



Board Paper

Date

17 November 2025

Title

2026-27 Business Plan

Report Author

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Responsible Executive Director

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Paper for discussion and decision

Open paper

Issue

1. We have started business planning and budget setting for 2026-27. We aim to complete this by April, subject to timely confirmation of Defra and DAERA funding; and to plan for two to three years where possible.
2. The Board's views are sought on the scenarios we should plan for and to steer the priorities we set as we start to business plan. These are proposed in light of the strategy discussions of the Executive, and in light of our horizon scanning and the broader stocktake of strategy, each of which the Board will separately consider

Recommendation

3. The Board is recommended to:
 - a. agree we should plan for the scenario set out.
 - b. agree the priorities for the next two to three years, and the ranges within which we intend to steer our business plan for 2026-27.

Background

4. We submitted our assessment of our long-term resourcing needs to Defra and DAERA in September, and participated in a budget allocation board to consider this in early October. As reported to the Board since, we are strongly led to expect a flat cash resourcing settlement in England for the 3 years to 2028/29 – with the risk that the outcome will be lower. In Northern Ireland the outcome is less certain and we expect only one year’s confirmation of resources. Officials indicate that flat cash will be a very positive outcome, with a high degree of risk of a lower outcome.
5. The Board will consider the strategic implications of this in item 25.71, and the actions the Executive propose in response separately on its agenda. However, we expect resources materially below our assessment of need in 2026-27.
6. *This section has been redacted as its publication would be prejudicial to the effective conduct of public affairs*

Our BAU and enabling functions

7. Paper 25.73 sets out analysis of recent expenditure on BAU and enabling functions, and proposes decisions for the Board as to how inflationary pressures on our enabling functions and infrastructure costs might be managed in the medium term. These costs – which include the cost of our complaints handling, intelligence function, college of experts as well as enabling costs – are slightly more than half of our total expenditure.

Our thematic approach

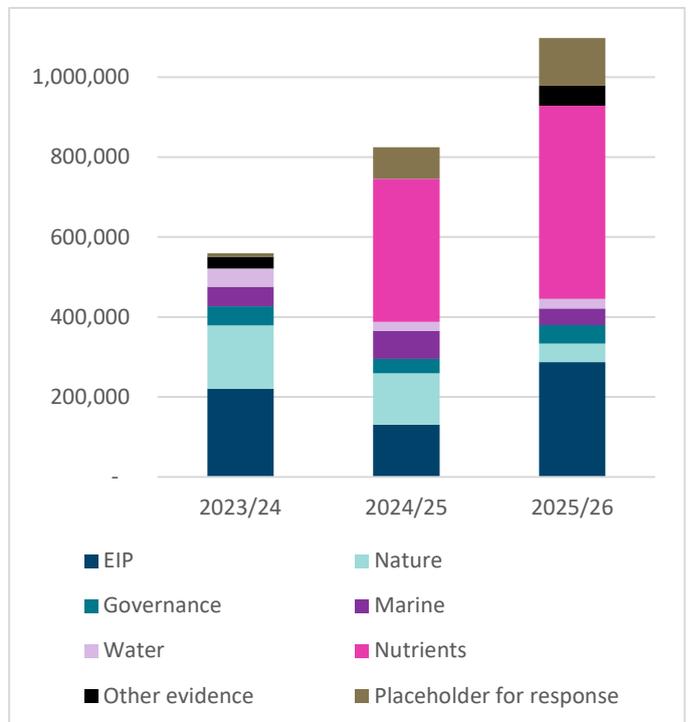
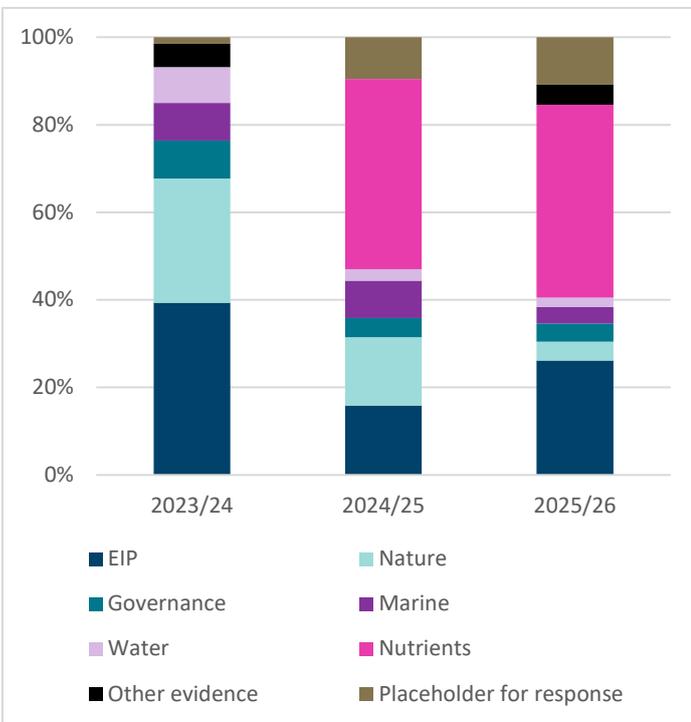
8. Beyond these resources, we have organised our work in thematic programmes. We intend these as groups of related activities which cohere towards a common objective, and so aggregate to be more than the sum of their parts. The boundaries are fuzzy and many projects contribute to multiple programmes.
9. Our thematic priorities have been broadly stable so far. Beyond our progress assessment, we have chosen to work mainly in two of ten goal areas of the English EIP and two of six strategic outcomes of the NI EIP. This has been as true for our investigations as our scrutiny work, and so complaints have not led to a different focus.
10. *This section has been redacted as its publication would be prejudicial to the effective conduct of public affairs*
11. We have not stopped work in a major area to date in England. We scaled back our work in marine in 2025-26 to limit it to our investigation and other work in relation to Good Ecological Status. With constrained resources, and to move on to something new, we almost certainly have to stop something.
12. When agreeing priority areas of focus last year, we expected them to endure in the medium-term, but that they would evolve to include different areas within the three-year time horizon we then considered. The Board asked that we develop options for a programme of work in relation to waste and a circular economy during this year.

Our expenditure on our thematic programmes to date

13. In Northern Ireland, our programme expenditure has grown with our resources. In 2023, the Board agreed that the main focus of our thematic work should be environmental issues connected to nutrient management. We shifted resources to our work on nutrients as other

work completed. Beyond our work on nutrients, and the EIP, the remainder of our work programme in Northern Ireland this year has been smaller specific projects for Northern Ireland (for example considering the independent governance review), or where we can efficiently translate our work in England for Northern Ireland, and it makes sense to do so. (Total expenditure shown, including cost of allocated FTE).

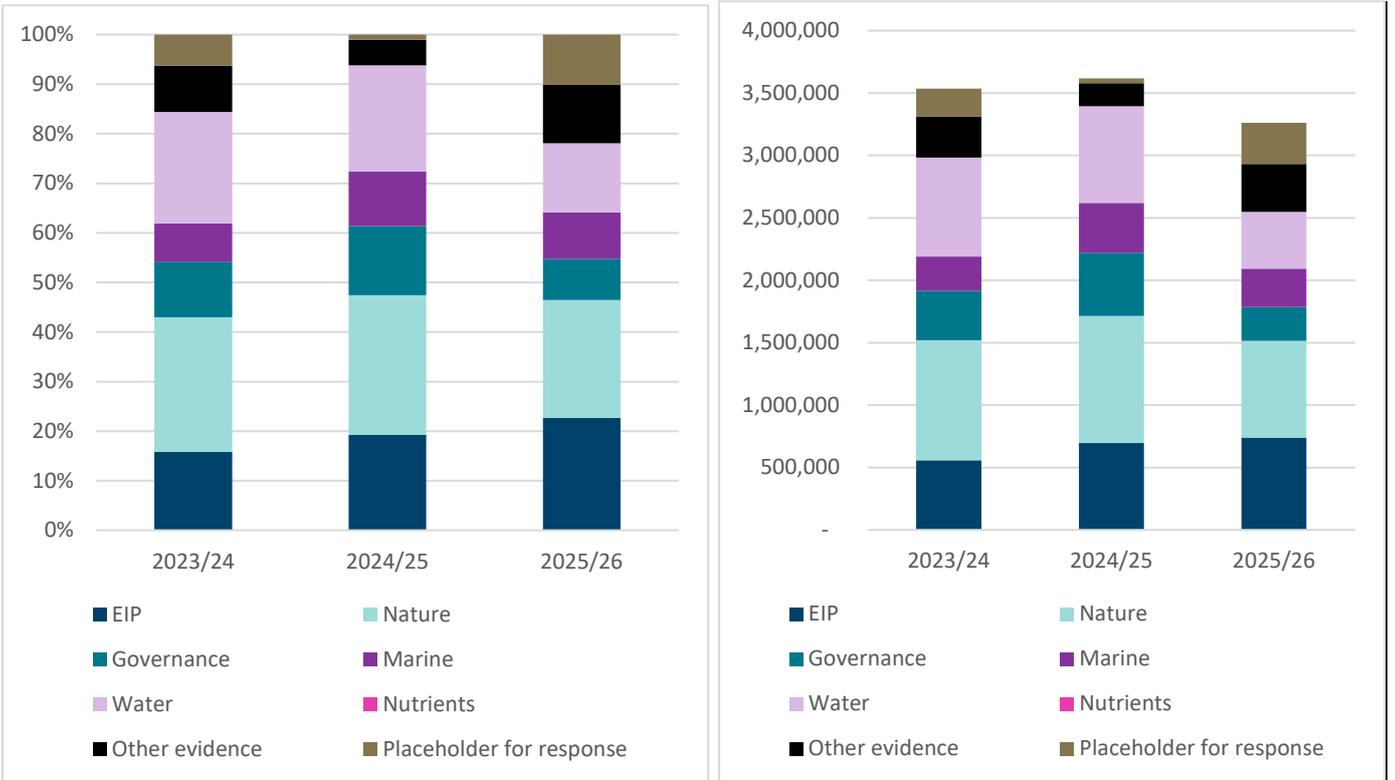
Northern Ireland	2023/24		2024/25		2025/26	
Nutrients	-	0%	360,000	43%	480,000	44%
EIP	220,000	39%	130,000	16%	290,000	26%
Placeholder for response	10,000	2%	80,000	10%	120,000	11%
Nature	160,000	28%	130,000	16%	50,000	5%
Governance	50,000	9%	40,000	5%	50,000	5%
Other evidence	30,000	5%	-	0%	50,000	5%
Marine	50,000	9%	70,000	8%	40,000	4%
Water	50,000	9%	20,000	2%	20,000	2%



14. In England our work on our thematic programmes overall reduced this year, given the impact of inflation in our enabling functions and our prioritisation choices. Resourcing towards our EIP progress assessment in England has grown each year in absolute and proportional terms. Nature has been the dominant focus of our work beyond this each year and so has been an extensive and broad-based set of activities. Our work on water, nature and governance has both been more targeted and reduced most this year. Other evidence grew most.

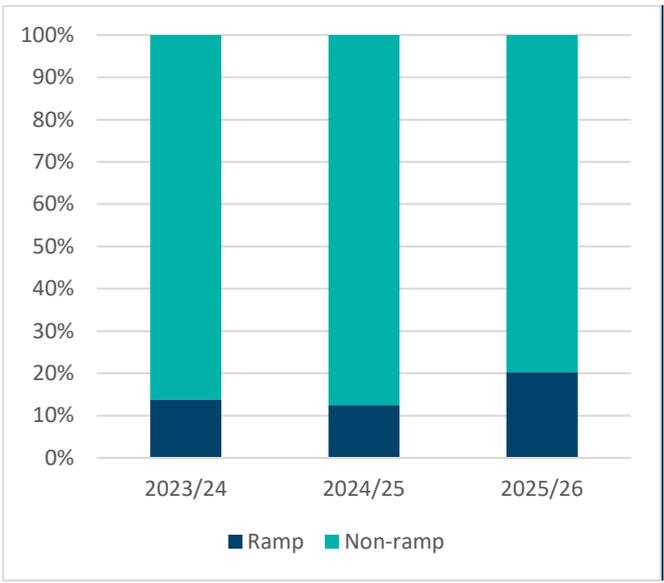
England	2023/24		2024/25		2025/26	
Nature	960,000	27%	1,020,000	28%	780,000	24%
EIP	560,000	16%	700,000	19%	740,000	23%
Water	790,000	22%	770,000	21%	460,000	14%
Other evidence	330,000	9%	190,000	5%	380,000	12%

Placeholder for response	220,000	6%	40,000	1%	330,000	10%
Governance	400,000	11%	510,000	14%	270,000	8%
Marine	270,000	8%	400,000	11%	310,000	9%



15. We use our 'other evidence' to explore issues at the top of the funnel of our issue-based approach, so that we have the understanding and evidence to act purposefully and wisely in relation to issues we identify. We have focussed our other evidence on chemicals, waste and soils. In these we have grown our knowledge but not moved to a meaningful response, other than targeted contributions to tactical opportunities for impact. We have not taken each opportunity available to do this, as we have lacked resources to do so.

16. The proportion of our total evidence gathering that we apply in this way to our 'evidence ramp' has changed over time.



Our planning approach

17. We prioritise at a project level to where we think we can make the most difference, in line with the prioritisation criteria and approach we set out in our strategy. This means we aim to prioritise across programmes and between programme and other activities.
18. We aim that our prioritised plan matches our budget, so is affordable, matches our workforce plan, so is deliverable by the FTE and skills we expect to have available, and matches the work we do to the resources we have from each of England and Northern Ireland. Balancing these three constraints in the detail, so as the aggregate makes the most difference we can, is the aim of our annual planning process.
19. Whilst we prioritise at project level, we have found strong steers at the start of our business planning the most effective way to secure efficient planning process. This paper seeks those steers in relation to our overall assumptions, our business as usual costs and the direction of our thematic programmes.

Analysis

Scenarios and assumptions

20. As in prior years, we do not expect to have certainty of our resources in England and Northern Ireland until around the start of next business year. Given the expected out-turn, we propose to plan to two core scenarios.
 - a. a core planning scenario for flat cash in England and Northern Ireland. This means we will prioritise our plan to be affordable in each of England and Northern Ireland at this level.
 - b. a downside planning scenario of a 5% cash reduction (£535k) in our 2026/27 resource allocation in each of England (£440k) and Northern Ireland (£95k). This means that we will know sufficiently well how we would prioritise further in each of England and Northern Ireland to have an affordable plan at this level, until we are certain it is not needed.
21. We do not propose an upside planning scenario. Through our prioritisation, we will have a clear sense of the additional projects we would add in the unexpected outturn of additional resources being available, but will not prioritise to balance to a higher budget. These projects will form the starting point for in year additions to our plan to manage underspend risks.

Planning steers – business as usual and enabling functions

22. The Executive has proposed steps to mitigate the medium-term inflationary pressures in our business as usual and enabling functions. The Board will separately consider these under item 25.73. These include ensuring that the proportion of expenditure on these functions should not increase over time.
23. As these costs tend to be less discretionary and more fixed, it is not clear how manageable this change will be within the next business year. As a steer for the teams, we propose that:
 - a) Our BAU enabling costs and the OEP improvement programme should not increase more than inflation.
 - b) Our business planning requires options to be developed to reduce them by 5% in cash terms. This will allow the consequences and trade-offs to be considered alongside other priorities.

- c) We target an outcome where our expenditure on these aspects of our work is no more than flat cash, so that the proportion of our expenditure on these functions does not increase next year.

Planning steers – areas of thematic focus

24. The Executive considered the Horizon Scanning report the Board will consider under item 25.74, the programme updates appended, and its deliberations on the strategic stocktakes the Board will also consider. In doing so, it proposes the direction of our strategic programmes should evolve this year as outlined below. As around half of our programme activity was in flight at the start of this business year, we expect any change to be evolutionary.

Northern Ireland

25. In Northern Ireland, we are confident that our main area of focus should remain nutrient management for the next two years and up to the Assembly election in 2027. The Nutrient Action Programme remains an open policy question, our environmental law report into these regulations will be published at or around year end, and we have just initiated an investigation into wastewater discharges into Belfast Lough which will consume a proportion of our Northern Ireland resources next year.
26. Our resourcing in Northern Ireland is such that there is less capacity for significant activity beyond a main area of focus, particularly where we must deliver our first EIP assessment next year. We continue to judge that the most efficient and effective way to deliver environmental protection and improvement in Northern Ireland beyond this priority is through extension of our wider programme to Northern Ireland for the most important elements of that for Northern Ireland and to the extent our resources in Northern Ireland allow. We expect to need to hold capacity in relation to any follow-on to the Independent Governance Review.
27. We expect the opportunity to move onto a new area of thematic focus from around 2027, and so aim to direct our 'other evidence' activities in Northern Ireland to the issues we would prioritise then, so we can act wisely and purposefully when the time arises.

England

28. In England, we expected our interest in the priority areas we have to endure in the medium-term when setting them. The Executive judges that the focus of them, and the intent of some, should evolve in light of the context, our expectation of more constrained resources and how we might expect to make the most difference.
29. In our work on clean water, there is significant opportunity for us to have positive influence in the period ahead given likely generational law reform after the work of the independent Water Commission. We know we can be influential, in the interest of environmental protection, where there is primary legislation in development. We have existing strong evidence on which to draw, an established position and an investigation in flight. But we judge our future work in relation to clean water should be more narrowly and tightly scoped around this reform, and not expand into broader issues. On this basis, we might expect the scale of this work to reduce after 2027, potentially allowing for different priorities.
30. We identified significant implementation risks in our advice to Government in relation to its planning reforms, and committed to future scrutiny. We judge we should prioritise efforts in this area, which we propose to establish as a programme in its own right to consider any further reforms, and the implementation risks. This work has to date been a component of our work on nature, but is less well aligned with the intent of that programme as set out below. This may not be a significant or broad programme.

31. Both these aspects of our work could be characterised as defensive, and responsive to reforms proposed. Their objectives will likely include to ensure environmental protection is appropriately and well considered within law reform, risks mitigated, particularly in implementation, and opportunities for improvement taken. We judge there should be balance in our work between responding to reform, and scrutinising what must be got right if environmental improvement is to happen.
32. Targets relating to biodiversity are the most proximate of the statutory targets set under the Environment Act, and Improving Nature is the apex goal of the current EIP. The commitment to 30 by 30 has similar salience publicly. This is why we have prioritised Improving Nature in our work to date. Our existing nature programme was intended to scrutinise the steps and pathways needed to secure these outcomes, and so make the apex goal and targets more likely. We judge that remains important.
33. Our work in relation to environmental governance is similarly focussed on what must be got right in the system of governance if environmental improvement is to happen, including through the Environment Act working as intended.
34. In a more constrained resource context, we think there are opportunities to more consciously align our work in relation to nature, governance and our EIP monitoring so that we prioritise across these better to focus on the most important steps to support delivery of the significant environmental improvement the Act intends, and the apex 2030 targets, and 30 by 30, in particular. We want to explore through our business planning how we do this, to create a more coherent and single focus for our work across these domains, and the totality of our work outside of government initiated reform.
35. We expect this would inform how we develop our work on EIP monitoring and assessment as this is considered into next year, and as the Board will consider in item 25.72. Whilst we will plan within the existing programme structure, we propose then to decide the right delivery structure for this related work.
36. If decided to focus primarily on the apex goal and targets in this way, we expect this to remain a priority area for us through the coming period. Across our work in England as a whole, we judge this may provide a more coherent story to our work internally, and externally. There are some aspects of our work that fit less well with this structure, but remain important.
37. Our work in relation to the marine environment is already bound to the investigation in relation to GES, and making use of the evidence we have gathered to date to contribute to reforms to policy and law which relates to GES. We judge that tight bounding to remain appropriate in the coming period, and that we should finish what we start. We do not expect to expand the work in this area beyond this, and so it will also come to a close in due course.
38. Our work in relation to environmental regulation, and the capacity we may need to hold to respond to engagement sought from public authorities as a result of the Corry review will also be important. We will scope how we may take this forward within our Governance programme.
39. These proposals mean that we do not propose any change to our thematic priorities at this stage, nor into the future. We therefore do not propose mobilising a work programme – as set out in Annex A - in relation to waste and the circular economy at this stage, nor in any other area we have not focused on to date – air quality, biosecurity or others. This reflects the reality of the resource constraint we expect, the specific opportunities and need for scrutiny in relation to reforms proposed, and our proposal to focus our work more clearly in relation to the apex goal, and target of the EIP – to improve nature.

40. We propose to continue to gather evidence, so that we can make evidence-led and purposeful decisions about where we can make a difference in future, as our priorities may evolve. Given our view that the time horizon for our work should be nearer, we expect to narrow this activity, and focus it on issues relating to chemicals. This issue is rising in salience, as shown in our horizon scanning and survey. It is complex, and our work to date has been limited.

A counter view

41. There are clearly other choices we could make about where we expect to be able to make the most difference in the years ahead. These proposals see us continue to focus our work narrowly in relation to the breadth of the EIP, or the breadth of environmental law. It will mean that we will not have scrutinised in depth most areas of the EIPs in England and Northern Ireland after being established for seven years in 2028.

42. Whilst we are confident that these proposals are in line with our strategy and prioritisation criteria, others may be equally valid and defensible. The Board's steers are sought. However, our future resource constraint is real and any meaningful additions are likely to need to be substitutional – something must stop, or significantly narrow, for something else to start.

Extent of resources to apply to our programmes

43. Last year we provided a clear steer at the start of our business planning cycle of the extent of resources we are likely to apply to each area of our work. Though these were broad ranges, they support targeting of effort as we develop and refine specific projects, limiting the nugatory work that is inevitable as we explore how we make the most difference. Our teams found it particularly helpful in supporting efficiency.

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

Northern Ireland

45. The above analysis includes and is relevant to our work in both England and Northern Ireland. We must balance our plans for each of England and Northern Ireland, to the resources made available in each jurisdiction.

Finance and Resource

46. The business plan includes 0.8 FTE to facilitate multi-year budgeting and planning process, including the finance and business strategy and planning team, and for the time needed across the organisation to develop business plans. £2k of non-pay expenditure is forecast towards production costs of the corporate plan.

Impact Assessments

Risk Assessment

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

Equality Analysis

48. An equalities impact assessment will be completed, based on the plan we develop in England, and in Northern Ireland, we will screen the plan in accordance with DAERA's policy.

49. In England, our assessment for our plan this year was that our business plan had a neutral impact on people with protected characteristics. Having reviewed evidence from a range of sources, there was some weak indication that our plan may have a very modest positive influence on those with protected characteristics which tend to be associated with lower socio-economic status – notably race. In Northern Ireland, we noted that farmers are moderately more likely to be from protestant than catholic communities, and there is some evidence that farmers most impacted by issues connected to nutrient and ammonia concentrations tend to be in those geographic areas most traditionally associated with catholic communities. We judged our plan to be unlikely to have a significant or serious impact on any of the protected groups under the legislation.
50. Given the proposed consistency in our areas of focus, we assume comparable conclusions may be reached in those assessments.

Environmental Analysis

51. We must take account of relevant environmental duties we hold under environmental law in forming our plan. This includes the revised biodiversity duty which came into effect on 1 January 2024. In response to that revised duty, the Board adopted specific objectives to ensure that biodiversity conservation and enhancement are effectively taken into account in our strategic and operational decision-making and to scrutinise delivery of the steps governments in England and Northern Ireland intend to take to achieve, respectively, the 2030 and 2042 species abundance targets and the nearest Northern Ireland equivalent (once adopted), and to hold each government to account for delivering those steps and for ensuring that doing so can achieve the relevant target.
52. Scrutiny of the plans to conserve and enhance biodiversity are proposed to remain a significant component of our activities, at this stage of development of our plan.

Implementation Timescale

53. These are the key steps in our implementation plan. There is a dependency on confirmation of our resources from Defra and DAERA. Our 'happy path' working assumption is that we receive this confirmation around the end of March. Our latest intelligence is that we may receive confirmation from Defra sooner, and from DAERA later.
54. The plan aims for us to be able to set our budget and business plan as early as possible when our resources are known.

When	What
By 19 December	Teams complete plan and develop options for BAU Project teams plan 'in-flight' projects extending to 2026/27 Programme teams identify any critical early discretionary expenditure for 2026/27
By 31 January	Programme and project teams complete plan for all new discretionary projects
By 18 February	ExCo prioritisation of draft business plan and budget
25 February	Board agreement to draft business plan and budget
By 31 March	Workforce planning complete in light of prioritised plan
By 10 April (happy path)	ExCo agreement to business plan, corporate plan and budget
23 April	Board agreement to business plan, corporate plan and budget

(happy path)	
	Teams and thematic leads reprioritise in light of changed budget out-turn
By 22 May (unhappy path)	ExCo agreement to business plan, corporate plan and budget
4 June (unhappy path)	Board approval to business plan, corporate plan and budget

Communications

55. We expect to publish the Corporate Plan early in 2026/27 and communicate it externally in ways similar to those we have followed in prior years.

56. We will keep staff up to date on progress in our normal ways.

External Stakeholders

57. We will keep various stakeholder groups up to date on the emerging focus of our plans including eNGOs and other external stakeholders, Defra Group ALBs and Defra and DAERA – in each case through our regular engagement mechanisms.

58. For Defra, DAERA, and those we oversee, we are committed to set out a more detailed forward plan of the information we are likely to request to deliver our business plan. That will provide further opportunity to engage in respect of the contents of this plan.

59. We are obliged to consult with Defra and DAERA on our plan, though not obliged to take account of their views in finalising it. We will aim to provide a period of 2-3 weeks for Defra and DAERA to comment on our draft plan, ahead of it being finalised.

Paper to be published	YES
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). Please include references to specific paragraphs in your paper	<ul style="list-style-type: none"> • 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) •

ANNEXES LIST

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