Department for International Trade

Annual Report and Accounts 2018-19

Department for International Trade Annual Report and Accounts 2018-19

(for the year ended 31 March 2019)

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by Command of Her Majesty.

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Foreword

The Rt Hon Dr Liam Fox MP

Secretary of State for International Trade and
President of the Board of Trade

The Annual Report is an opportunity for us to take a moment to not only review the past year in numbers, and there are plenty of impressive ones inside this report, but also to remember why we are here.

We are here to inspire British businesses to export – up to 130,000 of them are estimated to have acted as a result of the GREAT campaign – and help them do it. We do this through breaking down barriers globally, providing guidance and UK Export Finance (UKEF) credit support, which has reached £17 billion over the past five years. This backing has helped exports reach a record-breaking level of £640 billion in current prices. We are here to bring investment into the UK, with DIT-supported investment creating over 51,000 jobs last year. A successful trade policy provides prosperity and security to families up and down the country. That's why we're here.

It is easy to get caught up in technical or political arguments around trade, particularly at the moment. But this Annual Report is a chance for us to remember exactly why the UK has a full-spectrum trade department, with thousands of committed people across the world working to drive inward and outward investment, negotiate market access and trade agreements, and champion free trade: because British trade helps British people.

I am proud to lead an international economic department that is central to our ambition to be a truly global Britain. In the past year, we have launched the Export Strategy, with a clear ambition to make the UK a 21st century exporting superpower and boost UK exports to 35% of GDP. The Board of Trade has now visited all four nations, with the Board of Trade Awards continuing to recognise the global success of businesses across the UK.

Globally, Her Majesty's Trade Commissioners (HMTCs) have continued to bang the drum for British business, and encourage investment, in every corner of the globe, working closely with Trade Envoys to secure Export Wins and market access for British exporters in some of the fastest-growing countries in the world. DIT has led the way in improving market access through lifting the ban of British beef and lamb in Japan, ensured approval of UK pork exports in Taiwan, and brokered an agreement with China to allow the export of live langoustines to China for the first time.

In 2018-19, UKEF provided more than £600 million in support for UK companies' exports to sub-Saharan Africa, a region whose population is estimated by UN DESA to more than triple by the end of the century. These are real deals, helping businesses across the UK right now.

And our work is having a genuine impact too: a slew of respected reports have highlighted that the UK remains one of the world's best destinations for international investment, with Deloitte recently finding that the UK attracted more inward Foreign Direct Investment (FDI) than any other country in Europe between 2015 and 2018. It's no surprise that the EY Global Capital Confidence Barometer states that for merger and acquisitions activity planned over the next 12 months, the UK is the world's most attractive destination for the first time ahead of Canada, China, France, Germany and the US.

And most impressively, we have done all this while laying the groundwork needed to secure an orderly exit from the European Union: announcing a Day One Tariff policy, rolling over an increasing value of existing trade agreements, fully-establishing the Trade Remedies Investigations Directorate and ensuring we are ready to take our independent seat at the World Trade Organization (WTO) at the earliest opportunity.

Since the Department was founded, the UK has exported £1.5 trillion worth of goods and services: to put it in context, that's equivalent in value to Brazil's entire economy in 2017. Your work supporting businesses makes the UK more prosperous, more secure, and more stable. As I like to remind the Chancellor, DIT brings back more to the Exchequer than we take out. Analysis by the Institute for Economic Affairs suggests that our export support services in 2018-19 could potentially contribute up to £9 billion of revenue. That means more money for hospitals, schools and vital services across the UK, without increasing taxation.

This is more important now than ever, as global economic headwinds are getting stronger. This is potentially going to impact every country on the planet, including the UK. However, I am confident that experts in this Department are already supporting British businesses in a whole range of ways: from continuing our hugely successful GREAT campaign to working with international partners to reform the WTO; and from helping British businesses win contracts at Expo 2020 Dubai to building global support for the Rules Based International System. I am more confident than ever that British exporters have the support they need to face these challenges and seize the opportunities to come.

Permanent Secretary's Statement

Antonia Romeo

Permanent Secretary of the Department for International Trade

DIT was created three years ago, with responsibility for promoting British trade and investment around the world, as well as coordinating and delivering a new trade policy for the UK. Its creation united trade and investment policy, promotion and finance in one department in order to bring together all aspects of trade in one place.

As this report shows, we are building a global world-class, full-spectrum trade capability. From our people working across all UK regions, to the over 1,300 working in 108 countries around the world, our global DIT team of over 3,600 cover exports and investment from end to end.[1]

Our work is delivering benefits for British businesses, across the entire Union. For example, HMRC estimated that over 6,700 businesses exported their goods from Scotland in the first quarter of 2019 - more than ever before. Recent work has also resulted in breaking down trade barriers for British businesses in Japan, following successful work by DIT to lift the ban on British beef and lamb.

The Department continues to take an outward view, through our close working across partnership with UK businesses. Our new community of more than 1,000 Export Champions and Export Advocates plays an important role encouraging fellow companies to start exporting. Total UK exports in goods and services have risen to £642.9bn in the year to March 2019, with services exports growing to £287.2bn, and goods exports increasing to £355.7bn.[2]

We continue to safeguard the UK's position as the top destination for Foreign Direct Investment (FDI) in Europe. As part of our strategy to maximise wealth creation, we have led a series of Prime Minister-chaired roundtables across a number of priority sectors, and have refined how we direct our promotional and advisory support towards investments that have potential to deliver the greatest economic benefits across the whole of the UK. The picture for tech is particularly encouraging, with total venture capital investment in UK tech reaching £6.3bn in 2018, more than any other European country.[3]

This year the Department started to focus on trade for development, and is now using Official Development Assistance (ODA) to increase global prosperity. Working in close collaboration with the Department for International Development (DfID) we have significantly built our capability to deliver ODA, and commenced work on our first ODA spending project – the Investment Promotion Programme – launching in India and the Philippines.

Another major focus this year has been our preparations for EU Exit, which included the launch of our temporary tariff regime for a no-deal scenario, and successfully securing UK accession to the World Trade Organization Agreement on Government Procurement as an independent member, if the UK leaves the EU without a deal. This would ensure continued access to overseas procurement markets. In addition, our new Trade Remedies Investigations Directorate will protect British businesses from unfair trading practices after we leave the EU. We held four public consultations on future Free Trade Agreements, receiving over 600,000 responses, making this one of the largest UK Government public consultations in history.

The GREAT Britain campaign remains active around the world. Over the past year the campaign has supported several major events across the UK, including the Great Exhibition of the North - a celebration of innovation, culture, and design in the North of England.

Our focus on improving employee engagement continues, and I was pleased to see further increase in our People Survey engagement index this year. Our focus on diversity and inclusion (D&I) has led to the launch of our first D&I Action Plan, and on behalf of the Department I signed the Time to Change Employer Pledge, demonstrating our commitment to mental health. In two years, the Department has also increased 269 places in the Stonewall Workplace Equality Index (to 101st place). Our focus on employee engagement and D&I is underpinned by the DIT Spirit, of being Expert, Enterprising and Engaged and Inclusive.

It remains a great privilege to lead the Department at such a crucial time, and I look forward to continuing to see the benefits of our work in partnership with UK businesses over the coming year.

1 These figures relate to DIT's total workforce on 31 March 2019. The figures reported on page 113 show the average number of people employed in 2018-19.
2 ONS Balance of Payments UK: January to March 2019
3 Tech Nation Report 2019

Performance Report

Performance Report

Overview

This overview section provides a summary of our Department, its purpose, and the main issues and risks to the achievement of the Department's objectives.

Our Vision

A UK that trades its way to prosperity, stability and security.

Our Mission

The Department for International Trade (DIT) helps businesses to export, drives inward and outward investment, negotiates market access and trade deals, and champions free trade.

Our work supports productivity and our economy, providing our businesses with access to new markets, and in turn new processes, technologies and better supplies. This improves people's living standards as they benefit from greater choice at lower prices. Equally, by driving prosperity, trade and international investment, our work contributes to global stability and security, as well as increasing the UK's influence globally.

Our Objectives

As an international economic department, DIT promotes the UK across the world and works to attract foreign investment to our economy. The Department brings together policy, support and financial expertise to break down barriers to trade and investment and help businesses succeed, as well as ensuring the UK is ready to pursue an independent trade policy. By promoting UK trade and investment across the world, DIT is building the global appetite for UK goods and services, enabling the UK to trade its way to prosperity, stability and security.

In 2018-19, the Department has continued to support UK business and global investors to create employment, through opening and developing markets, influencing the business environment, and providing direct engagement and support. Through its presence overseas and in the UK, DIT is unique in acting as a bridge between domestic and international policy, and between business and government. The Department undertakes engagement with business, supporting UK firms and global investors to expand and take advantage of our trading relationships. Overseas, DIT's global network supports the Government's prosperity ambition, bringing in business views and its understanding of market access and regulatory issues to grow exports and investment. DIT also works with other departments to ensure that we create the domestic policy conditions for UK businesses to develop and grow.

The Department's work is focused on the following five departmental objectives:

1. Support UK businesses to grow internationally in a sustainable way;
2. Ensure the UK remains a leading destination for international investment and maintains its number one position for international investment stock in Europe;
3. Open markets, building a trade framework with new and existing partners which is free and fair;
4. Use trade and investment to underpin the Government's agenda for a Global Britain and its ambitions for prosperity, stability and security worldwide;
5. Build DIT as an effective international economic department where our people are expert, enterprising, engaged and inclusive.

Performance Summary

DIT's objectives and how we planned to achieve them during 2018-19 were set out in our Single Departmental Plan (SDP), published on 9 October 2018. The following provides a summary of the Department's key metrics used to monitor performance against those objectives and some highlights from 2018-19. A more detailed analysis of the Department's performance is provided in the Performance Analysis section. The Department published an updated SDP for 2019-20 on 27 June 2019, although the Department's objectives have largely remained unchanged. The performance measures and statistics set out here include all those in the published SDP for 2018-19 and additional ones to provide more breadth of information about the Department's performance.

SDP Objective	**Highlights**	**Key Performance Measures/Statistics** (2018-19 unless stated)
Objective 1 Support UK businesses to grow internationally in a sustainable way	• **Export Strategy:** DIT launched a new Export Strategy to support British businesses looking to export to the global market, with an ambition to strengthen our position as one of the 21st century's great trading nations. • **Trade envoy visits:** The Prime Minister's 33 Trade Envoys undertook 55 overseas visits in 2018-19 to 42 different markets, supporting the Government's overall strategy to drive economic growth. • **Export opportunities:** DIT has overhauled the digital Export Opportunities service, with over 149,000 opportunities published between November 2016 and 31 March 2019.	• UK exports: **£642.9bn** (£621.4bn in 2017-18) • UK exports as a % of GDP: **30.1%** (30.1% in 2017-18) • UK Outward FDI stock (2017): **£1,313.3bn** (£1,274.6bn in 2016) • Value of Export Wins: **£27.2bn** (£30.5bn in 2017-18) • Export opportunities published on gov.uk: **132,839** (12,446 in 2017-18)
Objective 2 Ensure the UK remains a leading destination for international investment and maintains its number one position for international investment stock in Europe	• **Investment opportunities:** DIT expanded the scope of investment opportunities we promote to capital investors, including a campaign to attract over £40bn for 89 local energy, infrastructure and housing projects across the UK. • **Investment services:** DIT established a strategic partnership with Ernst & Young and OCO Global to deliver our investment services across the UK. • **High Potential Opportunities programme:** DIT worked closely with devolved administrations and local partners to identify emerging clusters, sub-sectors, supply chain gaps or other investment opportunities where lack of market information is leading to structural under-investment.	• UK Inward FDI stock (2017): **£1,336.5bn** (£1,187.3bn in 2016) • DIT supported FDI projects: **1,436** (1,682 in 2017-18) • New jobs created from DIT supported FDI projects: **51,863** (67,060 in 2017-18) • Value of venture capital supported: **£583m** (£285m in 2017-18)
Objective 3 Open markets, building a trade framework with new and existing partners which is free and fair	• **Trade continuity:** During 2018-19, the UK signed agreements with Chile, Eastern and Southern Africa, the Faroe Islands, Israel, the Pacific States (Fiji and Papua New Guinea), the Palestinian Authority, and a series of CARIFORUM states. • **Mutual Recognition Agreements (MRAs):** Agreements have been signed with Australia, New Zealand and the US to continue existing arrangements and facilitate goods trade. • **Trade Remedies:** The Department established the Trade Remedies Investigations Directorate to look into complaints of injury caused by unfair trading practices and unforeseen surges in imports, laying the foundations for the Trade Remedies Authority – a new arms-length body that will be established following enactment of the Trade Bill. • **Government Procurement Agreement (GPA):** Agreement in principle has been negotiated for UK accession to the GPA covering 48 WTO members and securing access to £1.3tn of global public procurement opportunities.	• Proportion of trade now covered by signed continuity agreements at time of publication (2018): **63%**[4] • Value of trade covered by MRAs signed (average 2017 and 2018 data): **£19.8bn** • Proportion of the total value of imports (average 2017 and 2018 data) that would be tariff free in the event of a no-deal EU Exit: **86%**

4 Proportion of trade to all countries for which the UK is seeking continuity agreements. Includes agreements signed since 31 March 2019.

SDP Objective	Highlights	Key Performance Measures/ Statistics (2018-19 unless stated)
Objective 4 Use trade and investment to underpin the Government's agenda for a Global Britain and its ambitions for prosperity, stability and security worldwide	• **Prosperity and development agenda:** DIT became an Official Development Assistance (ODA) spending Department through the inception phase of the £50 million Investment Promotion Programme (IPP), which is funded by the cross-government Prosperity Fund.	• Proportion of SIELs processed within 20 days in 2018: **83%** (83% in 2017) • Proportion of SIELs processed within 60 days in 2018: **96%** (98% in 2017) • Number of countries where the GREAT campaign is active: **144** (144 in 2017)
	• **Global Strategy Directorate:** DIT established a new directorate to ensure trade and prosperity are factored into national security and foreign policy work across government.	
	• **Expo 2020 Dubai:** The UK's pavilion design was announced based on the theme of 'Innovating for a shared future'.	
	• **Ministerial visits:** DIT has organised 88 Ministerial visits to 49 export markets, to strengthen trading relationships, promote the UK as a destination for Foreign Direct Investment (FDI) and help grow demand for UK exports. A number of Ministerial Trade Dialogues were also held, including with China, Kazakhstan, Qatar, Taiwan, Turkey and Vietnam.	
Objective 5 Build DIT as an effective international economic department where our people are expert, enterprising, engaged and inclusive	• **Her Majesty's Trade Commissioners (HMTCs):** Along with a complete Executive Committee, DIT now has a full complement of HMTCs in post covering nine different regions around the world.	• FOI requests responded to on time: **82%** (67% in 2017-18) • Ministerial correspondence responded to in time: **80%** (78% in 2017-18) • Parliamentary Questions responded to on time: **81%** (84% in 2017-18) • DIT People Survey Engagement score: **64%** (63% in 2017-18) • Diversity declaration rate: **64%** (35% in 2017-18) • DIT employee headcount: **3,616**
	• **Capability:** DIT further developed and enhanced core functional capabilities across a range of corporate services, including establishing a leading Whitehall commercial function.	
	• **International Trade Profession:** The International Trade Profession was launched across government, supporting with the development of a range of skills required to negotiate trade agreements and operate trade functions.	
	• **Refreshed strategic direction:** DIT developed new strategies for its Communications & Marketing and Digital, Data and Technology functions ensuring a continuing focus on the Department's core objectives.	

DIT's Structure

DIT is led by our Secretary of State and Ministerial team and as of 31 March 2019 was organised as follows:

- **Global Trade and Investment** (formerly International Trade and Investment) contains Exports and Investment teams, which work to encourage UK businesses to export or invest abroad, and source opportunities and international companies to increase Foreign Direct Investment (FDI). Additionally, they provide operational support to the international network and Her Majesty's Trade Commissioners (HMTCs), coordinating join up across the overseas posts, UK regions and the sectors.
- **Our overseas operations** are led by nine HMTCs, each responsible for delivering a Regional Trade Plan.
- **Trade Policy Group** is tasked with opening markets across the world alongside building the capability to negotiate the UK's new trading arrangements and leading the UK's interests in supporting and strengthening the rules based international trade system. It also ensures the UK tackles unfair and damaging practices to protect domestic industry.
- **The GREAT Britain campaign** works to showcase the best of what the UK has to offer to inspire the world and encourage people to visit, do business, invest and study in the UK.
- **Digital, Data and Technology** provides the digital services to support exporters and investors as well as the infrastructure required for the achievement of DIT strategies.
- **Communications and Marketing** includes support for inward and outward trade missions, major events such as Expo 2020 Dubai and the DIT elements of the GREAT Britain campaign.
- **The Global Strategy Directorate, Ministerial Strategy Directorate and support teams,** and the **EU Exit Directorate**, which includes the Department's work in support of National Security and Prosperity, DIT's Defence and Security Organisation, Official Development Assistance, Trade Envoys and support for Ministers in setting and delivering the Department's strategy.
- **Analysis, Business Services, Commercial, Estates, Finance and HR** providing the support structures and resources required for the achievement of DIT strategies, including the buildings and facilities management in the UK for the DIT workforce.

DIT also works closely with UK Export Finance (UKEF), the UK's export credit agency, which has a mission to ensure that no viable UK export fails for lack of finance or insurance, while operating at no long-term net cost to the taxpayer. UKEF operates under its own Act of Parliament, under consent from HM Treasury (HMT) and has its own Parliamentary Vote. It is a separate government department but reports to the Secretary of State for International Trade, is strategically and operationally aligned with DIT, and the Chief Executive of UKEF is line managed by the Permanent Secretary of DIT.

DIT senior officials leadership structure (as of 31 March 2019):

Context: Notable Issues and Risks

The context for our main risks in delivering the Department's strategic objectives continues to be driven by the issues arising from EU Exit. In preparing for the potential scenarios we are managing a complex, wide-ranging portfolio of interdependent workstreams; building the necessary capacity and capability; and developing the corporate infrastructure and processes for the Department.

Global Economic, Trade and Geopolitical Outlook

The trade and investment landscape will shift significantly during the next 30 years, becoming more decentralised with the maturing of new technologies and increasing global connectivity. The Department must be ready to adapt its activity, both in terms of how we trade and with which countries we partner. We continually gather and prioritise information on current and future global trends through tools such as horizon scanning, scenarios and futures thinking.

EU Exit

The Department continues to plan for EU Exit in line with the Government's position. This has meant preparing to leave the EU with a deal and, as a responsible government department, preparing to minimise any disruption in the event of no-deal. Our main short-term priority in a no-deal scenario, has been to reduce the risk of disruption to international trade, while continuing to establish our independent trade policy and supporting businesses in adjusting to the UK being outside the EU, particularly through our work to increase exports and investment.

The Department needs to deliver a number of projects and programmes ahead of EU Exit to ensure a smooth transition. These include preparing the necessary infrastructure, including a new Trade Remedies Authority (TRA), the Trade Bill, and establishing the UK's independent position in the World Trade Organization (WTO). In order to ensure that the UK is fully ready to begin negotiations for new trade agreements, we have established a principle framework for sequencing and resourcing priorities, and redesigned the Department's Trade Policy Group with negotiation focused directorates and defined portfolios.

We continue to develop and agree plans to sequence policy and negotiations activity. As part of our preparations, Trade Continuity Agreements are being made to protect the benefits of the existing arrangements for UK businesses and those of our trading partners.

We provide regular updates to businesses on EU Exit, and through our teams both domestically and internationally continue to promote and facilitate exports and investment. Further to this, the Department continues to work to support the UK business environment as one of the most competitive in the world. Within the Department, we have also reviewed our governance arrangements in order to better support preparedness for EU Exit.

Capacity and Capability

The Department needs to ensure that it can hire and retain the required skills and experience. We are recruiting new staff through pooled recruitment, to ensure the Department is fully resourced to meet the demands of EU Exit. We are also ensuring that our workforce planning processes are as robust as possible, and allow the Department to react quickly to meet the demands of the agreed (deal or no-deal) scenarios.

Finally, we are upskilling our staff through a bespoke programme of learning and development opportunities, with specific focus on Working in Government and line manager capability, and support for the new International Trade Profession.

A more detailed statement on the key issues and risks that could impact on the delivery of objectives in our Single Departmental Plan is set out in the Governance Statement on pages 85 to 102.

Performance Analysis

The following section provides an analysis of the Department's performance against each core objective in our Single Departmental Plan and includes references to several performance metrics that have been developed since the publication of DIT's Annual Report and Accounts for 2017-18. In March 2018, the Department's performance framework was refreshed to measure and prioritise economic outcomes in a way that reflects the full breadth of our activity. The analysis provided here aligns as closely as possible with this refreshed framework and will continue to be improved and added to through 2019-20.

Objective 1

Support UK businesses to grow internationally in a sustainable way

Exporting is GREAT Champion business Foraging Fox


MANSION
WAX
POLISH

UK exports have seen near consistent growth over the past decade, but with a potential global market that continues to expand there are significant opportunities for UK exporters. According to the International Monetary Fund, 90% of global economic growth over the next five years is forecast to come from outside the EU. Exporting enables UK businesses to tap into the trends that are transforming the world economy and take full advantage of the changing pattern of economic growth for the future.

The UK is well placed to seize these opportunities. We were the world's sixth largest exporter of goods and services in 2017[5] and we have a global reputation for innovation, a skilled workforce and a well-regulated economy.

The publication of the Government's Export Strategy in August 2018 announced a new, long-term, exporting ambition for the UK, to strengthen our position as one of the 21st century's great trading nations and raise exports as a percentage of Gross Domestic Product (GDP) from 30% to 35%. This is challenging, but it is also achievable, and government has a substantial role to play in supporting UK businesses to realise their potential.

DIT's support to businesses is central to this ambition. The needs of businesses are not uniform, with less experienced exporters facing different issues from those that are seasoned exporters. DIT provides tailored support to businesses of all sizes to help them overcome the barriers that are holding them back and achieve sustainable growth through international trade.

The Export Strategy announced a range of measures to support businesses to invest overseas and expand into new markets. DIT delivers these services through a variety of channels - online, campaigns, events, missions, financial support and by leveraging the Department's international and UK networks. It works in partnership with other public and private providers of export support, such as Local Enterprise Partnerships, Growth Hubs, trade associations and devolved administrations.

- **Encouraging businesses:** DIT encourages businesses to start exporting or expand into new markets through the UK wide 'Exporting is GREAT' campaign. The campaign raises awareness among UK businesses about how exporting can help firms grow and the export support available. It also includes a mobile outreach export hub.

  DIT further reaches businesses through the Export Champion Community. A nationwide network of UK companies acting as ambassadors for exporting, sharing success stories, offering practical advice and leading by example.

- **Informing businesses:** DIT's digital services on great.gov.uk have been designed around the needs of users, supporting them to access tailored support and information to help them start exporting or increase their overseas sales, helping companies to benefit from the demand for UK goods and services, and supporting them at major stages of the export journey where government is best placed to make a difference.

  Local support is coordinated by DIT's regional teams who engage with local partners and stakeholders, especially in the devolved administrations and local government, to co-ordinate activities and ensure that export support is widely accessible throughout the UK. DIT's International Trade Advisers work directly with small and medium-sized enterprises (SMEs) to help them develop and build their capability and knowledge to undertake international business.

- **Connecting businesses:** As of 31 March 2019, DIT's international network is spread across 109 countries in 177 individual locations (including the UK). DIT staff use their local expertise, networks, and Government-to-Government (G2G) relationships to reduce market access barriers for UK businesses and connect businesses with overseas buyers. Through the GREAT International Trade campaign, DIT promotes the UK brand abroad and showcases the UK's strengths to international buyers.

5 UNCTAD: Goods and Services (BPM6): Exports and imports of goods and services

The Department's global presence is extended through overseas delivery partners that work alongside its international network. These partners help UK businesses to export by giving practical and cultural advice on developing exports, and helping businesses meet overseas buyers.

In the UK, DIT's sector teams work to maximise the supply of export ready UK companies. They work directly with industry and the international network to facilitate collaboration between UK businesses, co-ordinate G2G engagement and support trade missions. DIT also runs the E-Exporting and Export Opportunities programmes, connecting UK businesses to global market places and overseas buyers.

- **Financing businesses:** DIT works with UKEF to ensure trade and export finance, as well as insurance, is offered to businesses where relevant and as a core part of DIT's offer, enabling businesses to access the advice, practical assistance, and trade and export finance needed to help build the UK as an exporting nation.

DIT's support for UK businesses to build and strengthen trading partnerships with new customers and markets directly contributes to Sustainable Development Goals 8 & 17 and positions UK companies to benefit from new opportunities. Increased trade, achieved through DIT's export support activity, is linked to increased productivity, job creation and prosperity, at home as well as abroad.

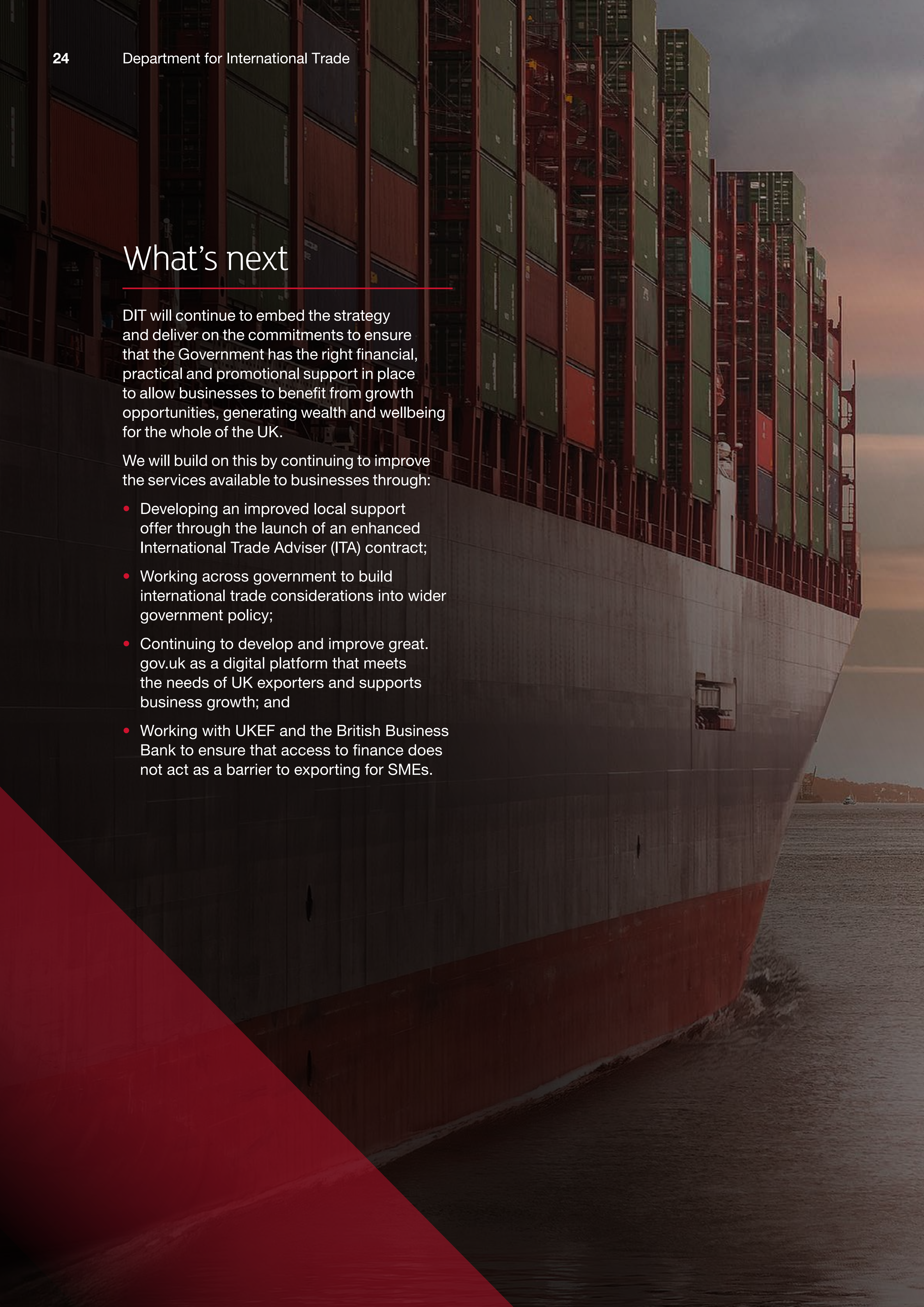
Trade with developing countries is a cost-effective method of reducing poverty. Supporting UK businesses to build trade links with developing countries through trade promotion, Outward Foreign Direct Investment (FDI) and integration into global value chains, empowers developing countries to build their production of tradeable goods, stimulating economic growth, reducing poverty and driving job creation. In addition to the general benefits, DIT's export and Outward FDI activity is an integral part of delivering on specific development ambitions as described under DIT's core objective 4, including the UK becoming the leading G7 investor in Africa by 2022.

DIT's achievements

In 2018–19, the GREAT Britain campaign has had a presence at 109 international trade events of which 49 were overseas. Content developed by the campaign team since its inception in January 2017 has promoted over 240 UK companies overseas. In 2018, the campaign won silver for 'Best Use of Online Media' at the Native Advertising Awards for its GREAT by Design website. In 2019-20, we will continue to evolve the campaign to be locally delivered in market, with best-in-class implementation.

The publication of the Export Strategy laid the foundation for how the Department will support businesses in the years ahead. Building on the wide-ranging services already provided, the Department has continued to improve its support to meet the changing needs of business, including:

- publishing a forward look of Ministerial travel to give businesses the opportunity to have their say on 'in market' issues and benefit from Ministerial engagement in these countries;
- promoting peer-to-peer learning by facilitating a growing community of new UK Export Champions;
- overhauling the digital Export Opportunities service, with over 149,000 opportunities published between November 2016 and 31 March 2019; and
- reviewing the marketplaces listed on the Selling Online Overseas tool which enable businesses to reach international consumers. Currently there are 37 marketplaces that UK companies can discover and apply to sell with, and DIT are identifying additional marketplaces that we would like to work with.



What's next

DIT will continue to embed the strategy and deliver on the commitments to ensure that the Government has the right financial, practical and promotional support in place to allow businesses to benefit from growth opportunities, generating wealth and wellbeing for the whole of the UK.

We will build on this by continuing to improve the services available to businesses through:

- Developing an improved local support offer through the launch of an enhanced International Trade Adviser (ITA) contract;
- Working across government to build international trade considerations into wider government policy;
- Continuing to develop and improve great.gov.uk as a digital platform that meets the needs of UK exporters and supports business growth; and
- Working with UKEF and the British Business Bank to ensure that access to finance does not act as a barrier to exporting for SMEs.

Exporting is GREAT

Every day, UK businesses are seizing opportunities in overseas markets and yet there is vast potential for growth that is not being realised. Exporting is GREAT aims to inspire business leaders to take up exporting and export further, and in doing so help drive down our trade deficit, increase and protect jobs, help build a resilient economy, and strengthen our position as one of the 21st century's great trading nations.

Within the last two years, the campaign has recruited export advocates as part of a community of businesses to support the campaign, launching a new Facebook community group, a podcast featuring inspiring stories of exporters, delivering export masterclasses locally to businesses and engaging with businesses nationally through roadshows. In the wave 3 report of the DIT National Survey of Registered Businesses[6] for 2017, up to 130,000 businesses are estimated to have acted as a result of seeing the Exporting is GREAT campaign – this amounts to 15% of campaign recognisers. Of these, between circa 14,000 and 22,500 had a turnover of £500k+.[7]

- **16%** of businesses said the adverts had made them more confident about exporting, similar to the 2016 figure (**14%**).
- Over four in ten **(43%)** of all UK businesses were aware of the Exporting is GREAT campaign.
- Among all UK registered businesses, around a third **(32%)** said the Exporting is GREAT campaign had increased their interest in finding out more about exporting. This was a six percentage point increase on 2016's figure of 24%.

6 https://www.gov.uk/government/statistics/dit-national-survey-of-registered-businesses-exporting-behaviours-attitudes-and-needs-2017

7 The Wave 4 DIT National Survey of Registered Businesses report will be released on 18 July 2019.

DIT's IMPACT:

BioSure, an Essex healthcare company that manufactured the first home testing HIV kit is expected to more than double its exporting sales in the next year as it expands in South Africa.

BioSure completed its first international order last year, seeing its products sold in over 500 pharmacies in South Africa. Demand for its products in the region has grown month-on-month since and, combined with other markets, exporting accounts for 40% of the firm's sales. This figure is set to grow to 90% in the next year as the business expands into new markets including Kenya and Brazil.

The business worked closely with specialist trade advisers at DIT ahead of securing its first South African contract. DIT had convinced BioSure to consider the South African market, provided international market research and put them in touch with distributors and potential buyers. We continue to support the company, including expansion into other sectors in South Africa.

Brigette Bard, Founder of BioSure, said:

"When exporting to different international markets, it's vital to ensure the regulatory and tax landscapes have been thoroughly researched. Expert organisations like DIT can help navigate this process. If we can do it, so can many other local firms".

DIT's IMPACT:

After three years of DIT support, a consortium won a $1.7bn oil and gas contract in India containing an initial $473m of UK exports, ahead of French competition. DIT teams in India and the UK have supported this project from April 2015.

A key feature of DIT's engagement with Baker Hughes, a General Electric Company (BHGE), on this project was regular communication to ensure that Government interventions were timely and appropriate. DIT facilitated a series of **technically focused** visits which could not have been undertaken purely on the invitation of the company alone. They resulted in **improvements to the tender specification** to allow for more varied technical offers.

This highly competitive international tender success will lead to $473m worth of subsea hardware procurement from the UK, securing jobs across the country. BHGE's project management and engineering facility will also see dozens of new jobs, as 250,000 UK engineering hours will go into this project in the next two years.

Performance measures

UK exports for 2018-19

(£642.9bn, 30.1% of GDP, exports increased by 3.5% since 2017-18)

Value of Export Wins for 2018-19

(£27.2bn, decreased from £30.5bn in 2017-18)

UK Outward Foreign Direct Investment Stock for 2017

(£1,313.3bn, 3.0% increase since 2016)

Export opportunities published on gov.uk

(132,839, increased from 12,446 in 2017-18)

UK exports in 2018-19 reached £642.9bn, the highest value on record in current prices and an increase of 3.5% since 2017-18. As a % of GDP, exports sustained their 2017-18 level at 30.1%. This is in spite of a challenging global trading environment, which saw increasing trade tensions and slowing global economies.

DIT promotes and provides support to UK exports through a range of products and services. This is achieved through coordinated support to businesses from DIT's international network of 109 countries, UK region and sector teams and DIT's digital services.

Export Wins are just one of the metrics through which this objective is monitored, along with external macroeconomic data and export opportunities. An Export Win is a deal, contract, sale, or other specific type of agreement for an eligible UK company which has resulted from support provided by the DIT network.

During 2016-17 and 2017-18, Export Wins were the primary measure of export promotion performance and used for setting performance targets. During 2018-19, in line with the evolution of the Department, and greater autonomy for our overseas network in delivering their Regional Trade Plans against the full set of DIT objectives, including identifying and reducing barriers to trade and investment, emphasis on performance against Export Wins alone was reduced.

Export Opportunities are one of the ways DIT can match UK sellers to overseas buyers. By utilising the great.gov.uk digital platform, any UK business that wants to sell overseas can be matched with willing buyers overseas. The substantial increase in the number of export opportunities available on the service was driven in part by the addition of third party opportunities. This addition was made possible by the overhaul the service received in late 2018.

The Export Wins and Export Opportunities metrics have been used to capture a broad range of activity, but the metrics cannot capture the full extent of DIT performance in assisting UK exporters. Our performance framework continues to evolve and a comprehensive client facing performance monitoring framework is currently being developed.

Methodology and production of Export Wins

An Export Win record is created using a digital framework which registers information entered by a lead officer from the DIT network. Lead officers are responsible for the quality and accuracy of the data they enter. Once the Win has been entered, the UK customer which received support in exporting is required to confirm the Win through a separate online form. A Win counts once it has been confirmed by the customer and this must be done within 12 months of the company winning the deal.

Coherence and comparability

DIT records export deals, contracts, sales or agreements where there has been support provided by our export promotion operations as an Export Win. Moreover, the metric only captures customers DIT has assisted who have realised a deal, not those DIT has worked with but have not reached a deal.

The metric is a departmental performance measure and does not capture exporting activity on the same basis as measured in official trade statistics. The Office for National Statistics (ONS) and Her Majesty's Revenue and Customs (HMRC) both publish exporting data at the UK level. For more information, visit www.ons.gov.uk and www.uktradeinfo.com. The sources for exporting data at a UK level used in this Annual Report are from ONS UK Balance of payments (January to March 2019) and UK GDP quarterly national accounts (January to March 2019).

Accuracy and definitions

An Export Win is a deal, contract, sale, or other specific type of agreement for an eligible UK company which has resulted from support provided by the DIT network. The Export Win is self-reported by the UK company and captures the expected value of the Win up to a five-year period.

The Export Win metric contains some inherent characteristics that will always present challenges in assuring value and data accuracy. The metric relies heavily on the relationships DIT staff have with customers, and the information customers are prepared to share. Values of Wins include specific expectations and forecast values up to a five-year period, these are subjective. Some deals are very complex, involving global supply chains and in-market requirements for local supply / presence and the ask of customers to separate UK export value from others is a distinction that is artificial for them. The information captured, therefore, represents a snapshot at a certain point in time based upon what the customer is willing or able to provide.

The metric has been subject to a review to enhance understanding of the quality and robustness of the data. From 2017-18, new validation processes aimed at delivering a proportionate but systematic validation approach have been introduced. These validation approaches continued through 2018-19 and focussed on Wins led by, or contributed to by, DIT teams in the English Regions and Wins over £50m. Wins that failed either validation process are amended or deleted from the system.

Methodology and production of Export Opportunities

All export opportunities are published on the great.gov.uk website and through the Export Opportunities administration centre, which has its own internal reporting system drawing directly from the application's database. Export opportunities can be viewed on the performance dashboard of the great.gov.uk website.

The numbers include:

- DIT opportunities: sourced by overseas posts, and manually checked and published by our editorial team.
- third party opportunities: automatically fetched from providers of global online tenders, and run through automated quality and sensitivity checks before being published.

Coherence and comparability

This metric has been collected for multiple years. The collection and publication methodology has not changed since its inception.

Accuracy and definitions

An export opportunity is defined as an overseas business opportunity that can be undertaken by UK firms. Export opportunities allow UK businesses to be connected with overseas buyers. In order to qualify for an export opportunity, the following information needs to be published: contact information from the buyer, an idea of the contract time lifespan and value, information on the products or services in question and a sufficient lead in time to allow UK companies to apply.

Objective 2

Ensure the UK remains a leading destination for international investment and maintains its number one position for international investment stock in Europe

Future Park, a capital investment opportunity in Harrogate

DIT plays a critical role in promoting the UK as the natural choice for overseas investment. The Department provides support to inward investors who wish to set up in the UK. These services range from providing information, guidance and support on the UK business environment, to access to finance, talent and skills, visas and migration, research and innovation, and sector experts. DIT also provides an end-to-end service for investors, through initiatives such as the Strategic Relationship Management Programme, both in the UK and overseas, working with colleagues across government, in London, UK regions and devolved administrations. This suite of services helps investors prosper and succeed, which in turn leads them to invest further in the UK.

The Department leads on Government's shared intent to safeguard the UK's position as a world-leading destination for FDI. The UK has many strengths that attract investors: an open, liberal economy; world-class talent; and a business-friendly environment. Data from the United Nations Conference on Trade and Development (UNCTAD) shows that the UK was ranked third for inward FDI stock in 2018, only behind the US and Hong Kong, and remains the number one destination in Europe, ahead of Germany. The UK also leads in Europe on the number of greenfield FDI projects, new jobs created, and capital invested (Financial Times: The fDi Report).

While the fundamentals of the UK business environment remain strong, this year has presented challenges to promoting and attracting investment. Global flows of inward investment have declined by 13% in 2018 (UNCTAD World Investment Report 2019) - and macroeconomic risks, including trade tensions and protectionist policies, have impacted upon investor confidence, especially in sectors with globally integrated supply chains. DIT is also balancing promotion priorities alongside important market access, trade policy and other strategic activities - that will yield long-term benefits for attracting investment. DIT is responding to these risks and opportunities by targeting support towards investments that have the greatest potential to deliver economic benefits for UK communities.

DIT's achievements

In 2018-19, DIT and its local partners supported the delivery of 1,436 inward FDI projects (decreased from 1,682 in 2017-18) with firms establishing or expanding their presence in the UK, across a range of sectors, creating and safeguarding over 58,000 jobs. DIT also supported institutional investors, large corporates, venture capital firms, high net worth individuals and other capital investors to invest in local energy, infrastructure and housing projects across the UK.

This year DIT also began implementation of a new approach to FDI to target government promotion and advisory support for investors towards the relationships and investments with greatest potential to deliver national wealth and value for investors. As part of delivery of the strategy, we have:

- Refocussed our advisory and promotional activities on the most valuable investments and relationships, by incorporating new metrics into operational objectives, plans and performance reporting. This was underpinned by new data and econometrics, recognised by UNCTAD as worthy of international dissemination amongst investment promotion agencies across the world, for measuring the contribution of FDI projects to UK economic output (Gross Value Added).

- Delivered the High Potential Opportunities programme and worked closely with devolved administrations and local partners to identify emerging clusters, sub-sectors, supply chain gaps or other investment opportunities where lack of market information is leading to structural under-investment. Through this programme DIT has launched three pilot High Potential Opportunities, including: in Doncaster, to fill gaps in the passenger and freight rolling stock supply chain; in Telford, to attract investment into precision farming; and in Manchester, to attract investment into lightweight structures. We are developing 17 further opportunities in collaboration with local partners. In the spring of 2019 we secured our first high-value investment from a European investor delivering 50 high quality jobs for Doncaster.
- Delivered improvements to our Strategic Relationship Management approach: prioritising our account management activities on the most important relationships; introducing new processes and standards to improve the specialist capability of investor-facing staff; and better routing the business intelligence we gather into improvements to our service and for policymaking.
- Expanded the scope of investment opportunities we promote to capital investors, including a campaign launched by the Secretary of State for International Trade to attract over £40bn for 89 local energy, infrastructure and housing projects across the UK; and supported venture capital and other corporate investors to attract £868m in investment between April 2017 and March 2019 (£285m in 2017-18 and £583m in 2018-19), supporting UK businesses to grow and thrive. In addition, we also supported large capital investments worth at least £3,732m in 2018-19.
- Established a strategic partnership with Ernst & Young and OCO Global to deliver our investment services across the UK. Through this new partnership, we have introduced new services, business processes and tools to improve the productivity and effectiveness of our work.
- Working with government colleagues, local partners and industry to explore policies that reduce barriers to investment, improve the attractiveness of our business environment or otherwise increase UK competitiveness in attracting investment into the UK that will deliver growth and prosperity.

What's next

Recognising that DIT continues to operate in an environment that is sensitive to global political and economic fluctuations, and increased competition from international promotion agencies, we will increasingly need to focus on activities that best support the future of the UK economy and the Government's Industrial Strategy. To do this, we will need to better match our advisory services with the requirements of investors and be more proactive in identifying the opportunities most attractive to and relevant for investors.

We will continue to improve our support to foreign investors by:

- Focusing on relationship management as our core competency and developing our specialist capability so we can better support investors;
- Expanding the High Potential Opportunities programme to support more investment into communities that are suffering from structural under-investment;
- Differentiating our offer so that we can offer the right service to the right investor;
- Investing in our digital offer through Invest in GREAT Britain and Northern Ireland, by expanding the Perfect Fit Prospectus and the breadth of investment opportunities promoted through the site;
- Improving our investment services though our partnership with Ernst & Young and OCO Global; and
- Working across government to deliver policies that will reduce barriers to investment and increase UK competitiveness.

Invest in GREAT Britain & Northern Ireland

DIT has led on establishing Invest in GREAT Britain and Northern Ireland as the Government's flagship international marketing campaign for attracting FDI. The campaign deploys advanced digital marketing strategies to generate interest in the UK's FDI proposition, highlighting the main industrial sectors and generating enquiries from priority markets within the Americas, Europe and Asia Pacific regions. During 2018-19, the campaign initiated approximately 3,350 enquiries from foreign investors interested in the UK.

Highlights included:

- The **Perfect Fit Prospectus:** enabling investors to download their personalised guide to investing in the UK based on their interests;
- Invest in GREAT digital campaigns for three new **High Potential Opportunities** promoting propositions in the UK rail infrastructure, high productivity food production and lightweight structures manufacturing;
- Support for **Investor Roundtables**, attended by industry leaders from the Technology, Life Sciences, Automotive, Agri-Tech and Creative Content sectors;
- Support for marquee industry events e.g. the Invest in GREAT pavilion at the world's largest real estate and investment exhibition, **MIPIM Cannes**; and
- The **Tech Rocketship Awards** programme where tech entrepreneurs were offered the opportunity to pitch their business ideas to a panel of expert judges with nine winners receiving a trip to the UK to meet advisors, mentors and contacts to help them set up in the UK.

DIT's IMPACT:

US company ThinCI, specialising in software for artificial intelligence products, will create a new site in Leeds, creating 40 jobs.

Dinakar Munagala, CEO of ThinCI said:

"The Department for International Trade was very helpful guiding us through the unfamiliar regulatory network for setting up a new venture in the UK. This assistance allowed us to get established quickly and our newly employed engineers and programmers productive in record time.

What attracted ThinCI to the UK is its talent pool of engineers and programmers that could immediately begin providing the chip design and software development assistance we needed. We found that talent in Leeds and Kings Langley."

Dojima, the UK's first Japanese sake brewery has acquired new £3.5m premises in Fordham Abbey, Cambridgeshire. Their total investment is worth £9m and is expected to create 100 jobs over the next five years, with 10,000 bottles set to be sold in the first year of production to achieve a turnover of £1m.

DIT connected the company with the appropriate networks and advice they needed on how to set up a company in the UK. DIT also put the company in touch with food and drinks specialist Campden BRI, whose water mineralisation expertise will ensure that Dojima have the very best hard water available for making sake.

Birmingham Smithfield

Located in the heart of Birmingham City Centre (BCC), Birmingham Smithfield is part of BCC's Big City Plan launched in 2010, with a 25-year vision to grow the city centre by more than 25%.

DIT, in close collaboration with Midlands' stakeholders, supported BCC with the promotion of the 17 hectare site. With the support of colleagues around the world, it was announced during the MIPIM real estate trade conference 2018 that BCC had a shortlist of four partners.

In January 2019, BCC announced that it would work with Lendlease in a joint venture to deliver the project. Lendlease, a multinational construction, property and infrastructure company has also recently been chosen to deliver the Commonwealth Village in Birmingham.

The work of DIT London and overseas posts was integral to securing investment, demonstrating the importance of project work. DIT's long-term relationship building and regular engagement with Lendlease, both in Australia and the UK, including regular Ministerial meetings and a round table at Number 10, were key to identifying the company as potential investors into the Smithfield development.

The Rt Hon Dr Liam Fox MP, Secretary of State, said;

"I'm delighted to welcome this significant investment into Birmingham which will bring jobs and prosperity to the city and surrounding areas, also creating substantial opportunities for the local supply chain. It demonstrates the significant potential of the Midlands Engine region."

Work is due to start in 2022 and will include a leisure and cultural offer, a new public square, integrated public transport and more than 2,000 homes.

Performance measures and statistics

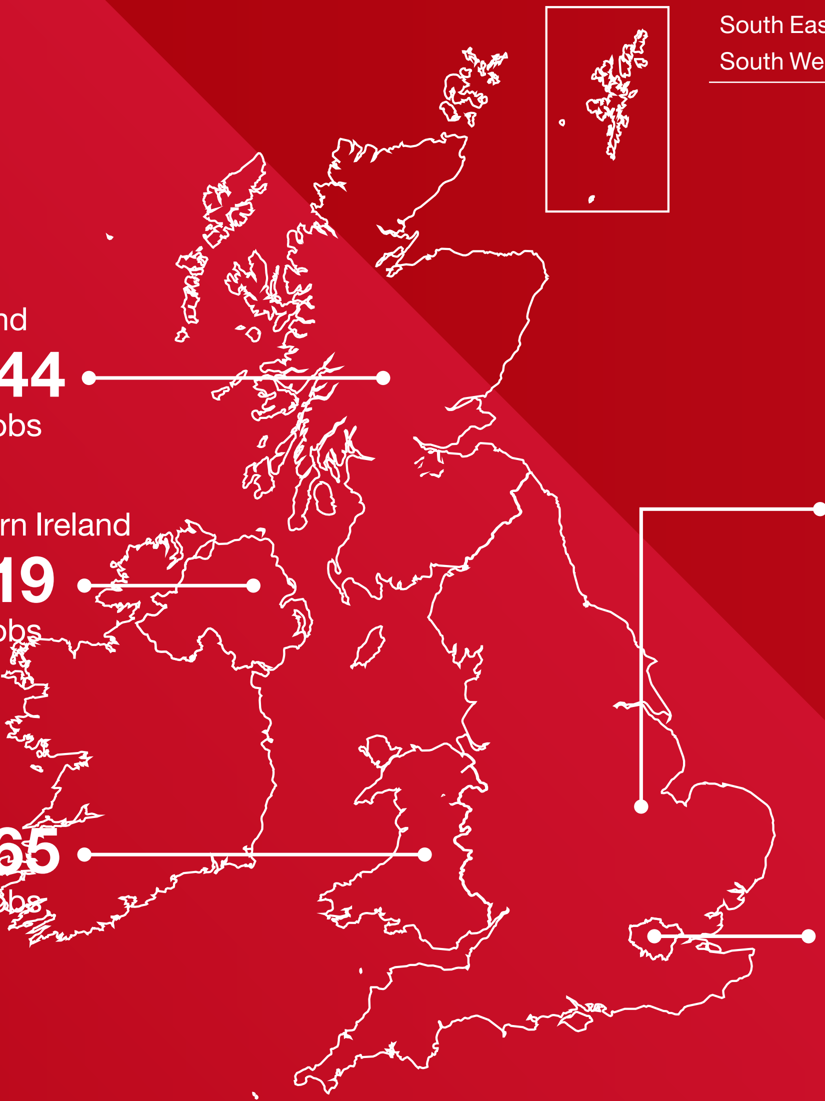
- **UK Inward FDI stock in 2017**[8]

  £1,336.5bn, increased from £1,187.3bn in 2016

- **New jobs created from DIT supported FDI projects in 2018-19**[9]

  51,863, decreased from 67,060 in 2017-18

English Regions (excl. London)	New Jobs
North East	2,098
North West	4,148
Yorkshire and The Humber	1,999
East Midlands	1,694
West Midlands	4,155
East of England	1,247
South East	3,409
South West	1,905



Scotland
2,944
New Jobs

Northern Ireland
1,319
New Jobs

Wales
1,665
New Jobs

England (excl. London)
20,655
New Jobs

London
12,992
New Jobs

Note 51 multiple location projects associated with 12,288 new jobs are not included.

- **Value of venture capital supported in 2018-19**[9]

  £583m, increased from £285m in 2017-18

- **FDI projects supported by DIT in 2018-19**[9]

  1,436, decreased from 1,682 in 2017-18

8 Source: ONS FDI involving UK companies
9 Department for International Trade Inward Investment Results.

Methodology and production of inward investment

Data and information related to investment projects is recorded on an internal database which is accessible by teams across the DIT network e.g. overseas posts, UK regions and local partners. All parties involved in a project are responsible for entering the necessary data on to the system following agreed operating principles and definitions. When this is finalised (i.e. when revenue generating activities have begun), the record undergoes a robust verification process where an independent team reviews the information attached to each project (eligibility, value of investment, jobs created etc.) to check for quality, accuracy and consistency of data.

All projects must meet the same established standards and criteria to be classified as a success, and there must be sufficient evidence recorded showing that the investment decision has been made, the UK company is fully registered, and that the company has started activities on the UK site. There is a range of evidence used to support each claim ranging from public press announcements to confirmation of details from the investor.

DIT figures for recorded inward FDI projects include those investments which received support from DIT and/or one of its regional and local partners “involved projects”, as well as “non-involved” projects, meaning those projects which have landed in the UK without any involvement from DIT or partners. Various external sources and FDI project and company databases have been used to identify, qualify and report eligible “non-involved” FDI projects.

Capital Investment can broadly be defined as funds invested into a company, enterprise or project for the purposes of furthering commercial objectives and expanding growth.

DIT measures Capital Investment by the capital or foreign equity value of the investment only. Values are recorded in pound sterling, applying the exchange rate at the time of the investment announcement if necessary.

Venture Capital attracts strategic investment into high-value start-up, growth companies and funds from Corporate and Venture Capital investors outside the UK to accelerate their technology and expansion. Large capital involves overseas institutional investment into large capital projects in Real Estate, Infrastructure and Energy. Whilst capital investment is all foreign investment, most does not meet the criteria of FDI. See technical annex of DIT Inward Investment Results for full details.

Accuracy and definitions

FDI is defined as a cross-border investment made by a non-UK resident entity where the direct investor acquires at least 10% of the voting power or ownership. All FDI projects reported have been subject to a strict, independent verification process and have evidence to show that the investment has taken place. Job figures included in this report are estimates, made at the start of each investment project and are provided by the investor. New jobs capture total jobs likely to be created within three years from the start of the project. Safeguarded jobs include those jobs which were retained as a result of the additional/new inward investment.

Coherence and comparability

DIT’s definition of FDI projects covers a wide range of investment, including those projects which are not announced by companies. This and other differences in methodology and verification processes explains the difference in the FDI project numbers published by DIT and other organisations, such as the *Financial Times* and Ernst & Young. Whereas these DIT statistics record the number of FDI projects and jobs created/safeguarded, ONS statistics are the official source for the value of inward and outward FDI stocks at the UK level.
See www.ons.gov.uk for further information.

Objective 3

Open markets, building a trade framework with new and existing partners which is free and fair

Signing of a Strategic Cooperation Memorandum of Understanding between DIT and Tencent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DIT has primary responsibility for delivering the UK's independent trade policy as we exit the EU. We are developing a coherent trade policy based on economic strengths, forging and deepening relationships with trading partners, including preparing for negotiating future trade agreements, and building necessary structures and capability. This work includes:

- Preparing for the UK to operate as an independent trading nation.
  - Establishing independent trade policy positions in preparation for new trade negotiations and working with the Department for Exiting the European Union and across Whitehall to ensure the UK can pursue an independent trade policy from the point of exit.
  - Establishing the UK's independent position in the World Trade Organization (WTO).
  - Providing the administrative and resource base for the UK's future trade policy.
  - Implementing a trade remedies policy to support UK industry and developing capability to seek country-to-country trade disputes resolution.
- Maintaining current trade access to international markets as the UK leaves the EU.
  - Arranging trade continuity agreements replicating the effects of existing EU trade agreements and maintaining access to international markets.
  - Developing capability to identify market access barriers and minimise impacts of barriers.
- Supporting and strengthening the multilateral trading system and creating new trading opportunities.
  - Supporting WTO reform in G20 Leaders Summits and G20 Trade & Investment Working Group.
- Influencing EU trade policy while an EU member.
  - Continuing to ensure the UK is an influential voice in EU trade policy while we remain a Member State and that Parliament is updated and engaged in the process.
- Leading the development of the UK's trade capability.
  - Establishing the International Trade Profession.

DIT's achievements

In preparation for a potential no-deal EU Exit on 29 March 2019, DIT focused on work to put the UK in a trade position that would be as stable as possible.

DIT prepared and published details of the UK's temporary tariff regime to be used in the event of a no-deal EU Exit. This policy would have lasted for up to 12 months and sought a balance between the impacts on consumers and producers. The average value of UK goods imports to which tariffs could have been applied for 2017 and 2018, as reported by HM Revenue & Customs (HMRC), was £472.8bn. Under this regime, 86% of all imports would be tariff free (based on historic flows). If the UK were to apply the Common External Tariff on all imports, 42% of goods imports would be tariff free.

The Trade Agreements Continuity Programme is seeking to replicate the effects of existing trade agreements which the UK participates in as a member of the EU, as far as possible for when the UK leaves the EU. During 2018-19, the UK signed agreements with Chile, Eastern and Southern Africa, the Faroe Islands, Israel, the Pacific States (Fiji and Papua New Guinea), the Palestinian Authority, and a series of CARIFORUM states. In addition, discussions were at an advanced stage with Colombia, Dominican Republic, Ecuador, Peru and Trinidad and Tobago, which have since been signed. We have also since agreed in principle the terms of a trade continuity agreement with Korea. Our trading relationship with these countries was worth £88 billion in 2018 and represents around 7% of total UK trade and 63% of trade to all countries for which the UK is seeking continuity agreements with.[10] Other agreements are under discussion.

DIT is preparing for the UK's independent membership of the WTO and has submitted UK-specific schedules of commitments under the General Agreement on Tariffs and Trade and the General Agreement on Trade in Services. Agreement in principle has been negotiated for UK accession to the Government Procurement Agreement, covering 48 WTO members and securing access to £1.3tn of global public procurement opportunities.[11]

The Trade Remedies Investigations Directorate (TRID) has been set up on a temporary basis to look into complaints of injury caused by unfair trading practices and unforeseen surges in imports.

Alongside these areas of no-deal preparation work, DIT has been preparing the UK's independent trade policy.

- DIT has continued to work with a range of countries to explore the best ways to develop trade and investment relationships. Mutual Recognition Agreements have been signed with Australia, New Zealand and the US. These agreements continue existing arrangements and facilitate goods trade, in turn safeguarding revenues for British businesses and consumers. In 2018-19, DIT signed Mutual Recognition Agreements covering trade worth £19.8bn in total (see methodology note on page 48).
- In 2018, DIT also ran four major public consultations on potential trade agreements with Australia, New Zealand, the US and potential accession to the Comprehensive and Progressive Agreement for Trans-Pacific Partnership. In excess of 600,000 responses were received which will help inform DIT's approach to potential negotiations.

10 Source: ONS: UK total trade: all countries, non-seasonally adjusted October to December 2018 release. Figures refer to total UK trade in the year 2018 (i.e. imports and exports, goods and services). A list of existing trade agreements the UK is seeking continuity for is provided on gov.uk. The statistics above exclude existing agreements with Turkey, Andorra, and San Marino which are part of a customs union with the EU and exclude Japan as the Economic Partnership Agreement only came into force on 1 February 2019.

11 Source: World Trade Organization - https://www.wto.org/english/tratop_e/gproc_e/gp_gpa_e.htm

- Good progress has been made on Joint Trade Reviews. These are analyses into the trading relationships between the UK and partner countries to determine where improvements can be made. DIT is conducting a Joint Trade and Investment Review with China which should complete by the end of 2019, and work continues with Brazil and India to improve trading relations, having earlier completed joint trade reviews.
- DIT has rolled out a new government-wide approach to improve access for UK firms to key markets, in part to replace the European Commission's Market Access Advisory Committee. The approach will provide Government with a single source of up-to-date information on all market access barriers through a Market Access Digital Service, enabling better targeted government interventions. DIT has increased resource on market access work and introduced performance indicators for 2019-20. A new channel for businesses to report barriers faced will be available on great.gov.uk shortly.
- DIT has continued to build the trade skills to deliver the UK's independent trade policy, including a comprehensive programme of trade policy and negotiations learning developed with the Foreign and Commonwealth Office's (FCO) Trade Policy and Negotiation Faculty. The Faculty is building a range of skills required to negotiate trade agreements and operate trade functions (remedies and disputes).

  The Faculty offers a range of courses aimed at a range of levels. At the end of March 2019, 400 people had completed Expert Level trade policy training in technical areas such as Rules of Origin, Customs and Trade Facilitation, Disputes and Remedies. The International Trade Profession was also launched in May 2018. It now has over 2,700 UK-based and overseas members who have signed up across the Civil Service.

What's next

The UK requires legal powers to support its operation as an independent trading nation after EU Exit:

- The Trade Bill, once enacted, will establish legal powers and structures to provide continuity for individuals, businesses and international trading partners.
- The UK's new trade remedies policy, legislated for in the Taxation (Cross-border Trade) Act 2018, continues to be developed, supported by statutory guidance and secondary legislation on the technical detail of the trade remedies framework.
- The commencement of provisions in the Trade Bill, following Royal Assent, will allow the Trade Remedies Authority (TRA) to take over the work of the TRID and operate as an independent arm's length body. Claire Bassett has been appointed Director of TRID and the TRA Chief Executive Designate.

DIT's IMPACT:

DIT Sofia successfully lobbied the Bulgarian government to change public procurement rules on tenders for early childhood vaccinations.

UK pharmaceutical companies were finding it difficult to respond effectively to public tenders for early childhood vaccines as the requirements for the tenders would often change with little notice. As a result, pharmaceutical companies were not able to realise vaccine sales and the Ministry of Health of the Republic of Bulgaria was not able fully to meet demand for childhood vaccines. DIT Sofia lobbied at the highest levels in the Bulgarian government to make changes to public procurement rules to resolve this barrier. Changes were made to the rules so that:

- Early notification is now given to pharmaceutical companies of forecast requirements; and
- Vaccines are now procured on a two year cycle, allowing sufficient time for forward planning.

GSK subsequently won a tender for early childhood vaccines in 2018-19, worth approximately £35 million.

DIT's IMPACT:

UK businesses currently have access to £1.3tn of public procurement opportunities across the globe through the WTO Government Procurement Agreement (GPA), which covers some of the world's largest markets including DIT's priority markets of Australia, New Zealand and the US.[12]

As part of EU Exit preparations, DIT sought an independent UK membership of the GPA to ensure that UK businesses continue to have a legal right to bid for those contracts – as at present they are only covered under the EU's membership.

DIT's GPA team, together with Cabinet Office colleagues, set out to complete the GPA accession process in record time. Lawyers and analysts in both departments were heavily involved in preparing for negotiations, including producing independent UK schedules, a detailed explanation of our public procurement system and the evidence base to demonstrate the value of the UK's contribution to the overall agreement.

A joint team from DIT and Cabinet Office held several rounds of talks in the margins of the quarterly GPA meetings at the WTO, meeting with nearly all of the 19 GPA Parties, to clarify and defend our offer. The GPA team held discussions with Parties on the detail of our procurement system and the market access that we provide. The UK Mission provided invaluable support, working with Parties in Geneva and steering us through the technical process of accession.

At the GPA meeting in October 2018, Parties gave their provisional approval of the UK's offer. After further negotiation on 27 February 2019, the GPA Committee agreed the UK could continue to be covered by the Agreement in the event of an Implementation Period with the EU, and could accede to the Agreement in its own right in the event of leaving the EU without a deal. The Government has made guidance available to businesses.

This decision will ensure that British businesses can continue to access some of the world's most important public procurement markets.

12 https://www.gov.uk/government/publications/government-procurement-agreement-uk-participation-after-eu-exit

Methodology Note on Day One Tariffs

Average value of UK imports for years 2017 and 2018 at the CN8 commodity level have been taken from the HMRC database, Overseas Trade Statistics (OTS) February 2019. To determine the proportion of imports that are "tariff free", two calculations are performed: (i) Summing the value of all imports that would MFN 0 under the adding UK Temporary Tariff Regime; and (ii) summing the value of all imports that would be MFN 0 if the UK was to apply Common External Tariff. Both figures are then divided by the average sum of all UK imports at CN8 commodity level, excluding any imports which fall below threshold trade, which illustrate respective shares of imports eligible for tariff free access to the UK. Please note that:

- For (i) we determine which commodity codes would be subject to tariffs under Temporary Tariff Regime and assume that the remaining commodities are tariff free. In cases where trade remedies are applied to a single CN10 level code we assume that it applies to the entire (parent) CN8 code; such cases have an asterisk instead of tariff rate value in the list referenced above. There are over 50 CN8 commodity codes which are affected by such adjustment.
- For (ii) we have used tariffs taken from the WTO Tariff Analysis Online database, as of 2018 (initially published version), filtering for commodities with an MFN *Ad Valorem* tariff of 0.

Limitations

The underpinning assumption behind both figures is that tariffs will be applied to all imports from all countries (it excludes all preferential trade arrangements, tariff suspensions and WTO TRQs). It also does not take into account any behavioural responses which would most likely affect consumption patterns.

Although trade remedies are set on CN10 level, trade data is only available on CN8 level. In order to calculate the share of tariff free imports under Temporary Tariff Regime, we assume that a trade remedy applied to a single CN10 level code applies to the entire (parent) CN8 code. This effectively means that we are slightly under-estimating the share of imports that would be coming in tariff free.

Methodology Note on Mutual Recognition Agreements (MRAs)

The following sets out the approach taken for analysis on MRAs on conformity assessment with third countries. This type of analysis aims to understand the scope, coverage and potential value of these bilateral agreements, which provide easier access to conformity assessment, enabling industry to comply with goods regulations in overseas markets.

Data Availability for MRA Analysis

Trade flow data is available from a variety of sources, including HMRC (for UK-reported data) and UN Comtrade (for third country-reported data). The approach that has been taken here uses HMRC Overseas Trade Statistics, utilised due to its greater accuracy around on import data[13]. However, there is limited reliable data demonstrating how UK and overseas firms currently make use of MRAs via conformity assessment bodies in relevant third countries.

As such, analysis can validly and reliably demonstrate the scope or coverage of MRAs based on recent trade flows. More robust data on the frequency of business reliance on MRAs and/or sector or business specific case studies will be necessary to demonstrate the extent of MRA utilisation and therefore to quantify the overall value of the agreements.

Approach

Using the text of the MRA, the sectoral chapters were first collated to establish the scope and types of products to be included or excluded. The goods affected by the MRA were identified and mapped according to commodity codes at a HS4, HS6 and CN8 level. This process included a range of inputs and sources (cross-government products and standards expertise, Foreign Trade classifications[14], cross-government sector classifications). Following discussion and confirmation of HS codes affected under each section of the MRA text, 2017-2018 bilateral data from HMRC OTS and trade flows were matched accordingly, averaged across the two years.

Note that across sectoral chapters of the MRA, significant repetition covered products mean that trade coverage of the full MRA (which is corrected by removing duplicates) is not equal to the sum of trade coverage figures for disaggregated sectoral chapters. For the same reason, trade coverage figures shown as a % of the MRA do not add up to 100%.

Strengths

This approach makes use of reliable available data as far as possible and is able to validly demonstrate the scope of trade covered by the MRA while removing duplicates as necessary.

The approach also considers a variety of sources and cross-Whitehall collaboration to ensure estimation of coverage is as accurate as possible to the relevant HS level.

13 Source: HMRC Overseas Trade Statistics, April 2019
14 Link: Foreign Trade https://www.foreign-trade.com/reference/hscode.htm

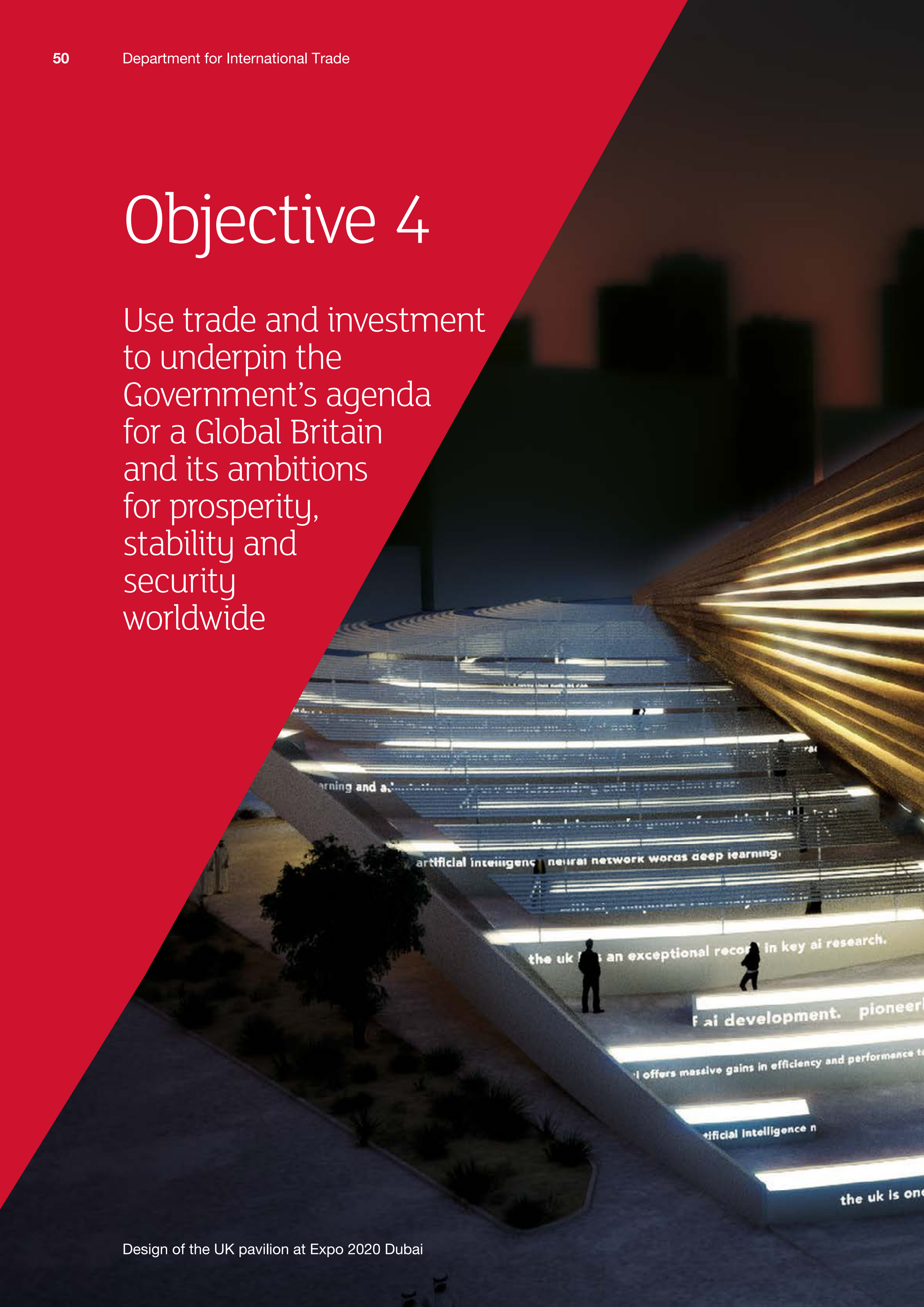
Limitations

Since this approach depends on the inclusion of specific HS commodity codes, figures generated should be considered estimates in the body of any text that quotes them. HS concordance tables are subject to refinements and have not been subject to detailed gap analysis.

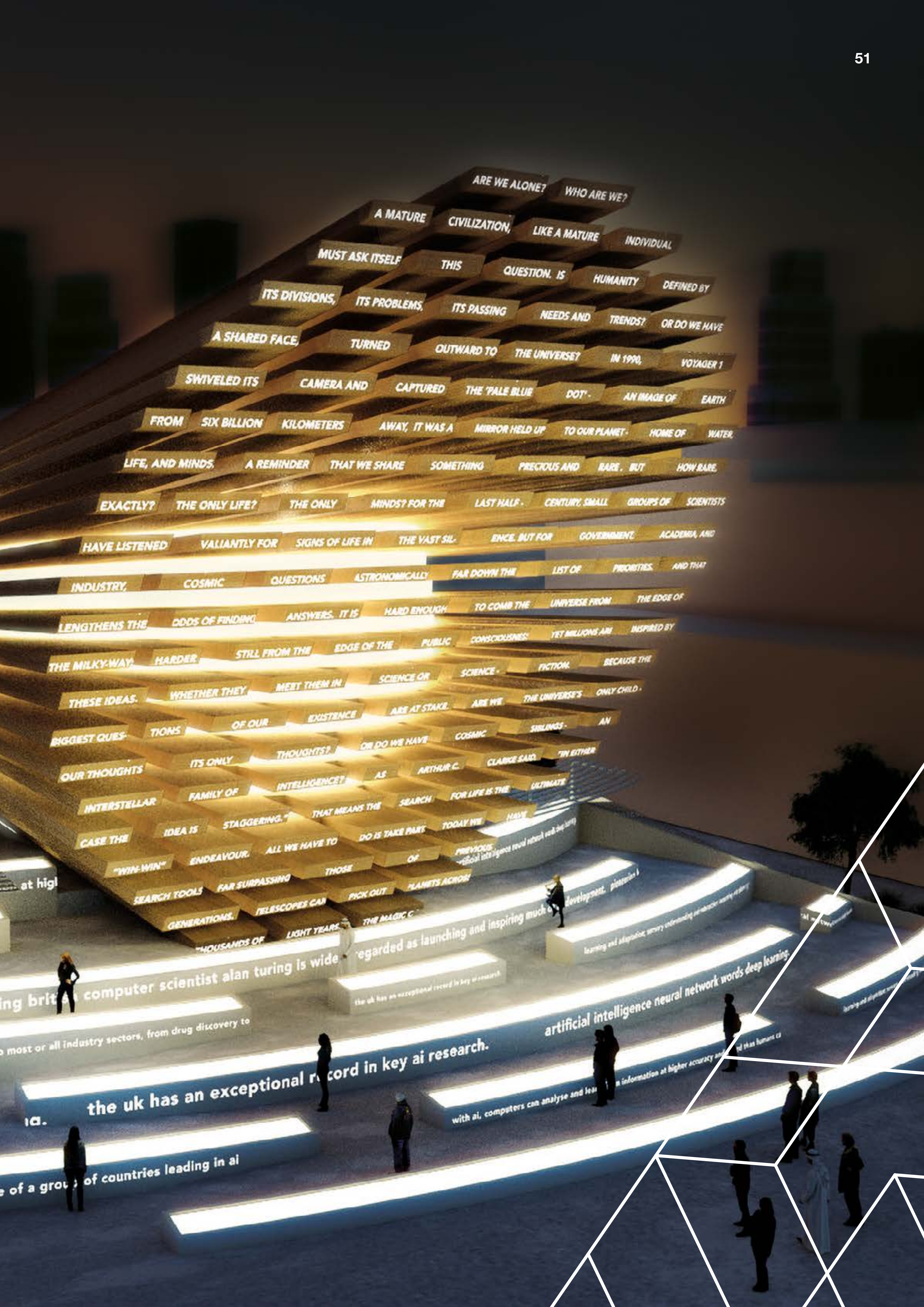
The estimates can be considered as accurate as possible to the relevant HS level; however, this may overstate or understate trade of goods affected as compared to more specific commodity codes.

Objective 4

Use trade and investment to underpin the Government's agenda for a Global Britain and its ambitions for prosperity, stability and security worldwide



Design of the UK pavilion at Expo 2020 Dubai


ARE WE ALONE? WHO ARE WE?
A MATURE CIVILIZATION, LIKE A MATURE INDIVIDUAL
MUST ASK ITSELF THIS QUESTION. IS HUMANITY DEFINED BY
ITS DIVISIONS, ITS PROBLEMS, ITS PASSING NEEDS AND TRENDS? OR DO WE HAVE
A SHARED FACE, TURNED OUTWARD TO THE UNIVERSE? IN 1990, VOYAGER 1
SWIVELED ITS CAMERA AND CAPTURED THE 'PALE BLUE DOT' - AN IMAGE OF EARTH
FROM SIX BILLION KILOMETERS AWAY. IT WAS A MIRROR HELD UP TO OUR PLANET - HOME OF WATER,
LIFE, AND MINDS. A REMINDER THAT WE SHARE SOMETHING PRECIOUS AND RARE. BUT HOW RARE,
EXACTLY? THE ONLY LIFE? THE ONLY MINDS? FOR THE LAST HALF - CENTURY, SMALL GROUPS OF SCIENTISTS
HAVE LISTENED VALIANTLY FOR SIGNS OF LIFE IN THE VAST SIL- ENCE. BUT FOR GOVERNMENT, ACADEMIA, AND
INDUSTRY, COSMIC QUESTIONS ASTRONOMICALLY FAR DOWN THE LIST OF PRIORITIES. AND THAT
LENGTHENS THE ODDS OF FINDING ANSWERS. IT IS HARD ENOUGH TO COMB THE UNIVERSE FROM THE EDGE OF
THE MILKY-WAY. HARDER STILL FROM THE EDGE OF THE PUBLIC CONSCIOUSNESS. YET MILLIONS ARE INSPIRED BY
computer scientist alan turing is wide regarded as launching and inspiring much development, pioneering
most or all industry sectors, from drug discovery to
artificial intelligence neural network words deep learning
the uk has an exceptional r cord in key ai research.
with ai, computers can analyse and lea
of a grou of countries leading in ai

Prosperity, stability and security are at the heart of what DIT does; successful businesses, a stable economy and prosperity for people in the UK, relies on prosperous and stable partners globally. The Department's work towards this objective aims to achieve these mutually reinforcing benefits, working with departments across government to amplify our impact.

In relation to ensuring that the security and prosperity agenda is mutually reinforcing, DIT created the new Global Strategy Directorate (GSD) in February 2019 to ensure trade and prosperity are factored into national security and foreign policy work across government. Teams have been recruited to reflect a range of cross-government and external experience, spanning both regional and thematic expertise. GSD has started work to ensure clear and coherent DIT policy positions on complex policy questions, convening representatives from across the Department to agree responses to challenges and opportunities. It has been engaging across government to ensure that those trade and prosperity policy positions are properly factored into national security and foreign policy work. GSD has also started to operate as an internal think tank, providing a challenge function to test and inform DIT's strategy, policy and delivery.

The Department has also supported developing countries to participate in, and gain from, the global economy. In line with the Prime Minister's August 2018 speech in Cape Town that set out a bold new ambition for interweaving trade, investment and development objectives, DIT has established a new Portfolio and Development Directorate to oversee a new suite of prosperity programmes. This includes the launch of the Investment Promotion Programme (IPP) - DIT's first Official Development Assistance (ODA)-funded activity financed by the Prosperity Fund - which will support selected developing countries to better attract sustainable inward investment and increase the commercial opportunities for international investors, including the UK.

Alongside this, through the Africa Strategy uplift, DIT has prepared for a new network of officials across Africa who will be dedicated to improving economic growth, encouraging free and fair market development, and bringing private investment into the continent. Looking to the future, the Department is building its capacity to effectively design and oversee the delivery of ODA-funded programmes, for which it will be bringing forward proposals at the Spending Review.

Meanwhile, the joint Department for International Development (DfID) - DIT Trade for Development team has continued to lead the Government's commitment to support developing countries harness the power of trade as an engine of sustainable economic development and poverty reduction by maintaining and improving the UK's trading arrangements with developing countries, delivering programmes that help developing countries break down barriers to increased trade, and enabling UK consumers and producers to access a broader range of goods at lower prices.

DIT has also showcased the UK as a champion of open and fair trade. HMTCs and their overseas networks continue to work to fulfil the vision and mission of the Department. Regional Trade Plans (RTPs) set out how best, within each region, to drive forward Government's ambitions for a prosperous UK. Alongside this, DIT supports the coordination of the Prime Minister's Trade Envoys, and uses Ministerial visits, inward visits from foreign governments, Ambassadors and High Commissioners, all of which further serve to raise the profile of the UK brand and champion open and fair trade.

Finally, DIT has promoted global security through strategic export controls and facilitation of responsible exports of military and dual-use items. The Department's activities in this area are led by the Export Control Joint Unit, which brings together operational and policy expertise from DIT, FCO and the Ministry of Defence (MoD). The unit administers the licensing system for military and other sensitive exports to ensure they are consistent with the UK's national and international obligations, including sanctions, human rights and the preservation of regional peace, security and stability.

DIT's achievements

DIT's overseas networks and teams based in London have helped to deliver the Government's ambitions for prosperity, stability and security worldwide through:

- Continuing the work of the joint DfID-DIT Trade for Development team in putting in place a Trade Agreements Continuity Programme, which is working to replicate the effects of the EU's Economic Partnership Agreements with African, Caribbean and Pacific (ACP) countries and to have these agreements in place for when we need them. We have now signed trade continuity agreements with the Eastern and Southern African states (ESA) and several other agreements are at an advanced stage.
- Becoming an ODA spending department through the inception phase of the £50 million IPP which reports to the cross-Government Prosperity Fund. DIT's ODA ambitions have been supported by the establishment of a dedicated development team in the new Portfolio and Development Directorate, which is working with DfID to build the Department's capability to effectively spend aid money in support of mutual prosperity benefits for developing markets and the UK. The team has also concluded an in-depth research and consultation project to develop a set of centrally-managed ODA programme ideas to realise these ambitions for the longer term.
- Delivering DIT-led business delegations to support Prime Ministerial trade and investment visits overseas. In 2018-19, DIT helped to deliver two major visits, delegations to accompany the Prime Minister on her visits to China (50 companies) and Africa (29 companies).
- Expanding the Prime Minister's Trade Envoy Programme, which in 2018-19 consisted of 33 Trade Envoys covering 55 markets. The programme is designed to support prosperity objectives with a focus on developing high-growth markets which links into the Department's ambitions for ODA. Over the course of 2018-19, Trade Envoys undertook 55 overseas visits to 42 markets.
- Following the announcement that the UK will participate in Expo 2020 Dubai, DIT's Expo Team secured the necessary funding to proceed with this cross-Whitehall project. The UK's theme for the Expo is 'Innovating for a Shared Future'. All aspects of the project are now mapped and the design and delivery of a world class programme of business, cultural, education and tourism events is underway. Since the end of the 2018-19 reporting period, DIT has received sign off from HMT on the full business case and finalised five major procurements, including the announcement of Avant Garde as the design contractor and Pico McLaren as the construction contractor for the UK's purpose built pavilion.
- Putting trade at the heart of Government national security discussions, ensuring that the Department's objectives are more aligned to foreign policy priorities.

What's next

- Through its HMTCs, the Department will continue to build the capability and effectiveness of its overseas network. As DIT moves to implement the next set of RTPs and support broader market access co-ordination via a cross-Government market access tool, there is an opportunity to align with wider prosperity, stability and security objectives, supporting and complementing the efforts of other government departments.
- DIT will continue to deploy ODA in a way that supports the economic development of developing markets by supporting inclusive growth, catalysing investment and creating sustainable jobs to reduce poverty. DIT is working closely with other government departments to develop proposals which will increase the Government's support to sustainable economic development and prosperity in developing countries, while supporting UK firms to bring to bear world leading expertise to address development challenges and engage more deeply with the emerging and frontier markets.
- DIT will maintain the integrity of government ODA spend by complying with the internationally-agreed rules on how ODA is spent and by complying with domestic legislation such as the International Development Act 2002 and objectives as set out in the UK Aid Strategy (2015) to use ODA to strengthen global peace, security and governance and promote global prosperity. ODA spend will also allow DIT to align more closely with wider foreign policy priorities of the Government and to allow a greater focus on Fragile and Conflict Affected States to help tackle the underlying causes of global instability.
- DIT will ensure the UK maintains an effective and rigorous system of export controls for military and dual use items as the UK leaves the EU. The Government will publish its Annual Report on Strategic Export Controls for 2018 later in July this year.

DIT's IMPACT:

DIT is playing a leadership role in increasing intra-Commonwealth trade by co-leading with South Africa part of the Commonwealth Connectivity Agenda on Trade & Investment. This provides Commonwealth countries with the opportunity to engage in structured dialogue on the opportunities and disruptive effects of digital and digitisation to support inclusive growth and development in the Commonwealth and drive intra-Commonwealth trade.

The Commonwealth Connectivity Agenda on Trade & Investment is well-placed for DIT to champion Global Britain across a number of priority areas, including:

- A platform to demonstrate UK's willingness to strengthen Commonwealth ties post-EU Exit, particularly as the current Commonwealth Chair-in-Office – with potential to run communications around attendance and hold a press conference to maximise reach and impact.
- An opportunity to set high ambition for cluster outcomes ahead of the Commonwealth Trade Ministers meeting, which the Secretary of State is chairing in October, and leading up to the Commonwealth Heads of Government Meeting (CHOGM) 2020.
- A chance to demonstrate UK leadership on digital trade and UK commitment to bringing developing countries into the conversation, with important gains to be made from this in other multilateral fora such as the WTO.

A substantial number of Commonwealth countries are expected to participate. This will enable us help deliver one of our Global Britain ambitions to be a global leader in digital trade, an area of increasing strategic importance as we leave the EU.

GREAT Britain campaign

The GREAT Britain campaign, which encourages the world to visit, study in and do business with the UK, was launched in 2012 to capitalise on the excitement and interest generated by the Diamond Jubilee and London Olympics and Paralympics. In the UK, the campaign is helping British companies to export for the first time and expand into new markets. In 2018, the campaign supported over 1,400 separate events and activities in around 200 locations worldwide.

The GREAT Britain campaign remains active in 144 countries. Over the past year the campaign has supported several major national and international events including the Commonwealth Heads of Government (London), International Festival of Business (Liverpool), the China International Import Expo (Shanghai) and the World Economic Forum in Davos (Switzerland).

Through the ‘GREAT International Trade’ campaign, DIT promotes the UK brand abroad and showcases the UK’s strengths to international buyers. DIT encourages businesses to start exporting or export more by running the ‘Exporting is GREAT’ campaign. The campaign raises awareness among UK businesses about how exporting can help firms grow and of the export support available.

The Exporting is GREAT campaign is changing UK business behaviours to encourage selling overseas and it is estimated that up to 130,000 companies have taken action to export more or start exporting as a result of interacting with the campaign and great.gov.uk. DIT’s provision and development of the free online great.gov.uk platform enables international buyers to connect with UK businesses, which is complemented by meet-the-buyer events, networking receptions, product launches and targeted campaigns.

The GREAT Britain campaign unites the efforts of all government departments and the private sector to showcase the best of what the UK has to offer in order to encourage new visitors, businesses and investors to the UK, growing demand for British goods and attracting new investment into the UK.

Export licences

The UK’s export licencing system aims to support responsible trade. Export controls help ensure that goods exported from the UK do not contribute to the harmful proliferation of weapons of mass destruction or conventional weapons and are not used for internal repression or to commit violations of international humanitarian law. They protect the UK’s security and the UK’s expertise by restricting who has access to sensitive technologies and capabilities. They are also the means by which the UK implements a range of commitments like those resulting from EU or United Nations trade sanctions or arms embargoes, and the Arms Trade Treaty.

- Proportion of SIELs processed within 20 working days in 2018: **83%** (from 83% in 2017)
- Proportion of SIELs processed within 60 working days in 2018: **96%** (from 98% in 2017)

Methodology and production

The Export Control Joint Unit sets out the Government’s commitments to exporters in a Service and Performance Code. The performance targets are to decide on 70% of applications for Standard Individual Export Licences (SIELs) within 20 working days, and 99% within 60 working days. The targets apply as soon as the applicant has supplied the full documentation necessary to support their application.

Accuracy and definitions

SIELs allow shipments of specified items to a specified consignee up to a quantity specified in the licence. If the export will be permanent, SIELs are generally valid for two years or until the quantity specified has been exported, whichever occurs first. If an export is temporary, for example for the purposes of demonstration, trial or evaluation, a SIEL is generally valid for one year only and the items must be returned to the UK before the licence expires.

Coherence and comparability

The methodology for reporting processing rates has remained consistent since 2015.

UK Anti-corruption Strategy

The cross-government UK Anti-corruption Strategy was published in December 2017 and the Department continues to work to fulfil its commitments, which are in partnership with businesses and other government departments. These goals include reducing the impact of corruption on trade and investment internationally by considering, as the UK develops its position as an independent trading nation, how transparency and anti-corruption can best be supported through bilateral and regional trade dialogues and trading agreements.

The Department is also working towards ensuring that DIT communications, relevant campaigns and other economic diplomacy initiatives highlight the commercial and reputational advantage of trading with integrity. This is delivered through DIT campaigns, which reinforce the competitive advantage the UK gains through a secure and trustworthy trading and business environment.

We continue to strengthen our outreach to companies to support integrity in business. Businesses can now access anti-corruption services tailored to the needs of exporters on great.gov.uk, which also highlights work to combat bribery, human rights violations and modern slavery.

Objective 5

Build DIT as an effective international economic department where our people are expert, enterprising, engaged and inclusive

The 2018 DIT Champion Awards nominees and the category sponsors with the Secretary of State and Minister Stuart.

DIT continues to transform how it operates to ensure that we have the right capability and support services to deliver DIT's objectives.

In November 2018, DIT launched a new Communications and Marketing strategy following the merger of previously separate Communications and Marketing directorates, ensuring activity in this area remains focussed on the Department's core objectives. We have also sharpened the focus of our digital, data and technology team to ensure that DIT is able to offer high quality support to businesses in the UK and overseas, and those businesses are able to take full advantage of global opportunities as the UK leaves the EU.

Throughout 2018-19, DIT analysts led on a number of Joint Trade Reviews (with Brazil, China and India), which provided an evidence-based assessment of UK bilateral trade and identified opportunities to increase trade reflected in progress on market access at Joint Economic and Trade Committees (JETCOs). DIT hosted a Future of Global Trade expert forum in June 2018 to advance thinking on the impact of digital technology and services on global trade, economic development, consumption and production, firmly showcasing DIT as a thought leader in international trade. Analysts also provided evidence to inform the UK's trade remedies system and development of the new Market Access Digital Service.

In August 2018, DIT published for the first time an analysis estimating the economic impact of FDI in Great Britain. The econometric analysis paved the way for a new economic impact based approach for FDI promotion. The analysis has been widely praised for worldwide dissemination by multilateral institutions as an important tool for governments to improve the effectiveness of their efforts in attracting good quality FDI. DIT analysts presented the findings at the UN's biennial World Investment Forum and at a Regional Policy Conference organised by Inter-American Development Bank.

DIT also approved a three year strategy for the Digital, Data and Technology Directorate. This set the direction for supporting the Department to deliver innovative and transformative services that support businesses in the UK and overseas, and ensure those businesses are able to take full advantage of global opportunities as the UK leaves the EU. Key deliverables in 2018-19 that support delivery of the strategy include: multiple products and services that support preparedness for EU Exit (such as the new Free Trade Agreement and Trade disputes tools); development of great.gov.uk (including a new content management system, improved export opportunities service and new promotional market guides); and development of data hub (including exporters propensity algorithm, improved data quality, an investment pipeline tool).

A crucial part of ensuring sustainable delivery has been ensuring we have the right structure and leadership team in the Department. We now have a complete Executive Committee in place to provide strengthened senior leadership, with a number of new senior leaders joining the Department during 2018-19:

- Director General, Exports (John Mahon) – started in April 2018;
- Director General, Investment (Mark Slaughter) – started in June 2018;
- A full complement of nine HMTCs in place now that the final four are appointed: Emma Wade-Smith (Africa – started in June 2018); Andrew Mitchell (Europe – started in July 2018); Simon Penney (Middle East, Afghanistan & Pakistan – started in July 2018); and Natalie Black (Asia Pacific – started in September 2018).

DIT has also continued to focus on the learning offer in the Department and has delivered capability programmes for staff at all levels, including building leadership capability through a director programme for Senior Civil Servants at pay band 2. An ongoing priority for DIT has been building line manager capability and we have addressed this through our New Line Manager and Experienced Line Manager programmes.

In addition, we have delivered a range of masterclasses and workshops for line managers to support the new Performance Management approach introduced at the start of the 2018-19 performance year.

We have delivered a Working in Government Programme working with the Policy Head of Profession and have developed and enhanced core functional capabilities across a range of corporate services. This includes establishing a leading Whitehall commercial function, aligning to government operating standards, and an analyst function that is developing a strong base of evidence and analysis to support UK prosperity and growth. We also continue to work with the FCO's Trade Policy & Negotiation Faculty to build on our trade capability offer and further develop the Civil Service Profession on International Trade.

People Survey

An ongoing priority for DIT has been the engagement of our staff and how we continue to embed the changes and interventions developed under our People Plan. The Civil Service People Survey is a standardised questionnaire which all staff working in participating departments are invited to complete. The framework underpinning the analysis of the Survey is based on understanding the levels of employee engagement within the Civil Service and the experiences of work which influence engagement. The main measures used to talk about the nine engagement themes are the 'theme scores', which is the average percentage of positive responses to the theme's constituent questions.

DIT's 2018 People Survey saw a further increase in engagement scores, with an increase of one percentage point to the overall engagement score, to 64%. This is two percentage points higher than the Civil Service benchmark.

The continued improvement in our People Survey scores reflects the ongoing focus on interventions to ensure DIT is a great place to work as part of the People Plan, and the embedding of the One DIT culture. Alongside the improvement to the overall engagement index, there were also increases to many of the engagement themes, with the most noticeable being around Learning and Development and Resources and Workload.

The survey did also highlight areas where further focus is needed. For example, the scores on the index measuring a respondent's feelings regarding their pay and benefits saw a slight reduction (to 24%) and further work is needed to embed score improvements relating to inclusion and fair treatment. These will feed into the ongoing work of the People Plan. Overall, the survey provided evidence of progress and reflected a number of views from across the had a completion rate of 89%.

69%
Resources and workload - a 4 percentage point increase on 2017-18 results

50%
Leadership and managing change - a 2 percentage point increase on 2017-18 results

64%
increase in Engagement score - a 1 percentage point increase on last year and 2 percentage points higher than the Civil Service average

86%
Organisational objectives and purpose – a 2 percentage point increase on 2017-18 results

55%
Learning and development – a 4 percentage point increase on 2017-18 results

82%
of people said they were treated fairly at work - a 2 percentage point increase on 2017-18 results

People Plan

To support the ongoing focus and priority given to staff engagement, the Department's People Plan has been refreshed. The People Plan is the Department's roadmap to making DIT an outstanding place to work. It builds on, and reflects, the feedback from the People Survey each year, to ensure we focus on the areas that matter most to our people.

As part of the People Plan we will continue to focus on embedding the One DIT culture across the organisation, ensuring our managers are equipped and supported to hold high quality conversations, and make sure we attract, retain and develop the very best talent while working to engage the whole workforce. An overarching focus, and as a core part of the Department's internal identity, embedding the DIT Spirit will focus on our vision, mission and values.

As part of the Learning and Skills strand of the People Plan, we have also focused on building Trade Capability in DIT and across government. We have developed a rich and accelerated programme of training jointly with the FCO's Trade Policy & Negotiation Faculty, building a range of skills required to negotiate trade agreements and operate trade functions (remedies and disputes). We also have a programme of trade negotiation training for those expected to be in front-line negotiating teams. We continue to work with world-leading trade organisations and experts to train our staff, including events with international speakers. We are also building capability and managing talent for the future: in May 2018, we launched the International Trade Profession across government, which seeks to attract, build and retain those wishing to anchor their career in trade. It now has over 2,700 members signed up from 25 government departments and Arm's Length Bodies.

DIT Spirit

▲ **Expert:**
We strive for brilliance in every role, projecting confidence in everything we do.

■ **Enterprising:**
We are commercially savvy, exhibiting willingness to undertake difficult projects and innovative in how we work and address challenges.

● **Engaged and Inclusive:**
We treat everyone openly, fairly and equally, and we collaborate proactively with a can-do attitude, inspiring others to want to engage with us.

Equality, Diversity and Inclusion

DIT is committed to ensuring that the benefits of trade are felt by both citizens and businesses around the whole of the UK. DIT also seeks to promote equality more widely in its core policy work, for example delivering on the UK's commitment to take a gender-responsive approach to trade. In July 2018, the Executive Committee agreed to deliver this commitment through gender mainstreaming, a strategy which promotes equality and combats discrimination through using gender perspectives in the development of legislation, public policies, programmes and projects. It agreed to further provide for the development of data, research and analysis on gender to enable more evidence-based policy making and delivery. The Executive Committee also agreed to build capability across the Department more widely to ensure the gender implications of individual teams' work can be effectively considered. As the UK leaves the EU, we will ensure that our independent trade policy is gender responsive and DIT will actively seek to increase the role of women in trade and support female exporters and importers in particular.

As part of our own broader culture that we want to build, DIT has an aspiration of being the most inclusive Department by 2020. To help achieve this we have implemented a Diversity and Inclusion Action Plan, in line with the Civil Service Diversity and Inclusion Strategy. This covers five strands: Enabling, Recruitment, Our Talent, Leadership, Engaged and Inclusive. DIT is also investing in building the diversity of our talent pipelines and have engaged with a range of the corporate talent schemes such as the Future Leaders Scheme and Senior Leaders Scheme, as well as early talent schemes, including Fast Stream, Apprenticeships and Positive Action Pathways.

Teams across DIT have also made a continued effort to improve on self-reporting on diversity, which has increased from 35% to 64% with the aim to increase to a minimum of 70%.

- Diversity declaration rate: **64%**
- Ethnicity: BAME **(15%)**; White **(49%)**; Prefer not to say **(3%)**; Not reported **(33%)**
- Sexual orientation: LGBT+ **(6%)**; Heterosexual **(54%)**; Prefer not to say **(6%)**; Not reported **(35%)**
- Religion or belief: Religion/Belief reported **(47%)**; No religion **(11%)**; Prefer not to say **(5%)**; Not reported **(36%)**
- Disability: Yes **(7%)**; No **(52%)**; Prefer not to say **(3%)**; Not reported **(38%)**

The above diversity data (representation and declaration rates) are as at 31 March 2019 and only include staff who are able and expected to self-report on official Enterprise Resource Planning systems - therefore Fast Streamers on Cabinet Office payroll, contractors and Local Staff working overseas are not included. Figures may not sum to 100% due to rounding.

Our Diversity Networks

Faith Group

Parents Group

Cross Diversity & Inclusion Network

EU Nationals Network

Social Mobility Network

DIT and UKEF LGBT+ Network

Mental Health and Wellbeing Group

Neurodiversity Network

BAME Network

Disability Network

DIT Women

Generation Network

Information management

DIT is committed to the high standards of openness and transparency expected of a government department and continues to work on improving its performance in responding to requests for information from the public as well as Members of Parliament.

The Department has successfully improved its performance in responding to Freedom of Information (FOI) requests. In the last half of 2018, the Department met the statutory standard of 90% of cases answered on time with justified extensions, and we continue to build the Department's awareness and capability in relation to FOI to ensure this performance is sustained.

- Total number of Written Parliamentary Questions received in 2018-19: **846** (**0.4% increase** from 2017-18).
- Proportion of Written Parliamentary Questions answered on time in 2018-19: **81%** (**2.3 percentage point decrease** from 2017-18).[15]
- Total number of Ministerial correspondence received in 2018-19: **1,852** (**3.2% decrease** from 2017-18).
- Proportion of Ministerial correspondence answered on time in 2018-19: **80%** (**2.1 percentage point increase** from 2017-18).[16]
- Total number of FOI requests received in 2018-19: **449** (**13.0% decrease** from 2017-18) excluding requests that were on-hold or had lapsed.[17]
- FOI requests answered on time in 2018-19: **82%** (**15.5 percentage point increase** from 2017-18) including those with permitted extensions.[18]

Going Concern

In common with other government departments, the financing of the Department's future service provision and liabilities is to be met by future grants of supply and the application of future income approved annually by Parliament. Approval for amounts required for 2019-20 was given by Parliament on 9 May 2019 and there is no reason to believe that future approvals will not be made. It has accordingly been considered appropriate to adopt the going concern basis for the preparation of these Financial Statements.

15 The deadline to respond to a Named Day question is three working days, the deadline to respond to an ordinary written House of Commons question is five working days, the deadline to respond to a House of Lords written question is 10 working days.

16 The deadline to respond to Ministerial correspondence is 15 working days.

17 Figures are based on official statistics published by Cabinet Office.

18 Source: Cabinet Office Freedom of Information Statistics: https://www.gov.uk/government/statistics/freedom-of-information-statistics-january-to-march-2018. The deadline to respond to a FOI request is 20 working days, unless the request is subject to a permitted deadline extension.

Sustainability Report

Introduction and scope

DIT is committed to sustainable development. This is reflected in the Department's policy making, facilities management and procurement of goods and services.

The sustainable development aims are linked to three categories.

Category	Icon	Aim
Economic		We aim to achieve high and sustainable levels of employment to support economic growth.
Social		We aim to recognise the needs of everyone and support those with complex barriers to turn their lives around for the better.
Environmental		We aim to make prudent use of natural resources to help protect the environment.

Under the Greening Government Commitments (GGC), DIT monitors and then reports quarterly to the Department for Environment, Food and Rural Affairs (DEFRA) (who publish the government wide GGC report) on its sustainability and Greenhouse Gas emissions as required. This enables DIT to monitor its sustainability performance and make changes if issues are identified. DIT also reports on its Whitehall complex and its share of FCO's buildings. DIT's sustainability reporting is provided by the Sustainability Team at the Ministry of Justice (MoJ).

The Department's overseas posts are controlled and managed on its behalf by the FCO. The FCO has a specific role in promoting global action on climate change and attaches importance to reducing the environmental impact of its own operations.

In line with its Diplomacy 20:20 programme, the FCO is working to deliver a cost effective, environmentally efficient department. More information on this can be found in the Sustainability Report that forms part of the FCO's Annual Report and Accounts.

Data quality

All data is UK only, information on our overseas estates is included in the FCO's Annual Report and Accounts. Our sustainability data has been externally validated by Arcadis and Carbon Smart and our GGC data externally assured by the Building Research Establishment (BRE) on behalf of DEFRA.

The greenhouse gas conversion factors used can be found in the Government environmental impact reporting requirements for business.[19]

Staff engagement and learning

The Department has taken active steps to help improve staff understanding of sustainability issues. Events highlighting the replacement of single use plastics with compostable or recyclable alternatives, and improvements to signage to support better recycling, have taken place during the year. The Building User Group, which has representatives from across the Department, has continued to play an active part in supporting DIT's sustainability activities. This feeds in to the DIT Green Group, which was launched during 2018-19 with at least 70 members from across the Department. This Group is working to raise awareness of environmental issues and help the Department deliver even greater improvements and contribute towards meeting out GGC targets.

19 https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2018

Sustainability performance

Initiative		Activity in 2018-19
Greening Government Commitments		The Greening Government Commitments (GGCs) set out the actions government departments and their agencies will take to reduce their impacts on the environment in the period 2016 to 2020. Targets are set and performance measured against a 2009-10 baseline. Although DIT does not have a 2009-10 baseline and is a growing department, we have agreed with DEFRA to report and explain our performance in all the GGC areas.
Sustainable Procurement		DIT's procurement team uses the relevant Crown Commercial Service framework to ensure that contracted companies have met procurement policy standards, including the Government Buying Standards. Food provided in our catering outlets is local and in season, where possible. We buy food from farming systems that minimise harm to the environment, such as produce certified by Linking Environment and Farming (LEAF) or the Soil Association, and a sustainable variety of fish and seafood endorsed by the Marine Stewardess Council. We also offer fairly traded and ethically sourced products. We are reducing the amount of foods of animal origin eaten, as livestock farming is one of the most significant contributors to climate change, and ensure that meat, dairy products and eggs are produced to high environmental and animal welfare standards. The Department is also reducing the amount of palm oil used and ensures that what is used is sustainably sourced.
Biodiversity		The Department's estate comprises mainly of buildings with little outside space and limited opportunity to enhance the natural environment.
Rural Proofing		Rural proofing assesses the impacts of policy in rural areas to ensure fair outcomes for rural communities. DIT's impact assessments capture a wide range of social, environmental and economic impacts and are evaluated before policies are implemented. DIT works with DEFRA to understand the impact on the environment and rural areas.
Climate Change Adaptation		Climate resilient designs are incorporated in retrofit projects and new builds. In addition, robust business continuity plans are in place to manage occurrences of extreme weather events.
Sustainable Construction		The Department is committed to achieving the excellent/very good standard in Building Research Establishment Environmental Assessment Method (BREEAM) for new builds or major refurbishment in line with the Government Buying Standards; however, there were no such projects carried out in 2018-19.

Greening Government Commitments

Overall GGC Performance 2018-19

DIT is committed to operating our estate in a resource efficient manner to minimise our environmental impact and maximise value for money. Performance is measured against the baseline established in 2017-18, DIT's first full financial year of operation. DIT aims to reduce its environmental impact where feasible. Specific initiatives in 2018-19 included:

- Earth Hour participation to demonstrate our commitment to reducing energy use and carbon, and raising awareness amongst staff;
- Events to promote recycling and better waste management to staff; and
- Floor closures over the Christmas and New Year period to save energy and carbon.

Greenhouse gases

Greenhouse gases and financial costs 2018-19

DIT's overarching sustainability principle is to operate a lower carbon, more resource efficient estate thereby helping meet our environmental obligations whilst also significantly reducing operating costs. DIT's headquarters at 3 Whitehall Place has benefited from previous investment in energy and carbon saving plant equipment, such as a dedicated small IT chiller and LED lighting. DIT is working with the Facilities Management provider to seek out opportunities for further improving the efficiency of the Whitehall complex.

Greenhouse gas (GHG) emissions		2018-19	2017-18
Non-financial indicators (tCO2e)	Total Gross Scope 1 (Direct) GHG emissions	98	89
	Total Gross Scope 2 (Energy indirect) emissions	614	659
	Total Gross Scope 3 (Official business travel) emissions	318	324[20]
	Total emissions - Scope 1, 2 & 3	**1,030**	**1,072**
Non-financial indicators (MWh)	Electricity: non-renewable	0	0
	Electricity: renewable	1,894	1,766
	Gas	531	483
	Other energy sources	177	144
	Total energy	**2,602**	**2,393**
Financial indicators (£000)	Expenditure on energy	249	181
	CRC Expenditure	n/a	n/a
	Expenditure on official UK business travel excluding domestic air travel	1,670	1,439[21]
	Expenditure on domestic air travel	552	612
	Total expenditure on energy and business travel	**2,471**	**2,232**

20 Emissions indicators have been restated to reflect additional data being made available subsequent to the publishing of the Annual Report and Accounts 2017-18. It was originally reported that DIT's Scope 3 emissions were 249 tCO_2e, with overall emissions therefore reported as 997 tCO_2e.

21 Travel data has been restated to reflect UK only travel (in line with the Scope 3 emissions reporting).

Travel

Domestic flights 2018-19

Domestic air travel	2018-19	2017-18
Number of flights where both departure and arrival were within the UK	1,178	1,167[22]

DIT will seek to reduce our overall business-related travel emissions by increasing the use of video conferencing and smarter and more flexible working. We encourage sustainable travel options such as rail, where travel is unavoidable. However, DIT's remit on international trade inevitably requires some unavoidable international air travel which forms a significant part of our carbon footprint.

Waste

Waste production and financial costs 2018-19

Waste			2018-19	2017-18
Non-financial indicators (tonnes)	Hazardous waste		0	0
	Non-hazardous waste	Landfill	1	1
		Reused / recycled	70	69
	Incinerated with energy from waste		26	27
	Incinerated without energy recovery		0	0
	Total waste		**97**	**97**

DIT has achieved a rate of fewer than 1% waste sent to landfill, comfortably exceeding the 10% 2020 GGC target. Our recycling rates stand at 73%. We introduced new bins for compostable items and simplified waste signage in 2018-19. The data relates to buildings where waste is collected by our contractors and not where the service is provided by a landlord and re-charged through a service charge.

Water

Water consumption and financial costs 2018-19

Water		2018-19	2017-18
Non-financial indicators	Total water consumption (m^3)	14,998	14,211
Financial indicators	Total water supply costs (£000)	20	21

Despite an increase in water usage in 2018-19 compared to the previous year, improvements have been made by incorporating water efficiency into project specifications and our Facilities Management contract. DIT plans to engage with staff to raise awareness of water usage and bring about behaviour change to reduce water usage in future.

Consumer Single Use Plastics

DIT is committed to removing consumer (avoidable) single use plastics (CSUPs) from its office estate by 2020 in line with the Government's pledges in the 25 Year Environment Plan[23] and Resources and Waste Strategy[24]. DIT has already achieved the removal of almost all catering CSUP from our sites with catering facilities.

22 The number of domestic flights taken in 2017-18 have been restated to reflect additional data being made available subsequent to the publishing of the Annual Report and Accounts 2017-18. The figure originally reported was 535.
23 https://www.gov.uk/government/publications/25-year-environment-plan
24 https://www.gov.uk/government/publications/resources-and-waste-strategy-for-england

Financial Review

This Financial Review records information on the use of resources voted by Parliament directly to DIT via the Supply Estimates process. Prior year comparatives are provided in brackets.

The Department's Financial Statements for the year to 31 March 2019 are detailed from pages 134 to 156, and the Statement of Parliamentary Supply with associated schedules on pages 122 to 126.

Funding for the year 2018-19

As with other Ministerial Government Departments, operations are almost entirely funded by an Exchequer grant, voted by Parliament by means of the Department's submission of expenditure 'Estimates' which have been agreed by HMT. In the Accounts, the grant is shown as 'From the Consolidated Fund (Supply)'. This is a cash payment and is therefore the net effect of the capital and resource expenditure for the year, with adjustments for non-cash items, such as depreciation, and for balance sheet movements.

The Department's budget is separated into:

- Resource Departmental Expenditure Limit (Resource DEL) for current expenditure such as staff pay, purchase of goods and services and depreciation;
- Capital Departmental Expenditure Limit (Capital DEL) for new investment in assets, including digital assets; and
- Resource Annually Managed Expenditure (AME) for costs that may be unpredictable such as provisions.

The Department received additional EU Exit funding of £76.9 million from the Treasury Reserve in 2018-19, comprising £66.9m Resource DEL and £10.0m Capital DEL. The Department has used this funding to make sure it is ready on day one of EU Exit and to make preparations for an independent international trading framework for the UK that will maximise global trade and investment opportunities. Funds have also been deployed to provide additional resourcing and capability in strategy, communications, project management and corporate services to support trade policy and other EU Exit related work.

Outturn for the year

Total Resource DEL, Capital DEL and AME actual outturns against budget are set out below.

Budget	Budget £000	Actual £000	Variance £000
Resource DEL:			
Administration	125,030	118,201	6,829
Programme	296,678	292,521	4,157
Total Resource DEL	**421,708**	**410,722**	**10,986**
Capital	19,295	17,329	1,966
Total DEL (Voted)	**441,003**	**428,051**	**12,952**
Resource AME	3,000	690	2,310
TOTAL MANAGED BUDGET	**444,003**	**428,741**	**15,262**

The administration budget within Resource DEL funds the Corporate Services functions of the Department, the Global Strategy, Ministerial Strategy and EU Exit Directorates, and the policy work of Trade Policy Group. All other activity is classified as programme.

All three main categories of spend were within the control totals – Resource DEL by £11.0m, Capital DEL by £2.0m and AME by £2.3m. This is also confirmed in the tables in the Statement of Parliamentary Supply and associated notes on pages 122 to 126. The sections below provide an analysis of Resource DEL and Capital DEL actual expenditure against budget.

Resource DEL expenditure

The table below shows the Department's Resource DEL actual expenditure against budget for the year by business group.

Business Group	Budget £m	Actual £m	Variance £m
Global Trade and Investment	180.7	180.1	0.6
Overseas Platform	51.4	52.9	(1.5)
Trade Policy Group	55.0	52.0	3.0
Digital, Data and Technology	19.8	20.2	(0.4)
Estates	19.8	18.0	1.8
Other Corporate Services	30.1	27.6	2.5
Global Strategy, Ministerial Strategy and EU Exit Directorates	20.9	17.8	3.1
GREAT Britain campaign	3.1	3.0	0.1
Centrally Managed Resources	0.7	1.1	(0.4)
Communications and Marketing	40.2	38.0	2.2
TOTAL	**421.7**	**410.7**	**11.0**

In 2018-19, the Department's Resource DEL expenditure was £410.7m (2017-18: £380.7m), resulting in an overall underspend of £11.0m. The underspend resulted from slower than anticipated recruitment, postponement of some activities due to delays in EU Exit and delivery efficiencies, for example, restructuring in the overseas network was delivered at a lower than budgeted cost.

Capital DEL expenditure

DIT's capital expenditure was £17.3m (2017-18: £15.8m) against a budget of £19.3m. The majority of capital expenditure was incurred in the creation of digital assets to support UK business through EU Exit and beyond as well as capital improvements to DIT's estate and new IT assets as the staff numbers increase.

Technical Ministerial Direction

As identified in the Annual Report and Accounts for 2017-18, the Department operated under a technical Ministerial Direction for up to £8.9m of expenditure to establish the Trade Remedies Authority. The expenditure was closely monitored on a monthly basis and before the limit was reached. Statutory Instruments 2019: 449 and 450 brought the activities into the Department as the Trade Remedies Investigations Directorate.

Leasehold property revaluation

On 31 March 2018, the Department received the leasehold of 55 Whitehall from the Department for Business, Energy and Industrial Strategy (BEIS). As the Department paid no consideration for the transfer of the building, the transfer was at the net book value in BEIS' Accounts (£10.6m) and capital grant in kind income was recognised in the Statement of Comprehensive Net Expenditure.

In February 2019, the Department received a professional valuation from Avison Young which provided a revised value of £15.5m. This increase has been recognised in the Statement of Financial Position and will result in a small increase in depreciation in the year and in subsequent years. The valuation will be reviewed on an annual basis and a full professional revaluation will be undertaken every five years.

As this is a donated asset, HMT Consolidated Budgeting Guidance requires the Department to score the depreciation charge to Annually Managed Expenditure.

Income received

The Department received £37.3m (2017-18: £34.2m) of income in 2018-19, £31.1m of this income was from the Government-to-Government agreement on assistance with the 2019 Lima Pan-American Games. Other income sources included charges to other government departments, charges for events, sponsorship and the Overseas Market Introduction Service.

Statement of Financial Position

The Department's net liabilities at 31 March 2019 totalled £37.4m, a decrease of £32.3m on the position at 31 March 2018. The main changes in the Department's Statement of Financial Position were:

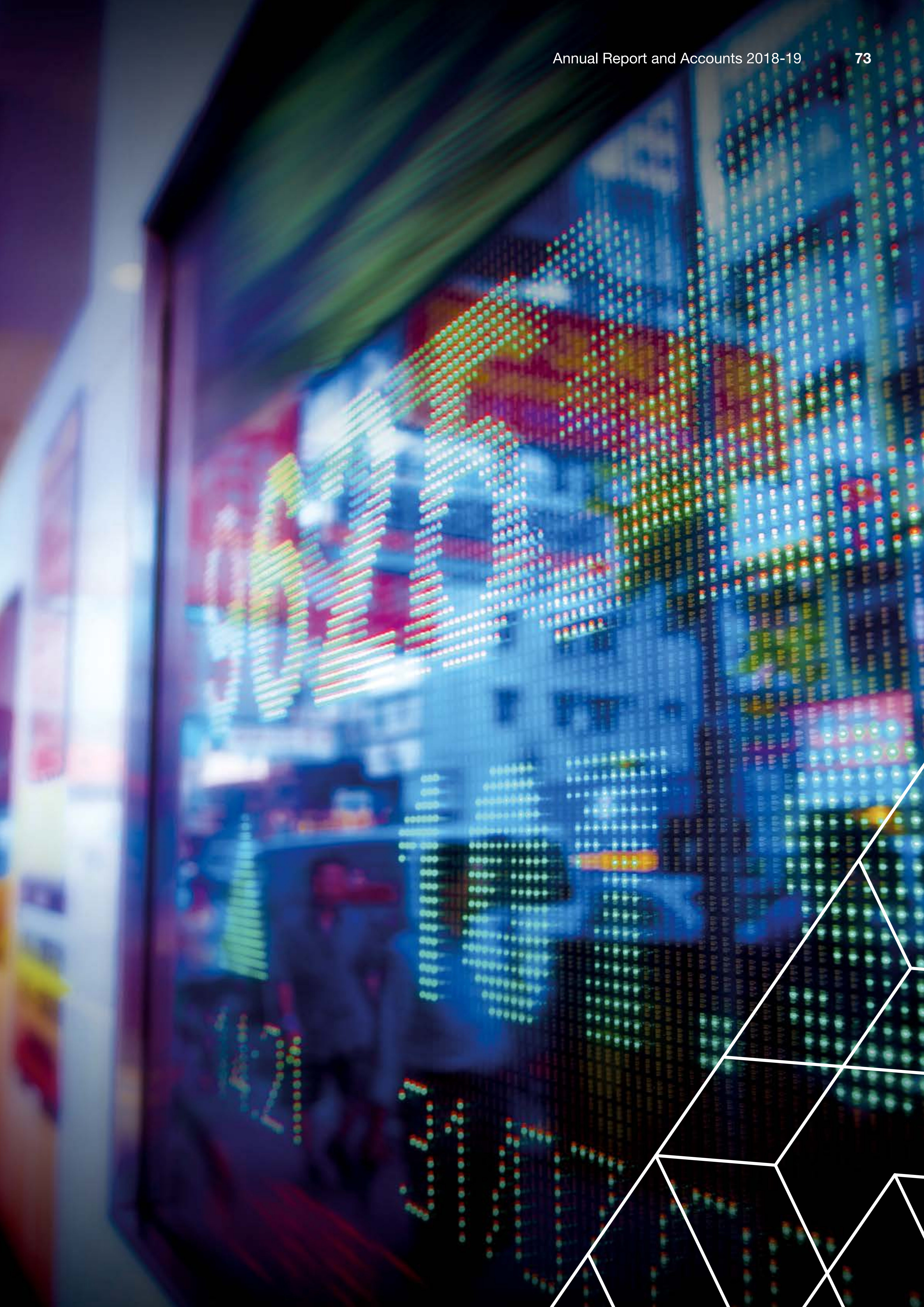
- £6.0m uplift on the revaluation of 55 Whitehall;
- £12.3m additional digital assets, which is offset by £2.7m of amortisation charged in the year;
- £21.3m reduction in 'unspent' cash, which is offset by a matching reduction in the Supply creditor in payables;
- £14.0m reduction in the contract liability for the 2019 Lima Pan-American Games as work was completed against cash received in advance in 2017-18; and
- £2.9m reduction in the amounts owed to BEIS for staff and related costs.

Budget for 2019-20

The budget for the Department in 2019-20 has been agreed at the Main Estimate as £505.7m – consisting of £488.3m Resource DEL, £14.4m Capital DEL and £3.0m Resource AME. The 2019-20 year-end budget position for the Department after Supplementary Estimate is expected to be £514.7m. This includes assumptions about transfers from other government departments that are not yet confirmed.

Further details, including historic UK Trade & Investment outturn from 2014-15, prior to the Department's formation in 2016, are included in the Core Tables at Annex B.

Antonia Romeo
Accounting Officer
8 July 2019



Accountability Report

Corporate Governance Report

Simon Walker CBE

Lead Non-Executive Board Member

Lead Non-Executive's report

The Board has continued to demonstrate strong leadership, and as the UK moves into a new world of opportunities and challenges, I have confidence that the Department's Board and leadership has the commitment, diligence and capability to deliver.

The third year of the Department's operations has seen a decided focus on preparations for EU Exit and for the possibility of a no-deal departure. Naturally, EU Exit preparedness has been a priority for the Board, which has been reflected in monthly update discussions, including the addition of an extra Board meeting in December to ensure readiness. The Non-Executives were impressed with the level of the preparations and the work of the teams across the Department. While an exit without agreement did not materialise on 29 March 2019, the activities undertaken in the year were a vital part of preparation for this country's trade future and has been critical in shaping the Department to deliver global trade and investment. It has been a privilege to be a part of this process.

Alongside the contingency preparations for EU Exit, the Department has continued to deliver business as usual. The Board has discussed a range of topics across the trade and investment agenda and continued to receive detailed updates and forecasts from Her Majesty's Trade Commissioners on overseas regions, and this year we have begun to have standalone discussions with individual sector leads to overlay a sectoral view. These discussions, covering six clusters of activity closely related to the Government's Industrial Strategy, will continue to drive alignment to enable DIT to drive focused international trade and investment.

I am also carrying out a review of the Department's sector teams to ensure they are best serving businesses and the wider community.

The Board welcomed Minister of State, George Hollingbery MP, who joined the Board in June 2018 to oversee Trade Policy. Two new Directors General for Exports and Investment also joined the Board during the year.

In May 2019, Non-Executive Pippa Malmgren stood down from the Departmental Board. I would like to express my gratitude for the unique trade and economic insight Pippa brought over her tenure as a Non-Executive Board Member. The Department continues to benefit from the support of our remaining Non-Executive team: Julie Currie, who as Chair, has led the work of the Audit and Risk Assurance Committee, and Noël Harwerth, Chair of UK Export Finance. In June 2019, Sir Stephen O'Brien was appointed as a new Non-Executive Board Member. I chair the Nominations and Governance Committee.

As Lead Non-Executive, I have monthly bilateral meetings with the Permanent Secretary. The Non-Executive team also has regular meetings with the Permanent Secretary to challenge and support the Department's agenda. We have contributed to regular business planning and the development of the Single Departmental Plan which will be critical in advance of a cross-government Spending Review.

As a group we have closely monitored people-related plans, including the trade faculty, undertaken a deep dive on information security - always important but vital as trade negotiations get underway - endorsed the Export Strategy, and supported the Department's engagement with the devolved administrations so that DIT delivers for the whole of the UK.

Joined-up government remains important, and we have continued to contribute to the cross-Whitehall network of Non-Executives meeting frequently with colleagues from the other international-facing departments.

Thank you to my fellow Board Members, the Secretary of State and DIT Ministers and, in particular, the dedicated officials led by the Permanent Secretary who are working so hard for the UK.

Simon Walker CBE
Lead Non-Executive Board Member

Ministers and Departmental Board Members

Ministers

The Rt Hon Dr Liam Fox MP

Secretary of State for International Trade, and President of the Board of Trade

The Secretary of State for International Trade and President of the Board of Trade has overall responsibility for the business of the Department. The Secretary of State is the Departmental lead on trade and investment promotion in the defence and security sector and is the Chair of the Departmental Board.

Baroness Fairhead

Minister of State for Trade and Export Promotion (Baroness Fairhead stepped down on 2 May 2019)

The Minister of State for Trade and Export Promotion leads on the promotion of UK goods and services abroad to ensure that UK-based companies succeed in the global economy. The Minister's responsibilities include policy on export promotion, including increasing productivity and ensuring export promotion aligns with the UK's new trade policy, UK Export Finance (UKEF), UK regional delivery of trade promotion activity, the GREAT Britain campaign, strategic relationships with UK export companies, and all of the departmental business in the House of Lords.

George Hollingbery MP

Minister of State for Trade Policy (from 21 June 2018, previously the Rt Hon Greg Hands MP)

The Minister of State for Trade Policy has responsibility for the Trade Policy Group, which leads for the Department on developing, coordinating and delivering a new trade policy. The Minister's responsibilities include trading agreements and arrangements with other countries, UK engagement with the World Trade Organization, ongoing EU trade business while the UK remains a member of the EU and trade remedies.

Graham Stuart MP

Parliamentary Under Secretary of State for Investment

The Parliamentary Under Secretary of State for Investment has responsibility for investment, which includes inward and outward Foreign Direct Investment, investment promotion across all sectors, delivery of trade and investment promotion through overseas partners, the Export Control Organisation (ECO) and Official Development Assistance (ODA).

Departmental Board

Executives

Antonia Romeo

Permanent Secretary

The Permanent Secretary is responsible for leading the Department and is the Secretary of State's principal policy adviser.

Crawford Falconer

Chief Trade Negotiation Adviser and Second Permanent Secretary

The Chief Trade Negotiation Adviser and Second Permanent Secretary oversees the trade policy and negotiation agenda for the Department for International Trade and supports the Permanent Secretary in running the Department.

John Alty

Director General of Trade Policy

The Director General of Trade Policy is responsible for leading the Department's work to deliver an independent trade policy for the UK.

Catherine Vaughan

Director General, Chief Operating Officer

The Director General, Chief Operating Officer oversees the finance, analysis, digital and technology, human resources and commercial functions of the Department.

John Mahon

Director General of Exports ***(since 23 April 2018)***

The Director General of Exports is responsible for leading a cross-government strategy on exports and overseas direct investment to support the UK's underlying export potential, and ensuring that new and existing exporters can access the right financial, practical and promotional support to sell overseas.

Mark Slaughter

Director General of Investment ***(since 20 June 2018)***

The Director General of Investment is responsible for leading a cross-government Foreign Direct Investment Strategy and working with HM Trade Commissioners to promote the UK as the top inward investment destination, and understanding investors requirements across sectors and geographies.

Louis Taylor

UK Export Finance Chief Executive

Louis Taylor is the Chief Executive of UK Export Finance (UKEF), the UK's export credit agency. He is also a Director General in the Department for International Trade, and a member of the Executive Committee and Departmental Board.

Non-Executive Board Members

Simon Walker CBE

Simon Walker was appointed as Lead Non-Executive Board Member of DIT in November 2016. Simon is also Chair of DIT's Nominations and Governance Committee.

Julie Currie

Julie Currie was appointed as Non-Executive Board Member of DIT in November 2016. Julie is also Chair of the Audit and Risk Assurance Committee.

Sir Stephen O'Brien

Sir Stephen O'Brien was appointed as Non-Executive Board Member of DIT in June 2019. He also sits on the Audit and Risk Assurance Committee.

Dr Pippa Malmgren

Dr Pippa Malmgren was appointed as Non-Executive Board member of DIT in November 2016 and stood down in May 2019.

Noël Harwerth

Noël Harwerth was appointed as Non-Executive Board Member of DIT in January 2017. Noël is also a Non-Executive Director for UKEF and chair of its Board.

Register of Board Members' interests

The Department maintains a register of Departmental Board Members' interests. A list of declared interests for executive and non-executive members as at April 2019, covering financial year 2018-19 is published on gov.uk here: https://www.gov.uk/government/publications/dit-register-of-board-members-interests-2018-to-2019

Departmental Board Members are asked to declare any personal, business or related party interests that may, or may be perceived by a reasonable member of the public to, influence their judgments in performing their obligations to the Department. This information is refreshed at least annually and on the appointment of new members. Board Members are asked to update the Department on relevant changes to their circumstances that may result in an actual, or perceived, conflict of interest. At the start of Departmental Board meetings, members are asked to declare any potential conflicts of interest. Appropriate arrangements are in place to manage any conflicts identified, in line with Departmental and Cabinet Office policy. This could, for example, include recusal from Board discussions relating to those interests.

Statement of Accounting Officer's Responsibilities

Under the Government Resources and Accounts Act 2000, HMT has directed DIT to prepare for each financial year Resource Accounts detailing the resources acquired, used, held or disposed of by the Department during the year. The Accounts are prepared on an accruals basis, and must give a true and fair view of the state of affairs of DIT, and of its net resource outturn, application of resources, changes in taxpayers' equity, and cash flows for the financial year.

In preparing the accounts, the Accounting Officer is required to comply with the requirements of the Government Financial Reporting Manual, and in particular to:

- observe the Accounts Direction issued by HMT, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards as set out in the Government Financial Reporting Manual have been followed, and disclose and explain any material departures in the Accounts; and
- prepare the Accounts on a going concern basis.

HMT has appointed the Permanent Head of the Department as Accounting Officer of DIT. The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable and, for keeping proper records and for safeguarding DIT's assets, are set out in *Managing Public Money* published by HMT.

Accounting Officer's confirmation

As Accounting Officer, as far as I am aware, there is no relevant audit information of which the Department's auditors are unaware. I have taken all of the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that the Department's auditors are aware of that information.

The Annual Report and Accounts as a whole are fair, balanced and understandable and I take personal responsibility for the Annual Report and accounts and the judgements required for determining that they are fair, balanced and understandable.

Governance Statement

Scope of responsibility

As Permanent Secretary and Principal Accounting Officer for DIT, I am accountable for maintaining a sound system of internal control that supports the realisation of the Department's mission and strategic objectives as set out in the Single Departmental Plan and safeguards public funds in accordance with *Managing Public Money*.

The purpose of this Governance Statement is to give an explanation of DIT's governance framework, including how it has supported the discharge of these duties in financial year 2018-19, and how it enables DIT to comply with cross-government frameworks, such as the *Corporate Governance Code for Central Government Departments*.

Context for the Governance Statement

This is my second full year as Permanent Secretary. I have continued to work closely with the Secretary of State, as well as my Executive Committee, to lead an international economic department that works collaboratively to deliver its strategic objectives. We have consolidated the progress of last year in ensuring DIT is great place to work, evidenced by our People Survey scores; embedding new leadership, including overseas; and delivering on a broad trade and investment agenda. An ongoing departmental priority has been strengthening the resilience of our delivery and corporate functions, while continuing to respond at pace in the preparations needed for exiting the European Union.

Over the last year, several new senior appointees have taken up their roles. Our two delivery Directors General are now in place, and all nine of Her Majesty's Trade Commissioners (HMTCs) are in place collaborating with partners both in the UK and overseas to develop and deliver DIT's plan for their regions.

The central elements of DIT's governance framework are:

- the Departmental Board, Executive Committee and their subcommittees;
- the scheme of financial delegations which flows from HMT through me, as the Accounting Officer, and into the organisation;
- the portfolio management function, portfolio reporting pack and keyholder system for investment decision-making; and
- the risk management framework and risk register.

In April 2019, the Government Internal Audit Agency (GIAA) produced a report, the objective of which was to provide assurance over the adequacy and effectiveness of the governance arrangements for DIT's Board, Executive Committee and their respective sub-committees, and to ascertain whether the structure is fit for purpose and clear. The outcome of this audit on governance was a Substantial rating, assessing the framework to be adequate and effective.

DIT governance structures

The Departmental Board

The Departmental Board is the principal governance body within the Department, and its remit is to support the Secretary of State in the strategic and operational leadership of the Department. It sets the Department's strategy, oversees the required resource and capability to deliver the strategy, and leads on scrutinising performance and risk. The Departmental Board is supported in its work by both the Audit and Risk Assurance Committee (ARAC) and the Nominations and Governance Committee.

The Departmental Board normally meets 10 times a year and is chaired by the Secretary of State, and consists of four Ministers, four Non-Executive Board Members (including a lead non-executive and the chair of ARAC), as well as Permanent Secretaries and

Directors General (including the Chief Executive of UKEF). The Board met 11 times during 2018-19, which included an additional meeting in December 2018 to continue momentum on Board discussions on EU Exit preparations.

The Board has discussed the Department's preparations for EU Exit regularly, with discussions increasing in frequency as the year progressed. Monthly Regional Trade Plans (RTPs) continued to be presented to the Board during 2018-19, enabling the Board to shape and steer regional strategies, and review performance, promoting consistency across the network. All nine RTPs are due to be presented by HMTCs to the Board for the second time by October 2019; reporting on performance to date, and future plans. Similarly, sector leads in the Department commenced presentations on their priorities to the Board in February 2019, with further sector leads scheduled to present over the course of 2019-20.

The Board has considered items from across the breadth of the Department, working to ensure that all activities contributed towards the Department's goals. The Board has scrutinised the Department's capability for delivering on short-term and long-term priorities, advising on areas for capability-building to ensure high standards of future delivery. Alongside the regular discussions on the Department's EU Exit preparations, other important agenda items over the financial year 2018-19 included the discussions on the Department's Export Strategy, Investment Priorities, the Expo 2020 Dubai, the Department's Official Development Assistance Strategy and the 2019 Lima Games. Quarterly horizon scanning papers enabled the Board to reflect on DIT strategy in the global context, and discussions of the Department's approach to fiscal events enabled scrutiny of preparations.

The Board regularly reviews finance, performance and risk: the performance dashboard, finance dashboard and risk register are regularly included in Board packs, along with datasheets that show standardised statistics, structured around departmental objectives. The Board has had quarterly discussions on financial allocations, allowing scrutiny of resource across the Department. Focussed discussions were also held on the Department's risk appetite, which the Board considers annually, and the 2019-20 Delivery Performance Framework, which was agreed by the Board in March 2019.

In the first quarter of 2018-19, Ministers, Permanent Secretaries, Directors General and Non-Executive Board Members set aside additional time, separate to formal Board meetings, to discuss the long-term vision for the Department. This was a valuable investment in time for the Board early in the financial year and also supported some of the themes that emerged from the Board Effectiveness Evaluation for 2017-18 on increasing Board cohesion through providing opportunities for engagement outside of a formal Board setting.

Board operation is set out in a Terms of Reference and in a Board Operating Framework. All Board Members are required to declare any personal or business interest which may be reasonably perceived to influence their judgement in performing their functions and obligations. These are recorded in a register of interests. Where a Board Member declares a potential conflict at meetings, it is recorded in the minutes and the Board Member takes no part in the meeting for the duration of that item of discussion.

Board performance and effectiveness

An annual Board Effectiveness Evaluation (BEE) is carried out in line with the Corporate Governance Code, to enhance and improve the functioning of future Board activities. This year, the BEE process has been carried out with independent input, as per best practice. This independent input was provided by Richard Pennycook, Lead Non-Executive Board Member for the Department for Education. Questionnaires were circulated to members and officials to seek their views on the Board's effectiveness over the course of 2018-19. The information gathered was supplemented by qualitative comments and one-to-one interviews conducted by the independent reviewer.

Overall the evaluation was positive and some areas for continuous improvement were identified. The findings of the evaluation and draft recommendations were presented to the Departmental Board on 24 June 2019, alongside progress against the recommendations identified through the 2017-18 Board effectiveness evaluation.

Engagement and transparency

The DIT Secretariat ensures that the views of the Board are captured, minutes kept on record, and actions distributed to the Department as appropriate. Agendas are available and visible to all staff on the Digital Workspace. Staff are provided with an overview of discussions after each Board through a video message from Ministers. To promote further transparency, the Secretariat launched the Board Observers Programme, giving staff the opportunity to attend a Board and watch it in action. Feedback has shown that observers find this to be a valuable and insightful experience.

In November 2018, the Governance Operating Framework was produced. The purpose of the document is to provide a comprehensive overview of Governance at DIT, aiming to improve awareness amongst staff of governance structures across the Department and how to engage with them. The Secretariat attended group team meetings across the Department to deliver a series of seminars on the Framework's content.

Non-Executive Board Members

Non-Executive Board Members support and challenge the executive management of the Department and provide independent and impartial perspectives inside and outside of Departmental Board meetings. As experts from outside government, the Non-Executives bring a wealth of experience and insight to advise on performance, operational issues, and on the effective management of the Department. Over the course of 2018-19, the Non-Executive Board Members have continued to deepen their engagement across the Department, including through briefing sessions with teams before Departmental Board discussions.

The Non-Executive Board Members and I have held regular monthly meetings ahead of Departmental Board meetings to ensure increased opportunities for engagement and to provide support and challenge. The Non-Executives have continued to carry out critical roles by chairing committees, and engaging with Ministers and officials, including on preparations for EU Exit. Other areas of focus have included the development of the Single Departmental Plan and business planning.

In 2019, a recruitment campaign was launched for a Non-Executive Board Member with a background in Official Development Assistance. Sir Stephen O'Brien was appointed to this position and joined the Departmental Board in June 2019. This maintained the total number of Non-Executive Board Members as four, following Dr Pippa Malmgren standing down at the end of May 2019.

Subcommittees of the Departmental Board

The Departmental Board has two subcommittees. Both are chaired by Non-Executive Board Members, who report to the Board.

The Audit and Risk Assurance Committee (ARAC) provided independent advice to support the Board and Accounting Officer in their responsibilities for issues of risk, control and governance. It meets a minimum of four times a year, and it presented its Annual Report to the Departmental Board on 24 June 2019. The Committee carries out its role in line with HM Treasury's ARAC Handbook covering the Committee's usual activities, including reviewing DIT's Annual Report and Accounts, internal and external audit activities, and the development of the risk management framework. Over the year, the ARAC has considered plans to improve the Finance and Internal Audit functions. Additional areas of focus for the Committee have been EU Exit preparedness, cyber security, the Assurance Framework, and HR data. Following advice from Cabinet Office, the Committee regularly reviewed compliance with the Business Appointment Rules.

ARAC carried out its annual review of effectiveness in May 2019. Members considered the Committee's performance over the previous financial year, agreed to maintain its terms of reference, and identified actions to continue to build on its effectiveness over the coming year.

The Nominations and Governance Committee formally met once in 2018-19, and reviewed and agreed additional items via correspondence, including the Department's compliance with the *Corporate Governance Code for Central Government Departments*. The role of the Committee is, on behalf of the Departmental Board, to assure the process of senior appointments, scrutinise incentives and rewards, ensure orderly succession planning, review compliance with the Corporate Governance Code, and scrutinise governance arrangements. In 2018-19, the Committee scrutinised the Department's compliance with the Corporate Governance Code, reviewed Senior Civil Servants' pay framework and talent management and succession planning, and considered overall corporate governance following a review of executive governance over the summer.

The Executive Committee and its subcommittees

The Executive Committee drives the Department's overall performance and delivery against DIT's mission, vision and objectives, and ensures the effective management of the Department through scrutiny of performance, finance and risk, and strategic leadership on fiscal events and the people agenda. It develops and implements operational strategy, building 'one DIT' as an effective international economic department where its people are expert, enterprising, engaged and inclusive. The Executive Committee also plays a decision-making role on issues escalated from its subcommittees. The Executive Committee met formally fortnightly from the beginning of 2018-19.

In July 2018, an additional EU Exit and Future Trade Committee was constituted to ensure increased focus on preparations for the UK's departure from the EU. This Committee met monthly in addition to the twice monthly regular Executive Committee meetings, to enable the Committee to scrutinise and challenge EU Exit and Future Trade workstreams, manage interdependencies, share intelligence, and ensure consistency and join-up across the Department. Beyond these dedicated sessions, further slots were routinely scheduled on the agenda of all formal Committee meetings to ensure close oversight of EU Exit related departmental activity.

There are three subcommittees of the Executive Committee that meet 10 times a year. The Performance, Finance and Risk Committee (PFRC) ensures that the Department has robust planning, performance, finance, and risk frameworks by monitoring and challenging the Department's performance, financial control and risk picture. The People Committee oversees all aspects of the workplace environment, including DIT's strategic, policy, and operational approaches to: Human Resources, internal communications, diversity and inclusion, staff and workplace security, and resource delivery. The Projects and Change Committee (PCC) supports and scrutinises the Department's project and change portfolio.

This macro level portfolio challenge is designed to ensure that interactions and interdependencies between projects and initiatives are well understood, benefits are well defined and realised, plans are deliverable, and change is communicated effectively. PCC is supported by the Portfolio Management function which tiers projects to ensure that each one has the right level of assurance, runs a 'keyholder' process for the quality assurance of business cases, and coordinates the upwards reporting to PCC.

Over the last year, we have continued to strengthen the role of the three subcommittees of the Executive Committee, with greater involvement from Directors General and by ensuring that the overseas network is represented on all subcommittees through HMTC and other overseas membership. All sub-committees are chaired by Executive Committee members and have a second Executive Committee member as vice chair. This maintains a strong link between the Executive Committee and its subcommittees and further strengthens the subcommittees' line of sight across the Department.

Governance arrangements with UKEF

UKEF is a separate government department, and has its own independent board and subcommittees reflecting the specialist nature of its work, although its management, strategy and operations are aligned with those of the Department and it works to the same Secretary of State, and the UKEF Chief Executive is line managed by the Permanent Secretary of DIT. UKEF's Chief Executive is that department's Principal Accounting Officer and reports to the UKEF Board. The Chief Executive also sits on the DIT Board and Executive Committee, and UKEF colleagues are represented throughout DIT's governance framework. UKEF's Board Chair is also one of DIT's Non-Executive Board Members. UKEF publishes its own Annual Report and Accounts and its governance arrangements are underpinned by a Concordat between DIT, HM Treasury and UK Government Investments (UKGI).

Board and Committee attendance by member

Name of Board or Committee Member	Departmental Board	Executive Committee	Audit & Risk Assurance Committee	Nominations & Governance Committee
Rt Hon Dr Liam Fox, MP	11 of 11			
Baroness Fairhead	8 of 11			
Graham Stuart, MP	10 of 11			
George Hollingbery, MP[1]	6 of 8			
Rt Hon Greg Hands, MP[2]	3 of 3			
Simon Walker	11 of 11			1 of 1
Julie Currie	10 of 11		6 of 6	
Pippa Malmgren	11 of 11			
Noël Harwerth	10 of 11			
Chris Jenkins*			6 of 6	
Richard Vincent*			6 of 6	
Jos Creese*[3]			6 of 6	
Lawrence Weiss*			5 of 6	
Antonia Romeo	11 of 11	29 of 31[6]		1 of 1
Crawford Falconer	9 of 11	25 of 31		
John Mahon[4]	9 of 11	27 of 29		
Mark Slaughter[5]	7 of 7	18 of 25		
John Alty	11 of 11	26 of 31		
Louis Taylor	11 of 11	21 of 31		
Catherine Vaughan	11 of 11	30 of 31		
Antony Phillipson		14 of 23		
James Norton		20 of 23		1 of 1
Toby Orr		29 of 31		
Darren Tierney		27 of 31		

Ministers, Non-executive members, Officials, Executive Committee associate members

Notes to the Attendance Table:

1. George Hollingbery, MP became Minister of State for Trade Policy on 21 June 2018.
2. Rt Hon Greg Hands, MP was Minister of State for Trade Policy until 21 June 2018.
3. Jos Creese joined the Audit and Risk Assurance Committee as an independent member on 14 May 2018.
4. John Mahon joined the Departmental Board and Executive Committee on 23 April 2018, as Director General of Exports.
5. Mark Slaughter joined the Departmental Board and Executive Committee on 20 June 2018, as Director General of Investment.
6. Total figures include a combination of 23 formal Executive Committee meetings, taking place on a fortnightly basis, and eight monthly EU Exit and Future Trade Committee meetings. These figures do not include meetings where the Committee met monthly on an informal basis.

* Indicates Independent Members of the Audit and Risk Assurance Committee.

Compliance with the Corporate Governance Code

The Nominations and Governance Committee reviewed an assessment of the Department's compliance with the Corporate Governance Code for Central Government Departments in June 2019. The Nominations and Governance Committee concluded that DIT is compliant with the spirit and principles of the Code. A GIAA review into DIT's governance in April 2019 also concluded that, "There is a high level of compliance with the Cabinet Office Corporate Governance Code and there are measures in progress to enhance compliance further".

The Nominations and Governance Committee noted that there was only one Non-Executive Board Member on ARAC during 2018-19, rather than two as recommended in the Code.

ARAC has continued to benefit from independent, non-executive membership including from sources other than the Board, in order to ensure an appropriate level of skills and experience, as set out in the Code. The Chair has a standing update to raise issues to the Board, and the other Non-Executive Board Members have attended ARAC on a rotating basis. In June 2019, a new Non-Executive Board Member joined the Departmental Board and ARAC fulfilling the requirement for two Non-Executive Board Members on the ARAC.

Technical Ministerial Direction

In line with HM Treasury requirements, in March 2018 a Technical Ministerial Direction was sought by the Accounting Officer and received from the Secretary of State to incur up to £8.9m of spend on setting up the new Trade Remedies Authority (TRA). The TRA will be the UK body responsible for conducting investigations and making recommendations for the imposition of trade remedies measures.

Parliament's approval of Statutory Instruments 449 and 450 of 2019, which amend the Taxation (Cross-Border Trade) Act 2018 to allow the Department for International Trade to carry out trade remediation activities, has now superseded the need for a Ministerial Direction on expenditure for trade remediation activities. The Trade Remedies Investigations Directorate, which is part of DIT, will administer trade remedy functions until the time that the TRA is legally established as an independent body following Royal Assent of the Trade Bill.

Risk management

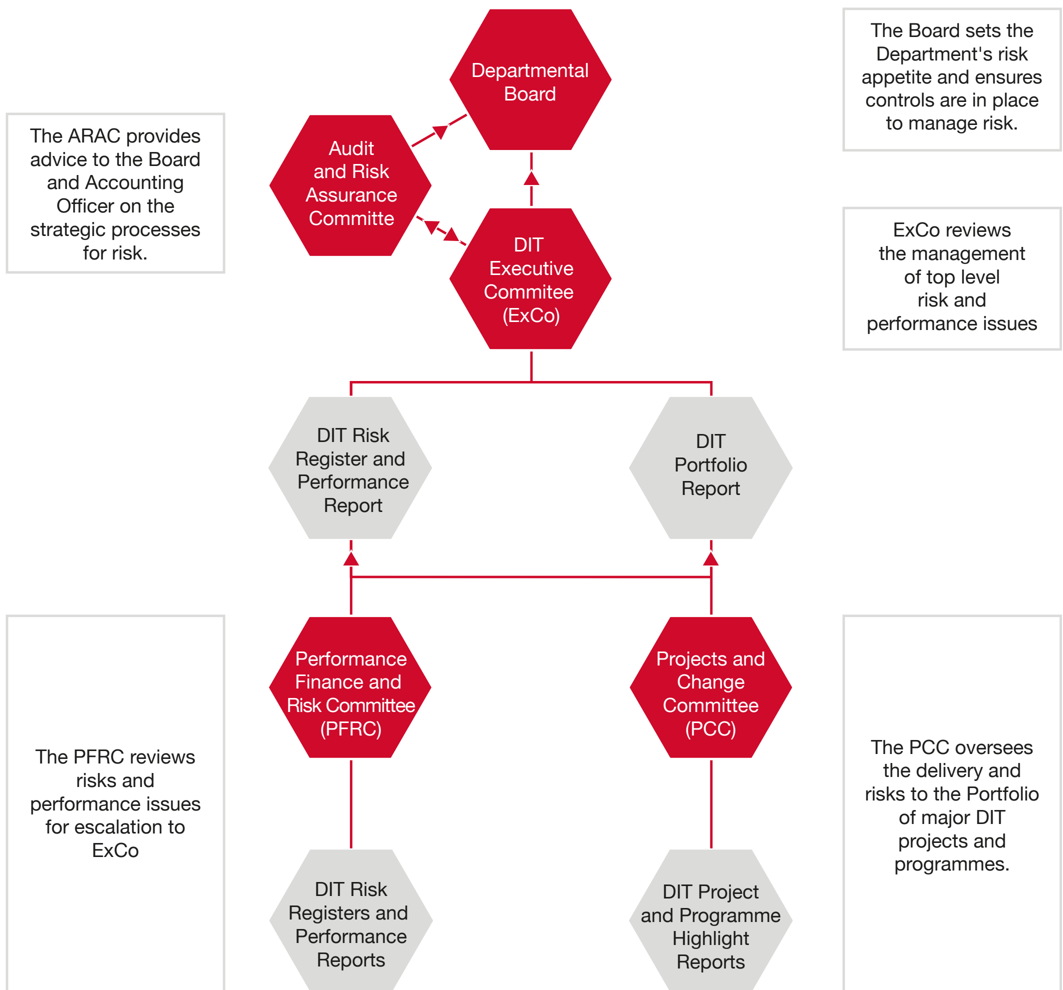
Risk management process

The Department launched its new Risk Management Policy and Framework in October 2018. This has been aligned to the key elements in the 'Managing Risk in Government' framework, and sets out the process by which risk appetite is established, and how risks are identified, managed and mitigated. DIT continues to embed and develop its risk management process.

As Accounting Officer, I have overall responsibility for the Department's Risk Framework, with Board and Executive Committee-level owners assigned for the Department's most significant risks to delivery of its objectives.

Risks are identified and managed at the operational level in the first instance, including assessment of the four risk categories: Internal, External, Strategic and Major Project. A traffic light system is used to assess the status of each risk based upon its probability, impact and risk appetite, and accountabilities for mitigating actions and risk ownership are allocated.

The diagram below sets out the process by which DIT assesses and manages risk. In response to EU Exit, the Department put in place a separately constituted meeting of the Executive Committee, the EU Exit and Future Trade Committee, which met monthly to provide additional scrutiny and challenge to EU Exit and Future Trade workstreams. Directorates and Groups are also responsible for reviewing their own risk registers and, where appropriate, performance dashboards.



The strategic risk register and mitigation plans are reported to each meeting of the PFRC, chaired by the Chief Operating Officer. The Committee agrees the risks for inclusion in the DIT strategic risk register and recommends which risks and performance issues should be reported to the Executive Committee. Deep-dive reviews of strategic risks are regularly conducted at PFRC, and where appropriate also at the People Committee (on any people related risks).

Both the PFRC and Executive Committee help to verify that DIT is managing the critical, strategic risks that could have the greatest impact on performance. The ARAC reviews the Risk Register and provides independent challenge to DIT's management in order to assure me, as Accounting Officer, and the Board as to whether risks are being appropriately identified and mitigated. The Risk Register and the process which supports its development have been scrutinised and challenged by the ARAC and reviewed by the Departmental Board on a regular basis. The Chair of ARAC provides regular readouts of the Committee meetings to the Departmental Board, including raising specific risks and the supporting mitigation plans.

One of the UKEF Non-Executive Directors sits on DIT's ARAC and UKEF risks are presented to the Board alongside DIT's risk register to ensure that any systemic risks can be considered. The risk register is circulated with Board papers ahead of every Departmental Board meeting.

DIT's significant risks and key mitigating factors

During 2018-19 the principal risks to DIT were as follows:

EU Exit preparedness

DIT was set up following the result of the referendum on EU Exit and since its establishment we have taken every step to support the government in its preparations for the UK's departure from the EU. DIT's EU Exit and Future Trade Committee has overseen a portfolio of DIT's workstreams in relation to EU Exit, including nine of the key workstreams monitored by DExEU across government. These include establishing the UK's independent membership of the World Trade Organization and the Government Procurement Framework, putting in place a trade remedies and disputes function, and working to transition existing trade agreements. We are also working to support businesses in their own preparations for EU Exit.

Each EU Exit workstream has plans, risk management, governance and assurance arrangements in place in line with Cabinet Office and DExEU policy and guidance. During 2018-19, the Department continued to increase the level of governance & assurance around its preparedness for EU Exit, this included:

- Establishing a dedicated EU Exit **portfolio and assurance framework** to oversee overall delivery.
- **Active management of resources** to ensure we have the right people in the right roles to deliver on our objectives.
- A **robust governance structure** to ensure we are able to monitor and manage delivery, and which supports Ministers in delivering the government's agenda.
- A **series of working groups** across DIT to ensure we engage with business to help them prepare for EU Exit; and thereafter as they adjust to the UK having left the EU. These focus on our communications to business, improvements to digital content, and the establishment of an EU Exit enquiries service and trade helpdesk.

People resources and capability

DIT continues to grow and evolve, establishing the organisational structures, systems and processes to enable delivery of its immediate strategic objectives and plan for our future operating model. Given DIT's ambitious agenda, there is a challenge to build sufficient capability and capacity in crucial areas at the pace required to deliver against our departmental priorities. We have continued to take a number of important steps in mitigation:

- **Recruiting** using a variety of methods including engaging with cross-government targeted recruitment campaigns, alongside pooled recruitment and direct appointments. We have also adopted use of Civil Service Success Profiles to attract and recruit the best candidates, and make the recruitment process more flexible, accessible and inclusive.
- Using **contingent labour** solutions, where appropriate, alongside the use of **targeted secondments** and **talent programmes** resource to maximise our flexibility.
- Continuing to develop competitive **reward and retention** proposals, to ensure we remain an attractive employer. This is complemented by strengthening our **workforce planning** to allow the Department to react quickly to meet the demands of EU Exit scenarios.
- Launching the **International Trade Profession**, with over 2,700 members signed up from 25 departments and arm's-length bodies to date.

Financial and Delivery Alignment

It is important that the Department integrates its financial, workforce and delivery planning to ensure it can use its resources effectively to deliver its objectives. Work in this area during 2018-19 has included:

- Introducing new financial monitoring reports;
- Introducing new performance metrics and internal reporting mechanisms; and
- Developing a new workforce planning tool.

Priorities for improvement in 2019-20 include:

- Strengthening our **finance staffing** capacity and capability;
- Improving the quality and consistency of **financial information** and advice provided to budget holders; and
- Investing in finance **systems and processes** to increase the timeliness of availability of our financial data to support decision-making.

Cyber security

In common with the rest of government, DIT's ongoing Digital Transformation brings with it risks to the confidentiality, integrity and availability of our digital products, IT systems & data. Cyber risks are driven by multiple factors including the possibility of malicious cyber-attack from outside DIT, inadequate or immature cyber security controls in and around products and systems, and the developmental state of the security culture within DIT and its partners.

DIT has made important progress this year in securing its digital products, systems and information, with the GIAA reporting an overall 'moderate' audit opinion, an improvement over 2017-18's 'limited' assessment.

Following endorsement of the refreshed Digital, Data & Technology (DDaT) Strategy, work continues on refreshing the supporting DIT Cyber Security strategy, in consultation with ARAC who have also continued to provide support and challenge on our cyber security arrangements through Risk Assurance Reviews.

Factors which heighten possible cyber threats to DIT include: our international role and increasing profile and interest to foreign governments, businesses and agencies; our distributed global business with offices, contractors and staff across the world; an increasing level of transparency requiring a higher level of digital maturity and awareness; and the development of our commercial activities.

The programme of mitigation activity has included technical and process steps, developing awareness of cyber risks and helping our staff work securely through the tool tools we deploy to them.

Insider Threat, Espionage, or Information breach

DIT handles a significant amount of sensitive and valuable information. With privileged access to this information, it is critical that the cultural behaviours, security protocols, systems and controls are in place to manage risks arising from various threats. Management of such threats is particularly important as we have transitioned from inherited security arrangements to one more appropriate to the DIT environment, including increasing trade visits and negotiations.

We have taken a number of steps and developed plans to increase the security of information assets including:

- Introduction of the **General Data Protection Regulations** (GPDR) and building compliance;
- Targeted communication campaigns, and development of new policies and procedures to raise **security compliance and awareness**;
- Introduction of a **security breach policy**, establishing a network of trained ‘divisional security coordinators’ to cascade information and support compliance with security policy and practice; and
- Development of clear document classification and handling protocols for our most sensitive information.

We will be further strengthening our arrangements through an **information security review**, to comprehensively review our critical information assets, threats and mitigations. We will also conduct further assurance over our physical, information, personnel and protective security as we get ready to undertake formal trade negotiations.

Additional Risks

Further risks which we are mitigating, and continue to monitor, include the challenges around: delivery of additional DIT London **estates capacity** for our growing workforce; ensuring the accuracy and interpretation of **DIT data** is robust; and securing long-term sustainable funding.

Accounting Officer’s review of effectiveness

As Accounting Officer, I am required to conduct an annual review of the effectiveness of the Department’s governance structures, risk management and internal control framework. This review is informed by my senior officials, the GIAA, our Internal Audit function, and other governance reports from which I have received assurance.

Management Assurance

An Annual Governance Return is completed by all Senior Civil Servants (SCS) at pay band 2 and above, in the UK and overseas, to confirm the state of assurance over those parts of the governance structures, risk management and internal control framework for which they have responsibility. The GIAA facilitates individual discussions with Directors General, and Directors where appropriate, to review and challenge the returns and produce an over-arching statement for their areas. Internal Audit prepare a paper covering the content, accuracy and process of the statements, and provide a summary of the main themes and any overarching risks and issues. This paper is provided to me and to the Chief Operating Officer and also supports the drafting of this Governance Statement.

The FCO internal audit team, acting on behalf of GIAA, has reviewed the governance and controls within FCO which affect the Department. Each HMTC region circulates assurance returns to demonstrate that the Department has observed Parliament’s need for regularity, propriety and value for money in the stewardship of public funds, as well as operating a robust control framework. Any identified gaps in control are accompanied by an improvement plan.

The Department is developing an assurance framework to improve the assessment of its internal control environment. This is designed to support me as Accounting Officer in both leadership of the organisation and in meeting corporate governance requirements by providing evidence-based assurance on the functions covered.

The process has been tested on the corporate functions and the results have been reviewed by the GIAA and ARAC. Once the process is embedded and functioning effectively consideration will be given to rolling it out further across the Department.

Business critical models

The Department maintains a list of business critical models and analyses, as recommended by the Macpherson Review. We have reviewed the Department's models and those that were assessed as high in risk (financial, reputational, frequency of decision, legal and operational) and large in scale were defined as business critical. Each business critical model has a Senior Responsible Owner accountable for quality assurance as it is constructed and used. We continue to monitor the Department's models for business criticality and to ensure appropriate quality assurance is applied.

Business critical models currently maintained by the Department are:

- **GETRADE CGE Model –** GETRADE is a multi-country Computable General Equilibrium (CGE) macroeconomic model of international trade that captures trade linkages with countries around the world. It provides a coherent macroeconomic framework to estimate the long-run economic impact of trade policy.
- **Export Promotion Support Value for Money (VfM) Calculator –** The VfM calculator determines the anticipated value for money of different export promotion support activities by estimating the expected economic impacts of providing different services.
- **FDI Economic Impact Tool –** The tool calculates the predicted impact of Foreign Direct Investment (FDI) projects on the economy, with outputs for Gross Value Added (GVA), employment, average wages, labour productivity and Research & Development (R&D) expenditure.
- **FDI Economic Impact Analysis –** The model feeds into DIT's FDI Economic Impact Tool and estimates the impact of inward FDI on existing firms' GVA, employment, average wages, labour productivity and R&D expenditure.

Managing Public Money review

In 2018-19, the Department again undertook a review of its compliance with HMT's *Managing Public Money*. This year the review also included an assessment of compliance with HMT and Cabinet Office spending controls outside *Managing Public Money*. The review identified areas for improvement but no areas of non-compliance. The review is not a statutory requirement but is an important component of the Department's governance and controls. It is carried out at the end of each financial year and findings are reported to ARAC.

The review considered the degree of compliance and the robustness of the controls in place against each major requirement, and gathered and reviewed the evidence to support the conclusions. This assessment concluded that there were no areas where the Department was not compliant, but there were areas where the quality of the control could be improved, including clear documentation of policies and processes.

In 2018-19, the Department had a Finance Improvement Plan in place, which covered Financial Accounts, Process Re-engineering, Building Financial Capability and Governance.

DIT Head of Risk Management annual review

The Head of Risk Management led a review of DIT's risk management arrangements and reported to the ARAC in May 2019. The review covered the core categories under HMT's *Risk Management Assessment Framework*, including leadership, risk strategy and policy, people, and departmental processes.

The core improvement during 2018-19 has come with the launch of the DIT Risk Management Policy and Framework, formalising the established process for reporting and monitoring on risks across the Department. The launch was supported by a communications campaign around a dedicated 'Risk Week' aimed at raising awareness and developing the necessary capability and culture to embed risk management. Work has also progressed with our Portfolio team to strengthen arrangements for the oversight and management of risk across the portfolio of key programmes and supporting projects, and a risk register is monitored through our PCC.

An initial review of compliance and an assessment of risk monitoring and reporting arrangements across DIT was conducted in October 2018. This provided a high-level overview and with further development will help target areas for improvement and strengthening risk management capability.

The main priorities for 2019-20 of the Department's risk management development plan are to further embed the risk process across the organisation, in particular:

- further tailored support for the UK regions, HMTCs and the overseas network;
- continued support where new organisational structures are being established, and in our developing portfolio of projects and programmes;
- supporting teams in developing consistent and robust risk registers against their delivery plans; and
- the central strand in building further awareness and skills in risk management, supporting business groups and projects through training events and provision of learning resources.

Internal Audit programme

Since the creation of the Department, the complexity of its business and supporting infrastructure has become increasingly apparent. To recognise this, officials in the Department have worked with the GIAA to increase the depth and breadth of this third line of defence. Towards the end of the year, this resulted in greater visibility of the internal audit team and contact between the Head of Internal Audit and senior staff. There is also now an expanded internal audit programme and a team more focused on business risks and basic control procedures as well as closer engagement between auditors and other officials on day to day business – which is an essential part of a good internal audit service.

The ARAC recommended to me as Accounting Officer a programme of internal audits for the GIAA to carry out during the year. GIAA delivered 37 internal audit outputs, of which 12 were at overseas posts and 25 were UK-based. These outputs included coverage of risk management and governance.

After the end of the financial year, GIAA presented a summary of significant findings. This included an overall assurance opinion for the year on the adequacy and effectiveness of DIT's framework of governance, risk management and control necessary to support the achievement of the organisation's objectives in addition to the personal responsibilities for stewardship of government funds that rest with the Accounting Officer. This was presented to ARAC for consideration on 25 June 2019.

The overall opinion on the internal control environment was moderate. The report noted that officials are open to scrutiny, with Internal Audit participating in Executive Committee, PFRC and People Committee meetings during the year. The Infrastructure and Projects Authority has also been positive about how the Department is managing the significant risk area of the Pan American Games 2019 in Lima. The overall view of GIAA was that the Department's arrangements are improving, although there is still some progress to be made in relation to the control environment.

This includes moving away from the resource intensive manual interventions and checks which currently provide additional assurance.

UK SBS assurance

An assurance letter is provided by the Chief Executive of UK Shared Business Services (UK SBS) to me, and to the Director of Finance and Business Services, concerning the design and operation of the system of internal control. UK SBS is a company limited by shares wholly owned by the Department for Business, Energy and Industrial Strategy, the seven UK Research Councils, Innovate UK and the Higher Education Funding Council for England. They provide a variety of Finance and HR functions to the Department.

UK SBS assesses control effectiveness through an established assurance framework to provide a transparent approach to identifying potential control weaknesses. The bi-annual assurance reports provide details of the assessment of controls together with the results of internal audit reports, audit actions, Key Performance Indicators and client feedback. The UK SBS Head of Internal Audit has provided eight opinions, with one substantial, six moderate and one limited.

UK SBS have assessed their overall assurance status for the 2018-19 fiscal year as ‘amber’ with significant control weaknesses identified in the information systems of UK SBS and the payroll service they provide to the Department.

DIT are currently developing a Service Level Agreement with BEIS for the delivery of services by UK SBS to DIT. This agreement will improve and formalise the governance arrangements that are in place today. DIT is represented on the UK SBS owners board and we facilitate monthly reviews with UK SBS to evaluate UK SBS performance and agree the priorities for improvement.

Off-payroll appointments

In order for the Department to meet its 2018-19 tax assurance obligations, all off-payroll workers with over six-month tenures and paid over £245 per day were required to provide evidence of their compliance with UK tax requirements. All of the existing engagements have been subject to contractual clauses giving the Department the right to request tax assurances. As a result of the reform of the intermediaries legislation in April 2017, all off-payroll workers have been moved to arrangements in which the supplier agencies process their payments and taxes are deducted at source, except where the HMRC tool has shown that the engagement falls outside of the scope of IR35.

DIT Commercial function

The DIT Commercial function has built on governance and the risk management policies and processes which had been launched at the latter end of the previous financial year and have now fully embedded these to create a more robust governance and pro-active risk management approach. As a result, new processes are in place to ensure all procurements and contracts have the appropriate level of scrutiny and are accurately recorded, with resulting contract management plans in place for strategic contracts. Additionally, it is a requirement of all central departments to have a Commercial Blueprint approved by the Chief Executive of the Civil Service and DIT were the first Department to achieve Phase 2 sign off.

The function is investing in building the capability of its people with new training, progression and development opportunities being put in place. Continuous improvement of the team support and culture is underpinned by staff engagement forums. These initiatives contributed to the function achieving the best people engagement score in 2018 when compared to other central government Commercial departments.

The Department is making improvements to the grants process in conjunction with the Cabinet Office Grant Efficiency Programme. Changes in the last year include completion of a GIAA and Cabinet Office audit of DIT's grants compliance which noted significant improvements, approval of a grants policy, creation of a Centre of Excellence and rollout of new templates.

The DIT Commercial Function completed a further assessment of its alignment to the Government Commercial Office's commercial operating standards and created an action plan that is being implemented to move up the stated levels in those standards, including contract management improvements, management information and reporting improvements and the rollout of the government-wide Contract Management Capability Programme across the Department.

Whistleblowing disclosure

Six monthly returns are submitted to Cabinet Office with departmental comments provided on the effectiveness of DIT's whistleblowing procedures and to assure departmental compliance by detailing all concerns raised by overseas and domestic staff. ARAC also undertakes a review of whistleblowing matters annually as part of its role.

The Department has an effective whistleblowing policy in place, which follows the revised model developed by the Civil Service Employee Policy team following National Audit Office audits across Whitehall. This policy has been widely communicated across DIT.

All whistleblowing and safeguarding issues that have been raised formally were investigated according to the policy and procedure and reported to ARAC. The code of conduct policy is in place for all staff to abide by and the annual People Survey includes regular questions for staff to answer that focus on whether they know where to find this information, use it and raise concerns.

Complaints

The Parliamentary and Health Service Ombudsman has a role in investigating complaints that central government departments and/or agencies have acted improperly, unfairly or have provided a poor service. In 2017-18 (the most recent year for which statistics are available), two enquiries were received by the Ombudsman: one concerning DIT and one other concerning UKEF. In both cases, no assessment or investigation of the complaint was deemed to be necessary.[25]

Legal services

A review of the Department's legal requirements, which since inception have been provided by the Government Legal Department (GLD), was undertaken in 2018-19. This was conducted to refresh the shared understanding of cross-DIT legal requirements, given the evolution of the Department, and assess how well those requirements were being met. The review findings and recommendations were discussed at the Executive Committee in March 2019. The review established the need to implement dedicated resource working with groups beyond the Trade Policy Group, to ensure legal risks across the delivery and corporate functions are mitigated and managed. This has now been actioned.

Fraud and bribery

The Department has a Fraud and Bribery policy and also relies on controls operated by shared service providers to detect and identify fraud. Risk of fraud is a significant factor taken into account when setting the Department's internal audit programme, for both UK and overseas audits. In 2018-19, the fraud policy was relaunched with an awareness campaign to help build and consolidate our counter-fraud culture.

25 https://www.ombudsman.org.uk/publications/complaints-about-uk-government-departments-and-agencies-2017-18/complaints-we-dealt

The Department has again worked with Cabinet Office to comply with the Government's Counter Fraud Functional Standards, the common fundamentals that organisations should have in place to effectively deal with fraud. In the assessment for 2018-19, the Department expects to meet all of the standards.

The Department has held a rolling programme of comprehensive fraud risk assessments throughout the year. This has enabled DIT to have a more informed and evidence-based understanding of the specific risks that may happen and how they might occur, including identifying new risks and mitigations against them.

The Department continues to work with Cabinet Office to develop further counter-fraud capabilities in line with the Counter Fraud Functional Standards and the Counter Fraud Profession. This will include developing further metrics to monitor the effectiveness of the counter fraud strategy and further reporting on fraud, error and recoveries. The Cabinet Office has built on the Functional Standards for counter fraud and this now includes direction and guidance for the management of bribery and corruption risk.

In 2018-19, the Department was meeting all its commitments under the UK Anti-Corruption Strategy, contributing to the goals of reducing the impact of corruption on trade and investment internationally and increasing investment by UK companies in challenging overseas markets.

Official Development Assistance (ODA)

The definition of ODA is set by the Organisation for Economic Co-operation and Development (OECD), Development Assistance Committee. In 2018, DIT became an ODA spending department through the inception phase of the £50 million Investment Promotion Programme (IPP) as part of the cross-government Prosperity Fund portfolio.

DIT complies with the International Development Act 2002 and the International Development (Gender Equality) Act 2014 for its ODA spending activity which aims to contribute to the primary purpose of promoting economic development and reducing poverty. As utilising ODA funding is a new venture for the Department, DIT has worked closely with DFID and other departments both to build its portfolio of work and its underlying capability. This work will enable DIT to comply with Government commitments and align with the 2015 strategy *UK Aid: Tackling global challenges in the national interest*. The capability work will continue and embed through 2019-20 to ensure DIT is an effective and responsible ODA spending department.

Following revelations about Sexual Exploitation and Abuse (SEA) in the aid sector, the UK hosted an International Safeguarding Conference in October 2018 where Her Majesty's Government (HMG) and other international donors signed a statement of commitments,[26] including a duty to communicate progress made. In 2018-19 DIT appointed the Chief Operating Officer as our Safeguarding Champion to provide senior support for the agenda. The Department has undertaken a gap analysis of internal policies and commenced work to address issues in its policies and processes. Safeguarding has been incorporated into ODA related training and will be expanded and supported by a communication plan to raise awareness of SEA issues.

26 https://www.gov.uk/government/collections/safeguarding-summit-commitments

Management information and economic statistics

Performance dashboards, financial dashboards and risk registers have been developed and are provided to each meeting of the Departmental Board, Executive Committee, and PFRC. In 2018-19, the delivery performance framework was revised to measure activity and outcomes across all departmental objectives over the short, medium and long term.

The framework and management information collection will continue to evolve alongside the development and refresh of the Single Departmental Plan.

In addition, the Analysis Group produces regular standardised core statistics and country fact sheets, to be made available for all staff to access and use across the network. The data are collated using publicly available data and internal metrics. The Trade Statistics team also established and published a Trade and Investment Core Statistics Book and a pocketbook of UK Trade in Numbers providing a timely snapshot of the UK's trade and investment position and summarising trade statistics produced across government. Work in partnership with ONS over the past year to improve trade statistics has resulted in the provision of a substantial range of new data sets to meet the Department's trade policy needs. HMRC has provided access to more detailed data to enable DIT to carry out its trade remedies function.

Improvements have been made to the quality of data held about the workforce. Several targeted data validation exercises have been completed, and improvements have been made to several of the wider processes that impact the quality of data held on official systems. This work will continue and deliver further improvements over the coming months. Longer term, the Department will be upgrading its systems which will enable even more accurate and timely data capture and analysis.

There are similar challenges ensuring complete and accurate financial information can be extracted and combined from systems provided by other government departments. This creates a requirement for additional manual intervention and quality assurance processes, including to prepare the Financial Statements. Further work to improve the quality of operational and financial data will continue to be carried out to ensure metrics are robust and aligned to DIT's strategic objectives.

Information governance and security

The role of Senior Information Risk Owner (SIRO) was transferred to the Director General, Chief Operating Officer in December 2018. The SIRO undertook a review of DIT's information governance and the findings were reported to PFRC and ARAC in March 2019. This review set out how the Department had risen to significant challenges in relation to information and data including:

- the rapidly increasing importance of robust information security, particularly in relation to trade policy and EU exit;
- the introduction of the General Data Protection Regulation (GDPR) and building compliance within the organisation;
- bringing the administration of Freedom of Information (FOI) and Subject Access Request (SAR) functions in-house, to significantly improve performance on the former;
- the development of multiple digital tools and products involving personal data and other information risks in preparation for EU Exit;
- tackling both historic paper records and current departmental records, including the need to store digital information efficiently and in compliance with the Public Records Act; and
- the development of our approach to cyber security.

The review also identified areas where more work is required including training and awareness and embedding a culture of compliance; creating a comprehensive up to date information asset register; improving the use of SharePoint as a records management tool; and further reviewing our information governance arrangements.

At the start of the year the Department was failing to meet the statutory target of answering 90% of FOI requests within the statutory time limit with permitted extensions, but performance improved during the year. There have been two reportable data breaches identified by the Department since GDPR took effect, both of which were reported to the Information Commissioner's Office (ICO) in accordance with the requirements of the regulation. Corrective action has been taken to avoid any repetition of similar incidents and to learn appropriate lessons while the ICO complete its review.

A Security Advisor joined DIT in September 2018 as part of the Cabinet Office-led Government Transforming Security Programme which seeks to improve, professionalise and standardise government security. The Security Advisor leads the Departmental Security Unit and replaces the former cross-Government model of Departmental Security Officers. Information security controls are considered at a Security Working Group reporting to the People Committee. The SIRO reviews systems developments to ensure appropriate information security is implemented and risks mitigated.

The Department initiated a project to review its physical, information, personnel and protective security arrangements to ensure they meet Cabinet Office requirements and to ensure they are fit for purpose as DIT moves into conducting trade negotiations. This project is continuing in 2019-20, making any improvements and additional investment that are considered necessary.

Health and Safety

My senior management team and I are committed to providing a safe and healthy working environment for DIT staff and visitors wherever they are based and that commitment is clearly set out in the Department's Health and Safety Policy and supporting roles and responsibilities document. A member of the Executive Committee has been appointed as the health and safety champion and chairs the health, safety and wellbeing committee through which we engage and consult to identify issues and develop sensible and proportionate solutions. The Department has recently enhanced its training provision to staff in respect of health, safety and wellbeing and will be providing additional equipment to facilitate healthier flexible working. During 2018-19, the Department had one over-seven-day RIDDOR (Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013) reportable absence.

Conclusion

DIT has significantly strengthened its governance arrangements during the year; however, not all processes and controls have been in place for the whole period. Overall, having considered all the evidence and taken independent advice from ARAC and Internal Audit, I am satisfied that the arrangements are adequate.

Remuneration Report

Remuneration policy

The remuneration of Senior Civil Servants (SCS) is set by the Prime Minister, following independent advice from the Senior Salaries Review Body.

The Review Body also periodically advises the Prime Minister on the pay and pensions of Members of Parliament and their allowances; on Peers' allowances; and on the pay, pensions and allowances of Ministers and others whose pay is determined by the Ministerial and Other Salaries Act 1975.

In reaching its recommendations, the Review Body was required to have regard to the following considerations:

- the need to recruit, retain and motivate suitably able and qualified people to exercise their different responsibilities;
- regional/local variations in labour markets and their effects on the recruitment and retention of staff;
- government policies for improving public services, including the requirement on departments to meet the output targets for the delivery of departmental services;
- the funds available to departments as set out in the Government's Departmental Expenditure Limits; and
- the Government's inflation target.

The Review Body takes account of the evidence it receives about wider economic considerations and the affordability of its recommendations. Further information about the work of the Review Body can be found at www.gov.uk/

Senior Official appointments

The Constitutional Reform and Governance Act 2010 requires Civil Service appointments to be made on merit, on the basis of fair and open competition. The Recruitment Principles published by the Civil Service Commission specify the circumstances when appointments may be made otherwise.

Early termination of the officials covered by this report, other than for misconduct, would result in the individual receiving compensation, as set out in the Civil Service Compensation Scheme.

Further information about the work of the Civil Service Commission can be found at: (www.civilservicecommission.org.uk).

Remuneration (including salary) and pension entitlements

The following sections provide details of the remuneration and pension interests of the Ministers and most senior management (i.e. Board Members) of the Department.

Remuneration (salary, benefits in kind and pension benefits)

Ministers' salaries and pension benefits in 2018-19 and 2017-18 were as follows. This table has been subject to audit. (Figures in brackets represent full year equivalents.)

			2018-19			2017-18
Ministers	Salary (£)	Pensions benefits[1] (to nearest £000)	Total (to nearest £000)	Salary (£)	Pensions benefits (to nearest £000)	Total (to nearest £000)
The Rt Hon Dr Liam Fox MP **Secretary of State for International Trade and President of the Board of Trade**	67,505	15,000	83,000	67,505	17,000	85,000
The Rt Hon Greg Hands MP[2] *(until 21 June 2018)* **Minister of State for Trade Policy**	15,048 (31,680)	5,000	20,000	31,680	6,000	38,000
George Hollingbery MP[3] *(from 21 June 2018)* **Minister of State for Trade Policy**	24,552 (31,680)	-	25,000	-	-	-
Baroness Fairhead[4] **Minister of State for Trade and Export Promotion**	-	-	-	-	-	-
Graham Stuart MP *(from 9 January 2018)* **Parliamentary Under Secretary of State for Investment**	22,375	5,000	28,000	5,113 (22,375)	1,000	6,000

1. The value of pension benefits accrued during the year is calculated as: (the real increase in pension multiplied by 20) less (the contributions made by the individual). The real increase excludes increases due to inflation or any increase or decrease due to a transfer of pension rights.
2. The Rt Hon Greg Hands MP left under severance terms on 21 June 2018. He received a compensation payment of £7,920.
3. George Hollingbery MP does not draw a Ministerial pension.
4. Baroness Fairhead did not draw a Ministerial salary or pension benefits.

Benefits in kind

There are no benefits in kind to be disclosed in relation to DIT Ministers.

Senior Officials are defined as members of the DIT Departmental Board. Senior Officials' salaries and pension benefits in 2018-19 and 2017-18 were as follows. This table has been subject to audit. (Figures in brackets represent full year equivalents.)

	2018-19					2017-18			
Senior Officials	Salary	Bonus Payments	Pension Benefits (to the nearest £1000)	Benefits in Kind	Total Remuner-ation	Salary	Bonus Payments	Pension Benefits[1] (to the nearest £1000)	Total Remuner-ation
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Antonia Romeo[2] **Permanent Secretary and Accounting Officer**	160-165	-	72	-	235-240	160-165	-	113	270-275
Crawford Falconer[3] *(from 10 August 2017)* **Chief Trade Negotiation Adviser and Second Permanent Secretary**	260-265	-	101	19.4	380-385	165-170 (260-265)	-	64	230-235
Catherine Vaughan *(from 4 September 2017)* **Director General, Chief Operating Officer**	140-145	5-10	55	-	200-205	80-85 (140-145)	-	31	110-115
John Alty **Director General of Trade Policy**	135-140	5-10	11	-	150-155	130-135	15-20	87	235-240
John Mahon *(from 23 April 2018)* **Director General of Exports**	130-135 (140-145)	-	51	-	180-185	-	-	-	-
Mark Slaughter *(from 20 June 2018)* **Director General of Investment**	105-110 (140-145)	-	43	-	150-155	-	-	-	-
Louis Taylor[4] **UKEF Chief Executive**	-	-	-	-	-	-	-	-	-

1. The value of pension benefits accrued during the year is calculated as: (the real increase in pension multiplied by 20) plus (the real increase in any lump sum) less (the contributions made by the individual). The real increase excludes increases due to inflation or any increase or decreases due to a transfer of pension rights.
2. During 2017-18, Antonia Romeo was also paid a bonus of £10,000 in relation to her previous role before she joined DIT. This payment is not included in this table as it does not relate to her role as Permanent Secretary of DIT.
3. In 2018-19, a payment was made to Crawford Falconer for relocation expenses, whereby he was able to access an expense-based relocation package of up to £25,000 agreed by the Cabinet Office and HMT.
   In total, a sum of £19,414.16 was claimed for during 2018-19. Receipted actuals were provided for all expenses claimed, in line with DIT policy. This payment is included in the remuneration disclosed in this table.
4. Louis Taylor is paid by UKEF. Please refer to UKEF Accounts for full details.

Salary

'Salary' includes gross salary; overtime; reserved rights to London weighting or London allowances; recruitment and retention allowances; private office allowances and any other allowance to the extent that it is subject to UK taxation. This report is based on accrued payments made by the Department and thus recorded in these Accounts. In respect of Ministers in the House of Commons, departments bear only the cost of the additional Ministerial remuneration; the salary for their services as an MP (£77,379 from 1 April 2018) and various allowances to which they are entitled are borne centrally. However, the arrangement for Ministers in the House of Lords is different in that they do not receive a salary but rather an additional remuneration, which cannot be quantified separately from their Ministerial salaries. This total remuneration, as well as the allowances to which they are entitled, is paid by the Department and is therefore shown in full in the figures above.

Benefits in kind

The monetary value of benefits in kind covers any benefits provided by the Department and treated by HMRC as a taxable emolument. In 2018-19, a payment was made to Crawford Falconer for relocation expenses, whereby he was able to access an expense-based relocation package of up to £25,000, which was agreed by the Cabinet Office and HMT. In total, a sum of £19,414.16 was claimed for during 2018-19. Receipted actuals were provided for all expenses claimed, in line with DIT policy. This payment is included in the remuneration disclosed in the table above.

Bonuses

Permanent Secretary bonuses are determined by the Permanent Secretary Remuneration Committee within the Cabinet Office. Bonuses for SCS are determined by a remuneration focussed session of the Executive Committee. These sessions include additional challenge through the attendance of a Non-Executive Board Member. Bonuses are subject to in year performance, following Cabinet Office guidance. The bonuses reported in 2018-19 relate to performance in 2017-18 and the comparative bonuses reported for 2017-18 relate to performance in 2016-17.

Pay multiples

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the median remuneration of the organisation's workforce.

The banded remuneration of the highest-paid director (Board Member) in DIT in the financial year 2018-19 was £280,000-£284,999 (2017-18: £260,000-£264,999) – see remuneration table on page 105. This was 5.7 times (2017-18: 5.8 times) the median remuneration of the workforce, which was £49,278 (2017-18: £45,365). The change in this ratio is attributable to both an increase in remuneration of the highest paid director, due to a one-off benefit in kind payment received in 2018-19, and an increase in the median remuneration of the workforce, resulting from increased recruitment of more senior staff during the period. The lowest paid employee's remuneration as at 31 March 2019 was £19,000 (2017-18: £18,077). In 2018-19, no employees received remuneration in excess of the highest-paid director.

Total remuneration includes salary, non-consolidated performance-related pay and benefits-in-kind. It does not include severance payments, employer pension contributions and the CETV of pensions. The pay multiple disclosures have been subject to audit.

Pension benefits

Ministerial pensions

Ministers' pension and benefits entitlements in 2018-19 and 2017-18 were as follows. This table has been subject to audit.

	2018-19					2017-18				
	Accrued pension at pension age as at 31/03/19 and related lump sum	Real increase in pension and related lump sum at pension age	CETV at 31/03/2019	CETV[3] at 31/03/2018	Real increase in CETV	Accrued pension at pension age as at 31/03/18 and related lump sum	Real increase in pension and related lump sum at pension age	CETV at 31/03/2018	CETV at 31/03/2017	Real increase in CETV
Ministers	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
The Rt Hon Dr Liam Fox MP **Secretary of State for International Trade and President of the Board of Trade**	5-10	0-2.5	128	106	10	5-10	0-2.5	100	79	9
The Rt Hon Greg Hands MP *(until 21 June 2018)* **Minister of State for Trade Policy**	0-5	0-2.5	65	61	3	0-5	0-2.5	57	49	3
George Hollingbery MP[1] *(from 21 June 2018)* **Minister of State for Trade Policy**	-	-	-	-	-	-	-	-	-	-
Baroness Fairhead[2] **Minister for Trade and Export Promotion**	-	-	-	-	-	-	-	-	-	-
Graham Stuart MP *(from 9 January 2018)* **Parliamentary Under Secretary of State for Investment**	0-5	0-2.5	46	38	3	0-5	0-2.5	36	34	1

1. George Hollingbery MP does not contribute to the Ministerial Care section of the PCPF.
2. Baroness Fairhead did not draw a Ministerial salary or pension benefits.
3. The factors for calculating CETVs were changed by the Government Actuary in November 2018. Therefore, the CETV figures for the start of the period do not correspond with the CETV figures for the end of the period last year.

Pension benefits for Ministers are provided by the Parliamentary Contributory Pension Fund (PCPF). The scheme is made under statute and the rules are set out in the Ministers' etc. Pension Scheme 2015, available at:

http://qna.files.parliament.uk/ws-attachments/170890/original/PCPF%20MINISTERIAL%20SCHEME%20FINAL%20RULES.doc.

Those Ministers who are Members of Parliament may also accrue an MP's pension under the PCPF (details of which are not included in this report). A new MP's pension scheme was introduced from May 2015, although members who were MPs and aged 55 or older on 1 April 2013 have transitional protection to remain in the previous MP's final salary pension scheme.

Benefits for Ministers are payable from State Pension age under the 2015 scheme. Pensions are re-valued annually in line with Pensions Increase legislation both before and after retirement. The contribution rate from May 2015 is 11.1% and the accrual rate is 1.775% of pensionable earnings.

The figure shown for pension value includes the total pension payable to the member under both the pre- and post-2015 Ministerial pension schemes.

The Cash Equivalent Transfer Value (CETV)

This is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the pension benefits they have accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total Ministerial service, not just their current appointment as a Minister. CETVs are calculated in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

The real increase in the value of the CETV

This is the element of the increase in accrued pension funded by the Exchequer. It excludes increases due to inflation and contributions paid by the Minister. It is worked out using common market valuation factors for the start and end of the period.

Civil Service pensions

Senior Officials' pension and benefits entitlements in 2018-19 and 2017-18 were as follows:

This table has been subject to audit.

	2018-19					2017-18				
	Accrued pension at pension age as at 31/03/19 and related lump sum	Real increase in pension and related lump sum at pension age	CETV at 31/03/2019	CETV at 31/03/2018	Real increase in CETV	Accrued pension at pension age as at 31/03/18 and related lump sum	Real increase in pension and related lump sum at pension age	CETV at 31/03/2018	CETV at 31/03/2017	Real increase in CETV
Senior Officials	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Antonia Romeo **Permanent Secretary and Accounting Officer**	40-45 plus a lump sum of 75-80	2.5-5 plus a lump sum of 0-2.5	593	473	34	35-40 plus a lump sum of 70-75	5-7.5 plus a lump sum of 5-7.5	473	383	55
Crawford Falconer *(from 10 August 2017)* **Chief Trade Negotiation Adviser and Second Permanent Secretary**	10-15	5-7.5	182	69	89	0-5	2.5-5	69	-	55
Catherine Vaughan *(from 4 September 2017)* **Director General, Chief Operating Officer**	10-15	2.5- 5	140	91	24	5-10	0-2.5	91	70	12
John Alty **Director General of Trade Policy**	70-75 plus a lump sum of 210-215	0-2.5 plus a lump sum of 2.5-5	1,636	1,545	11	65-70 plus a lump sum of 205-210	2.5-5 plus a lump sum of 12.5-15	1,545	1,430	85
John Mahon *(from 23 April 2018)* **Director General of Exports**	0-5	2.5-5	39	-	29	-	-	-	-	-
Mark Slaughter *(from 20 June 2018)* **Director General of Investment**	0-5	2.5-5	44	-	36	-	-	-	-	-
Louis Taylor[1] **UKEF Chief Executive**	-	-	-	-	-	-	-	-	-	-

1. Louis Taylor is paid by UKEF. Please refer to UKEF Accounts for full details.

Pension benefits are provided through the Civil Service pension arrangements. From 1 April 2015 a new pension scheme for Civil Servants was introduced – the Civil Servants and Others Pension Scheme or **alpha**, which provides benefits on a career average basis with a normal pension age equal to the member's State Pension Age (or 65 if higher). From that date all newly appointed Civil Servants and the majority of those already in service joined **alpha**. Prior to that date, Civil Servants participated in the Principal Civil Service Pension Scheme (PCSPS). The PCSPS has four sections: three providing benefits on a final salary basis (**classic**, **premium** or **classic plus**) with a normal pension age of 60; and one providing benefits on a whole career basis (**nuvos**) with a normal pension age of 65.

These statutory arrangements are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under **classic**, **premium**, **classic plus**, **nuvos** and **alpha** are increased annually in line with Pensions Increase legislation. Existing members of the PCSPS who were within 10 years of their normal pension age on 1 April 2012 remained in the PCSPS after 1 April 2015. Those who were between 10 years and 13 years and five months from their normal pension age on 1 April 2012 will switch into **alpha** sometime between 1 June 2015 and 1 February 2022. All members who switch to **alpha** have their PCSPS benefits 'banked', with those with earlier benefits in one of the final salary sections of the PCSPS having those benefits based on their final salary when they leave **alpha**. (The pension figures quoted for officials show pension earned in PCSPS or **alpha** – as appropriate. Where the official has benefits in both the PCSPS and **alpha** the figure quoted is the combined value of their benefits in the two schemes.) Members joining from October 2002 may opt for either the appropriate defined benefit arrangement or a 'money purchase' stakeholder pension with an employer contribution (**partnership** pension account).

Employee contributions are salary-related and range between 4.6% and 8.05% for members of **classic**, **premium**, **classic plus**, **nuvos** and **alpha**. Benefits in **classic** accrue at the rate of 1/80th of final pensionable earnings for each year of service. In addition, a lump sum equivalent to three years initial pension is payable on retirement. For **premium**, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike **classic**, there is no automatic lump sum. **classic plus** is essentially a hybrid with benefits for service before 1 October 2002 calculated broadly as per **classic** and benefits for service from October 2002 worked out as in **premium**. In **nuvos** a member builds up a pension based on his pensionable earnings during their period of scheme membership. At the end of the scheme year (31 March) the member's earned pension account is credited with 2.3% of their pensionable earnings in that scheme year and the accrued pension is uprated in line with Pensions Increase legislation. Benefits in **alpha** build up in a similar way to **nuvos**, except that the accrual rate in 2.32%. In all cases members may opt to give up (commute) pension for a lump sum up to the limits set by the Finance Act 2004.

The **partnership** pension account is a stakeholder pension arrangement. The employer makes a basic contribution of between 8% and 14.75% (depending on the age of the member) into a stakeholder pension product chosen by the employee from a panel of providers. The employee does not have to contribute, but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.5% of pensionable salary to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement).

The accrued pension quoted is the pension the member is entitled to receive when they reach pension age, or immediately on ceasing to be an active member of the scheme if they are already at or over pension age. Pension age is 60 for members of **classic**, **premium** and **classic plus**, 65 for members of **nuvos**, and the higher of 65 or State Pension Age for members of **alpha**. (The pension figures quoted for officials show pension earned in PCSPS or alpha – as appropriate. Where the official has benefits in both the PCSPS and alpha the figure quoted is the combined value of their benefits in the two schemes, but note that part of that pension may be payable from different ages.)

Further details about the Civil Service pension arrangements can be found at the website www.civilservicepensionscheme.org.uk

Cash Equivalent Transfer Values

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies.

The figures include the value of any pension benefit in another scheme or arrangement which the member has transferred to the Civil Service pension arrangements. They also include any additional pension benefit accrued to the member as a result of their buying additional pension benefits at their own cost. CETVs are worked out in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

Real increase in CETV

This reflects the increase in CETV that is funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

Compensation for loss of office

The Rt Hon Greg Hands MP left under severance terms on 21 June 2018. He received a compensation payment of £7,920. This disclosure has been subject to audit.

Fees paid by DIT to Non-Executive Board Members

Below are the annual fees paid to the Non-Executive Board Members of DIT. The total amounts due for the year to each person were in the following ranges:

This table has been subject to audit.

Name	2018-19 £000	2017-18 £000	Notes
Simon Walker	20-25	20-25	
Julie Currie	20-25	20-25	
Dr Pippa Malmgren	15-20	15-20	
Noël Harwerth	-	-	Paid by UKEF. Please refer to UKEF Accounts for full details.

Staff Report

Numbers and costs of people engaged in delivering DIT's objectives

Pay ranges of Senior Civil Servants

The table below shows the number of DIT SCS by pay range as at 31 March 2019. Bonuses are not included, and salary ranges represent full-time equivalent rates. These ranges exclude Special Advisors, Ministers, Local Staff overseas and staff employed by other government departments, such as the MoD.

Pay Range of SCS 2018-19	Number	Percentage[1]	Pay Range of SCS 2017-18	Number	Percentage[1]
£60,000-£64,999	-	-	£60,000-£64,999	1	1%
£65,000-£69,999	37	28%	£65,000-£69,999	30	29%
£70,000-£74,999	17	13%	£70,000-£74,999	19	18%
£75,000-£79,999	18	14%	£75,000-£79,999	13	13%
£80,000-£84,999	7	5%	£80,000-£84,999	4	4%
£85,000-£89,999	2	2%	£85,000-£89,999	10	10%
£90,000-£94,999	19	14%	£90,000-£94,999	8	8%
£95,000-£99,999	5	4%	£95,000-£99,999	-	-
£100,000-£104,999	5	4%	£100,000-£104,999	4	4%
£105,000-£109,999	2	2%	£105,000-£109,999	-	-
£110,000-£114,999	1	1%	£110,000-£114,999	1	1%
£115,000-£119,999	2	2%	£115,000-£119,999	4	4%
£120,000-£124,999	7	5%	£120,000-£124,999	2	2%
£125,000-£129,999	2	2%	£125,000-£129,999	1	1%
£130,000-£134,999	-	-	£130,000-£134,999	3	3%
£135,000-£139,999	1	1%	£135,000-£139,999	-	-
£140,000-£144,999	3	2%	£140,000-£144,999	1	1%
£145,000-£149,999	1	1%	£145,000-£149,999	-	-
£160,000-£164,999	1	1%	£160,000-£164,999	1	1%
£260,000-£264,999	-	-	£260,000-£264,999	1	1%
£280,000-£284,999	1	1%	£280,000-£284,999	-	-
Total	**131**	**100%**	**Total**	**103**	**100%**

1. Figures may not sum to 100% due to rounding.

Staff numbers

The average number of full-time equivalent (FTE) persons employed during the year (from 1 April 2018 to 31 March 2019) was as follows. The average number of FTE persons employed during the previous year (from 1 April 2017 to 31 March 2018) is also shown for comparison purposes.

This table has been subject to audit.

Average number of staff (FTE)[1]	2018-19	2017-18 (Restated[2] and re-presented[3])
Permanently employed[4]	1,671	1,382
Other Staff[5]	464	222
Ministers	4	4
Special Advisors	2	2
Overseas[6]		
UK Based	145	155
Local Staff	1,184	1,179
Total	**3,470**	**2,944**

1. The average number of staff is calculated by summing the FTE at the end of each month within the period, and dividing this by the number of months in the period.
2. The 2017-18 figures have been restated since the Annual Report and Accounts 2017-18 that was published in July 2018. In the 2017-18 report, the 'Permanently Employed' category did not include non-payroll staff as this data was not available. These employees are now included in the 2017-18 and 2018-19 average staff numbers.
3. The 2017-18 figures have also been re-presented since the Annual Report and Accounts 2017-18 that was published in July 2018, as follows:
    i. In the 2017-18 report, the 'Overseas' category was previously named 'Locally Employed' and only included Local Staff working overseas. This has been revised to be named 'Overseas'.
    ii. In the 2017-18 report, UK Based Civil Servants serving overseas were included in 'Permanently Employed'. They are now included under the category 'Overseas'.
4. 'Permanently Employed' includes permanent Civil Servants (including those on fixed term contracts) working in the UK.
5. 'Other Staff' includes agency staff, specialist contractors, Cabinet Office Fast Streamers working on DIT objectives, inward secondees and MoD staff working on DIT objectives.
6. 'Overseas' staff includes UK Based Civil Servants working overseas and Local Staff working overseas.

Staff Costs of People Engaged in Delivering DIT's Objectives

The cost of people engaged in delivering DIT's objectives is disclosed in the table below. DIT is recharged the full costs of all FCO staff overseas and at DIT headquarters who spend more than 50% of their role on DIT objectives. This table has been subject to audit.

	Civil Servants £000	Other Staff[1] £000	Ministers £000	Special Advisors £000	UK based Civil Servants working overseas £000	Local Staff £000	Total 2018-19 £000	Total 2017-18 £000
Wages and salaries	73,445	7,733	129	125	12,696	39,766	133,894	119,759
Social security costs	8,590	872	14	15	214	-	9,705	7,407
Other pension costs	15,005	2,192	-	28	1,664	6,480	25,369	20,740
Agency and temporary staff	-	25,621	-	-	-	-	25,621	15,135
Voluntary Exit Scheme	-	-	-	-	-	-	-	63
Compulsory exits	-	-	-	-	-	1,217	1,217	-
Other departures	-	-	-	-	-	179	179	-
Recoveries from outward secondments	(264)	-	-	-	-	-	(264)	(135)
Total staff costs	**96,776**	**36,418**	**143**	**168**	**14,574**	**47,642**	**195,721**	**162,969**

1. 'Other Staff' includes agency staff, specialist contractors, Cabinet Office Fast Streamers working on DIT objectives, inward secondees and MoD staff working on DIT objectives.

Staff Redeployments

The number of staff redeployed (on loan) into DIT from Other Government Departments (OGDs) and the number of staff redeployed (on loan) out of DIT into OGDs as at 31 March 2019 is shown below.[27]

The average duration of staff redeployments into DIT from OGDs is 1.1 years. The average duration of staff redeployments out of DIT into OGDs is 2.1 years.[28]

	Redeployments into DIT		Redeployments out of DIT	
Grade	Short term (less than 6 months)	Long term (6 months or longer)	Short term (less than 6 months)	Long term (6 months or longer)
AO	-	3	-	1
EO	2	5	-	6
HEO	11	31	-	16
Fast Streamers	2	143	-	-
SEO	7	15	-	11
G7	17	43	1	28
G6	6	25	-	11
SCS1	4	11	-	6
SCS2	-	1	-	-
Total	**49**	**277**	**1**	**79**

The table below shows the programme / administration classification of the cost of staff on short-term loan for DIT both as a home and host department with reference to the work performed.

	Redeployments into DIT		Redeployments out of DIT	
	Short term (less than 6 months)		Short term (less than 6 months)	
Grade	Administration £000	Programme £000	Administration £000	Programme £000
EO	2	1	-	-
HEO	27	12	-	-
Fast Streamers	28	13	-	-
SEO	33	15	-	-
G7	128	59	10	4
G6	72	33	-	-
SCS1	33	15	-	-
Total	**323**	**148**	**10**	**4**

27 Loan start dates reset when agreements are extended or amended; the most recent loan start dates are used to calculate redeployment duration. Where no end dates are centrally recorded, redeployments are categorised as long-term (in or out).
28 Average duration of redeployments only includes those for whom both start and end dates are centrally recorded.

Staff composition

The following table reports workforce gender diversity for DIT, as at 31 March 2019.

DIT Workforce by Gender[1]	Number	%
All Grades		
Female	797	44%
Male	1,002	56%
Senior Civil Servants[2]		
Female	52	42%
Male	73	58%
Senior Officials[3]		
Female	2	33%
Male	4	67%

1. This table includes Civil Servants both in the UK and working overseas for DIT that have provided this information in their records. Special Advisors, Ministers, Local Staff overseas, staff employed by other government departments (e.g. MoD and Fast Streamers employed by Cabinet Office) and contractors are not included.
2. Senior Civil Servants includes Directors (SCS2) and Deputy Directors (SCS1).
3. Senior Officials refers to members of the Departmental Board (including Permanent Secretaries and Directors General) who are Executives of the Department as at 31 March 2019. Ministers, Non-Executive Directors and the Chief Executive of UKEF are not included.

Sickness absence

The Department reports and monitors sickness absence as the number of average working days lost. The average working days lost through recorded sickness absence in 2018-19 was 2.2 days, compared to 2.0 in 2017-18. This relates to DIT Civil Servants working in the UK and all overseas staff (excludes MoD, agency staff, specialist contractors and inward secondees).

The top cause of sickness absence as reported at 31 March 2019, (of cases where cause was known) was respiratory system (including colds).

The Department's Wellbeing Strategy, launched in January 2019, sets out the following priorities:

- Managing stress at individual, manager and organisation levels
- Raising awareness about mental health
- Building organisational, team and individual resilience to cope with change and uncertainty.

To achieve this, we are equipping managers to recognise and address mental health, stress issues and support health and wellbeing in the workplace.

Health and Safety

As reported in our Annual Governance Statement, the Permanent Secretary and senior management team at DIT are committed to providing a safe and healthy working environment for DIT staff and visitors wherever they are based and that commitment is clearly set out in the Department's Health and Safety Policy and supporting roles and responsibilities document. The Department has recently enhanced its training provision to staff in respect of health, safety and wellbeing and will be providing additional equipment to facilitate healthier flexible working.

People strategy

DIT People Plan

People are at the heart of everything DIT delivers – their expertise is integral to shaping the UK as a great trading nation. DIT is committed to building on its strengths, growing leadership at all levels, building an inclusive organisation, remaining true to its values and demonstrating excellent teamwork. DIT is proud of its diverse workforce and will attract, invest in and retain the very best global talent. People development is a key priority, to help DIT to be a confident and capable department that drives economic growth and is highly respected and proud of what it does.

In 2017, the Department implemented its first ever People Plan, shaped by what our people had told us via the People Survey. This People Plan has been refreshed and further developed following the 2018 People Survey results. Over two years our employee engagement has increased by eight percentage points. The 2018 People Survey saw a further gradual increase across most of the engagement strands and highlighted where further focus is needed, such as around the themes of pay and benefits and inclusion and fair treatment. Going forward, an ongoing focus will remain around embedding the One DIT culture across the organisation, alongside pay, benefits and reward and management and leadership. The delivery of the People Plan will be supported by initiatives to ensure DIT is a great place to work.

Resourcing and capability

Strict controls on all external recruitments were introduced across the Civil Service in 2010 and have been applied within DIT since it was established in July 2016. These controls apply to all external recruitment of permanent and fixed-term staff. DIT operates an approvals process by which all recruitment falling under the controls is authorised by the relevant approver on behalf of the Secretary of State for International Trade and the President of the Board of Trade. This is to ensure that the approval across DIT is consistent and reflects value for money across the Civil Service.

Recruitment has been a major priority during 2018-19 as the Department has grown in its capability to deliver the UK's trading ambitions. We are an attractive employer and are hiring people in the UK and abroad to work across policy, market access, trade and investment. The range of hires and the associated specialisms continues to grow and across the Department we are consistently exploring opportunities to innovatively attract the diverse range of skills we need. Recruitment processes are based on the principle of selection on merit through fair and open competition, as set out in the Civil Service Commission Recruitment Principles.

DIT's status as a new Department provided an opportunity to design and build a new and innovative learning culture and framework. Combining the cross Whitehall Civil Service Learning programmes with internal learning, DIT has worked to develop a skills and capability offer to its people that is supported by a global learning platform, to meet the needs of its global workforce. DIT has focused on essential cross-departmental development priorities: building leadership capability, including a Director Development programme; growing management skills through the introduction of cohorts for both the New Line Manager and Experienced line manager Programmes and the launch of our One DIT Managers Handbook; establishing professions, including the creation of the Cross Whitehall International Trade Profession with standards, career profiles, an L&D curriculum and a network and community across Whitehall; and developing core skills, including launching our own Working in Government programme and creating a One DIT Global Digital Induction.

Employment of Disabled Persons

The Department is committed to ensuring equality of opportunity for all disabled staff. As is made clear in the job application process, candidates with a disability who apply for a post in the Department automatically go forward to the interview stage under the Guaranteed Interview Scheme, provided they satisfy the minimum criteria. Further work is needed to establish ourselves as a high performer across the Civil Service.

Diversity and Inclusion

The Department continues to make good progress in implementing its Diversity & Inclusion (D&I) Action Plan, launched by the Permanent Secretary in June 2018. The action plan supports the Civil Service wide commitment to become the UK's most inclusive employer; and our own ambition to be the most inclusive department.

There has been an improvement in the self-reporting rates and from March 2018 to March 2019 have increased rates across all protected characteristic groups in DIT from 35% to 64%. DIT remains committed to achieving a minimum of 70% reporting in 2019.

The employee support networks are now firmly established and active across the department with SCS sponsorship. To ensure D&I is embedded in all directorates, DIT successfully introduced the role of Single Points of Contact (SPOC) across business areas. The SPOC support a range of D&I initiatives including helping to raise self-reporting rates.

To address the DIT mean gender pay gap (the difference between men's and women's average hourly pay) of 4.7% and the median gender pay gap of 9.4%, we have established a Gender Pay Gap Working Group to identify and manage the actions necessary to see future improvement in bridging the gap in our organisation.

The Department continues to deliver against the four pledges made when we achieved Disability Confident Level 3 (including workplace adjustments), which demonstrates DIT's real commitment in building an inclusive workforce and providing support for those with a disability to overcome potential barriers.

There are currently 25 Bullying and Harassment First Responders in the UK (our Overseas Network are linked with the FCO first responders) and a network of 45 trained Mental Health First Aiders across the Department.

DIT is investing in building the diversity of its talent pipelines and has engaged with a range of the corporate talent schemes such as Future Leaders Scheme and Senior Leaders Scheme; as well as early talent schemes including Fast Stream, Apprenticeships and Positive Action Pathways. Training, career development and promotion is open to all at DIT which is proud to be an organisation that does not discriminate.

DIT has achieved external recognition for its activities on D&I, including:

- Disability Confident Level 3
- Named as one of the Best Employers for Race by Business in the Community (BITC) and is an early adopter of the BITC Race in the Workplace Charter
- Achieved a top 25 placing in our first entry at the external Social Mobility Index
- Improved position in the Stonewall Workplace Index for this year is at 101 which is an increase from the 227th spot last year placing the department just outside the Top 100
- Shortlisted in two categories for the Civil Service Diversity & Inclusion Awards:
  - Cabinet Secretary's Inclusion Award
  - Employee Network Excellence Award

Leadership, learning and talent

Over the past 12 months DIT has continued to focus on building the capability of the organisation in four areas which were informed through our capability assessment: leadership, management, corporate learning and professions. DIT has delivered a number of activities and closed events for leaders in the organisation, including creating a specific senior leadership capability framework, Director capability programme, development programmes for new line managers and experienced line managers. We have trained approximately 300 line managers through these programmes and continue to offer these as part of our L&D strategy. In addition, to support the introduction of the new approach to performance management we have offered a number of events on coaching conversations, setting objectives, giving feedback and a host of further online learning opportunities to build the capability of line managers at all levels globally.

DIT has developed and launched a Working in Government programme as part of the corporate learning offer reflecting the number of people we have hired from outside the Civil Service. To support the professional development of the workforce the Heads of Profession have a leading role in building the capability of the organisation. We continue to build the Trade capability across Whitehall through the International Trade Profession.

DIT continues to invest in the early talent programmes and has a significant number of Fast Streamers and Apprentices in its workforce. We have not met the 2.3% workforce target of Apprentices for 2018-19; however, we remain committed to Apprentices and achieving the target in 2019-20. In addition, DIT has participants on corporate talent schemes; Future Leaders/META Scheme and Senior Leaders Scheme as well as development programmes for under-represented groups such as Positive Action Pathways and engaging in Summer Diversity Internships, Early Diversity and Work Experience. The Department is aligned to the Civil Service talent planner with all SCS at pay band 2 and above included in central talent moderation and assessments. We intend to undertake talent assessments for SCS1, Grade 6 and 7s in 2019-20.

Engaging with DIT staff

DIT's priorities are supported – and its people informed and engaged – through a range of channels, campaigns and events. These activities ensure that everyone can access and share information relevant to roles, responsibilities, and the wider DIT and government agenda. Stories are brought to life about people, customers and priorities; celebrating DIT's success and championing its values. Ways of increasing staff engagement include all staff and directorate meetings, Directors' meetings with the Permanent Secretary, weekly all staff and senior leadership electronic bulletins (including video) and the DIT Digital Workspace. Senior leadership are also actively encouraged to cascade and share information.

Trade Union Facility time

The Trade Union Act 2016 introduced a number of reforms to Britain's industrial relations framework, which are set out in the Trade Union and Labour Relations (Consolidation) Act 1992 ("the 1992 Act"). The aim of the Trade Union Act 2016 is to modernise the UK industrial relations framework to better support an effective and collaborative approach to industrial relations, balancing the interests of TUs with interests of the wider public sector.

These facility time regulations help fulfil these objectives by ensuring that relevant employers publish facility time data in order to promote transparency and public scrutiny of this information. The regulations provide a framework for open and transparent monitoring. In DIT, we currently have three unions represented: PCS, Prospect and FDA.

Table 1: Relevant Union Officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
8	8

Table 2: Percentage of time spent on facility time

Percentage of time	Number of employees
0%	1
1-50%	7
51-99%	-
100%	-

Table 3: Percentage of pay bill spent on facility time

Total cost of facility time	£21,115
The total pay bill	£159,303,000
Percentage of the total pay bill spent on facility time, calculated as:(total cost of facility time ÷ total pay bill) x 100	0.013%

Table 4: Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as: (total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) x 100	0%

Other employee matters

Consultancy

Consultancy spend in 2018-19 was £2,761k (2017-18: £644k). This relates to the provision of objective advice to DIT relating to strategy, structure, management or operations in pursuit of its purposes and objectives. The growth in Departmental consultancy spend in 2018-19 was driven by EU Exit related requirements. In particular, two large consultancy contracts have been entered into to (a) implement the learning and development programme for the Trade Remedies Authority; and (b) support with the designing of trade policy and negotiations delivery systems.

Off-payroll engagements

HMT requires all departments to publish details of off-payroll engagements and the assurances sought that the correct tax is being paid. For all off-payroll engagements as of 31 March 2019, for more than £245 per day and that last for longer than six months:

Table 1: For all off-payroll engagements as of 31 March 2019 for more than £245 per day and that last for longer than six months

No. of existing engagements as of 31 March 2019	553
Of which	
No. that have existed for < 1 year at time of reporting	235
No. that have existed for between 1 and 2 years at time of reporting	237
No. that have existed for between 2 and 3 years at time of reporting	41
No. that have existed for between 3 and 4 years at time of reporting	14
No. that have existed for > 4 years at time of reporting	26

Table 2: For all new off-payroll engagements, or those that reached six months in duration, between 1 April 2018 and 31 March 2019, for more than £245 per day and that last for longer than six months

No. of new engagements, or those that reached six months in duration, between 1 April 2018 and 31 March 2019	139
Of which	
No. assessed as caught by Inland Revenue Off-payroll tax (IR35)	48
No. assessed as not caught by IR35	91
No. engaged directly (via Personal Service Company (PSC) contracted to department) and are on the departmental payroll	-
*No. of engagements reassessed for consistency/assurance purposes during the year	188
No. of engagements that saw a change to IR35 status following the consistency review	0

Table 3: For any off-payroll engagements of Board Members, and/or, senior officials with significant financial responsibility, between 1 April 2018 and 31 March 2019

No. of off-payroll engagements of Board Members, and/or, senior officials with significant financial responsibility, during the financial year	-
Total no. of individuals on payroll and off-payroll that have been deemed "Board Members, and/or, senior officials with significant financial responsibility", during the financial year. This figure should include both on payroll and off-payroll engagements.	7

Reporting of Civil Service and other compensation schemes – exit packages

Redundancy and other departure costs have been paid in accordance with the provisions of the Civil Service Compensation Scheme, a statutory scheme made under the Superannuation Act 1972. Exit costs are accounted for in full in the year of departure. Where the Department has agreed early retirements, the additional costs are met by the Department and not by the Civil Service pension scheme. Ill-health retirement costs are met by the pension scheme. This table has been subject to audit.

Exits disclosed for 2018-19 include the Department's Invest to Reshape Scheme for locally employed staff (non-Civil Servants) overseas. Overseas redundancy payments are determined in line with local employment law and the terms of the specific local contract of employment.

DIT exit packages table 2018-19

Exit package cost band	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band
<£10,000	16	2	18
£10,000-£24,999	11	4	15
£25,000-£49,999	7	-	7
£50,000-£99,999	5	-	5
£100,000-£149,999	3	1	4
Total number of exit packages	42	7	49
Total cost/£000	**1,217**	**179**	**1,396**

Parliamentary Accountability and Audit Report

Statement of Parliamentary Supply

In addition to the primary statements prepared under *International Financial Reporting Standards* (*IFRS*), the *Government Financial Reporting Manual* (*FReM*) requires DIT to prepare a Statement of Parliamentary Supply (SoPS) and supporting notes to show resource outturn against the Supply Estimate presented to Parliament, in respect of each budgetary control limit. The SoPS and related notes are subject to audit. Explanations of variances between Estimates and outturn are given in the Financial Review on pages 70 to 72.

				Estimate			Outturn	2018-19 £000	2017-18 £000 Outturn
	SoPS Note	**Voted**	**Non-Voted**	**Total**	**Voted**	**Non-Voted**	**Total**	**Voted outturn compared with Estimate savings/ (excess)**	**Total**
Departmental Expenditure Limit									
- Resource	1.1	421,708	-	421,708	410,722	-	410,722	10,986	380,716
- Capital	1.2	19,295	-	19,295	17,329	-	17,329	1,966	15,782
Annually Managed Expenditure									
- Resource	1.1	3,000	-	3,000	690	-	690	2,310	125
- Capital	1.2	-	-	-	-	-	-	-	-
Total Budget		**444,003**	**-**	**444,003**	**428,741**	**-**	**428,741**	**15,262**	**396,623**
Non-Budget									
- Resource		-	-	-	-	-	-	-	-
Total Non-Budget		-	-	-	-	-	-	-	-
Total Resource	1.1	424,708	-	424,708	411,412	-	411,412	13,296	380,841
Total Capital	1.2	19,295	-	19,295	17,329	-	17,329	1,966	15,782
Total		**444,003**	**-**	**444,003**	**428,741**	**-**	**428,741**	**15,262**	**396,623**

Net cash requirement 2018-19

				2018-19 £000	2017-18 £000
	SoPS Note	Estimate	Outturn	Outturn compared with Estimate saving/ (excess)	Outturn
Net cash requirement	**3**	**464,100**	439,079	25,021	355,600

Administration costs 2018-19

				2018-19 £000	2017-18 £000
		Estimate	Outturn	Outturn compared with Estimate saving/ (excess)	Outturn
Administration costs	**1.1**	**125,030**	118,201	6,829	80,232

Figures in the areas outlined in bold are voted totals subject to Parliamentary control. In addition, although not a separate voted limit, any breach of the administration budget will also result in an excess vote.

The notes on pages 124 to 126 support the SoPS.

Variances between Estimate and outturn

Explanations of variances between Estimate and outturn are given in the Financial Review on pages 70 to 72.

Notes to the Statement of Parliamentary Supply

SoPS 1. Net outturn

SoPS 1.1. Analysis of net resource outturn by section

									2018-19 £000	2017-18 £000
							Outturn		Estimate	Outturn
			Administration			Programme				
	Gross	Income	Net total	Gross	Income	Net total	Total	Net total	Net total compared to Estimate	Total
Spending in Departmental Expenditure Limit Voted: A. Trade development and promotion, inward investment, trade policy and the GREAT campaign	118,201	-	118,201	329,844	(37,323)	292,521	410,722	421,708	10,986	380,716
Annually Managed Expenditure Voted: B. Trade development and promotion, inward investment, trade policy and the GREAT campaign	-	-	-	690	-	690	690	3,000	2,310	125
Total	**118,201**	**-**	**118,201**	**330,534**	**(37,323)**	**293,211**	**411,412**	**424,708**	**13,296**	**380,841**

SoPS 1.2. Analysis of net capital outturn by section

					2018-19 £000	2017-18 £000
			Outturn		Estimate	Outturn
	Gross	Income	Net total	Net total	Net total compared to Estimate	Total
Spending in Departmental Expenditure Limit Voted: A. Trade development and promotion, inward investment, trade policy and the GREAT campaign	17,329	-	17,329	19,295	1,966	15,782
Total	**17,329**	**-**	**17,329**	**19,295**	**1,966**	**15,782**

Explanations of variances between Estimate and outturn are given in the Financial Review on pages 70 to 72.

SoPS 2. Reconciliation of outturn to net operating expenditure

SoPS 2.1. Reconciliation of net resource outturn to net operating cost

		2018-19 £000	2017-18 £000
	Note	Outturn	Outturn
Total resource outturn in SoPS			
Budget	SoPS 1.1	411,412	380,841
Non-Budget	SoPS 1.1	-	-
Less: Capital grant in kind income	Note 5	-	(10,623)
Add: Research and development*	Note 4	1,703	2,444
Net Operating Expenditure in SoCNE		**413,115**	**372,662**

* Research and development expenditure relates to work on digital products, Trade Policy Group, healthcare and export projects classified as capital expenditure in budgeting terms under the European System of Accounts 2010 (ESA 10) requirements.

SoPS 3. Reconciliation of net resource outturn to net cash requirement

	Note	Estimate £000	Outturn £000	Net total outturn compared with Estimate: savings (excess) £000
Resource outturn	SoPS 1.1	424,708	411,412	13,296
Capital outturn	SoPS 1.2	19,295	17,329	1,966
		444,003	**428,741**	**15,262**
Accruals to cash adjustments				
Adjustments to remove non-cash items:				
- Depreciation, amortisation and impairment	4	(4,000)	(4,913)	913
- National Audit Office – Auditors' remuneration	4	-	(175)	175
Movement in provisions	4	-	(446)	446
Adjustments to reflect movements in working balances:				
- (Decrease)/increase in receivables	SoCF, 10	3,000	(1,600)	4,600
- Decrease in payables	11	21,097	17,472	3,625
Net cash requirement		**464,100**	**439,079**	**25,021**

Explanations of variances between Estimate and outturn are given in the Financial Review on pages 70 to 72.

Parliamentary Accountability Disclosures

Regularity of expenditure

Losses and special payments

(This section has been subject to audit).

Losses statement		
	2018-19	2017-18
Number of losses	23	82
Total value of losses (£000)	467	1,043

Details of individual, reportable losses greater than £300,000 during the year		
	2018-19 £000	2017-18 £000
Legacy expenditure incorrectly capitalised	-	313
Legacy unsupported book keeping entries	-	437
	-	**750**

During 2018-19 DIT made six ex-gratia payments totalling £88k (2017-18: nil).

Remote contingent liabilities

(This section has been subject to audit).

The Department has a remote contingent liability to cover the initial stages of potential arbitration proceedings, estimated at £135k, on a longstanding matter which predates the Department's creation in 2016. The Department continues to monitor the situation and refutes any liability.

The Department has a further remote contingent liability relating to service delivery for Overseas Market Introduction Service that cannot be reliably estimated and the chance that any claims against the Department are successful is considered highly unlikely.

Regularity

(This section has been subject to audit).

I can confirm that, for the financial year ended 31 March 2019, neither I, nor my staff, authorised a course of action, the financial impact of which is that transactions infringe the requirements of regularity as set out in Managing Public Money, and that Treasury approval has been obtained for all novel, contentious or repercussive transactions relating to 2018-19.

Antonia Romeo
Accounting Officer
8 July 2019

The Certificate and Report of the Comptroller and Auditor General to the House of Commons

Opinion on financial statements

I certify that I have audited the financial statements of the Department for International Trade for the year ended 31 March 2019 under the Government Resources and Accounts Act 2000. The financial statements comprise: the Department's Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity; and the related notes, including the significant accounting policies. These financial statements have been prepared under the accounting policies set out within them.

I have also audited the Statement of Parliamentary Supply and the related notes, and the information in the Accountability Report that is described in that report as having been audited.

In my opinion:

- the financial statements give a true and fair view of the state of the Department's affairs as at 31 March 2019 and of the Department's net operating expenditure for the year then ended; and
- the financial statements have been properly prepared in accordance with the Government Resources and Accounts Act 2000 and HM Treasury directions issued thereunder.

Opinion on regularity

In my opinion, in all material respects:

- the Statement of Parliamentary Supply properly presents the outturn against voted Parliamentary control totals for the year ended 31 March 2019 and shows that those totals have not been exceeded; and
- the income and expenditure recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Basis of opinions

I conducted my audit in accordance with International Standards on Auditing (ISAs) (UK) and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my certificate. Those standards require me and my staff to comply with the Financial Reporting Council's Revised Ethical Standard 2016. I am independent of the Department for International Trade in accordance with the ethical requirements that are relevant to my audit and the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements.
I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

I am required to conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Department for International Trade's ability to continue as a going concern for a period of at least twelve months from the date of approval of the financial statements. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern. I have nothing to report in these respects.

Responsibilities of the Accounting Officer for the financial statements

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Accounting Officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit, certify and report on the financial statements in accordance with the Government Resources and Accounts Act 2000.

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Department for International Trade's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I am required to obtain evidence sufficient to give reasonable assurance that the Statement of Parliamentary Supply properly presents the outturn against voted Parliamentary control totals and that those totals have not been exceeded. The voted Parliamentary control totals are Departmental Expenditure Limits (Resource and Capital), Annually Managed Expenditure (Resource and Capital), Non-Budget (Resource) and Net Cash Requirement.

I am also required to obtain evidence sufficient to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Other Information

The Accounting Officer is responsible for the other information. The other information comprises information included in the annual report, other than the parts of the Accountability Report described in that report as having been audited, the financial statements and my auditor's report thereon. My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon. In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Opinion on other matters

In my opinion:

- the parts of the Accountability Report to be audited have been properly prepared in accordance with HM Treasury directions made under the Government Resources and Accounts Act 2000;
- in the light of the knowledge and understanding of the Department and its environment obtained in the course of the audit, I have not identified any material misstatements in the Performance Report or the Accountability Report; and
- the information given in the Performance Report and Accountability Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I report by exception

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept or returns adequate for my audit have not been received from branches not visited by my staff; or
- the financial statements and the parts of the Accountability Report to be audited are not in agreement with the accounting records and returns; or
- I have not received all of the information and explanations I require for my audit; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

Report

I have no observations to make on these financial statements.

Gareth Davies
Comptroller and Auditor General
9 July 2019

National Audit Office
157-197 Buckingham Palace Road
Victoria
London SW1W 9SP

StreetDrone Twizy autonomous research and development vehicle

Financial Report

Financial Statements

Statement of Comprehensive Net Expenditure (SoCNE)
For the year ended 31 March 2019

	Note	2018-19 £000	2017-18 £000
Grant in kind income	5	-	(10,623)
Pan American Games 2019, Lima	5	(31,072)	(12,596)
Other operating income	5	(6,251)	(10,944)
Total operating income	**5**	**(37,323)**	**(34,163)**
Staff costs	3	195,721	162,969
Trade and Investment activities	4	39,919	65,087
Recharges from other government departments	4	58,434	49,414
Promotion activities	4	22,082	24,152
Events	4	17,586	23,596
Grants	4	11,712	12,111
Pan American Games 2019, Lima	4	30,646	12,292
Other expenditure	4	74,338	57,204
Total operating expenditure		**450,438**	**406,825**
Net operating expenditure		**413,115**	**372,662**
Other comprehensive net expenditure			
Items which will not be reclassified to net operating expenditure:			
Net gain on revaluation of property, plant and equipment	6	(6,197)	-
Comprehensive net expenditure for the year		**406,918**	**372,662**

The notes on pages 138 to 156 form part of these Accounts.

Statement of Financial Position (SoFP)

As at 31 March 2019

	Note		As at 31 March 2019 £000		As at 31 March 2018 £000
Non-current assets					
Leasehold buildings	6	15,449		9,496	
Property, plant and equipment	6	7,453		6,077	
Intangible assets	7	23,503		13,924	
Total non-current assets			**46,405**		**29,497**
Current assets					
Trade and other receivables	10	20,237		21,837	
Cash and cash equivalents	9	25,021		46,317	
Total current assets			**45,258**		**68,154**
Total assets			**91,663**		**97,651**
Current liabilities					
Trade and other payables	11	(128,538)		(167,306)	
Provisions	12	(571)		(125)	
Total current liabilities			**(129,109)**		**(167,431)**
Total assets less current liabilities			**(37,446)**		**(69,780)**
Taxpayers' equity and other reserves					
Revaluation reserve			6,177		-
General fund			(43,623)		(69,780)
Total equity			**(37,446)**		**(69,780)**

The notes on pages 138 to 156 form part of these Accounts.

Antonia Romeo
Accounting Officer
8 July 2019

Statement of Cash Flows (SoCF)

For the year ended 31 March 2019

	Note	2018-19 £000	2017-18 £000
Cash flows from operating activities			
Net operating expenditure	SoCNE	(413,115)	(372,662)
Adjustments for non-cash transactions:			
Non-cash costs	4	5,143	2,549
Movement in provisions	4	446	125
Decrease/ (increase) in trade and other receivables	10	1,600	(6,478)
(Decrease)/ increase in trade and other payables	11	(38,768)	73,797
Movements in payables relating to items not passing through SoCNE		18,922	(28,970)
Capital grant in kind income	5	-	(10,623)
Net cash outflows from operating activities		**(425,772)**	**(342,262)**
Cash flows from investing activities			
Purchase of property, plant and equipment		(3,344)	(4,409)
Purchase of intangible assets		(9,961)	(8,929)
Net cash outflows from investing activities		**(13,305)**	**(13,338)**
Cash flows from financing activities			
From the Consolidated Fund (Supply) – Current year	SoCTE	417,781	384,570
Net financing		**417,781**	**384,570**
Net (decrease) / increase in cash and cash equivalents in the period before adjustment for receipts and payments to the Consolidated Fund		**(21,296)**	**28,970**
Payments of amounts due to the Consolidated Fund		-	-
Net (decrease) / increase in cash and cash equivalents in the period after adjustment for receipts and payments to the Consolidated Fund		**(21,296)**	**28,970**
Cash and cash equivalents at the beginning of the period	**9**	**46,317**	**17,347**
Cash and cash equivalents at the end of the period	**9**	**25,021**	**46,317**

The notes on pages 138 to 156 form part of these Accounts.

Statement of Changes in Taxpayers' Equity (SoCTE)

For the year ended 31 March 2019

	Note	General Fund £000	Revaluation Reserve £000	Total £000
Balance at 31 March 2017		**(52,843)**		**(52,843)**
Net Parliamentary funding – drawn down	SoCF	384,570	-	384,570
Net Parliamentary funding – deemed	SoCF	17,347	-	17,347
Supply payable adjustment	11	(46,317)	-	(46,317)
Net operating expenditure	SoCNE	(372,662)	-	(372,662)
Other comprehensive expenditure				
Revaluation gains and losses	6	-	-	-
Non-cash items				
National Audit Office - Auditors' remuneration	4	125	-	125
Movement in reserves				
Transfers from revaluation reserve		-	-	-
Balance at 31 March 2018		**(69,780)**	**-**	**(69,780)**
Net Parliamentary funding – drawn down	SoCF	417,781	-	417,781
Net Parliamentary funding – deemed	SoCF	46,317	-	46,317
Supply payable adjustment	11	(25,021)	-	(25,021)
Net operating expenditure	SoCNE	(413,115)	-	(413,115)
Other comprehensive expenditure				
Revaluation gains and losses	6	-	6,197	6,197
Non-cash items				
National Audit Office - Auditors' remuneration	4	175	-	175
Movement in reserves				
Transfers from revaluation reserve		20	(20)	-
Balance at 31 March 2019		**(43,623)**	**6,177**	**(37,446)**

The notes on pages 138 to 156 form part of these Accounts.

Notes to the 2018-19 Resource Accounts

1. Statement of accounting policies

1.1. Basis of accounting

These Financial Statements have been prepared in accordance with the *2018-19 Government Financial Reporting Manual* (*FReM*), issued by HM Treasury. The accounting policies contained in the *FReM* apply *International Financial Reporting Standards* (*IFRS*) as adapted, or interpreted, for the public-sector context. Where the *FReM* permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the Department for International Trade, for the purpose of giving a true and fair view has been selected. The particular policies adopted by the Department are described below. They have been applied consistently in dealing with items that are considered material to the Accounts.

In addition to the primary statements prepared under *IFRS*, the *FReM* also requires DIT to prepare additional primary statements, the Statement of Parliamentary Supply (SoPS) and supporting notes which show outturn against Estimate in terms of the net resource requirement and the net cash requirement. The SoPS and supporting notes can be found in the Parliamentary Accountability and Audit Report.

1.2. Accounting convention

These Accounts have been prepared on a going concern basis under the historical cost convention modified to account for the revaluation of property, plant and equipment where material as described in section 1.7.

1.3. Operating income and revenue recognition

The Department has recognised operating income in accordance with *IFRS 15 Revenue from Contracts with Customers* as adapted in the *FReM* from 1 April 2018.

Revenue from contracts with customers

The Department has performed an assessment of all its arrangements with significant revenue streams in accordance with *IFRS 15*.

An assessment is made of when its performance obligations have been satisfied and when revenue should be recognised in accordance with the standard. Revenue is recognised to show the transfer of goods or services promised to a customer for an amount that reflects the expected consideration in return for those goods or services.

The impact of the adoption of *IFRS 15* is not material for DIT as the application of the new criteria has not had a material effect in the context of the Department's commercial arrangements as previously assessed under *IAS 18 Revenue*.

The Department's most significant contract arrangement relates to a Government-to-Government arrangement for the Pan American Games in 2019 in Lima. The Department is determined Principal to the arrangement under *IFRS 15* and recognises revenue for the provision of these services.

The measure deemed most appropriate for allocating the performance obligation is the value of the services provided to date. The Department recognises revenue over time as the work is completed.

The income also includes a management fee which is recognised when the payments are due, as per the Government-to-Government agreement with the Peruvian Government.

The Department will invoice the Peruvian Government two months in advance to recover costs based on the payment schedule in the agreement. The majority of the Department's deferred income relates to the Pan American Games 2019 income, where the Department receives payment in advance, but where the income is not recognised until the services are provided.

The Department does not have any material obligations for returns, refunds or warranties, but may refund charges for Overseas Market Introduction Service in the event of disputes about service delivery should they materialise.

1.4. Operating expenditure

Operating expenditure comprises mainly of the costs of DIT's corporate service functions providing organisational support and the programme expenditure.

Staff costs are recognised as expenses when the Department becomes obliged to pay them.

In accordance with *IAS 19 Employee Benefits*, all short-term staff costs, such as holiday entitlement accrued at the year end and bonuses announced but not paid, are recognised in the SoCNE. Longer-term benefits, such as pensions provided to staff, are recognised in line with *IAS 19* as interpreted and adapted by the *FReM*.

Partners Across Government (PAG) platform charges from the Foreign and Commonwealth Office (FCO) relate to the costs of providing buildings, rent, maintenance and corporate services support to the Department's overseas activities. The charge for the financial year is agreed in advance and the Department is invoiced by FCO on a quarterly basis.

FCO processes some income and expenditure for the Department. This includes costs incurred by the FCO on behalf of the Department (e.g. wages, travel and accommodation expenses for overseas staff) which are invoiced to the Department on a quarterly basis and paid in arrears. The Department accrues for the incremental monthly costs relating to the liability.

1.5. Pensions

Pension benefits to Ministers are provided by the Parliamentary Contributory Pension Fund. Further details are provided in the Remuneration Report.

The Department is recharged the total cost of pension contributions payable for FCO Civil Servants who are working for the Department in the year.

From 1 April 2015 a new pension scheme for Civil Servants was introduced known as the Alpha Pension Scheme. From that date all newly appointed Civil Servants and the majority of those already in service have joined Alpha. Prior to that date UK-based employees were covered by the provisions of the Principal Civil Service Pension Scheme (PCSPS).

Both Alpha and PCSPS are unfunded defined benefit schemes. The participating employers in these schemes are unable to identify their share of the underlying net liability; as such these schemes are accounted for as defined contribution pension schemes.

The Department recognises the expected cost of these elements on a systematic and rational basis over the period during which it benefits from employees' services by payment to the scheme of amounts calculated on an accruing basis. Liability for payment of future benefits is a charge on the PCSPS.

Some employees are members of defined contribution plans (partnership pension account). A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts.

Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in the Statement of Comprehensive Net Expenditure in the periods during which services are rendered by employees.

1.6. Value Added Tax (VAT)

The net amount due to or from Her Majesty's Revenue and Customs in respect of VAT is included within payables or receivables in the Statement of Financial Position.

Income and expenditure are shown net of VAT where output tax is charged, or input tax is recoverable.

Irrecoverable VAT is charged to the Statement of Comprehensive Net Expenditure and included under the relevant expenditure category. Irrecoverable VAT on the purchase of an asset is included in additions.

1.7. Property, plant and equipment

Assets are capitalised as property, plant and equipment if they are intended for use on a continuing basis and their original purchase cost, on an individual or group basis, is above the threshold of £1,000.

Property

The Department holds the leasehold for a building at 55 Whitehall, London. As the Department is paying a peppercorn rent, there is no lease liability recognised and it is treated as an asset in use.

Revaluation

This non-specialised building held on long term lease was initially measured at historical cost. It has been stated at value in use as a proxy for fair value using a professional valuation.

Valuations are carried out at least every five years by external qualified valuers. The building will be valued in the intervening years between professional valuations, if market conditions indicate there has been a material change in the valuation.

The last valuation was undertaken in February 2019 by Avison Young, in accordance with the Royal Institution of Chartered Surveyors (RICS) - Global Standards 2017 UK National Supplement.

Any accumulated depreciation at the date of revaluation is eliminated and the resulting net amount restated to equal the revalued amount.

Any revaluation increase arising is credited to the revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognised as an expense, in which case the increase is credited to the Statement of Comprehensive Net Expenditure to the extent of the decrease previously charged. A decrease in carrying amount arising on revaluation is charged as an expense to the extent that it exceeds the balance, if any, held in the revaluation reserve relating to a previous revaluation of that asset. On the subsequent derecognition of a revalued asset, the attributable revaluation surplus remaining in the revaluation reserve is transferred directly to the General Fund.

Non-property

In accordance with the *FReM*, the option has been taken to value some non-property assets on a depreciated historical cost basis, as a proxy for fair value where assets have short useful lives or are of low value, or both.

Depreciation

Property, plant and equipment assets are depreciated at rates calculated to write them down to their estimated residual value on a straight-line basis over their estimated useful lives.

Assets are depreciated over the following periods:

Leasehold buildings	Up to 99 years or remaining life of lease
Leasehold improvements	10-25 years or shorter of estimated remaining useful life or outstanding term of lease
Assets under construction	Not depreciated until assets are in use
Information Technology	Three to five years
Office machinery	Five years
Furniture, fixtures and fittings	Three to five years

Assets under construction are valued at historical cost. The asset's carrying value is transferred to the respective asset category and depreciated when they are available for use as intended by management. Leasehold buildings are depreciated over the shorter of their useful life or lease term.

1.8. Intangible assets

Intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses. This is as a proxy for fair value as no active market exists for the Department's intangible assets. The minimum level of capitalisation of an intangible asset is £1,000.

Amortisation of intangible assets is charged to the Statement of Comprehensive Net Expenditure on a straight-line basis when the assets are available for use to allocate the carrying amounts of the intangible assets over their estimated useful economic lives.

Software licences are amortised over the shorter of the term of the licence or their useful economic life. Intangible assets are normally amortised over the periods as provided below:

Software licences	Three to five years
Website	Four to five years
Information Technology	Three to five years
Assets Under Construction	Not depreciated until assets are in use

Development costs directly attributable to the design and testing of identifiable and unique software products are recognised as assets under construction when they meet the recognition criteria *IAS 38 Intangible Assets*.

Assets under construction are valued at historical cost. The assets' carrying value is transferred to the respective asset category and amortised when they are available for use as intended by management.

The Department regularly reviews progress on projects and the products delivered to assess whether they have been brought into service in accordance with *IAS 38*.

1.9. Impairments

At each reporting date, the Department reviews the carrying amounts of its property, plant and equipment and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of any impairment loss; an impairment loss is recognised when the carrying amount of an asset or cash generating unit exceeds its recoverable amount. Recoverable amount is the higher of fair value less costs to sell and value in use.

When an asset's carrying value decreases as a result of a permanent diminution in the value of the asset due to a clear consumption of economic benefit or service potential, the decrease is charged directly to net operating costs in the Statement of Comprehensive Net Expenditure. Impairment losses that do not result from a loss of economic value or service potential are taken to the revaluation reserve to the extent a revaluation reserve exists for the impaired asset.

Residual values and useful lives are reviewed and adjusted if appropriate, at each reporting date.

1.10. Trade and other receivables

The only financial assets held by the Department are short-term trade and other receivables. The receivables are held to collect contractual cash flows and do not contain significant financing components. They are held at amortised cost less the loss allowance.

The new standard *IFRS 9 Financial Instruments* has been adopted by the Department from 1 April 2019. The impact of *IFRS 9* on the Department is not material as trade receivables and contract asset balances are not significant to the Financial Statements.

The Department's loss allowance is determined by applying a simplified approach equalling the lifetime expected credit losses. An allowance will be made for potentially impaired receivables based on regular reviews of all outstanding amounts. From this review, there have been no material changes to impairment during the financial year.

1.11. Trade and other payables

Trade and other payables are recognised at fair value, which represent liabilities for goods and services provided to DIT prior to the financial year end that are unpaid. Trade and other payables are non-interest bearing and their carrying value approximates their fair value.

Accruals are recognised for expenditure incurred by the Department for goods and services delivered prior to the financial year end and have not been invoiced.

1.12. Grants

Grants payable are recorded as expenditure in the period in which the underlying event or activity that gives entitlement to the grant occurs. Where the period to which the payments are to be applied is clearly defined, the appropriate resource adjustments are made to reflect the period of expenditure through accruals and prepayments.

1.13. Cash

Cash and cash equivalents recorded in the Statement of Financial Position and Statement of Cash Flows comprise bank balances held with the Government Banking Service.

1.14. Provisions and contingent liabilities

In accordance with *IAS 37 Provisions, Contingent Liabilities and Contingent Assets,* the Department provides for legal and constructive obligations that relate to past events, where the obligations are of uncertain timing at the reporting date. Provisions are based on the best estimate of the expenditure required to settle the obligation.

The Department discloses contingent liabilities for which the likelihood of payment is greater than remote but is less than probable or the obligation cannot be measured reliably.

1.15. Foreign exchange

The presentational currency of the Department's Financial Statements is the British pound sterling (£).

Transactions which are denominated in a foreign currency are translated into sterling at the exchange rate ruling on the date of the transaction. The FCO does not pass on foreign exchange losses for the transactions it processes on behalf of the Department as HM Treasury provides budget protection.

1.16. Leases

Apart from 55 Whitehall for which the accounting is explained in section 1.7, all the Department's material leases are regarded as operating leases because the Department does not bear the risks and rewards of ownership. Rentals are charged to the Statement of Comprehensive Net Expenditure over the term of the lease.

1.17. Accounting judgements, estimates and assumptions

The Accounting Officer, in preparing the Accounts, is required to select suitable accounting policies, apply them consistently and make estimates and assumptions that are reasonable and prudent. These judgements and estimates are based on historical experience and other factors considered relevant. Actual results may differ from these estimates and assumptions and could require an adjustment to the carrying value of assets or liabilities.

The following are considered areas of significant judgement and estimates. Further detail is provided in the relevant section of these accounting policies:

- Impairments (section 1.9)
- Revaluation of leasehold buildings (section 1.7)
- Revenue Recognition (section 1.3)
- Provisions (section 1.14)

Other areas of significant judgement and estimates are:

- Staff leave accrual

  The Department estimates the expected cost of the annual leave entitlement by calculating the average value of outstanding leave across each pay band from selecting a sample which is then used to provide an extrapolated total.

- Incentive Payments

  At the year end, the Department determines whether it should accrue or provide for incentive payments earned on high value contracts based on probability of payment. Incentive payments seek to equip the Department with a way of motivating performance of its suppliers during the course of the contract.

  The provisions and accruals for incentive payments will be based upon the Department's view of the suppliers' performance and forecast data such as Export Wins which have been recorded on the Department's database. Incentive payment values are agreed and paid once the Department has validated the performance data.

- Capital research and development for budgeting purposes

  The Department assesses its research work against the requirements of European System of Accounts 2010 definitions to decide if it meets the criteria to be recorded as capital against the Department's Capital Departmental Expenditure Limit. Research that does not satisfy the requirements is recorded as resource expenditure.

1.18. New and amended standards adopted

The new standards *IFRS 15 Revenue from Contracts with Customers* and *IFRS 9 Financial Instruments* have been adopted by the Department. The impact of both these standards is immaterial as detailed in section 1.3 and 1.10 of these accounting policies.

1.19. Impending application of newly issued accounting standards not yet effective

The new standard as detailed below is not yet effective for the year ended 31 March 2019 and has not been applied in these Financial Statements.

IFRS 16 Leases, replaces *IAS 17 Leases* and is expected to be applied by HM Treasury in the *FReM* from 1 April 2020. The proposed changes simplify the classification and measurement of leases by introducing a single lessee accounting model and removing the distinction between recognising an operating lease and a finance lease. The new standard requires recognition of all leases which last over 12 months to be recognised as a finance lease.

This will result in the recognition of a right-to-use asset measured at present value of future lease payments, with matching liabilities, depreciation of the right-to-use asset and an associated finance cost being recognised.

IFRS 16 is expected to have a material impact as the Department has significant operating leases. However, the full impact of the standard cannot be determined until decisions are made on the budgeting treatment.

2. Statement of net operating expenditure by segment

	Gross Expenditure £000	Income £000	2018-19 Net £000	Gross Expenditure £000	Income £000	2017-18 Re-presented* Net £000
Global Trade and Investment						
- Exports	107,505	(34,111)	**73,394**	83,545	(15,364)	**68,181**
- Investment	31,337	(1,398)	**29,939**	35,135	(1,839)	**33,296**
- Overseas	78,069	(739)	**77,330**	75,463	(863)	**74,600**
Total:	**216,911**	**(36,248)**	**180,663**	**194,143**	**(18,066)**	**176,077**
Overseas Platform	**52,905**	**-**	**52,905**	**43,500**	**-**	**43,500**
Trade Policy Group	**52,231**	**(210)**	**52,021**	**34,349**	**(324)**	**34,025**
Corporate Services						
- Digital, Data and Technology	20,903	-	**20,903**	22,522	(417)	**22,105**
- Estates	18,249	-	**18,249**	14,630	(10,623)	**4,007**
- Other Corporate Services	28,076	6	**28,082**	23,528	(903)	**22,625**
Total:	**67,228**	**6**	**67,234**	**60,680**	**(11,943)**	**48,737**
Centrally Managed Resources	**1,556**	**(202)**	**1,354**	**-**	**-**	**-**
Global Strategy, Ministerial Strategy and EU Exit Directorates	**17,760**	**-**	**17,760**	**13,219**	**-**	**13,219**
GREAT Britain campaign	**3,031**	**-**	**3,031**	**2,927**	**-**	**2,927**
Communications and Marketing	**38,816**	**(669)**	**38,147**	**58,007**	**(3,830)**	**54,177**
Net operating expenditure	**450,438**	**(37,323)**	**413,115**	**406,825**	**(34,163)**	**372,662**

*The gross expenditure and income reported against the Department's operating segments for 2017-18 has been re-presented to separate Global Trade and Investment (formerly International Trade and Investment) into Exports, Investment and Overseas following a restructure after the recruitment of additional Directors General.

2. Statement of net operating expenditure by segment (cont.)

Operating Segments are determined in accordance with *IFRS 8 'Operating Segments*' based on what information is presented for decision making purposes to the Chief Operating Decision Maker (CODM) who is the Accounting Officer.

The Accounting Officer receives financial information at aggregate level as well as information on outcomes relating to each group. These are measured on the same basis as for financial reporting purposes in the Statement of Comprehensive Net Expenditure. The structure of DIT means that materially all of the assets included in the Statement of Financial Position are used for the general administration and benefit of DIT as a whole. The breakdown for each operating segment is stated below:

Global Trade and Investment (formerly International Trade and Investment): contains Exports and Investment teams, which work to encourage UK businesses to export or invest abroad, and source opportunities and international companies to increase Foreign Direct Investment (FDI). Additionally, they provide operational support to the international network and HMTCs, coordinating join up across the overseas posts, UK regions and the sectors.

Overseas Platform: contribution to the Foreign & Commonwealth Office (FCO) for their delivery on behalf of HMG of the overseas infrastructure which DIT uses to deliver its objectives.

Trade Policy Group: is tasked with opening markets across the world alongside building the capability to negotiate the UK's new trading arrangements and leading the UK's interests in supporting and strengthening the rules based international trade system. It also ensures the UK tackles unfair and damaging practices to protect domestic industry.

Digital, Data and Technology: provides the digital services to support exporters and investors as well as the infrastructure required for the achievement of DIT strategies.

Estates: including the buildings and facilities management in the UK for the DIT workforce.

Other Corporate Services including Analysis, Business Services, Commercial, Finance and HR: provides the support structures and resources required for the achievement of DIT strategies.

Centrally Managed Resources: Departments are encouraged by the Treasury in the Consolidated Budgeting Guidance not to allocate their budgets fully against their programmes at the start of a financial year but to hold some budget back to deal with unforeseen pressures that emerge subsequently.

Global Strategy Directorate, Ministerial Strategy Directorate and support teams, and the EU Exit Directorate: this includes the Department's work in support of National Security and Prosperity, DIT's Defence and Security Organisation, Official Development Assistance, Trade Envoys and support for Ministers in setting and delivering the Department's strategy.

The GREAT Britain campaign: works to showcase the best of what the UK has to offer to inspire people to visit, do business, invest and study in the UK.

Communications and Marketing: includes support for inward and outward trade missions, major events such as Expo 2020 Dubai and the DIT elements of the GREAT Britain campaign.

3. Staff costs

	2018-19 £000	2017-18 £000
Wages and salaries	133,894	119,759
Social security costs	9,705	7,407
Other pension costs	25,369	20,740
Agency and temporary staff	25,621	15,135
Voluntary exit scheme	-	63
Compulsory redundancies	1,217	-
Other departures	179	-
Recoveries from outwards secondments	(264)	(135)
Total staff costs	**195,721**	**162,969**

For further information on staff costs, numbers, pensions and compensation schemes, please see the Remuneration and Staff Reports on pages 103 to 121.

4. Other Costs

		2018-19 £000		2017-18 Re-presented* £000
International Trade Adviser costs	24,400		26,907	
Investment support services	9,566		9,267	
Other Trade and Investment activites	5,953		28,913	
Total Trade and Investment activites		**39,919**		**65,087**
FCO platform charge	52,905		43,810	
BEIS overhead recharge	5,529		5,604	
Total recharges from other government departments		**58,434**		**49,414**
Promotion activities		**22,082**		**24,152**
Events		**17,586**		**23,596**
Grants		**11,712**		**12,111**
Pan American Games 2019, Lima**		**30,646**		**12,292**
Subscriptions	6,469		6,340	
Travel and subsistence	14,616		16,350	
IT expenditure	5,288		6,310	
Training and other staff costs	8,995		4,845	
Market research and evaluation	1,412		949	
Rentals and accommodation	12,871		8,142	
Legal and other professional services	7,768		5,161	
Consultancy	2,761		644	
Research and development	1,703		2,444	
Business rates	3,076		2,088	
Other expenditure	3,790		1,257	
Non-cash items				
Depreciation	2,175		535	
Amortisation	2,738		1,220	
National Audit Office - Auditors' remuneration	175		125	
Loss on disposal of assets	55		215	
Transfer adjustments***	-		141	
Impairment	-		313	
Movement in provisions	446		125	
Total other expenditure		**74,338**		**57,204**
Total other costs		**254,717**		**243,856**

*Total Trade and Investment activities has been re-presented from outsourced trade services, outsourced investment services, and outsourced programme activities to International Trade Adviser costs, investment support services and other Trade and Investment activities. This change is to reflect the current operating model.

** In addition to the £30,646k for Pan American Games 2019, £364k is included in the staff costs note. This expenditure plus the £62k management fee equals the income recognised in note 5.

*** Write off adjustment to correct the balance transferred to DIT under the Machinery of Government change in 2016-17.

5. Income

	2018-19 £000	2017-18 £000
Capital grant in kind income*	-	10,623
Pan American Games 2019, Lima income**	31,072	12,596
GREAT events overseas	-	1,595
Sector events	728	1,361
Charges to external customers for Overseas Market Introduction Service	1,576	1,062
Income from other government departments	1,969	5,115
Other income	1,978	1,811
Total income	**37,323**	**34,163**

* The Capital grant in kind income for 2017-18 is the net impact of non-cash transaction involving a grant by BEIS to DIT of £10,623k, which includes the transfer of the leased building, 55 Whitehall, and fixtures and fittings.

** The Government-to-Government income from the Pan American Games 2019, Lima, includes a management fee of £62k (2017-18: £67k).

6. Property, plant and equipment

2018-19

	Leasehold buildings* £000	Leasehold improvements £000	Information Technology £000	Office machinery £000	Furniture, fixtures and fittings £000	Assets under construction £000	Total £000
Cost or valuation							
At 1 April 2018	9,496	830	4,984	6	973	906	17,195
Additions	-	479	2,014	12	503	354	3,362
Disposals	-	-	(250)	(4)	(892)	-	(1,146)
Revaluation	6,004	-	-	-	-	-	6,004
Reclassifications	-	439	146	-	275	(860)	-
At 31 March 2019	**15,500**	**1,748**	**6,894**	**14**	**859**	**400**	**25,415**
Depreciation							
At 1 April 2018	-	-	(886)	(6)	(730)	-	(1,622)
Charge in year	(244)	(220)	(1,471)	(1)	(239)	-	(2,175)
Disposals	-	-	249	4	838	-	1,091
Revaluation	193	-	-	-	-	-	193
At 31 March 2019	**(51)**	**(220)**	**(2,108)**	**(3)**	**(131)**	**-**	**(2,513)**
Carrying amount at 31 March 2019	**15,449**	**1,528**	**4,786**	**11**	**728**	**400**	**22,902**
Asset financing							
Owned	-	1,528	4,786	11	728	400	7,453
Leased	15,449	-	-	-	-	-	15,449
Carrying amount at 31 March 2019	**15,449**	**1,528**	**4,786**	**11**	**728**	**400**	**22,902**

* The Department occupies a building at 55 Whitehall, London, for which it holds the leasehold and pays a peppercorn rent. The building is included using value in use as a proxy for fair value of £15,500k from a professional valuation undertaken in February 2019 by Avison Young in accordance with the Royal Institution of Chartered Surveyors (RICS)-Global Standards 2017 UK National Supplement.

6. Property, plant and equipment (cont.)

2017-18

	Leasehold buildings £000	Leasehold improvements £000	Information Technology £000	Office machinery £000	Furniture, fixtures and fittings £000	Assets under construction £000	Total £000
Cost or Valuation							
At 1 April 2017	-	-	1,478	18	891	-	2,387
Additions	-	-	3,467	-	36	906	4,409
Disposals	-	-	(11)	(12)	-	-	(23)
Transfers*	9,496	830	251	-	46	-	10,623
Transfer adjustments**	-	-	(201)	-	-	-	(201)
At 31 March 2018	**9,496**	**830**	**4,984**	**6**	**973**	**906**	**17,195**
Depreciation							
At 1 April 2017	-	-	(606)	(18)	(546)	-	(1,170)
Charge in year	-	-	(351)	-	(184)	-	(535)
Disposals	-	-	11	12	-	-	23
Transfers*	-	-	-	-	-	-	-
Transfer adjustments depreciation**	-	-	60	-	-	-	60
At 31 March 2018	**-**	**-**	**(886)**	**(6)**	**(730)**	**-**	**(1,622)**
Carrying amount at 31 March 2018	**9,496**	**830**	**4,098**	**-**	**243**	**906**	**15,573**
Asset financing							
Owned	-	830	4,098	-	243	906	6,077
Leased	9,496	-	-	-	-	-	9,496
Carrying amount at 31 March 2018	**9,496**	**830**	**4,098**	**-**	**243**	**906**	**15,573**

* £10,623k relates to the transfer of the leased building, 55 Whitehall, and fixtures and fittings.
** Adjustment to correct MoG transfer balance made in 2016-17.

7. Intangible assets

2018-19	Software licence £000	Website £000	Information Technology £000	Assets under construction £000	Total £000
Cost or valuation					
At 1 April 2018	4	5,463	5,244	5,944	16,655
Additions	437	1	-	11,879	12,317
Disposals	(2)	-	(555)	-	(557)
Reclassifications	-	1,863	3,285	(5,148)	-
At 31 March 2019	**439**	**7,327**	**7,974**	**12,675**	**28,415**
Amortisation					
At 1 April 2018	(4)	(1,039)	(1,688)	-	(2,731)
Charge in year	(73)	(1,487)	(1,178)	-	(2,738)
Disposals	2	-	555	-	557
At 31 March 2019	**(75)**	**(2,526)**	**(2,311)**	**-**	**(4,912)**
Carrying amount at 31 March 2019	**364**	**4,801**	**5,663**	**12,675**	**23,503**
Asset financing					
Owned	364	4,801	5,663	12,675	23,503
Carrying amount at 31 March 2019	**364**	**4,801**	**5,663**	**12,675**	**23,503**

7. Intangible assets (cont.)

2017-18	Software licence £000	Website £000	Information Technology £000	Assets under construction £000	Total £000
Cost or Valuation					
At 1 April 2017	6	2,696	7,680	2,112	12,494
Additions	-	2,767	2,017	4,145	8,929
Disposals	(2)	-	(4,453)	-	(4,455)
Impairment	-	-	-	(313)	(313)
At 31 March 2018	**4**	**5,463**	**5,244**	**5,944**	**16,655**
Amortisation					
At 1 April 2017	(6)	(225)	(5,520)	-	(5,751)
Charge in year	-	(814)	(406)	-	(1,220)
Disposals	2	-	4,238	-	4,240
At 31 March 2018	**(4)**	**(1,039)**	**(1,688)**	**-**	**(2,731)**
Carrying amount at 31 March 2018	**-**	**4,424**	**3,556**	**5,944**	**13,924**
Asset financing					
Owned	-	4,424	3,556	5,944	13,924
Carrying amount at 31 March 2017	**-**	**4,424**	**3,556**	**5,944**	**13,924**

8. Financial instruments

As the cash requirements of the Department are met through the Estimates process, financial instruments play a more limited role in creating and managing risk than would apply to a non-public sector body of a similar size. The majority of financial instruments relate to contracts for non-financial items in line with the Department's expected purchase and usage requirements and the Department is therefore exposed to minimal credit, liquidity or market risk.

Due to the largely non-trading nature of DIT's activities and the way in which government departments are financed, DIT is not exposed to the degree of financial risk faced by business entities. Financial assets and liabilities are generated by day-to-day operational activities and are not held to change the risks facing DIT in undertaking its activities.

9. Cash and cash equivalents

	2018-19 £000	2017-18 £000
Balance at 1 April	46,317	17,347
Net change in cash and cash equivalents	(21,296)	28,970
Balance at 31 March	**25,021**	**46,317**

The following balances were held at:		
Government Banking Service	25,021	46,317
Balance	**25,021**	**46,317**

10. Trade and other receivables

	31 March 2019 £000	31 March 2018 £000
Amounts falling due within one year		
Trade receivables	2,021	3,126
VAT	10,759	11,756
Other receivables	1,742	726
Prepayments	4,767	4,565
Contract assets*	948	1,664
Total trade and other receivables	**20,237**	**21,837**

* Accrued income is shown separately from prepayments and renamed as contract assets following the introduction of *IFRS 15*.

11. Trade and other payables

	31 March 2019 £000	31 March 2018 £000
Amounts falling due within one year		
Trade payables	15,928	23,809
Other payables	472	1,304
Amounts owed to BEIS*	22,056	24,943
Amounts owed to FCO**	25,294	25,034
Accruals	32,583	25,549
Contract liabilities***	7,184	20,350
Amounts issued from the Consolidated Fund for Supply but not spent at year end	25,021	46,317
Total current liabilities	**128,538**	**167,306**

* This relates to charges paid by BEIS on behalf of DIT, mainly staff related costs.
** This relates to charges paid by FCO on behalf of DIT (e.g. wages, travel and accommodation expenses for overseas staff).
*** Deferred income has been renamed as contract liabilities following the introduction of *IFRS 15*. The majority of the contract liabilities balance relates to the Government-to-Government agreement for Pan American Games 2019, Lima.

Movement in contract liabilities balance

	31 March 2019 £000	31 March 2018 £000
Contract liabilities balance at the beginning of the period	20,350	167
Decrease due to income recognised for contracts with customers during the year	(32,648)	(13,658)
Increase due to cash received	19,482	33,841
Contract liabilities balance at the end of the period	**7,184**	**20,350**

As at 31 March 2019, contract liabilities mainly relate to the aggregate amount of the transaction price allocated to the performance obligation which has not been satisfied of £6,126k (2017-18: £20,143k) for the Government-to-Government arrangement for Pan American Games, 2019 Lima. This income will be subsequently recognised upon completion of the work.

12. Provisions

	2018-19 £000	2017-18 £000
Balance at 1 April	125	-
Provided in the year	571	125
Provisions not required written back	(125)	-
Balance at 31 March	**571**	**125**

Analysis of expected timing of cash flows:

	2018-19 £000	2017-18 £000
No later than on year	571	125
Later than one year and not later than five years	-	-
Later than five years	-	-
Balance at 31 March	**571**	**125**

13. Contingent liabilities

The Department has the following contingent liabilities for which the risk of crystallisation is considered greater than remote but is not thought probable. Amounts disclosed reflect the highest reasonable estimate of the possible liability. These are summarised by the nature and purpose of the contingent liability:

	31 March 2019 £000	31 March 2018 £000
Quantifiable contingent liabilities disclosed under *IAS 37*		
Paid in capital subscription for the Common Fund for Commodities (CFC) Government is committed, if called, to the payment of a subscription of £2.24m, in the form of Promissory Notes to be redeemed on request by the fund.	2,240	2,240
Callable capital subscription for the Common Fund for Commodities (CFC) Government is committed, if called, to the payment of a subscription of £1.96m to the fund.	1,960	1,960
Employment tribunal The Department has a potential liability in respect of a claim from an employee which is dependent on actual or potential proceedings.	30	-
	4,230	**4,200**

The Department has one other HR-related case that meets the criteria for disclosure under *IAS 37*. There is currently insufficient evidence to estimate the potential liability but it is thought not to be material.

There is also an unquantifiable contingent liability for VAT recovered against non-business activities. The Department will be working with HMRC to develop a method to calculate how the Department's reclaim of input VAT suffered should be restricted so as to avoid any recovery against statutory activities. The potential liability cannot be quantified currently until the mechanism is agreed.

The Department has claims for refunds relating to service delivery for Overseas Market Introduction Service with value of less than £5k.

14. Commitments under leases

Operating leases

Total future minimum lease payments under operating leases are given in the table below for each of the following periods:

	2018-19 £000	2017-18 £000
Buildings		
Not later than one year	8,233	8,548
Later than one year and not later than five years	29,802	33,150
Later than five years	24,258	36,740
Total	**62,293**	**78,438**

The operating lease payments represent rentals for buildings. The lease terms and rentals vary depending on the lease contracts and there are no specific restrictions imposed by the lease arrangements.

The amount of £8,013k (2017-18: £6,756k) was included as an expense on operating leases in the Statement of Comprehensive Net Expenditure.

15. Financial Commitments

The Department has a number of potential financial commitments to its delivery partners. If the Department chooses to terminate or not renew the contractual agreements, the delivery partner has 20 days to submit an exit plan including costs of termination. As there is no current plan to exit these arrangements, the financial commitments cannot be quantified (2017-18: nil).

16. Related party transactions

No Minister, member of the DIT Board, key manager or other related party has undertaken any material transactions with DIT during the year. Details about the Board Members' remuneration are included on pages 103 to 111.

In addition, DIT has had transactions with other governments, central government bodies or trading funds. The material transactions have been with FCO, BEIS, the Ministry of Defence (MoD), Ministry of Justice (MoJ), Cabinet Office, HM Procurator General and Treasury Solicitor, UK Export Finance (UKEF) and UK Shared Business Services (UK SBS).

17. Events after the reporting period

The Department entered into a material contract on 24 June 2019 for the building of the UK pavilion at the Expo 2020 Dubai.

The Financial Statements were authorised for issue by the Accounting Officer on the date they were certified by the Comptroller and Auditor General.

Annex A Sector Sponsorship

The Department continues to follow strictly the recommendations of the Committee on Standards in Public Life and Cabinet Office guidelines on handling sponsorship arrangements with the private sector.

During 2018-19, DIT agreed the following private sector sponsorship (only sponsorship exceeding £5,000 for a single event is shown here).

Sponsorship table of amounts agreed during 2018-19

Sponsor	Amount (£)	Event Note
Royal Dutch Shell Plc	250,000	Commonwealth Heads of Government Meeting
Wood Group Plc	140,000	Commonwealth Heads of Government Meeting
Jaguar Landrover Automotive Plc*	Non monetary Estimated Value £1,500,000	Commonwealth Heads of Government Meeting
De Montfort University	750,000	Expo 2020 Dubai
Wood Group Plc	375,000	Expo 2020 Dubai
HSBC Holdings Plc	800,000	Expo 2020 Dubai
Lush Ltd	5,000	South by South West
Trowers & Hamlins LLP	10,000	MIPIM
Friction Marketing Company Ltd	7,000	Expomin 2018
Pacifictek LTDA	7,000	Expomin 2018
Watson-Marlow Chile Ltd	7,000	Expomin 2018
Wood Group Plc	7,000	Expomin 2018
Invest Northern Ireland	32,201	Bio International Convention
Robert Bosch UK Holdings Ltd	7,000	Consumer Electronic Show 2019
Robert Bosch UK Holdings Ltd	30,000	Consumer Electronic Show 2019
M&G International Investments Ltd	7,500	Colombian Seminar
Six Continents Hotels Plc	50,000	China International Import Expo
World First UK Ltd	30,536	China International Import Expo
BP Plc	29,627	China International Import Expo
The Phoenix Partnership Ltd	30,000	China International Import Expo
HSBC Holdings Plc	30,000	China International Import Expo
BP Plc	29,627	China International Import Expo

Sponsorship table of amounts agreed during 2018-19		
Sponsor	**Amount (£)**	**Event Note**
Rio Tinto Plc	25,412	China International Import Expo
The Association of Chartered Certified Accountants	20,000	China International Import Expo
Arup Group	15,000	China International Import Expo
The University of Buckingham	14,979	China International Import Expo
Lloyds Bank Plc	10,000	China International Import Expo
Experian Ltd	30,495	City Club Event
Proximum Group	18,680	Civil Nuclear Event
BP Plc	5,162	Congreso Mexicano del Petroleo 2018
Battersea Power Station	10,857	Createch 18
Slaughter and May	7,806	Fintech Awards
KPMG Hong Kong	8,004	Fintech Awards
NEX Group Plc	10,202	Fintech Awards
Tata Consultancy Services Ltd	16,205	India-UK Future Tech Festival
Invest Liverpool	14,942	India-UK Future Tech Festival
BT (India) Private Ltd	14,888	India-UK Future Tech Festival
Embassy Group	10,128	India-UK Future Tech Festival
Mindtree Ltd	8,102	India-UK Future Tech Festival
Apollo Tyres Ltd	5,064	India-UK Future Tech Festival
Aberdeen Standard Investments	8,000	Pension Funds Mission
GuardCap Asset Management Ltd	14,500	Pension Funds Mission
Beauty and Luxury, Clive Christian	8,748	Queen's Birthday Party
Standard Chartered Plc	14,866	Symposium on International Automotive Technology 2019
AstraZeneca	82,253	UK China Oncology Congress
HCA Healthcare UK	50,000	UK China Oncology Congress
Union Medical Shenzhen Co. Ltd	23,039	UK China Oncology Congress
British Technology Group International Ltd	10,000	UK China Oncology Congress

* There is no formal agreement in place for the value in kind provided by Jaguar Landrover Automotive Plc.

Annex B Core Tables

Admin
Administration budgets

	Restated 2014-15 Outturn £000	Restated 2015-16 Outturn £000	Restated 2016-17 Outturn £000	2017-18 Outturn £000	2018-19 Outturn £000	2019-20 Plan £000	2020-21 Plan £000
Spending in Administration budgets							
Voted:							
A. Trade development and promotion, inward investment, trade policy and the GREAT campaign	20,191	26,836	29,695	80,232	118,201	189,915	-
Total Administration expenditure	**20,191**	**26,836**	**29,695**	**80,232**	**118,201**	**189,915**	**-**

Resource
Past, current and future departmental resource spending

	Restated 2014-15 Outturn £000	Restated 2015-16 Outturn £000	Restated 2016-17 Outturn £000	2017-18 Outturn £000	2018-19 Outturn £000	2019-20 Plan £000	2020-21 Plan £000
Spending in Department Expenditure Limit (DEL)							
Voted:							
A. Trade development and promotion, inward investment, trade policy and the GREAT campaign	279,419	341,542	344,651	380,716	410,722	488,309	-
Total Resource DEL	**279,419**	**341,542**	**344,651**	**380,716**	**410,722**	**488,309**	**-**
Spending in Annually Managed Expenditure (AME)							
Voted:							
B. Trade development and promotion, inward investment, trade policy and the GREAT campaign	(4)	(351)	-	125	690	3,000	-
Total Resource AME	**(4)**	**(351)**	**-**	**125**	**690**	**3,000**	**-**
Total Resource	**279,415**	**341,191**	**344,651**	**380,841**	**411,412**	**491,309**	**-**

Capital

Past, current and future departmental resource spending

	Restated 2014-15 Outturn £000	Restated 2015-16 Outturn £000	Restated 2016-17 Outturn £000	2017-18 Outturn £000	2018-19 Outturn £000	2019-20 Plan £000	2020-21 Plan £000
Spending in Department Expenditure Limit (DEL)							
Voted:							
A. Trade development and promotion, inward investment, trade policy and the GREAT campaign	1,619	1,869	6,304	15,782	17,329	14,421	-
Total Capital DEL	**1,619**	**1,869**	**6,304**	**15,782**	**17,329**	**14,421**	**-**
Spending in Annually Managed Expenditure (AME)							
Voted:							
B. Trade development and promotion, inward investment, trade policy and the GREAT campaign	-	-	-	-	-	-	-
Total Capital AME	-	**-**	**-**	**-**	**-**	**-**	**-**
Total Capital	**1,619**	**1,869**	**6,304**	**15,782**	**17,329**	**14,421**	**-**

Supporting narrative to the Core Tables is contained in the Financial Review on pages 70 to 72.

The 2020-21 Plan is not included in the Core Tables above as it is subject to the Spending Review.

Glossary

AME: Annually Managed Expenditure
ARAC: Audit and Risk Assurance Committee
BEE: Board Effectiveness Evaluation
BEIS: Department for Business, Energy and Industrial Strategy
CETV: Cash Equivalent Transfer Value
DDaT: Digital, Data and Technology
DEFRA: Department for Environment, Food and Rural Affairs
DEL: Departmental Expenditure Limit
DExEU: Department for Exiting the European Union
DfID: Department for International Development
D&I: Diversity and Inclusion
DIT: Department for International Trade
ECJU: Export Control Joint Unit
ECO: Export Control Organisation
ExCo: Executive Committee
EU: European Union
FCO: Foreign and Commonwealth Office
FDI: Foreign Direct Investment
FOI: Freedom of Information
FReM: Government Financial Reporting Manual
G2G: Government-to-Government
G20: Group of Twenty, an international forum of governments
G7: Group of Seven, an international forum of governments
GDP: Gross Domestic Product
GDPR: General Data Protection Regulation
GGC: Greening Government Commitments
GHG: Greenhouse Gas
GIAA: Government Internal Audit Agency
GPA: Government Procurement Agreement
HMG: Her Majesty's Government
HMRC: Her Majesty's Revenue and Customs
HMT: Her Majesty's Treasury
HMTC: Her Majesty's Trade Commissioner
HR: Human Resources
IAS: International Accounting Standard
IFRS: International Financial Reporting Standards
IPP: Investment Promotion Programme
IR35: Inland Revenue Off-payroll tax
ITA: International Trade Adviser
META: Minority Ethnic Talent Association
MoD: Ministry of Defence
MoJ: Ministry of Justice
MP: Member of Parliament
ODA: Official Development Assistance
OECD: Organisation for Economic Co-operation and Development
OTS: Overseas Trade Statistics
PCC: Projects and Change Committee
PCPF: Parliamentary Contributory Pension Fund
PCSPS: Principal Civil Service Pension Scheme
PFRC: Performance, Finance and Risk Committee
PSC: Personal Service Company
RTPs: Regional Trade Plans
SCS: Senior Civil Servant
SDP: Single Departmental Plan
SIELS: Standard Individual Export Licenses
SIRO: Senior Information Risk Owner
SMEs: Small and Medium-Sized Enterprises
SoCF: Statement of Cash Flows
SoCNE: Statement of Comprehensive Net Expenditure
SoCTE: Statement of Changes in Taxpayers' Equity
SoFP: Statement of Financial Position
TRA: Trade Remedies Authority
TRID: Trade Remedies Investigations Directorate
UKEF: UK Export Finance
UNCTAD: United Nations Conference on Trade and Development
WTO: World Trade Organization

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