

MACHINERY OF GOVERNMENT: Creation of the Department for Business, Innovation and Skills

1. The Prime Minister announced a series of changes to ministerial responsibilities on 5 June 2009. This Cabinet Office paper describes the consequences for the functions of departments of these changes.
2. The Government believes that these changes will better equip it to manage the global and domestic issues that the country faces – particularly those created by the current economic situation. The changes create a single department committed to building Britain's economic strengths for the future; combining work to shape the enterprise environment, strengths in analysing the needs of industry, building strategies for industrial growth and expertise in better regulation with expertise in shaping world-class universities, expanding access to further and higher education, investing in the science base and developing the skills policy that will equip individuals and businesses to flourish.

Department for Business, Innovation and Skills

3. The Department for Business, Innovation and Skills has been established to build a dynamic and competitive UK economy by:
 - Creating conditions for business success
 - Promoting innovation, enterprise and science
 - Giving everyone the skills and opportunities to succeed

To achieve this the Government will foster world-class universities and promote an open global economy

4. The department is responsible for a number of Public Service Agreements.

Public Service Agreements (PSAs) for the Department for Business, Innovation and Skills

- **PSA1:** Raise the productivity of the UK economy
- **PSA2:** Improve the skills of the population, on the way to ensuring a world-class skills base by 2020
- **PSA4:** Promote world-class science and innovation in the UK
- **PSA6:** Deliver the conditions for business success in the UK
- **PSA7:** Improve the economic performance of all English regions and reduce the gap in economic growth rates between regions

[Departmental Strategic Objectives inherited from BERR and DIUS are listed in the Annex]

5. These PSAs define a set of responsibilities for the new Department, which include:

- Supporting the provision of the further and higher education that individuals and businesses need, widening participation. The Department will ensure that individuals have access to the skills that they need, so that they are able to work now and in the future, providing the UK with a workforce that is equipped with the skills that will be required by emerging and growing industries.
- Funding the UK research base, through the research councils, ensuring a return for the UK economy from the Government's considerable investment in research excellence.
- Creating an innovative and entrepreneurial environment; an environment where ideas are put into practice, creating new products, processes, services and markets; transforming knowledge into commercial opportunity; where new business opportunities can be seized and exploited and new jobs are created, an environment where bureaucracy and cost is minimized. The Department will have a particular focus on the needs of small and medium sized business and will drive forward the continuing simplification of support to business.

- Protecting the rights of workers and consumers so that they are treated honestly, get a fair deal and enjoy the opportunities provided in a balanced and just economy.
 - Creating the conditions for business success, developing the market, competition and corporate governance framework within the UK, striving for open markets so that all business can trade where they want to and when they want to.
 - Supporting a dynamic and competitive economy, through strong relationships with the key sectors that make up the business landscape now and in the future. The Department will ensure that the national policy agenda is translated into action at the regional level, action that drives growth and narrows the gap between different regional performance.
 - Continuing to build the Government's industrial strategy, building on the framework set out in *New Industry, New Jobs* and reaching out to other Government Departments to ensure that the business agenda is at the core of Government policy making.
 - Taking responsibility for the Government's shareholding in key, strategic assets.
7. The Department will have joint responsibility with the Department for International Development for trade policy and with the Foreign and Commonwealth Office for trade promotion. It will work closely with the Foreign and Commonwealth Office, supported through UK Trade and Investment, to support UK companies doing business internationally and overseas enterprises seeking to locate in the UK.
8. The Department will also work closely with the following bodies:

Executive Non-Departmental Public Bodies

- ACAS
- British Hallmarking Council
- Capital for Enterprise Ltd
- Consumer Focus
- Competition Commission
- Competition Service
- Hearing Aid Council
- Local Better Regulation Office
- Regional Development Agencies (RDAs):
 - Advantage West Midlands
 - East Midlands Regional Development Agency
 - East of England Development Agency
 - North West Development Agency
 - OneNorthEast
 - South East England Development Agency
 - South West of England Development Agency
 - Yorkshire Forward
- SITPRO Ltd (Simpler Trade Procedures Board)
- Research Councils :
 - Arts & Humanities Research Council
 - Biotechnology and Biological Sciences Research Council
 - Economic and Social Research Council
 - Engineering and Physical Sciences Research Council
 - Medical Research Council
 - Natural Environment Research Council
 - Science and Technology Facilities Council
- Design Council
- Higher Education Funding Council for England (HEFCE)
- Learning and Skills Council
- UK Commission for Employment and Skills
- Student Loans Company
- Construction Industry Training Board (CITB)

- Engineering Construction Industry Training Board (ECITB)
- Film Industry Training Board
- Office for Fair Access
- Technology Strategy Board
- Investors in People UK
- NESTA – the National Endowment for Science, Technology and the Arts

Advisory Non-Departmental Public Bodies

- Industrial Development Advisory Board
- Low Pay Commission
- Regional Industrial Development Boards
- Union Modernisation Fund Supervisory Board
- Strategic Advisory Board for Intellectual Property
- Council for Science and Technology
- Waste Electrical and Electronic Equipment Advisory Board

Tribunal Non-Departmental Public Bodies

- Central Arbitration Committee
- Competition Appeal Tribunal
- Insolvency Practitioners Tribunal
- Copyright Tribunal

Public Corporations

- British Shipbuilders
- Ofcom

Executive Agencies

- The Insolvency Service
- Companies House (also a Trading Fund)
- UK Intellectual Property Office (also a Trading Fund)
- National Measurement Office

Government Owned Contractor Operated Laboratory

- National Physical Laboratory

Others

- Financial Reporting Council
- London Development Agency
- Community Interest Companies
- Citizens Advice (CitA)
- Citizens Advice Scotland (CAS)
- Learning and Skills Improvement Service

9. The new Department will continue to have close working relationships with non-Ministerial Government departments, in particular the Office of Fair Trading and Postcomm.

Cabinet Office

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Departmental Strategic Objectives – BERR and DIUS

BERR

- **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:** Ensure that Government acts as an effective and intelligent shareholder, and provide a source of excellent corporate finance expertise within Government
- **DSO 5:** Provide the professional support, capability and infrastructure to enable BERR's objectives and programmes to be successfully delivered

DIUS

- **DSO1:** Accelerate the commercial exploitation of creativity and knowledge, through innovation and research, to create wealth, grow the economy, build successful businesses and improve quality of life
- **DSO2:** Improve the skills of the population throughout their working lives to create a workforce capable of sustaining economic competitiveness, and enable individuals to thrive in the knowledge economy
- **DSO3:** Build social and community cohesion through improved social justice, civic participation and economic opportunity by raising aspirations and broadening participation, progression and achievement in learning and skills
- **DSO4:** Pursue global excellence in research and knowledge, promote the benefits of science and society, and deliver science, technology, engineering and mathematics skills in line with employer demand
- **DSO5:** Strengthen the capacity, quality and reputation of the Further and Higher Education systems and institutions to support national economic

and social needs

- **DSO6:** Encourage better use of science in Government, foster public service innovation, and support other Government objectives which depend on DIUS expertise and remit