

Bye-bye BEIS – hello DESNZ, DSIT and DBT

A guide to Sunak's departmental reorganisation

February 2023



Introduction

On 7 February 2023, Prime Minister Rishi Sunak announced a re-organisation of the Government's business, trade, energy and culture ministries to bring "greater focus, dedicated leadership, and better-targeted resources". The four key changes include the creation of a Department for Energy Security and Net Zero (DESNZ), a new Department for Science, Innovation and Technology (DSIT), a single Department for Business and Trade (DBT), and a refocused Department for Culture, Media and Sport (DCMS). In terms of personnel, Grant Shapps becomes Secretary of State for DESNZ after leading the now defunct Department for Business, Energy and Industrial Strategy (BEIS), while Kemi Badenoch heads up DBT. Michelle Donelan takes the helm at DSIT, while Lucy Frazer takes her place as Secretary of State for DCMS.

The re-organisation represents the first major so-called machinery of government change since Sunak became prime minister in October 2022, albeit the latest in a series of iterations of the UK's business ministry from its last incarnation as BEIS. Stakeholders and commentators say the changes point to a desire to hone in on delivery in priority areas, including tackling the energy crisis and meeting climate change targets in the wake of Russia's invasion of Ukraine.



Introduction

However, with an election due within two years and the Conservatives lagging in the polls, the clock is ticking for Sunak to show the re-organisation has generated policy results, or he risks facing accusations that his efforts amount to little more than window dressing.

This Dods Political Intelligence report provides a one-stop guide to the departmental reorganisation, including overviews of the new ministries and the legislation they will be responsible for, biographical and contact information for the key officials involved in the reshuffle, and some initial stakeholder reaction and Dods insight with links to original sources.

Dean Sabri, Head of UK Political Intelligence open_sabri



Less than one year on from the publication of an Energy Security Strategy, the reorganisation creates a new department dedicated to delivering that plan to manage the market upheaval fueled by the Covid recovery and Russia's invasion of Ukraine and ensure the UK is on track to meet its legally binding net zero targets. Led by Shapps, the ministry will be responsible for reducing energy bills and inflation, speeding up delivery of network infrastructure and green energy, improving energy efficiency of homes, and delivering the Energy Bill.

DESNZ starts life with key senior personnel from BEIS, which suggests policy continuity, but freed from the business and industrial strategy concerns. Sunak clashed with BEIS when he was at the Treasury, with the two economy-focused departments taking <u>different</u> <u>approaches to the cost-of-living crisis</u>, of which energy has played an increasingly vital role.

Great British Nuclear, the body to oversee new nuclear projects, will fall under DESNZ's wing, alongside Ofgem and various other energy-related agencies that were previously overseen by BEIS. Senior civil servant Jeremy Pocklington becomes the permanent secretary at DESNZ, bringing with him experience on energy and climate policy at multiple government departments, most recently Levelling Up.



Department for Energy Security & Net Zero

The Confederation of British Business (CBI) described the creation of DESNZ as "big news" and said it would now be looking for clarity on the UK's energy mix and evidence of efforts to make the most of green growth opportunities following huge investments in that area in the US, European Union and China. However, Labour Shadow Climate and Net Zero Secretary Ed Miliband tweeted that it amounted to "a rearranging of deckchairs on the sinking Titanic of failed energy policy will not rescue the country."

Greenpeace questioned the new department's purpose unless it was given freedom and funding to drive its own agenda. Bob Ward, policy director at the Grantham Research Institute on Climate Change and the Environment at the LSE, <u>said</u> while the creation of DESNZ signaled a commitment to net zero, "a more important question is whether the new department will be able to persuade other departments and the Treasury to accelerate action on cutting greenhouse gas emissions across the economy outside the energy sector."

The Association for Renewable Energy and Clean Technology <u>welcomed</u> the focus on net zero as long as the government "avoids the usual delays while new departments are established."

Michael Thorogood, Political Consultant for Energy and Net Zero @MJThoro



Department for Energy Security & Net Zero

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Electoral history

Member for Welwyn Hatfield since 5 May 2005 general election. Majority 10,955

Parliamentary Career

- Shadow Minister for Housing (attending Shadow Cabinet) 2007-10;
- Minister of State for Housing and Local Government, Department for Communities and Local Government 2010-12;
- Member Speaker's Committee on the Electoral Commission 2010-12;
- Minister without Portfolio, Cabinet Office 2012-15;
- · Minister of State:

Department for International Development 2015, Foreign and Commonwealth Office 2015;

• Secretary of State for:

Transport 2019-22,

Home Department (Home Secretary) 2022,

Business, Energy and Industrial Strategy 2022-23,

Energy Security and Net Zero 2023-

Non-political career

- Sales executive, Nashua Gestetner 1989-90;
- Director, How To Corp Limited 2005-08;
- PrintHouse Corporation:

Founder 1990-,

Chairman 2000-08;

• Adviser, Avanti Communications Group 2017-19



Rt Hon Grant Shapps MP

Dods People contact details



Parliamentary Career

- Assistant Government Whip 2016-18;
- Parliamentary Under-Secretary of State, Department for International Trade:

(Minister for Investment) 2018-20, (Minister for Exports) 2020-21;

Trade Envoy to Vietnam, Cambodia and Laos 2022-;

- Minister of State for Europe, Foreign, Commonwealth and Development Office 2022;
- Department for Business, Energy and Industrial Strategy:
- Minister of State for Climate (also attending Cabinet) 2022,
- Minister of State for Energy and Climate 2022-23;
- Minister of State, Department for Energy Security and Net Zero 2023-

Dods People contact details



Parliamentary Career

- Team PPS, Department for Digital, Culture, Media and Sport 2018;
- PPS to Theresa May as Prime Minister 2019;
- Parliamentary Under-Secretary of State: for Exports, Department for International Trade 2022-23,
- Department for Energy Security and Net Zero 2023-



Parliamentary Career

- PPS to Rory Stewart as Minister of State, Department for International Development 2016-17;
- Parliamentary Under-Secretary of State (Minister for Science, Research and Innovation), Department for Business, Energy and Industrial Strategy 2020-21;
- Government Whip, Lord Commissioner of HM Treasury 2021-22, 2022-;
- Parliamentary Under-Secretary of State for Safeguarding, Home Office 2022;
- Minister for Equalities 2022;
- Parliamentary Under-Secretary of State, Department for Energy Security and Net Zero 2023-

Dods People contact details



Lords career

- Parliamentary Under-Secretary of State for Aviation, International and Security and Government Spokesperson, Department for Transport 2017;
- Minister of State and Government Spokesperson, Department for Exiting the European Union 2017-20.
- Parliamentary Under-Secretary of State (Minister for Climate Change and Corporate Responsibility/Business, Energy and Corporate Responsibility) and Government Spokesperson, Department for Business, Energy and Industrial Strategy 2020-23;
- Parliamentary Under-Secretary of State and Government Spokesperson, Department for Energy Security and Net Zero 2023-



Department for Science, Innovation and Technology (DSIT)

This new Department's responsibilities include optimising public research and development investment in areas of relative UK strength, supporting innovation across public services including the National Health Service and schools, and sponsoring the UK Research and Innovation body. In terms of legislation, DSIT will be responsible for progressing the Online Safety Bill and Data Protection and Digital Information Bill that were led by DCMS.

In terms of personnel, new Secretary of State Michelle Donelan, a former universities minister, takes over with the benefit of stewardship of the complicated Online Safety Bill in her previous role at DCMS. On a visit to a medical centre in Oxford on Feb 10, she <u>said</u>, "it's now my job to use the department to build on our world leading strengths in AI, life sciences, quantum, fintech, and green technology to deliver tangible and positive change across the UK." Retaining science minister George Freeman signals some policy continuity, while Digital and Media Director-General, Susannah Storey, and Director of Media and the Creative Industries, Robert Specterman-Green, move to DSIT from DCMS.

The Campaign for Science and Engineering (CaSE) group <u>said</u> the Department should prioritise finalising an association for the UK with Horizon Europe, ensuring support for innovative small businesses, and coordinate skills policy across government. The Royal Academy of Engineering <u>said</u> the new department was a step in the right direction but hoped it would not prevent science and energy policy working in tandem.



Department for Science, Innovation & Technology

Tom Hunter, Political Consultant for Education @_tomjhunter



Department for Science, Innovation and Technology (DSIT)



Electoral history

Member for Chippenham since 7 May 2015 general election. Majority 11,288

Parliamentary Career

- PPS to:
 - Jeremy Wright as Attorney General 2017-18,
 - Liam Fox as Secretary of State for International Trade and President of the Board of Trade 2018;
- Assistant Government Whip 2018-19;
- Government Whip (Lord Commissioner of HM Treasury) 2019-20;
- Department for Education:
 - Parliamentary Under-Secretary of State for Children and Families (maternity cover for Kemi
 - Badenoch MP) September
 - 2019-February 2020,
 - Minister of State for:
 - Universities 2020-21,
 - Higher and Further Education (also attends Cabinet) 2021-22,
 - Secretary of State for Education 2022;
- Secretary of State for:
 - Digital, Culture, Media and Sport 2022-23,
 - Science, Innovation and Technology 2023-

Non-political career

- Marketing, Pacific Magazines, Sydney, Australia 2006-07;
- Senior partnership marketing, AETN UK 2007-10;
- International marketing communications manager, WWE 2010-14



Rt Hon Michelle Donelan MP Dods People contact details

Department for Science, Innovation and Technology (DSIT)



Paul Scully

Parliamentary Career

- Trade Envoy to Burma, Brunei and Thailand 2017-20;
- PPS to Baroness Evans of Bowes Park as Leader of the House of Lords and Lord Privy Seal 2017-18;
- Parliamentary Under-Secretary of State (Minister for Small Business, Consumers and Labour Markets), Department for Business, Energy and Industrial Strategy 2020-22;
- Minister for London 2020-;
- Minister of State for Local Government and Building Safety, Department for Levelling Up, Housing and Communities 2022;
- Member, Speaker's Committee on the Electoral Commission 2022;
- Parliamentary Under-Secretary of State: for Tech and the Digital Economy, Department for Digital, Culture, Media and Sport 2022-23,
- Department for Science, Innovation and Technology 2023-

Dods People contact details





George Freeman

Parliamentary Career

- PPS to Gregory Barker as Minister of State for Climate Change,
 Department of Energy and Climate Change 2010-12;
- Adviser on Life Sciences to David Willetts as Minister of State for Universities and Science 2011-13:
- Trade Envoy to the Philippines 2014;
- Parliamentary Under-Secretary of State (Life Sciences), Department for Business, Innovation and Skills and Department of Health 2014-16:
- Chair, Prime Minister's Policy Board 2016-17;
- Minister of State for the Future of Transport, Department for Transport 2019-20:
- Department for Business, Energy and Industrial Strategy:
- Parliamentary Under-Secretary of State (Minister for Science, Research and Innovation) 2021-22,
- Minister of State for Science, Research and Innovation 2022-23;
- Minister of State, Department for Science, Innovation and Technology 2023-

This new unified Department will focus on driving economic growth by championing British business at home and abroad. Its key responsibilities include improving access to finance, delivering a pro-enterprise regulatory system including making the most of so-called Brexit freedoms, and attracting high-value investment, including through free trade agreements with India and other priority partners. The Department will be led by Kemi Badenoch, who adds business to her previous trade brief. In a recent interview she said Sunak had created "an economic growth department" but it would take time for the UK's post-Brexit economic arrangements to become clear. While Badenoch offers continuity of efforts to maintain and build overseas relationships, the departure of veteran Greg Hands to become Chairman of the Conservative Party could leave big shoes to fill as he was engaged in talks on the UK's accession to the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP).

In terms of public bodies and agencies, the new Department will oversee organisations such the Competition and Markets Authority (CMA) and Companies House. However, responsibility for National Security and Investment policy, which governs the trade of sensitive areas from defence to civil nuclear and was managed by BEIS, moves to the Cabinet Office. In terms of legislation, the Department is expected to lead delivery of the Retained EU Law (Revocation and Reform) Bill and controversial Strikes (Minimum Service Levels) Bill.





Stakeholders said putting business and trade under the same roof, and freeing the Department from complicated energy concerns, appeared a logical step towards a clearer focus on growth and building bridges with the business community. However, they added that DBT would need to coordinate closely with other departments to ensure effective delivery of policy where there is overlapping responsibilities, such as the Data Protection and Digital Information Bill and Online Safety Bill. The CBI described the creation of DBT as good news "as these areas had become too separate" but said the pressure was now on for the Department to become a business investment champion.

The Federation of Small Businesses (FSB) <u>said</u> that, if done right, the departmental reorganisation could help propel UK productivity but, if not, it could create uncertainty for civil servants. Giles Wilkes, senior fellow at the Institute for Government think tank, <u>said</u> Sunak's restructuring "reveals a preference for smaller departments with a narrow focus" but warned the new departments would need to work with each other and the Treasury to succeed. Manufacturers' organization, Make UK, <u>called</u> on the new secretaries of state to work with business to develop a "consistent industrial strategy and ensure buy-in from all government departments."

Emma Delgado, Dods Political Consultant for Health, Life Sciences and Trade



Electoral history

Member for Saffron Walden since 8 June 2017. Majority 27,594

Parliamentary Career

Parliamentary Under-Secretary of State for Children and Families, Department for Education 2019-20 (on maternity leave September 2019-February 2020);

Exchequer Secretary, HM Treasury 2020-21;

Minister for Equalities, Government Equalities Office 2020-22;

Minister of State for Levelling Up Communities/Local Government, Faith and Communities, Department

for Levelling Up, Housing and Communities 2021-22;

Member, Speaker's Committee on the Electoral Commission 2021-22;

Secretary of State for International Trade 2022-23;

President of the Board of Trade 2022-;

Minister for Women and Equalities 2022-;

Secretary of State for Business and Trade 2023-

Non-political career

Associate Director, Coutts 2008-15; Head of Digital, *The Spectator* 2015-16





Parliamentary Career

- Department for Digital, Culture, Media and Sport: Team PPS 2017-18,
- PPS to:
 - Matt Hancock 2018, Jeremy Wright 2018-19,
- Parliamentary Under-Secretary of State for: Sport, Tourism and Heritage/Sport and Tourism 2020-22,
 - Heritage and Civil Society 2021-22;
- Assistant Government Whip 2019-21;
- Government Whip, Lord Commissioner of HM Treasury 2022-23;
- Parliamentary Under-Secretary of State for International Trade, Department for International Trade 2022-23;
- Minister of State, Department for Business and Trade 2023-

Dods People contact details



Parliamentary Career

- Team PPS, Home Office 2017-18;
- Member, Speaker's Committee on the Electoral Commission 2017-18;
- Parliamentary Under-Secretary of State, Department for Transport 2018-20;
- Assistant Government Whip 2018-19;
- Government Whip (Lord Commissioner of HM Treasury) 2019;
- Minister of State for Science/Industry and Investment Security, Department for Business, Energy and Industrial Strategy 2022-23;
- Minister of State:
 Department for Business and Trade 2023-,
 Cabinet Office 2023

Dods People contact details



Kevin Hollinrake

Parliamentary Career

• PPS:

to David Lidington as Leader of the House of Commons and Lord President of the Council 2016-17,

to Michael Gove:

as Secretary of State for Environment, Food and Rural Affairs 2017-19,

as Chancellor of the Duchy of Lancaster 2019-21:

 Parliamentary Under-Secretary of State: for Enterprise, Markets and Small Business, Department for Business, Energy and Industrial Strategy 2022-23,

Department for Business and Trade 2023-Dods People contact details





Parliamentary Career

- Apprenticeship Ambassador 2017-19;
- PPS to Grant Shapps as Secretary of State for Transport 2019;
- Assistant Government Whip 2019-21;
- Department of Health and Social Care:

 Parliamentary Under-Secretary of State for

 Patient Safety and Primary Care 2021-22,

 Minister of State for Health 2022,
 Parliamentary Under-Secretary of State for

Mental Health and Women's Health Strategy 2022-;

• Minister for Women, Government and

 Minister for Women, Government and Equalities Office 2022-





Lords career

- Minister of State for Investment and Government Spokesperson, Department for International Trade 2022-23;
- Minister of State and Government Spokesperson:

Cabinet Office 2022,
Department for Business and Trade 2023-

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Parliamentary Career

- PPS:Francis Maude 2012-15, Patrick McLoughlin 2015-16, 2016-17;
- Assistant Government Whip 2017-18;
- Parliamentary Under-Secretary of State: Wales Office 2018, Ministry of Defence 2018-19; Government Whip 2019-20;
- Deputy Chief Whip (Treasurer of HM Household) 2020-22:
- Minister of State: for Housing, DLUHC 2022, Ministry of Justice 2022;
- Parliamentary Under-Secretary of State for Sport, Tourism and Civil Society, DCMS 2022-23;
- Minister for Equalities, Government Equalities Office 2022-;
- Parliamentary Under-Secretary of State, Department for Culture, Media and Sport 2023-



While this Department retains its original initialism it has been tasked with a streamlined mission to support the UK's world-renowned strengths in culture, media and sport but is no longer responsible for digital policy. Its key tasks include updating the UK's broadcasting and media system, increasing investment in grassroots sports and delivering reforms to football governance—a Football White Paper is expected soon—and completing the long-awaited review of the Gambling Act. Removing management of digital policy, including the complicated online safety legislation, could give DCMS more bandwidth to concentrate on other areas where it has been slower than expected to deliver. But time will tell if that proves to be an effective division of labour given the importance of digital to broadcasting and media. Questions remain about the outlook for the Media Bill since the Government ditched plans to sell Channel 4.

In terms of personnel, former DLUHC minister Lucy Frazer takes charge at the refocused Department, replacing Donelan who was in the job less than six months.





In terms of political and stakeholder reaction, Stephen Kinnock, Labour Shadow Minister for Immigration, tweeted that Frazer had had four front bench jobs since October and the "Tories' revolving door of chaos just keeps spinning". Baroness Tina Stowell, the Conservative chair of the Lords Communications and Digital Committee, wrote to Fraser and Donelan emphasising the importance of cross-government engagement with the creative industries, and urged them to introduce the Digital Markets, Competition and Consumers Bill "at the earliest opportunity."

The Institute of Practitioners in Advertising (IPA) and Incorporated Society of British Advertisers (ISBA) criticised the appointment of the eleventh DCMC secretary of state in 10 years, saying "with DCMS now shorn of digital policy, it is unclear where responsibility for some of the most pressing concerns for our sector lies." Elsewhere, the Betting and Gaming Council urged Frazer to publish the long-awaited gambling white paper "without delay", while Arts Council England tweeted it was "very much looking forward to working with @lucyfrazermp". #LetsCreate!"



Sheila Amedodah, Dods Political Consultant for Digital, Culture, Media and Sport



Electoral history

Member for South East Cambridgeshire since 7 May 2015 general election. Majority 11,490

Parliamentary Career

PPS to:

Ben Gummer as Minister for the Cabinet Office and Paymaster General 2016-17,

David Lidington as Lord Chancellor and Secretary of State for Justice 2017-18;

Ministry of Justice:

Parliamentary Under-Secretary of State 2018-19,

Minister of State 2019-21;

Solicitor General 2019, 2021;

Financial Secretary, HM Treasury 2021-22;

Minister of State:

Department for Transport 2022,

for Housing and Planning, Department for Levelling Up, Housing and Communities 2022-23;

Secretary of State for Culture, Media and Sport 2023-

Non-political career

Called to the Bar, Middle Temple 1996;

Barrister, specialising in commercial law, South Square, Gray's Inn 1998-2015;

QC 2013



Rt Hon Lucy Frazer MP

Dods People contact details



Parliamentary Career

- Parliamentary Secretary, Cabinet Office 2020-21;
- · Minister of State:

for Media, Data and Digital Infrastructure, Department for Digital, Culture, Media and Sport 2021-22, 2022-23,

Department for Culture, Media and Sport 2023-



Parliamentary Career

- PPS:Francis Maude 2012-15, Patrick McLoughlin 2015-16, 2016-17;
- Assistant Government Whip 2017-18;
- Parliamentary Under-Secretary of State: Wales Office 2018, Ministry of Defence 2018-19; Government Whip 2019-20;
- Deputy Chief Whip (Treasurer of HM Household) 2020-22:
- Minister of State: for Housing, DLUHC 2022, Ministry of Justice 2022;
- Parliamentary Under-Secretary of State for Sport, Tourism and Civil Society, DCMS 2022-23;
- Minister for Equalities, Government Equalities Office 2022-;
- Parliamentary Under-Secretary of State, Department for Culture, Media and Sport 2023-

<u>Dods People contact details</u>



Lords career

- Government Whip, Lord in Waiting 2020-21;
- Department for Digital, Culture, Media and Sport:

Parliamentary Under-Secretary of State and Government Spokesperson:

for Arts 2021-22,

for Arts and Heritage 2022-23;

- Member, Electronic Trade Documents Bill Special Public Bill Committee 2022-;
- Parliamentary Under-Secretary of State and Government Spokesperson, Department for Culture, Media and Sport 2023-;
- Government Spokesperson, Department for Science, Innovation and Technology 2023-

Dods People contact details



Dods Insight

The proof of the pudding on this departmental re-organisation will be whether it delivers policy progress, from easing the burden of the energy crisis to protecting children from online harms. However, with the next general election looming and the Conservatives lagging Labour in the polls, it's questionable whether Sunak has sufficient time for his new departmental setup to bear fruit. Experts say it can take a year or more for such restructurings to produce meaningful change in governmental output.

The move to more policy focused departments represents a switch in approach from previous efforts to seek economies of scale from an all-encompassing business ministry with oversight across the policy agenda. A more targeted approach could improve policy delivery and accountability, but much will depend on whether the new departments can work together efficiently to cover all the bases while avoiding duplication. In the current challenging economic environment, there is also a risk the creation of new departments fuels internecine battles between ministers competing for scarce resources and status.

The re-organisation provides further clarity on Sunak's priorities in key areas. Including security in the title of DESNZ follows his pledge that Britain should achieve "energy sovereignty" and suggests a focus on domestic sources like North Sea oil and nuclear power. Despite the Government's moves to lift an effective ban on new onshore windfarms, some analysts have warned this drive could come at the expense of climate change efforts as budgets tighten.

Dods Insight

The creation of DSIT indicates a concerted effort to build a more innovative economy and address the UK's failure to translate its technical expertise and world-class universities into economic growth and development. Recent high-profile developments, such as the departure of electric vehicle manufacturer Arrival to the U.S. and collapse of Britishvolt, coupled with huge green economy support packages in the US and Europe, have underscored the need for an updated UK industrial strategy. The new and refocused departments also raise a question about whether Sunak is pivoting away from the Johnson-era Levelling Up agenda, which has proved hard to deliver through the Covid and cost of living crisis.

Harry Banton, Dods Political Consultant @HJ_BANTON

Contact us



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Contact Us

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