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5 November 2019

BUSINESS PRODUCTIVITY REVIEW

I am writing to let you know that I have published the Business Productivity Review today, which is enclosed with this letter.

The Business Productivity Review has been jointly undertaken by the Department for Business, Energy and Industrial Strategy and HM Treasury, and focuses on the decisions and actions taken by businesses that affect their own productivity. The Bank of England estimates that if UK firms could move along the productivity distribution into the next quartile, then this would boost aggregate UK productivity by 13%, equating to a boost to UK GDP by around £270bn in today's prices. The actions coming out of the Review will support businesses to be resilient to changing market conditions and increase their global competitiveness, so they are able to take the opportunities that Brexit offers.

This Review reflects the insights gained through extensive consultations across Government, responses to the Call for Evidence published in May 2018 which received 146 responses, and stakeholder engagement with over 3,000 individuals and close to 300 businesses. The Review team met with 25 trade bodies and membership organisations, that jointly represent over 500,000 businesses across the UK, including Scotland, Wales and Northern Ireland. As well as drawing on the evidence collected through the Business, Energy and Industrial Strategy Committee's Small Businesses and Productivity inquiry.

The Review announces a number of actions as set out below and referred to in more detail in the Review, I summarise these below for completeness:

- £20m to strengthen local Peer to Peer Networks in England focused on business improvement so that thousands of business leaders can share expertise on leadership, business development and technology adoption.
- £11m to create a Small Business Leadership Programme in England to provide small business leaders with leadership training, building on existing world class training programmes; such as Be the Business' Productivity Through People, Lancaster University's LEAD and Goldman Sachs 10,000 Small Businesses Programme.

- £25m through the Knowledge Transfer Partnerships to allow over 200 more UK based businesses per year to access the skills and talent to improve their business performance and productivity by improving how well they are managed. Today we are announcing that there will be a dedicated management KTP round which will be open on 12 December 2019 and closes on 19 February 2020.
- Work with trade bodies, sector councils and Be the Business to ensure small businesses have access to business mentors from the UK's leading and inspiring businesses.
- Development of the evidence base on productivity, including through the recently announced Productivity Institute and the BEIS Business Support Evaluation Framework.
- Work with the Behavioural Insights Team to improve messaging to businesses, and work with trusted intermediaries (e.g. banks, accountants, trade bodies) to support small businesses to take action.
- Improve the customer experience for businesses accessing online Government information and services for growth domestically and internationally.
- Work with the private sector, such as Be the Business, to ensure businesses have access to clear advice and the tools they need to help them both understand and improve their productivity.

I am copying this letter to the Chair of the Treasury Committee and will place a copy of this letter and the Business Productivity Review into the Libraries.

Yours sincerely



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Minister for Small Business, Consumers & Corporate Responsibility