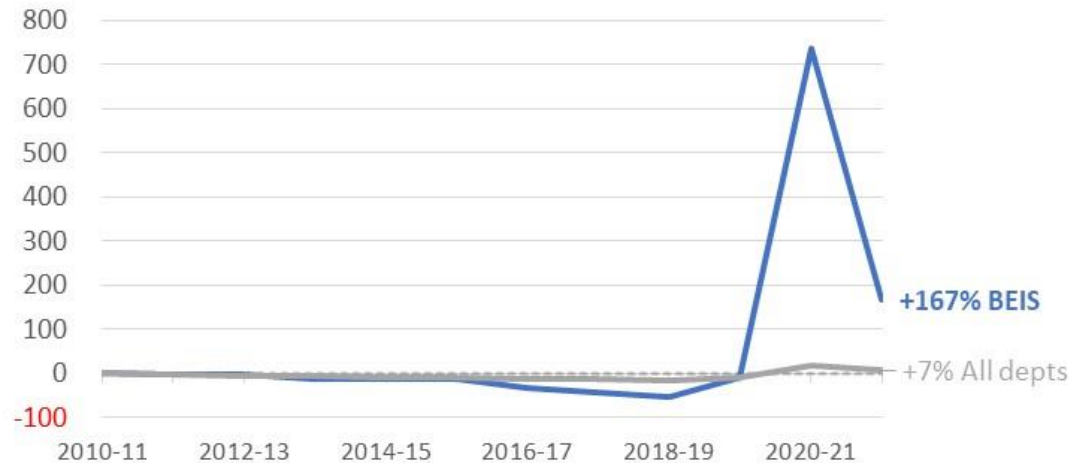


Department for Business, Energy and Industrial Strategy (BEIS)

Long-term trends in BEIS's spending (in real terms)

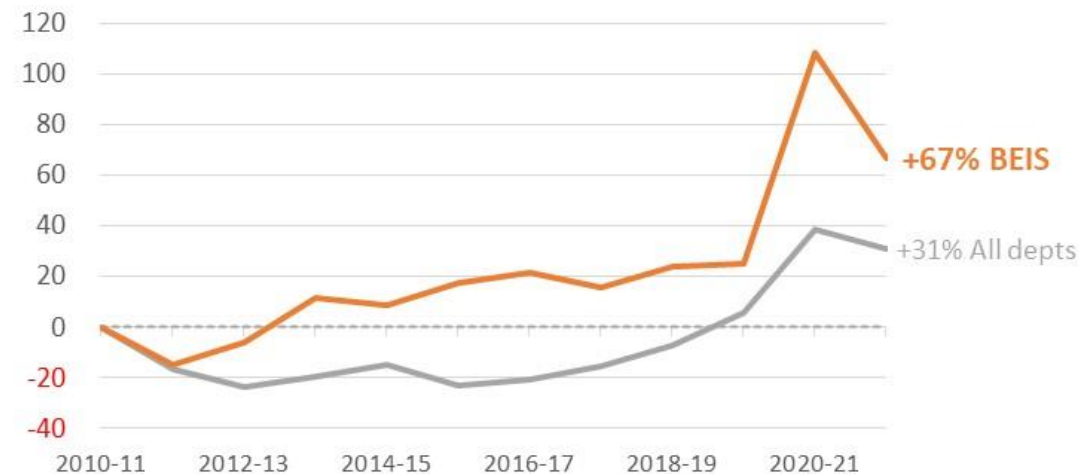
Percentage change in **day-to-day spending** compared to 2010 (Resource DEL):



Day-to-day spending trends:

- BEIS' normal day to day spending – which until 2018-19 was around £1.2 billion a year- covers BEIS' admin costs, some nuclear decommissioning spend and small programmes of business support and market innovation.
- In 2020-21 this was massively boosted by Coronavirus business grants- these are much reduced in 2021-22

Percentage change in **investment spending** compared to 2010 (Capital DEL):



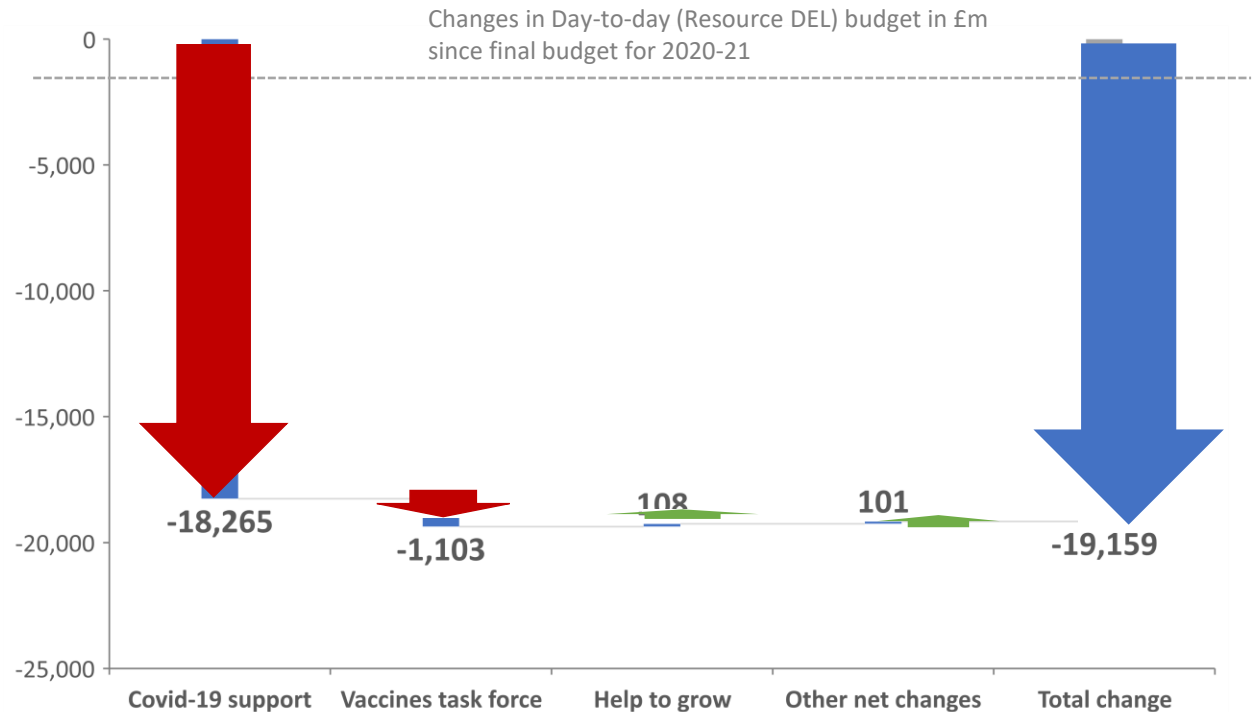
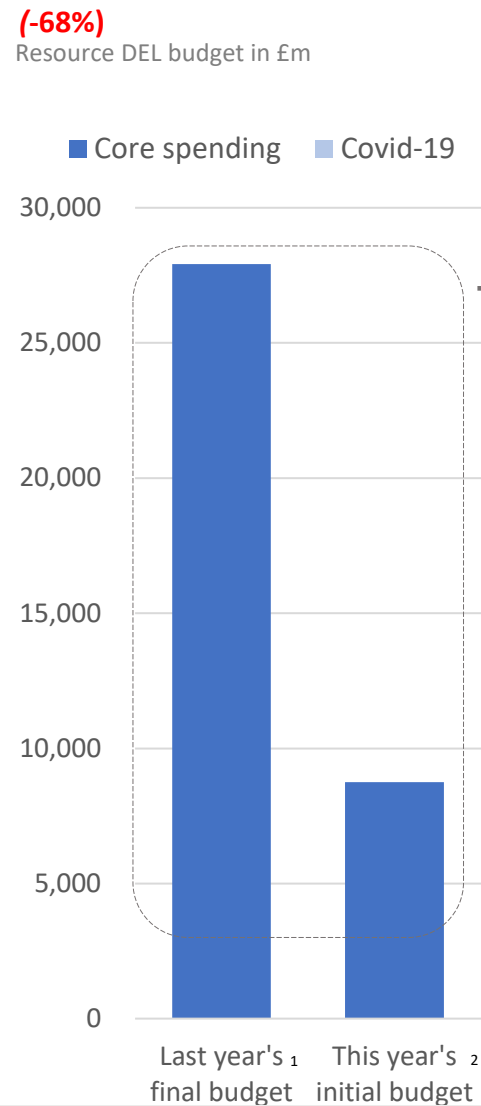
Investment spending trends

- The long term growth in spending largely reflects increased spending on science and research.
- Higher spending in 2020-21 was a result of a one off £5 billion payment to the nuclear liabilities fund, and the (Coronavirus) Future Fund

How is BEIS's day-to-day spending changing in 2021-22?

BEIS's day-to-day budget is decreasing by £19,159 million (-68%)

Spending on coronavirus business grants is projected to reduce by 80%



Changes in 2021-22

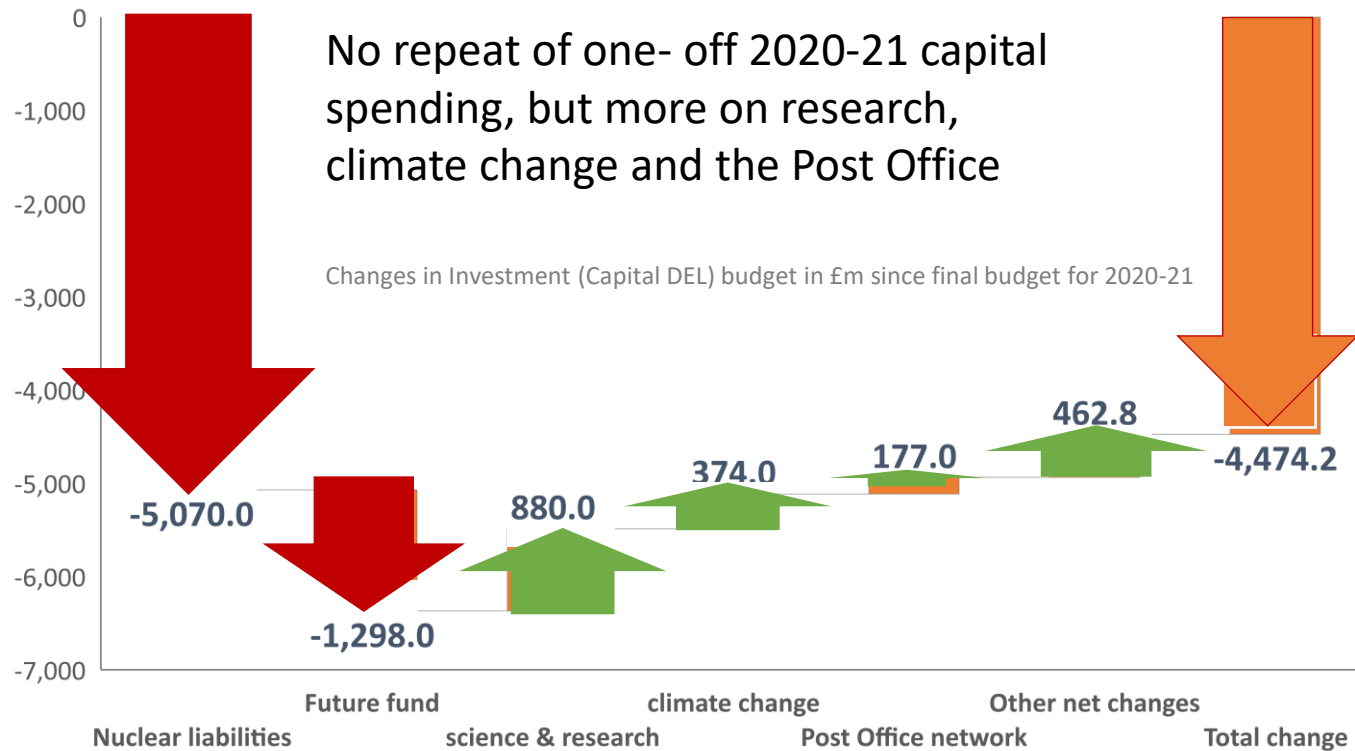
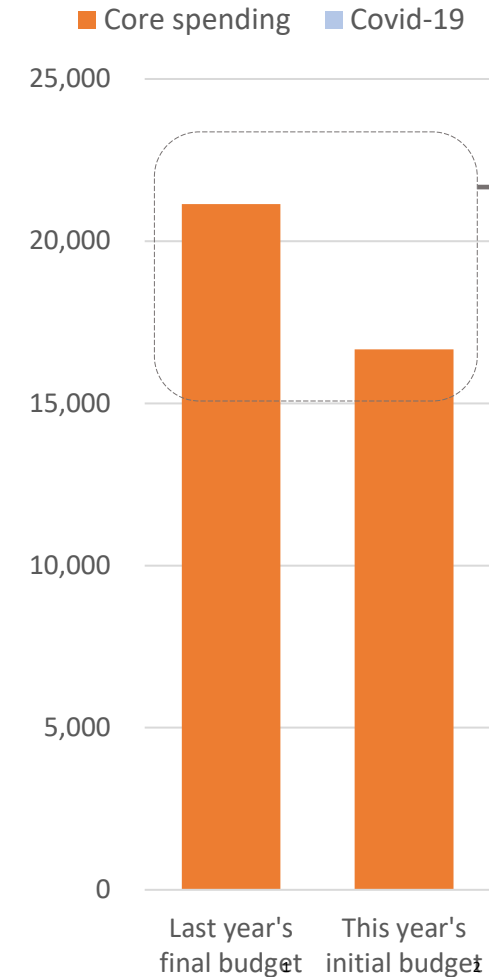
- In 2020-21 there was exceptional spending of nearly £22 billion on Coronavirus business grants. This is reduced to a projected £4.2 billion in 2021-22 (Restart grant funding)
- Spending on the Vaccines task force also reduces from £1.8 billion last year to £0.7 billion in 21-22
- The new Help to Grow scheme, announced in the 2021 Budget, adds an extra £0.1 billion
- There are a variety of other changes- including £141 million less in resource nuclear decommissioning funding (but more in capital funding) and reduced running costs for the coronavirus loans scheme,

² Initial Budget in Main Estimate 2021-22 (May 2021)

How is BEIS's investment spending changing in 2021-22?

BEIS's investment budget is decreasing by £4,472.2m (-21.2%)

Capital DEL budget in £m



Changes in 2021-22

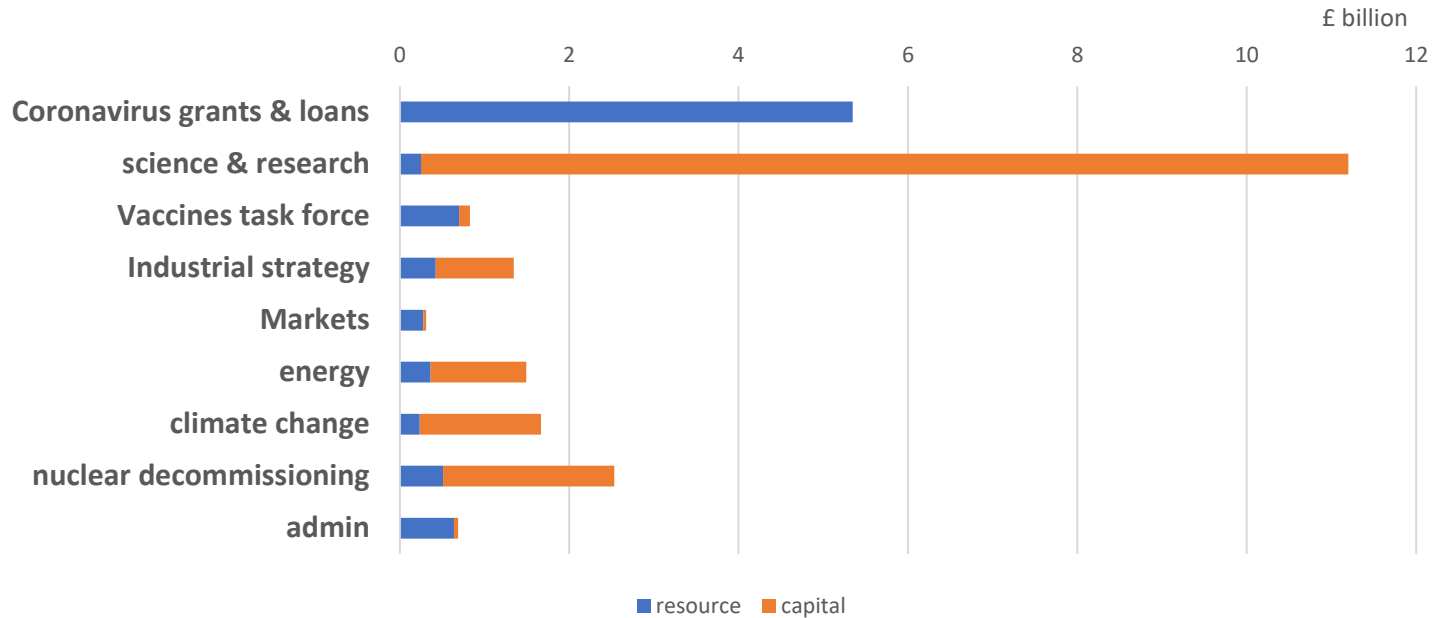
- The one off payment to the nuclear liabilities fund of £5 billion is not repeated in 2021-22
- There is £1 billion less budgeted for the Future Fund, a coronavirus support scheme, now closed to new applications, and other Covid related spending of £0.248 billion not repeated in 2021-22
- Extra funding goes on science and research- rising from £10.1 billion to £11 billion
- Additional spending on climate change of £374 million, including funding for Salix (£124 million), renewables (£110 million) and carbon capture and storage (£140 million);
- For 2021-22 £177 million is provided in capital funding for the Post Office network

¹ Final Budget in Supplementary Estimates 2020-21 (Feb 2021)

² Initial Budget in Main Estimate 2021-22 (May 2021)

BEIS spending

BEIS 2021-22 spending is dominated by science and research and Covid business support



Day-to-day spending (Resource DEL)

For 2021-22 Restart grants to non essential retail (up to £6000) and for hospitality (up to £18,000) account for most of 2021-22 spend on coronavirus support, much less than was necessary last year

Investment spending (Capital DEL)

Well over half of all BEIS' capital budget is devoted to science and research

Other funding includes British Business Bank (£492 million), and climate change programmes (£272 million for energy innovation, £462 million for Salix, £140 million for carbon capture and storage, £122 million for heat, and £110 million for renewable energy)

Nuclear decommissioning funding is provisionally divided between resource and capital at the start of the year, but the balance of funding may alter dependent on the work actually undertaken

*Day-to-day spending includes depreciation; totals above will overstate cash spending as a result

BEIS's spending beyond 2021-22

The most recent spending plans were published in **Spending Review 2020**, with some further announcements in **Budget 2021**. Due to uncertainty caused by Covid-19 plans were only given for 2021-22

Major future commitments have included:

Day-to-day spending:
There are no published BEIS resource plans beyond 2021-22

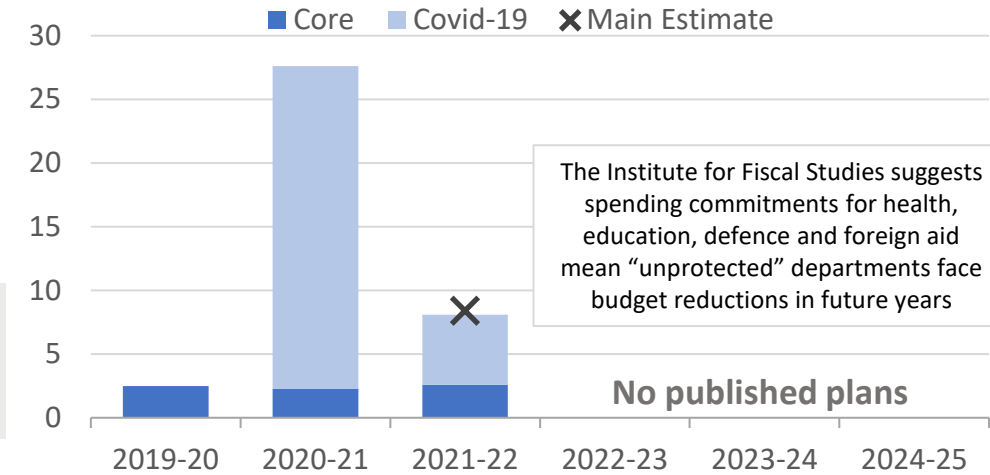
Investment spending:
The government committed in the 2020 Spending Review to provide funding for BEIS for several long term projects. These are:

- **Core research** : an increase from £4.8 billion to £5.2 billion in 2022-23 and to £5.8 billion in 2023-24
- **Funding for high- risk high- payoff research** of £0.3 billion for each of 2022-23, 2023-24 and 2024-25
- **Funding for net zero programmes** of £0.5 billion in 2022-23 and 2023-24 and £0.6 billion in 2024-25

*May involve day-to-day and investment spending over several years

BEIS spending

£ billion, Resource DEL budget excluding depreciation



BEIS investment spending

£ billion, Capital DEL budget

