EXPLANATORY MEMORANDUM TO

THE FINANCIAL ASSISTANCE FOR ENVIRONMENTAL PURPOSES ORDER 2021

2021 No. 984

1. Introduction

1.1 This explanatory memorandum has been prepared by the Department for Business, Energy and Industrial Strategy ("BEIS") and is laid before Parliament by Command of Her Majesty.

2. Purpose of the instrument

2.1 This Order varies section 153(1) of the Environmental Protection Act 1990 so as to enable the Secretary of State, with the consent of the Treasury, to give financial assistance to, or for the purposes of, Cenex (Centre of Excellence for Low Carbon and Fuel Cell Technologies) (hereafter referred to as "Cenex") in relation to its activities in England, Wales and Northern Ireland.

3. Matters of special interest to Parliament

Matters of special interest to the Joint Committee on Statutory Instruments

3.1 None.

4. Extent and Territorial Application

4.1 The territorial extent of this instrument is England and Wales and Northern Ireland.

4.2 The territorial application of this instrument is England and Wales and Northern Ireland.

5. European Convention on Human Rights

5.1 Anne-Marie Trevelyan, Minister of State for Energy, Clean Growth and Climate Change, has made the following statement regarding Human Rights:

"In my view the provisions of the Financial Assistance for Environmental Purposes Order 2021 are compatible with the Convention rights."

6. Legislative Context

6.1 Under section 153 of the Environmental Protection Act 1990 the Secretary of State may provide financial assistance to those organisations, schemes, programmes and international agreements listed in section 153(1). Section 153(4) gives the Secretary of State the power to vary this list. The Order adds Cenex to the list in section 153(1) thus enabling the Secretary of State, with the consent of the Treasury, to give financial assistance to, or for the purposes of, Cenex in relation to its activities as respects England, Wales and Northern Ireland.

7. Policy background

What is being done and why?

7.1 S153(1) of the Environmental Protection Act allows the Secretary of State, with the consent of HM Treasury, to give financial assistance to certain organisations, programmes, schemes or international agreements whose purposes relate to the protection, improvement or better understanding of the environment.

7.2 Cenex was established in 2005 by the then Department for Business, Industry and Skills to encourage R&D in low carbon automotive technologies and the uptake of electric vehicles. Today, Cenex focuses on low emission transport & associated energy infrastructure and operates as an independent, not-for-profit research technology organisation (RTO) and consultancy. Cenex has worked closely with BEIS, its predecessors and other government departments such as the Department for Transport to help meet the Government's targets to reduce carbon from road transportation and latterly the Government's ambitions to reduce emissions to net zero by 2050.

7.3 This instrument will enable Government to provide targeted support to Cenex in the most efficient and cost-effective way.

8. European Union Withdrawal and Future Relationship

8.1 This instrument does not relate to withdrawal from the European Union.

9. Consolidation

9.1 This instrument does not consolidate any legislation.

10. Consultation outcome

10.1 No consultation was taken on this instrument because it is expanding on existing provisions and places no burdens or requirements on any businesses, organisation or group. Any future spending under these expanded provisions would be subject to the usual processes, which includes HM Treasury agreement.

11. Guidance

11.1 No guidance is being issued because it is expanding on existing provisions and places no burdens or requirements on any businesses.

12. Impact

12.1 There is no, or no significant, impact on business, charities or voluntary bodies.

12.2 There is no, or no significant, impact on the public sector.

12.3 A full Impact Assessment has not been prepared for this instrument because it places no requirements or burdens on business.

13. Regulating small business

13.1 The legislation does not apply to activities that are undertaken by small businesses.

14. Monitoring & review

14.1 BEIS will continue to monitor the suitability of Cenex to be listed in this instrument.

15. Contact

15.1 Dave Yuill at the Department for Business, Energy and Industrial Strategy Telephone: 07919 211988 or email: Dave.yuill@beis.gov.uk can be contacted with any queries about this instrument.

15.2 Nigel Pargiter, Deputy Director for the Automotive Unit, at the Department for Business, Energy and Industrial Strategy can confirm that this Explanatory Memorandum meets the required standard.

15.3 Anne-Marie Trevelyan, Minister of State for Energy, Clean Growth and Climate Change at the Department for Business, Energy and Industrial Strategy, can confirm that this Explanatory Memorandum meets the required standard.