



**BERR** | Department for Business  
Enterprise & Regulatory Reform

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Annual Report  
and Accounts 2008–09

HC 447

JULY 2009

# Department for Business, Enterprise and Regulatory Reform Annual Report and Accounts 2008-09

Including the Annual Departmental Report and  
Consolidated Resource Accounts for the year ended  
31 March 2009

Resource Accounts presented to the House of Commons  
pursuant to chapter 20, section 6 (4) of the Government  
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by Command of Her Majesty

Resource Accounts and Departmental Report presented to  
the House of Lords by Command of Her Majesty

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This document is part of a series of departmental reports which, along with the Main Estimates 2009–10, the documented *Public Expenditure: Statistical Analysis 2009* and the Supply Estimates 2008–09: Supplementary Budget Information, present the Government's outturn and planned expenditure for 2008–09 and 2009–10.

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# Foreword from the Secretary of State for Business, Innovation and Skills



To build a strong and dynamic economy in the UK, we must promote open, competitive markets, which support enterprise, innovation and investment, and simple, yet well targeted, regulation. To compete effectively in the global economy we must combine our excellence in further and higher education and skills, our world-class science, technology and research, with an active industrial strategy, to bring forward the knowledge and innovation that will drive future wealth creation.

On 5 June 2009 the Prime Minister created a new department, the Department for Business, Innovation and Skills, in order to bring together the strategy, policy levers and expertise needed to realise this vision for Britain's economic future. The purpose of the Department for Business, Innovation and Skills is to build a dynamic and competitive UK economy by:

- creating the conditions for business success;
- promoting innovation, enterprise and science; and
- giving everyone the skills and opportunities to succeed.

To achieve this we will foster world-class universities and promote an open global economy.

The new Department was created by merging the Department for Business, Enterprise and Regulatory Reform with the Department for Innovation, Universities and Skills. This Report sets out the performance of the Department for Business, Enterprise and Regulatory Reform over the twelve months to March 2009 in terms of achievements against objectives and financial results, and will be its final annual report and accounts.

During 2008-09 the Department for Business, Enterprise and Regulatory Reform worked hard to help people and businesses come through the recession sooner and stronger. The Department also developed strategies, notably New Industry, New Jobs jointly with the former DIUS, to help ensure the UK is well placed to take advantage of the new drivers for global economic growth.

I am grateful to the many people who worked so hard over the past year. As the first Secretary of State for Business, Innovation and Skills, I look forward to working with the staff and delivery partners from both the predecessor departments, to build on their previous successes as we prepare for the economic upturn and beyond.

A handwritten signature in black ink, which appears to read 'Peter Mandelson'.

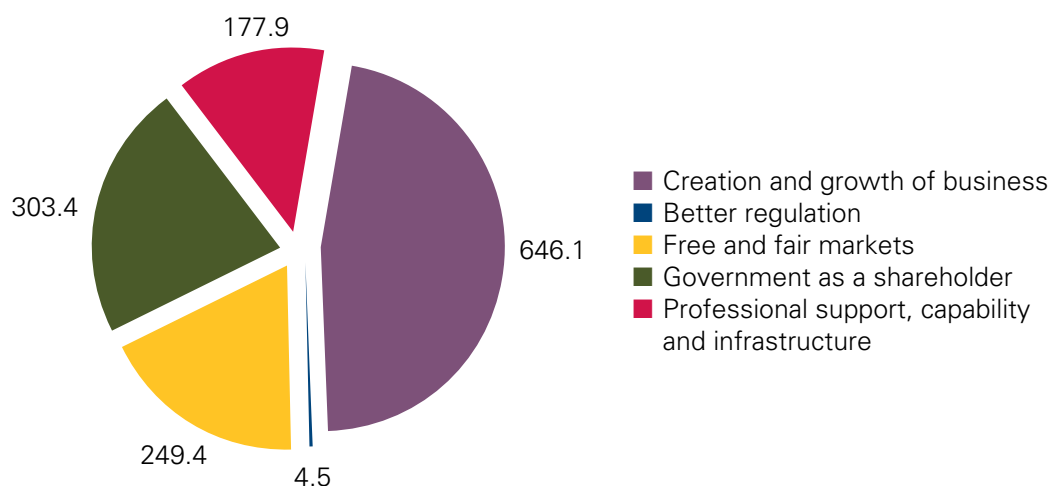
Rt Hon Lord Mandelson  
Secretary of State for Business, Innovation and Skills

# Executive Summary

- 1 Successful enterprising businesses create wealth, help improve productivity and drive up UK competitiveness. The Department for Business, Enterprise and Regulatory Reform (BERR) led Government efforts throughout 2008-09 to help ensure business success in an increasingly competitive world. This meant taking exceptional and active measures to limit the impact of the economic downturn on the UK economy, and taking steps to prepare business to take advantage of the upturn and the opportunities that will arise from the new drivers for global economic growth.
- 2 During 2008-09 BERR provided a range of targeted support for businesses to help them through the recession more quickly, including access to finance and business advice, as part of the cross-Government Real Help Now programme.
- 3 *New Industry, New Jobs*, published in April 2009, is the Government's strategic vision for Britain's economic recovery. It aims to ensure that UK businesses and workers can compete successfully for the jobs of the future, and explains how Government is going to take a more active approach to building British competitiveness, growth and productivity, in order to create the best possible conditions in which UK businesses can thrive.
- 4 As part of this vision the Department for Business, Innovation and Skills (BIS) was created on 5 June 2009, whose role is to build Britain's capabilities to compete in the global economy. The new department was created by merging BERR and the Department for Innovation, Universities and Skills (DIUS), to form a single department committed to leading the fight against the recession and building the conditions for future prosperity.
- 5 2008-09 was the first year of a new performance management framework for government departments. Public Service Agreements (PSAs) set out the key priority outcomes for Government. BERR led delivery of three cross-Government PSAs in 2008-09:
  - **PSA 1:** Raise the productivity of the UK economy;
  - **PSA 6:** Deliver the conditions for business success in the UK; and
  - **PSA 7:** Improve the economic performance of all English regions and reduce the gap in economic growth rates between regions.
- 6 Departmental Strategic Objectives (DSOs) cover the full range of a department's activity. BERR had five DSOs in 2008-09:
  - **DSO 1:** Promote the creation and growth of business and a strong enterprise economy across all regions;

- **DSO 2:** Ensure that all government departments and agencies deliver better regulation for the private, public and third sectors;
  - **DSO 3:** Deliver free and fair markets, with greater competition, for businesses, consumers and employees;
  - **DSO 4<sup>1</sup>:** Ensure that Government acts as an effective and intelligent shareholder, and provide a source of excellent corporate finance expertise within Government; and
  - **DSO 5<sup>1</sup>:** Provide the professional support, capability and infrastructure to enable BERR's objectives and programmes to be successfully delivered.
- 7** All five of BERR's DSOs are assessed as showing strong progress, i.e. showing improvement in more than 50% of the indicators of which they are comprised. Two of the PSAs show some progress, and one is yet to be assessed as the data needed to measure progress is not yet available.
- 8** During 2008-09 BERR worked to increase the capability of the Department, improving the effectiveness and efficiency of our services. We were commended on progress made in our Capability Review, and achieved level two of the Investors in People Profile.
- 9** The Department continued to successfully deliver its objectives while deriving increasing value for money from its budgets. The Department delivered £69.5 million of value for money savings in 2008-09, against a target of £64 million, allowing budgets to reduce by over 3% in real terms from 2007-08.
- 10** In 2008-09, the total net expenditure of BERR against its Departmental Expenditure Limits, shown in the pie chart below, was £1,381 million. In 2008-09, the Department's Annually Managed Expenditure was £355 million.

#### BERR expenditure against Departmental Expenditure Limits by DSO 2008-09 (£ million)



<sup>1</sup> DSO 4 was numbered DSO 6, and DSO 5 numbered DSO 7, prior to the 3 October 2008 Machinery of Government changes, in which responsibility for two DSOs relating to energy security and supply and managing energy liabilities passed from BERR to the then newly created Department of Energy and Climate Change (DECC).

# About this report

- 1 This report summarises the work of the Department for Business, Enterprise and Regulatory Reform (BERR) over the period 1 April 2008 to 31 March 2009. This combined Annual Report and Accounts brings together information about the activities of the Department, its performance and its expenditure.
- 2 On 5 June 2009, BERR and the Department for Innovation, Universities and Skills (DIUS) were merged to form the Department for Business, Innovation and Skills (BIS). References to the work of the Department after 5 June 2009 should be understood as referring to BIS. On 3 October 2008 responsibility for energy policy was transferred from BERR to the newly created Department of Energy and Climate Change (DECC). This report reflects the position of BERR, after the creation of DECC, but prior to the creation of BIS.

## How is this report structured?

	<b>Chapter 1:</b> Provides an <b>Introduction to the Department</b> by outlining our role, objectives, Ministerial responsibilities and our strategic vision for recovery.
	<b>Chapter 2:</b> Presents a <b>Performance Report</b> , describing performance during 2008-09 against BERR's DSOs and the PSAs for which BERR led delivery.
	<b>Chapter 3:</b> Focuses on <b>Managing the Department</b> by describing how BERR operated, including developing capability and value for money savings.
	<b>Chapter 4:</b> Presents a <b>Financial Overview</b> explaining the financial information in the report and the resources available to BERR. This chapter also includes a financial review and details of budgetary spend.
	<b>Chapter 5:</b> Contains the audited <b>Resource Accounts</b> for BERR and a number of bodies consolidated with BERR for 2008-09.
	<b>Annexes:</b> Provide details on DSO and PSA data quality, delivery partners, environmental sustainability, health and safety, Public Accounts Committee (PAC) reports, complaints and the Department's expenditure.

## Links to websites

- 3 Links at the bottom of each page provide further relevant information or key source material. References to the BERR website should automatically redirect as information is transferred to the BIS website. The Department is not responsible for the content of external websites, nor changes to published links.

## How can you obtain copies of this report?

- 4 This report is available electronically from the Department's website<sup>2</sup>. Hard copies can be obtained from The Stationery Office (TSO). Alternative formats can be made available on request. Contact details can be found on the back cover of this report.

<sup>2</sup> *BERR Annual Report and Accounts 2008-09* (BERR, 2009): [www.berr.gov.uk/aboutus/corporate/performance/annual-spending/page25111.html](http://www.berr.gov.uk/aboutus/corporate/performance/annual-spending/page25111.html)