

MACHINERY OF GOVERNMENT

Merging the Department of Energy and Climate Change with the Department for Business, Innovation and Skills to create the Department for Business, Energy and Industrial Strategy

1. The Prime Minister announced a series of changes to Ministerial responsibilities on 14 July 2016. This Cabinet Office paper describes the consequences for the functions of the Department of Energy and Climate Change and the Department for Business, Innovation and Skills of these changes.
2. The Government is bringing together the departmental responsibility for business, industrial strategy and the science base with the departmental responsibility for energy and climate change policy. This change will mean that Government will be best placed to deliver the significant new investment and innovation needed to support the UK's future energy policy. Furthermore, it will create a single department committed to ensuring that this investment and innovation fully utilises the UK science base and translates into supply chain benefits and opportunities in the UK.
3. One of the main challenges in tackling climate change is to try to reduce carbon emissions without jeopardising economic growth. This merger will enable a whole economy approach to delivering our climate change ambitions, effectively balancing the priorities of growth and carbon reduction.
4. Bringing together energy policy with industrial strategy will be beneficial to shaping a competitive business environment for energy intensive industries, including the UK steel sector. The new department will have a strong focus on the needs of customers, both business and domestic. It will help create the right economic conditions for growth and innovation. It will also see the combination of the Government responsibilities for civil nuclear issues brought together in a single department.
5. The department will inherit the following responsibilities contained within the BIS and DECC single departmental plans:
 - Business and enterprise: cementing the UK's position as the best place in Europe to start and grow a business – by supporting local growth, entrepreneurs, and making it easier for businesses to resolve disputes quickly and easily.
 - Competitiveness: developing a long-term industrial strategy, supporting competitive markets, cutting red tape and protecting intellectual property.
 - Science and innovation: ensuring that the UK is the best place in Europe to innovate, maintaining our world-leading research and science base to drive growth and productivity while reforming the system to maximise value from our investments.
 - Labour markets: helping Britain move to a higher wage, lower tax, lower welfare society, tackling illegal practices in the workplace, implementing reform of trade union law, and dealing with abuse of the minimum wage.

- A reliable and resilient energy system: ensuring security of energy supply that families and businesses can rely on, now and in the future. This includes working across the oil, gas and electricity sectors to make sure the UK has a well-functioning, competitive and resilient energy system, and sufficient capacity to meet the needs of energy users in the years ahead.
 - Energy bills: keeping bills as low as possible for hard-working families and businesses.
 - International climate change and cost-effective carbon reduction at home: taking action on climate change alongside international partners to safeguard our long-term economic and national security. And meeting our national carbon target of at least an 80% emissions reduction by 2050 through efficient procurement of low carbon generation and otherwise in ways that keeps the cost of action as low as possible, to ensure value for money for our families and businesses.
 - UK energy legacy: managing the legacy of our energy industries sustainably and responsibly. This means discharging legal liabilities effectively and managing the security risks from the legacies of our nuclear and coal industries, and other energy liabilities.
6. The merged department will have joint responsibility with the Department for International Development for delivery of the International Climate Fund and with the Foreign and Commonwealth Office for the International Energy Unit. It will continue to work closely with the Department for Work and Pensions to deliver its ambitions on fuel poverty. It will work closely with the Department for Exiting the European Union and the Department for International Trade on market access including in overseas energy markets, and attracting overseas investment.
7. The department will also work closely with the following affiliated bodies:

Non-Ministerial Government departments

- Competition and Markets Authority
- Land Registry
- Ofgem
- Ordnance Survey

Executive non-departmental public bodies

- Advisory, Conciliation and Arbitration Service
- Arts and Humanities Research Council
- Biotechnology and Biological Sciences Research Council
- British Hallmarking Council
- Civil Nuclear Police Authority
- Coal Authority
- Committee on Climate Change
- Competition Service
- Economic and Social Research Council

- Engineering and Physical Sciences Research Council
- Innovate UK
- Medical Research Council
- Natural Environment Research Council
- Nuclear Decommissioning Authority
- Science and Technology Facilities Council
- UK Atomic Energy Authority

Advisory non-departmental public bodies

- The Committee on Fuel Poverty
- Committee on Radioactive Waste Management
- Nuclear Liabilities Financing Assurance Board
- Council for Science and Technology
- Industrial Development Advisory Board
- Land Registration Rule Committee
- Low Pay Commission
- Regulatory Policy Committee

Tribunals

- Central Arbitration Committee
- Competition Appeal Tribunal
- Copyright Tribunal

Executive Agencies

- Companies House
- The Insolvency Service
- Intellectual Property Office
- Met Office
- Oil and Gas Authority
- UK Space Agency

Other

- British Business Bank
- Financial Reporting Council
- National Physics Laboratory
- Office for Nuclear Regulation
- The Post Office Ltd
- UK Green Investment Bank
- UKSBS
- Wave Hub