

Title: Regulatory Impact Assessment for the Climate Change (Just Transition Commission) Regulations (Northern Ireland) 2026	Regulatory Impact Assessment (RIA)
	Date: 05/08/2025
Lead department or agency: Department of Agriculture, Environment and Rural Affairs (DAERA)	Type of measure: Secondary Legislation
	Stage: Final
Other departments or agencies: N/A	Source of intervention: Domestic
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Summary Intervention and Options

<p>What is the problem under consideration? Why is government intervention necessary?</p> <p>In March 2022, the Northern Ireland Assembly passed the Climate Change Act (Northern Ireland) 2022 (the Act), committing the region to a target of Net Zero emissions by 2050.</p> <p>In December 2024 the NI Assembly passed Regulations which set a series of Carbon Budgets for NI from 2023-2037. The Carbon Budgets set the maximum total amount of permitted greenhouse gas (GHG) emissions in Northern Ireland over five-year periods and are an internationally accepted way to ensure that governments remain on a trajectory to meet their longer-term emissions reduction targets in a gradual and planned way. NI has a 2050 Net Zero target in line with the UK, the other devolved administrations, Ireland and the EU. In December 2024 the NI Assembly also set in law the interim 2030 and 2040 emissions reduction targets.</p> <p>All Northern Ireland departments are required under the Act to ensure that the carbon budgets are achieved. The delivery vehicle for achieving carbon budgets will be through the development and implementation of a series of 5-yearly Climate Action Plans (CAP) which align to each carbon budget period.</p> <p>The Act requires that each Northern Ireland department is required to have regard to the just transition principle when deciding on the policies and proposals within their area of responsibility to be included in each CAP and to support just transition when developing their respective sectoral plans.</p> <p>In order to help departments meet these requirements, section 37 of the Act places a duty on DAERA that it must establish a Just Transition Commission (the Commission) for Northern Ireland, whose functions are to oversee the implementation of all the just transition elements of the Act and to provide advice to departments on how to ensure their policies comply with the just transition principle as set out in the Act.</p>
<p>What are the policy objectives and the intended effects?</p> <p>DAERA intends to bring forward Regulations that will establish a new Advisory Non-Departmental Public Body (NDPB). The new body will be known as the “Just Transition Commission” In line with the requirement to do so under Section 37 of the Act.</p> <p>Section 37(2) of the Act sets out the functions of the Commission are to—</p> <p><i>(a) oversee the implementation of the just transition elements of this Act: and</i></p> <p><i>(b) provide advice to the Northern Ireland departments on how to ensure that proposals, policies, strategies, and plans required under this Act comply with the just transition principle.</i></p> <p>In addition to its functions, the draft Regulations make provision for the Commission in terms of its reporting, membership composition, tenure, remuneration, procedures and committees.</p>

The primary outputs of the Commission will be its advice to departments and the oversight function of the proposals and policies within the climate action plans in terms of ensuring that they comply so far as possible with the just transition requirements set out in the Act. The Commission will provide reports to the NI Assembly, and produce annual reports on its own function.

It is intended that the Commission will help to ensure that the just transition principle is applied accurately and fairly by all departments in their emission reduction policies, proposals, plans, and strategies, and that the eleven just transition objectives as set out in section 30 the Act are met as far as practicable.

What policy options have been considered, including any alternatives to regulation? Please justify preferred option (further details in Evidence Base)

The following three options have been considered-

Option 1: Do nothing/ Business as Usual – i.e. Do not establish a Just Transition Commission for Northern Ireland;

Option 2: Establish a Just Transition Commission for Northern Ireland as an Advisory Non-Departmental Public Body to provide independent expert advice and oversight, with Secretariat to support functioning of the Commission based in DAERA; and

Option 3: Establish a Just Transition Commission for Northern Ireland as an Executive Non-Departmental Public Body to provide independent expert advice and oversight but with its own staff, budget, and management.

Will the policy be reviewed?

Yes, an evaluation will be completed to assess if the objectives were achieved. A Post-Project Evaluation (PPE) will be completed 12 months after the Commission is operational. This will be conducted by DAERA.

Once the Commission is established, performance assessments of the chairperson and members will be conducted on an annual basis. Additionally, the Commission will undertake an annual report of the Commission's activity and delivery. This will be laid before the NI Assembly each year and made public.

A performance assessment of the chairperson will be completed by DAERA officials. Performance assessments for the members will be completed by the chairperson. Both will be retained internally.

If applicable, set review date:

12 months after Commission commences to operate.

Does Implementation go beyond minimum EU requirements?		N/A		
Is this measure likely to impact on trade and investment?		YES <input type="checkbox"/>		
Are any of these organisations in scope?		NO <input checked="" type="checkbox"/>		
	Micro	Small	Medium	Large
	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>

Indicative Cost of the Preferred Option: Option 2

Total outlay cost - (OVER 4 YEARS)	Total net cost per year - (Average per year for first 4 years)	Annual cost for implementation by all Northern Ireland Civil Service (NICS) Departments £m
<p>Gross: Net: £1,365,624</p> <p>This costing is based on the first 4 years of the Commission being in operation. The Commission will be established in statue as a permanent body with an ongoing advisory and oversight role.</p>	<p>£341,406</p> <p>It should be noted that approx. £179,428 of this total expenditure is for the cost associated with the support secretariat. This is provided by DAERA and has been secured through a staffing bid exercise.</p>	<p>Although the Commission will be providing a service to all departments, DAERA will be responsible for providing the necessary funding for its core operation and maintenance of its functions. Should a Department require significant additional advice from the Commission which would incur additional significant unplanned cost they would be required to meet the associated cost. This can be bid for through normal government bidding processes and procedures.</p> <p>The annual cost is estimated to be £341k per annum to DAERA.</p>

Summary: Analysis and Evidence

Policy Option 1

Description: Do nothing/ Business as Usual – Do not establish a Just Transition Commission for Northern Ireland.

ECONOMIC ASSESSMENT: Option 1

Costs (£m)	Total Transitional (Policy) (£m) (constant price) Years		Average Annual (recurring) (£m) (excl. transitional) (constant price)	Total Cost (£m) (Present Value)
Low	Optional		Optional	Optional
High	Optional		Optional	Optional
Best Estimate	0		0	0

Description and scale of key monetised costs by 'main affected groups'

No direct immediate monetised costs associated, under 'business as usual' (BAU).

Note: Doing nothing and not establishing a Just Transition Commission would leave DAERA in breach of legislative requirements under the Act, which could incur legal and other costs.

It would also leave a gap in expert support and advice for Departments in ensuring they are best supported to ensure their policies and proposals are as fair and just as possible.

Other key non-monetised costs by 'main affected groups'

No other monetised costs associated, under BAU.

Benefits (£m)	Total Transitional (Policy) (£m) (constant price) Years		Average Annual (recurring) (£m) (excl. transitional) (constant price)	Total Benefit (£m) (Present Value)
Low				
High				
Best Estimate	0		0	0

Description and scale of key monetised benefits by 'main affected groups'

Monetised benefits cannot be assessed.

Other key non-monetised benefits by 'main affected groups'

None.

Key Assumptions, Sensitivities, Risks (Maximum 5 lines)

Robust figures are not available to reflect the full range of costs or benefits, in particular the costs to Northern Ireland in terms of still delivering on the Net Zero emissions target without establishing a Just Transition Commission.

We do know from various studies¹, including DAERA commissioned research², that the uptake of climate interventions and thereby their success increases based on perceived fairness. This means that if Departments take the advice of the Commission on how to embed just and fair elements into policies, as they are developed, there is likely to be a greater success and acceptance of those interventions.

There are significant costs of climate change inaction. Taking climate action now that is fair, just and has a greater level of support/uptake will ensure that costs to the public purse are lessened over the medium to longer term. In the absence of the Commission to provide advice, support an oversight there

This option does not deliver on the legal requirements of the Act. It would leave DAERA in breach of the law and therefore this option is considered not credible.

This option would leave DAERA at risk of Judicial Review by not complying with the requirement placed on the Department under section 37 of the Climate Change Act (Northern Ireland) 2022.

BUSINESS ASSESSMENT (Option 1)

Direct Impact on business (Equivalent Annual) £m		
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¹ [Frontiers | Factors and framing effects in support for net zero policies in the United Kingdom](#)
[House of Lords | In our hands: behaviour change for climate and environmental goals](#)

² [DAERA | Climate Change Attitudes and Behaviours](#)

Costs: 0	Benefits: 0	Net: Uncertain		
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Cross Border Issues (Option 1)

<p>How does this option compare to other UK regions and to other EU Member States (particularly Republic of Ireland (ROI))</p> <p>Doing nothing and not establishing a Just Transition Commission would leave Northern Ireland out of step with Scotland and Ireland who have established Just Transition Commissions.</p>

Summary: Analysis and Evidence

Policy Option 2

Description: Establish a Just Transition Commission for Northern Ireland as required by section 37 of the Act, specifically as an **Advisory Non-Departmental Public Body with a supporting Secretariat team based in DAERA.**

ECONOMIC ASSESSMENT: Option 2

Costs (£m)	Total Transitional (Policy) (£m) (constant price)	Years	Average Annual (recurring) (£m) (excl. transitional) (constant price)	Total Cost (£m) (Present Value)
Low		2025-2029		
High				
Best Estimate	(N/A: NICS-wide)		£ 0.341,406	£1,365,624 This costing is based on the first 4 years of the Commission being in operation. The Commission will be established in statue and will be in operation as a permanent body with an ongoing advisory and oversight role.

Description and scale of key monetised costs by 'main affected groups'

Departments are required to bring forward policies and proposals that will reduce NI GHG emissions to meet emissions reduction targets set out in the Act and deliver on the Carbon Budgets. All departments are required by the Act to have regard to the just transition principle. The Act requires that a body, to be known as the "Just Transition Commission", be established whose functions will be to provide advice to departments on just transition matters and to provide an oversight function to ensure departments are having due regard to just transition when developing and implementing emissions reduction polices. This option establishes the new independent body as an Advisory NDPB.

The key features of an Advisory NDPB are that -

- they are established by Ministers, or departments, to provide independent expert advice or to provide input into the policymaking process;
- they do not usually have staff but are supported by staff from their sponsoring department;
- do not usually have their own budget, as costs incurred come from within the department's expenditure;
- they are formal bodies with defined membership and clear terms of reference;
- they meet on a regular basis (at least once a year);
- they are standing bodies (i.e. in existence for more than twelve months);
- they are not part of a department or agency, or part of some other organisation;
- appointments to the bodies are made by Ministers or by officials on behalf of Ministers;
- those appointed to the body are independent of government and drawn from outside the public sector; and
- Ministers are ultimately answerable for the performance of the bodies and for their continued existence.

Commission members

The Regulations that establish the Commission set out that it would have at least 16 Commission members in total including a chairperson. This would include the seven members representing the sectors listed in section 37(4) of the Act but also include additional representatives from the energy, transport, and green finance, built environment and rural sectors as emerged strongly from the public consultation. Some sectors may have more than one representative, the draft Regulations make it a requirement for 2 members from environmental groups and 3 members from the agricultural sector based on the breadth and diversity within these sectors. It is assumed Commission members will receive Level E of the public appointee remuneration levels as a daily rate.

These figures were taken from [\(FD \(DoF\) 07/23\)](#). The figures based on the daily rates from August 2022, and therefore rates have been uplifted twice to calculate the daily rates from August 2024. The experience of the Commissions in Scotland and Ireland is that some members of the Commission choose not to take remuneration instead participating as part of their existing professional or public sector role. It is assumed that a similar pattern will emerge for Northern Ireland. This assumption is informed in particular by the Scottish model whereby a number of members do not receive remuneration for their participation on the Scottish Just Transition Commission.

Informed by other similar bodies it is expected the Commission will commit to on average 15 days per year and the annual total cost is estimated at £67,995. However, in the first year of operating it is expected to meet an additional 5 days to enable the Commission to gain the knowledge required to be as effective as possible, and the additional cost for year one is estimated as £22,665. If the Commission were required to sit additional days this will have an impact on the overall cost of the Commission.

Travel and subsistence

The Commission members will be paid for reasonable travel and subsistence costs incurred. It is envisaged that some meetings will take place online, however some meetings will be face to face. The total T&S cost per year is estimated to be £9,280. With the additional estimated five days in year one the estimated cost of would be £3,480 extra.

Secretariat

The Commission will require administrative support that is expected to comprise of three members of staff. The three secretariat support staff will be provided by NICS members from DAERA, and costings are estimated at £169,371 per year which will be met by the department.

IT/Website Maintenance/Premises/Research and Development

Additional costs include IT for the Commission members, a website and required website maintenance. The Commission may need to procure external research to enable them to fulfil their duties. It is envisaged that the Commission will meet in NICS or other public sector facilities, where possible, at no additional costs, however, there may be some occasional costs associated with booking a suitable room for engagement meetings outside of NICS facilities. The total cost for this is assumed as £80,427.

The Commission's total estimated costs for year one will be **£343,938**, with year two onwards estimated to cost **£317,793**.

Other key non-monetised costs by 'main affected groups'

There may be some small hospitality costs during meetings these have not been monetised.

Benefits (£m)	Total Transitional (Policy) (£m) (constant price) Years		Average Annual (recurring) (£m) (excl. transitional) (constant price)	Total Benefit (£m) (Present Value)
Low		2025-2029		
High				
Best Estimate			0	0

Description and scale of key monetised benefits by 'main affected groups'

The Commission is likely to bring monetised benefits; however, it is not possible to quantify these as it will be dependent on the emissions reduction policies developed and implemented by NI departments. The Commission will be providing valuable advice to departments on applying the just transition principle into policy development and delivery. This will help to ensure that no one is unfairly impacted by the emission reduction policies through ensuring that necessary advice is provided and consideration is given to the support required.

Other key non-monetised benefits by ‘main affected groups’

The Commission will provide departments with an informed resource, offering advice on how to apply the just transition principle and the objectives it aims to achieve when developing emissions reduction policies. Ensuring that the eleven objectives of the just transition principle, as set out in the Act, are understood and implemented will have significant benefits across all communities, workers, businesses, and industries who may be impacted by policies, proposals, plans, and strategies developed to deliver the transition to Net Zero.

Many sectors will need to make considerable changes as departments aim to reduce their emissions and achieve Net Zero. The Commission will support departments as they work with and plan for those sectors of the economy most impacted by the necessary actions to transition to achieve the emissions reductions required.

The advice and oversight role of the Commission will help departments to ensure consideration is given to workers and communities by advising on creating decent, fair, sustainable high-value work in a way which does not negatively affect the current workforce. The opening of new opportunities through the creation of good green jobs and the reskilling of existing workforces will also provide opportunity for the Commission to provide insight and advice on how to address the specific needs of the community in respect of reducing, with a view to eliminating, poverty, inequality and social deprivation; eliminating gender inequality and advancing equality of opportunity between men and women; and supporting the social and economic needs of people in the community. The Commission will support departments in their work to ensure that policies are demonstrated to be supporting persons who are most affected by climate change, particularly those who may have done the least to cause it or may be the least equipped to adapt to its effects.

With the broad representation on the Commission, the key emissions sectors/groups will be represented and have their voices heard. This is a key aspect of the fairness and justness of the transition.

There are also a significant number of co-benefits including:

- greater clarity and predictability to plan effectively for and invest in a low carbon economy;
- increased awareness of the need for climate change resilience and adaptability;
- a more sustainable competitive green economy; and
- increased opportunities for green investment.

The work of the Commission will be ongoing for many years to provide advice on, and an oversight of the just transition elements of the Act including ensuring the just transition principle is considered within emission reduction policies. The establishment of the Commission will ensure continuation in the advice and oversight from one carbon budget period to the next and from one CAP to the next CAP. This will lead to continual and increasing learning by departments and will bring about a better understanding of embedding just transition considerations in policy making in the future.

The evidence suggests this option will drive further climate action, increasing the likelihood of meeting UK and NI Net Zero targets and facilitating a just transition to a low carbon NI economy allowing NI to be better placed to take advantage of the economic, environmental and social benefits provided by reducing GHG emissions and delivering on the wider opportunities.

Key Assumptions, Sensitivities, Risks Maximum 5 lines

There is a risk that all costs and figures are indicative only. There are also uncertainties around the time and resources departments would require from the Commission.

It is assumed that the Department can agree a Terms of Reference and a Partnership Agreement with the Commission to help manage these risks

It is assumed that the recruitment process will attract a high calibre of people across all the mandated sectors.

Direct Impact (Equivalent Annual)			
Costs: (£m) 0.341,406	Benefits (£m):	Net (£m):	0.341,406

Cross Border Issues (Option 2)

How does this option compare to other UK regions and to other EU Member States (particularly Republic of Ireland)

Establishing the Just Transition Commission as an Advisory Non-Departmental Public Body would ensure Northern Ireland is in line with other jurisdictions including Scotland and Ireland. Wales do not have a just transition commission but do have a Future Generations Commissioner.

SCOTLAND

The Climate Change (Scotland) Act 2019 embeds just transition principles of sustainable jobs, social consensus, “decent jobs”, and economic approaches to address inequality and poverty as cornerstones of Scotland’s climate targets. Scotland was the first government across these islands to establish a dedicated Just Transition Commission. The first Scottish Just Transition Commission was set up at the end of 2018. The second, and current, Scottish Just Transition Commission was established in 2021 and scrutinises and advises the Scottish government on how to deliver a just transition to a net zero economy in a fair and equitable way. As an independent advisory body the Scottish Just Transition Commission works with Scottish Ministers to provide practical, realistic, and affordable recommendations for action, scrutiny, and advice on how to deliver a fairer, greener future for all in a way that delivers fairness and tackles inequality and injustice. The Just Transition in Scotland currently has approx. twenty members.

WALES

Wales does not have a Just Transition Commission; however, through the Well-Being of Future Generations Act 2015 the Welsh Government have established a Future Generations Commissioner. That Executive ALB established as a corporation sole undertakes research, provides advice and raises awareness in respect climate change for a just transition. In 2023 the Welsh government consulted on a ‘Just Transition Framework’ for Wales which considered:

- sharing their vision about how to deliver the changes needed for Net Zero;
- how to coordinate new ways of thinking about those changes; and
- providing a source of information and guidance (including a toolkit) to address current inequalities and avoid creating new inequalities.

IRELAND

A Just Transition Commission for Ireland, which consists of a chairperson and ten independent experts, was established in 2024. The Irish Just Transition Commission states their function is to:

- Prepare and analyse strategic evidence-based research in relation to just transition, to anticipate and inform long-term climate policy and investment planning;
- Evaluate, advise, and comment on policy planning, implementation, and progress on the application of Ireland’s Just Transition principles into national and sectoral climate policies, based on high-quality, evidence-based analysis; and
- Provide strategic advice and engagement on the Just Transition; the Commission will support the National Dialogue on Climate Action, as well as any dialogue on climate/ just transition matters within individual sectors.

The Commission may undertake proactive engagement with particular communities, sectors or regions facing specific acute or long-term challenges arising from the transition and advise government on interventions or targeted support which may be helpful to address the challenges being faced by that community, sector, or region.

The Irish Just Transition Commission has not been established by statute. Ireland have recently formed a secretariat to support the Commission consisting of four staff. The cost of the secretariat is not factored into the running cost of the Commission as the secretariat are seconded from the Department of the Environment, Climate and Communications. The secretariat role is similar to the Scottish model, providing an independent-of-government service to the Commission.

The Commission complements the existing role of the Climate Change Advisory Council (CCAC). The CCAC advise the Minister and Government in relation to climate mitigation and adaptation policies to meet Ireland’s National Climate Objective.

ENGLAND

There is currently no Just Transition Commission in England. There have been calls for the creation of such a body from the Institute for Public Policy Research, regional and local climate commissions involved in industrial decarbonisation as well as trade unions and the church Commissioners for England.

EU

The EU does not currently have a Just Transition Commission. Rather, it has established a Just Transition Mechanism (Fund) which makes funds available to address the social and economic impacts of transition (see page 14 for further detail).

Summary: Analysis and Evidence

Policy Option 3

Description: Establish a Just Transition Commission for Northern Ireland as a body corporate as required by section 37 of the Act, specifically an **Executive Non-Departmental Public Body who have their own directly recruited staff**.

ECONOMIC ASSESSMENT: Option 3

Costs (£m)	Total Transitional (Policy) (£m) (constant price)	Years	Average Annual (recurring) (£m) (excl. transitional) (constant price)	Total Cost (£m) (Present Value)
Low		2025-2029		
High				
Best Estimate	N/A: NICS-wide		£0.359,319	£1,437,279 This costing is based on the first 4 years of the Commission being in operation. The Commission will be established in statue and will be in operation as a permanent body with an ongoing advisory and oversight role. until consideration is given to dissolving the body by legislation.

Description and scale of key monetised costs by 'main affected groups'

All the costs identified in Option 2 are also applicable in this option however there are significant additional costs.

Finance and Governance

An Executive NDPB would typically require its own premises, employ its own staff and manage its own budgets. Employed staff would receive a yearly salary and also have pension rights. There will be additional costs incurred with an Executive NDPB such as annual accounts (that will also be required to be audited), human resources management, general administration, payroll, and extra costs to deal with governance issues. This additional cost is estimated to be at least £17,000 per year via the use of contracted out services.

The Commissions total costs for year one is estimated at **£360,938** with year two onwards estimated at **£334,793**.

Option 3 would be more expensive and given the parameters provided by the Act on the role and functions of the Just Transition Commission would add no discernible value to what will be delivered through Option 2. An Executive body is also likely to take longer to establish which will result in the Commission not functioning in a timely manner to provide timely advice to NI departments on just transition matters.

This option would provide an 'effective' solution and would meet the legislative requirements set out in the Act; however, it would not maximise efficiency and it has been assessed this option does not provide value for money.

Other key non-monetised costs by 'main affected groups'

There is likely to be other costs associated with the establishment and maintenance of a corporate body, whilst additional fees to that of an advisory body have been assumed, these are likely to be the bare minimum, other costs not monetised are likely to incur for example legal fees.

Benefits (£m)	Total Transitional (Policy) (£m)	Average Annual (recurring) (£m)	Total Benefit (£m)
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	(constant price)	Years	(excl. transitional) (constant price)	(Present Value)
Low		2022-2050		
High				
Best Estimate	0		0	0

Description and scale of key monetised benefits by 'main affected groups'

The Commission established under option 3 is likely to bring similar and comparable benefits to that as option 2. The members of the Commission will be the same under each option, it is the body itself which will be different in terms of set-up.

Again, it is not possible to quantify the full benefits as it will be dependent on the emission reduction policies developed and implemented by NI departments. The Commission will be providing valuable advice to departments on applying the just transition principle into the policy making. This will assist to help to ensure that no one is unfairly impacted by the emission reduction policies which in turn may bring financial benefits.

Other key non-monetised benefits by 'main affected groups'

Again, with this option there is likely to be the similar benefits as identified under option 2. Under this option it will still be the same Commission members doing broadly the same work conducting the same oversight and advisory function and broadly making the same decisions in respect of provision of advice. The main difference under this option are the differences between an Executive body rather than an Advisory Body.

Executive NDPBs are those with executive, administrative, commercial or regulatory functions. They conduct set functions within a government framework, but the degree of operational independence varies from an advisory body.

It has a clear focus on delivering specific outputs within a framework of accountability to Ministers. Where the body is created by legislation it will usually be incorporated as a corporate body by the founding primary legislation. There are a range of public bodies constituted in this way with some ranging from a greater scope of functions and which can be financially self-sufficient an/ or receive a range of levels of grants in aid.

In the main an Executive NDPB generally have higher costs than an advisory body to operate.

Key Assumptions, Sensitivities, Risks Maximum 5 lines

There is a risk that establishing an Executive NDPB is a more drawn out and lengthy process, including the recruitment of staff that may affect the ability of the Commission to begin to deliver the required duties in a timely fashion.

There is a risk that all costs and figures are indicative only and they may be inadequate. Potential additional costs would include uncertainties around the time and resources departments would require from the Commission. The secretariat support, specialist advice experts and ad-hoc Committees required, and workload may change as the Commission develops. There are still the statutory financial and governance controls of the annual report and the Minister's responsibility for the Commission and its members.

BUSINESS ASSESSMENT (Option 3)

Direct Impact (Equivalent Annual) (£m)			
Costs: £0.359,319	Benefits: 0	Net:	£0.359,31

Cross Border Issues (Option 3)

How does this option compare to other UK regions and to other EU Member States (particularly Republic of Ireland)

Ireland and Scotland both have a Just Transition Commission. However, while they are also advisory bodies they have been established administratively and are not in statue.

An executive body would be a corporate body with its own separate legal identity, there is no comparative Just Transition body across the UK, Ireland, or the EU.

Evidence Base

- 1) INTRODUCTION
- 2) PROBLEM UNDER CONSIDERATION
- 3) POLICY OBJECTIVE
- 4) CURRENT INTERNATIONAL AND NATIONAL RESPONSE CONTEXT
- 5) CONSULTATION
- 6) INDEPENDENT EXPERT ADVICE AND EVIDENCE
- 7) DESCRIPTION OF OPTIONS CONSIDERED
- 8) EVALUATION OF OPTIONS AND OPTION CHOSEN
- 9) RISKS AND ASSUMPTIONS

1. INTRODUCTION

In March 2022, the Northern Ireland Assembly passed the Climate Change Act (Northern Ireland) 2022 (the Act), committing the region to a target of Net Zero emissions by 2050.

Under the Act, DAERA is required to make Regulations which set the maximum total amount of permitted greenhouse gas (GHG) emissions in Northern Ireland over five-year periods, known as carbon budgets. In December 2024 the NI Assembly passed the Regulations which set in law the first three Carbon Budgets for NI from 2023-2037. Carbon budgets ensure that Northern Ireland remains on a trajectory to meet the 2050 Net Zero target and the interim 2030 and 2040 emissions reduction targets in a gradual way. Carbon Budgets are an internationally accepted way to ensure that governments remain on a trajectory to meet their longer-term emissions reduction targets in a phased and planned way.

All Northern Ireland departments have a legal requirement under the Act to ensure that the carbon budgets are achieved. The delivery vehicle for achieving carbon budgets will be through the development and implementation of subsequent 5-yearly Climate Action Plans (CAP). Each Northern Ireland department is legally required to have regard to the just transition principle when deciding on the policies and proposals within their area of responsibility to be included in each CAP.

2. PROBLEM UNDER CONSIDERATION

Section 37 (1) of the Act requires DAERA to establish, by regulations, a body to be known as the 'Just Transition Commission' whose functions are to oversee the implementation of the just transition elements of the Act and to provide advice to departments on how to ensure their policies comply with the just transition principle as set out in the Act.

The Act does not specify a date as to when the Commission should be established, however, the Commission will need to be established as early as possible to enable it to start functioning and commence delivering its duties as set out in the Act. The work to establish the Commission and recruit its members will be completed by DAERA staff with the support and guidance of other NICS departments as required. There are currently no other bodies with a similar role in NI.

Section 37(4) requires that the Commission have representation of the following sectors/groups:

- the agricultural sector;
- the fisheries sector;
- academia;
- trade unions;
- youth groups;
- civic society; and
- environmental groups.

3. POLICY OBJECTIVE

The policy objective is to establish a new public body to be known as the Just Transition Commission as required by Section 37(2) of the Climate Change Act (Northern Ireland) 2022.

The Act set out the functions of the Commission are to -

- (a) oversee the implementation of the just transition elements of this Act; and
- (b) provide advice to the Northern Ireland departments on how to ensure that proposals, policies, strategies, and plans required under this Act comply with the just transition principle.

The just transition elements are defined in the proposed Regulations as:

- any sectoral plan published under sections 13 to 22 of the Act; i.e. Sectoral Plans;
- any climate action plan published under section 29 or 51 of the Act; i.e. Proposals and policies for meeting carbon budget; or Climate action plan (CAP) – also including Soil and Biodiversity targets; and
- any scheme established by regulations under section 31 of the Act, i.e. Just Transition Fund for Agriculture.

The draft Regulations also make provision for the Commission in terms of its reporting, membership composition, tenure, remuneration, procedures, committees and voting rights.

It is intended that the Commission will ensure that the just transition principle is applied accurately and fairly by all departments in all policies, proposals, plans, and strategies developed to deliver on the requirements of the Act and that the 11 objectives of the just transition principle are met as far as practicable.

4. CURRENT NATIONAL AND INTERNATIONAL CONTEXT

National Political and Legal Context – UK, Scotland, Wales, Republic of Ireland (ROI)

The approach taken to Just Transition Commissions, or similar bodies in the UK and Ireland, have been considered in preparing the draft Regulations. The policy team has worked closely with Scottish and Irish counterparts on how their respective Commissions have operated in practice and developed and changed. The advice of the UK Climate Change Committee (CCC) has also been sought and obtained. DAERA officials continue to meet with counterparts in Scotland and Ireland who were directly involved in setting up Just Transition Commissions to learn from their experiences and to share best practise.

SCOTLAND:

The Scottish Just Transition Commission was set up by the Scottish Government at the end of 2018. Scotland has established a non-statutory, advisory Just Transition Commission - ([Scottish Just Transition Commission](#)). The second, and current Scottish Just Transition Commission was established in 2021 and works with Scottish Ministers to provide practical, realistic, and affordable recommendations for climate action. There is a [Memorandum of Understanding between The Just Transition Commission and the Scottish Government](#).

The Scottish Government currently provides their Commission with a dedicated secretariat of 3 members of staff, drawn from civil servants working in the Scottish administration. The secretariat has access to independent legal advice through the Scottish Government legal services framework. The secretariat acts as the first point of contact for the Commission and co-ordinates meeting requests from Ministers and the Scottish Government.

The Commission which currently comprises approx. 20 members is provided with a budget from the Scottish Government to deliver its remit including Commissioner expenses and fees, meeting costs, travel costs, research costs, website, communications, and publications. This budget is managed by the secretariat and if the Commission requires additional resources a funding request can be made by the secretariat to the Scottish Government.

The Scottish Government also provides the Commission with supported services including digital and communications services, and design and delivery services. The contractors providing these services will be operationally accountable to the secretariat for the delivery of contracts and for associated performance standards.

The Scottish Just Transition Commission provide scrutiny and advice on the ongoing development of the just transition plans, including the application of the Just Transition Planning Framework. The Just Transition Commission in Scotland advise on a number of approaches to combat the current climate crisis. They advise on the most suitable approaches to monitoring and evaluating new policies to be introduced. They engage with a broad range of representative voices, particularly with those most likely to be impacted by the transition, and they advise on how to ensure that these voices can shape and contribute to just transition planning work in Scotland.

The Scottish Commission engages and collaborates with other sources of expertise, including relevant Scottish Government advisory bodies and relevant programmes of work. The Scottish Government have committed to

engaging closely with the Just Transition Commission to halt the climate change crisis and focus on specific localised/regionalised factors.

IRELAND:

A [Just Transition Commission](#) for Ireland, which currently consists of a chairperson and ten independent experts, was established in 2024. The Irish Just Transition Commission states their function is to:

- Prepare and analyse strategic evidence-based research in relation to just transition, to anticipate and inform long-term climate policy and investment planning;
- Evaluate, advise, and comment on policy planning, implementation, and progress on the application of Ireland's Just Transition principles into national and sectoral climate policies, based on high-quality, evidence-based analysis;
- Provide strategic advice and engagement on the Just Transition; the Commission will support the National Dialogue on Climate Action, as well as any dialogue on climate/ just transition matters within individual sectors; and
- The Commission may undertake proactive engagement with particular communities, sectors or regions facing specific acute or long-term challenges arising from the transition and can advise Government on interventions or targeted support which may be helpful to address the challenges being faced by that community, sector, or region.

The Irish Just Transition Commission has not been established administratively. Ireland have recently formed a secretariat to support the Commission consisting of **four** staff. The cost of the secretariat is not factored into the running cost of the Commission as the secretariat is seconded from the Department of the Environment, Climate and Communications.

The Commission complements the existing role of the Climate Change Advisory Council (CCAC). The CCAC, advise the Minister and Government in relation to climate mitigation and adaptation policies to meet Ireland's National Climate Objective.

EU:

The Just Transition Mechanism (JTM) serves as a vital instrument to facilitate a fair transition towards a climate-neutral economy, ensuring that no individual is left behind. It aims to mobilise approximately €55 billion from 2021 to 2027, specifically targeting those regions most adversely affected by this transition, thereby mitigating its socio-economic repercussions. The JTM concentrates on the regions, industries, and workers who are most likely to encounter the significant difficulties. This is achieved through three main components:

- A newly established [Just Transition Fund](#) provides support to Member States having identified the territories expected to be the most negatively impacted by the transition towards climate-neutrality. The Just Transition Fund supports the economic diversification and reconversion of the territories concerned. This means:
 - up- and reskilling of workers;
 - investments in Small and Medium-sized Enterprises;
 - creation of new firms;
 - research and innovation;
 - environmental rehabilitation;
 - clean energy;
 - job-search assistance; and
 - transformation of existing carbon-intensive installations.
- InvestEU "Just Transition" scheme: will provide a budgetary guarantee that can support investments in the framework of the Territorial Just Transition Plan (TJTP) in a wider range of projects, such as projects for energy and transport infrastructure, including gas infrastructure and district heating, but also decarbonisation projects, economic diversification, and social infrastructure.
- A new Public Sector Loan Facility combines €1.3 billion of grants financed from the EU budget with €6-8

billion of loans from the European Investment Bank, to mobilise €13.3-15.3 billion of public investment. Support will be extended to all Member States, with a particular emphasis on regions that are the most carbon-intensive or have the highest employment levels in affected sectors.

INTERNATIONAL:

Internationally, the concept of Just Transition has been approached in various manners. Notable examples of Just Transition strategies can be found in countries such as Germany, Nigeria, Brazil, Mexico, New Zealand, and the Western Cape, among others. South Africa, in particular, has been recognised by the World Resources Institute as a leader in the global Just Transition movement, serving as a model for other nations as they initiate their own Just Transition initiatives. The country has developed a Just Transition Framework that articulates a collective vision for a Just Transition, outlines guiding principles for the transition, and establishes policies and governance structures to facilitate its implementation. Many of the climate related Just Transition strategies are relatively recent, and DAERA has examined the various approaches adopted, noting the differing levels of success achieved thus far.

5. CONSULTATION

DAERA ran a consultation on the establishment of the Commission which launched on 11 November 2024 and closed on 20 January 2025. The consultation received 100 written responses. 83 of the 100 responses received were from organisations, with the remainder from individuals with no declared affiliation.

The Department also facilitated 12 consultation engagement events, both on-line and in-person, including with those sectors and groups mandated for representation on the Commission by the Act. Some of the groups included: Climate NI Steering Group, the Utility Regulator, the All-Party Group on Climate Action, Northern Ireland Environment Link, NI Commission for Children and Young People , the Irish Congress of Trade Unions, DAERA's Agricultural Policy Stakeholder Group, the Rural Community Network, Young Farmer Clubs of Ulster, the NI Consumer Council and the Office for Environmental Protection.

Overall, there was significantly strong support from respondents for DAERA's proposals on the type of public body the Commission should be, the composition of its membership, the Commission's role and legislated functions, the proposed sectors to be represented, its reporting arrangements and the provision of a secretariat and support required for the Commission. The majority of respondents agreed that the Commission should be an Advisory Non-Departmental Public Body (NDPB). The majority of consultation questions that focused on the membership of the Commission, and specifically which sectors should be represented on it, saw strong agreement emerge. Notably the three additional sectors that were put forward by the Department as potential additions to the existing seven mandated sectors for inclusion on the Commission were endorsed, with significant majorities of respondents supporting their inclusion.

Proposed sector for inclusion	Percentage in support for inclusion
Energy	85%
Transport	92%
Green Finance	75%

With energy and transport, there was broad agreement from respondents that they should be included as they were identified as currently two of the highest-emitting sectors, that they are included as sectors in the Climate Action Plans and that they could contribute the most in reducing Northern Ireland's emissions and could have an impact on both consumers and employment.

Many respondents felt it was important for Northern Ireland to be able to attract and to be able to access the green finance and investment that enables the delivery of sustainability goals. There was also recognition of the need for innovation, creativity and alternative and different funding models to help drive the green transition and that it was important for the Commission to have expertise that could support this to help to ensure a just transition. This was the basis for much of the supporting comments in favour of the inclusion of green finance as a sector to be represented on the Commission.

A consultation question asked for suggestions as to any other sectors that might additionally be represented on the Commission which saw a wide range of responses. Among the many suggestions, there was very strong support for three sectors in particular. These were 'built environment,' (which includes construction, housing, and planning); 'wildlife, nature and biodiversity;' and representation for rural communities (distinct from the agriculture representative).

On the two questions related to the Commission's statutory functions of 'oversight' and 'advice', there was strong support and endorsement that the proposals would effectively meet the requirements of the Act. Respondents were also of the opinion that it was an area that should be monitored over the life of the Commission and may need to be revisited, to amend in response to emerging circumstances.

There was a strong focus across many of the responses on the need to position workers, consumers and communities at the heart of the work of the Commission. This was linked to the strong majority support of 95% of respondents agreeing that the Commission should have the ability to establish ad-hoc working groups to facilitate research and learning, and to engage external expertise as needed to supplement the skills and knowledge of its existing members and to support the functions of the Commission.

There were also a number of comments across the responses to several questions of the importance of listening to the voices of young people, older people, people with disabilities, those with caring responsibilities, those from lower socioeconomic backgrounds, migrants/refugees and other minority groups.

The final open-ended question asked the respondents to set out their views on the priorities for the new Commission. We are grateful that so many respondents provided detailed and considered responses to this question and the composite analysis of these responses will be presented to the Commission members once it is established. There were some key areas of agreement that emerged most frequently including:

- I. Agree a Terms of Reference for the Commission and set out Memoranda of Understanding or other mechanisms for working effectively and collaboratively with other climate change and environmental statutory bodies.
- II. The need for an ongoing engagement plan so the Commission can quickly achieve a deeper understanding of the challenges and opportunities of net zero and a just transition, and then to continue to undertake outreach, meaningful engagement, inclusive listening and participation, especially with vulnerable or marginalised communities that may be at risk of the impacts of climate change or resultant economic shifts, including Section 75 groups and those impacted by fuel poverty.
- III. Identify sectors which offer more immediate opportunities and significant potential to help realise a just transition from a high-emissions to a low-emissions society and provide support to Departments responsible for these sectors. Set out an informed and clear workplan to ensure transparency.

As with many of the detailed responses to the consultation, a number of respondents looked to the experience of the Just Transition Commissions in Scotland and Ireland and suggested the Commission should focus initially on high emitting sectors, have a sector-specific approach, and needs to establish relationships with counterparts in other jurisdictions to ensure shared learning. The need for the Commission to look nationally and internationally for examples of best practice and for the Commission to be able to access and/or include expertise and experience from both within but also beyond Northern Ireland was also raised across a number of the responses.

There was also interest in the role the Commission could have in influencing wider action including important emissions reduction interventions and activities led by local government, the wider public sector, and the private sector.

6. INDEPENDENT EXPERT ADVICE AND EVIDENCE

In accordance with section 56(2) of the Act), DAERA wrote to the UK Climate Change Committee (CCC) requesting their advice on the proposals to make draft Regulations that will establish the Commission. The CCC published its advice to the Department on the 2 June 2025.

The advice from the CCC is positive and reflects some of the issues that have already been considered in the policy development process and emerged during the consultation. In their letter to the Department the CCC welcomed the development the draft Regulations and indicated they were supportive of the establishment of the Commission. The CCC recognised the role the Commission would bring as Northern Ireland realises the benefits of the transition to net zero.

The CCC have made four suggestions which will be reflected in the draft Regulations, in supporting documentation, or in the establishment and recruitment process for the Commission:

- Make clear that the Commission's goal is to support government in delivering Net Zero in line with the Just Transition principle, and should not lead to the risk of delivery being unnecessarily delayed;
- Focus the Commission's advice on a limited number of economic sectors, whichever are the most relevant to decarbonising the Northern Irish economy in a just way;

- Limit the core Commission membership to a limited number of independent experts (not solely representatives of different industries or social groups). This will avoid conflicts of interest, and ensure the Commission is an effective advice-making body; and
- Ensure the Commission or its Chair has an established role to make formal recommendations to government.

Some of the points raised have already been addressed in the Regulations or will be addressed in the non-legislative documentation (MoU or ToR) to support the set-up of the Commission.

In regard to membership the CCC have suggested limiting the Commission membership to a limited number of independent experts. The CCC's main concern is that if the Commission membership is too large it could risk impacting upon its effective functioning. The issue of ensuring that membership was not too large, as to become unwieldy, was raised during the consultation and was considered when preparing the Regulations and the Regulations have an upper limit set restricting the total membership of the Commission to a chair and up to 19 members.

The Act mandates seven sectors to be represented on the Commission (Civic society, fisheries, trade unions, youth groups, academia, agriculture and environment groups) and it is deemed appropriate to also have representatives from the transport, energy, green finance sectors, a representative from the built environment and a rural representative. The Regulations also mandate for an additional representative from environmental groups and an additional two representative from the agricultural sector due to the size and diverse nature of these sectors. This will bring the total number of members on the Commission to 16 including an independent chairperson.

7. DESCRIPTION OF OPTIONS CONSIDERED

Option 1: Do nothing/ Business as Usual – do not establish a Just Transition Commission for Northern Ireland;

Under this option no legislation would be made, and a Just Transition Commission would not be established. DAERA would be in breach of the legislative requirements in the Act. Doing nothing and not establishing the Commission would mean the benefits that the Commission will bring would not be realised and a risk that the just transition principle would not be appropriately implemented by Departments. It would also leave the department open to legal challenge.

Option 2: Establish a Just Transition Commission for Northern Ireland as an Advisory Non-Departmental Public Body.

This option would see the Commission established as an Advisory NDPB. This option meets the legislative requirements of the Act. An Advisory NDPB is usually established to supply independent expert advice. They are set up by Ministers to advise them and their department on relevant matters. They have support staff, support costs and travel and subsistence expenses that are normally provided by the relevant department whose Minister they provide advice to.

Under this option the Commission will provide advice on ensuring that departments' emissions reduction policies, plans and proposals to be included in Climate Action Plans (CAPs) take account of the just transition principle and objectives set out in the Act. Members recruited to the Commission will be appointed by the DAERA Minister in line with the CPANI public appointments process. The number of members to be on the Commission was explored, and costs were evaluated on 7, 10, and 14 members receiving full remuneration. To future proof any potential future requirements the draft Regulations have a provision to allow for up to 20 Commission members. The costing has however been completed on the preferred option of 14 members, including a chairperson receiving full remuneration and a secretariat of 3 staff. While the Regulations permit for up to 20 members including the Chair. However, it is anticipated that in practice the Commission will most likely comprise around 16 members in any given term. The majority of the Commission's costs arise from support, staffing, and administrative functions rather than from variations in the number of members, and therefore the projected expenditure is not significantly affected by small fluctuations in member numbers. To support the work of the Commission and in response to the public consultation the draft Regulations include a provision to establish ad-hoc groups to provide specialist advice as and when required. To assist with transparency and reporting on progress the Commission will produce reports to be laid in the Northern Ireland Assembly.

The Commission will have independence to fulfil their oversight and advisory functions they will provide to NI

departments to ensure that policies, plans, strategies, and proposals to be included in CAPs comply with the just transition principle as required under the Act and that the other just transition elements in the Act are complied with.

Option 3: Establish a Just Transition Commission for Northern Ireland as an Executive Non-Departmental Public Body.

This option would see the Commission established as an Executive NDPB. An Executive NDPB is usually established to deliver a particular public service and is normally overseen by a board. They are set up by Ministers to conduct functions on behalf of government. Appointments are made by Ministers, departments or by the bodies themselves. They recruit and employ their own staff and are allocated their own budget. They usually have their own premises and members would receive a yearly salary and have pension rights. They produce their own financial accounts, thus requiring additional staff or contractor(s) to complete annual accounts, human resources, general administration, payroll and to deal with governance issues.

This option meets the legislative requirements of the Act however the additional attributes of an Executive NDPB are not required in terms of the statutory functions set out in the Act for the Commission. It would be of greater cost compared to an Advisory NDPB.

8. EVALUATION OF OPTIONS AND OPTION CHOSEN

Option 1: Business as Usual – No legislation is made

Under this option no legislation would be made and DAERA would be in breach of the legislative requirements in the Act. This option whilst it potentially provides the least cost administrative approach, as there is no new regulatory nor administrative obligations put in place would however leave the Department vulnerable to successful legal action which in itself would then carry financial, resource (staff time and costs) and reputational risks.

Departments are responsible for developing and implementing emissions reduction policies and ensuring that in doing so they give regard to the just transition principle. However, an independent Commission, made up of experts outside of the NICS is required to provide the NI Assembly, stakeholders, and the general public assurance that departments are giving proper due regard to just transition. Departments will want to also seek advice from the independent Commission on just transition matters which this option would not provide.

EVALUATION

This option cannot be considered as a realistic option. Doing nothing and not establishing the Commission would mean DAERA are in breach of the law. This option would also mean that the benefits that the Commission will bring would not be realised and a risk that the just transition principles would not be appropriately considered or implemented by Departments.

Recommendation: Option is not recommended/preferred.

Outcome: Option was not chosen due to reasons set out above.

Option 2: Establish a Just Transition Commission for Northern Ireland as an Advisory Non-Departmental Public Body.

This option would see the Commission established as an Advisory NDPB. Advisory NDPBs are set up by Ministers to provide independent advice. The Commission will provide advice and oversight to all departments on their proposals, policies, strategies, and plans for inclusion in CAPs in respect of ensuring that the just transition principles and objectives are being applied. Members appointed to the Commission will be independent of government and will be appointed by the DAERA Minister in accordance with the public appointments process.

DAERA completed a business case to assess the membership composition of the Commission. Within the assessment DAERA recommend the Commission be established as an Advisory NDPB, consisting of approximately 14 members from various sectors, including those specified by the Act, as well as additional sectors such as energy, transport, green finance, and rural communities. During the consultation, it was voiced that some of the sectors such as agriculture, could benefit from having more than one representative. DAERA propose, in order to assist the Commission to fulfil its role effectively, they have the authority to form ad-hoc working groups, which could conduct research and provide time specific expert knowledge that is not currently accessible through the existing members. It is proposed the Commission do not exceed 20 members as this may hinder the Commission to make decisions.

It is proposed that members will commit 15 days per year with the understanding that this commitment may vary with departments workloads, such as in line with CAPs development. This is broadly in line with the Just Transition Commissions for Scotland and Ireland. If the Commission were required to sit additional days in order to fulfil their functions this will have an impact on the overall total running costs of the Commission.

DAERA has estimated that members would serve a 3 to 5 year-term with a maximum of two terms (subject to performance and continued need) in line with CPANI guidance. Requirements around terms will be set out in a non-legislative document.

The Commission will also be supported by a secretariat which will be formed by approximately 3 NICS staff from DAERA.

Although the Commission will operate independently and have the discretion to determine how it fulfils its oversight responsibilities, the Act places requirements in regard to reviewing CAP, sectoral plans, and any proposals related to funds established under section 31 (Just Transition Fund for Agriculture) of the Act.

It is also expected the Commission would have working relationships with other statutory/regulatory bodies and other climate/environmental organisations such as the Northern Ireland Climate Commissioner (once established), the UK Climate Change Committee (CCC) and the Office for Environmental Protection (OEP), which could involve a Memorandum of Understanding (MOU) being developed and agreed by each party.

Once established, it is assumed the Commission will conduct an annual skills audit. The objective of these audits will be to evaluate whether the Commission maintains an appropriate balance, diversity, and mix of skills, while identifying any gaps that could hinder its effectiveness of providing its role.

Given that NI departments may have limited experience in implementing the just transition principle, they are likely to seek the Commission's guidance on the policies they plan to incorporate into future CAPs and sectoral plans. Departments will have the scope to contact the Commission, through an agreed process, for advice related to applying the just transition principle in specific policy areas. The Commission will review policies and proposals, providing feedback on whether due regard to the just transition principle has been adequately addressed and if not make recommendations. This process will allow departments to revise and enhance their policies accordingly.

EVALUATION

This option meets the legislative requirements. The Advisory NDPB option is an established mechanism for providing the independent expert advice as required by the Act. The Commission will have independence to fulfil their oversight and advisory functions. The Commission will provide all NI departments the advice to ensure that policies, plans, strategies, and proposals comply with the just transition principle as well as conducting oversight of the delivery of the same. Appropriate reporting and accountability can be assured. The body can be supported effectively by a DAERA-provided secretariat. The option presents value for money as per the Business Case approved by DAERA Finance and the establishment of the body has been approved by the Department of Finance

It has been assessed this option is the feasible and most cost-effective value for money option.

Recommendation: This option is the recommended/preferred option it meets the requirements of the Act and provides the best VFM.

Outcome: Option chosen.

Option 3: Establish a Just Transition Commission for Northern Ireland as an Executive Non-Departmental Public Body.

This option would see the Commission established as an Executive NDPB. An Executive NDPB would function in a similar manner to an Advisory NDPB. However, it would require the associated financial accounting, auditing, staffing, operational, management and governance investment that is associated with an Executive body. It is deemed this would incur unnecessary extra costs and would not bring any further benefits.

EVALUATION

This option meets the legislative requirements, but the cost is greater than an Advisory NDPB with limited or no additional benefits.

Recommendation: This option is not recommended/preferred due to the additional costs over Option 2.

Outcome: Option was not chosen due to reasons set out above.

9. RISKS AND ASSUMPTIONS

There are general assumptions and limitations when evaluating and assessing the costs and benefits of each of the three options. Costs may vary for a number of reasons, the main variations are likely to be due to the number of members, time commitment of members, and the necessary support the Commission will need in order for it to function effectively. Costs could also be impacted by the level of support from the Commission sought by government departments.

In option 1, there are significant uncertainties on the costs of inaction and a business-as-usual approach, but it is a real risk that failure to deliver on the establishment of the Commission and the legal requirements of the Act would leave the Department and the NI Executive open to legal challenge / judicial review with which would come associated costs, resource implications and reputational implications.

Delivering on our legislated Climate Change targets will require all sectors to take action to reduce NI emissions. The Act mandates that the 7 specified sectors must be represented on the Commission and following consultation on the policy development options for the Regulations, to establish the Commission, the specified sectors have been extended from the minimum 7 specified in the Act to 14 members. As such the costing in this RIA is based on 14 members.

Informed by similar work in Scotland and Ireland the time commitment for members is also estimated to be on average 15 days per year and it is recognised this may fluctuate from year to year, one such reason for this potential annual variance is that the Commission oversight function and request for advice is likely to correlate with the development of the five-yearly climate action plans.

It is assumed that the recruitment process to appoint members will attract a high calibre of applicants from across all the mandated sectors in the Regulations, who will oversee and support Government in ensuring that its emissions reduction policies have regard for a just transition.

It is also assumed that the Commission will need to be supported by a secretariat function, currently costs are based on the secretariat compliment being a team of 3 staff who will be sourced from within and based in DAERA.

The Commission will be an independent body and will have the autonomy to make its own decisions, including how it is going to conduct its oversight function and in providing advice to departments. It is also important that the Commission has the right skill set, again this will depend on what emissions reduction policies are taken forward by departments.

Some sectors are quite wide in nature, for example the Commission's proposed compliment in the draft Regulations assumes two representatives from the environment sector and two additional representatives from the agriculture sector in recognition of the size and diverse nature of these sectors. The Commission also has the power to establish ad-hoc working groups which will assist in its functioning.

The Commission will also to some degree determine what secretariat support it requires. This assessment assumes the support of 3 staff which is broadly in line with the example of support staffing levels in Scotland and Ireland. The Commission may determine at certain times that it requires additional research on a particular policy area, or the level of reporting and how it reports can have an impact on the secretariat function. The Commission's engagement with other bodies, stakeholders and the general public will also impact on resources. This would need to be approved by DAERA and would be subject to normal NICS financial processes and procedures.

The time commitment of members, the number of members and the level of secretariat function may depend on a number of factors for example, on which sector is reducing its emissions more significantly at which point, their implementation timings, rates, and effectiveness to tackle climate change and climate change targets.

The Regulations cover the essential provisions to establish the Commission. It is assumed that the Department, as is normal practice between departments and NDPBs will agree a Terms of Reference with the Commission which will set out the day to day working operations of the Commission.