

## Board Paper

**Date**

22 January 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, our focus has remained the dissemination of the key messages of our EIP progress report in England, as well as publishing and providing Parliament with our assessment of the implementation of the Environmental Principles Policy Statement. The Board will separately consider our next publication in Northern Ireland, as part of its agenda.
2. We continue to progress our investigations, with good indication that our activity and approach will lead to improvements in the coming months, as government considers and responds to our findings. We present a proposal for a further investigation for the Board to consider. We also continue to engage appropriately with government's reform proposals and reviews, including after the Board's last discussion in relation to planning matters.
3. Beyond our current work, we have progressed our plans for the future – both through the business plan and budget the Board will separately consider, and the Board's recent workshop.

## Recommendations

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

## Sustained environmental improvement

Government is held to account for delivery of environmental goals and targets, and its plans for environmental improvement.

- Our annual reports will be recognised as definitive assessments of progress by Parliament, the Assembly and others
- Environmental trends related to EIP goals and targets will improve
- The prospect of achieving EIP goals and targets will increase

## Monitoring and reporting on environmental improvement in England

5. We have continued to disseminate the EIP progress report with presentations to Defra's Environment Committee, the Climate and Environment Hub of the UK Parliament and the Town and Country Planning Association green infrastructure sounding board. We also have an upcoming presentation at the Institute of Environmental Sciences' Land Condition Symposium.
6. After meeting Minister Creagh to discuss the findings of our report on 28 Jan. We are meeting with Minister Zeichner in April, to discuss this and issues relating to our work programme and his Ministerial responsibilities. We aim to meet similarly with Minister Hardy.
7. Dame Glenys and I appeared before the Environmental Audit Committee on 26 February, primarily to discuss the findings of our report. The Committee took the opportunity to highlight how useful the report is to them, and to ask both broad and detailed questions in relation to our findings. The Committee suggested it would itself recommend that government responds to the individual recommendations in our progress report as part of its annual progress reporting in July.

## The rapid review of the EIP for England

8. The interim statement on the EIP rapid review published on 30 January identified key areas for improvement and aims for the EIP revision which are broadly in line with our key recommendations and advice.
9. *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 progress reports

10. We are considering the outputs and developing a plan in light of the workshop on future approaches to EIP progress monitoring and reporting on 19 February. The Board will consider this at their meeting on the 23 April.

## Other evidence

11. We have commissioned two rapid evidence assessments to appraise (i) the relevancy of nutrient standards in England and Northern Ireland to freshwater ecology, and (ii) the effectiveness of regulations aimed at reducing agricultural diffuse pollution. Both assessments relate to our findings in the EIP progress report on the challenges of reducing agricultural diffuse pollution, and relate to the nature friendly farming programme the Board considered in Spring 2024.
12. As opportunity arose in Q4, we have brought forward a review of nature markets from our plans for 2025/26, encompassing key issues and challenges relevant to scaling voluntary nature markets, and the key opportunities for improving market design and governance. We have also commissioned the development of an investment tracker so that the OEP can monitor progress on an annual basis of actual investment towards nature against planned

investment. The research will support the development of next year's EIP progress report in England.

13. As part of our programme in relation to the marine environment the Board agreed, we have commissioned rapid reviews into aquaculture and marine noise. These areas were highlighted in our call for evidence. The baseline evidence reviews will enable us to understand more about the issue and the OEPs potential role.
14. We have been informed by DAERA that they expect the Nutrient Action Programme to be release for consultation in April. We expect to respond.

## **Better environmental law, better implemented**

The environment is protected and improved, and people are protected from the effects of human activity on the natural environment, through better design and implementation of environmental laws.

- There will be improvements to the design of environmental law as a result of our scrutiny and advice
- Public authorities will act to improve the implementation of environmental law, when we identify weaknesses or opportunities to do so
- Significant risks to environmental protection and improvement identified in our work will be recognised by Parliament and the Assembly when making the law

## **Environmental Principles Policy Statement**

15. We published and laid our report in Parliament on 27 February. ENDS reported on our findings, and we have seen some engagement on social media with stakeholders. The report has received a warm reception from those who have engaged.
16. Cabinet Office updated their 'Guide to making legislation' to include reference to the EPPS on the same day, as we recommended in our report – we made our recommendations known to government well in advance and consider our report, coupled with earlier calls from Green Alliance, to have influenced this timely update.
17. We have a range of further planned engagement in relation to our report and its key findings including with Parliamentary staff, and further sessions with key staff in government departments, and the eNGO community.

## **Other environmental law reports and related activities**

18. The Board will separately consider our report in relation to the designation and management of protected sites in Northern Ireland.
19. Both [Defra](#) and [DAERA](#) published responses to our bathing water reports in February 2025. Each welcomed our reports and findings. Defra's response indicates that it broadly agrees with six of our 12 recommendations and is now considering the results of its own wider consultation on these matters. It notes that three further recommendations, which were not covered by its consultation, may be considered later, and two will be considered elsewhere (by the Environment Agency or the wider water review). DAERA's response, meanwhile, indicates that

## OFFICIAL

it broadly agrees with five of our 11 recommendations, with the remaining six to be considered further in a future review.

20. We are engaging with members of our College of Experts to review our reports in relation to inspections, and waste regulation, as these reports continue to progress towards conclusion.

### Interventions

21. The Secretary of State's appeal in *Pickering Fishery Association v Secretary of State for Environment, Food and Rural Affairs and the Environment Agency* was heard in the Court of Appeal on 14 and 15 January. Judgment is awaited. Our best guess is that it will be handed down within three to six months of the hearing (April to July 2025).
22. On 10 January, we filed our skeleton argument in the Court of Appeal case *Rights Community Action v the Secretary of State for Housing, Communities and Local Government* relating to the correct interpretation on the Environmental Principles Policy Statement duty. This case has now been listed for hearing on 24 and 25 June 2025 and the OEP will make oral submissions at the hearing.
23. We were granted permission to intervene in the appeal *CG Fry & Son Ltd v Secretary of State for Levelling Up, Housing and Communities & Somerset Council*, which was heard in the Supreme Court on 17 and 18 February 2025. Judgment is awaited, and could take up to twelve months to be handed down, though we hope it will be sooner.

### Review of environmental governance in Northern Ireland

24. The independent panel for the [review of environmental governance in Northern Ireland](#) has now made a [public call for evidence](#), with a closing date in mid-March. We have agreed to respond in two stages.
- By mid-March we will provide a brief list of OEP-published materials which contain useful comment on environmental governance. This is likely to include items such as our letter to the Corry review, relevant sections in 'Taking Stock', and relevant sections in other reports (Water Quality, Bathing Waters etc).
  - By the end of April we will provide written input to the panel, which we will publish on our website. This will be subject to further discussion with the panel, but is likely to include our thinking on good regulation, the governance content in the Environment Act and the importance of good governance for delivery of the EIP. The Board will consider the content of this submission at its meeting of 23 April.

### Good environmental regulation, and Defra's review of environmental regulation

25. We are developing the OEP's position on what makes for good environmental regulation following the workshop with members of the Board and College of Experts on 5 December. We have developed a draft position document on the 'attributes of effective environmental regulation' for review by those workshop attendees and selected other authorities. We plan to bring a more refined version of this document to the Board in due course.
26. We will also send a draft of the document to the secretariat of the Defra environmental regulation review led by Dan Corry. *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.

## **Independent water commission in England**

27. On 27 February, the Chief Regulatory Officer attended the launch of the call for evidence of the independent water commission commissioned by Defra. The call for evidence is lengthy (293 pages) and detailed with 67 substantive questions. It largely focuses on issues concerned with the water industry but also considers the overarching framework for the management of water.
28. Amongst other points, the Commission is seeking views on whether the 2027 objectives set under the water framework directive regulations should be reformed. It asks whether the current water industry planning frameworks and systems reflect the right outcomes, incentivise the actions needed, and could be simplified. We propose to submit a response addressing these and other selected points based on our previous work. The due date for responses is 23 April.
29. In his opening address, Sir Jon specifically mentioned that his references to the need for effective implementation, monitoring and enforcement were drawn from the meeting he had with the Chair and Chief Regulatory Officer in December.

## **Other activities**

30. We wrote to the Secretary of States for Housing, Communities and Local Government and Environment, Food and Rural Affairs in relation to their working paper on planning reform (Annex A) and published this on our website.
31. Article 395 of the Trade and Cooperation Agreement provides for meetings of the European Commission and the UK's 'supervisory bodies' on matters of environmental monitoring and enforcement. The OEP is one of several UK 'supervisory bodies' for these purposes, alongside the environmental governance bodies for Scotland and Wales, the UK and Devolved Governments, and regulators such as the Environment Agency.
32. Along with the Chief Regulatory Officer, I took part in the first Article 395 meeting on 10 February. This allowed them to introduce the OEP and our functions to the European Commission and outline some of our work. We also took part in the discussions on non-native invasive species, nature markets and broader environmental challenges. The next meeting will be in 6 to 12 months' time.

## **Improved compliance with environmental law**

Government and other public authorities abide by environmental law so it can protect people and protect and improve the environment as intended.

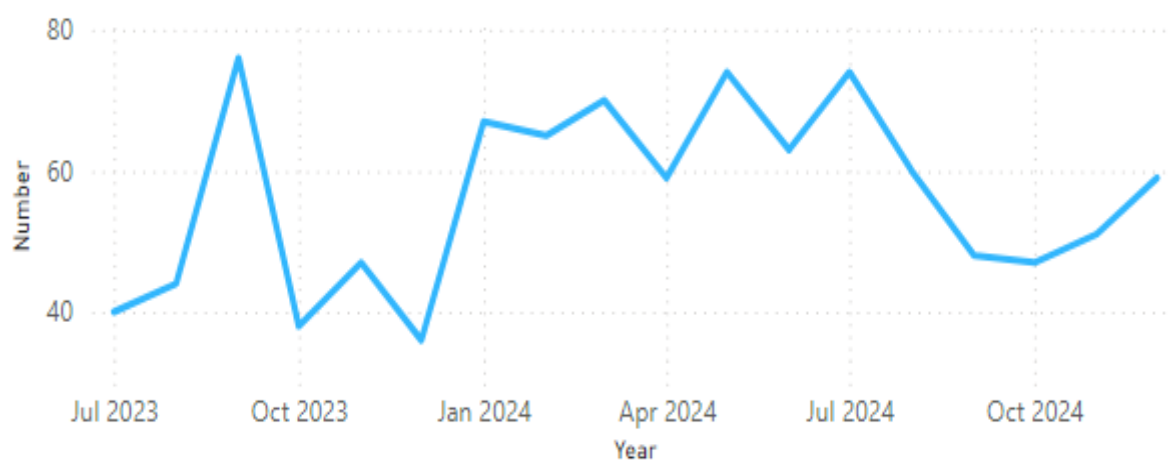
- Public authorities' compliance with environmental law overall will improve as we undertake our role
- Where we identify failures to comply with environmental law, public authorities will take the necessary steps to remedy them

- Stakeholders will have confidence in our enforcement function as an effective route to secure compliance with environmental law

## Complaints and enquiries

33. Since the anticipated reduction in complaints and enquiries volumes over the Christmas period, we have seen some increase on both fronts, with 5 new complaints and 112 new enquiries received since January. We currently have 9 complaints open at the assessment stage and have closed 2 complaints with no further action since my last report due to a lack of evidence indicating a failure to comply with the law.

Monthly Enquiries Received



Complaints Received



34. We have received our first whistleblowing disclosure, *this section has been redacted as it relates to information recorded for the purposes of OEP's functions relating to investigations and enforcement.* The assessment of this disclosure is underway, and follows the standard complaints assessment procedure, notwithstanding the additional provisions set out in the whistleblowing policy to protect the individual. *This section has been redacted as it relates to information recorded for the purposes of OEP's functions relating to investigations and enforcement.*

35. The annual prescribed person report, which we will make in September 2025, will provide a summary of action we take in respect to this disclosure.

### **Progress of investigations**

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

36. The Board will separately consider a proposal in respect of compliance with the water framework directive regulations in England, following on from our report on these regulations in 2024.

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

## **Organisational excellence and influence**

We are effective and efficient, with the authority, relationships, expertise and voice to play our full part in national environmental governance

- Those who work for environmental protect and improvement will respect and value the role we play in each of England and Northern Ireland
- When we speak, those we are speaking to will hear, understand and act on what we say
- Our staff will be engaged and motivated to deliver our mission

### **Financial performance and future funding**

38. The Board will be updated on the forecast financial position to the end of February (P11) verbally in the meeting. We forecasted £103k underspend in P10, at the end of January, and continue to take proactive steps to optimise our resources and maximise our impact this year. This includes initiating expenditure relating to IT equipment purchases (£102k) and enhancements to the complaints management system (£48k) as agreed by the Board in February.

39. We continue to receive strong indications that we will receive a flat cash financial settlement in England for 2025/26, but that the headcount cap will no longer apply, and that this may be maintained through the next spending review period. We have not been asked to provide further evidence for the forthcoming spending review, beyond the submissions we made in Summer 2024. We have no further information in relation to DAERA's budget allocation process, or in relation to government's multi-year spending review for 2026/27 and 2027/28 expected to conclude in June.

40. The Board will separately consider proposals in relation to 2025-26 budget and business plan.

### **Research into stakeholder perceptions of the OEP**

41. Our survey into stakeholder perceptions of the OEP has been distributed to around 400 external stakeholders. This is to be followed with around 20 in depth interviews with



## OFFICIAL

stakeholders – some identified priority stakeholders of the OEP and some self-selecting from the survey completion. We expect the Board to consider the findings in its strategy day in June.

### Corporate and enabling services

42. We are preparing for the end of the 2024/25 financial year. We've issued our year end closing timetable and hope to agree a date for the external audit with NAO soon.
43. Corrections were made in the February 2025 payroll to address minor errors identified during the HR/payroll service provider transition, following written communication with the affected staff.
44. Our third staff survey was launched on 10 February 2025 and closed on 3 March 2025. 94% of staff participated. We look forward to sharing the survey results, expected by the end of March 2025, in a future Board meeting.
45. We have received a rating of limited assurance from our internal auditor in relation to our People Strategy audit, carried out in December 2024. This is our first internal audit reporting lower than moderate assurance. While disappointing, this is not entirely unexpected. Our current People Strategy was our first attempt at one, was very much focused on responding to the (largely very positive) results of our second people survey, and its delivery was delayed and curtailed by the reprioritisation of HR capacity to supporting recruitment volumes three times greater than had originally been forecast in 2024/25. We had already planned to refresh and strengthen our People Strategy and have provided for this in our business planning, with additional HR resource, and by securing an external supplier to accelerate this initiative as part of our 2024-25 underspend mitigation plan. The internal audit report and its recommendations, all of which we agree, will usefully help guide this work.
46. Since July 2024, 10 staff members at various grades and in all directorates have been trialling Microsoft's generative AI tool, Copilot. This trial will conclude at the end of March. We are considering next steps taking into account of potential risks and opportunities associated with generative AI tool along with the [AI Opportunities Action Plan](#) launched in January by the UK Government. Any wider roll out of Copilot to staff would be preceded by approval of an OEP AI Policy, including appropriate guidance and training.
47. The Procurement Act 2023 went live on 24 February 2025. This is a major reform of the regime for procurement across the whole of the public sector. We updated our policies, processes, templates and guidance in readiness, and further updates are being rolled out over the next few months. These updates also include wider improvements to adopt lessons learnt from our procurement activity, which will help us to procure goods and services more efficiently and quickly. Staff have been notified about the changes, and will continue to be supported through guidance notes, training and advice. Information on the Procurement Act 2023, including summary factsheets, guides and videos are available at [www.gov.uk/government/collections/transforming-public-procurement](http://www.gov.uk/government/collections/transforming-public-procurement)

### Cooperation with Defra and DAERA

48. We continue to engage closely with each of Defra, Defra ALBs and DAERA in relation to cooperation and information sharing, and to seek to continually improve our approaches.



49. *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.*

50. We aim to launch a streamlined operational process for making information requests for all public bodies around the end of March, supported by an improved Power BI based live tracker. The streamlined process and tracker are the output of a pilot of applying lean process management tools to our processes (on which we aim to build in our efficiency project in next year's business plan), and the Power BI training a cohort of our staff have undertaken this month. This should reduce the effort to provide, and improve the quality of, the information we are able to provide public authorities about the information we will need to gather from them. It will also make it simpler for OEP staff to see the total requests we are making of public bodies, and reflect this in delivery plans.

51. We have given each an initial summary of our business plans for the year ahead. We aim to use our corporate plan to initiate some broader engagement with leadership teams across the public bodies, to situate our work – and likely requests for cooperation – in context ahead of future engagement.

### **Significant communication and stakeholder engagement**

52. We have enjoyed a range of good engagement opportunities in Northern Ireland since the Board last met. I was guest speaker at the NI Audit Office internal staff event, talking about 'improving outcomes'.

53. The Chief Insights Officer had a range of meetings in Dublin and Belfast, discussing our Nutrients programme. He met with representatives from the Irish Environmental Network, the Irish Environmental Protection Agency, and the Departments of Agriculture and of Housing; with Northern Ireland Environment Link, Northern Ireland Environment Agency and DAERA's Marine group (which took place on DAERA's [new survey vessel](#)).

54. I, along with Chief of Staff and NI Lead, met with the Society of Local Government Chief Executives NI. We provided an introduction to the OEP, and discussed environmental issues facing local government in NI. Officers from our Regulatory team met with the Department for Infrastructure and NI Local Government planners to discuss OEP's role and remit.

### **Board and other recruitment**

55. Shortlisting of the 134 applicants to our Board is now complete with interviews for potential Board members in England delayed until April.

56. We have welcomed 3 further staff members since the end of January and have 3 new joiners due to start in March 2025.

*This section has been redacted as it includes personal data.*

## **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

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
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"> <li>• publication would harm relations between UK and NI governments (s.28)</li> <li>• 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)</li> <li>• publication would reveal information subject to legal professional privilege (s.42)</li> <li>• publication would harm the OEP's commercial interests (s.43)</li> </ul>

## ANNEXES LIST

Annex A – Letter to Secretaries of State for Housing, Communities and Local Government; and for Environment, Food and Rural Affairs.

Annex B – Strategic Risk Register