



Department for  
Business, Energy  
& Industrial Strategy

# Department for Business, Energy and Industrial Strategy

## Single Departmental Plan 2017-18

Published 14 December 2017

Our single departmental plan sets out our objectives and how we will achieve them.

**Lead ministers:** The Rt Hon Greg Clark MP, Secretary of State for Business, Energy and Industrial Strategy

**Lead officials:** Alex Chisholm, Permanent Secretary

The Department for Business, Energy and Industrial Strategy (BEIS) was created in July 2016 as part of the Government's ambition to build a stronger economy and a country that works for everyone. Our department is at the heart of this ambition, driving forward the changes that will build an economy that works for everyone, with great places in every part of the United Kingdom for people to work and for businesses to invest, innovate and grow. This ambition is all the more important as we leave the European Union, a move which allows – and requires – the Government and the country to make long-term decisions about our economic future.

## Our objectives

We will:

1. Deliver an ambitious industrial strategy
2. Maximise investment opportunities and bolster UK interests
3. Promote competitive markets and responsible business practices
4. Ensure the UK has a reliable, low cost and clean energy system
5. Build a flexible, innovative and collaborative department

# **1. Deliver an ambitious industrial strategy**

## **Lead ministers**

The Rt Hon Greg Clark MP, Secretary of State for Business, Energy and Industrial Strategy;

Jo Johnson MP, Minister of State for Universities, Science, Research and Innovation;

Claire Perry MP, Minister of State for Climate Change and Industry;

The Rt Hon Lord Henley, Parliamentary Under Secretary of State;

Margot James MP, Minister for Small Business, Consumers and Corporate Responsibility

## **Lead officials**

Gareth Davies, Director General, Business and Science;

Sam Beckett, Director General, International, Growth and Analysis

## **1.1 Industrial Strategy: Building a Britain fit for the future**

### **How we will achieve this**

The government's modern Industrial Strategy lays out a long term plan to boost the productivity and earning power of people throughout the UK. It sets out how we are building a Britain fit for the future – how we will help businesses create better, higher-paying jobs in every part of the United Kingdom with investment in the skills, industries and infrastructure of the future.

We will boost productivity and earning power across the country by focusing on the five foundations of productivity: Ideas, People, Infrastructure, Business Environment and Places.

The Strategy sets out Grand Challenges to put the UK at the forefront of the industries of the future, ensuring that the UK takes advantage of major global changes, improving people's lives and the country's productivity. The first four Grand Challenges are focused on the global trends which will transform our future: Growing the Artificial Intelligence and Data Driven Economy, Clean Growth, Future of Mobility and our Ageing Society.

We will use the framework set out in this strategy to work with industry, academia and civil society over the years ahead to build on the UK's strengths, make more of our untapped potential and create a more productive economy that works for everyone across the UK.

## **1.2 Invest in science, research and innovation**

**How we will achieve this**

We are creating UK Research and Innovation, a single Non-Departmental Public Body that will integrate the seven Research Councils, Innovate UK, and the research and knowledge exchange functions of the Higher Education Funding Council for England.

We will maintain our excellent science and research base to ensure that the UK can become the world's most innovative economy. We will ensure the UK continues to support world leading science and invests public money in the best possible way.

Increase research and development investment across the economy to 2.4% of GDP by 2027.

Through our Industrial Strategy we are committed to building a knowledge and innovation-led economy. The UK is a world leader in science and innovation. By delivering this significant increase in investment as part of our Industrial Strategy – alongside increasing the rate of Research and Development Expenditure Credit to 12% as announced at Autumn Budget 2017 - we are building on our strengths and working with business to ensure that UK scientists and researchers continue to push the boundaries of innovation.

**1.3 Support world leading sectors and launch our Grand Challenges to put the UK at the forefront of the industries of the future****How we will achieve this**

The Industrial Strategy sets out Grand Challenges to put the United Kingdom at the forefront of the industries of the future. The challenges will direct the focus of the Government and engage the private sector to ensure we take advantage of major global trends, improving people's lives and the country's productivity. The first four Grand Challenges are focused on four world-changing trends which will shape Britain in the decades ahead: AI & Data (Growing the AI and Data Driven Economy), Clean Growth, Future of Mobility and Ageing Society.

We will focus our efforts in areas where the UK can build on our distinctive strengths, allowing us to fully take advantage of the market opportunities of the trends that will shape our future.

We will launch and roll out Sector Deals - partnerships between government and industry aiming to increase sector productivity. The first Sector Deals are in life sciences, construction, artificial intelligence and the automotive sector.

**1.4 Supporting businesses to start and grow****How we will achieve this**

We aim to make the UK the best place to start and grow a business, and a global draw for the most innovative companies.

We will drive productivity in businesses of all sizes by increasing collaboration, building skills and ensuring everyone has the opportunity of 'good work' and better, higher skilled jobs.

We will create a business environment equipped for the challenges and opportunities of new technologies and new ways of doing business.

To support high-growth innovative businesses to achieve their potential, we have launched an action plan to drive over £20bn of investment into these businesses over the next 10 years, including by establishing a new £2.5bn investment fund incubated in the British Business Bank.

We will conduct a review of what actions could be most effective in improving productivity of small and medium enterprises, including how to address the 'long tail' of less productive businesses.

## **1.5 Driving growth across the country**

### **How we will achieve this**

By building on the strong foundations of our city, growth and devolution deals we will introduce Local Industrial Strategies and further strengthen local leadership through Local Enterprise Partnerships and Mayoral Combined Authorities.

We will support ongoing efforts across government to develop new policies to improve skills in all parts of the country, create more connected infrastructure, harness innovation strengths, ensure land is available for housing growth, and strengthen our cultural assets.

### **Our performance**

By building on the strong foundations of our city, growth and devolution deals we will introduce Local Industrial Strategies and further strengthen local leadership through Local Enterprise Partnerships and Mayoral Combined Authorities. We will introduce new policies to improve skills in all parts of the country, create more connected infrastructure, harness innovation strengths, ensure land is available for housing growth, and strengthen our cultural assets.

## **2. Maximise investment opportunities and bolster UK interests**

### **Lead ministers**

The Rt Hon Greg Clark MP, Secretary of State for Business, Energy and Industrial Strategy

Jo Johnson MP, Minister of State for Universities, Science, Research and Innovation

Claire Perry MP, Minister of State for Climate Change and Industry

Margot James MP, Minister for Small Business, Consumers and Corporate Responsibility

Richard Harrington

### **Lead Officials**

Sam Beckett, Director General, International, Growth and Analysis

Jaee Samant, Director General, Market Frameworks

Gareth Davies, Director General, Business and Science

Jeremy Pocklington, Director General, Energy and Security

### **2.1 Encouraging inward investment**

#### **How we will achieve this**

In the Industrial Strategy, the government has identified four Grand Challenges, global trends that will shape our rapidly changing future and which the UK must embrace to ensure we harness all the opportunities they bring. Each Grand Challenge represents an open invitation to business, academia and civil society to work and engage with the government to innovate, develop new technologies and ensure the UK seizes these global opportunities.

We will utilise the department's investor relations capability to engage UK and international providers of capital, in order to build understanding and confidence in the UK's markets and our regulatory frameworks.

We will continue to work with other government departments to identify and target potential UK investors in order to persuade them to invest in the UK.

### **2.2 Working to ensure our economy is resilient and best placed to seize opportunities**

#### **How we will achieve this**

We will improve resilience to economic shocks through early identification, and increased prevention of risk through investigation of future trends and enhanced

business intelligence, providing an effective response to shocks through targeted contingency planning.

## **2.3 Promoting the interests of UK businesses and wider BEIS interests in EU and Euratom Exit negotiations**

### **How we will achieve this**

In our Industrial Strategy we set out how we will build on our strengths, extend them into the future and capitalise on the opportunities before us.

We want the UK to be the go-to place for scientists, innovators and tech investors across the world. We intend to secure the right outcome for the UK research base as we exit the European Union.

Through negotiations with the European Commission, the Government is seeking a close relationship with Euratom. The Government is also putting in place all the necessary measures to ensure that the UK can operate an independent nuclear safeguards regime.

## **2.4 Building the profile of the UK on the international stage**

### **How we will achieve this**

We will ensure that the UK remains a world leader in science and innovation and continues to attract the brightest talent and collaborations around the world.

As part of our Industrial Strategy we will invest £300 million over the next three years in growing and attracting world-class talent, including in priority areas aligned with the Industrial Strategy such as artificial intelligence, to enhance our skilled workforce and attract private sector research and development investment. We will continue to support international action on climate change. The UK is a world leader in cutting emissions while growing the economy.

The global transition to a low carbon economy offers huge growth opportunities which the UK is well placed to take advantage of as a core element of our Industrial Strategy.

We aim to make the UK a world leader in the development, manufacture and use of low carbon technologies, systems and services that are cheaper than high carbon alternatives.

## **Our performance**



Between 2011/12 and 2016/17 International Climate Fund programmes have:

- Supported 34 million people to cope with the effects of climate change
- Provided 12 million people with improved access to clean energy
- Reduced or avoided 9.2 million tonnes of greenhouse gas (GHG) emissions (tCO<sub>2</sub>e)
- Installed more than 400 MW of clean energy capacity
- Mobilised £2.2 billion public and £500 million private finance for climate change purposes in developing countries

Source: Annual International Climate Fund results

Business investment in the UK: £45.8billion

Source: Business investment in the UK: July to September 2017 provisional results

Number of involved inward investment successes: 1859 in 2016/17

Source: Department for International Trade Annual Reports and Accounts 2017-2017  
/ Release schedule: quarterly

### **3. Promote competitive markets and responsible business practices**

#### **Lead ministers**

The Rt Hon Greg Clark MP, Secretary of State for Business, Energy and Industrial Strategy

Margot James MP, Minister for Small Business, Consumers and Corporate Responsibility

#### **Lead officials**

Jaee Samant, Director General, Market Frameworks

#### **3.1 Reforming corporate governance**

##### **How we will achieve this**

We will develop and implement the measures announced in response to the consultation on the Corporate Governance green paper.

We will encourage companies to adopt best practice in corporate reporting and responsibility as well as good business practice, and encourage employee involvement in the management of our businesses.

We will coordinate and support business-led initiatives, including the Hampton-Alexander Review into FTSE Women Leaders and Sir John Parker's review into ethnic diversity on boards.

#### **3.2 Promoting fairness in the labour market and improved working conditions**

##### **How we will achieve this**

We will respond to and build on the recommendations of the Matthew Taylor Review to encourage 'good work' and sustain and improve employment practice as well as maintaining flexibility for the employer.

We will make workplaces more open to people in different circumstances, including parents and carers, through a combination of employer flexibility and statutory entitlements.

We will act firmly to eliminate workplace exploitation. We will use all enforcement measures at our disposal to crack down on the labour market abuses practiced by a small minority of employers.

Implement reforms to improve effectiveness of National Minimum Wage enforcement and improve intelligence sharing and cooperation more widely across agencies,



through establishment of Director of Labour Market Enforcement.

### **3.3 Ensuring the UK has the right regulatory frameworks to help meet business and consumer needs**

#### **How we will achieve this**

We will publish a Consumer Green Paper that tackles areas where markets are not working for consumers and businesses.

We are bringing forward measures to help tackle unfair practices in the energy market to help reduce energy bills. We have published draft legislation, sending a clear message to the industry that we will protect the interests of their customers if they don't act now to tackle the detriment found by the Competition and Markets Authority.

Small businesses are the backbone of our economy, providing jobs and opportunities across the country. Supporting Britain's 5.5 million small businesses is at the heart of this Government's Industrial Strategy; the appointment of the Small Business Commissioner will tackle unfair payment practices, supporting our goal to create an economy that works for all.

### **3.4 Safeguarding UK interests in investments in national infrastructure**

#### **How we will achieve this**

We will deliver reforms to increase national security protections for critical infrastructure.

We will safeguard the post office network, including protecting existing rural services, work with the Post Office to extend the availability of business and banking services to families and small businesses in rural areas, and support the Post Office through its ongoing transformation programme.

### **Our performance**

National Living Wage as a proportion of median earnings 57.6%in April 2017

Source: National Minimum Wage, Low Pay Commission Report 2017

FTSE 350 board positions being held by women 24.5%as at October 2017

Source: Hampton-Alexander review / Release schedule: annual

BAME Directors on Boards of FTSE 100 companies 8%

Source: Parker Review, 2017 / Release schedule: annual

## **4. Ensure the UK has a reliable, low cost and clean energy system**

### **Lead ministers**

Richard Harrington

Claire Perry

The Rt Hon Lord Henley, Parliamentary Under Secretary of State

### **Lead officials**

Jeremy Pocklington

Sam Beckett, Director General, International, Growth and Analysis

### **4.1 Ensure that our energy system is reliable and secure**

#### **How we will achieve this**

We will ensure we maintain adequate energy capacity, for example through the annual operation of the capacity market, to guarantee that we can cope with unexpected peaks in demand and enable a reliable supply of electricity.

We will make our electricity system smarter and more flexible, creating the right environment for more storage, demand side response, smart grids, and interconnection.

As we set out in our Clean Growth Strategy, encouraging the uptake of heat networks is an important way to reduce carbon and cut heating bills for customers.

### **4.2 Deliver affordable energy for households and businesses**

#### **How we will achieve this**

By focusing on Clean Growth we can cut the cost of energy, drive economic prosperity, create high value jobs and improve our quality of life.

We have published draft legislation to help tackle unfair practices in the energy market to help reduce energy bills, sending a clear message to the industry that we will protect the interests of their customers.

We will ensure that every household and small business in the country has been offered smart meters by the end of 2020.

We will support the take-up of energy efficiency improvements in the owner-occupied, privately rented, and social housing sectors, with a view to as many homes as possible reaching Energy Performance Certificate Band C by 2035.

### **4.3 Take action on climate change and low-cost decarbonisation**

### **How we will achieve this**

The Government's Clean Growth Strategy sets out how the whole country can benefit from low carbon economic opportunities through the creation of new technologies and new businesses, which create jobs and prosperity across the UK, while meeting our ambitious national targets to tackle climate change.

We will continue to support international action on climate change.

## **4.4 Manage our energy legacy safely and responsibly**

### **How we will achieve this**

We will deliver safe, cost effective and environmentally sensitive decommissioning of offshore oil and gas infrastructure in the North Sea, while making sure that the UK benefits from the job opportunities this will create.

We will work with and through the Nuclear Decommissioning Authority to develop and deliver a robust plan for safe, cost effective, environmentally sensitive decommissioning of our civil nuclear waste through a geological disposal facility, creating thousands of jobs and opportunities for UK companies in the supply chain.

We will ensure the ongoing safe and responsible management of our coal legacy, including administration of the concessionary fuel entitlements and personal injury claims for those previously involved in coal mining.

We will continually improve UK civil nuclear security and safety arrangements to ensure they are robust and effective, now and in the future.

## **Our performance**

Smart and advanced meters operating across homes and businesses in Great Britain, by both large and small energy suppliers: 8.61 million up until 30 September 2017

Source: Smart Meters Statistics / Release schedule: quarterly

Electricity generation from renewable sources: 29.8%, Quarter 2 2017

Source: Energy Trends Statistics / Release schedule: quarterly

Annual Greenhouse Gas emission reporting against carbon budgets: 2015 total greenhouse gas emissions of 496 MtCO<sub>2</sub>e, meaning the UK was on track to meet the Second Carbon Budget (2782 MtCO<sub>2</sub>e in 2013-17).

Source: Final UK Greenhouse Gas Emissions: National Statistics, 1990 - 2015

## **5. Build a Brilliant, Enterprising, Inclusive and Skilled Department**

### **Lead Ministers**

The Rt Hon Lord Henley, Parliamentary Under Secretary of State

### **Lead Officials**

Angie Ridgwell, Director General, Corporate Services

### **5.1 Deliver our people strategy to provide the capability to achieve our objectives**

#### **How we will achieve this**

We will have a clear workforce strategy with a strong BEIS brand which will enable us to attract and retain people, and have the right people in the right roles at the right time.

We will improve organisational and individual capability and talent development through a learning and talent offer that provides opportunities for all our people to develop knowledge and skills in priority areas.

We will aspire to be the best and build a strong performance culture where we support our teams to excel.

### **5.2 Enabling Digital, Data and Technology to deliver exceptional services for our staff as well as the people and businesses we serve**

#### **How we will achieve this**

We will work collaboratively with policy teams to harness data and technology to deliver policy seamlessly, cost-effectively and to meet the needs of businesses and citizens.

We will work in partnership with Cabinet Office and the Government Digital Service to reduce operating costs and improve efficiency and effectiveness of services.

### **5.3 Deliver a workspace that supports and enables BEIS to deliver its objectives.**

#### **How we will achieve this**

We will operate consistently with the Commercial Operating Standards published by the Government Commercial Function, and ensure that BEIS procurement promotes opportunities for UK-based small and medium enterprises and contributes to UK growth.



We will work closely with the shadow Government Property Agency to develop a new BEIS Strategic Asset Management Plan.

We will work cross-departmentally to continue to reduce the government's environmental impact, building on the progress we have made since 2010.

#### **5.4 Ensure that the department continues to use its available resources efficiently to deliver ministers' strategic priorities.**

##### **How we will achieve this**

We will ensure that resources are appropriately allocated within the Department and used effectively in the delivery of its priorities.

We will work across the BEIS group of organisations to deliver high quality counter-fraud services which comply with the standards which have been developed by the Cabinet Office.

#### **5.5 Elevating BEIS from a well-functioning department to an exceptional one which delivers for business**

##### **How we will achieve this**

We will create a high performing and high impact Department to deliver real-world outcomes for business and consumers.

We will strengthen our understanding of business and its impact on citizens, drawing on a broad range of talent sources to ensure that our people are respected for their skills and expertise.

We will work more effectively with our partner organisations to improve the quality of our policy outcomes.

## **Our performance**

### **Annual Employee Engagement Index**

#### **Year Level of staff engagement**

2017 56%

2016 54%

## **Our finances**

('000s) Departmental Expenditure Limit (DEL) – 12,878,657

Resource DEL - 1,982,716

Capital DEL – 10,895,941

Annually Managed Expenditure – 2,689,055

Control totals included in this document are in line with the latest voted by Parliament in the Main Supply Estimates 2017-18

Source: Main Supply Estimates 2017-2018