

# 2007 Pre-Budget Report and Comprehensive Spending Review

## Department for Business, Enterprise and Regulatory Reform

### Creating the conditions for business success

The 2007 Comprehensive Spending Review (CSR07) underlies the Government's commitment to business and enterprise with a budget of £3.2 in 2007-08, fixed on average in nominal terms at £3.2 billion a year over the CSR07 period. BERR will be given access to £21 million of modernisation funding to assist the Department in taking forward ambitious value for money and service transformation programmes, generating annual net cash-releasing savings of £307 million by 2010-11.

CSR07 allows BERR to deliver:

- a total of three rounds of the Enterprise Capital Fund, at £50 million per year, to support business and promote enterprise
- an ambitious Better Regulation Programme that reduces burdens and works for everyone in the public, private and third sectors
- funding of £200 million over the CSR07 period for the development and deployment of new energy and energy efficiency technologies through the Environmental Transformation Fund (worth £1.2 billion in total); and
- additional Government funding for the Nuclear Decommissioning Authority of £338m by 2010-11 to ensure the continued safe management of nuclear waste.

The Prime Minister announced the formation of the Department for Business, Enterprise and Regulatory Reform (BERR), in June 2007, to lead the Government's objectives to raise the rate of UK productivity and to ensure the UK responds effectively to the challenges of globalisation. BERR will promote productivity and enterprise, drive better regulation and promote competitiveness, and act as a voice for business across government.

## **UK Trade & Investment**

CSR07 will provide UK Trade & Investment (UKTI) with a programme budget of £89 million by 2010-11. Drawing together resources from both FCO and BERR, UKTI's total budget will be £256 million by 2010-11. This will allow UKTI to deliver measurable improvement in the business performance of its international trade customers, increase the contribution of foreign direct investment, and deliver measurable improvement in the reputation of the UK in leading overseas markets as the international business partner of choice.

### **The Secretary of State for Business, Enterprise and Regulatory Reform, John Hutton said:**

"It is the success of British business that will underpin wealth creation and opportunity for all. This settlement enables my department to create the conditions for sustainable business success through competitive and flexible markets that create value for businesses, consumers and employees. We will also work to set in place a framework within which the energy market will deliver the reliable, low carbon, affordable energy we need for the future."

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### **NOTES FOR EDITORS**

1. As part of the value for money reforms BERR will reduce its own running costs by 5% in real terms annually to 2010-11.
2. In Spending Review 2004 the Government introduced the Enterprise Capital Fund as a measure to increase the availability of growth capital to small and medium-sized enterprises affected by the "equity gap" so helping to alleviate what would otherwise remain a significant barrier to enterprise and productivity growth.
3. The Better Regulation Executive is responsible for commitments to eliminate obsolete and inefficient regulation, achieve user-friendly and effective regulation and tackle inconsistencies in the way regulations are delivered.
4. The domestic element of the Environmental Transformation Fund, jointly run by BERR and DEFRA, is a dedicated fund of £370 million that brings together the Government's existing and new funding commitments within England and the UK to support the demonstration and development of new energy and energy efficient technologies [see also Press Notice 1, DEFRA PN and DFID PN]
5. BERR will oversee the Nuclear Decommissioning Authority (NDA) to ensure the UK's civil nuclear liabilities continue to be managed safely, securely and cost effectively. In addition to Government funding the NDA

will generate annual net cash-releasing savings totaling £125 million by 2010-2011.

Table

<b>Business, Enterprise and Regulatory Reform baseline and additions</b>				
	<b>£ million</b>			
	<b>Baseline</b>	<b>Additions</b>		
	<b>2007-08</b>	<b>2008-09</b>	<b>2009-10</b>	<b>2010-11</b>
Resource DEL	2,130	-20	-66	-71
<i>of which near-cash</i>	2,033	-32	-75	-71
<i>of which administration</i>	325	-8	-16	-23
Capital DEL	1,136	92	93	96
<b>Total DEL<sup>1</sup></b>	<b>3,209</b>	<b>56</b>	<b>9</b>	<b>7</b>

<sup>1</sup> Full resource budgeting basis, net of depreciation.

For further details on BERR's settlement and their Departmental Strategic Objectives over the CSR07 period, please see *The 2007 Pre-Budget Report and Comprehensive Spending Review: Meeting the aspirations of the British people* [www.hm-treasury.gov.uk/pbr\\_csr/pbr\\_csr07\\_index.cfm](http://www.hm-treasury.gov.uk/pbr_csr/pbr_csr07_index.cfm)

The Government today announced 30 cross-departmental Public Service Agreements, setting out the top priorities for the CSR07 period. For further details on these please see: [www.hm-treasury.gov.uk/pbr\\_csr/pbr\\_csr07\\_index.cfm](http://www.hm-treasury.gov.uk/pbr_csr/pbr_csr07_index.cfm)

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