

Department for Business & Trade

Main Estimate 2026-27: Estimate Memorandum

1. Overview

The Main Estimate is the means by which Government seeks to secure authority from Parliament for its spending. This authority is initially provided for the financial year through the Main Estimate.

This memorandum provides the Business and Trade Committee with details of the Department's objectives, along with a summary of the key budgets that will enable the Department to meet these objectives and an overview of the key budget changes since the Supplementary Estimate 2025-26. Further details are also set out in the Annexes.

1.1 Objectives

DBT's 2026-27 objectives are as follows:

1. Make the UK the best place in the world to do business.
2. Make the UK the best-connected economy
3. Deliver great services for business.

DBT's spending plans are designed to support these objectives. Detail of which spending programmes relate to which objectives are given at Section 3.1.

1.2 Spending controls

DBT's budgets are categorised into spending control totals, for which Parliament's approval is sought.

The spending control totals on which Parliament votes are:

- **Resource Departmental Expenditure Limit (Resource DEL or RDEL)** – this budget covers current expenditure and comprises of two distinct types of budgets:
 - *Programme budgets* which fund the current expenditure of delivering programmes, including delivery of overseas programmes and associated staff costs; and
 - *Administration budgets* which fund the costs of running the Department including accommodation and pay.
- **Capital Departmental Expenditure Limit (Capital DEL or CDEL)** – this budget covers expenditure on assets, investment and capital grants and comprises two distinct types of budgets:
 - *General capital budgets* which fund spend on the purchase and maintenance of assets and capital grants.
 - *Financial transaction budgets* which fund programmes that provide financial instruments such as loans or purchase of equity.
- **Resource Annually Managed Expenditure (Resource AME or RAME)** – this budget covers current expenditure that is inherently volatile, or demand-led, meaning that the Department does not always have the ability to manage spending.

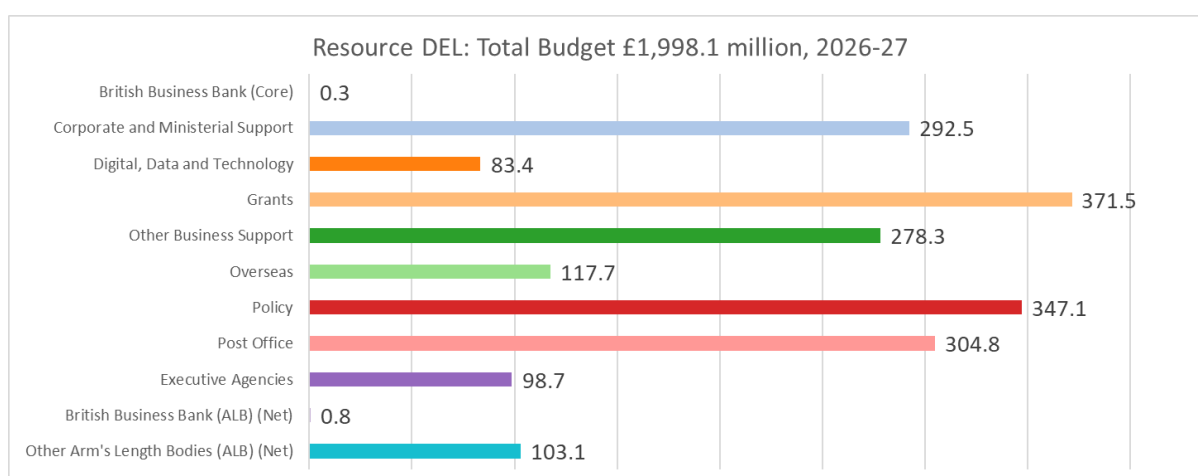
- **Capital Annually Managed Expenditure (Capital AME or CAME)** – this budget is for investment expenditure that is inherently volatile, or demand-led that relates to investments that will deliver returns or benefits in the future.

In addition, Parliament votes on the Department's net cash requirement, which sets the limit on the amount of cash the Department can use in 2026-27.

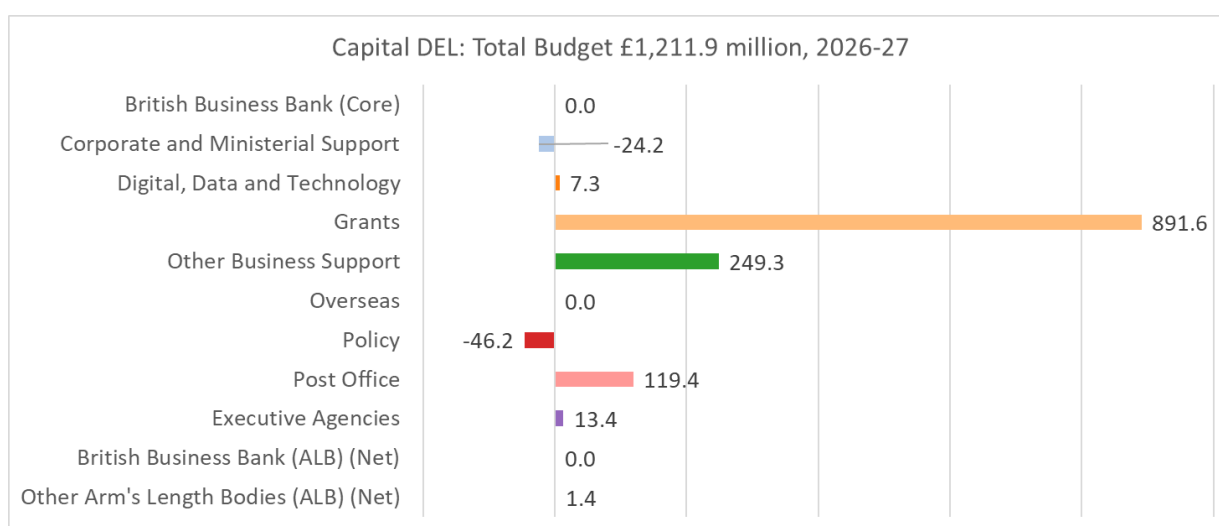
1.3 Main areas of spending

DBT's control totals are outlined in its 2026-27 Main Estimate.

The following graphics illustrate the components of DBT's DEL and AME budgets for 2026-27, as set out in the Main Estimate. Once net budget cover transfers with other government departments and reserve claims going through the Main Estimate are accounted for, DBT's Main Estimate RDEL control total is £1,998.1 million, and its CDEL control total is £1,211.9 million.

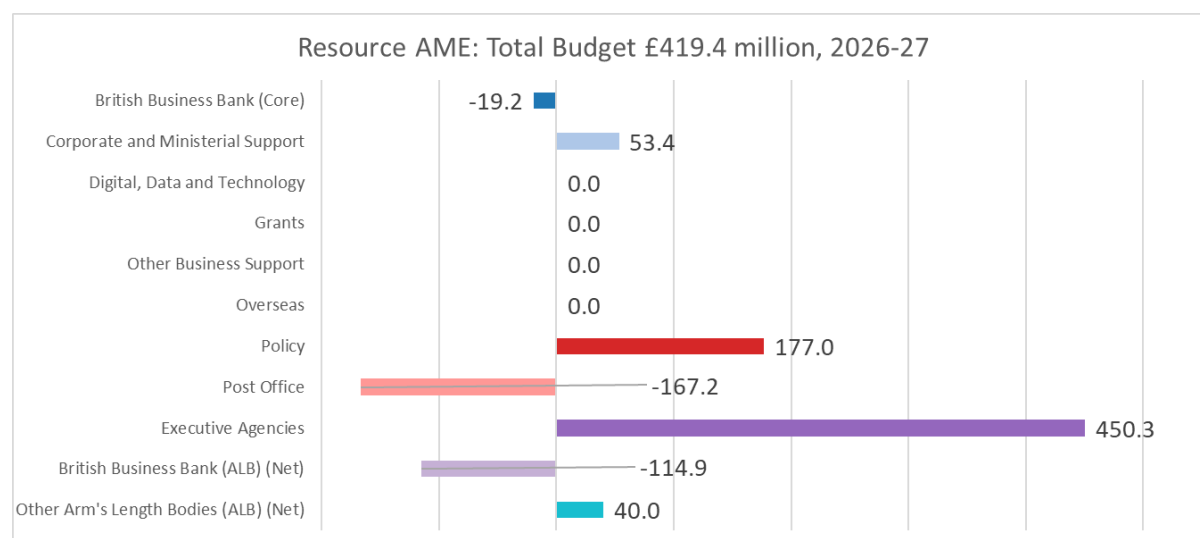


NB Figures may not sum due to rounding

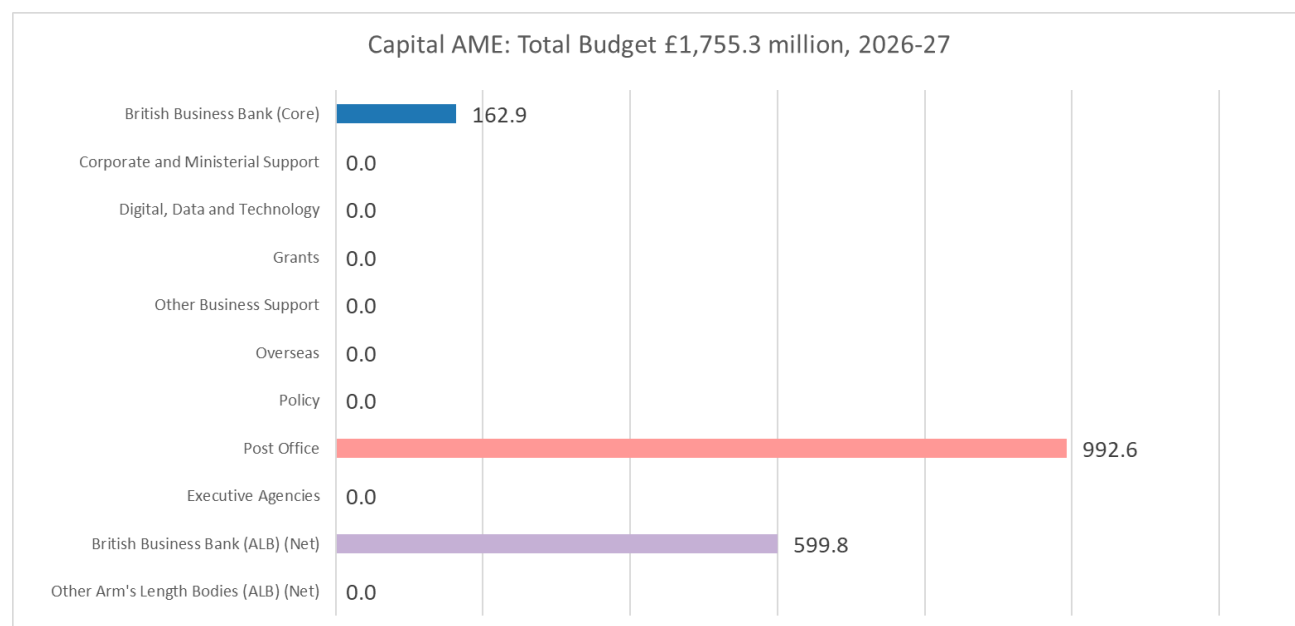


NB Figures may not sum due to rounding

The following graphics illustrate the components of DBT's AME budgets for 2026-27, as set out in the Main Estimate. DBT's Main Estimate RAME is £419.4 million and CAME is £1,755.3 million.



NB Figures may not sum due to rounding.



NB Figures may not sum due to rounding.

DBT's mission is to drive economic growth by supporting businesses to invest, export and grow, creating good jobs and opportunities across the country. Below are the descriptions of the spending areas that support DBT's area of work.

British Business Bank - The British Business Bank (BBB) is HMG's economic development bank, created to improve access to finance for smaller businesses and stimulate economic growth. It is wholly owned by DBT. **British Business Bank (Core)** relates to BBB expenditure relating to assets and liabilities sitting directly on DBT's balance sheet (predominantly Covid support schemes and ENABLE guarantees). **British Business Bank (ALB) (Net)** includes all other expenditure incurred by the British Business Bank and related ALB entities.

Corporate and Ministerial Support - This describes DBT's corporate services support which enable the delivery of departmental objectives, such as finance, human resources, estates and security as well as ministerial expenditure, private office support, and central communications and marketing expenditure. This also includes centrally held funding earmarked for the management of risks and pressures.

Digital, Data and Technology - This captures expenditure by the Digital, Data and Technology (DDaT) function as a strategic enabler for DBT and businesses to promote trade internationally, grow UK prosperity and have global competitive advantage through the use of digital, data, user centred design and technology.

Grants – This describes DBT's funding of a mixed portfolio of grant schemes supporting a range of sectors. This includes targeted support for SME growth, energy intensive industries, advanced manufacturing, AI and ensuring the protection of critical industries within the UK. There are also emergency support mechanisms, for example support for businesses affected by major flooding events.

Other Business Support - As HMG's department for economic growth, with ambitious goals for supporting business, this expenditure is made up of DBT's non-grant support to businesses. This includes expenditure relating to supporting the operations of British Steel, growth enabling conferences and events and enablers such as the Office for Product Safety Standards (OPSS).

Overseas - Responsible for DBT's network of staff in more than 100 countries, led by nine HM Trade Commissioners (HMTCs). The Overseas Network supports UK exports and investment across the world and works with partner governments and businesses overseas to support UK trade. HMTCs work closely with HM Ambassadors and High Commissioners, and the wider diplomatic network, to drive forward and coordinate government effort overseas to promote UK trade and prosperity.

Policy - This section captures the remaining spend within the department, including on trade policy, competition, markets, and regulatory policy, and the central strategy team.

Post Office - Post Office Limited (POL) is a 100% government-owned public corporation. It operates as a retailer providing mail, financial, and government services through its nationwide network of branches. The Department for Business and Trade acts as shareholder on behalf of HMG. This section includes all expenditure incurred by DBT in supporting POL including the funding of compensation payments arising from the Horizon scandal and related issues.

Executive Agencies; Other Arm's Length Bodies (Net) - DBT delivers its objectives via several arm's length bodies. This section is for expenditure by those, excepting BBB and POL. This includes Competition Service, Financial Reporting Council Ltd, ACAS, Trade Remedies Authority and Fair Work Agency.

1.4 Comparison of spending totals sought

The table below shows how the totals sought by DBT at the Main Estimate 2026-27 compared with the equivalent at the Supplementary Estimate 2025-26 (restated – see Section 2.2 Restructuring) and the Main Estimate 2025-26.

Spending total		Difference (+/-) compared to final budget last year		Difference (+/-) compared to original budget last year	
Amounts sought this year Main Estimate 2026-27		Supplementary Estimate 2025-26		Main Estimate 2025-26	
Control Total	£	£	%	£	%
Resource DEL	£1,998.1m	-£356.4m	-15.1%	-£4.6m	-0.2%
Capital DEL	£1,211.9m	-£162.8m	-11.8%	£168.6m	16.2%
Total DEL	£3,210.0m	-£519.2m	-13.9%	£164.0m	5.4%
Resource AME	£419.4m	-£524.0m	-55.5%	£841.0m	-199.5%
Capital AME	£1,755.3m	-£48.7m	-2.7%	-£559.1m	-24.2%
Total AME	£2,174.7m	-£572.7m	-20.8%	£281.9m	14.9%
Total Managed Expenditure	£5,384.8m	-£1,091.9m	-16.9%	£446.0m	9.0%

NB - figures may not sum due to rounding

Details of budget changes since Supplementary Estimate 2025-26 by sub-head are shown in Section 2 and in Annex A (Table A).

1.5 Key drivers of spending changes since Supplementary Estimates 2025-26

As outlined in the table above, DBT's Main Estimate 2026-27 total managed expenditure is £5,384.8 million, which is a decrease of £1,091.9 million (16.9%) from the equivalent Supplementary Estimate 2025-26 budget of £6,476.7 million.

Resource DEL: The decrease in the Resource DEL Main Estimate funding of £356.4 million (15.1%) compared to the Supplementary Estimate 2025-26 is predominantly due to a reduction in funding allocated for British Steel under the Steel Industry (Special Measures Act) 2025 to enable the safe and continuous operation of the company's Scunthorpe site. This allocation represents partial funding for the year's requirements and will be reviewed at Supplementary Estimates as plans for the site are developed further. Additional decreases have been driven by the Post Office Remediation Unit, Inquiry and non-Horizon related redress schemes maturing and moving to final phasing and updated delivery timelines relating to Post Office transformation.

Capital DEL: The decrease in the Capital DEL Main Estimate funding of £162.8 million (11.8%) compared to the Supplementary Estimate 2025-26 is predominantly due to a reduction in funding allocated for British Steel under the Steel Industry (Special Measures Act) 2025 to enable the safe and continuous operation of the company's Scunthorpe site. This allocation represents partial funding for the year's requirements and will be reviewed at Supplementary Estimates as plans for the site are developed further.

Resource AME: The decrease in the Resource AME Main Estimate funding of £524.0 million (55.5%) compared to the Supplementary Estimate 2025-26 is predominantly due to movement on provision

liabilities for Post Office redress schemes and British Business Bank's programme income being reclassified from DEL to AME.

Capital AME: The decrease in the Capital AME Main Estimate budget of £48.7 million (2.7%) compared to the Supplementary Estimate 2025-26 is predominantly due to a reduction to anticipated Horizon redress payments.

Further detail on changes in spending detail at sub-head level by spend type are set out in section 2.1.

1.6 Key drivers of change since the Spending Review

The levels of DEL funding for DBT for 2026-27 are based on plans published in the 2025 Spending Review, with the Department's funding focused helping to deliver the Government's growth mission. Since that time, there have been a number of changes to 2026-27 spending plans, including announcements of some additional funding.

Full details of all the Main Estimate 2026-27 adjustments relating to DBT are set out in Table B at the end of this Memorandum.

1.7 Reserve claims and spending pressures

At Main Estimates 2026-27 we have requested £143.0 million CDEL Financial Transactions and £143.0 million RDEL Programme for British Steel funding. We have also requested £4.4 million RDEL Programme for the Economic Crime Levy discrepancy reporting.

The Department is managing a range of financial risks, which are similar to previous years. These include potential costs from settling historical tax liabilities between the Post Office and HMRC and uncertain Official Receiver costs highlighted under contingent liabilities.

1.8 Other funding announcements

At the Autumn Budget 2025, £5.9 million RDEL was agreed for the UK Internal Market. This funding seeks to boost trade between Northern Ireland and Great Britain. This will create a 'one stop shop' support service that will help businesses navigate the Windsor Framework, unlock opportunities for trading across the UK internal market, and enable businesses based in Northern Ireland to take advantage of their access to UK and EU markets.

We have also received £1.9 million RDEL for the Global Talent Taskforce. This includes bringing in specialist private sector head-hunting expertise and emboldening our concierge offer to the world's elite talent, starting with a dedicated focus on international AI talent.

1.9 New policies and programmes: ambit changes

Since the Supplementary Estimate 2025-26, the following changes have been made to the Department's Ambit.

Added:

DEL

1: The text in red has been added to take account of the transfer to the Department of functions previously carried out by the Gangmasters and Labour Abuse Authority in the Home Office:

'The promotion of strong, fair and competitive markets at home and abroad; measures to protect investors and consumers including from unsafe products and unfair practices; support for employment relations programmes; and measures to promote a skilled and flexible labour market and protect vulnerable and exploited workers.'

2: The text in red has been added to provide a general reference to all financial guarantee schemes.

'The provision of support for business, including support for specific industries, small and medium businesses, regional programmes, programmes to promote research and development, innovation and standards, best practice and sustainable development, including through financial guarantee schemes.'

AME

3: The following have been added because British Business Bank spend other than operating expenditure and offsetting investment income now scores to AME rather than DEL:

'The provision of financial solutions to accelerate private sector investment and address market failures through the British Business Bank, and other similar intervention mechanisms.'

'British Growth Partnership, a BBB initiative to encourage more institutional investment, particularly from UK pension funds, into high-growth and innovative companies within the UK.'

4: The following has been added because British Business Bank investment income in excess of the amount required to offset RDEL operating expenditure now scores to AME:

'Receipts from financial investments made by the British Business Bank.'

Removed:

DEL

5: This text *"The provision of a partial guarantee to a lender making a loan to a ship-buyer or operator as part of the Shipbuilding Credit Guarantee Scheme"* has been removed because it is covered in text of point 2 above.

6: This text *'The management of miscellaneous programmes including payments in respect of claims for the restitution of the property of victims of Nazi persecution'* has been removed because the schemes administered by the Enemy Property Compensation Advisory Panel have closed.

7: The following have been removed because British Business Bank spend other than operating expenditure and offsetting investment income now scores to AME rather than DEL:

'The provision of financial solutions to accelerate private sector investment and address market failures through the British Business Bank, and other similar intervention mechanisms.'

'British Growth Partnership, a BBB initiative to encourage more institutional investment, particularly from UK pension funds, into high-growth and innovative companies within the UK.'

1.10 Administration Costs and Efficiency plans

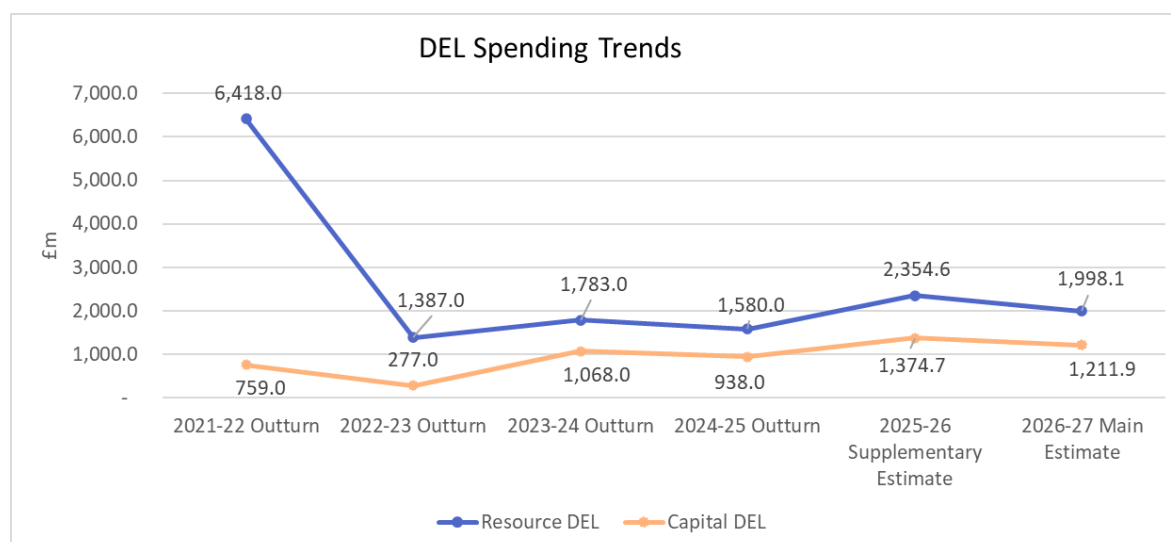
Spending total		Difference (+/-) compared to final budget last year		Difference (+/-) compared to original budget last year	
Amounts sought this year Main Estimate 2026-27		Supplementary Estimate 2025-26		Main Estimate 2025-26	
	£ m	£ m	%	£ m	%
Administration	446.3	-38.4	-7.9%	12.2	2.7%

NB - figures may not sum due to rounding

Resource DEL Admin at the Main Estimate 2026-27 has decreased by £38.4 million compared to the Supplementary Estimate 2025-26.

1.11 Spending trends

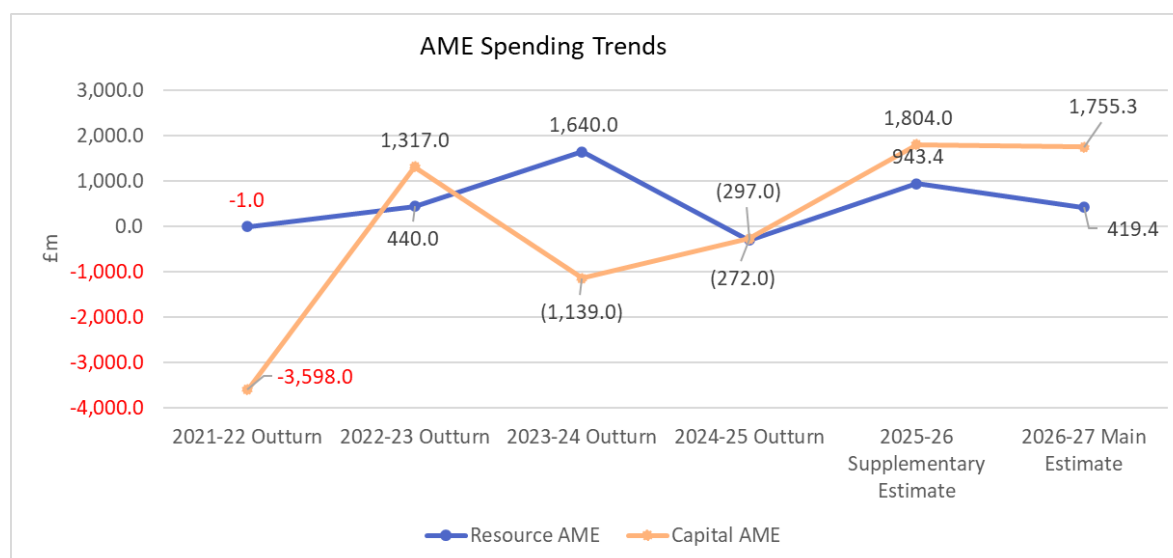
The graphs below show how the Department's spending and budgets have shifted year-on-year since 2021-22.



The reduction in Resource DEL between 2021-22 and 2022-23 was primarily due to the one-off funding provided to small and medium sized businesses during the COVID-19 pandemic. The increase in 2023-24 was due to increased funding for the cost of the Post Office Redress Scheme payments as well as funding to enable Post Office Limited to continue work on the Horizon replacement programme. The increase in 2025-26 is mainly due to increase in funding for the Post Office's Strategic Transformation Plan and for British Steel. The decrease of Resource DEL at Main Estimates 2026-27 is mainly due to British Steel funding being allocated on a partial year basis and a decrease in anticipated expenditure relating to the delivery of Post Office redress schemes and Transformation Programmes.

Capital DEL was higher in 2021-22 compared to 2022-23 due to non-recurrent funding provided to the British Business Bank and Post Office in 2021-22. It subsequently increased in 2023-24 predominantly due to increased funding allocated to the delivery of the British Business Bank's programmes and the Automotive Transformation Fund. The increase in 2025-26 is because of additional funding for Faraday Battery Challenge, Auto 2030 and British Steel. The decrease in

Capital DEL at Main Estimates 2026-27 is predominantly due to British Steel funding being allocated on a partial year basis.



Resource AME funding primarily covers Redundancy Payment Scheme, Labour Markets Parental Leave Scheme, provisions and revaluations of investments and loan guarantees. The increase in Resource AME between 2021-22 and 2022-23 and 2023-24 was predominantly to cover an increase to the value of provisions for the Post Office Redress Schemes payments, and fair value losses relating to the British Business Bank revaluation on investments. The decrease in 2024-25 is due to the provision utilisation as payments are made for the Post Office Redress Schemes. The increase at Supplementary Estimates 2025-26 is due to further amendments to these provisions, in particular, an additional provision for the Capture scheme (pre-Horizon IT system) based on updated modelling and a potential new provision following the announcement of the intention to provide redress to family members of Postmasters impacted by the Horizon scandal. The decrease of Resource AME at Main Estimates 2026-27 is predominantly due to movement on provision liabilities for Post Office redress schemes.

Capital AME funding primarily covers Post Office Redress scheme payments, provisions and loan guarantees. The large negative Capital AME in 2021-22 was the result of a significant reduction in the value of provisions made in the previous financial year relating to Covid-19 business loan guarantees offered by the British Business Bank. Forecast changes in economic conditions resulted in an increase in the provisions in 2022-23. In 2023-24, Covid-19 business loan repayments were higher than anticipated, resulting in a reduction of CAME, as the provisions were decreased. In 2024-25 the increase was due to funding provided for the Post Office compensation schemes payments. The increase at Supplementary Estimates 2025-26 is due to the additional funding requirements relating to the Post Office Redress Schemes payments.

2. Spending detail

2.1 Explanations of changes in spending

The notes accompanying the tables below provide further details where changes to budgets from the equivalent Supplementary Estimates 2025-26 to Main Estimate 2026-27 are greater than 10% **and** £10.0 million, or greater than 5% **and** £200.0 million. Further budget detail is provided in Annex A, Table A.

Note: Percentages may not be exact due to rounding differences.

Resource DEL

The table below shows how DBT's spending plans for Resource DEL at the Main Estimate 2026-27 compared to the Supplementary Estimate 2025-26.

Sub-heads	Description	Resource DEL				See note number
		£ million			%	
		This year (Main Estimate budget sought)	Last year (2025-26 Supplementary Estimate budget approved)	change from Supplementary Estimate		
A	British Business Bank (Core)	0.3	39.3	-39.0	-99.3%	1
B	Corporate and Ministerial Support	292.5	264.6	27.9	10.5%	2
C	Digital, Data and Technology	83.4	74.9	8.5	11.4%	
D	Grants	371.5	285.7	85.8	30.0%	3
E	Other Business Support	278.3	661.9	-383.6	-58.0%	4
F	Overseas	117.7	128.7	-11.1	-8.6%	
G	Policy	347.1	318.6	28.5	8.9%	
H	Post Office	304.8	385.7	-80.9	-21.0%	5
I	Executive Agencies	98.7	102.6	-3.9	-3.8%	
J	British Business Bank (ALB) (Net)	0.8	0.0	0.8	-	
K	Other Arm’s Length Bodies (ALB) (Net)	103.1	92.5	10.6	11.4%	6
Total voted and non-voted		1,998.1	2,354.6	-356.4	-15.1%	

Note 1

The £39.0 million (99.3%) decrease in Resource DEL funding for British Business Bank (Core) is due to the fee payable by DBT to the Bank for its management of DBT schemes being moved in 2026-27 out of this line and into line British Business Bank (ALB) (Net) which is the line on which the outturn will be reported and where it will be offset by investment income.

Note 2

The £27.9 million (10.5%) increase in Resource DEL funding for Corporate and Ministerial Support is largely due to a £37.6 million increase in centrally managed resource retained within the department to manage further unforeseen pressures that may emerge in year, in line with HMT guidance. There have been decreases in other Corporate Services spend, which have offset this, including a reduction in one-off exit costs arising from the department's Voluntary Exit Scheme.

Note 3

The £85.8 million (30.0%) increase in Resource DEL funding for Grants is due to increased support for Energy Intensive Industries, grant funding to safeguard supply of CO₂, additional support for other priority sectors as outlined in the Industrial Strategy and the expansion of the Ricardo Fund, helping UK businesses tackle complex overseas regulations and standards.

Note 4

The £383.6 million (58.0%) decrease in Resource DEL funding for Other Business Support is largely driven by a £358 million decrease due to British Steel funding being allocated on a partial year basis, as well as some smaller decreases such as a £18 million decrease in funding for the Osaka Expo held in the previous financial year.

Note 5

The £80.9 million (21.0%) decrease in Resource DEL funding for Post Office is due to a £45 million decrease for the Remediation Unit, Inquiry, and non-Horizon related redress schemes maturing and moving to final phasing and £30 million decrease due to updated delivery timelines relating to the Post Office's Transformation Programme.

Note 6

The £10.6 million (11.4%) increase in Resource DEL funding for Other Arm's Length Bodies (ALB) (Net) is predominately due to a £9.9 million growth in ACAS' spending plans following the introduction of the Employment Rights Act (2025).

Capital DEL

The table below shows how DBT's spending plans for Capital DEL at the Main Estimate 2026-27 compares with the Supplementary Estimate 2025-26.

Sub-heads	Description	Capital DEL				
		£ million			%	See note number
		This year (Main Estimate budget sought)	Last year (2025-26 Supplementary Estimate budget approved)	change from Supplementary Estimate		
A	British Business Bank (Core)	0.0	0.0	0.0	-	
B	Corporate and Ministerial Support	-24.2	73.3	-97.5	-133.1%	7
C	Digital, Data and Technology	7.3	13.5	-6.2	-46.1%	
D	Grants	891.6	685.4	206.2	30.1%	8
E	Other Business Support	249.3	465.4	-216.1	-46.4%	9
F	Overseas	0.0	0.0	0.0	-	
G	Policy	-46.2	-34.5	-11.6	33.7%	10
H	Post Office	119.4	145.7	-26.3	-18.1%	11
I	Executive Agencies	13.4	24.4	-11.0	-45.1%	12
J	British Business Bank (ALB) (Net)	0.0	0.0	0.0	-	
K	Other Arm’s Length Bodies (ALB) (Net)	1.4	1.6	-0.3	-15.7%	
Total voted and non-voted		1,211.9	1,374.7	-162.8	-11.8%	

Note 7

The £97.5 million (123.5%) decrease in Capital DEL funding for Corporate and Ministerial Support is predominantly to the removal of unallocated centrally held funding.

Note 8

The £206.2 million (30.1%) increase in Capital DEL funding for Grants is due to an additional £121 million of grant funding in support of the automotive sector, a £64 million increase in support for the steel industry, and smaller increases across other grants in the Department.

Note 9

The £216.1 million (46.4%) decrease in Capital DEL funding for Other Business Support is due to a £315.5 million decrease driven by British Steel funding being allocated on a partial year basis, partly offset by an £83.7 million increase to support the delivery of the Industrial Strategy.

Note 10

The £11.6 million (33.7%) decrease in Capital DEL funding for Policy is driven by projected revenues arising from Repayable Launch Investments.

Note 11

The £26.3 million (18.1%) decrease in Capital DEL funding for Post Office is due to updated phasing within POL's transformation programmes.

Note 12

The £11.0 million (45.1%) decrease in Capital DEL funding for Executive Agencies is due to reduced capital spend for the Companies House Transformation Programme following the implantation of ID verification in 2025-26.

Resource AME

The table below shows how DBT's spending plans for Resource AME at the Main Estimate 2026-27 compared with the Supplementary Estimate 2025-26.

Sub-heads	Description	Resource AME				
		£ million			%	See note number
		This year (Main Estimate budget sought)	Last year (2025-26 Supplementary Estimate budget approved)	change from Supplementary Estimate		
L	British Business Bank (Core)	-19.2	57.7	-77.0	-133.3%	13
M	Corporate and Ministerial Support	53.4	18.6	34.8	187.0%	14
N	Policy	177.0	200.2	-23.2	-11.6%	15
O	Post Office	-167.2	161.2	-328.3	-203.7%	16
P, S	Executive Agencies	450.3	494.5	-44.2	-8.9%	
Q	British Business Bank (ALB) (Net)	-114.9	-46.0	-68.9	149.8%	17
R	Other Arm’s Length Bodies (ALB) (Net)	40.0	46.0	-6.0	-13.0%	
	Digital, Data and Technology	0.0	10.2	-10.2	-100.0%	18
	Other Business Support	0.0	1.0	-1.0	-100.0%	
Total voted and non-voted		419.4	943.4	-524.0	-55.5%	

Note 13

The £77.0 million (133.3%) decrease in Resource AME funding for British Business Bank (Core) is due to an estimate for fair value movement on DBT financial assets being included for 2025-26 but not

yet for 2026-27 because there is insufficient information as yet to make a reasonably reliable estimate. An amount will be included for 2026-27 in the Supplementary Estimate.

Note 14

The £34.8 million (187.0%) increase in Resource AME funding for Corporate and Ministerial Support is due to depreciation that is held centrally and allocated out during the year as required.

Note 15

The £23.2 million (11.6%) decrease in Resource AME funding for Policy is due to the updated forecast for Shared Parental leave based on the latest Government Actuarial Department report.

Note 16

The £328.3 million (203.7%) decrease in Resource AME funding for Post Office is due to movement on provision liabilities for Post Office redress schemes for which budget had been allocated in 2025-26 in anticipation of significant upward movement in these liabilities which, other than potential provision for the new Family Members scheme, is not expected to be repeated in 2026-27.

Note 17

The £68.9 million (149.8%) decrease in Resource AME funding for British Business Bank (ALB) (Net) is due to increased estimates of movement upwards in the value of financial instruments.

Note 18

The £10.2 million (100.0%) decrease in Resource AME funding for Digital, Data and Technology is due to depreciation that is held centrally and allocated out during the year as required.

Capital AME

The table below shows how DBT's spending plans for Capital AME at the Main Estimate 2026-27 compared with the Supplementary Estimate 2025-26.

Sub-heads	Description	Capital AME				
		£ million			%	See note number
		This year (Main Estimate budget sought)	Last year (2025-26 Supplementary Estimate budget approved)	change from Supplementary Estimate		
L	British Business Bank (Core)	162.9	2.8	160.2	5,767.6%	19
M	Corporate and Ministerial Support	0.0	80.0	-80.0	-100.0%	20
N	Policy	0.0	0.0	0.0	-	
O	Post Office	992.6	1,126.4	-133.8	-11.9%	21
P, S	Executive Agencies	0.0	-0.2	0.2	-100.0%	
Q	British Business Bank (ALB) (Net)	599.8	594.2	5.6	0.9%	
R	Other Arm’s Length Bodies (ALB) (Net)	0.0	0.9	-0.9	-100.0%	
	Digital, Data and Technology	0.0	0.0	0.0	-	
	Other Business Support	0.0	0.0	0.0	-	
Total voted and non-voted		1,755.3	1,804.0	-48.7	-2.7%	

Note 19

The £160.2 million (5,767.6%) increase in Capital AME for British Business Bank (Core) is due to increases in the amounts estimated for net investment in financial assets and in liability movement on financial guarantees and because there is insufficient information as yet to include a reasonably reliable estimate for decreases relating to post-call recoveries on financial guarantees.

Note 20

The £80.0 million (100.0%) decrease in Capital AME for Corporate and Ministerial Support is due to the removal of unallocated centrally held funding.

Note 21

The £133.8 million (11.9%) decrease in Capital AME for Post Office is due to a reduction in anticipated Horizon redress payments as schemes close to new applications and approach their conclusion.

2.2 Restructuring

HM Treasury have reclassified the following items:

- Depreciation, amortisation and impairment expense for fixed assets (property etc) is scored to Resource AME instead of Resource DEL.
- BBB spend scores to AME (Resource and Capital) rather than DEL, with the exception of operating expenditure and income sufficient to offset this expenditure.

Description	Main Estimate 2026-27 (AME)	Supplementary Estimate 2025-26 (DEL)	Difference (+/-) compared to Supplementary Estimate 2025-26	
			£m	%
Depreciation-PPE and intangible assets	49.4	51.3	-1.9	-3.7%
BBB financial assets-Net investment	666.6	639.3	27.3	4.3%
BBB financial assets-Credit losses and investment income	0.0	15.3	-15.3	-100.0%
Cornwall And Isles Of Scilly Investments Ltd (CloSIL)-Net investment	1.2	0.8	0.4	52.4%
Midlands Engine Investments Ltd (MEIF)-Net investment	-28.5	-12.3	-16.2	131.7%
Northern Powerhouse Investments Ltd (NPIF)-Net investment	-37.1	-33.7	-3.4	10.1%
ENABLE Funding loans-net investment	-29.2	-50.9	21.7	-42.6%
ENABLE Funding loans-Net investment income	0.0	-20.0	20.0	-100.0%
Growth Guarantee Scheme	132.0	153.1	-21.1	-13.8%
Enterprise Financial Guarantees-Calls	0.9	8.7	-7.8	-89.7%

2.3 Ringfenced budgets

Within total budgets outlined, there are a number of ringfenced budgets, i.e. reductions in spend within these budgets may not be used to fund pressures on other budget lines without express permission from HM Treasury.

Description	Main Estimate 2026-27	Supplementary Estimate 2025-26	Main Estimate 2025-26	Difference (+/-), compared to Supplementary Estimate 2025-26	
	£m	£m	£m	£m	%
Total DEL Ring fenced	737.1	397.0	851.1	340.1	85.7%
Resource DEL					
Economic Crime Levy allocation	4.4	6.0	6.0	-1.6	-26.7%
British Steel	143.0	100.0	100.0	43.0	43.0%
Implicit Liability Management Fund	0.8	0.0	0.0	0.8	100.0%
Total Resource DEL	148.2	106.0	106.0	42.2	39.8%
Capital DEL					
British Steel	143.0	0.0	0.0	143.0	-
R&D	445.9	291.0	329.0	154.9	53.2%
Total Capital DEL	588.9	291.0	745.1	297.9	102.4%

NB - figures may not sum due to rounding

2.4 Changes to Contingent Liabilities

The following are changes to contingent liabilities since the Supplementary Estimate 2025-26:

Additions of the below contingent liabilities:

- An indemnity has been provided to UKGI Non-Executive Director on the Post Office Board in respect of any liabilities they may incur as a result of holding, or having held, this position. Value of contingent liability has expected estimates loss of less than £1 million.
- Family Members Redress Scheme relating to close family members of postmasters most severely affected by the Horizon scandal. The scheme is expected to open in summer 2026. Value is currently unquantifiable.
- British Steel Limited - Special Managers indemnity - The UK government enacted the Steel Industry (Special Measures) Act 2025 to keep two blast furnaces at the Scunthorpe steelworks operational, employing special managers to manage onsite operations. DBT SoS (Secretary of State) has indemnified the special managers against claims arising from conflicts between government instructions and shareholder interests. Value of this contingent liability is unquantifiable.

Change in value of the following two contingent liabilities:

- Indemnities have been given to the directors appointed by the Core Department to wholly owned subsidiaries. These indemnities are against personal liability following any legal action against the companies. Previously unquantifiable, now expected estimated loss of less than £1 million.
- An indemnity has been provided to the Chair of the Post Office Horizon IT Inquiry in respect of any liabilities he may incur as a result of holding, or having held, this position. Previously unquantifiable, now estimated expected loss of less than £1 million.
- Indemnity has been provided to the Official Receiver relating to actions undertaken in respect of liquidation of Speciality Steel UK. The estimated loss was previously £10m and now it is expected to be £50 million.

3. Priorities and Performance

3.1 How spending relates to objectives

DBT's spending plans support the delivery of its current objectives (draft objectives to be finalised) as indicated below:

Sub Heads	Description	1. We will make the UK the best place in the world to do business	2. We will make the UK the best-connected economy and the best place to do business from	3. We will deliver great services for business
A1	British Business Bank (Core)	X		X
A2	Corporate and ministerial support	X	X	X
A3	Digital, Data and Technology	X	X	X
A4	Grants	X	X	X
A5	Other Business Support	X		X
A6	Overseas	X	X	X
A7	Policy	X	X	X
A8	Post Office	X		X
A9	Executive Agencies	X		X
A10	British Business Bank (ALB) (Net)	X		X
A11	Other Arm's Length Bodies (ALB) (Net)	X		X

3.2 Measures of performance against each priority outcome

DBT's 2026-27 Strategic Plan includes performance metrics for each of our three Priority Outcomes. These metrics will be used for governance processes and reported in the 2026-27 Annual Report and Accounts.

1. Make the UK the best place in the world to do business:
 - Gross Fixed Capital Formation
 - Output Per Worker
 - Gross Value Added
 - Number of Homegrown Businesses
2. Make the UK the best-connected economy:
 - Total value of imports and exports (combined)
 - Total value of imports and exports with US, China and the EU (combined)
 - % total trade covered by FTAs

- % of businesses reporting enough adequate supply chains to start or continue exporting
3. Deliver great services for business:
- British Business Bank - Gross Value Added generated from BBB activity
 - Office for Investment - Gross Value Added generated from inward investments
 - Exports Service - Number of businesses supported

3.3 Commentary on steps being taken to address performance issues

The Department is undertaking action specifically to address performance issues which includes:

Formation of a Grant Delivery Function To address Public Accounts Committee and National Audit Office concerns, and as part of the Machinery of Government changes, in 2023-24 DBT created a new Grant Delivery Directorate (GDD), which is part of the Department's Corporate Services Group. Through GDD we have created a centre of excellence for funding design and delivery through which we are introducing improved systems to strengthen and streamline grant management and improve oversight of the DBT grants portfolio. We are also standardising grant making practices in line with grant functional standards to improve value for money and real-world impact. GDD is now responsible for delivering the majority of grants in DBT.

3.4 Major Projects

The Infrastructure and Projects Authority (IPA) reports on Government Major Projects Portfolio (GMPP) annually. The latest report can be found here: [Infrastructure and Projects Authority Annual Report 2023-24](#)

The DBT portfolio currently has two GMPP initiatives: the Future Technology Portfolio and the Automotive Transformation Fund.

Future Technology Programme (formerly known as New Branch IT System)

This programme comprises of a series of activities run by Post Office Limited (POL) aimed at replacing the Horizon IT system and progressively modernising technology as part of its wider Strategic Transformation Plan.

Funding Sub-head	Post Office
Onboard start	January 2024
Offboard end	Target March 2030

Drive 35 - Automotive Transformation Fund

This programme is part of the Advanced Manufacturing Plan (AMP) and supports investment in developing the end-to-end electrified automotive supply chain in the UK, supporting the Government to achieve its targets to support the green industrial revolution and transport.

Funding Sub-head	Grants
Onboard start	Pre-2023 (Originally a former-BEIS Major Project)
Offboard end	Target 2035

4. Other Information

4.1 Research & Development Expenditure

The following is provided as contextual information on R&D expenditure at the request of the Business and Trade Committee.

R&D spending under the Frascati definition is expected to increase relative to last year's supplementary estimate in line with commitments made in the Industrial Strategy. Some of these changes are explained below.

R&D	Main Estimate 26-27 (£m)	Supplementary Estimate 25-26 (£m)	% Change since Supplementary Estimate
Aerospace Technology Institute (ATI)	230.0	193.5	18.9%
Auto 2030	100.0	90.9	10.0%
Connected and Automated Mobility (CAM)	33.0	18.6	77.4%
Global Supply Chain Intelligence Platform (GSCIP)	3.0	0.3	900.0%
National Digital Twin Programme (NDTP)	nil	5.1	-100.0%
Open Regulation Platform (ORP)	3.1	3.1	0.0%
Faraday Battery Challenge	82.7	-	-
Made Smarter Innovation	26.3	-	-
Misc.	nil	7.3	-100.0%
Total	478.1	318.8	50.0%

Note: Totals and percentages may not exactly sum, due to rounding differences.

Aerospace Technology Institute (ATI)

The 18.9% increase is due to increased funding to projected in 2026-27 to support the development of new technologies in the aerospace sector.

Auto 2030

The 10.0% increase is due to revised phasing of expenditure across financial years in support of the Drive35 programme.

Connected and Automated Mobility (CAM)

The 77.4% increase is to provide a predictable cadence of funding, avoid delivery cliff edges, and enable larger industry participants to plan, invest and bid with confidence across the SR period.

Global Supply Chain Intelligence Platform

The 900.0% increase is due to GSCIP receiving their funding directly through the Estimates rather than the invoicing of other government departments, which has been done in previous years.

National Digital Twin Programme (NDTP)

The 100% decrease is due to this programme not being progressed in 2026/27.

Faraday Battery Challenge

The increase reflects an expansion of the programme following the Spending Review.

Made Smarter Innovation

The increase is a capital programme approved following the Spending Review, supporting the Government's Industrial Strategy priorities for advanced manufacturing, productivity growth, economic resilience and net zero.

4.2 Additional specific information required by the Select Committee

The Business and Trade Committee has not requested any particular information which has not been addressed in this Memorandum.

5. Accounting Officer Approval

This memorandum has been prepared according to the requirements and guidance set out by the House of Commons Scrutiny Unit, available on the Scrutiny Unit website. The information in this Estimate Memorandum has been approved by myself as Departmental Accounting Officer.

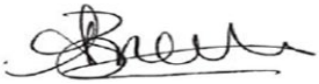
Amanda Brooks

Accounting Officer

Interim Permanent Secretary

Department for Business and Trade

13 April 2026

A handwritten signature in black ink, appearing to read 'A. Brooks', enclosed within a rectangular black border.

Annex A

Table A (i) Departmental Expenditure Limits (DEL)

Sub-heads	Description	Programme	Resource					Capital				
			£ million			%	see Section 2.1 note number	£ million			%	see Section 2.1 note number
			<i>This year (Main Estimate budget sought)</i>	<i>Last year (2025-26 Supplementary Estimate budget approved)</i>	Change from Supplementary Estimate			<i>This year (Main Estimate budget sought)</i>	<i>Last year (2025-26 Supplementary Estimate budget approved)</i>	Change from Supplementary Estimate		
A	British Business Bank (Core)	<i>British Business Bank (Core)</i>	0.3	39.3	-39.0	-99.3%	1	0.0	0.0	0.0	-	
B	Corporate and Ministerial Support	<i>Corporate and Ministerial Support</i>	292.5	264.6	27.9	10.5%	2	-24.2	73.3	-97.5	-133.1%	7
C	Digital, Data and Technology	<i>Digital, Data and Technology</i>	83.4	74.9	8.5	11.4%		7.3	13.5	-6.2	-46.1%	
D	Grants	<i>Grants</i>	371.5	285.7	85.8	30.0%	3	891.6	685.4	206.2	30.1%	8
E	Other Business Support	<i>Other Business Support</i>	278.3	661.9	-383.6	-58.0%	4	249.3	465.4	-216.1	-46.4%	9
F	Overseas	<i>Overseas</i>	117.7	128.7	-11.1	-8.6%		0.0	0.0	0.0	-	
G	Policy	<i>Policy</i>	347.1	318.6	28.5	8.9%		-46.2	-34.5	-11.6	33.7%	10
H	Post Office	<i>Post Office</i>	304.8	385.7	-80.9	-21.0%	5	119.4	145.7	-26.3	-18.1%	11
I	Executive Agencies	<i>Executive Agencies</i>	98.7	102.6	-3.9	-3.8%		13.4	24.4	-11.0	-45.1%	12
J	British Business Bank (ALB)	<i>British Business Bank (ALB)</i>	0.8	0.0	0.8	-		0.0	0.0	0.0	-	
K	Other Arm's Length Bodies	<i>Other Arm's Length Bodies</i>	103.1	92.5	10.6	11.4%	6	1.4	1.6	-0.3	-15.7%	
Total voted and non-voted			1,998.1	2,354.6	-356.4	-15.1%		1,211.9	1,374.7	-162.8	-11.8%	

Note: some percentages may not be exact due to rounding differences.

Table A (ii) Annual Managed Expenditure (AME) budget

Sub-heads	Description	Programme	Resource					Capital				
			£ million			%	see Section 2.1 note number	£ million			%	see Section 2.1 note number
			<i>This year (Main Estimate budget sought)</i>	<i>Last year (2025-26 Supplementary Estimate budget approved)</i>	Change from Supplementary Estimate	<i>This year (Main Estimate budget sought)</i>		<i>Last year (2025-26 Supplementary Estimate budget approved)</i>	Change from Supplementary Estimate			
L	British Business Bank (Core)	<i>British Business Bank (Core)</i>	-19.2	57.7	-77.0	-133.3%	13	162.9	2.8	160.2	5767.6%	19
M	Corporate and Ministerial Support	<i>Corporate and Ministerial Support</i>	53.4	18.6	34.8	187.0%	14	0.0	80.0	-80.0	-100.0%	20
N	Policy	<i>Policy</i>	177.0	200.2	-23.2	-11.6%	15	0.0	0.0	0.0	-	
O	Post Office	<i>Post Office</i>	-167.2	161.2	-328.3	-203.7%	16	992.6	1,126.4	-133.8	-11.9%	21
P, S	Executive Agencies	<i>Executive Agencies</i>	450.3	494.5	-44.2	-8.9%		0.0	-0.2	0.2	-100.0%	
Q	British Business Bank (ALB)	<i>British Business Bank (ALB)</i>	-114.9	-46.0	-68.9	149.8%	17	599.8	594.2	5.6	0.9%	
R	Other Arm's Length Bodies (ALB) (Net)	<i>Other Arm's Length Bodies (ALB) (Net)</i>	40.0	46.0	-6.0	-13.0%		0.0	0.9	-0.9	-100.0%	
	Digital, Data and Technology	<i>Digital, Data and Technology</i>	0.0	10.2	-10.2	-100.0%	18	0.0	0.0	0.0	-	
	Other Business Support	<i>Other Business Support</i>	0.0	1.0	-1.0	-100.0%		0.0	0.0	0.0	-	
Total voted and non-voted			419.4	943.4	-524.0	-55.5%		1,755.3	1,804.0	-48.7	-2.7%	

Note: some percentages may not be exact due to rounding differences.

Table B: how DEL funding plans for 2025-26 have altered since Spending Review 2025

	RDEL Admin	RDEL Programme	RDEL Total	General Capital	CDEL FT	Total DEL
HMT Settlement letter total	447.6	1,430.8	1,878.4	1,158.1	679.4	3,715.9
Adjustments:						
UK Internal Market	0.4	5.5	5.9			5.9
Global Talent Taskforce	0.0	1.9	1.9	0.0	0.0	1.9
Total Settlement budget	448.0	1,438.2	1,886.2	1,158.1	679.4	3,723.7
2026-27 Main Estimate Transactions						
MOG						
MOG to MOD 26-27 for UK Defence Security Exports	0.0	-17.2	-17.2	0.0	0.0	-17.2
MOG from Home Office for Gangmasters and Labour Abuse Authority	0.0	5.8	5.8	0.0	0.0	5.8
Total MOG	0.0	-11.5	-11.5	0.0	0.0	-11.5
Budget Cover Transfers						
Various BCTs to Ministry of Housing, Communities and Local Government for Devo Deals, Made Smarter Adoption, High Streets and Growth Hubs.	0.0	-24.9	-24.9	-6.0	0.0	-30.9
BCT to CO for Learning Skills.	-1.1	0.0	-1.1	0.0	0.0	-1.1
BCT to CO for Special Advisors.	-0.6	0.0	-0.6	0.0	0.0	-0.6
BCT from Department for Culture, Media and Sport for the Music Export Growth Scheme.	0.0	0.8	0.8	0.0	0.0	0.8
BCT from Department for Works and Pensions for the Debt Relief Order, Application Programme Interface.	0.0	0.6	0.6	0.0	0.0	0.6
BCT from Cabinet Office for Greater Together LA.	0.0	0.5	0.5	0.0	0.0	0.5
BCT from HMT for Implicit Liability Management Fund.	0.0	0.8	0.8	0.0	0.0	0.8
Net BCTs	-1.7	-22.2	-23.9	-6.0	0.0	-29.9

	RDEL Admin	RDEL Programme	RDEL Total	General Capital	CDEL FT	Total DEL
Reserve Claims						
Intervention in support of British Steel Limited	0.0	143.0	143.0	0.0	143.0	286.0
Economic Crime Levy (ECL)	0.0	4.4	4.4	0.0	0.0	4.4
Net Reserve Claims	0.0	147.4	147.4	0.0	143.0	290.4
Budget Switches						
BBB financial assets-Net investment	0.0	0.0	0.0	0.0	-748.7	-748.7
Growth Guarantee Scheme	0.0	0.0	0.0	-109.1	0.0	-109.1
Enterprise Financial Guarantees-Calls	0.0	0.0	0.0	-0.9	0.0	-0.9
Cornwall And Isles Of Scilly Investments Ltd (CloSIL)-Net investment	0.0	0.0	0.0	0.0	1.2	1.2
Midlands Engine Investments Ltd (MEIF)-Net investment	0.0	0.0	0.0	0.0	28.5	28.5
Northern Powerhouse Investments Ltd (NPIF)-Net investment	0.0	0.0	0.0	0.0	37.1	37.1
Fleetbank Funding Ltd (ENABLE loans)-net investment	0.0	0.0	0.0	0.0	29.2	0.0
Net Budget Switches	0.0	0.0	0.0	-110.0	-652.7	-762.7
2026-27 DBT Main Estimate DEL Totals	446.3	1,551.8	1,998.1	1,042.2	169.7	3,210.0