

Board Paper

Date

8 April 2024

Title

Report of the Chief Executive

Report by

Natalie Prosser, Chief Executive

Paper for information and decision

Open in part

Summary

1. The Board's meeting today will consider progress and plans in relation to our work scrutinising environmental progress in England and Northern Ireland, and in relation to aspects of our strategic review.
2. This report provides updates on other key work programmes. Of particular note: our engagement in Northern Ireland has ramped up significantly since the return of the Assembly in February; our report on implementation of the Water Framework Directive Regulations which is to be published after the Easter recess and pre-election period on 9 May, *This section has been redacted as its publication would be prejudicial to the effective conduct of public affairs.*
3. I also update on the resourcing we will have in England in 2024/25, which is slightly more than we had anticipated, but still significantly less than we had sought. We understand DAERA have put our full bid forward into their budgeting process, due to complete in late April. We still aim to bring our 2024/25 business plan to the Board for agreement on 2 May.
4. The new financial year has brought significant change in our capacity, with ten staff leaving us in March as temporary contracts ended and five more to leave by September. Overall, our staff remain highly engaged with our 2024 people survey reporting an engagement rate of 89%.

Recommendation

5. The Board is recommended to
 - a. note the progress in delivery of our strategic objectives.
1. *This section has been redacted as its publication would be prejudicial to the effective conduct of public affairs. This section has been redacted as its publication would be prejudicial to commercial interests.*

- b. *This section has been redacted as its publication would be prejudicial to the effective conduct of public affairs. This section has been redacted as its publication would be prejudicial to commercial interests.*
- c. consider and comment on the project initiation document in relation to proposed work on nature friendly farming, which I will agree under my delegated authority in light of the Board's comments.

Strategic Objective 1 - Sustained environmental improvement

Monitoring environmental improvement in England and Northern Ireland

6. The Board will consider separately our intended approach to our EIP progress report for 2023/24 in England, and progress towards completion of our report on the drivers and pressures affecting biodiversity in Northern Ireland.
7. Work analysing the coherence of the draft Environment Strategy and the draft Climate Action Plan for Northern Ireland was modified to accommodate delays in the NI government's adoption of each. We have expanded scope to consider the Peatland Strategy, Future Agricultural Policy and Energy Strategy. Our contractor Ricardo presented an outline of the work and methodology to around 50 stakeholders from across DAERA, Department for the Economy and the NGO sector. We received Ricardo's interim report before financial year end. The next phase of the project awaits the publication of the Climate Action Plan.

Evidence

8. Our programme of commissioned evidence for the year has come to a successful conclusion. We commissioned 12 evidence gathering and research projects with total expenditure of £830,000.
9. Reporting has been compressed into the closing weeks of the financial year, and there is a need in future to commission earlier, to ensure a more orderly intake of evidence over the year. We have started, and will continue, project completion briefings from our suppliers to the wider organisation and will introduce post-project appraisal to formalise our approach to continual improvement. We aim to develop the governance for research and evidence activities over the coming year. This year, the appropriate multi-disciplinary teams provided oversight to projects contributing to their activities, with the College of Experts supporting the quality assurance process in recent months. An external review panel was established as an additional quality assurance step for research projects commissioned as part of the Improving Nature deep dive.
10. To support future scrutiny of EIPs, we commissioned a small project to explore methodological options for assessing progress towards achieving long-term environmental targets. This is part of our work to strengthen prospective analyses and will inform our assessment approach and the analysis of progress and prospects in the England 2023/24 EIP progress report. We also commissioned IPSOS to undertake a review of the existing evidence base on environmental forecasting and futures. The report they have provided will support our prospective analysis and horizon scanning activities.

11. Analysis of the responses to our marine call for evidence, including evidence from supporting workshops, has been completed. We will use this, together with analysis of the UK Marine Strategy evidence base and Fisheries Management Plans undertaken by two short-term secondees, to plan our marine work programme.
12. Our research on mapping the policy system underpinning nature friendly farming has identified areas to prioritise our analysis in the England EIP progress report next year, and allowed us to develop a policy mapping framework which we can adopt across wider policy analysis work. A programme of work in relation to nature friendly farming has been developed in this light – a project initiation document is set out at Annex A. The Board’s comments on this programme are sought, ahead of it being agreed under my delegated authority. The Board will consider the scope and objectives of other new programmes in this year’s business plan in due course, with this item brought earlier given a dependency on early commissioning of it.
13. Our project on sustainable management of soils is nearing completion, with ADAS providing us with a draft report and analysis. Final case studies will be completed in mid-April. A member of the College of Experts, *This section has been redacted as it includes personal data*, with significant expertise in soils, will review the draft report prior to its completion. The emerging key finding is that the majority of measures required to achieve sustainable soil management in England are not addressed by regulations. Once the report is completed, we will take stock on the next steps we could take.
14. We completed a review of the risk of over 30 emerging chemicals to the natural environment and public health. Veterinary medicines in particular were identified as a group of high risk pollutants with some potential gaps in regulation. The outputs will support the prioritisation of potential chemical regulation scrutiny in the coming year.

Strategic Objective 2 - Better environmental law, better implemented

Belisama – Water Framework Directive (WFD) Regulations reports

15. Following the Board’s approval at the last meeting, our report on implementation of the WFD regulations in England has been finalised and is ready to be laid before Parliament. To maximise impact and influence, we deferred laying the report until after the Easter recess. This means we also need to wait until after the pre-election period for the upcoming local government elections. Our planned laying and publication date is therefore Thursday, 9 May.
16. We are updating our publication and engagement plan to reflect this new date. As part of our pre-publication engagement, we have already given oral briefings to Defra and the Environment Agency on our main findings and recommendations. We will provide full copies of the final, embargoed report a week ahead of publication, in accordance with the principle of ‘no surprises’. We expect we may be asked to give evidence to the Environmental Audit Committee in Parliament on our findings on 15 May.
17. Our separate report for Northern Ireland remains in preparation and we are targeting laying it before the Assembly’s summer recess in July. In anticipation of this report, and our report for England which will precede it, we have met with DAERA and the Northern Ireland Environment Agency to outline the main findings and recommendations for our report in England, the

publication of which will inevitably point to similar issues that our Northern Ireland report will cover. *This section has been redacted as its publication would be prejudicial to the effective conduct of public affairs.*

Interventions

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

Compliance assurance

20. We continue to progress our compliance assurance project, both in terms of or broad look at the implementation of inspection regimes by several public authorities and our narrower, but deeper, scrutiny of the Environment Agency's inspections in the waste and installations sectors.
21. 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

22. Since January 2021 we have received 1,235 enquires and 115 complaints. Since my last report, we have received two new complaints and handled 76 enquiries. We currently have 10 open complaints in the assessment phase.

Casework and interventions

23. *This section has been redacted as it relates to information recorded for the purposes of OEP's functions relating to investigations and enforcement.*
24. On 20 February, we received a time-bound action plan from the NIEA in order to address compliance issues identified in part by Fish Legal, alleging that is failing to regulate water abstraction from the River Crumlin. We have reviewed this plan and are satisfied with the lawfulness of the approach NIEA intends to take. We will monitor this as part of our casework approach and follow up to clarify several points in relation to fish culture licenses. We have provided a summary of our activity on the OEP casework page and updated the complainant accordingly.
25. *This section has been redacted as it relates to information recorded for the purposes of OEP's functions relating to investigations and enforcement.*

Special Protected Areas

2. We launched our investigations into Defra, DAERA and Natural England's compliance with environmental law in relation to Special Protection Area (SPA) reviews on 18 March. This was alongside the launch of a separate Environmental Standards Scotland investigation into the same issues.

26. We were not seeking a high-profile launch. There was, however, coverage on BBC Radio 4, BBC NI Radio Ulster and RTÉ News and in specialist media. There were widespread positive responses on X and LinkedIn - eNGOs, journalists and environmentalists all reposting OEP messaging. We have received enquiries from RSPB, the Game and Wildlife Conservation Trust and the British Association for Shooting and Conservation.

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

EIP Cooperation

28. I, together with the Chief Insights and Regulatory Officers, met with David Hill – Director General for the Environment – and other Defra officials on 18 March to discuss Defra's duty to cooperate with the OEP. It was a cordial meeting which allowed us to better understand Defra's perspective. We agreed to set up a further meeting between senior officials and lawyers, *This section has been redacted as it relates to information recorded for the purposes of OEP's functions relating to investigations and enforcement.*

29. At an operational level, we have had a workshop with Defra's Environmental Strategy team where they have explained the work they have done, and are doing on the delivery pathways towards achieving the EIP23 targets. *This section has been redacted as its publication would be prejudicial to the effective conduct of public affairs.* Defra have shared a preliminary delivery pathway for terrestrial and freshwater biodiversity. We are planning further workshops to covering delivery pathways across other areas of the EIP.

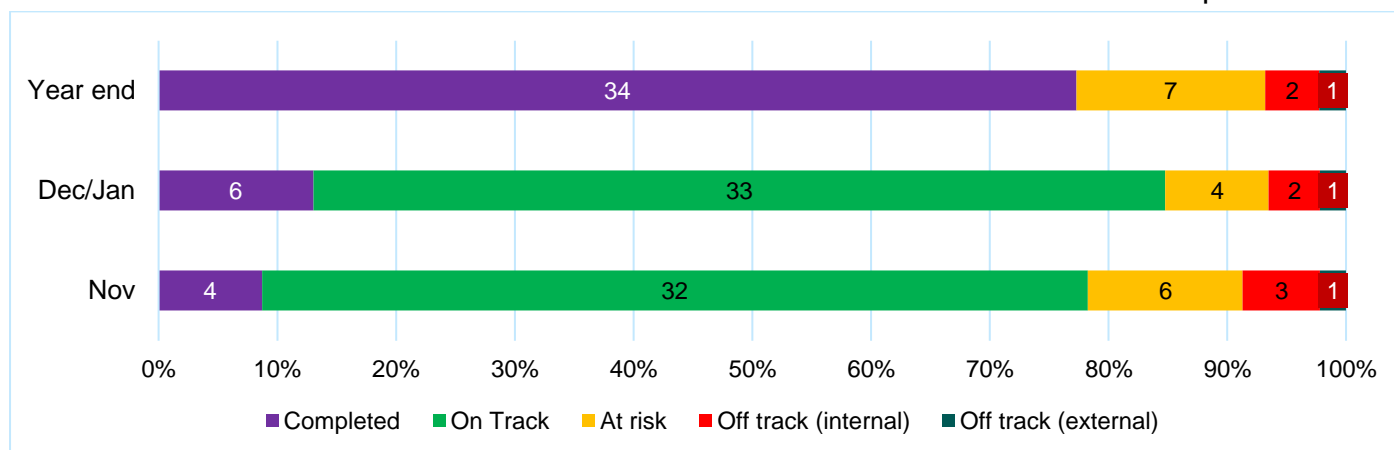
30. The discussion also included the format and content of Defra's annual progress report. We presented our views on what would make an informative and useful annual progress report. *This section has been redacted as its publication would be prejudicial to the effective conduct of public affairs.* We held a second workshop with Defra sharing further detail based on our views, We have agreed to engage further on this.

Strategic Objective 4 - Organisational excellence and influence

Delivery report

31. Annex D provides an extract of the delivery of our projects and the commitments we made in our corporate plan. The overview below summarises the year end position of our delivery against the corporate plan. At year end, we judge we met 78% of our commitments in full, and a further 16% in part. 7% are not met.

% and number of corporate plan commitments met



32. The commitments not met are those reported to the Board in year, and include:

- a. commitments we have not been able to meet as planned owing to external factors (such as 4.14 – to agree our ways of working and framework document, 3.6 – our work in relation to EU infractions, or 1.2 – where our intended work in relation to the NI EIP has not progressed as planned).
- b. commitments we have chosen to defer delivery to 2024/25 – principally 2.6 – to publish our reports on protected sites, and 2.10 – on the WFD, with the latter report complete but not published at year end.
- c. commitments we have not progressed to the full extent planned in year – such as 4.7 – in respect of our people strategy, or 1.5 – our work in respect of the marine environment.

Financial management and future resourcing

33. Work to close the 2023/24 financial year is well underway, and the draft year-end financial position should be available for ARAC to consider at its next meeting on 3 May.

On 28 March, Defra confirmed the resources that will be available to us in 2024/25. As anticipated, this is broadly in-line with our current year funding and significantly below the level of resources we had sought. It is, however, an uplift on our 2023/24 funding and to that extent differs from the out-turn of the broader Defra group. We secured no additional headcount. This is slightly improved from the planning assumption previously reported to the Board (flat cash), though there is some inconsistency in the delegation letters received as to whether the totals reported include or exclude our ring-fenced depreciation budget.

	2023/24	2024/25	Difference	Bid	Difference
RDEL cash	8,363,755	8,566,000	202,245	10,090,000	-1,524,000
RDEL depreciation	166,845	243,000	76,155	124,000	119,000
Total RDEL	8,530,600	8,809,000	278,400	10,213,000	1,404,000
Headcount	65	65	-	80	-15

34. We do not expect DAERA to confirm our resources in Northern Ireland until the end of April, or early May. This reflects the NI Executive's progress in its wider budgeting and financial allocations, with Ministerial discussions on inter-departmental settlements continuing through April. We now understand, however, that our case for resources has been put forward in full, and has not been mediated or adjusted by DAERA officials.
35. We are now seeking to settle our business plan and associated budget and expect to return to the Board for decisions at the extraordinary meeting of 2 May. Given the late confirmation of resources and to ensure continuity, I provided interim delegations to Executive Directors to spend up to 75% of the final 2023/24 final budget allocations on essential expenditure ahead of this indication from Defra and DAERA. This interim arrangement will end when the budget is approved. As these interim delegations were made ahead of the confirmation from Defra, we have written to both Defra and DAERA to confirm the approach taken.

People Survey

36. Our 2024 people survey concluded on 15 March. A detailed presentation of the findings is at Annex E. The report shows particularly high levels of engagement with staff reporting a strong connection to the purpose and the organisation, a positive work culture and relationships between colleagues, and a strong sense of work satisfaction. Key highlights include a response rate of 91% (vs. 94% in the 2023 survey), and engagement rate of 89% (83% in 2023). We won Outstanding Workplace 2024 award from People Insight, the survey service provider.
37. Areas of improvement identified include development and training, communication and collaboration and workload and work-life balance. There are also differences between directorates to explore. We will discuss the survey results further with staff in April and develop detailed action plans.

Capacity

38. Ten staff left the OEP between 29 February and 31 March, as temporary contracts to financial year end came to an end. Whilst a small proportion of this (1.6 FTE) is offset by permanent recruitment, this is an actual reduction in our capacity for the first time in the OEP's history. Three further staff members will leave the OEP by the end of May, and two by the end of September – 2.4 FTE of this future reduction will also be offset by permanent recruitment. We will consider the case for any further recruitment in finalising our business planning, within the constraints of our funding. Staff who have now left the OEP are:

General Counsel	Legal Research	REDACTED	Legal Researcher
	Legal	REDACTED	Paralegal
		REDACTED	Principal Lawyer
Chief of Staff	Corporate Services	REDACTED	Human Resources Officer
		REDACTED	Senior Procurement Officer
		REDACTED	Financial Reporting Officer

	Business Strategy & Planning	REDACTED	Senior Projects Officer
Insights		REDACTED REDACTED	Marine specialist Marine specialist

39. On 1 April our staffing profile is as below.

Contract Type	AO	EO	HEO	SEO	G7	G6	SCS1	SCS2	Total
Permanent	1.00	2.00	6.22	13.03	25.22	13.66	3.00	1.00	65.13
Fixed Term				1.00					1.00
Seconded			1.00	2.00	2.00	0.87	0.80		6.67
Contingent Labour				1.00					1.00
Total	1.00	2.00	7.22	17.03	27.22	14.53	3.80	1.00	73.80

40. On 24 April, we will host a Welcome Day for the College of Experts at our Worcester Office.

This will serve as an introduction to the OEP, OEP staff and an opportunity to meet the college and for the college to meet each other. We will discuss the role of the College in delivering our strategy and facilitate a discussion about horizon scanning. We expect around 50 College of Experts members in attendance. The Board has been invited to attend.

Selected stakeholder engagement

41. Following the restoration of the devolved government in NI, we appeared before the AERA Committee on 21 March. This was the Committee's first meeting in which it took evidence, with NI Environment Link and the Ulster Farmers Union also contributing. The session gave us the opportunity to present on the role, remit and work programmes of the OEP in NI. The Chair, Chief Executive, NI Lead and Head of NI Analysis attended the Committee.
42. Dame Glenys and I met with Minister Muir in person, following the Committee session. This was a constructive discussion, during which we were able to provide an overview of our role, remit and priorities in NI, and the Minister provided his perspective on the range of issues he is facing, and noted his prioritisation of the NI EIP and issues connected with Lough Neagh.
43. We have continued to disseminate our England 2022/23 EIP progress report. I presented at the Association of Public Service Excellence Parks Seminar about environmental protection and improvement through effective governance. As follow up, we have been asked to draft an article for the APSE Direct magazine on the work of the OEP and the opportunities to deliver the goals of the EIP23. The magazine has a readership of around 20,000 local government service managers across the UK. We have also presented the main conclusions at the All-Party Parliamentary Group for Woods and Trees where parliamentary attendees were complimentary about the report and recommendations.
44. This week we have a key speaking engagement at the Northern Ireland Environment Forum in Belfast, directly after Minister Muir, on the theme of 'protecting the environment for future generations'.

Ways of working discussions

45. We continue to work with colleagues from the Defra ALBs to develop agreed ways of working to support these important relationships. Most recently, we have introduced new measures to give additional insight to them into our forward planning, and work is now progressing on a document setting out ways of working for discussion and agreement by all parties. The intention is for this to be a high-level document setting out principles for engagement and co-operation.

Strategy Review

46. Work on the review of our strategy is progressing, with a number of specific items on the agenda for the Board to consider.

47. We have also taken the opportunity to review our values and are consider how we may wish to use them to describe our approach in the revised strategy. Internal engagement with all Directorates indicates that colleagues feel we are living our organisational values well, with an average score of 8 out of 10 (10 being very well). Feedback confirmed a need to further consider the wording of the behaviours that we describe to underpin our values, for an external audience. A paper setting out these considerations will be brought to the Board meeting in May.

48. We have engaged with ALB groups and NGOs on the emerging thinking on aspects of our strategic review, ahead of our approach to consultation. These sessions have been welcomed. The Board will consider our overall approach to consultation alongside the draft strategy in May.

Procurement and contracts

49. We have renewed our contract with Vodafone to provide our mobile phone connections and have secured a 76% (£14k) cost saving. We have changed our travel management provider to overcome the service issues we encountered with our previous provider and provides an online bookings system that's much easier to use.

50. In July 2023, the Board agreed to extend the contract with our key IT supplier, Boxxe, by two years until September 2025. We are now formalising the contractual changes for the agreed second and final year of this extension ahead of a procurement exercise for arrangements beyond this point, which will start this business year. The financial commitments are reserved to the Board under the Financial Scheme of Delegation and approval of these commitments is now sought.

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

IT improvements

52. In March we completed this phase of our website improvement project, which has seen a number of enhancements to the website following user research. This includes a new look to the homepage, who we are, News, Reports and Publications sections, along with site-wide navigation improvements.

53. We have decommissioned the complaints management system inherited from the interim environmental governance secretariat, and now operation within a system built within our Office 355 suite of applications. This saves £47k in the next business year. We will assess its performance during the year and consider the long-term solution for this work.
54. The development of an intelligence management system to support the storing, analysis and dissemination of intelligence within the OEP has not progressed as quickly as hoped. Work is significantly progressed for completion by the end of May and launch in mid-June.
55. We have completed cyber security IT Health Checks with an external supplier approved by the National Cyber Security Centre. The table below shows the total number of high, medium and low severity vulnerabilities found, alongside progress in remediation of them. We intend to have completed all the remaining high and medium remediation activity by 8 April. As expected, we have accepted a small number of vulnerabilities because there are undesired consequences in remediating them – for example, introducing cumbersome working practices to remediate vulnerabilities that are adequately mitigated by other elements and activity in the IT estate. There are also false positives – vulnerabilities present by design and mitigated by other elements and activity. The process of determining the responses has been a collaboration between us, Boxxe and the NCSC approved supplier.

Severity	Total	False Positive	Remediated	Accepted	Outstanding
High	5	1	3	0	1
Medium	24	4	15	1	4
Low	20	1	7	7	5
Totals	49	6	25	8	10

Impact Assessments

Risk Assessment

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

Equality Analysis

57. No material equality implications have been identified in this paper.

Environmental Analysis

58. 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.

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"> • 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 reveal information subject to legal professional privilege (s.42) • publication would harm the OEP's commercial interests (s.43)
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