

Interim Office for Environmental Protection

Minutes

Meeting of the Board
Thursday 4 November – 9am
Online via Microsoft Teams

Members in Attendance

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| Julie Hill MBE | Board Member-designate |
| Professor Dan Laffoley | Board Member-designate |
| Dr Paul Leinster CBE | Board Member-designate |
| Professor Richard Macrory CBE | Board Member-designate |
| Natalie Prosser | Interim CEO-designate |
| Dame Glenys Stacey | Chair-designate |

Other Attendees

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| Peter Ashford | Head of Legal |
| Alexis Edward | Head of Finance & Corporate Services |
| REDACTED | Team Leader - Complaints & Enforcement (item 21.35) |
| Neil Emmott | Head of Complaints & Monitoring Environmental Law |
| REDACTED | Principal Business Officer, (acting as Board Secretariat) |
| REDACTED | Environmental Scientist, Water & Environmental Hazards (item 21.37) |
| REDACTED | Team Leader - Scrutiny & Advice (item 21.32) |
| Louise Jakobsson | Head of Strategy, EIP Monitoring & Reporting |
| Andy Lester | Head of Business Strategy & Planning |
| Maniv Pathak | Head of Insights & Analysis |
| Sandy Rowden | Head of Establishing the OEP |

21.30

Apologies for Absence and Declarations of Interest

No apologies were received and no additional declarations of interests to add to those recorded on the Register of Interests.

21.31 **Minutes and Matters Arising**

The Board **AGREED** the minutes of the meeting of 6 October 2021, and the matters arising were noted.

21.32 **Report of the Interim CEO-designate**

The Board noted the current significant activity to support the OEP to be legally created after Royal Assent of the Environment Bill. The Bill continues its passage in Parliament.

The Board received an update on this, and other important areas of work.

Only one further complaint had been received since the last report. There had however been an increase in the volume of enquiries, requiring resource. The OEP may need to consider how it will manage public interest enquiries in the future.

The Board received an update on the progress with the consultations and other areas of advice it had previously noted. It was noted that there had been a delay to each of the Green Paper on the Habitats Regulations review, and the consultations on biodiversity net gain and the Northern Ireland environment strategy.

The Board considered two new consultations to which the agreed decision tool designed to support decision on when to respond to consultations, had been applied.

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

The Board would further consider its approach to advice at its workshop on 9 November.

The Board was updated on the progress of establishing the OEP. This is a complex programme with a number of risks to being managed through this transition. A more detailed update was provided separately on the Board's agenda.

Recruitment continues, with the final interviews for Executive Directors scheduled over the coming weeks. The Board and Interim OEP staff were thanked for involvement in the engagement sessions which supported executive recruitment. The advertisement for a Northern Ireland Board Member will go live next week, with the intention to interview in December.

Staff transfer processes are underway including the redeployment of legacy staff to appropriate roles.

A second welcome day and a leadership day for all staff at grade 7 and above to consider the culture and values OEP will need to succeed will be held on 16 and 17 November 2021 respectively.

This section has been redacted as it contains legally privileged advice

The Board was updated verbally on how the OEP's budget is to be ring-fenced by Defra after it has received its spending review settlement. It noted that this ring-fence was

expected to be internal to Defra, and not from HM Treasury. It would be important that these arrangements could be explained transparently publicly. The uncertainty in this area would be noted as a risk within the Board's next Finance Paper.

The Board considered and **AGREED** the amendments to its governance framework required on legal creation of the OEP, presented in Annex B to the CEO's report.

The Board **AGREED** to establish an Audit and Risk Assurance Committee (ARAC) under the terms of reference at Annex D to the CEO's report and noted that Dr Paul Leinster and Professor Dan Laffoley have agreed to serve as members of ARAC, at the request of the Chair, and that Dr Paul Leinster has agreed to serve as ARAC's Chair.

The Board **AGREED** to extend the Steering Group of the OEP's monitoring report of the 25-year environment plan to the end of February 2022, in line with revised expectations for the timing of publication.

21.33 **Finance Report**

The Board reviewed the current financial headlines and analysis provided. These continued to be sourced from Defra Finance teams ahead of establishment of the OEP finance capability.

The Board noted that work is underway to review the financial reporting. A paper will update the Board in December regarding progress. **ACTION** Head of Finance & Corporate Services.

The Board expressed confidence in the figures presented but requested further information to explain the position, and the expected position for the next 3-6 months. Such improved reporting would aid the Board in their decision making.

The Board considered the Financial Scheme of Delegation presented. It requested that Officers consider how cumulative financial implications of contracts are reflected, and to ensure appropriate controls are in place for this. **ACTION** Head of Finance & Corporate Services.

The Board noted that the Audit and Risk Assurance Committee would be expected to take an interest in these controls, and that procurement arrangements would likely be considered under future internal audit arrangements.

The Board **AGREED** and approved the Financial Scheme of Delegation, subject to its comments noting that the more detailed Standing Financial Instructions will be further developed and tabled at a later date.

The Board **AGREED** and approved the Bankline resolution for the OEP.

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

21.34 **Vesting and establishment of the OEP**

The paper presented set out a series of key decisions for the OEP and Defra, to establish the OEP and commence its legal functions. The Board noted these and the readiness criteria against which readiness for each decision will be judged.

The Board **AGREED** to delegate the decision at each point to the Interim CEO in consultation with the Chair, alongside those decision-makers in Defra where responsibilities are joint.

The Board was updated on progress against these readiness criteria. Whilst activities and deliverables are on track, there are risks. The most significant risk being managed is to the delivery of data by Defra's shared service provider on time, which is necessary for the staff transfer and set up of the OEP HR and payroll system. The matter had been escalated within Defra, and a manual validation process is being developed as a contingency.

The Board noted the arrangements to be in place to manage transitional risks arising on vesting and **AGREED** to delegate agreement of a transitional governance and services agreement, and an asset transfer agreement to the Interim CEO in consultation with the Chair.

The Board were asked to note that paragraph 21 risk (c) is now resolved.

The Board noted that it will be asked to ratify decisions it has taken as an interim board by electronic business on legal creation of the OEP to enable continued governance of its own arrangements, and for important steps in the operational establishment programme to take place.

The Board considered and commented favourably on the communications plan appended in annex A to the paper. The Board noted the intention for a launch event for the OEP on 24 January at the Royal Society, London.

The Board expressed thanks and admiration to all involved in the establishment and vesting process which was acknowledged to be complicated and a challenging programme.

21.35 **Developing the OEP culture and values**

The Board noted the culture development plan set out in the paper and gave a steer on the behaviours and values which will support the OEP to succeed.

The Board noted the importance of both internal experience and external perception in considering culture. The OEP will have a high degree of public interest and external perceptions will matter.

The small size of the OEP could contribute positively to establishing a consistent culture, however size could also be a hindrance as culture can be more easily destabilised. It was noted that the organisation should have the ability to meet in one place, enabling cohesion.

The Board emphasised the need to align individuals with the organisational values and engage them with defining behaviours, as an ongoing process, as the OEP recruits and grows. It encouraged the OEP to learn from other organisations that have succeeded or not.

The Board noted that culture is organic and will develop even if it is not guided – despite the OEP leadership not being fully appointed it is important to develop culture now, and cascade as the organisation expands.

There needs to be awareness that staff who are engaged and mission driven must also have realism regarding the boundaries of the OEP and how their work contributes to OEP's mission. The OEP needs secure alignment to its principal objective and our people must

have collective responsibility for 'our' problems and the individual contribution that each member of staff makes to shared successes.

The Board considered a range of values that may support it to succeed. The Board discussed other considerations and conditions fundamental to establishing culture in the form of timing of rollout, senior management oversight and promotion of behaviours, relationship with trade unions and staff surveys.

The Board questioned whether future plans in employee engagement should include the formation of a staff council. **ACTION** Head of Finance and Corporate Services to consider.

21.36 **Developing the OEP strategy**

The Board was presented with a paper setting out progress since the last Board meeting on 6 October 2021. This included further development of proposed strategic objectives for the OEP. The strategic objectives should set out the ambitions and outcomes the OEP will strive to achieve. Dialogue within the OEP has led to four 'themes' being identified, within which specific objectives are proposed to be developed and defined: Environmental Law, Compliance, the Environmental Improvement Plan, the organisation itself and its role in the system.

The Board discussed a range of options presented for how objectives in these themes could be defined. The aim is to define the outcomes which follow from the OEP functions and provide a clear link to the overarching principal objective.

The Board asked Officers to consider the level of detail set out in the objectives. It indicated a preference for less precision, to accommodate where the OEP's role may clarify as it begins its work in earnest. It encouraged the use of language which is not too clipped, and staccato that it becomes difficult for the general public to understand. It asserted the need to ensure that the strategic objectives were properly grounded in the statutory underpinning of the OEP.

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

ACTION Board members were invited to provide specific commentary to the Head of Business Strategy and Planning.

The Board considered the extent to which the strategy should include reference to the activities the OEP will do, as well as how it will undertake its functions. It noted the overlap with the corporate plan which will set out the OEP's plans for its first years, and is to be developed for April 2022. It endorsed the approach that the strategy should start to indicate activities the OEP may prioritise, where this is possible.

The Board encouraged officers to carefully consider how the OEP will reflect its resource allocation within its strategy.

The Board acknowledged the work that had been produced to support the development of the strategy so far.

21.37

Approach to monitoring government's progress with EIP and targets

The Board considered the paper which discussed the considerations and the options for the necessary activities for monitoring government's progress with the EIP and targets.

The paper was not presented for decision, rather as to support a preliminary discussion head of a Board workshop to be held on 9 November 2021.

The Board considered the scope of the annual report. It suggested that the annual report needed to focus on all areas of the EIP, but this could be at different levels of depth across different goals, depending on priorities. It was suggested one basis of prioritisation could be to cover anything missing from the government's progress report. The OEP will have responsibility to scrutinise such reports.

The Board discussed the merit in a cycle of deep dive activities being scheduled over a number of years. There could be a number of factors which influence the sequence and content of these deep dives. This could include thematic areas for work in other areas of the OEP, or areas of focus in the government's report.

In order to undertake its role, the OEP will need to understand what the baseline conditions are - and where it judges benefits and progress. This will present challenges as it will include areas where there is little or no existing data. The OEP must consider how it will respond in these circumstances, and its role in establishing or seeking out datasets.

The Board welcomed the initial discussion, ahead of its workshop.

21.38

Monitoring report for the 25YEP – executive summary

The Board was provided with a draft executive summary together with a record of feedback from the steering group. A full draft is scheduled to follow at the next meeting of the Board on 14 December 2021.

The paper sought feedback and comments on the draft, in particular on the overall narrative, tone, framing and recommendations. It was acknowledged that the document presented was not a finished product at this stage.

The Board suggested that the steering group will need to provide an introductory letter and foreword, to supplement the executive summary as part of the structure of the report.

The Board gave positive feedback and was satisfied to observe coherent headlines.

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Within the discussion the Board noted the steering group's feedback as set out in Table 1. The Board was informed that the steering group had considered an initial analysis of the government's own report at its previous meeting. **ACTION** Head of Science & Analysis to circulate the draft of early thoughts on the government's report to Board members.

21.39

Publication of papers and any other business

The Board **AGREED** that papers be published as indicated on each paper presented.

There were no other items of business raised.

The meeting closed at 12:01