



INNOVATION NATION

Reforming the Department for Business, Energy and Industrial Strategy

By Tim Ambler

DISCUSSION PAPER

EXECUTIVE SUMMARY

- The Department for Business, Energy and Industrial Strategy (BEIS) has responsibility for a number of functions that are currently performed inefficiently and represent poor value for taxpayer money;
- The core department lacks transparency on how its teams operate and what each achieves in relation to targets;
- Public research and development money should be restricted to UK National Interest Research Projects (NIRPs);
 - The government department responsible for funding a large NIRP should be the one most closely associated with the topic;
 - These can be funded directly in the case of larger, more expensive projects;
 - The others should be funded indirectly via universities, other research institutes and local enterprise partnerships, through annual ‘NIRP research pots’ in amounts reflecting their track records;
 - UKRI would fund the direct NIRPs with no obvious alternative homes, distribute NIRP research pots and monitor and report expenditure and outcomes in sufficient detail that government and other funders can learn from one another;
 - BEIS/UKRI should retain responsibility for the areas currently covered by Innovate UK but, given the small number of large NIRPs, it would only require one Executive Agency to do so. Space science should also come into this Agency;
- All advisory arm’s length bodies (ALBs) should cease existence as formal bodies; advisors can be called on ad hoc;
- All other ALBs should either become executive agencies or privatised if they are substantial or merged into core or other bodies if they are not;
- Taken together, the recommendations in this report would produce a total headcount saving of nearly 12,704: 39.6% of the current 32,069 total.

Tim Ambler MA (Oxon), MSc (MIT) is a Senior Fellow at the Adam Smith Institute, previously Senior Fellow, London Business School.

ABOUT THIS SERIES

The UK government plans to reduce the civil service headcount by nearly 20%. We believe that deeper savings—bringing lower costs and greater efficiency—are easily possible. Whitehall has grown far more than 20% in the last seven years alone; and we have found most departments to be a confused clutter of overlapping functions and agencies. This series aims to cut through that clutter to suggest nimbler, lighter structures.

Whitehall departments have two functions: to manage policy and to provide services. We believe that services (such as passport provision) should be provided by executive agencies, without being swamped by the core department staff. We also believe that the cores could work, more effectively, with a fraction of their staff.

Deep staff reductions can be managed through natural turnover, early retirement, pausing non-essential recruitment and other methods. The result would be a slimmer, more focused civil service, better services for users and substantial savings for taxpayers.

PURPOSE AND STAFFING OF BEIS

The Department for Business, Energy and Industrial Strategy (BEIS) was formed in 2016, bringing together the business and science policy portfolios of the former Department for Business, Innovation & Skills (BIS) and the full policy portfolio of the former Department for Energy and Climate Change (DECC). It has responsibility for promoting competitive markets and responsible business practices, for an industrial strategy to promote work and investment across the UK, for science, research and innovation, and for climate change and energy. It lists its current priorities as supporting post-Covid business recovery, achieving 'net zero' by 2050, unleashing innovation and backing long-term growth.

BEIS is unclear about how many people and organisations it applies to these disparate tasks. According to the March 2021 annual report¹, it then employed 23,611 staff (4,717 of them in the department core), though 32,069 appeared on its December 2021 payroll² (see Appendix A). Payroll figures — which are probably the most reliable — suggest the department has 14 arm's-length bodies (ALBs), though the annual report (p.13) lists 5 executive agencies (EAs) and 20 non-departmental public bodies (NDPBs), 9 other central government bodies and another 9 under the heading 'Wider Departmental Group': a total of 43 ALBs in all. But pp.246-250 of the annual report shows 3 EAs, 44 NDPBs and other 'designated bodies', while the BEIS website says there are 42 'agencies and public bodies'.

We make structural recommendations, including changes in the department core, at the end of this report. We start, however, with the largest of BEIS's agencies.

UK RESEARCH AND INNOVATION (UKRI)

The Department spent £44.2 billion in the year to 31 March 2021, of which the largest item (after "delivering an ambitious industrial strategy") was funding UK Research and Innovation (UKRI), at a cost of £9.067 million.

STRUCTURE AND STAFFING

UKRI comprises nine research councils. The December 2021 payroll indicates they had 7,640 staff, though the March 2021 annual report put the figure at 8,250. The research councils ceased reporting important information, such as staff numbers, when they were merged into UKRI in 2018 — omissions that make it hard to judge whether they provide value for money.

¹ Department for Business, Energy and Industrial Strategy, Annual Report and Accounts 2020-21: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1036048/1210-APS-CCS0621807886-001_BEIS_ARA_20_21_Accessible.pdf

² Department for Business, Energy and Industrial Strategy, BEIS headcount and payroll data for December 2021: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1050429/beis-workforce-mgmt-info-dec-21.csv/preview

PURPOSE AND SCALE

There is a case for the government supporting research and development, where it is essential for the UK's economic, environmental and general wellbeing but would not otherwise receive the necessary funding. We refer to these activities as UK National Interest Research Projects (NIRPs), which would limit grant-making to science, technology and business. The question is whether UKRI should fund other projects.

This report offers no view on the total Research & Development (R&D) funding the Exchequer should provide. It does, however, address the waste involved, both in UKRI's excessive headcount and its financing of projects that are *not* essential for the UK's economic, environmental and general wellbeing. Appendix B shows that 43% of UKRI's grants are not spent on R&D at all.

WASTE AND INEFFICIENCY

As well as funding going to inessential projects, or to projects that could be funded from other sources, UKRI's administrative costs, delays in selecting and funding projects, and bureaucratic application processes are all wasteful. Researchers are distracted from their main work to spend considerable time on applications, and the peer review process takes reviewers' time — time which the most qualified experts may not have — as well as encouraging 'groupthink' instead of true innovation.

For comparison, Arts Council England (hardly a paragon of efficiency) employs 617 staff to distribute £1.2bn of grants. If the same ratio applied to UKRI, it would need only 4,000 staff, not 8,000. But only £5bn of UKRI's £8.8bn grants went to R&D (see Appendix B): taking R&D spend as a proxy for projects in the national interest, that would bring the staffing requirement down to 3,000. The other £3.8bn of projects appear to be more an indulgence rather than the research and innovation that is UKRI's remit. Moreover, there is a lack of explanation regarding the criteria used for distinguishing successful from unsuccessful applications.

CASE STUDY: INDUSTRIAL STRATEGY CHALLENGE FUND

The National Audit Office (NAO) has not reported on the value for money of UKRI overall but did look at one project, the Industrial Strategy Challenge Fund (ISCF). It reported: "The increasing number of challenges supported by the Fund, each with their own objectives, and range of different objectives at Fund level, risk obscuring priorities and will make the assessment of value for money in the longer term more difficult. UKRI, the Department and HM Treasury need to look again at the drawn-out process for selecting and approving challenges and projects, to ensure that good applicants are not deterred from putting forward bids." Targets were absent, but the NAO found only a 50% achievement level across the ISCF objectives.³

³ National Audit Office, UK Research and Innovation's management of the Industrial Strategy Challenge Fund (February 2021): <https://www.nao.org.uk/wp-content/uploads/2021/02/UK-Research-and-Innovations-management-of-the-Industrial-Strategy-Challenge-Fund.pdf>

RECOMMENDATIONS

Public R&D money should be restricted to UK National Interest Research Projects (NIRPs) and distributed in one of two ways. The handful of expensive projects should be funded directly. The rest should be funded indirectly via universities, other research institutes and local enterprise partnerships. These bodies would receive annual ‘NIRP research pots’ in amounts reflecting their track records; institutions that have succeeded are more likely to have the skills to do so again, and to be able to judge the capabilities of their own applicants. These research pots should be audited with a light touch.

The government department responsible for funding a large NIRP should be the one most closely associated with the topic, e.g. environmental projects should be funded by DEFRA and health projects by the Department of Health and Social Care. UKRI would fund the direct NIRPs with no obvious alternative homes, distribute NIRP research pots and monitor and report expenditure and outcomes in sufficient detail that government and other funders can learn from one another.

THE INDIVIDUAL RESEARCH COUNCILS

Let us now look at some of the research councils individually.

Research England was previously known as the Higher Education Funding Council for England. This should be a matter, along with funding PhDs, for the Department for Education.

The Arts and Humanities Research Council owes its existence to an influential arts and humanities lobby persuading the Blair government that it was unfair that scientists had access to research funds while they did not⁴: an arts and humanities research council was thus needed to recognise their importance. This rather misses the purpose of UKRI.

Natural Environment Research Council projects can mostly be pushed back to the agricultural institutions. Larger, national projects would have to be funded and managed by DEFRA. The Department of Health and Social Care should, likewise, pay for national medical research and biotechnical/biological NIRPs, with all smaller projects funded by schools of medicine, charities and universities.

Innovate UK cites 5 ‘strategic goals’ in its 2019/20 delivery plan⁵:

- deliver measurable economic and societal impact across the UK;
- support and invest in innovative businesses and entrepreneurs with the potential and ambition to grow;

⁴ Creating the AHRC: An Arts and Humanities Research Council for the United Kingdom in the Twenty-first Century (Oxford University Press, 2008)

⁵ Innovate UK, Delivery Plan 2019: <https://www.ukri.org/wp-content/uploads/2020/09/INUK-250920-DeliveryPlan2019.pdf>

- maximise the commercial impact of world-class knowledge developed in UK industries and its research base;
- identify, support and grow transforming and emerging industries through innovation;
- build a coherent, supportive environment incentivising R&D investment and enabling people and businesses to innovate.

The plan lists many praiseworthy initiatives but there is nothing measurable about them and there has been no annual report since 2018. The total in the expenditure table appears to be £1.2bn of which R&D is £743m, but it is impossible to reconcile these numbers with those in the UKRI 2020/21 annual report⁶ (Appendix B). And while UKRI stresses its commitment to financial transparency, its reporting does the opposite. In December 2021, for example, it lists no less than 41,551 payments, 4,291 to, or on behalf of, Innovate UK, which merely confuses the reader.

RECOMMENDATIONS

Innovate UK is an anachronism. Gordon Brown's intention for it in 2007 was to boost research and innovation in the UK, but he drew its remit far too wide. It unintentionally makes the case for delegating the great majority of research and development funding decisions to institutions or local enterprise partnerships and focusing national government on the national-sized projects.

On this basis, BEIS/UKRI should retain responsibility for the areas currently covered by Innovate UK—the Economic and Social Research Council (ESRC), the Science and Technology Facilities Council (STFC) and the Engineering and Physical Sciences Research Council (EPSRC)—but, given the small number of large NIRPs, it needs only one Executive Agency to do so. Space science should also come into this EA, since 90% of its £515 million⁷ expenditure takes the form of grants and project funding.

There is a risk that the NIRP mentality would push funding from theoretical science and mathematics to their applied equivalents. Theoreticians typically do not know if their ideas will work out, still less how, so cannot provide a projected return on capital employed. Yet all the great recent discoveries, nuclear science and semi-conductors for example, were theory-led. We recommend that grant giving should balance theory and application.

PhD students should not be funded by UKRI but as part of university grants from the Department for Education (DfE). Firstly, PhDs are largely a matter of education; and secondly, restricting UKRI funding to science, technology, mathematics and business would be too narrow to cover all the areas that PhDs should reasonably study.

⁶ UKRI, Annual Report and Accounts 2020–21: <https://www.ukri.org/wp-content/uploads/2021/07/UKRI-200721-AnnualReport2020-2021.pdf>

⁷ UK Space Agency, Annual Report and Accounts 2020–21: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1001522/4535_UKSA_Annual_Report_20-21_Final_13-7-21.pdf

This new system would reduce the headcount of UKRI plus the Space Agency to around 250: a saving of 7,649 or 97%.

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OTHER ALBS ON PAYROLL

The United Kingdom Atomic Energy Authority (UKAEA) employed around 1,000 staff in 2014/15⁸. A current payroll figure (Appendix A) is 2,136. One of the reasons for the increase is BEIS's enthusiasm for fusion⁹, which is seen as the energy source of the future, as it has been for around 70 years. The general informed view is that BEIS is spending too much on it at this time. Taking 1,000 people off the case would save other research costs too.

HM Land Registry employed 4,462 staff, processed 26 million applications (84% electronic) and achieved 98% satisfaction in 2013/14¹⁰. In 2020/21, 6,129 staff, with the advantage of virtually all electronic applications, processed 31 million applications but at only a 70% level of satisfaction.¹¹ It seems that HM Land Registry might achieve better results with 1,000 fewer staff.

The Met Office employed slightly more people in 2016 (2,154)¹² than 2021 (2,031), and the **Insolvency Service** only slightly more in 2021 (1,656) than 2016 (1,478)¹³. **Civil Nuclear Police Authority** staff numbers were virtually unchanged since 1,555 in 2016¹⁴. **Companies House** staffing increased modestly over the five years, from 884¹⁵ to 1,129. None of the other ALBs had headcounts exceeding 1,000. These headcounts seem reasonable, although the smallest ALBs should simply be merged back into the department core. **The Coal Authority** is the exception: having nearly one civil servant for every coal miner seems excessive and it should be closed.

⁸ United Kingdom Atomic Energy Authority, Annual Report and Accounts 2014/15: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/447196/HC303_-_UKAEA_Annual_report___Accounts_-_web_version.pdf

⁹ United Kingdom Atomic Energy Authority, Annual Report and Accounts 2020/21: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1009912/UKAEA_Annual_Report_and_Accounts_2020_21_P52.pdf

¹⁰ HM Land Registry, Annual Report and Accounts 2013/14: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/332490/Land_Registry_Annual_Report2014v27Aweb.pdf

¹¹ HM Land Registry, Annual Report and Accounts 2020/21: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1053691/Annual-Report-and-Accounts-HM-Land-Registry-2020-21-web.pdf

¹² Met Office, Annual Report and Accounts 2015/16: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/630633/met-office-annual-report-2015-16-print.pdf

¹³ The Insolvency Service, Annual Report and Accounts 2015-16: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/537722/Annual_Report_Web_Published_Version.pdf

¹⁴ Civil Nuclear Police Authority, Annual Report & Accounts 2015/16: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/538844/CNPA_annual_report_2015-16.pdf

¹⁵ Companies House, Annual Report and Accounts 2015/16: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/540443/AnnualReport_201516.pdf

Apart from six Advisory NDPBs which should be regarded as committees within the core department, BEIS had two Non-Ministerial Departments, three Executive NDPBs and 17 other ALBs not listed on the payroll (addressed in Appendix C). Of these, **Ordnance Survey** and the **British Business Bank** should be sold off or privatised with a headcount saving of 1,650. Eleven are either too small to be ALBs or are just advisory committees or should be returned to trade associations (e.g. pubs and hallmarking).

STRUCTURE OF THE BEIS CORE

The eight BEIS core teams, each headed by a Director General, are:

- Corporate Services – Chief Operating Officer
- Business Sectors
- Energy and Security
- Energy Transformation & Clean Growth
- Energy Transformation & Clean Growth (the duplication is BEIS')
- Science, Innovation and Growth
- Market Frameworks
- Trade, International, the Union & Analysis

In addition, the core department has seven units mostly headed by Directors:

- Vaccine Taskforce
- BEIS Scientific Adviser
- Chief Financial Officer
- Strategy and Policy
- Implementation and Delivery
- Communications
- Human Resources

BEIS is a structural mess. It provides no information about what each of the eight core teams is supposed to do, what each achieves relative to those targets or why we need three energy teams. Depending on which source you consult, it has over 40 separate agencies. It does not focus firmly on its three substantive responsibilities — business, energy and industrial strategy.

Nor does it deliver on them. The Public Accounts Committee has criticised it for having no quantified path to net carbon zero by 2050¹⁶. It reacted slowly to the cur-

¹⁶ Institution of Civil Engineers, 'Government has 'no plan' for achieving net zero, says PAC report' (March 2021): <https://www.ice.org.uk/news-and-insight/the-infrastructure-blog/march-2021/pac-govt-no-plan-achieving-net-zero>

rent energy crisis and has no solution now.¹⁷ It is failing to support business¹⁸ and its industrial strategy, last set out in a 2017 White Paper, is more bombast than policy: its final paragraph reads: “The ambition of our Industrial Strategy is to build a Britain fit for the future, a country confident and outward-looking, as we work together to increase productivity and earning power for everyone.”¹⁹

HOW BEIS SHOULD BE STRUCTURED

Sir Robin Ibbs, whose *Next Steps* report²⁰ came from Margaret Thatcher’s pressure to cut the size of the civil service back in 1988, set out how to structure government departments. He recommended that each department should consist only of the core, which would define policy and process the necessary legislation, with all operations and services being delegated to semi-independent Executive Agencies. These would agree targets and resources with the core and report publicly.

In 2003, Dr Alan Whitehead MP raised some problems with this in the House of Commons²¹, some of which are still unresolved. For example, Executive Agencies report to their Permanent Secretaries (Accounting Officers) only on their use of money but are not responsible to Parliament. Ministers can be quizzed by MPs, but not the Executive Agencies.

Another problem is the confused status of Executive Agencies and Non-Departmental Public Bodies. In 2006 the Cabinet Office explained that EA staff are civil servants, while NDPB staff are *public* servants.²² Worse still, NDPBs are created by acts of Parliament, making them inflexible and hard to change. Executive Agencies, by contrast, are created, changed, or closed simply by ministerial order. If a body needs executive powers, it should be an Executive Agency. If it is purely advisory, it is simply an ad hoc committee — and there is no need for the government to publish all the advice and consultations it finds necessary.

RECOMMENDATIONS

All ALBs should, therefore, either be Executive Agencies or cease to exist as a formal body. The relationships between Executive Agencies, Parliament, and the senior civil servants in their departments should be redefined.

¹⁷ Civil Service World, ‘BEIS spends £1m on emergency financial advice as energy suppliers collapse’ (November 2021): <https://www.civilserviceworld.com/professions/article/beis-spends-1m-on-emergency-financial-advice-to-tackle-energy-crisis>

¹⁸ Civil Service World, ‘BEIS ‘cannot know’ whether its business-support schemes are good value’ (January 2020): <https://www.civilserviceworld.com/professions/article/beis-cannot-know-whether-its-businesssupport-schemes-are-good-value>

¹⁹ HM Government, *Industrial Strategy: Building a Britain fit for the future* (November 2017): https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/664563/industrial-strategy-white-paper-web-ready-version.pdf

²⁰ The Guardian, ‘Sir Robin Ibbs obituary’ (August 2014): <https://www.theguardian.com/business/2014/aug/03/sir-robin-ibbs>

²¹ Hansard, *Parliament And Executive Agencies*, Volume 402: debated on Tuesday 1 April 2003: <https://hansard.parliament.uk/Commons/2003-04-01/debates/7fbf0fde-ecb1-483b-a9c3-3687a659c390/ParliamentAndExecutiveAgencies>

²² Cabinet Office, *Executive Agencies: A Guide for Departments*: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/690636/Executive_Agencies_Guidance.PDF

Taking 1,000 as the basis for a simple one-unit department such as transport, 3,000 staff should be enough to cope adequately with the policy and legislative needs of the BEIS core with regard to its three main responsibilities, and to provide central corporate services such as finance and HR. Assuming all operations and services would be undertaken by Executive Agencies, the headcount saving would be 3,055.

SUMMARY OF RECOMMENDATIONS

- Public research and development money should be restricted to UK National Interest Research Projects (NIRPs).
- Government should finance NIRPs in one of two ways. The handful of expensive projects should be funded directly. The others should be funded indirectly via universities, other research institutes and local enterprise partnerships, through annual ‘NIRP research pots’ in amounts reflecting their track records.
- The government department responsible for funding a large NIRP should be the one most closely associated with the topic.
- UKRI would fund the direct NIRPs with no obvious alternative homes, distribute NIRP research pots and monitor and report expenditure and outcomes in sufficient detail that government and other funders can learn from one another.
- BEIS/UKRI should retain responsibility for the large NIRPs not covered by other departments but, given their small number, it would only require one Executive Agency to do so. Space science should also come into this Agency.
- There is a risk that the NIRP mentality would push funding from theoretical science and mathematics to their applied equivalents. We recommend that grant giving should balance theory and application.
- PhD students should not be funded by UKRI but as part of university grants from the Department for Education (DfE).
- ALBs should either be Executive Agencies or cease to exist as formal bodies.
- The relationships between Executive Agencies, Parliament and the senior civil servants in their departments should be redefined.
- Specific recommendations for non-payroll ALBs appear in Appendix C.

Staff savings recommended here total 12,704 (7,604 UKRI, 3,055 core department and 1,000 each from UKAEA and HM Land Registry): 39.6% of the current 32,069 total.

BEIS DEPARTMENTAL HEADCOUNT (DECEMBER 2021 PAYROLL)

SECTION	STAFF (FTE)	CATEGORY
Department (core)	6055.2	Ministerial Department
UK Research and Innovation (UKRI)	7,640.2	Executive agency
HM Land Registry	6,128.8	Non-ministerial department
UKAEA	2,136.1	Executive non-departmental public body
Met Office	2,033.7	Executive agency
UK Intellectual Property Office	1,753	Executive Agency
Insolvency Service	1,656.2	Executive Agency
Civil Nuclear Police Authority (CNPA)	1,570.8	Executive non-departmental public body
Companies House	1,128.6	Executive agency
Advisory Conciliation & Arbitration Service (ACAS)	974	Executive non-departmental public body
Nuclear Decommissioning Authority (NDA)	363.7	Executive non-departmental public body
Coal Authority	311.5	Executive non-departmental public body
UK Space Agency	258.7	Executive agency
Committee on Climate Change (CCC)	40.2	Executive non-departmental public body
Competition Service	18.7	Executive non-departmental public body
Total	32,069.4	

UKRI AND THE RESEARCH COUNCILS

RESEARCH COUNCIL	R&D SPEND (£M)	NPI FUND (£M)	ODA (£M)	INFRA (£M)	INNOVATE UK (£M)	TOTAL £M	STAFF	STAFF REPORTING YEAR
Arts and Humanities	101	28	21	25	-	175	109	2016
Biotechnology and Biological Sciences	334	24	39	92	-	489	264	2018
Engineering and Physical Sciences	880	100	28	203	-	1,211	288	2018
Economic and Social	175	29	81	30	-	315	144	2018
Innovate UK	227	532	33	-	848	1,640	349	2018
Medical Research Council	635	76	66	119	-	896	3,597	2016
Natural Environment	301	26	34	96	-	457	2,344	2018
Research England	1,882	384	71	401	-	2,738	359	2018
Science & Technology Facilities	477	142	7	271	-	897	2,138	2018
Total	5,012	1,341	380	1,237	848	8,818	9,592	-
<i>Difference to current UKRI core</i>							1,952	
UKRI total							7,640	2021

Spending data from UKRI Annual Report 2020/21, pg.24:
<https://www.ukri.org/wp-content/uploads/2021/07/UKRI-200721-AnnualReport2020-2021.pdf>

Staff numbers for individual research councils taken from latest available numbers per annual reports indicated in 'Staff Reporting Year' column

Staff numbers for UKRI total taken from BEIS December 2021 payroll data: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1050429/beis-workforce-mgmt-info-dec-21.csv/preview

NON-PAYROLL ALBS

NON-MINISTERIAL DEPARTMENTS

The Competition and Markets Authority (CMA) is the protector of competition in the UK (financial services aside) and dealt with 600 cases in 2020/21.²³ Staff numbered 847 at year end, 52 down on the year before. On 31st March 2016, the number was 641.²⁴ To a large extent the CMA itself decides what to review so there is no objective measure of the required workload. No change is proposed.

Ofgem, the energy regulator, employed 1,187 staff in March 2021.²⁵ It employed 907 six years earlier.

EXECUTIVE NDPBs

- **British Hallmarking Council.** Leave to metals companies to control.
- **Salix Finance** employs 68 people²⁶ to fund the transitioning of government departments towards zero carbon 2050, i.e. reducing energy consumption and carbon capture. HM Treasury should do this.
- **Small Business Commissioner.** Too small to be an ALB; merge into core.

OTHER BODIES

- **Ordnance Survey** is a corporation that should be privatised. It has 1,244 employees and made a net profit of £24 million in 2020/21.²⁷
- **Commissioner for Shale Gas.** Not an ALB. Merge with core.
- **Council for Science and Technology.** Make it an advisory committee.
- **The Financial Reporting Council** (staff costs in 2020/21 were £29 million²⁸) does an inadequate job of policing auditors because the large audit firms control it. It is being replaced by a new Audit, Reporting and Governance regulator²⁹ but should merge with the Financial Conduct Authority (which also needs improvement) under HM Treasury.

²³ CMA, Annual Report and Accounts 2020 to 2021: <https://www.gov.uk/government/publications/cma-annual-report-and-accounts-2020-to-2021/annual-report-and-accounts-2020-to-2021>

²⁴ CMA, Annual Report and Accounts 2015-16: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/539987/cma-annual-report-and-accounts-2015-16-web-accessible-version.pdf

²⁵ Ofgem, Annual Report and Accounts 2020-21: <https://www.ofgem.gov.uk/publications/ofgem-annual-report-and-accounts-2020-21>

²⁶ Salix Finance, Report and Financial Statements 2020-21: https://data.parliament.uk/DepositedPapers/Files/DEP2022-0140/Annex_B_Salix_Annual_Report_and_Accounts_2020_21.pdf

²⁷ Ordnance Survey Ltd, Annual Report and Financial Statements 2020-21: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1000790/ordnance-survey-os-limited-annual-report-2020-21-web-optimised.pdf

²⁸ Financial Reporting Council, Annual Report and Accounts 2020 to 2021: <https://www.gov.uk/government/publications/financial-reporting-council-annual-report-and-accounts-2020-to-2021>

²⁹ BEIS, 'Independent review of the Financial Reporting Council (FRC) launches report' (December 2018): <https://www.gov.uk/government/news/independent-review-of-the-financial-reporting-council-frc-launches-report>

- **Land Registration Rule Committee.** Should become an Advisory Committee.
- **The Competition Appeal Tribunal**³⁰ are the judges who hear appeals against CMA rulings and those of utilities regulators. The **Competition Service** musters 18 staff to take care of their needs but is already included in Appendix A. The former should be returned as a specialist part of the judiciary and the latter can be supplied by core staff. Similar conclusions could be reached for the **Copyright** and **Insolvency Practitioner Tribunals** although it would be better for the latter to sort out such matters for themselves, as other professionals do, without troubling government.
- **The Groceries Code Adjudicator**³¹ has under five staff to police the large supermarket groups on misusing their buying power in particular. The CMA could deal with that; close. **Pubs Code Adjudicator:** leave it to the trade association and close.
- **Central Arbitration Committee** (eight staff). “In the year ending 31 March 2021, the CAC received 50 applications for trade union recognition”.³² Needs to be a core committee, not an ALB, but with the same staff.
- **The British Business Bank** (BBB) employed 406 staff at the end of its 2020/21 year and made a decent profit requiring it to pay £52 million in tax.³³ At the same time, government had majority control of the vastly bigger NatWest. BBB may be too small to privatise but why does the Treasury ask NatWest or another major bank to take it on? If that is not feasible, the bank should come under the Treasury’s auspices.
- **The Certification Office** lists unions and such like and has six staff.³⁴ Not substantial enough to be an ALB; absorb into core.
- **The Government Office for Science** is a cross-departmental talk-shop and if it belongs anywhere, it should be the Cabinet Office. Departments, including the excellent Professor Monks at BEIS, have their own Chief Science Advisors, who are free to exchange their thoughts. The most recent report was 2017/18.³⁵ Staff costs were reported at £4.6 million but no numbers were given. The Office should be closed.
- **The Independent Complaints Reviewer’s** 2020/21 annual report says: “During this period, I received and reviewed four complaints. I did not uphold any of these complaints.”³⁶ This is too small to be an ALB.

³⁰ CAT, Annual Report and Accounts 2020/21: https://www.catribunal.org.uk/sites/default/files/2021-11/Annual%20Report%20and%20Accounts%202020-21_0.pdf

³¹ Groceries Code Adjudicator, Annual Report and Accounts 2020-21: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/995915/Groceries_Code_Adjudicator_Annual_Report_and_Accounts_2020-2021.pdf

³² Central Arbitration Committee, Annual Report 2020/21: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1000362/CAC_Annual_Report_2020-21.pdf

³³ British Business Bank, Annual Report and Accounts 2021: <https://www.british-business-bank.co.uk/wp-content/uploads/2021/09/BBB-Annual-Report-2021-Accessible-Version.pdf>

³⁴ Certification Officer for Trade Unions and Employers’ Associations, Annual Report 2020-21: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1012025/20497_Cert_Office_Ann_Rep_2020-21__gb_HYPER.pdf

³⁵ Government Office for Science, Annual Report 2017-18: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/736055/GO-Science_Annual_Report_201718.pdf

³⁶ Independent Complaints Reviewer, Annual Report 2020-21: <https://www.thedisputeservice.co.uk/>

- **The Office of Manpower Economics** provides a shared secretariat, with 34 staff, for the government's eight pay review bodies. No change.
- **The Office of the Regulator of Community Interest Companies (CICs)**. This type of company was introduced in 2005 to provide an alternative to 'for profit' status. 10,000 were registered in the first 10 years. 70 staff.³⁷ Merge with Companies House.
- **The North Sea Transition Authority**, previously known as the Oil and Gas Authority, aims to maximise the economic recovery of oil and gas from the North Sea in a way that helps the UK achieve net zero carbon by 2050³⁸, e.g. by using carbon capture and storage. It employs 171 staff and balances its books by charging for licences. Leave alone.

wp-content/uploads/2021/08/Annual-Report-of-the-Independent-Complaints-Reviewer-2021.pdf

³⁷ Regulator of Community Interest Companies, Annual Report 2020/21: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1005991/cic-21-3-community-interest-companies-annual-report-2020-2021.pdf

³⁸ North Sea Transition Authority, 'About Us': <https://www.nstauthority.co.uk/about-us/>