

# **DEPARTMENTS BILL**

## **EXPLANATORY AND FINANCIAL MEMORANDUM**

### **INTRODUCTION**

1. This Explanatory and Financial Memorandum has been prepared by the Office of the First Minister and deputy First Minister in order to assist the reader of the Bill and to help inform debate on it. It does not form part of the Bill and has not been endorsed by the Assembly.
2. The Memorandum needs to be read in conjunction with the Bill. It is not, and is not meant to be, a comprehensive description of the Bill. So where a clause, or part of a clause or schedule, does not seem to require an explanation or comment, none is given.

### **BACKGROUND AND POLICY OBJECTIVES**

3. The Executive's Programme for Government 2011-15 included a commitment to agree changes to the structures of government which would operate in the next Assembly mandate. The Stormont House Agreement of 23 December 2014 confirmed that the number of departments should be reduced from 12 to 9 in time for the 2016 Assembly election, with the allocation of departmental functions to be agreed by the parties.
4. In a statement to the Assembly on 2 March 2015, the First Minister announced the decisions which had been reached by the Executive on the new departmental structures.
5. The 9 future departments will incorporate all the powers, functions and services of the current 12 departments; no functions will be done away with and no policies terminated as a consequence of the restructuring. The 9 departments are to be known as:
  - the Department of Agriculture, Environment and Rural Affairs;
  - the Department for Communities;
  - the Department for the Economy;
  - the Department of Education;
  - the Department of Finance;
  - the Department of Health;
  - the Department for Infrastructure;
  - the Department of Justice;
  - the Executive Office.
6. The Bill amends the Departments (Northern Ireland) Order 1999 and provides for the establishment of the new 9-department structure by renaming 7 departments and abolishing 3 others. The names of two existing departments (Department of Education and Department of Justice) are unchanged.

7. The Bill is an essential element in the restructuring process. It sets out the framework of 9 departments as envisaged in the Stormont House Agreement and as endorsed by the party leaders and agreed by the Executive. Details of the statutory functions to be transferred between departments under the new arrangements will be contained in a separate Transfer of Functions Order.
8. The provisions of the Bill will be brought into effect in advance of the appointment of Ministers after the 2016 Assembly election.

## **CONSULTATION**

9. The Assembly and Executive Review Committee had conducted a review in 2012 of the reduction in the number of Executive departments, reporting to the Assembly in November 2012. This review received 21 consultation submissions from a range of party political, academic, economic and community stakeholders. The policy proposals underpinning the Bill were the subject of detailed consideration during the political process which led to the Stormont House Agreement. The matter was also discussed in January 2015 by the political party leaders convened in an Implementation Group to follow through on the Stormont House Agreement commitments. In addition, the Executive discussed departmental reorganisation on several occasions during January and February 2015. In light of the broad political support for the proposals and given that no functions are being done away with and no policies are terminated as a consequence of the planned restructuring, formal pre-legislative consultation on the Bill is not considered necessary.

## **OPTIONS CONSIDERED**

10. The Bill is an essential element in the process of reducing the number of Departments from 12 to 9. Without the Bill, paragraph 60 of the Stormont House Agreement could not be implemented and a “do nothing” approach, therefore, is not a viable alternative to the Bill.
11. The Stormont House Agreement envisages the reduction from 12 to 9 being made in time for the 2016 election. To meet this deadline, the Bill will need to be enacted during the current Assembly mandate and there are no other alternative possible timescales.

## **OVERVIEW**

12. The Bill consists of 3 clauses and 2 Schedules.

## **COMMENTARY ON CLAUSES**

**Clause 1 (1) to (10)** of the Bill establishes a 9-department structure by renaming 7 extant departments and abolishing 3 others as follows:

- The Office of the First Minister and deputy First Minister is renamed the Executive Office.

- The Department of Agriculture and Rural Development is renamed the Department of Agriculture, Environment and Rural Affairs.
- The Department of Enterprise, Trade and Investment is renamed the Department for the Economy.
- The Department of Finance and Personnel is renamed the Department of Finance.
- The Department of Health, Social Services and Public Safety is renamed the Department of Health.
- The Department for Regional Development is renamed the Department for Infrastructure.
- The Department for Social Development is renamed the Department for Communities.
- The Department of Culture, Arts and Leisure is dissolved.
- The Department of the Environment is dissolved.
- The Department of Employment and Learning is dissolved.

(NB: The names of the Department of Education and the Department of Justice are unchanged by the Bill)

**Clause 1(11)** references Schedule 1, which lists the 9 departments, and clause 1(12) provides for the provisions of the Departments (Northern Ireland) Order 1999 to be applied in relation to those departments.

**Clause 2** references Schedule 2 which contains consequential repeals.

**Clause 3** prescribes the title of the Act and arrangements for its commencement (sections 1 and 2 to come into operation on such day or days as the First Minister and deputy First Minister may by order appoint).

## **FINANCIAL EFFECTS OF THE BILL**

13. The provisions of the Bill provide for the establishment of a 9-department structure. No additional powers or functions are created by the reduction from 12 departments and no existing functions are done away with and no policies are terminated. A more efficient and streamlined administration should result, with financial savings resulting from three fewer Ministerial offices and the rationalisation of departmental hierarchies.

## **HUMAN RIGHTS ISSUES**

14. No human rights issues are anticipated.

## **EQUALITY IMPACT ASSESSMENT**

15. As the Bill effects machinery of government changes and does not introduce, revise or abolish any policies, functions or services, it is not anticipated to have any equality impacts on the nine categories under section 75 of the Northern Ireland Act 1998.

## **SUMMARY OF THE REGULATORY IMPACT ASSESSMENT**

16. Since the Bill does not contain any provisions that will result in an increased or adverse impact on business, charities or the community or voluntary sectors, no Regulatory Impact Assessment has been conducted.

## **LEGISLATIVE COMPETENCE**

17. The First Minister and deputy First Minister had made the following statement under section 9 of the Northern Ireland Act 1998:

*“In our view the Departments Bill would be within the legislative competence of the Northern Ireland Assembly.”*