

EXPLANATORY MEMORANDUM TO
THE SECRETARIES OF STATE FOR CHILDREN, SCHOOLS AND FAMILIES, FOR
INNOVATION, UNIVERSITIES AND SKILLS AND FOR BUSINESS, ENTERPRISE
AND REGULATORY REFORM ORDER 2007

2007 No. 3224

1. This explanatory memorandum has been prepared jointly by the Department for Children, Schools and Families, the Department for Innovation, Universities and Skills and the Department for Business, Enterprise and Regulatory Reform and is laid before Parliament by Command of Her Majesty.

2. Description

2.1 This Order makes provision with respect to the Secretaries of State for Children, Schools and Families, for Innovation, Universities and Skills and for Business, Enterprise and Regulatory Reform and their functions in consequence of the departmental changes announced by the Prime Minister on 28 June 2007.

3. Matters of special interest to the Joint Committee on Statutory Instruments

3.1 None.

4. Legislative Background

4.1 This Order is made in pursuance of sections 1 and 2 of the Ministers of the Crown Act 1975. It makes consequential provisions in connection with the machinery of government changes announced by the Prime Minister on 28 June 2007. Where functions are vested in the Secretary of State at large, they do not need to be transferred by this Order as they are passed by administrative means when entrusted to the relevant Secretary of State. Certain functions cannot be transferred administratively, as they can be when they are vested in the Secretary of State at large. The Order provides for their transfer. Consistently with the Transfer of Functions (Science) Order 1995, the Order also provides specifically for the transfer of functions of the Secretary of State for Trade and Industry relating to various Research Councils.

5. Territorial Extent and Application

5.1 This instrument applies to all of the United Kingdom.

6. European Convention on Human Rights

The Secretary of State for Children, Schools and Families has made the following statement regarding Human Rights:

In my view the provisions of the Secretaries of State for Children, Schools and Families, for Innovation, Universities and Skills and for Business, Enterprise and Regulatory Reform Order 2007 are compatible with the Convention rights.

7. Policy background

7.1 On 28 June 2007, the Prime Minister announced a series of changes to the machinery of government, including the appointments of: (a) a Secretary of State for Children, Schools and Families; (b) a Secretary of State for Innovation, Universities and Skills; and (c) a Secretary of State for Business, Enterprise and Regulatory Reform, each in charge of departments of the same name. The Departments for Education and Skills and for Trade and Industry have ceased to exist.

7.2 The Secretary of State for Children, Schools and Families has been given functions in the following policy areas:

7.2.1 Responsibility for policy and funding for the education of children and young people up to age 19. This includes 17,000 primary schools and 3,300 secondary schools, as well as the Academies, Trust and Specialist Schools programmes, the Building Schools for the Future programme and sixth form colleges. The Department for Children, Schools and Families (“DCSF”) will lead a renewed focus on standards. Through focussed, targeted identification and intervention it will continue to address failure and underperformance.

7.2.2 Responsibility for early years provision and the Sure Start Children’s Centre programme. It will deliver the commitments set out in the Government’s 10 Year Childcare Strategy, including the creation of 3,500 Children’s Centres and providing 15 hours a week of free early years education for all 3 and 4 year olds by 2010.

7.2.3 Responsibility for promoting the safety, protection and care of all young people, and for children’s social services. It will lead the cross-government strategy on safeguarding. It will take forward the measures set out in the White Paper on Children in Care, *Care Matters: Time for Change*.

7.2.4 Leading the development of a cross-government strategy on family policy covering both services that support families directly and those that deal with issues with issue of family dysfunction and breakdown. The aim of the strategy will be to ensure that policy across Government is consistent and works together in the best interests of the child. To strengthen the role, leadership of Family Intervention Projects and other family policy alongside the wider work of the former Respect Taskforce in the Home Office have moved to DCSF. DCSF will work closely with the Social Exclusion Taskforce in its work with families.

7.2.5 Responsibility, with the Department of Health, for promoting the health of all children and young people. To ensure children’s health policy is coherent and that consistent messages about its priority are sent to the local services that are responsible for delivery, children’s health budgets and activities in both DCSF and the Department of Health will be identified and jointly managed.

7.2.6 Joint responsibility, with the Secretary of State for Justice, for youth justice policy, the prevention of youth offending and the sponsorship of the Youth Justice Board. The joint reporting on these issues between DCSF and the Ministry of Justice brings together policies for improving outcomes for children

and young people with policies for young people in contact with the criminal justice system in order to give new emphasis to efforts to prevent youth offending and support rehabilitation.

7.2.7 Responsibility for leading work across Government to help young people make a successful transition to adult life. This includes a ten year strategy to ensure that all young people have opportunities to take part in positive activities and improved targeting of support from all agencies on the risk factors which if unaddressed lead to severe problems limiting teenage and adult lives. Policies and programmes across Government which affect young people will be managed through programme arrangements supported by a new Youth Inclusion Unit in DCSF. A new Youth Task Force, taking forward the work of the Respect Task Force, will help young people to fulfil their potential, prevent them getting into trouble and make a positive contribution to their communities.

7.2.8 Playing a key role, alongside the Department for Work and Pensions and HM Treasury, in delivering the Government's strategy for ending child poverty by 2020. It will lead on ensuring that there is a strong focus on services and support that will help break intergenerational cycles of poverty as well as actions that help raise this generation of families out of poverty levels of income. Budgets and activities held elsewhere in Government that support these services will be identified and jointly managed through the programme arrangements for the child poverty target. The Child Poverty Unit brings together experts from the Department for Work and Pensions and DSCF and will co-ordinate and develop policy on ending child poverty across Government.

7.2.9 Responsibility for the reforms to the 14-19 curriculum and qualifications and for their delivery, for increasing participation and attainment by young people by age 19, for reducing the numbers not in education, employment and training, and for raising the education leaving age. DCSF will be responsible for all funding for 14-19. Subject to consultation on details and timing, to ensure there is no disruption to schools, colleges and training providers and the introduction of new diplomas, and subject to the passage of the necessary legislation, funding for school sixth forms, sixth form colleges and the contribution of FE colleges to the 14-19 phase will transfer to local authorities' ring fenced education budgets. DCSF will have responsibility for school sixth forms and sixth form colleges. DCSF will work very closely with the Department for Innovation, Universities and Skills ("DIUS") and with employers and business in the design and development of the curriculum in schools and colleges to ensure that qualifications are challenging and are providing young people with the range of skills and capabilities they will need to succeed in the labour market.

Where these functions and responsibilities are those of the Secretary of State at large, they have been entrusted to the Secretary of State for Children, Schools and Families administratively by the Prime Minister.

7.3 The Secretary of State for Innovation, Universities and Skills has been given functions in the following policy areas:

7.3.1 Development, funding and performance management of higher education provision, including grant to institutions for students undertaking programmes of

higher education, and funding for research and also responsibilities relating to financial support for students in higher education.

7.3.2 Responsibility for the sponsorship of the further education service as a whole, including post-19 funding and sponsorship and funding of apprenticeships and work-based training providers. DIUS will work closely with DCSF to make sure strategic objectives and policy pre- and post-19 are coherent and consistent and to secure effective delivery of 14-19 reforms.

7.3.3 Lead responsibility for the further education service, including general further education colleges and training providers. This will include determining the overall goals for the service and developing the strategy for meeting those goals. DIUS will maintain oversight of the pattern and range of institutions, their performance and viability, covering their work with both young people and adults. It will lead work on employer engagement and the development of the apprenticeships programme in conjunction with business and the Sector Skills Councils, to ensure that both young people and adults have the skills, competencies and attributes they need to succeed in a modern economy. It will sponsor the Learning and Skills Council and will ensure DCSF interests are met through an agreed grant letter and performance management process.

7.3.4 Overall policy and funding responsibility for the apprenticeships programme. DCSF will hold the budget for apprenticeships for young people and be responsible for policy issues specifically affecting that part of the programme. Staff in the apprenticeships unit will be DIUS staff but will support DCSF Ministers as required.

7.3.5 Responsibility for taking forward the Government's wider skills agenda including: the implementation of the Leitch Review of Skills (published December 2006); implementing Train to Gain as a new way of delivering training in the workplace; providing better support for adults to engage in education and training; and securing vocational qualification reform.

7.3.6 Lead responsibility for securing the right flow of STEM skills (in science, technology, engineering and mathematics) to meet economic and wider needs.

7.4 The Secretary of State for Innovation, Universities and Skills has also been given functions (previously exercised by the Secretary of State for Trade and Industry) in the following policy areas:

7.4.1 Lead responsibility for ensuring that policies across Government accelerate the commercial exploitation of creativity and knowledge through innovation and research to create wealth, grow the economy, build successful businesses and deliver a more innovative economy and society in the UK. As part of this, DIUS will produce a Science and Innovation Strategy and an annual Innovation Report.

7.4.2 Responsibility for the development, funding and performance management of the science and research base across the UK, ensuring that the UK retains a world-class research base responsive to the needs of the economy, with sustainable and financially strong universities and public laboratories and a strong

supply of scientists, engineers and technologists. A new Government Office for Science, headed by the Government Chief Scientific Adviser, will be created within the Department.

7.4.3 Responsibility for the funding that flows through the Higher Education Funding Council for England to universities in England to support their research facilities, and for the funding of the Research Councils, which allocate public funds to support specified research projects and teams.

7.4.4 Ensuring that the newly independent Technology Strategy Board promoting investment in, and use of, technology in business across the UK, delivers targeted support for strategically important technologies and sectors, addresses societal challenges, and promotes strong networks between business, the research base and other sources of knowledge, integrating national, regional and EU innovation and technology policy.

7.4.5 Leadership of the British National Space Centre, strengthening the links already established between universities and industry in the development and exploitation of space programmes.

7.4.6 Responsibility for the Intellectual Property Office responsible for promoting creativity and innovation and, as part of the wider innovation system, sponsorship of the related work of the National Measurement System (including the National Weights and Measures Laboratory).

7.4.7 Lead responsibility for improving the management and use of science across Government, working closely with HM Treasury, the Cabinet Office and other Departments to improve further the effectiveness of Government Departments in this area. DIUS will also be responsible for the Government's *Foresight* programme. It will also lead on EU and international science and innovation policy, including making the most of the EU Framework Programme for Research and Technology for UK higher education and businesses.

7.5 The Secretary of State for Business, Enterprise and Regulatory Reform has been given functions in the following policy areas:

7.5.1 To promote the creation and growth of business and a strong enterprise economy. This includes work to strengthen the UK's enterprise culture and environment, simplifying business support and delivering stronger regional economies through enhanced economic performance. This also includes UK Trade & Investment's support for UK business to take full advantage of overseas opportunities and efforts to attract continued inward investment.

7.5.2 To promote free and fair markets, working with other countries to liberalise international markets and support development, developing rules to maintain competition and promote competitive business environments in the UK and EU, and to empower employees and consumers.

7.5.3 To deliver secure, clean and competitively priced energy which includes promoting competitive, transparent energy markets in the UK, EU and internationally, creating an effective carbon market and supporting low carbon

technologies, tackling fuel poverty, and enabling sustainable energy infrastructure development, for example through planning reforms. The new Department also manages a number of historic energy liabilities.

7.5.4 To act as the shareholder in a number of Government-owned businesses (such as the Royal Mail) that make a significant contribution to the UK economy.

7.5.5 The Secretary of State has also been given the responsibility to lead the better regulation agenda, taking control of the Better Regulation Executive, formerly the responsibility of the Cabinet Office. This includes work to reduce the administrative burden of regulation faced by business, ensuring enforcement of regulation is consistent and proportionate and ensuring new regulations are only brought in when benefits justify the costs.

7.6 Each new Secretary of State is incorporated as a corporation sole by the Order. This enables them and their successors to own property and to have a corporate seal.

7.7 Property rights and liabilities are transferred to the new Secretaries of State where they are connected to the functions transferred or entrusted to them.

7.8 The Order makes consequential amendments to legislation to ensure that references to the former Secretaries of State for Education and Skills and Trade and Industry, or their Departments, are changed to reflect the machinery of government changes.

7.9 Discussions between the departments affected by these machinery of government changes preceded the making of the Order.

8. Impact

8.1 A Regulatory Impact Assessment has not been prepared for this instrument as it has no impact on business, charities or voluntary bodies.

8.2 The impact on the public sector is neutral as resources are being transferred from the Department for Education and Skills and the Department for Trade and Industry into the new departments as a result of these machinery of government changes.

9. Contact

The following officials can answer any queries regarding the instrument:

- Mike Glycopantis at the Department for Children, Schools and Families Tel: 020 792 55783 or e-mail: mike.glycopantis@dczf.gsi.gov.uk
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