

Date

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Title

Report of the Interim CEO-designate

Report by

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Paper for information**Open****Issue**

1. The launch of the interim OEP is the culmination of at least two years work in preparation for the OEP to exist as a legally constituted arms length body with all of its duties and powers commenced. Much of this work pre-dated my appointment in February 2021 and we have much work still to do ahead of anticipated vesting in December 2021.

This section has been redacted as its publication would be prejudicial to the effective conduct of public affairs.

2. Approximately half of our staff remain exclusively focussed on the job of creating the OEP, on practical matters such as estates, our branding and website, finance, governance, IT systems and equipment, recruitment and onboarding, HR strategy and matters of critical importance to our success such as our culture and values and ways of working. This is being delivered while nearly all current staff are engaged on nonpermanent loans or secondments and all staff are working remotely due to Covid-19 restrictions.
3. The Secretary of State has requested that the Interim OEP fulfil certain interim environmental governance functions ahead of vesting and while the OEP is still in the process of being established. The staff of the Interim OEP are now working on delivering these functions, whilst concurrently doing the work of building a new organisation. Delivering well will be key moments of truth for the Interim OEP coming so early in its tenure.

4. In addition to work already underway and in preparation of starting the actual work of the OEP we have undertaken analysis and drawn together evidence to support the Board-designate to take the first steps in considering and deciding the OEP's broader strategy, how the OEP will exercise its functions and how strategy and action will cohere in a way that will put us in the best position that we can be to achieve meaningful impact against our purpose.
5. This paper reports the status of the principal aspects of this work programme, focussed on those areas not otherwise on the Board's agenda.

Recommendation

6. The Board is recommended to consider and note the content of this report.

Establishing the OEP

Finances

7. The Interim OEP has a budget of £8m for the current business year. We judge this as sufficient to enable the planned programme of work to establish the OEP, and to deliver its interim functions. The residual budget will transition to the OEP on vesting.

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8. Preparation for an expected 3-year spending review has begun. We are working with our sponsor team in Defra and are completing submissions as an arm's-length body.

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Recruitment

9. The OEP organisational design is being recruited to in four waves, planned around a statutory staff transfer scheme. Early arrivals – those starting before enactment of the Environment Bill and the OEP existing as a legal entity – are to be recruited initially to Defra in expectation of their employment transferring to the OEP under the statutory scheme. Final recruitment will be direct to the OEP.
10. We have successfully appointed candidates to each of the 12 roles in wave 1, receiving 293 applications. Applicants were from a broad base, with approximately 75% from outside the civil or public service, and 96% outside the Defra family. A significant majority of the appointees to the first wave are based in the Midlands, or South West.
11. We have been delighted with the quality of applicants; the field for each role has been strong and selection extremely competitive. Our early appointments have been of very high quality, bringing depth of experience and expertise. We are attracting candidates from industry in the specialist disciplines of environmental law and environmental science. All appointees are within civil service pay ranges and starting salary guidance as per our policy.

12. A contract has now been let for the use of a specialist executive search agency to support recruitment to the five roles in the senior civil service grades – the CEO, General Counsel, Chief Insights Officer, Chief Regulatory Officer and Chief of Staff.
13. The second wave of recruitment (21 roles) is live and applications will have closed before the Board meets. Depending on the strength of the field, this could see the recruitment of the 10 head of function roles completed and offers made in August. A final recruitment wave (14) will be undertaken at the turn of the year.
14. We have actively adopted an approach with the ambition that the staff of the OEP should reflect our society, drawing on talent wherever it is found. We are ensuring our roles are promoted widely across a range of publications and diversity focussed networks and are adhering to the highest standards of recruitment best practice. This includes ensuring our sift and interview panels are all suitably trained and as diverse as possible. We also provide webinars for many roles for candidates newer to civil service recruitment. To date, however, we have had limited success in recruiting beyond ‘white’ candidates. This indicates that we need to re-double our efforts to promote our roles so that we reach the most diverse pool of candidates. As yet we do not have data on socio-economic background. Seven of our twelve recruits are women.

Premises

15. In January 2021, Ministers announced that the OEP will be based in Worcester as part of the government’s commitment to ensuring opportunities are spread evenly through the country. The OEP’s property requirements are not unusual, or large.
16. Despite extensive search, it has not been possible to source suitable accommodation within the government estate. We have therefore explored a range of options for private leases in and around Worcester and have now identified a suitable and preferred permanent office.

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17. Interim accommodation will be required to bridge the gap. Negotiations have started to secure that Interim OEP can temporarily occupy part of Worcester County Hall, which is part of the Defra estate. A London touch-down space will be available, shared with the Climate Change Committee. All OEP roles are advertised with the expectation of being Worcester based. Our interim staff are geographically dispersed among the Defra estate, though, for the moment, all staff continue to work from home.

Information Technology Infrastructure

18. A suite of IT products and services is being developed for the OEP’s internal and external purposes. Chief among these are the OEP’s independent web presence, and end-user computing (EUC) solutions for the OEP’s staff.
19. The OEP website will launch, in its initial form, on 1 July, and will be available to view at www.theoep.org.uk. In its launch version, it includes capabilities for news features, publications, and a facility for the public to submit complaints. Future functionality improvements will include the ability to respond and update the public on progress of complaints, and a link to a consultation portal. The website is housed separately to the

gov.uk estate, to emphasise the independence of voice, and to provide greater flexibility of design to reinforce the OEP's identity through the website.

20. A procurement tender for the principal EUC solution for the OEP is live. The EUC strategy, developed with expert support from the government digital service, is to enable full flexibility of future working arrangements. Launch of the EUC, including an intranet for the OEP, is programmed to be delivered before vesting. At that stage all staff will move to have OEP email addresses.

OEP Brand

21. A brand design for the OEP has been developed for Interim OEP launch, so that the website, external facing publications and media can be presented in a distinct voice. The design brief focussed on concepts of protection, environment and authority. The brief also asked that the OEP be visually distinct from gov.uk and Defra to provide a strong message of independence, and a visual identity that stands out within our stakeholder landscape.
22. The logo (figure 1) is in a blue authority palette, combining a shield shape that also suggests a tree root system, canopy or leaf. The weighting of the lettering focuses on the message-carrying words most. It has been tested and well received by stakeholders.



Figure 1

23. A broader colour palette has been created as shown at Figure 2. It provides opportunity for OEP to use colour themes for different topics or areas of focus to support the breadth of OEP's interests and responsibilities. Each aims to convey authority, and to be bright and distinct from the core Defra palette and from the majority green palette of the Defra family and environmental NGOs. The themes suggested are mock up, rather than descriptive of any eventual use.



Figure 2

Other corporate infrastructure

24. We have developed a suite of strategies, policies and practices to establish strong foundations for an effective and fit for purpose HR function for the OEP. Policies have been developed, considered by the senior leadership team, and tested in staff workshops within the Interim OEP. We will ask the Board to consider the overall HR strategy and agree the underpinning principles and choices in their August meeting.
25. An operating model for the future HR function is being developed, with the in-house resource planned to be supplemented by support arrangements with Defra HR, and third party services within and outside government for matters such as casework, occupational health, employee benefits and employee assistance and pensions. A HR and payroll system, iTrent, has been procured and is being configured.

The strategy and functions of the OEP

26. The Environment Bill requires the OEP to prepare a strategy to set out how it intends to exercise its functions, to further its objective. The strategy must consider a range of other matters, such as how OEP will act impartially, objectively and proportionately, and include the OEP enforcement policy. The OEP must consult on its strategy, publish it and lay it before Parliament.
27. Alongside the establishment of corporate infrastructure, we have begun to analyse and consider our approach to developing this strategy. The Board has been asked to consider the overall guiding policy of our strategy today; it will receive further papers on our strategy development approach at its August meeting.
28. The timeline under which the OEP will vest and its functions commence will be specified by government through commencement orders. We expect the OEP to be established as a body corporate by 1 December 2021, assuming the Environment Bill receives Royal Assent before then. We expect our statutory scrutiny, advice and enforcement functions to commence around the start of 2022. Our aim is to progress the strategy, so that we can consult on a draft as soon as practical after the OEP vests. Detailed planning of the steps and sequencing is to be finalised in discussion with Defra.

Northern Ireland

This section has been redacted as its publication would be prejudicial to the effective conduct of public affairs.

The Interim OEP

Governance

29. As is noted in our paper on governance, the Secretary of State has established the Interim OEP as a division of Defra operating under agreed terms of reference. The Board is to be the decision-making body of the Interim OEP, whose staff will act under its direction.
30. Within the Interim OEP, I have established a senior leadership team (SLT) as the primary executive level governance and decision making forum. SLT is made up of Interim OEP staff at grade 6, plus the Chief of Staff. This forum assists me in securing a collective view of the challenges and decisions facing Interim OEP, allows for an open exchange of views and secures a breadth of perspective and insight. The Chair-designate has attended the SLT to date, in recognition that until today, no non-executive Board was in place.
31. Three delivery programmes with programme boards operate to provide oversight of key areas of work and also help to support the SLT to deliver the Interim OEP's remit:
 - a. The establishment programme will establish the OEP as an operating, independent ALB, and has been running for some time. This programme also falls under Defra's major projects portfolio, to whom I regularly report on delivery and risk.
 - b. The strategy and functions programme will develop the OEP strategy as to how it will exercise its functions, and the operating practices that will enable that strategy to be delivered. Scoping and planning are underway.
 - c. The scrutiny programme is delivering the 25-year environment plan progress monitoring report for this year and developing the approach for next year. This programme has been established for a month and has taken decisions on matters to refer to the newly established steering group of the Board.
32. The governance structure is set out at Annex B.

Working arrangements with Defra

33. Delivery of our programme of work to take us to vesting falls within the continuing operational support of Defra group. Our staff are Defra officials or loaned or seconded to Defra. We are supported by Defra HR policy and payroll. We procure as Defra and settle through Defra's payment services. Our finance management and reporting are supported through Defra group systems.
34. Defra group colleagues have also actively supported our communications activity to date, as we recruit to our future organisational design structure. We have continuing arrangements with Defra group press office and media teams and have received active support from the communications expertise within our sponsor directorate. We are recruiting interim resources

to bridge the recruitment of our permanent communications leads to enable independent communications advice for the interim organisation.

Interim Environmental Governance - Complaint Handling

35. The Interim Environmental Governance Secretariat (IEGS), which precedes and will transition into the Interim OEP, has received complaints from the public on potential breaches of environmental law since January 2021. The IEGS terms of reference allowed for the receipt and validation of complaints, but limited further activity. A website, and online portal is in place to enable the collation and triage of complaints.
36. Complaints volumes have been lower than expected. Intelligence from informed stakeholders suggests some may be waiting until OEP vests and has its powers of investigation and enforcement before making a complaint. We [published a report](#) on the first quarter's complaints received, and expect to publish on the second quarter imminently.

This section has been redacted as it relates to investigations and proceedings of the OEP.

A range of matters of environmental law have been identified and we are tracking these so that we can start to identify trends over time.

37. While our ability to consider complaints is constrained until we acquire functions under the Bill, we have been able to engage with public bodies identified by complainants to clarify several issues. These have included the extent to which complainants have understood and exhausted the relevant internal procedures of public authorities. This has in turn led to some clarification of relevant processes, in anticipation of launch.

Interim Environmental Governance - Advice

38. Our interim environmental governance functions also extend to providing advice to ministers, within our areas of expertise. We expect to provide advice on the government's environmental principles policy statement consultation and selected other matters. The Board has been asked to consider these separately on its agenda.
39. The Interim OEP, unlike the OEP, will not monitor the implementation of environmental law (beyond via its receipt and validation of complaints). It will, however, carry out preparatory work for the OEP to delivery this statutory function.

Interim Environmental Governance – Monitoring of the 25-year environment plan

40. The Environment Bill provides that the OEP must prepare, publish and lay before parliament an annual report on progress in improving the natural environment in accordance with the current environmental improvement plan. The Secretary of State must respond to this report, and the response must be published and laid before parliament.
41. These provisions will not apply as a matter of law in 2021. However, the Secretary of State has agreed that the Interim OEP will prepare a report, and that he will respond, as set out in the Bill.

This section has been redacted and is intended for future publication.

42. We have developed a proposed strategic approach to this non-statutory report in our interim phase. This will have been considered by a meeting of our steering group of the Board, before the Board meets. Our insight and analysis team has been continuing its data gathering and analysis, and begun to form views on a range of areas, including where recommendations may be made for improvement.
43. It is clear that this report will not be able to cover all that a report of the OEP, when fully established and resourced, could. Nonetheless, it will be closely viewed and anticipated by Ministers and external stakeholders alike. The Board will be asked to have a substantive discussion on the proposed report, with the benefit of the steering group's advice, at its August meeting.

Stakeholder relations

44. Since my appointment, and that of the Chair-designate, a priority has been to engage with the broad stakeholder base of the organisation, and to begin to establish the relationships the OEP will need to succeed. Collectively we have conducted 60 such engagements to date, with more than 35 organisations. We have spoken at a number of conferences, and some of those speeches are lodged on the IEGS [website](#). The majority of stakeholders are supportive, but expectant. Expectations for the organisation are high.

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ANNEXES LIST

ANNEX A – This section is redacted as its publication would be prejudicial to commercial interests

ANNEX B – This section is redacted as it contains personal data of individuals