

Board Paper

Date

15 August 2025

Title

Report of the Chief Executive

Report by

Natalie Prosser, Chief Executive

Paper for information and decision**Open in part**

Summary

1. Since the Board's last meeting we have publicised the Board's decisions in relation to our investigation into combined sewer overflows, and our follow up correspondence in respect of the Planning and Infrastructure Bill.
2. The Cunliffe review has made its recommendations, with the UK Government's response pointing to potentially significant reform of water laws, and the wider regulatory system for water. We are evaluating whether, how and to what extent this will amend our priorities for the years ahead, as we develop proposals for the Board to consider.
3. Progress across our investigations continues, focused on securing the positive outcomes for environmental protection and improvement they aim to achieve. In line with the recommendations of the Corry review, there is interest within Defra in how our activity supports the achievement of outcomes. We are actively engaging to explain our outcomes focused approach in each investigation.

Recommendations

4. The Board is recommended to consider and comment on progress against our strategic objectives.

Sustained environmental improvement

Monitoring and reporting on environmental improvement in England

5. The UK Government published its latest Annual Progress Report (APR) in July. We were disappointed by its form and content, given our previous recommendations for the "attributes of an effective APR" and discussions with relevant officials on how the APR should evolve to provide a critical assessment of progress towards the goals and targets of the EIP. The report provides a partial list of activities, with particularly poor coverage beyond Defra, and omitting some of the good work that Defra itself has accomplished. While it lists positive actions, it fails to provide a clear account of progress against a defined roadmap. Once again, it is difficult to see how the actions contribute towards meeting legally binding targets. Moreover, it lacks the critical appraisal necessary for it to be a valuable tool for accountability. There is, however, a

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commitment to use a Monitoring, Evaluation and Learning framework in future APRs in line with our recommendations. We will detail our view of the APR in our next progress report.

6. Defra has not yet published its response to our last report. And the publication date is uncertain. *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.*
7. Our EIP progress assessment is progressing as planned and the Board will consider a draft report at the end of October. The main uncertainty is government's publication of the EIP25. However, we are developing the assessment in a way that will enable us to take account of it as best we can in the time available.
8. Government produced its Food Strategy in July and while we are not planning in-depth analysis or a response in its own right, food will feature in our progress assessment as a cross-cutting theme integrating the Strategy, Farming Roadmap, Circular Economy strategy and Land Use Framework in the round.
9. We continue to have no meaningful engagement on the substance of EIP25. We have continued to emphasise to Defra that the earlier we see the EIP25, the more informed our initial assessment of it will be, particularly its impact on future prospects. *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.*

Monitoring and reporting on environmental improvement in Northern Ireland

10. Engagement continues with DAERA team building the outcome indicators and preparing their first Annual Progress Report. *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.* We have identified an important gap in data relating to the Climate Change Committee's assessment of progress with adaptation, which is following a different calendar from the ideal. We are in discussions with CCC and DAERA to see if this can be addressed.
11. In September, we will meet with Minister Muir, at his request, to discuss the Nutrient Action Programme, following our earlier advice and the Minister's consultation.

Research and evidence

12. Research projects are underway to cover nutrients, marine, water, nature friendly farming and green finance. We are also in the process of developing and procuring evidence ramp projects on chemicals and, waste and the circular economy. We are bringing in a number of short term OEP Fellows to support us with our evidence programme. We have appointed two temporary SEOs to support our nutrients work, and we are in the process of recruiting a further SEO to support the marine programme. We will also shortly have three British Ecological Society fellows joining us, including two funded by the BES to work in NI.

Better environmental law, better implemented

Advice, consultation responses and similar activity

13. We [wrote to Ministers after our advice on the Planning and Infrastructure Bill, as the Board discussed at its July meeting](#). The letter welcomed the Government's proposed amendments to the Bill which substantially allayed many of the concerns set out in our earlier advice. However, our view is that, even with the proposed amendments, the Bill would lower environmental protection in law. We expect our advice to continue to be used by Parliamentarians as the Bill progresses after summer recess. We do not currently plan any additional work in relation to the Bill but are scoping work in relation to the early implementation of the Act (assuming it receives Royal Assent). We plan to assess the credibility of Natural England's 'environmental delivery plans' as these are developed and have been told the first of these will cover nutrient neutrality and great crested newts.
14. We responded to the UK Government's consultation in relation to proposed amendments to the Biodiversity Net Gain arrangements for small sites. [Our response](#) highlights risks that the proposed changes could damage confidence in the nascent nature market, questions the coherence with the EIP and target delivery and expresses concern about the lack of evidence and impact assessment offered.
15. We are likely to respond to a consultation on Northern Ireland's draft Climate Action Plan (CAP). The CAP is a requirement of the Climate Change Act (Northern Ireland) 2022, and should have been published in June of last year. It was published for a 16 week statutory consultation period in July, which will run until 8 October 2025. The CAP is required to contain a number of environmental targets, including those for soil, biodiversity and air quality, which we consider to be important given the lack of equivalent legally-binding targets to those required in England under the Environment Act 2021. We have concerns over the substance of the targets included in the draft CAP and are currently considering our response to the consultation. Any such response would also need to address how the CAP describes the OEP as a body of relevance to the governance surrounding the CAP and our relationship to other key bodies. We are engaging with DAERA on a no surprises basis.
16. We wrote to the Defra Secretary of State (Annex A) in response to the consultation on the updated UK Marine Strategy Part One. This consultation provides an assessment on the state of the UK's seas and progress towards achieving Good Environmental Status (GES), and sets revised GES targets for the next statutory cycle. We have identified shortcomings in the updated Part One that, in our view, should not be a feature of an assessment of such importance. These include insufficient methodological transparency and consistency of application, an inconsistent approach to handling uncertainty and data paucity, and a lack of rigour in the approach to developing targets for the next cycle. The issues are not insurmountable. We consider these can and should be rectified, so the final assessment can drive the management of UK seas to deliver commitments for environmental protection.

Other activities

17. Sir Jon Cunliffe's independent Water Commission published its final report in July. The report proposes a fundamental 'reset' of the UK's water sector. It makes 88 recommendations with the aim to restore public trust in the water industry and its regulation, attract necessary investment for water cleanup, and create a resilient framework for future water demands. It proposes significant reforms in several key areas, including:
 - a) Regulatory Reform and Capacity: A single, integrated water regulator combining current functions of Ofwat with water functions of the Drinking Water Inspectorate, Environment Agency (apart from flooding) and Natural England.

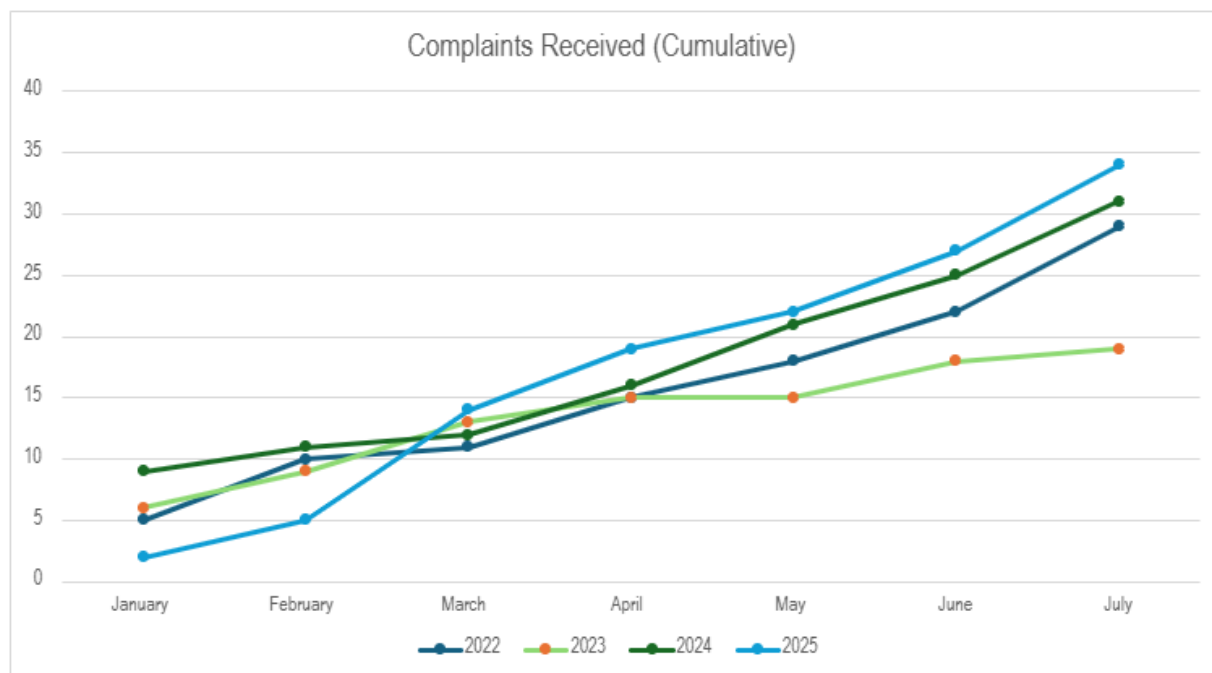
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- b) Strategic Direction and Planning: A new, long-term National Water Strategy for England, and regional water authorities to drive integrated planning.
 - c) Environmental Regulation and Legislation: The report calls for government to review the WFD Regulations and reform operator self-monitoring for the water industry.
18. The Secretary of State welcomed the report on the day of its publication in a statement to Parliament. He announced that Ofwat will be abolished and replaced with a new water regulator which will also cover water functions currently covered by the Environment Agency, Natural England and the Drinking Water Inspectorate. The Secretary of State said that government will further consider the full set of recommendations and respond to them more fully through a White Paper and a public consultation in the autumn, followed by a new Water Reform Bill 'early during the lifetime of this Parliament.'
19. We met with and submitted evidence to Sir Jon and his team during the review. Our input is referenced in the report, and was also noted in a letter from the Secretary of State to Dame Glenys shortly after the report's publication. The Secretary of State said he has asked Defra officials to keep in close contact with the OEP in developing the full response. The Board will consider the implications of these developments to our work programme, in a future meeting.
20. On 25 July, the Court of Appeal handed down its judgment in the case *Rights Community Action v the Secretary of State for Housing, Communities and Local Government* in relation to the correct interpretation of the duty to have due regard to the EPPS in which we intervened. Although the court confined its decision to the facts of the case and declined to set out any wider principles (as we had suggested in our submissions), the judgment is clearer on the correct application of the duty than that of the High Court judge. In particular, the judgment is clear that the duty to have due regard to the EPPS applies throughout the policy-making process and an EPPS assessment undertaken at a later stage of the process cannot rectify a failure to comply with the duty at an earlier stage. This was the key issue on which we had hoped to obtain clarity in making our intervention.

Improved compliance with environmental law

Complaints and enquiries

21. We have received eight new complaints, and 74 new enquiries since my last report. We currently have 12 complaints open at the assessment stage and have closed one complaint in that time. The volume of enquiries this year remains slightly below 2024, whereas the number of complaints is slightly above.
22. We have closed a complaint in relation to the annual bonfires in Northern Ireland. We do not believe that OEP enforcement action in this instance will effectively resolve the matters raised in the complaint. However, as a result of this complaint we have engaged with Northern Ireland Environment Agency (NIEA) in relation to these matters including clarifying the roles and responsibilities of councils and the NIEA. We have notified the complainant and relevant public authorities. To date, there has been no correspondence or wider publicity on the matter.
23. *This section has been redacted as it relates to information recorded for the purposes of OEP's functions relating to investigations and enforcement.*



Progress of investigations

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24. *This section has been redacted as it relates to information recorded for the purposes of OEP's functions relating to investigations and enforcement.* This is one of a number of potential compliance issues we could, and may ideally wish to, progress in Northern Ireland. The Board will need to consider the relative priority of these in making its decisions, as it is very unlikely that we have the resources to pursue each. We are carefully considering the difference we may make through our actions in developing proposals for the Board.

25. The announcement of our decision in relation to our investigation in relation to combined sewer overflows in July did not receive significant media attention, but there was a positive response from informed stakeholders. The solicitor for the complainant, Wildfish, commended the OEP for its work, describing it as "a superb job" and deserving of recognition. He noted that the OEP's findings clearly demonstrated that much of the storm sewage pollution affecting English rivers could have been prevented if government and regulators had properly fulfilled their duties. Defra welcomed our decision and stated that it looks forward to receiving the final report later this year.

Organisational excellence and influence

Financial performance

26. The Board will separately consider the finance report to the end of June 2025 (Period 3).

27. We have reported an improved overspend position of £119k to Defra at the end of July 2025 (Period 4), this has assumed that the £209k non-pay underspend to July 2025 will be spent in

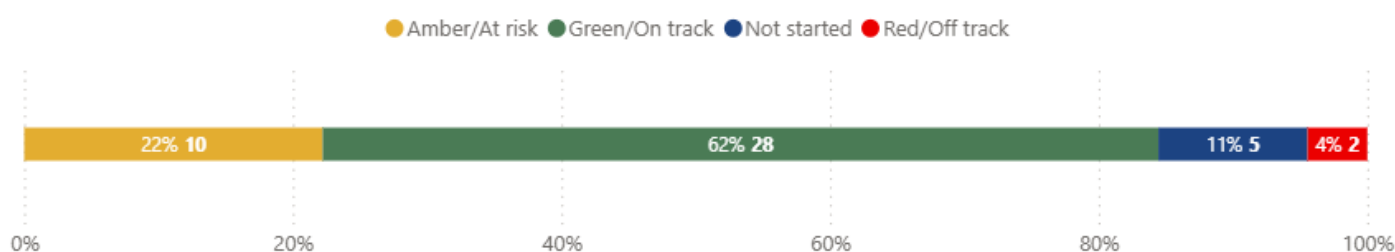
the remainder of the financial year. We are making steady, and expected progress with recruitment.

28. Given the financial performance to date and potential for some further resource capacity, we have considered the opportunities to add additional projects to the business plan for the year ahead. These largely draw on those projects which were closest to being prioritised in the conclusion of our business plan for the year, but we are also considering opportunities to further support our ability to deliver this year, or to respond to emerging issues. We will update the Board further in its October meeting.

29. We have amended our policy for use of government procurement cards, in light of the findings of internal audit into our expenses (moderate assurance) considered by ARAC in August.

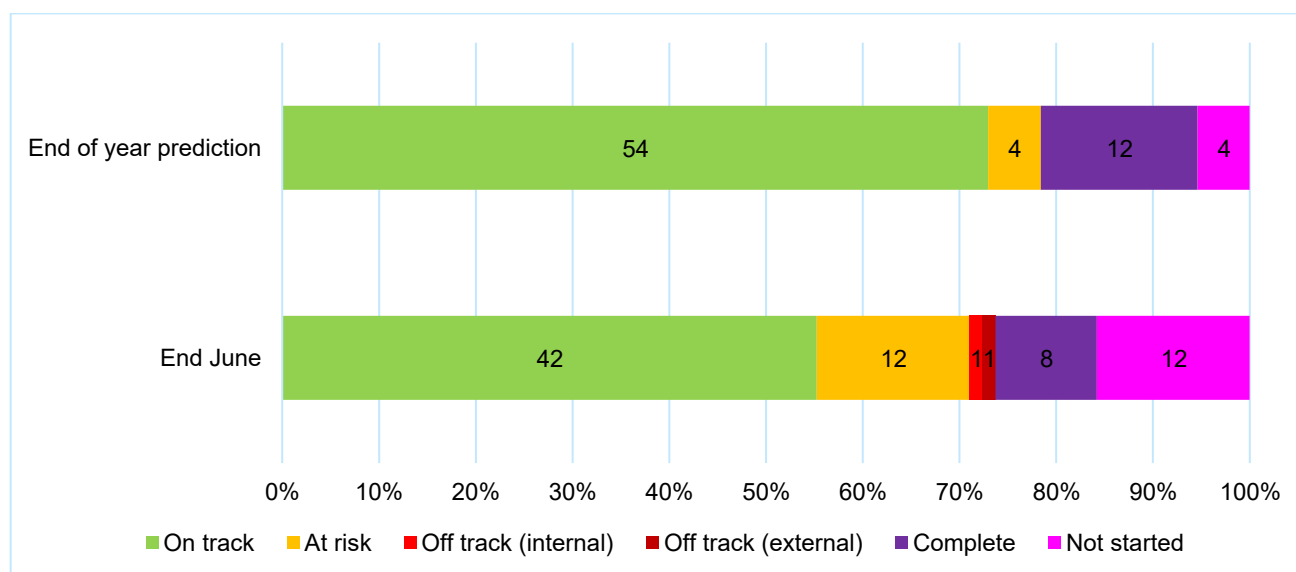
Delivery of the business plan

30. We monitor delivery of our corporate plan quarterly. At the end of June, we report we are on track to meet 62% of our corporate plan commitments, with 22% at risk and 4% off track. At this stage, we expect to recovery delivery by year end.



31. Delivery challenges are largely attributed to staff capacity to progress as quickly as initially planned, given competing pressures from other activity, some absence and pending recruitment. There is likely some residual optimism bias in our initial delivery planning assumptions which is being resolved through our change control processes.

32. We also track projects in our business plan, including a forecast of the end of year position. Four projects set out some risk to delivery as planned by year end, others expect to recover. Of these four, one relates to agreeing the framework document with Defra and DAERA, as set out further below, three relate to potential risks to progressing as quickly as we had hoped in our agreed programme.



Chair's letter 2025/2026

33. It is a feature of the sponsorship of arm's-length bodies that the Secretary of State writes to the Chair each year setting out expectations and priorities for the year ahead. We have not received a letter in recent years. The Secretary of State for Defra wrote to Dame Glenys on 23 July, however (Annex B). In this he recognised the important role played by the OEP, set out his expectations of the OEP as he seeks to meet his ambitions for the environment and how it is regulated, and addressed administrative matters. Dame Glenys replied on 4 August (Annex C) welcoming his recognition of the important role played by the OEP, and providing assurance about our general approach, and focus on outcomes. The letter also welcomed the Secretary of State's support for efforts to improve ways of working between the OEP and Defra, and sought sight of the refreshed EIP as soon as possible, so that our initial assessment of it can be accurate, informed, and as constructive as possible.

Culture review

34. The fieldwork phase of the independent and external review of culture I initiated following the people survey results has now concluded. Twenty-three people participated, and I have taken assurance from the open engagement from staff and their willingness to make their voice heard. At the time of writing this report, I have yet to receive the consultant's report, but it is expected soon. I will provide the Board with an oral update at our meeting.

Framework Document

35. We have received a proposal from Defra to amend the draft OEP Framework Document which the Board (and officials at Defra, DAERA and Treasury) had previously agreed, but which has not now been formally agreed by Defra. *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.*

Board recruitment and transition

36. The advertisement for the OEP Chair is not now likely to be issued until late September. This increases the risk that a new chair will not be in role until after Dame Glenys' term is due to end at the end of January. Consideration is being given to how to mitigate that risk. An oral update will be provided to the Board.

Intelligence management

37. Our intelligence function continues to deliver weekly notes to all staff and will shortly undertake part two of a Delphi survey to inform our horizon scanning. In December 2024 the intelligence team demonstrated the intelligence function and our custom-built Intelligence Management System (IMS) to the cross-government futures network. It was welcomed as an example of best practice and fourteen organisations made contact to learn more, most recently GCHQ.

38. We recently hosted a GCHQ visit at Wildwood, to give a demo of the IMS. They were hugely impressed, at one point asking if they could purchase it, and will continue to engage with us as they build their own version.

Impact Assessments

Risk Assessment

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.

Equality Analysis

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

Environmental Analysis

40. 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
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: • 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)

ANNEXES LIST

Annex A – Letter in relation to the Marine Strategy Part One

Annex B - Secretary of State for Defra letter to Dame Glenys Stacey of 23 July

Annex C - Dame Glenys Stacy letter to Secretary of State for Defra of 4 August

Annex D – Strategic Risk Register