

Date

21 February 2023

Title

Report of the Chief Executive

Report by

Natalie Prosser, Chief Executive

Paper for information and decision

Open in part

Summary

1. Our first statutory report on progress in improving the natural environment in England was laid in Parliament on 18 January. Our report was widely reported and our communication and public presentation of our work stood up well – there was extensive public and Parliamentary commentary, with the OEP more in the public domain than at any time yet.
2. The UK government published a refreshed environmental improvement plan (EIP23), environmental principles policy statement (EPPS) and assessment under the significant improvement test on 31 January. This marks a welcome and key date in implementation of the Environment Act 2021.
3. February has seen steady progress in our major programmes. We have also mobilised several smaller tactical, targeted interventions – updates on the outcomes of some of these will be provided to the Board, ahead of our meeting. We also continue to develop our medium-term plan, which we intend to discuss in detail with the Board in a dedicated session in March.
4. By contrast progress by the other counterparties in securing our Wildwood accommodation has been frustratingly slow. The key risk arising is that if the lease is not signed in 2022/23, we will have additional capital underspend of up to £1.665m. We will then need to request this additional capital for the year 2023/24. Defra are aware of the risk and the context.
5. We still await confirmation of our 2023/24 funding. We have just received *this section has been redacted as its publication would be prejudicial to the effective conduct of public affairs*. We continue to make the case for the resources we need, while business planning on the basis of the most likely funding scenarios

Recommendations

6. The Board is recommended to:
 - a. note the progress in delivery of our strategic objectives. We continue to prioritise as reported to the Board at its last meeting.
 - b. agree the additional delegations related to the OEP's public facing services and enforcement function, detailed in Annex A.
 - c. note the response to DAERA's consultation on the draft Ammonia Strategy for Northern Ireland at Annex C (to be circulated separately, ahead of the Board meeting).

Strategic Objective 1 - Sustained environmental improvement

Monitoring Environmental Improvement in England

7. Our report monitoring government's progress in delivering its environmental improvement plan in England secured attention in the media and Parliament and drew favourable commentary from Parliamentary and third sector stakeholders though the overall nature of our findings caused some disquiet with government. Coverage was further amplified a week later by government's publication of its revised environmental improvement plan (EIP23).
8. The report prompted press coverage in the specialist press, and the main national and online news outlets. Broadcast coverage was limited, largely due to a busy news agenda on the day (NHS strikes and Levelling Up announcements by Government), but Dame Glenys was interviewed for BBC News. Reporting was generally in line with our key messages. The emphasis of coverage tended to be that 'government's progress was falling far short of what is needed' and that none of the targets assessed were demonstrably on track.
9. Two events were held to brief stakeholders on our findings: an in-person event in Westminster for senior stakeholders and an online event for a broader informed audience. Stakeholder reception was positive, including a number commending us for 'finding our teeth' and commentary on how the report will help others in their work to protect the environment.
10. In response to a Parliamentary question citing our findings and in her hearing before the Environmental Audit Committee, the Secretary of State stated she was disappointed and surprised by our analysis. *This section has been redacted as it contains information provided in confidence.* There is also a reinforced desire to work towards a collectively agreed set of data indicators on which our and government's analysis can both draw. Meetings to discuss this and our recommendations further are scheduled.
11. We have begun our analysis of EIP23, and the significant improvement test published on 31 January, and had opportunity to outline our initial view when Dame Glenys and I appeared before the Environmental Audit Committee on 8 February, in their hearing to scrutinise government's plan.

12. Our analysis has informed our scoping work for the next EIP monitoring report, which the Board will consider in April. *This section has been redacted as its publication would be prejudicial to the effective conduct of public affairs and it contains information for future publication.* We are also developing proposals for a multi-annual approach to signal our intended areas for major focus in future reports.

Strategic Objective 2 – Better environmental law, better implemented

Environmental Principles

13. Defra published the [environmental principles policy statement](#) (EPPS) on 31 January. The duty for ministers to have due regard to it will come into effect on 1 November 2023. The EPPS [explanatory memorandum](#) states that Defra expect the OEP to monitor EPPS implementation, as we have said we will do in our Corporate Plan.
14. *This section has been redacted as its publication would be prejudicial to the effective conduct of public affairs and would be prejudicial to relations within the United Kingdom*

Northern Ireland Ammonia Strategy

15. In January, the Board agreed our high-level approach to responding to DAERA's consultation on the Northern Ireland Ammonia Strategy. This is notable as our first response to any Northern Ireland specific consultation.
16. We have developed our draft response, supported by the analysis of our research on broader air quality issues, and engagement with stakeholders including the Ulster Farmers Union, Northern Ireland Environment Link and Nature Friendly Farming Network.
17. The draft response is being finalised with input from Malcolm Beatty and the Chair before final sign off, which is delegated to the Chief Executive. The deadline for submission is 3 March 2023. It will be circulated separately to the Board before its meeting, for information. We expect to follow this within a few weeks with publication of relevant research commissioned from external consultants, which will have informed our consultation response.

Application to intervene in *Finch v Surrey County Council*

18. We filed an application with the Supreme Court on 8 February 2023 to intervene in *Finch v Surrey County Council* as the Board decided. We now await hearing whether the court will grant us permission to intervene, with the court decision expected around the end of March 2023. [We published a statement on our website on 9 February.](#)

Protected Sites

19. We launched a [9 week call for evidence](#) on the laws governing the designation and management of protected sites on 16 February. We are also undertaking interviews with key stakeholders.

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

Upcoming government consultations

21. Annex B to this report outlines a summary of our work screening consultations issued by government departments, including a forward look of upcoming consultations.

22. The Department for the Economy in Northern Ireland published a consultation on a [draft Circular Economy](#) ^[OBJ] on 9 January 2023, with a closing date of 20 March 2023. As an early opportunity to exert influence in Northern Ireland now our Northern Ireland staff are in post, we have decided to respond. Julie Hill is acting as a critical friend. We intend to develop a strategic and concise response that focuses on selected systemic issues with the draft strategy, using the six building blocks from our EIP work as a framework for analysis. I will approve our submission in consultation with the Chair.

23. *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

24. Since my last report to the Board, we have received 8 complaints – *this section has been redacted as its publication would be prejudicial to the effective conduct of public affairs and relations within the United Kingdom* – and handled 69 enquiries.

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

26. We identified a gap in the delegations the Board previously agreed to support our public facing services. Annex A proposes additional delegations for the management of complaints about the OEP's public facing services. The Board's agreement to these delegations is sought.

27. We have improved the guidance that we provide to complainants on our complaints handling and investigation processes on our website, including details of the action complainants can take should they submit a complaint about our service. In addition to this, we have also created new guidance on whistleblowing and working with others - with a specific page being created to explain our role to public authorities. We have also designed a section on the website to allow us to publish key outcomes from our casework.

28. In March, members of our Complaints and Investigations team will meet with members of the Environment and Climate Change Committee of the House of Lords to explain the specific role of the Complaints and Investigations function within the wider context of the OEP.

This section has been redacted as it relates to information recorded for the purposes of OEP's functions relating to investigations and enforcement.

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30. There continues to be heightened public and media interest in the broader topic of clean water. In recent weeks both the Times and the I paper (in partnership with New Scientist) launched campaigns on water quality, focused on issues around handling of sewage. The I also published an interview with former Secretary of State George Eustice where he talked about his role in addressing the issues and focused on problems with the Environment Agency. His comments included some references to details of our investigation. We responded with a statement confirming the overall aims of the investigation.

Statutory Deadlines

31. By the time the Board meets, we are due to have received the work we commissioned to build on our statutory deadline tracker, which will provide us with a more detailed list of deadlines in our priority areas to support our previous research. This will allow us to prioritise missed and upcoming deadlines and consider how we develop any external version. There are clear benefits for transparency, but risks in the comprehensiveness and ongoing resource costs. We will make our recommendation to the Board on this front in the coming months.

Strategic Objective 4- Organisational excellence and influence

People Strategy

32. Our all-staff event was held in Birmingham in January, allowing our expanded staff cadre to meet face to face for this first time. Alongside opportunity to build relationships, we heard presentations about implementing national environmental policy in an urban environment from Birmingham City Council and a local charity. In addition, the Executive had opportunity to answer staff questions on a range of topics.

33. This quarter sees implementation of several components of our work to develop our ways of working and support staff through our people strategy. All staff will take part in analysis and training on their communications preferences to make our interactions more considered, meaningful and effective. A people survey will begin to capture staff's experience of the workplace on an annual and quarterly 'pulse' basis. We will also begin a monthly wellbeing check. A learning and development needs analysis and skills audit will complete and we will develop a training toolkit to signpost staff to mandatory training and core learning at employee and line manager level. The executive directors and I will also take part in a leadership development day to challenge us how best to lead the organisation.

Recruitment and Resourcing

34. This financial year we have successfully recruited 22 staff into permanent roles. A further successful offer has been made and a start date is currently being agreed.

35. Of 19 temporary roles sought through the year, we have successfully filled 11 with a further three filled, or in the process of being filled, by contingent labour. Two are currently advertised and three remain unfilled. This growth includes a boost to our procurement capacity.
36. *This section has been redacted as its publication would be prejudicial to the effective conduct of public affairs.*

Office premises

37. Conclusion of the lease at Wildwood remains frustratingly slow, due primarily to resource availability of Worcestershire County Council's solicitors. There are no known contentious issues to resolve. There is a risk that the capital funding needed when the lease is signed will now be required in 2023/24. We are keeping Defra fully informed. The final lease agreement will be provided to the Board for approval, likely by electronic business, but remain in line with the Heads of Terms previously circulated to the Board.
38. Procurement of construction and related contractors is progressing to plan. We are looking into how we can sequence work in the face of the delayed lease.
39. I have recently established a Wildwood Working Group, which will look at the practicalities of an office move and how working life in the OEP will change, especially around issues like internal communications, office attendance, office management and IT.

Working with our sponsor departments

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

Future Funding and Business Planning

41. Decisions on our future resourcing are not yet made. We understand ministers are yet to be approached for decision in England.
42. *This section has been redacted as its publication would be prejudicial to relations within the United Kingdom.*
43. We have completed a first business planning round. This provides a baseline assessment of our budgetary and resource needs in teams, and our more detailed assessments of the resources and activities needed to develop the additional capabilities we sought in our bid.
44. Alongside this, the Executive Directors have led small teams to scope potential work-programmes in a range of cross-cutting thematic areas. *This section has been redacted as its publication would be prejudicial to the effective conduct of public affairs.*
45. Alongside these, we have considered if and how the OEP may make a difference in the coming 3-years in a small number of additional thematic areas we prioritised for assessment: *this section has been redacted as its publication would be prejudicial to the effective conduct of public affairs.*

46. There is much still to do to complete our in progress work programmes, and see them have impact. The Board's strategy day included appreciation that our influence is built on expertise, engagement and endurance. We expect there to be a strong case for the focus of our work areas to remain into next year, with variation and expansion later in the 3 year term.
47. The Board will have a dedicated session on how we balance our priorities, and resourcing later this month.

Website

48. A number of user experience sessions of our website have taken place, which provides structured user feedback on how our website is perceived and used. We will be considering this analysis as we define our future approach, including to the contract renewal of our website provider due next business year. We have undertaken a procurement exercise to find a company to work with on this longer term website improvement project.

Communications Activity

49. Outside of media activity connected with our monitoring report, our Chair took part in a panel on the regulatory framework for a whole systems approach to water regulation at the Social Contract summit, alongside the CEOs of Wessex Water and Ofwat. Dame Glenys also spoke to the Aldersgate group on Nature Priorities for 2023, and at a Green Alliance forum on environmental governance with Malcolm Beatty, the Chair of Environmental Standards Scotland Jim Martin and Dr Nerys Llewelyn Jones. Dame Glenys was interviewed by the Wildlife Trusts for 'Wild Live'. Our broader team has spoken in conferences and roundtable discussions on sustainability, waste water treatment and waste.
50. We gave evidence to the Environmental Audit Committee on 8 February 2023, during which we discussed our monitoring report, government's EIP and our funding.

Impact Assessments

Risk Assessment

51. Our principal strategic risks remain those considered by the Board in its January meeting, *this section has been redacted as its publication would be prejudicial to the effective conduct of public affairs*. As encouraged by the Audit and Risk Committee, we are taking opportunity to consolidate how these are presented on the register, before its next review by the Board.
52. We have recognised a new strategic risk relating to *this section has been redacted as its publication would be prejudicial to the effective conduct of public affairs*.

Equality Analysis

53. 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

54. This report gives an overview of strategic organisational developments which support the OEP’s principal objective. Consideration has been given in each case to how the activity contributes towards environmental protection and enhancement, and to ensuring the OEP meets relevant duties in environmental law. No specific proposal in this paper has a direct bearing on those duties.

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| Paper to be published | In part |
| Publication date (if relevant) | With meeting minutes |
| 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). | FOIA/EIR exemptions for which we propose not to publish this paper in full are: <ul style="list-style-type: none"> • publication would harm relations between UK and NI governments (s.28) • 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) • publication would harm the OEP's commercial interests (s.43) |

ANNEXES LIST

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

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

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