office (NAO) analysis of Department for Business and Trade (DBT) Annual Report and Accounts 2023 to 2024, HC 391, 30 January 2025 and NAO review of DBT documents

6 Specialist units in DBT

Within the core DBT groups, there are also specialist units that serve a specific function. These are separate to DBT's partner organisations, which are listed in Section 8.

- **The Centre for Connected and Autonomous Vehicles** is a joint DBT and Department for Transport policy unit. It works with industry and academia to shape the introduction of self-driving vehicles and services on Great Britain's roads, including the implementation of the Automated Vehicles Act 2024.
- **The Employment Agency Standards Inspectorate** protects the rights of agency workers.
- **The Export Control Joint Unit** administers the UK's system of export controls and licensing for military and dual-use items (items with both a civilian and military application).
- **The Office for Investment** is a joint unit of DBT, HM Treasury and Number 10, which works to secure significant investment into the UK.
- **The Office for Product Safety and Standards** protects people and places from product-related harm, ensuring consumers and businesses can buy and sell products with confidence.
- **The Office for the Pay Review Bodies** provides an independent secretariat to eight pay review bodies that make pay-related recommendations for public sector workers.
- **The Office of Trade Sanctions Implementation** strengthens the UK's implementation and enforcement of trade sanctions.
- **The UK Defence and Security Exports** helps defence, cyber and physical security companies to export and help overseas companies invest in these areas.
- **The UK National Contact Point** promotes Organisation for Economic Co-operation and Development guidelines for multinational enterprises on responsible business conduct.

Spotlight: The Export Control Joint Unit

The Export Control Joint Unit (ECJU) plays a vital role in safeguarding national security by regulating the export of military and dual-use items, ensuring compliance with international obligations, and addressing challenges posed by emerging technologies. It balances security with facilitating legitimate trade, and reinforces the UK's leadership in ethical global trade practices.

The ECJU is a joint unit with DBT, the Foreign, Commonwealth & Development Office and the Ministry of Defence. It has overall responsibility for the statutory and regulatory framework of export controls, and for decisions to grant or refuse export licenses.

The ECJU assesses licence applications against the Strategic Export Licensing Criteria. It seeks to:

- ensure that goods exported from the UK do not contribute to the proliferation of weapons of mass destruction, or a destabilising accumulation of conventional weapons;
- protect the UK's security and expertise by restricting access to sensitive technology and capabilities; and
- ensure that items are not used for internal repression or violate international humanitarian law.

DBT publishes regular statistics on licensing decisions, including the number of licences issued, refused, rejected or revoked. These statistics are broken down in a variety of ways, including by end user country. The statistics are provided on a quarterly and annual basis.

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In 2023-24, DBT spent £2.69 billion, which represents a 15% decrease compared to its 2022-23 expenditure. Total expenditure includes the cost of DBT's workforce.

Business Group spending was 77% of net expenditure, encompassing significant payments on the Post Office compensation schemes, and grant payments expenditure relating to the Aerospace Technology Institute and Automative Transformation Fund.

The Domestic and International Markets and Exports group's expenditure includes movement on COVID-19 loan guarantees: in 2023-24 there was a £1,224 million gain, compared with a £1,250 million loss in 2022-23. These gains and losses represent changes in the department's estimate of how much it expects to pay out under these schemes, rather than scheme performance. For more information on COVID-19 loan guarantees, see Section 16.

Of the Competition, Markets and Regulatory Reform Group expenditure, £505 million was incurred by the Insolvency Service on the Redundancy Payment Scheme – payments on behalf of employers who were not able to pay the necessary redundancy packages to their employees due to insolvency.

DBT employed an average of 10,268 full-time equivalent (FTE) staff during the 2023-24 financial year. The total includes 7,991 FTE permanently employed staff in the UK and 1,609 FTE working in DBT's overseas network.[2] DBT has a network of trade commissioners and trade teams located around the world.

2 Permanently employed includes permanent civil servants (including those on fixed term contracts) working in the UK.

Department for Business and Trade (DBT) areas of spending for 2023-24 (Net Expenditure, £ million)

Notes

1 Figures are in cash terms.

2 Departmental expenditure includes the core department and entities within the departmental boundary, which are consolidated into the departmental accounts. It does not include expenditure for entities outside the departmental boundary. Expenditure on these bodies can be found in Section 8.

3 In 2023-24, Domestic and International Markets and Exports gained £1,224 million from COVID-19 loan guarantees (after a £1,250 million loss in 2022-23). The group also received £104 million in grants from the Ministry of Housing, Communities and Local Government, paid back out to the Regional Funds for further investment.

4 Grants delivery includes payment of grants. Overseas group includes a network of over 1,600 staff in more than 100 countries providing expert advice in support of UK exports, investment and implementation of free trade agreements. Other definitions of each area of spend are listed in Section 5.

5 DBT's organisational structure in this figure aligns with its 2023-24 group structure, which has since changed, see Section 5.

Source: National Audit Office analysis of Department for Business and Trade Annual Report and Accounts 2023 to 2024, HC 391, 30 January 2025

8 Partner organisations

DBT works with 19 agencies and public bodies to deliver its objectives. These organisations vary in size, from an organisational expenditure of £0.07 million to £1.9 billion.

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. Non-departmental public bodies operate at arm's length, with oversight tailored to their function and classification as either advisory or executive.

DBT's partner organisations and their organisational expenditure

Non-ministerial department

Competition and Markets Authority (£147.2 million)

Public corporation

Post Office (£1.9 billion)

Tribunal

Central Arbitration Committee (£0.74 million)

Competition Appeal Tribunal (expenditure is included within the Competition Service)

Advisory non-departmental public body

Low Pay Commission (£0.07million) (for more information, see Section 10)

Regulatory Policy Committee (£1.3 million)

Executive agency

Companies House (£120.8 million) (for more information, see Section 9)

The Insolvency Service (£661.6 million) (for more information, see Section 9)

Executive non-departmental government body

Advisory, Conciliation and Arbitration Service (Acas) (£60.6 million)

British Hallmarking Council (£0.1 million)

Competition Service (£6.4 million, including the Competition Appeal Tribunal)

Financial Reporting Council (£67.3 million)

Small Business Commissioner (£0.73 million)

Trade Remedies Authority (£15.4 million)

Other

British Business Bank (£130.0 million) (for more information, see Section 10)

Certification Officer (£0.61 million)

Groceries Code Adjudicator (£0.9 million)

Pubs Code Adjudicator (£1.9 million)

Office of the Regulator of Community Interest Companies (£0.35 million)

Notes

1 Figures are published organisational expenditures for 2023-24 from partner organisation annual reports and accounts.

2 Where organisational expenditure for 2023-24 is not available, we have used the latest published data. For example, we have used the British Hallmarking Council's accounts for the year ended 31 December 2023 and the Small Business Commissioner's accounts for 2022 to 2023.

3 Organisational expenditure data are not directly comparable as we have chosen the most appropriate metric for each organisation. The figures reflect expenditure, operating expenses, operational cashflows, operational expenditure, total expenditure, or total levy.

4 For more detail see Acas *Annual report and accounts 2023 to 2024*; British Business Bank *Annual Report and Accounts 2024*; British Hallmarking Council *Annual Report and Accounts for the year ended 31 December 2023*; Central Arbitration Committee *Annual Report 2023/24*; Certification Officer *Annual Report 2023-24*; Companies House *Annual report and accounts 2023 to 2024*; Competition & Markets Authority *Annual Report and Accounts 2023 to 2024*; Competition Appeal Tribunal; Competition Service; Financial Reporting Council *Annual Report and Financial Statements for the Year Ended 31 March 2024*; Groceries Code Adjudicator *Annual Report and Accounts 1 April 2023 – 31 March 2024*; Low Pay Commission expenditure April 2023 to March 2024; Office of the Regulator of Community Interest Companies *Annual Report 2023 to 2024*; Post Office *Annual Report & Accounts 2023-24*; Pubs Code Adjudicator *Annual Report and Accounts 2023-2024*; Regulatory Policy Committee *Corporate Report 2023-2024*; Small Business Commissioner *Annual Report for the Year ended 31 March 2023*; Insolvency Service *Annual Report and Accounts 2023-2024*; and Trade Remedies Authority *Annual Report and Accounts 2023-24*.

5 Public corporations are at least 50% funded through commercial activities.

6 Advisory non-departmental bodies have responsibilities to advise ministers.

7 The National Audit Office produced a *departmental overview of DBT in 2022-23*, which includes an overview of each partner organisation.

Source: National Audit Office analysis of partner organisations annual report and accounts and information on gov.uk

9 DBT's partner organisations – Companies House and the Insolvency Service

Companies House

Companies House is the UK's official registrar for companies and plays a key role in ensuring transparency and supporting business growth. It is enhancing its services to provide more streamlined digital registration and compliance processes.

It manages the incorporation and dissolution of limited companies, maintains and examines company information, and ensures the public company register is accurate and reliable. Its main responsibilities are to:

- incorporate and dissolve limited companies;
- examine and publish company information; and
- promote transparency and growth in the UK economy.

Insolvency Service

The Insolvency Service supports businesses and individuals facing financial distress. It is undergoing modernisation to improve the efficiency of its processes and support economic recovery by enhancing early intervention and debt solutions.

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;
- to be an agency that is a great place to develop a career with tools and technology to deliver excellent services;
- to be 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 stakeholders.

Companies House and the Insolvency Service are executive agencies of DBT

	Companies House	Insolvency Service
Operating expenditure, 2023-24	£120.8 million	£661.6 million
Staff	1,342	1,726
Geographical range	UK	Great Britain

Section 9:
DBT's partner organisations – Companies House and the Insolvency Service *continued*

Tackling economic crime

The Economic Crime and Corporate Transparency Act, which received Royal Assent in October 2023, was introduced to prevent the abuse of UK corporate structures and tackle economic crime.

Previously, Companies House had limited powers to control or check information provided by registered companies, and investigate companies suspected of economic crime. The Act gives new powers to Companies House to improve transparency over UK companies.

Key reforms include:

- new identity verification requirements;
- powers to check, remove or decline information on the companies register; and
- providing Companies House with more effective investigation and enforcement powers. Companies House will also be able to share information with law enforcement bodies, such as the Insolvency Service, where they have evidence of suspicious behaviour.

The phased implementation of the reforms began on 4 March 2024, and Companies House reported that it increased resource in its operations and intelligence teams and trained over 700 operational delivery professionals to respond. From May 2024, Companies House increased its fees to fund new measures aimed at preventing fraudulent company registrations.

Our 2024 report on tackling tax evasion in high street and online retail found that while these reforms should help reduce fraudulent activity they will take time to implement. Their success depends on effective enforcement and closer coordination between Companies House and key partners. The report also recommended that HM Revenue & Customs and the Insolvency Service should work together to set out how they will tackle phoenixism (which involves companies falsely declaring themselves insolvent then continuing the same business as a new company to evade their debts) and monitor the effectiveness of their work.

10 DBT's partner organisations – British Business Bank and the Low Pay Commission

The British Business Bank and the Low Pay Commission are two of DBT's key partner organisations

British Business Bank

Facts and figures	
Operating expenditure, 2023-24	£130.0 million
Operating cashflows	(£456 million)
Staff	624
Geographical range	UK

The British Business Bank (BBB) provides financial support to smaller businesses, which has been particularly important during post-pandemic recovery and rising inflation. It aims to address funding gaps, with new initiatives focused on increasing access to finance for businesses in underserved regions.

BBB is an economic development bank wholly owned by DBT but is operationally independent. BBB'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 small and medium enterprises (SMEs).

BBB administers key finance programmes including the COVID-19 loan schemes (and its successors), the Future Fund, the legacy regional funds and some loan and guarantee programmes on behalf of DBT. It also manages other programmes including the Nation and Region Investment Funds.

As at March 2024, the BBB's core programmes were supporting 63,970 businesses with £17.4 billion of finance to start-up and grow.

Low Pay Commission

Facts and figures	
Operating expenditure, 2023-24	£0.07 million
Staff	8
Geographical range	UK

The Low Pay Commission (LPC) plays a key role in shaping fair wage policies, particularly as inflation and cost-of-living pressures increase. It advises the government on setting the National Minimum Wage (NMW) and National Living Wage (NLW), balancing fair pay with business sustainability.

It makes recommendations to the government each autumn. To do this, the LPC evaluates the effects of NMW and NLW by:

- researching and consulting with employers, workers and their representatives;
- analysing data to understand the state of the economy and labour market;
- the impact of the minimum wage; and
- commissioning research projects into these questions.

In July 2024, the Secretary of State for Business and Trade and Chancellor of the Exchequer announced a change to the LPC's remit to:

- factor in the cost of living when recommending minimum wage rates; and
- remove age bands to create a single adult rate of minimum wage.

11 Support for business

DBT supports businesses to create jobs, opportunities and prosperity across the country

Support for business

There are around 5.5 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.

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 in Section 10.

Industrial Strategy

In October 2024, the government published the Green Paper *Invest 2035: The UK's Modern Industrial Strategy*, in support of the government's mission to drive economic growth.[3] The Green Paper sets out a 10-year plan to deliver the certainty and stability that businesses require to invest in high-potential, growth-driving sectors. These eight sectors are advanced manufacturing, clean energy industries, creative industries, defence, digital and technologies, financial services, life sciences, and professional and business services.

The Industrial Strategy will be published in Spring 2025, aligned with the multi-year Spending Review. The Strategy will be supported by Sector Plans for the growth-driving sectors. The development of this work is supported by the Industrial Strategy Advisory Council. The government will legislate to establish this body in statute when Parliamentary time allows, at which point it will be called the Industrial Strategy Council (ISC). DBT co-leads the Strategy with HM Treasury.

National Wealth Fund

In October 2024 UK Infrastructure Bank (UKIB) became the National Wealth Fund (NWF). The NWF expands on the former UKIB's remit beyond infrastructure in support of the government's forthcoming Industrial Strategy. NWF is owned by HM Treasury but is operationally independent.

The NWF has access to £27.8 billion of capital to boost private sector investments and create jobs in green industries, such as in ports, hydrogen and industrial clusters.

Automotive Transformation Fund

The Automotive Transformation Fund (ATF) is designed to support the creation of the electrical vehicle (EV) supply chain in the UK. The ATF supports late-stage research and development and capital investment across parts of the EV supply chain.

DBT announced £2 billion of capital and research and development funding to 2030, which will build on the works of the Advanced Propulsion Centre and the ATF, ensuring continuity in the government's support.

3 The government set out six national missions in its Plan for Change, and the Green Paper states that growth is the number one mission of this government.

12 Inward investment and exports

Inward investment

DBT has responsibility for inward investment. This involves an overseas entity either investing 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 our 2023 report *Supporting investment into the UK*, we concluded that the former Department for International Trade (DIT) was increasing the value it added by focusing on the projects with the highest economic impact and strengthening how it worked with other departments. While there was some evidence that support from DIT had some impact on investors' decisions to invest, it remained difficult to determine how much investment would have happened without government involvement.

DBT reports annually on inward investment. In 2023-24 it reported the following:

- DBT supported 1,018 foreign direct investment (FDI) projects, a decrease of 6% from 2022-23. The projects had an estimated economic impact of £5,757 million.
- The government supported the creation of 57,037 new jobs, a decrease of 14% from 2022-23.
- Some of the top source markets for FDI projects into the UK were the USA (193 projects, 13,311 new jobs), India (99 projects, 7,134 new jobs), and Germany (60 projects, 6,934 new jobs).
- Most new jobs were generated in the Software and computer services (13,464), Wholesale (6,517) and Environment, infrastructure and transportation (5,337) sectors.

Following the publication of the Harrington Review of Foreign Direct Investment in November 2023, the government committed to establishing a new Ministerial Investment Group and increasing the resources for the Office for Investment and DBT teams, which provided direct support to investors. In July 2024, the new Chancellor announced a new approach to growth based on "stability, reform and investment".

Exports

DBT has responsibility for exports, which was transferred from the former DIT in February 2023. The current government plans to detail its approach to supporting export-led growth through the development of three interrelated strategies which will be published in 2025: the Trade Strategy, the Small Business Growth Strategy and the Industrial Strategy.

In 2023-24 DBT's reported exports statistics included the following:

- DBT supported more than 5,200 UK businesses to deliver over £36 billion of 'Export Wins'.[4]
- The total value of UK exports for 2023-24 was £839.7 billion, down 4.6% since 2022-23.

In 2020 we reported on support for exports and concluded that the former DIT had made a good start in developing a strategy and the operating arrangements it needed to support export growth. The report also found that both DIT and UK Export Finance (UKEF) needed to work together to strengthen their approach to ensure that they achieved value for money over time. Since then, DBT and UKEF have signed a Memorandum of Understanding and a partnership agreement.

4 An 'Export Win' is a deal, contract, sale, or agreement that has resulted from export promotion operations provided by DBT.

Section 12:
Inward investment and exports *continued*

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UK Export Finance

UKEF is the UK's export credit agency and a government department that is strategically aligned with DBT. UKEF is the operating name of the Export Credit Guarantee Department. UKEF's mission is to advance prosperity by ensuring no viable UK export fails for lack of finance or insurance, doing that sustainably and at no net cost to the taxpayer over time. It does this by providing insurance, guarantees and loans where the private sector will not. It also helps companies find support from the private sector.

During 2023-24, UKEF provided over £8.8 billion of support to 650 businesses of all sizes and types, supported up to 41,000 jobs in communities around the whole UK and made a contribution of up to £3.3 billion to the UK economy. UKEF originally had to withdraw all cover for Ukraine in the aftermath of Russia's invasion, as the country fell below normal underwriting standards and risk frameworks. However, in May 2023, Cabinet ministers reconfirmed the ministerial direction for UKEF to maintain its £3.5 billion cover for Ukraine and the terms under which the department could provide support. In 2023-24 UKEF provided export credit to four Ukrainian businesses. This was for bridges and naval ships to aid in the location and destruction of naval mines with a maximum liability value of £321 million.

UK Export Finance

Facts and figures	
Operating expenditure, 2023-24	£80.7 million
Staff	554
Geographical range	UK

13 International trade

DBT has responsibility for trade. One of its key aims is to strike trade agreements with other countries.

What is a trade agreement?

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.

In our December 2021 report *Progress with trade negotiations* we reported that the former DIT had renegotiated 36 existing agreements with non-EU trading partners (to transition existing agreements into UK agreements to avoid disruption of trade), and that 62.5% of total UK trade was covered by partners with an FTA. Since then, 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 Madagascar only), the UK-Ukraine Digital Trade Agreement and the UK and the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) agreement have all come into force.[5]

The UK also signed a Digital Economy Agreement (DEA) with Singapore in March 2022; agreed to extend the UK-Switzerland Services Mobility Agreement in December 2022 for an additional three years to 31 December 2025; and, in December 2023, the UK and EU agreed to extend trade rules on electric vehicles until the end of 2026.

As at January 2025, the UK is currently negotiating five agreements (Gulf Cooperation Council, India, Israel, Republic of Korea, Switzerland), one agreement has been paused (Canada), one agreement is currently not active (Mexico), and it has undertaken public consultations on two trade agreements (Maldives and Turkey). DBT reported that the percentage of total UK trade in 2023 covered by partners with an FTA was 64.8%.

Agreement	Stage	Date (of consultation, negotiation, pause or signature)
UK-Turkey Free Trade Agreement	Public consultation	March 2024
UK-Maldives Free Trade Agreement	Public consultation	August 2023
UK-Republic of Korea Enhanced Free Trade Agreement	Negotiating	November 2023
UK-Switzerland Enhanced Free Trade Agreement	Negotiating	May 2023
UK-India Free Trade Agreement	Negotiating	January 2022
UK-Mexico Free Trade Agreement	Not active	May 2023
UK-Gulf Cooperation Council Free Trade Agreement (Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and United Arab Emirates)	Negotiating	June 2022
UK-Israel Free Trade Agreement	Negotiating	July 2022
UK-Canada Free Trade Agreement	Negotiations paused	January 2024
ESA-UK Economic Partnership Agreement	In force for Madagascar. Signed, but not in force for Comoros	August 2024

Source: National Audit Office analysis of information on gov.uk and DBT information as at March 2025

5 The ESA-UK Economic Partnership Agreement with Mauritius, Seychelles and Zimbabwe came into force by the end of the EU transition period (31 December 2020).

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Section 13:
International trade *continued*

International trading system

DBT leads the UK's international trade policy, including representation at the World Trade Organisation, G7 and G20. It aims to tackle market-distorting practices and economic coercion, ensure global trade rules are fit for the digital age, defend UK business from unfair trading practices, strengthen critical supply chains, address economic security threats, and regulate military and other sensitive exports.

Digital trade and the World Trade Organisation (WTO)

The UK has contributed to digital trade discussions at the WTO. At recent WTO Ministerial Conferences, it helped to ensure that the multilateral E-Commerce Moratorium, prohibiting WTO Members from imposing customs duties on digital content, remained in place. In July 2024, the UK joined the first global digital trade deal, the WTO Agreement on Electronic Commerce, as a founding Member. The Agreement aims to deliver new growth opportunities for the UK, with global digital trade worth £4 trillion and growing.

Spotlight: Board of Trade

The **Board of Trade** is an advisory body within DBT that advises DBT and wider government on its trade and exporting strategy, provides intellectual leadership on trade policy, and inputs views and specialist insights into relevant policy areas.

The Board of Trade last met in February 2024. The focus was on SMEs, with discussions on market access barrier resolution and progress against the Board of Trade's workstreams.

Spotlight: Trade Remedies Authority

The **Trade Remedies Authority** is an executive non-departmental public body with a mission 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.

14 Trade agreements

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Free Trade 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.

UK-EU economic relationship

DBT supports the implementation of the UK-EU Trade and Cooperation Agreement (TCA), aiming to maximise the benefits of business flowing from the TCA by reducing trade barriers, enhancing market access, supporting UK businesses with new EU regulations, and ensuring 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.

The TCA includes provisions for a review every five years, with the first review likely to take place after 1 May 2026.

UK-India Free Trade Agreement

In May 2021, the then UK Prime Minister and the Prime Minister of India agreed an Enhanced Trade Partnership, which removed a number of trade barriers and set out the two countries' intention to work towards an FTA.

In July 2024, the Business and Trade Secretary announced the new government's intention to deliver trade negotiations with international partners, including India. The government committed to continue negotiating an FTA and Bilateral Investment Treaty with India. In February 2025, talks resumed following a nearly year-long pause due to general elections in both countries.

UK-US trade agreement

In March 2020, the government set out its negotiating objectives for an FTA with the United States (US). There have been five rounds of negotiations, the last of which was in October 2020.

In June 2023, the UK and the US announced an economic partnership, the Atlantic Declaration, covering economic, technological, commercial and trade relations. As part of the Declaration, the government launched negotiations on a Critical Minerals Agreement which aims to ensure the UK minerals sector can better access the US market. In February 2025, the Prime Minister agreed with the US President to work together to deepen the UK-US economic relationship, and to work together on a trade deal focused on technology.

The UK also signed Memorandums of Understanding (MoUs) on economic cooperation and trade relations with eight individual US states between 2022 and 2024. The MoUs provide a framework to help address trade barriers, increase investments and enhance business networks for businesses in the UK and US.

UK-GCC Free Trade Agreement

Negotiations on a Free Trade Agreement between the UK and the GCC (Gulf Cooperation Council) started in June 2022. The GCC is an economic and political union of Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and the United Arab Emirates. In July 2024, the Business and Trade Secretary announced the new government's intention to deliver trade negotiations with international partners, including the GCC. Subsequently, negotiations resumed in September 2024 with regular dialogues at official and ministerial level.

15 Financial challenges and risks

In the following section, we outline three key areas of financial risk faced by 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 the COVID-19 pandemic, the former Department for Business, Energy & Industrial Strategy (BEIS) provided local authorities with grant funding. This was provided through eight schemes to local businesses during periods of national lockdown and local restrictions. The figure on page 21 shows the profile of spending between March 2020 and March 2023 during which local authorities distributed COVID-19 grants totalling £22.8 billion. By 31 March 2024, all COVID-19 grant schemes had been closed, and no new grant schemes were implemented during the year.

Risk: fraud and error

- In March 2023 we reported 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), and that the former BEIS, working through local authorities, had recovered £11.4 million (around 1%) of these losses by mid-February 2023.[6]
- As of 31 March 2024, the identified figure for irregular payments is over £56.2 million, comprising £36.4 million successfully recovered and returned to DBT, £4.3 million successfully recovered by local authorities but not yet repaid to DBT, and £15.4 million referred to DBT as debt that the local authority has attempted, but been unable, to recover, which DBT is now pursuing.
- 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.

DBT grant delivery

After the Machinery of Government change, DBT established a cross-departmental change programme to professionalise the design and delivery of its grant schemes. This features on DBT's risk register as a high-rated risk to ensure the grants transformation is closely managed to limit risks of exposure to fraud and error.

As part of this transformation, DBT has established a centralised Grant Delivery Directorate (GDD) to oversee the delivery of all DBT grant schemes and provide a centre of excellence for grant delivery. In 2023-24, GDD comprised of 30 staff, 14 of whom work on assurance and debt recovery.

6 Comptroller and Auditor General, *COVID-19 business grant schemes*, Session 2022-23, HC 1200, National Audit Office, March 2023.

Section 15:
Financial challenges and risks *continued*

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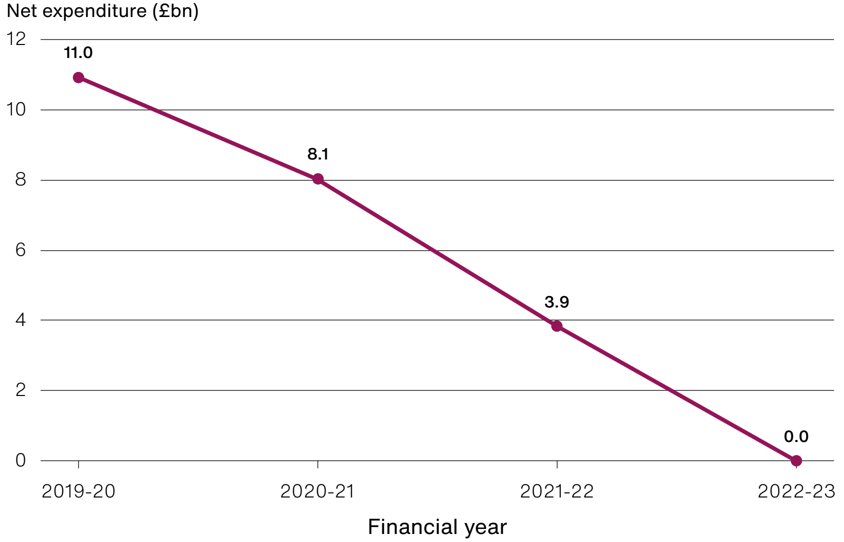
Former Department for Business, Energy and Industrial Strategy COVID-19 business support grant schemes: net expenditure 2019-20 to 2022-23

COVID-19 business support grant funding declined sharply from 2019-20 and nearly ceased by 2022-23



Notes

1 Figures are in cash terms.

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

3 All schemes have now been closed, and no new grant schemes have been implemented during the financial year 2023-24.

4 Figures may not sum due to rounding.

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

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Section 15:
Financial challenges and risks *continued*

COVID-19 loan guarantee schemes

The former 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.[7] These schemes predominantly closed in 2021, although there are ongoing liabilities related to the guarantees issued. These were material as at 31 March 2024, with the Bounce Back Loan Scheme (BBLS) being the largest, at £5.2 billion.

The measurement of these liabilities is sensitive to a range of assumptions, primarily macroeconomic factors. The liability for BBLS is also affected by the estimated fraud and error rates within the scheme. Although the scheme is closed, the estimate of fraud and error is subject to ongoing revision when new data becomes available.

Risk: Bounce Back Loans – fraud, error and low recovery rate

DBT's 2023-24 estimate of the fraud and error incidence rate in the BBLS portfolio was 9.7% (up from 8.9%), with a fraud and error loss rate (taking account of the fact that not all fraud and error will result in a loss) of 6.8% (up from 5.9%). Significant uncertainties remain around this estimate, as there are additional risk indicators not included in the estimate. The value of observed and estimated residual fraud and error loss on BBLS is £1.9 billion as at 31 March 2024.

DBT works with the National Investigation Service (NATIS) and the Insolvency Service (INSS) to investigate the most serious cases of fraud and undertake prosecution work.

7 Our *Investigation into the Bounce Back Loan Scheme* and report *The Bounce Back Loan Scheme: an update* provides more detail on loan guarantees and the business loan support schemes provided by the government during the COVID-19 pandemic.

Section 15:
Financial challenges and risks *continued*

Post Office Horizon IT compensation

- The Post Office Horizon IT compensation concerns the issues relating to 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. Convictions started to be 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.
- In May 2024, the relevant Parliaments passed the Post Office (Horizon System) Offences Acts, which automatically quashed the convictions of sub-postmasters impacted.
- Several compensation schemes have been set up to deliver financial redress to affected sub-postmasters:
  - postmasters who were claimants in the Group Litigation and part of its settlement in 2019 (Group Litigation Order (GLO) Scheme);
  - postmasters across the UK who had their convictions quashed by the Post Office Offences Acts (the Horizon Convictions Redress Scheme (HCRS));
  - those who were affected by financial discrepancies related to previous versions of the Post Office's Horizon IT system (the Horizon Shortfall Scheme (HSS));
  - those who had been wrongly convicted of fraud, theft and false accounting, later overturned by the court (compensation for Overturned Convictions (OC));
  - postmasters impacted by operational and policy issues separate to the Horizon Schemes (Post Office Process Review); and
  - postmasters who were not paid during a period of suspension (Suspension Review Renumeration)

Risk: uncertain liability and timeliness

- DBT has provided an additional £103 million of funding across 2023-24 and 2024-25 to support the Post Office in the development of a replacement to the Horizon IT System and to allow necessary investment into the current system while that replacement is developed.
- DBT also agreed to provide further funding in 2023-24 and 2024-25 (£190 million) to ensure that the Post Office can continue to deliver compensation schemes and fully input into the Inquiry.
- DBT's liability estimate is uncertain both in relation to the total amount and the timing of payments.
- In our report on government's compensation schemes we emphasised the importance of robust planning and risk mitigation in compensation schemes to ensure fairness and timeliness.
- The total discounted liability for all six schemes as at 31 March 2024 is estimated at £1,723 million, around 64% of DBT's net expenditure.

As of 3 January 2025, the government has paid £594 million to over 3,800 claimants across four schemes (OC, HSS, HCRS and GLO).

The Post Office leads the delivery of the programme to deliver a new IT system. A subset of this work, previously known as New Branch IT (NBIT) was added to the Government Major Projects Portfolio in November 2023, and reporting commenced in April 2024. This work is now part of a new Post Office Limited programme called the Future Technology Portfolio.

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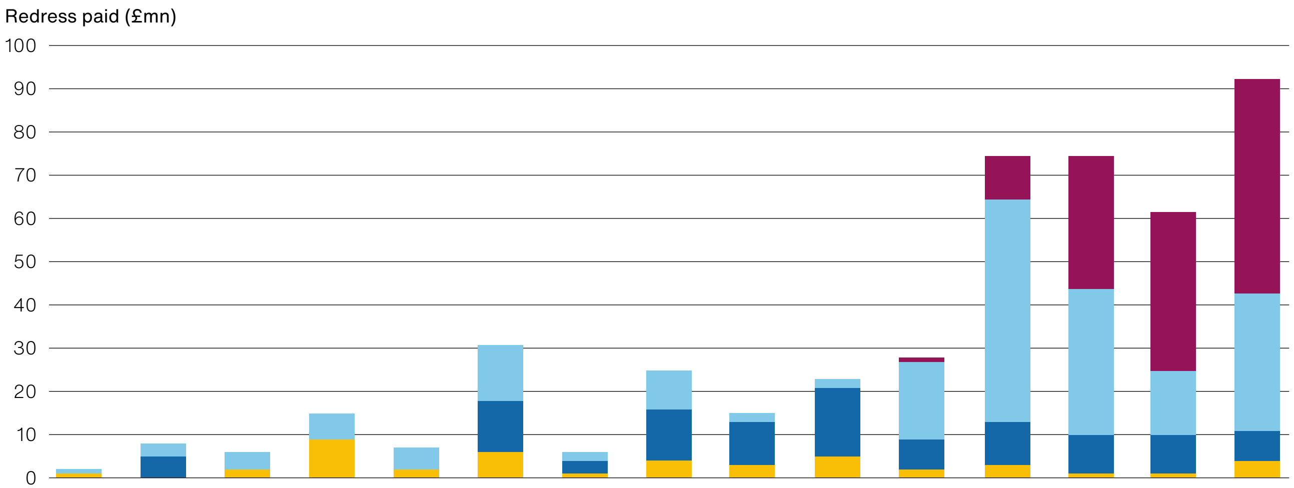
Section 15:
Financial challenges and risks *continued*

Monthly Post Office Horizon Financial redress paid by scheme, October 2023 to December 2024

Post Office Horizon financial redress payments have increased due to claims against the Horizon Shortfall Scheme and set up of the Horizon Convictions Redress Scheme



	Oct 2023	Nov 2023	Dec 2023	Jan 2024	Feb 2024	Mar 2024	Apr 2024	May 2024	Jun 2024	Jul 2024	Aug 2024	Sep 2024	Oct 2024	Nov 2024	Dec 2024
HCRS	0	0	0	0	0	0	0	0	0	0	1	10	31	37	50
HSS	1	3	4	6	5	13	2	9	2	2	18	52	34	15	32
GLO	0	5	0	0	0	12	3	12	10	16	7	10	9	9	7
OC	1	0	2	9	2	6	1	4	3	5	2	3	1	1	4

Notes

1 The four schemes are the Horizon Shortfall Scheme (HSS), Group Litigation Order (GLO), compensation for Overturned Convictions (OC), and the Horizon Convictions Redress Scheme (HCRS).

2 The HCRS was announced on 13 March 2024 and launched on 30 July 2024. The first payments to claimants were made in August 2024 and reported in September 2024.

3 Cumulative data is available starting from September 2023. However, to show the actual amounts paid each month, we have presented data beginning from October 2023.

Source: National Audit Office analysis of the Department for Business and Trade publications of the Post Office Horizon financial redress data

16 Regulation

Regulation is characterised by a set of rules and activity that incentivises people and organisations to meet expected behaviours.

There is no single agreed definition of a regulator, and many public bodies have some regulatory responsibilities. In 2020, Cabinet Office's list of public bodies identified 58 bodies (not including ministerial departments) with a regulatory function. In its 2024 report *Parliament and regulators – how select committees can better hold regulators to account*, the Institute for Government identified 116 regulators, which it defined as an individual or body granted statutory powers by the UK Parliament, ministers or the monarch to set standards, monitor performance or compliance, or take enforcement action.

DBT took on 19 partner organisations following its formation in February 2023, 10 of which have regulatory functions. The core department also has two units with regulatory functions. These 12 regulators work across a range of industries and with different responsibilities and funding models.

Regulating for growth

Regulators can contribute to economic growth by providing a stable environment for investment, or minimising costs to service providers and consumers.

A general Growth Duty for regulators came into effect in March 2017. This requires regulators to have regard to promoting economic growth, alongside their other duties. In 2023, the FCA and Prudential Regulation Authority were given a specific secondary objective to advance the international competitiveness and growth of the UK economy. In May 2024, the Growth Duty was extended to Ofcom, Ofgem and Ofwat.

Regulators have started to respond to their new duties. Our 2023 report *Financial services regulation: Adapting to change* found that the FCA was working to embed its new objective within its existing work.

The government white paper *Smarter regulation: delivering a regulatory environment for innovation, investment and growth*, published in May 2024, announced measures to improve regulators' understanding of the economic impact of their decisions, particularly in terms of competition and economic growth.

For more information on regulation, and the NAO's examination of regulatory performance and spending across government, please see our *An Overview of Regulation for the new Parliament 2023-24*.

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Section 16:
Regulation *continued*

Organisations with a regulatory function sponsored by DBT

Organisation/Unit	Statutory basis	Organisation/Unit responsibilities	How the organisation is funded
Better Regulation Executive	Unit within DBT	Leads the regulatory reform across government departments. Ensures that regulations are smarter and better targeted and promote transparency in the regulatory process.	As part of DBT
British Hallmarking Council	Executive non-departmental public body	Oversees the regulation and enforcement of hallmarking in the UK, ensuring that precious metals are accurately marked for their quality and authenticity in accordance with the law.	Contributions from the UK's four Assay Offices
Certification Officer	Independent statutory office holder	Regulates trade unions and employers' associations, ensuring they comply with legal requirements and carry out their statutory duties.	Largely by trade unions and employers' associations through the collection of an annual levy.
Companies House	Executive agency	Manages the incorporation and dissolution of limited companies, maintains and examines company information, and ensures the public company register is accurate and reliable.	Fees for services
Competition and Markets Authority	Non-ministerial department	The UK's primary competition authority. It aims to help people, businesses, and the UK economy by promoting competitive markets and tackling unfair behaviour.	HM Treasury
Financial Reporting Council	Executive non-departmental public body	Regulates auditors, accountants and actuaries, setting standards for corporate governance, financial reporting and auditing to ensure transparency and integrity in financial practices.	By the accountancy profession, the Consultative Committee of Accountancy Bodies
Groceries Code Adjudicator	Other public body	Oversees the relation between large grocery retailers as designated by the Competition Markets Authority and their direct suppliers, ensuring fair treatment by enforcing the Groceries Supply Code of Practice.	Levy paid by the largest retailers
Insolvency Service	Executive agency	Administers bankruptcies and company liquidations, investigates financial misconduct and enforces insolvency laws to ensure fair treatment and integrity through the market.	By DBT, income from HM Revenue & Customs National Insurance fund and income generated from fees charged for work carried out on insolvency case administration
Office for Product Safety and Standards	Unit within DBT	Regulates product safety and compliance, ensuring that consumer goods meet required standards and enforcing actions against unsafe and non-compliant products. It also enforces product regulations on behalf of other departments such as DEFRA, DESNZ and MHCLG.	As part of DBT
Office of the Regulator of Community Interest Companies	Independent statutory office holder	Oversees the registration and regulation of Community Interest Companies, ensuring they operate for the benefit of the community and comply with legal requirements, and investigates any complaints.	By DBT
Pubs Code Adjudicator	Independent statutory office holder	Enforces the Pubs Code, ensuring fair treatment for tied pub tenants and regulates their relationships with large pub-owning businesses on issues relating to rent reviews and contractual terms.	Levy on the businesses covered by the Code
Regulatory Policy Committee	Advisory non-departmental public body	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.	As part of DBT

Notes

1 An independent statutory office is a position established under legislation and sometimes as a separate legal entity or corporation sole, with a specific remit to conduct activities or deliver services within the public sector but which is an individual and not an organisation.

2 The statutory office is a position held by one person, the statutory office holder, though the office may be provided powers to request additional resources if required (these would usually be provided by a department or by Parliament) or to employ staff.

3 There is no single agreed definition of a regulator, and many public bodies have some regulatory responsibilities, therefore this is not an exhaustive list.

Source: National Audit Office analysis of information on gov.uk

17 What to look out for

Digital markets competition regime

In May 2024, the Digital Markets, Competition and Consumers Act received royal assent. It gave the Competition and Markets Authority (CMA) the power to stop technology businesses with strategic power from misusing their position to disadvantage competitors and consumers.

National Wealth Fund

In October 2024, the UK Infrastructure Bank (UKIB) became the National Wealth Fund (NWF).

Its strategic objectives are to:

- help tackle climate change, particularly meeting the UK Government's net zero emissions target by 2050; and
- support regional and local economic growth through better connectedness, opportunities for new jobs and higher levels of productivity.

Employment rights under labour policies

The 2024 King's Speech and accompanying memorandum included 40 new bills, including the Employment Rights Bill, which is led by DBT. It was introduced to Parliament in October 2024 and aims to give employees basic rights from day one, end unfair practices and make a fairer and more flexible workplace. The Bill forms part of the government's Make Work Pay initiative which aims to tackle low pay, poor working conditions and poor job security.

Recent NAO report: *Supporting the UK's priority industry sectors*, March 2025

The government supports industry to stimulate growth and productivity, secure jobs and supply chains, and address policy challenges. The form of this support varies greatly – from grants to international agreements. Our report examined whether:

- DBT has a robust approach to developing its support for priority industry sectors;
- it is set up to implement this support effectively; and
- there is evidence that DBT's activities are having an impact.

We concluded that DBT has made progress in developing its support for industry, including consolidating teams, reviewing capability needs, and engaging with industry to develop sector plans. However, we reported there are factors that limit the effectiveness of its approach. DBT needs to be able to make informed decisions about where to deploy its resources, provide greater transparency over decision making – such as why it intervenes in a particular sector at a particular time – and place greater emphasis on evaluation to know what works.

Forthcoming Industrial Strategy

In October 2024, DBT published the Green Paper *Invest 2035: the UK's Modern Industrial Strategy*, in support of the government's mission to drive economic growth.

The Industrial Strategy will be published in Spring 2025, aligned with the multi-year Spending Review. The Strategy will be supported by Sector Plans for the growth-driving sectors. The development of this work is supported by the Industrial Strategy Advisory Council. The government will legislate to establish this body in statute when Parliamentary time allows, at which point it will be called the Industrial Strategy Council (ISC). DBT co-leads the Strategy with HM Treasury.

Forthcoming Trade Strategy

The government has committed to publishing a Trade Strategy in Spring 2025. The intention is for the Trade Strategy to set out a ten-year vision for trade, focusing on how trade can support growth, aligning with the Industrial Strategy.

The Post Office Limited Horizon Replacement Programme

In November 2023, a subset of this work, the Post Office Limited Funding (New Branch IT System), was added to the Government Major Projects Portfolio, and reporting commenced in April 2024. DBT has provided an additional £103 million of funding across 2023-24 and 2024-25 to support the Post Office in the development of a replacement to the Horizon IT system and to allow necessary investment into the current system while that replacement is developed.

18 More information about our work on DBT

The Certificate and Report of the Comptroller and Auditor General to the House of Commons

30 January 2025

The C&AG qualified DBT's 2023-24 accounts. He was unable to obtain sufficient appropriate evidence that the value of provisions for the Horizon Shortfall Scheme (£672 million) and for the Horizon Conviction Redress Scheme (£699 million) are free from material misstatement. He considers the effect of these issues to be potentially material in terms of the valuation of these liabilities, and the accuracy of related expenditure.

The C&AG also raised the following key audit matters:

- risks associated with using manual processes to apportion the former Department for Business, Energy & Industrial Strategy (BEIS) spending to successor departments;
- the measurement of COVID-19 guarantees (including related fraud and error);
- the DBT group's fair value measurement of investments in funds;
- the fair value measurement of Future Fund investments and Repayable Launch investment assets; and
- the Provision Measurement for the Post Office Limited Overturned Conviction Compensation Scheme.

See pages 107-128 of DBT's Annual Report and Accounts 2023-24 for the C&AG's Certificate and Report.

Monitoring and responding to companies in distress: lessons learned and *Monitoring and responding to companies in distress: good practice guide*

27 October 2023

We examined many examples of government interventions to support companies in distress across various sectors, including the unprecedented interventions in banks during the 2008 financial crisis. These examples show that government interventions in distressed companies involve complex decision-making at speed; require access at short notice to specialised skills that are not widely held across government; can be very costly in the short term; and may take a long time to exit.

The good practice guide sets out the elements to consider and some questions to support good practice and value for money in monitoring, preparedness and response to company distress situations.

COVID-19 business grant schemes

23 March 2023

In response to COVID-19, 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 report examined how effectively the government set up and delivered the grant schemes.

We concluded that the government achieved its primary objective to deliver financial support to businesses quickly during the pandemic. However, BEIS prioritised speed over conducting pre-payment checks for the schemes, and did not then act quickly to conduct follow-up checks. The delay has made the recovery of amounts wrongly paid more difficult to achieve.

Supporting investment into the UK

27 January 2023

This report examined whether the former Department for International Trade (DIT) was well positioned to secure an impact from its support for inward investment.

We concluded that DIT was focusing on projects that will have the highest economic impact, making more use of technology, working in a more integrated way with BEIS, and improving due diligence processes. We noted that the Office for Investment, which DIT established to deliver a one-stop-shop for the highest value investors, had had some early successes.

However, we noted that attributing success is inherently difficult, and that, while there was some evidence that DIT's support had had some impact, it remained difficult to determine how much investment would have happened without government involvement. Furthermore, attracting inward investment requires the coordination of multiple departments, which hold policy levers. DIT needed to work in a joined-up way across government and local bodies to present a coherent UK offer to investors.