

Committee of Public Accounts

Supporting the UK's priority industry sectors

Thirty-Third Report of Session 2024–25

HC 1070

Committee of Public Accounts

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Summary

The Department for Business and Trade (the Department) was established in February 2023, bringing together the business-focused functions from the former Department for Business, Energy and Industrial Strategy with the Department for International Trade to form a department for economic growth. Two years on, there is a positive trajectory to how the Department has developed, but it is still getting to grips with its new responsibilities and changing priorities. Recent developments in global trade and the UK steel industry have brought the Department further into the spotlight. It is essential that the Department is resilient and responsive to these challenges and other issues that may emerge.

The Department aspires to be the government's 'front door' for business, but there is more to do to ensure businesses know where to go for support, and to articulate what support is on offer. In 2023–24, the Department's Business Group reported spending around £530 million on what it categorised as business support programmes. However, it is unclear how this spending breaks down by type of support.

The Department now needs to align its resources with the priorities of the new government, including its primary growth mission and a forthcoming Industrial Strategy which aims to channel support to eight growth-driving sectors. In 2023, these sectors contributed around £1 trillion in GVA (Gross Value Added – a measure of economic output) to the UK economy.

The Department needs to work effectively with at least 10 other government departments and bodies. Its influence over these bodies, however, varies. As its primary focus is to promote economic growth across the UK, the Department and HM Treasury must ensure that decisions are made with overall costs and benefits in mind, including due consideration of wider policy objectives such as UK supply chains, resilience, net zero, and national security.

The government's forthcoming Industrial Strategy provides an overarching framework to prioritise investments which are strategically important. However, the practical implications for the Department and how it supports industry need to be worked through, including the need to identify and balance measures of success. While the government has yet to clarify specific objectives for its Industrial Strategy, the Department's Permanent Secretary is clear that it would be a failure if, in two to three years, the UK growth rate had not improved to at least the G7 average from 1.6% to 1.8%.

Introduction

The Department for Business and Trade (the Department) was formed in February 2023, bringing together the business-focused functions of the former Department for Business, Energy and Industrial Strategy with the former Department for International Trade. It is the department for economic growth and its objective is to support businesses to invest, grow and export.

The Department leads the government's relationship with businesses, while many other departments also play a role in growth and engage with industry sectors. The Department currently supports industry through a range of interventions, the scale and form of which varies greatly. In 2023–24, it spent £790.9 million on business support grants, 62.5% of which went to the advanced manufacturing sector and 29.9% to the energy sector.

The government has announced five national missions, with the highest priority mission being economic growth. To support this, the government plans to publish an overarching Industrial Strategy in spring 2025, which will designate eight growth-driving sectors to which it intends to channel support. These eight sectors currently have an estimated GVA (Gross Value Added – a measure of economic output) of £1 trillion. The Department will co-own the Industrial Strategy with HM Treasury, and other departments will have responsibility for some sectors and policy interventions.

Conclusions and recommendations

- 1. The Department can do more to make it easier for industry to engage with government.** While most departments engage with industry, the Department for Business and Trade was created to provide a ‘front door’ to all businesses. Despite this aspiration, businesses do not always know which part of government to go to with their needs. This can lead to confusion and, at times, businesses receiving conflicting or duplicated communications from departments. The Department recognises the limitations of its current approach – officials do not consistently record their interactions with industry and its digital platform is not accessible to all departments. The Department has worked with HM Treasury and Number 10 to put in place a new account management system for the top fifty companies that it considers will have the greatest impact on the growth mission. While the forthcoming Industrial Strategy will be co-owned by the Department and HM Treasury, other departments will have responsibilities for particular sectors and policy interventions. This new approach, and the government’s missions, will require even greater communication and join up between the Department and its partners across government.

RECOMMENDATION

The Department should take steps to improve its approach to stakeholder engagement by:

- clarifying its account management processes for large and small businesses, including ownership, roles and responsibilities across departments; and
- setting out its ongoing general support offer for industry, and how businesses can access what they need from government to address barriers to growth.

- 2. The Department is not working effectively enough with other departments to support industry and achieve the greatest impact.** The Department views the economy through the lens of 10 economic sectors and 41 sub-sectors. While the Department is responsible for supporting businesses in general, it is not itself responsible for all the relationships and policy interventions involving these sectors and must work with at

least 10 other government departments. The Department's relationships with these bodies vary in maturity and there is no shared understanding of sector ownership, roles, or responsibilities. Prior to the announcement of the Industrial Strategy, the Department proposed formalising sector roles and responsibilities between departments by agreeing 'handshakes' which were akin to memorandums of understanding (MoU), but this approach was not widely adopted. Some cross-government structures have developed which aim to look at issues in an integrated way, such as the Office for Life Sciences, a skills forum, and the recent Growth Mission Board, and there is potential for this approach to be used more widely. The Department analyses and shares business intelligence across government, giving insight into senior engagement with businesses and sectoral issues, but its reporting could be improved.

RECOMMENDATION

The Department should develop the way it works with other departments to support industry, looking to:

- reach a common understanding of industry sectors, roles, and responsibilities with other government departments, formalise this with MoUs, and consider the most appropriate models for effective cross-government working; and
- take steps to improve its intelligence sharing and explore digital solutions.

- 3. The Department lacks a comprehensive understanding of its support for industry, including how much it spends per sector and the types of support it offers.** The Department supports industry through a range of interventions, which vary in form and scale. Some interventions support individual sectors while others are designed to improve the general business environment. The Department currently tracks its programme spending, grant expenditure, and spending by its Business Group (the part of the Department leading on support for industry). In 2023–24, it spent £790.9 million on business support grants and £530.3 million on business support programmes. While the Department can provide information on its individual items of support and their desired policy outcomes, it does not have a comprehensive understanding of its support. The Department found it difficult to readily provide the National Audit Office (NAO) with a breakdown of its industry support; does not routinely categorise the composition of it (for example, by industry sector or type); and has a limited understanding of what can be provided to sectors by other government departments. Maintaining good oversight of spending enables good decision-making, prioritisation, and accountability, and reduces the risk of inefficiencies in how public funds are used to stimulate

economic growth. Without a good understanding of the profile of current spending, the Department cannot effectively adapt its approach to a new Industrial Strategy.

RECOMMENDATION

The Department should consolidate its understanding of the support for industry it offers; take steps to improve its reporting, for example, by type, value and sector; and use this information to inform decision-making on future support.

4. **It is not clear how the Department balances multiple government objectives, such as growth and net zero, when making decisions about how to support industry.** Government needs to consider a wide range of metrics when making investment decisions including employment, net zero, and economic growth. Pursuit of these metrics requires trade-offs, but how the Department assesses and balances these factors is not transparent. This can make it difficult for stakeholders to understand government priorities, the rationale behind support, and for the Department to evaluate the effectiveness of its portfolio of support. Steel, for example, provides critical inputs into other sectors such as construction, manufacturing, and defence. Despite this, government policies, such as those designed to support decarbonisation, can put UK steel companies at a competitive disadvantage. There are new forums which can consider these policy choices and trade-offs and inform ministerial decisions, including the Growth Mission Board and the Permanent Secretaries' Growth and Delivery Group. The Department acknowledges that decisions are made using a mix of data, facts and evidence, and judgement and that there is no easy formula for balancing competing objectives.

RECOMMENDATION

The Department should provide greater transparency on the factors it considers when supporting industry, including how these factors are balanced when making decisions on what to support and how, and the processes underpinning these.

5. **There is a risk that the Department is not set up internally to support the aims of the forthcoming Industrial Strategy and to respond to ongoing issues facing UK businesses.** The composition of sector teams in the Department's Business Group varies by size and grade distribution, and is not always related to the priority, size or needs of the sectors they are intended to support. The Department has said that a review of its structure is ongoing, to clarify responsibilities and to allocate resources to the top priority sectors. However, there does not seem to be an overarching approach which considers the needs of individual sectors while accounting

for pan-sector issues such as skills, regulation, or geography. Using the forthcoming Industrial Strategy as a clear framework to direct and prioritise its activity is an important next step to address this. The Department must also be able to respond to urgent and emerging issues that businesses face. It needs to allocate and flex resources to meet the needs of important sectors such as steel, which is subject to fluctuating external challenges.

RECOMMENDATION

The Department should critically review its internal structures and resourcing model to ensure they reflect the objectives and demands of the forthcoming Industrial Strategy. This could include, for example: its approach to individual sectors, including foundational sectors such as steel; pan-sector issues; geography; and how it will ensure it can respond effectively to emerging issues that affect UK businesses.

- 6. It is essential that the government's forthcoming Industrial Strategy has clear measures of success and effective processes for monitoring and evaluation.** The government's forthcoming Industrial Strategy is central to its economic growth mission. The Department is placing great emphasis on the Strategy and sees it as an opportunity to set a clear strategic direction for the UK economy over the next decade. The Department is less clear however on the practical implications of the Strategy and how it will change the nature of its support for industry, noting at the time we took evidence that it was in the middle of a spending review process. The Department acknowledges that its monitoring and evaluation has been inconsistent and, moving forward, wishes to embed evaluation from the start of its interventions. The Strategy provides the Department, HM Treasury and wider government an opportunity to address these shortcomings and set clear measures of success. While the government has yet to specify objectives for its Industrial Strategy, the Department's Permanent Secretary is clear that it would be a failure if, in two to three years, the UK's growth rate had not improved to at least the G7 average from 1.6% to 1.8%.

RECOMMENDATION

The Department should update the Committee in six months on how it is adapting to the Industrial Strategy and the metrics it will use to measure success.

1 Support for industry

Introduction

1. On the basis of a report by the Comptroller and Auditor General, we took evidence from the Department for Business and Trade (the Department) and HM Treasury on support for the UK's priority industry sectors.¹
2. Government supports industry to stimulate growth and productivity, secure jobs and supply chains, and address policy challenges that arise when the economy does not meet its requirements. For example, the government may want to stimulate investment in an emerging technology or encourage businesses to reduce harmful emissions.²
3. The Department for Business and Trade was formed in February 2023. It brought together the business-focused functions of the former Department for Business, Energy and Industrial Strategy (BEIS) with the former Department for International Trade (DIT). The new Department was created to provide more joined-up support for industry, a 'front door' to business, and deliver economic growth. Its aim is to support businesses to invest, grow and export, creating jobs and opportunities across the country.³ After forming, the Department consolidated sector-facing teams from the former BEIS and DIT within its Business Group.⁴ As of September 2024, the Group had 820 full-time equivalent staff.⁵
4. The Department currently supports industry through a range of interventions, the scale and form of which varies. Its support can be targeted at specific sectors, such as the Automotive Transformation Fund, or designed to improve the general business environment, for example, by offering support on regulation. The Department has categorised the economy into 10 broad sector groupings and 41 sub-sectors. The Department's Business Group has both sector-facing teams and teams that have responsibilities across sectors (pan-sector teams). To support joined-up working across the Department and inform business and delivery

1 C&AG's Report, [Supporting the UK's priority industry sectors](#), Session 2024–25, HC 744, 12 March 2025

2 C&AG's Report, para 1

3 C&AG's Report, paras 3, 17

4 The Business Group is one of eight groups in the Department; each group is led by a Director General.

5 C&AG's Report, para 12

planning, it has produced a series of ‘Sector Views’ and ‘Action Plans’ which contain sector information, including strengths, threats, potential for growth, key statistics and priority objectives.⁶

5. The new government announced five national missions, with its highest priority being economic growth. The UK’s Gross Domestic Product (GDP) has grown steadily over the past decade (on average 1.6% per annum, 2014–2024). This, however, is lower than the G7 average (1.8% over the same period), and lower than the trend growth rate before the financial crisis of 2008.⁷
6. To support its growth mission, in October 2024, the Secretary of State for Business and Trade and the Chancellor of the Exchequer announced that the government would publish a new Industrial Strategy in spring 2025 and launched a Green Paper, Invest 2035, for consultation. In this, the government designated eight growth-driving sectors, which it identified as presenting the greatest opportunity for output and productivity growth over the long term.⁸ It intends to channel support to these sectors and produce a targeted plan for each. As at 2023, the eight sectors collectively had an estimated Gross Value Added (GVA) of £1 trillion.⁹

Engaging with industry

7. To support industry, government must listen to the needs of businesses. The Department told us that while every government department engages with industry in some form, the Department for Business and Trade aspires to be a ‘front door’ for all businesses.¹⁰ The Department told us that the government wanted to be organised around businesses’ needs, and that integrating its international and domestic support for businesses was the clearest rationale for creating the Department of Business and Trade.¹¹ However, there have been instances where businesses have received duplicate or conflicting information from the Department and other government departments.¹² The Department said that its sector teams work closely at working level with other departments, for example with the Department for Culture, Media and Sport on creative industries, but acknowledged the challenge identified in the NAO report that it could

6 C&AG’s Report, paras 1.3, 1.10, Figure 8

7 C&AG’s Report, para 2

8 The eight ‘growth-driving’ sectors are: advanced manufacturing, clean energy industries, creative industries, defence, digital and technologies, financial services, life sciences, and professional and business services.

9 C&AG’s Report, paras 2, 6

10 Q 51

11 Q 42

12 C&AG’s Report, para 2.15

go further.¹³ The Department said that its Business Group covered all businesses, and that if a company approached the Department with a need, it could help resolve their issue.¹⁴

8. The Department recognised the importance of sharing business intelligence across government. It said that while the legal and technical issues surrounding this could be resolved, creating the right culture and incentives was harder. The Department told us it takes an account management approach to structure its engagement with industry but that it recognises that across Whitehall, departments need to be more disciplined in checking with account owners and sharing information.¹⁵ The Department told us it has worked with HM Treasury and Downing Street on its ‘top accounts’. It explained it had identified “50 companies [with a] disproportionate impact on the growth mission and industrial policy” and had put in place a new system. The Department told us that, as a consequence:

When senior officials and Ministers are speaking to those companies, everyone knows who has talked to whom. We know what the issues of concern are from that company and how they are being progressed, and we have a single senior person, at both ministerial and official level, to own that relationship.¹⁶

9. We asked the Department about its ability to monitor its engagement with economic sectors, given that officials do not consistently record their interactions with companies, and its digital system — DataHub — is not accessible across the whole of Whitehall.¹⁷ The Department noted the challenges of different digital platforms operating in different government departments, and that a single digital architecture across Whitehall would help with joining up departments. The Department told us it had moved former BEIS and DIT officials onto a single digital platform; piloted AI tools; and was looking to increase digital capacity in the Department, because of the potential this would offer.¹⁸

13 Q 52

14 Q 51

15 Q 56

16 Q 84

17 C&AG’s Report, paras 2.19-2.20

18 Qq 84-87

Working with other government departments to support industry

10. While the Department is responsible for supporting businesses overall, it does not ‘own’ every sector of the economy nor is it responsible for every support intervention delivered by government. Many of the levers needed to bring about change to the business environment sit outside of the Department. The financial services sector, for example, primarily sits with HM Treasury, whereas skills is the responsibility of the Department for Education and Skills England. As a consequence, the Department must work with and influence at least 10 other government departments to achieve its objectives.¹⁹
11. The Department’s working relationships with others in government vary in maturity and other government departments have mixed views on the Department’s remit.²⁰ To agree roles and responsibilities between departments, the Department told us it had introduced ‘handshake agreements’.²¹ However, the NAO’s report highlighted these had yet to be adopted by the majority of sector teams.²² We asked the Department about its assessment of the need for joined-up, whole-of-government thinking, and why it does not have an MoU with every department it interacts with to ensure they have shared expectations. The Department told us it was confident government departments were aligned under the growth mission, but it committed to consider the potential of having formal agreements between itself and its partners.²³
12. In the absence of formal agreements, the NAO reported that teams had taken different approaches to agree roles and that structures had emerged to overcome cross-departmental barriers.²⁴ The Department highlighted the Office for Life Sciences (OLS), its cross-department skills forum, and the recent Growth Mission Board as examples of government taking an integrated approach.²⁵ The Department told us that the Office for Life Sciences was created in the early 2010s as a small team to be the voice of the pharmaceutical and life sciences industries within government, integrating different issues and views and providing a single interface to industry. It considered this model had been effective and that there was potential for the approach to be used more widely.²⁶

19 C&AG’s Report, para 13

20 C&AG’s Report, para 2.8

21 Q 61

22 C&AG’s Report, para 2.10

23 Qq 78-79

24 C&AG’s Report, paras 2.9-2.11

25 Qq 52,75

26 Qq 52-53

13. To monitor the performance of economic sectors and share information, the Department produces business intelligence products. The Department told us it recognised these products had not previously been shared well across Whitehall and that it had taken steps to do so in a more comprehensive and consistent way. The Department told us its recurring business intelligence reports were now being shared with over 2,500 officials across government, including ministers and 16 permanent secretaries.²⁷ The Department said it had support from Downing Street and senior officials in this area.²⁸

Oversight of departmental spending

14. While it is not the only department to do so, the Department for Business and Trade directly supports industry through a range of interventions with a range of policy objectives. Some of the Department's interventions are aimed at specific sectors whereas others are designed to improve the general business environment. The form and scale of this support varies and includes grants, advice, and international agreements.²⁹ Examples of high-profile support initiatives delivered by the Department include the British Industry Supercharger (designed to reduce energy costs for energy intensive industries) and the Automotive Transformation Fund (an initiative to create an internationally competitive electric vehicle supply chain in the UK).³⁰
15. The Department tracks its programme spending, grant expenditure and Business Group resource spending across sector teams but does not have processes to break this down by support type using existing systems. In 2023–24, the Department spent £790.9 million on business support grants, 62.5% of which was allocated to advanced manufacturing, 29.9% to energy, and 6.4% to pan-sector support. The Department's Business Group reported spending £530.3 million on business support programmes. Of this, £250.1 million went to the Automotive Transformation Fund.³¹ The Department told us that its support for a sector was not just financial, and provided the financial services sector as an example, noting the main engagement with this sector is led by HM Treasury. The Department told us that to ensure the UK has an international advantage in the sector, it is not about financial support to banks, but rather ensuring that the regulatory environment, for example, is appropriate.³²

27 Q 55

28 Q 56

29 C&AG's Report, para 1.3

30 C&AG's Report, case studies 1 and 4

31 C&AG's Report, key facts, para 10

32 Q 63

16. The Department does not have a complete overview or accurate data on what it, and wider government, spends on supporting industry. The Department found it difficult to readily provide the NAO with a breakdown of its support for industry. It does not routinely categorise the composition of its support, for example by sector or support type, and it holds a limited understanding of initiatives delivered by other government departments and arms-length bodies and public entities such as the British Business Bank.³³ We asked the Department how it could make decisions about the right kind and level of support to different sectors, if it does not know the current level and composition of its support. The Department did not clearly articulate why it lacked this information, instead noting that interventions to support industry were designed to address specific policy challenges. The Department told us that interventions under £20 million were considered by its grants delivery team, and interventions over this amount were considered by its Investment Committee using HM Treasury's five principles.³⁴

33 C&AG's Report, paras 1.16-1.18

34 Qq 65-67

2 The forthcoming Industrial Strategy

Trade-offs and transparency in decision-making

17. While its primary objective is economic growth, the Department uses a range of metrics to guide its work, some of which require trade-offs. Factors considered by the Department when designing support initiatives include GVA, net zero ambitions, and national security. The NAO found that the Department lacked a standardised approach to balance different metrics when making decisions to support industry. This can make it difficult for stakeholders to understand the rationale behind interventions; for the Department to demonstrate why it prioritised one intervention over another; and hampers its ability to evaluate the effectiveness of its interventions.³⁵
18. We asked the Department how it balances trade-offs when making decisions about support, and how it makes this explicit. Officials told us that it assesses interventions using HM Treasury's five principles. Proposals are then put to Ministers who make decisions based on advice from the Department and their own understanding of what the trade-offs should be. HM Treasury told us it would want to look at the best range of evidence in making an overall assessment, and that it would vary from policy to policy. In the case of the forthcoming Industrial Strategy, the principal objective is growth, but it also has other objectives, including net zero, security, resilience and regional impact. The Treasury said it would expect the forthcoming Industrial Strategy document to say more about the methodology, and how the government made such trade-offs.³⁶
19. The Department noted that one of the criticisms of the 2017 Industrial Strategy was that it was too broad and not enough choices were made. The government has now designated eight growth-driving sectors, and the Department told us these were selected on the basis of joint analysis with HM Treasury, considering evidence from the last decade and forecasts of growth and productivity over the next decade. The Department said

35 C&AG's Report, para 8

36 Qq 68-70

that industries such as steel are crucial foundational sectors to the economy and, as part of the wider growth mission, the government wants to ensure the broader business environment is conducive to growth in all sectors.³⁷ We asked about the example of policies aimed at supporting decarbonisation, and how this put some industries such as steel at a competitive disadvantage.³⁸ The Department explained that it was not practical to make decisions based on just a few measures and listed factors it had considered, including jobs, wages, exports and investment, when deciding which industries to support and what interventions will be prioritised in the forthcoming Industrial Strategy.³⁹

- 20.** We asked the Department to clarify its relationships with other departments and the influence it has in decision-making and trade-offs.⁴⁰ The Department recognised it cannot deliver the forthcoming Industrial Strategy in isolation, and that other government departments have a role to play, although their objectives may not always be aligned. The Department provided examples of how it works across Whitehall to align interests effectively, such as the Growth Mission Board, chaired by the Chancellor, and a permanent secretaries' business and growth group. The Department specifically highlighted the example of working with HM Treasury on electricity prices, which it said needed to be considered in the round and ultimately decided on by Cabinet.⁴¹ HM Treasury told us that it would consider the strategic case around each investment and would not just focus on a single number.⁴²

Resourcing the forthcoming Industrial Strategy

- 21.** Following its formation in February 2023, the Department consolidated teams from the former BEIS and DIT into 25 sector-facing teams within its Business Group. These sector teams vary by size and grade distribution. The Department's Business Group also has teams that work across sectors, such as the Business Intelligence Unit. There are 820 full time equivalent (FTE) staff in the Business Group (as of September 2024).⁴³ We asked the Department about the correlation between the number of people employed in certain teams, and the amount it is spending on support. The Department told us that the number of staff per sector team was not always an

37 Q 82

38 Q 71

39 Q 45 and Q 82

40 Qq 71-72

41 Qq 71-72

42 Q 74

43 C&AG's Report, para 12, Figure 7

indication of the size or importance of the industry the team aims to support, or of the size of the budget available. The Department told us that the way it would work with each sector would vary, depending on the needs of the sector and the type of support intervention.⁴⁴

22. We asked the Department about its overall priorities and whether it had aligned its resources accordingly. The Department explained that when the former DIT and BEIS merged, two sets of teams came together, which it structured around 10 economic sectors. Its directorates were approximately the same size, but the size of specific sector teams varied. The Department told us that it was continuing to review its structure and make changes in light of the forthcoming Industrial Strategy, noting that it had to allocate resources to the top priority sectors, with fewer resources in other sectors.⁴⁵ We asked the Department how it reconciled individual sector needs with cross-economy issues, to develop an overarching approach. The Department acknowledged the complexity of needing to think about individual sectors, cross-economy issues, and what is happening in different geographies, and that it had to bring those perspectives together. It told us that integration would come through the forthcoming Industrial Strategy.⁴⁶

23. We asked the Department if it was agile enough to respond to emerging issues such as changing tariff rates affecting UK businesses. The Department told us it understands the importance of ‘surging’ resource to where it is needed most urgently, and said it has been able to flex resources across teams. The Department also told us it has a small, dedicated team that can respond to events and shocks, and that this was a critical resource which it could deploy on major priorities.⁴⁷ We asked the Department what steps it was taking to recruit to specialist roles where it must compete with the private sector, for example in IT or construction. The Department told us it was working to address recruitment challenges in roles such as technology and digital, financial, and programme management, noting that it was critical to balance being competitive alongside ensuring value for money for the taxpayer.⁴⁸

44 Q 63

45 Q 61

46 Q 62

47 Q 64

48 Q 59

Tracking progress towards the ambitions in the Industrial Strategy

- 24.** The government’s forthcoming Industrial Strategy, which aims to channel support to eight growth-driving sectors, is expected to be published in spring 2025 alongside the Spending Review.⁴⁹ The Department told us the eight priority sectors were collectively responsible for 30% of GDP and 60% of growth. To inform the Strategy’s design, the Department told us its Green Paper consultation had received over 27,000 responses. The Department told us the Strategy will set out a clear vision, be developed in partnership with industry, and have consistency in approach. There will also be external challenge from the new Industrial Strategy Advisory Council.⁵⁰
- 25.** The Department said it recognises that, with limited resources, it will be required to make difficult decisions about what it is prioritising in the forthcoming Strategy, noting that “some people will be disappointed in what we are able to do for them, because government cannot do everything.” The Department told us the new government had been clear about what it saw as the sources of growth and highlighted that the UK’s last industrial strategy was criticised as trying to provide “all things for all people”.⁵¹ We asked the Department what the Industrial Strategy will mean for sectors not designated ‘growth-driving’. The Department acknowledged that while it cared about all sectors, it had been clear about where it would put its focus to drive exports and investment. The Department told us it recognised that sectors such as steel were foundational to the UK economy and that it wanted to ensure the wider UK environment is a good place for all businesses to prosper.⁵²
- 26.** We asked the Department what the forthcoming Industrial Strategy will mean for the scale and composition of its support for industry going forward. The Department told us it was preparing for an upcoming spending review and therefore could not provide more insights now, but that it was using the process as an opportunity to consider its options. The Department said it would “caution against measuring the success of an industrial policy by the amount of funding that goes into it,” stating that while funding is “obviously important [...] it is not just about the money.” By way of an example, the Department referenced a recent Department for Transport mandate on zero emissions vehicles as being as important for the future of the automotive industry as any financial support it could offer for research and development.⁵³

49 C&AG’s Report, para 2

50 Qq 81-83

51 Q 82

52 Q 82

53 Q 81

- 27.** We asked the Department about gaps in its monitoring and evaluation of support programmes.⁵⁴ Of the Department's Business Group's 32 initiatives to support sectors, it provided monitoring and evaluation evidence for just 11.⁵⁵ The Department told us there is a value for money judgement regarding where it focuses its monitoring and evaluation efforts. However, it recognised that its approach had been inconsistent, and noted that a step-change was required in quality and consistency of evaluation. The Department told us that going forward, it wanted to embed evaluation from the very start of an intervention.⁵⁶
- 28.** We asked the Department how it would measure success. Officials told us growth was its overarching objective as measured by GDP per head and real household disposable income. The Department highlighted that trade-offs were required under an industrial strategy and deciding to support one sector over another could not be put down to a simple formula.⁵⁷ While the Department has yet to specify objectives for the forthcoming Industrial Strategy, the Permanent Secretary said it would be a failure if, in two to three years, the UK growth rate had not improved to at least the G7 average from 1.6% to 1.8%.⁵⁸

54 Q 80

55 C&AG's Report, paras 3.3-3.5

56 Q 80

57 Qq 43-45

58 Q 88

Formal minutes

Monday 16 June 2025

Members present

Sir Geoffrey Clifton-Brown, in the Chair

Mr Clive Betts

Nesil Caliskan

Sarah Green

Lloyd Hatton

Chris Kane

Sarah Olney

Supporting the UK's priority industry sectors

Draft Report (*Supporting the UK's priority industry sectors*), proposed by the Chair, brought up and read.

Ordered, That the draft Report be read a second time, paragraph by paragraph.

Paragraphs 1 to 28 read and agreed to.

Summary agreed to.

Introduction agreed to.

Conclusions and recommendations agreed to.

Resolved, That the Report be the Thirty-Third Report of the Committee to the House.

Ordered, That the Chair make the Report to the House.

Ordered, That embargoed copies of the Report be made available
(Standing Order No. 134).

Adjournment

Adjourned till Monday 23 June at 3 p.m.

Witnesses

The following witnesses gave evidence. Transcripts can be viewed on the [inquiry publications page](#) of the Committee's website.

Monday 7 April 2025

Gareth Davies, Permanent Secretary, Department for Business and Trade;
Carl Creswell, Director, Post Office Policy and Business Engagement,
Department for Business and Trade; **Tara Smith**, Chief Operating Officer,
Department for Business and Trade [Q1-41](#)

Gareth Davies, Permanent Secretary, Department for Business and Trade;
Jaee Samant CBE, Director General, Business Group, Department for
Business and Trade; **David Bickerton**, DBT's Chief Strategic Business Adviser,
Department for Business and Trade; **Sean Jones**, Director Companies and
Economic Security, HM Treasury [Q42-88](#)

List of Reports from the Committee during the current Parliament

All publications from the Committee are available on the [publications page](#) of the Committee's website.

Session 2024–25

Number	Title	Reference
32nd	The Future of the Equipment Plan	HC 716
31st	Local Government Financial Sustainability	HC 647
30th	Antimicrobial resistance: addressing the risks	HC 646
29th	Condition of Government property	HC 641
28th	Decommissioning Sellafield	HC 363
27th	Government's relationship with digital technology suppliers	HC 640
26th	Tackling Violence against Women and Girls	HC 644
25th	DHSC Annual Report and Accounts 2023-24	HC 639
24th	Government cyber resilience	HC 643
23rd	The cost of the tax system	HC 645
22nd	Government's support for biomass	HC 715
21st	Fixing NHS Dentistry	HC 648
20th	DCMS management of COVID-19 loans	HC 364
19th	Energy Bills Support	HC 511
18th	Use of AI in Government	HC 356
17th	The Remediation of Dangerous Cladding	HC 362
16th	Whole of Government Accounts 2022-23	HC 367
15th	Prison estate capacity	HC 366
14th	Public charge points for electric vehicles	HC 512
13th	Improving educational outcomes for disadvantaged children	HC 365
12th	Crown Court backlogs	HC 348

Number	Title	Reference
11th	Excess votes 2023-24	HC 719
10th	HS2: Update following the Northern leg cancellation	HC 357
9th	Tax evasion in the retail sector	HC 355
8th	Carbon Capture, Usage and Storage	HC 351
7th	Asylum accommodation: Home Office acquisition of former HMP Northeye	HC 361
6th	DWP Customer Service and Accounts 2023-24	HC 354
5th	NHS financial sustainability	HC 350
4th	Tackling homelessness	HC 352
3rd	HMRC Customer Service and Accounts	HC 347
2nd	Condition and maintenance of Local Roads in England	HC 349
1st	Support for children and young people with special educational needs	HC 353