

**Date**

01 December 2022

**Title**

Report of the Chief Executive

**Report by**

Natalie Prosser, Chief Executive

**Paper for information**

[Open in part](#)

## Summary

1. I write this report after a period of significant disruption in the political, economic and policy landscape. With the Conservative party leadership settled, a new Secretary of State in post and the detail of the Autumn statement published, we have re-prioritised and pushed ahead with delivery and engagements.
2. In the period since our last meeting, we had meeting with the new Secretary of State, shortly after her appointment. It was requested following [our statutory targets' correspondence which also](#) highlighted Defra's pattern of missing legislative deadlines. *This section has been redacted as its publication would be prejudicial to the effective conduct of public affairs.*
3. In response to our close and continuous monitoring arrangements we now have assurance of good progress, with the aim to complete the work by the end of the calendar year. At the time of writing, the Board is due to meet in an extraordinary session on 2nd December to take stock and will be keeping progress under active review.
4. We submitted [evidence](#) to the Retained EU Law (Revocation & Reform) Bill 2022 (REUL Bill) Committee. We wrote to key stakeholders outlining our position, taking the opportunity to reference the other cornerstones created through the Environment Act; new statutory targets, environmental principles and the future EIP. A few days later Dame Glenys and I appeared before the House of Lords Environment and Climate Change Select Committee and took the opportunity to reinforce these messages.
5. We have submitted our business case to Defra in line with the Board's steers of the ambition for the OEP in the medium term, and the capabilities we need to deliver it.

6. Our fourth wave of recruitment is essentially complete. We are now fully established to our current permanent organisational design of 58 staff. Thirteen of these are based in Northern Ireland.

## Recommendations

7. The Board is recommended to note the progress in delivery of our strategic objectives. We continue to work on the basis of the prioritisation decisions reported to the Board at their last meeting.

## Strategic Objective 1 - Sustained environmental improvement

### Environmental Improvement Plans work programme

#### **Northern Ireland**

8. Since we published our response on the draft Northern Ireland Environment Strategy as the basis for the administration's first EIP on 5 September, we have begun to scope our work programme to respond to the forthcoming EIP and Annual Progress Reports.
9. The Environment Strategy is expected to be adopted as the EIP for Northern Ireland in July 2023. We continue to meet with DAERA every 3 weeks. Delivery timelines is a standing agenda item. We intend to address the intelligence gaps that we have identified by commissioning external research for NI.

#### **England**

10. We are grateful to the Board for your initial comments on the draft England EIP monitoring report, discussed on 9 November. We have since re-drafted the report taking account of the Board's steer and engagement with stakeholders. Nominated Board Members who are acting as critical friends have also reviewed and steered specific elements of the report.
11. The report analysis is now complete. A review of the full draft text is scheduled as a separate item at this Board meeting. We are on track to deliver to time: the report will be laid in Parliament by 19 January, as required by legislative provision. We are planning engagement ahead of this date and working on handling for publication itself. The preferred option is to launch the report with a parliamentary reception and work is underway to see if this is feasible. If for some reason not, it is likely that there will be an online launch event similar to that for the Taking Stock report. This will be surrounded by appropriate pre- and post-publication engagement with key stakeholders, including a pre-briefing under embargo for the media.

### Access to evidence, external expertise and advisory support

12. We continue to develop proposals for a more strategic approach to evidence provision, including the consideration of options such as developing our own framework, and a strategic relationship with an academic consortium. Since the last Board the CIO has met with counterparts at ONS, NAO, ESS and EA and has imminent meetings with UK Centre for Ecology and Hydrology, NE, Fera and others to discuss.

13. At the same time significant procurement of evidence has continued, including that noted elsewhere in this report to support *this section has been redacted as it relates to information recorded for the purposes of OEP's functions relating to investigations and enforcement*, the Nature and Water programmes.
14. *This section has been redacted as its publication would be prejudicial to the effective conduct of public affairs.*

## Strategic Objective 2 – Better environmental law, better implemented

### Reform Intelligence

15. In response to the steer from the Board on the REUL Bill we have established a new reform intelligence work programme. This reflects those aspects of the reform agenda that have greatest significance for us, and our priority work areas. We are using horizon scanning, scenario planning and stakeholder engagement to inform this work.
16. Our initial focus is around four reform themes; the REUL Bill, Investment Zones, Land Management Schemes, and Public Bodies reform. We maintain a watching brief on these, but our immediate priority has been the REUL Bill.
17. Our work on the REUL Bill is two-fold. *This section has been redacted as its publication would be prejudicial to the effective conduct of public affairs.*
18. On the former, we developed our position on the REUL Bill, and submitted written evidence to the REUL Bill Committee on 14 November. On 15 November we wrote to eight government departments and key stakeholders in England and Northern Ireland outlining the headlines of our position. Dame Glenys summarised our views for the House of Commons Environment and Climate Change Committee the following day, 16 November.
19. We published [our evidence on the REUL Bill](#), and further promoted it with our stakeholders, on 23 November. We are tracking its influence.
20. *This section has been redacted as its publication would be prejudicial to the effective conduct of public affairs and contains information provided in confidence.*
21. The reform programme provides weekly updates to ExCo and is already informing decision making. We will update ExCo and the Board on more substantive items as necessary.
22. Building on the reform intelligence programme, we have started to develop longer term plans for an intelligence capability and an associated intelligence management system to support the delivery of all our functions. This is intended to deliver the commitment made in our strategy that we will gather and maintain information about issues, including those we do not prioritise, and regularly reassess our choices to take account of emerging trends, events and new evidence. We have included the resources to support this work in our business planning submission.

### Environmental Principles

23. We continue to monitor progress in England and Northern Ireland towards the creation of the Environmental Principles Policy Statements (EPPSs) as required by the Environment Act 2021. We are actively seeking opportunities to encourage the completion and laying of the EPPSs and remain in frequent communication with Defra and DAERA colleagues. Dame Glenys and I also highlighted the importance of the EPPS several times in the House of Lords on 16 November and again at a meeting with Department for Transport, noting that it is one of the governance cornerstones of the Environment Act. We are developing our methodology for evaluating the application of the EPPSs across Government in readiness for our programme of work, in future years.

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

### **Water work programme**

25. We continue to progress our work on the protection and improvement of the water environment, focusing on the implementation of the Water Framework Directive (WFD) Regulations.

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

27. The other main component of our water work programme is *this section has been redacted as it relates to information recorded for the purposes of OEP's functions relating to investigations and enforcement*, which is discussed under our third Strategic Objective below.

### **Upcoming government consultations**

28. We continue to screen government consultations in England and Northern Ireland. There are no new consultations that we plan to respond to. We are not currently working on any advice or consultation response.

29. We have conducted a review of the draft Northern Ireland Environment Strategy to determine an indicative timeline of consultations planned in Northern Ireland and taken an initial view on those which are likely to be of strategic importance to our work. *This section has been redacted as its publication would be prejudicial to relations within the United Kingdom.*

30. We will provide the Board with a periodic update on relevant consultations. This will cover any consultations we are currently working on, the consultations we have submitted since the beginning of the financial year, and a forward look to upcoming consultations with some initial analysis based on the available information. A first report will be provided in January. This type of horizon scanning work will continue to evolve and is likely to expand. As we develop our three-year business plan, we will consider where this work should best sit.

### **Air quality work programme**

31. We have further scoped ambient outdoor air quality issues so that we are ready to respond well to the UK Government's plans for tackling air quality problems.

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

## Strategic Objective 3 - Improved compliance with environmental law

### **Complaints and enquiries**

33. Since the last CEO's report of 20 October 2022, we have received three new complaints, bringing the total number of complaints received since 1 January 2021 to 66. We are currently liaising with the complainants and relevant public authorities to determine whether these complaints are eligible to progress to further assessment. We have received 36 enquiries during the same period bringing the total number of enquiries received to 462.

34. *This section has been redacted as its publication would be prejudicial to the effective conduct of public affairs and it relates to information recorded for the purposes of OEP's functions relating to investigations and enforcement.*

#### **Northern Ireland**

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

36. In July, we sent letters to DAERA and the Department for Infrastructure (DfI), offering advice and guidance as well as seeking details relating to DAERA's long-awaited ammonia reduction strategy.

37. *This section has been redacted as its publication would be prejudicial to the effective conduct of public affairs, would be prejudicial to relations within the United Kingdom, relates to information recorded for the purposes of OEP's functions relating to investigations and enforcement or would be prejudicial to commercial interests.*

### **EU infraction cases**

38. *This section has been redacted as its publication would be prejudicial to the effective conduct of public affairs and contains information provided in confidence.*

### **Statutory Deadlines**

39. We are building a comprehensive list of statutory deadlines that have been missed in the last 18 months, and that are upcoming in the next 12 months. We have built a tracker for internal use *this section has been redacted as it contains legally privileged advice.*

40. We are prioritising work according to those deadlines that have the greatest strategic significance, or that relate to priority work areas for the OEP. Whilst we intend to further refine this triage and prioritisation process, our immediate priorities relate to deadlines in the Environment Act 2021.

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

42. Our second immediate priority relates to the 31 January 2023 deadline, by which the EIP refresh should be completed. This review of the existing EIP should confirm to Parliament and the public that the targets set under the Environment Act, together with other relevant targets, will significantly improve the natural environment in England. It also allows the Government to update its current EIP and to align it with the long-term targets. This includes by setting out interim targets and the steps the Government intends to take to improve the natural environment between now and 2042. *This section has been redacted as it contains information provided in confidence.* As for the targets deadline, we will continue to monitor progress.

43. Subsequent priorities will be informed by our review of upcoming statutory deadlines and a prioritised workplan, which will take account of the wider reform agenda and potential impacts of the REUL Bill.

## Strategic Objective 4- Organisational excellence and influence

### **Finance**

44. A separate finance report details the financial position at the end of Q2 and the current forecast for the remainder of the year. We are now preparing our Q3 forecast position to ensure we enter the last quarter of the year with an accurate forecast to keep track to our year end position and consider whether any further forecast underspend should be returned to Defra. At present, we are on track to spend to our current forecast, *this section has been redacted as its publication would be prejudicial to the effective conduct of public affairs.*

### **Future Funding**

45. We submitted our outline case to Defra ahead of a meeting of its OEP budget allocation board on 25 November. That case is appended at Annex 1.

46. The case was developed in response to the Board's level of ambition and steer on the most critical capability gaps. *This section has been redacted as its publication would be prejudicial to the effective conduct of public affairs.*

47. We discussed our case with Defra and DAERA at the OEP Budget Allocation Board on 25 November. This section has been redacted as its publication would be prejudicial to the effective conduct of public affairs and relations in the United Kingdom. The OEP Budget Allocation Board will meet again in the week commencing 5 December. *This section has been redacted as its publication would be prejudicial to the effective conduct of public affairs.*

### **Procurement**

48. Procurement of contracts for external expertise to deliver critical projects continues at pace. Significant procurement activity includes those noted above to support *this section has been redacted as its publication would be prejudicial to the effective conduct of public*

*affairs and it relates to information recorded for the purposes of OEP's functions relating to investigations and enforcement.* We have also contracted our business continuity plan.

49. In addition, we have completed the contracting and implementation of two strategic procurement solutions that support our corporate services; 1. Public Sector Resourcing (PSR) as our supplier of contingent workers (temporary staff). PSR is the government's sole supplier for contingent workers across all departments and the public sector. 2. Lyreco as our supplier of stationery and office supplies.

## **Recruitment and Resourcing**

50. Following a staff engagement session and interviews, we have almost concluded the recruitment of a permanent Chief Insights Officer.
51. This financial year we have successfully recruited 21 staff into permanent roles and 8 into temporary roles. One advertised permanent and 6 temporary roles remain vacant. We still observe a lack of interest in short term roles advertised within the Civil Service and continue to advertise roles externally. Contingent labour is a last resort: we expect to employ 3 staff under contingent labour arrangements in the short-term, for roles that we have otherwise failed to recruit.
52. All our temporary recruitment is on the basis of contracts or secondments which end on or before 31 March 2023, when our 'permitted' headcount reduces from 71 to 61. *This section has been redacted as its publication would be prejudicial to the effective conduct of public affairs.*
53. Pay: Grade 6 and below (Delegated Grades). We submitted our pay remit proposals to Defra, providing opportunity for Ministers to review them, as outlined to the Board in October. The overall pay budget increase is 3%, and an approach to allocate that within our grade structure agreed, which afforded higher increases to lower grades and those at the bottom of pay bands. Staff have been notified of their individual award, and have received it, backdated to July 2022, in their November pay. Our 2022-20 Pay Bands are set out in Annex 2.
54. Pay: SCS Equivalent. We have actioned a 2% Pay increase for SCS equivalent Staff (CEO and Executive Directors) in line with Cabinet Office Pay Guidance.

## **Office premises**

55. Lease negotiations for the *this section has been redacted as its publication would be prejudicial to commercial interests* are ongoing but have not moved at the intended pace. Our assumption for lease finalisation is now early January, factoring-in Christmas availability. There are no contentious issues.
56. Meanwhile, much design and procurement work is underway. A more detailed plan is being developed in anticipation of lease finalisation. This mitigates risk of a delayed timeline and our assumption for Office readiness remains May-June 2023. *This section has been redacted as its publication would be prejudicial to the effective conduct of public affairs.*

57. We have confirmed the Scottish Provident Building, Belfast as our Northern Ireland touchdown space. We signed a 1-year contract and NI staff now have access.

58. We continue to search for a London touch-down space.

### **Framework document and ways of working with Defra**

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

60. We are working with our sponsorship team to implement those parts that are agreed, to cement the gains we have made in our negotiation.

61. In October, we reported that we are working with Defra to provide more structure to our ways of working at their request. We have now held a workshop and a draft ways of working summary is in discussion. There remains debate on the detail, but the proposals are likely to see us work to provide greater visibility of the totality of our interactions across Defra, to enable it to better coordinate, and for the sponsorship team to provide an enabling role where we are seeking to establish new contact. It is planned to undertake some further and wider engagement across Defra to promote understanding of our role.

### **Delivery**

62. We have implemented the prioritisation decisions reported to the Board in October, including pausing and stopping work to enable us to mobilise the right team to support the reform intelligence project.

63. This report identifies new and potentially significant work programmes, particularly a potential second investigation along with a material complaint of substance. At the same time, we are growing with our final wave of permanent recruits. ExCo is therefore considering priorities again fully before Christmas, to ensure we continue to focus our people and resources where they make the most difference. Annex 3 gives an overview of the status of our 22 prioritised projects, which are cross referenced to the corporate plan commitments they support.

### **Strategic Engagement**

64. We implemented a communications and engagement plan around the Secretary of State's failure to publish environmental targets by the statutory deadline of October 31. This began in the summer with letters to Defra expressing our concerns and mentions of the importance of the deadline in a number of keynote speeches. It continued following public confirmation by the SoS that the deadline would be missed, with an OEP statement being published on the website and sent to key stakeholders and the media. This resulted in factual or positive media coverage in The Times, Independent, Guardian and Evening Standard. OEP Chair Dame Glenys was interviewed on the R4 Today Programme. There was a mixed response on social media, with some commentators welcoming our role in being seen to hold the SoS to account on a breach of environmental law and others feeling our response should have been stronger. There was some criticism in the media from eNGOs, led by the Wildlife Trusts, who were calling for us to take enforcement action.



65. The Chief Regulatory Officer has led on outreach work to eNGOs to explain our position, the powers available to us and the various factors we will balance in deciding upon a course of action. The engagement has been positive with eNGOs gaining a better insight into our powers and when they might be appropriately deployed. They also particularly referenced their support for our transparent approach in relation to our work.
66. Dame Glenys and I met with Secretary of State as planned on the 3 November and discussed missed statutory deadlines, notably the environmental targets. It was clear that our advice (see Annex 4) had been read.
67. Dame Glenys and I appeared before the Environment and Climate Change Committee on Wednesday, November 16. The session focused on the organisation's progress so far and future priorities and plans. We used the opportunity to speak about the need for additional resources, our key pieces of work so far and future work programmes. Coverage of the appearance has been limited to a couple of ENDS articles, one on the environmental targets deadline and the other on our water programme.
68. I spoke at the Fera Symposium on Land and the Environment and met with Marian Spain of Natural England. Dame Glenys met with the Defra Permanent Secretary, Tamara Finkelstein, Philip Dunne of the EAC and Chair of the EA Alan Lovell. Dame Glenys and I met with Chris Stark and Baroness Brown of the CCC and ESS and IEPAW prior to our Committee appearance.

## Impact Assessments

### Risk Assessment

69. *This section has been redacted as its publication would be prejudicial to the effective conduct of public affairs.*
70. The current full strategic risk register is appended as Annex 5 to this paper. This has been scrutinised by ARAC in its meeting of 30 November.
71. *This section has been redacted as its publication would be prejudicial to the effective conduct of public affairs.*

### Equality Analysis

72. No material equality implications arise from the issues in this paper. Equality, diversity and inclusion will be a relevant consideration as we develop the People Strategy.

### Environmental Analysis

73. This report gives an overview to the Board of the strategic organisational developments across the whole of the OEP which supports the mission and principal objective to protect and improve the environment. Each of the Directorate aligns activities to the four strategic objectives to ensure our work is focused, prioritised and makes valuable contribution.

Paper to be published	In part
Publication date (if relevant)	With meeting minutes

<p>If it is proposed not to publish the paper or to not publish in full please outline the reasons why with reference to the exemptions available under the Freedom of Information Act (FOIA) or Environmental Information Regulations (EIR).</p>	<p>FOIA/EIR exemptions for which we propose not to publish this paper in full are:</p> <ul style="list-style-type: none"> <li>• publication would harm relations between UK and NI governments (s.28)</li> <li>• publication would harm the effective conduct of public affairs, including the Board's ability to receive candid advice and engage in free and frank discussion (s.36)</li> <li>• publication would harm the OEP's commercial interests (s.43)</li> </ul>
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## ANNEXES LIST

**Annex 1- This section has been redacted as its publication would be prejudicial to the effective conduct of public affairs.**

**Annex 2- OEP Pay Range, 2021-22 and 2022-23 for Delegated Grades.**

Grade	2021-2022 minimum	2021-2022 maximum	2022-2023 minimum	2022-2023 maximum
AO	£21,298	£21,298	£22,129	£23,213
EO	£24,918	£26,584	£25,890	£27,195
HEO	£29,179	£32,160	£30,317	£32,900
SEO	£35,895	£40,613	£37,295	£41,547
G7	£47,549	£54,728	£49,403	£55,987
G6	£57,114	£65,740	£59,341	£67,252

**Annex 3 – This section has been redacted as its publication would be prejudicial to the effective conduct of public affairs.**

**Annex 4 - This section has been redacted as its publication would be prejudicial to the effective conduct of public affairs and contains information that was provided in confidence.**

**Annex 5 - This section has been redacted as its publication would be prejudicial to the effective conduct of public affairs.**