

**Date**

5 August 2024

**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 last met the new UK Government has taken office, with a new Secretary of State and Ministers appointed, and a legislative programme announced in the King's Speech. Parliament and the NI Assembly are now in recess. The pre-election period, and transition in government inevitably impacted our activities. We are readying ourselves to respond to new priorities, such as the government's review of the EIP, and proposed reforms to the planning system. The Board will separately consider our progress in building relations with the new Government. You received detailed updates as discussed at the extraordinary Board meeting on 6 August. Initial signs are promising that we might establish the relationship we seek. In Northern Ireland, the Executive published its Lough Neagh Report, but the EIP continues to be delayed.
2. Beyond this, we have been continuing our substantial programme of work. We intend to publish reports and other documents in each of England and Northern Ireland in the autumn, ensuring our overall messages are compelling and coherent. We update here on progress in delivery, including our English EIP progress report for 2023/24. We have already opened our consultation on our strategy refresh, which will close on 26 September.
3. We also continue to see progress in our investigations, though our case strategies are inevitably impacted by political change. We are seeking to establish pathways to early resolution as we engage with new Ministers.

## Recommendation

4. The Board is recommended to note the progress in delivering our strategic objectives.

## Strategic Objective 1 - Sustained environmental improvement

### Monitoring environmental improvement in England

5. The Board will separately consider our progress towards our England 2023/24 EIP monitoring report.
6. The [APR 2024](#) was published on 30 July. We appreciate the circumstances - with a new government responding to the progress made by the last government. Our initial view is that it does not fully address our previous recommendations on a new and informative APR.
7. An initial review of the APR 2024 is provided in the Board paper on the EIP progress assessment with a more in-depth response provided to the Board on 12 August as an annex to that paper.

### Monitoring environmental improvement in Northern Ireland

8. Our report on the Drivers and Pressures affecting biodiversity is being finalised and will be sent to HH Global on 27 August to begin production of the publication version. We are still on track for publication in October.
9. Lough Neagh has continued to feature heavily in the news. On 18 July the Minister announced that the NI Executive had finally approved the Lough Neagh Action Plan. DAERA have described the Plan as the first step towards the long-term rehabilitation of water quality in the Lough. The Minister had previously announced that he had approved 20 actions from the report which fell under the remit of the Department; the remaining 17 are cross-cutting, and it seems that some members of the Executive had concerns over the impact on farming. Stakeholders have welcomed the announcement. The Ulster Farmers Union has said it will be taking time to review the plan, and that many of the proposed measures “will require a formal consultation” as it sought to ensure a “fair and proportionate response to the water quality challenges that we are facing”.

### Marine

10. Work has commenced to deliver the marine programme agreed by the Board in May. Procurement is underway to identify a supplier for the projects to review Marine Protected Areas and protected site management and to review the approach, including regulation, to bycatch of fish and sensitive species. We have advertised for a [short-term position](#) to review and assess marine governance, with a focus on how effectively it manages increasing pressures.

### Evidence

11. We have awarded six evidence projects with a combined value of £280K. A further 4 projects are currently out to tender with a combined estimated value of £180K. We are also exploring the use of the Monitoring, Evaluation and Learning (MEL) contract. This is a new procurement solution available to all organisations in the Defra group, which launched in April and is now fully operational. It provides rapid access to professional expertise in evaluation, monitoring,

research and analysis, strategy, organisational learning, using a simple direct award procedure. We are currently piloting this mechanism with an initial four projects.

## Strategic Objective 2 - Better environmental law, better implemented

### UK reach

12. We have submitted a response to a consultation by Defra on proposed changes to UK REACH (Annex D), a regulation that applies to the majority of chemicals manufactured in and imported into the UK. Our response acknowledges that Government has not yet confirmed whether it will change the proposed updates to chemicals policy put forward by the previous administration. Alongside some suggestions that address the proposals outlined in the consultation, we highlight the key message that how Government intends to implement any new system of regulation will be crucial to maintaining high levels of environmental protection.

### Other environmental law reports

13. **Water Framework Directive (WFD) Regulations** - The response from the Secretary of State to our report on implementation of the WFD Regulations in England was due by 8 August, three months after we laid it before Parliament. To ensure formal compliance with the law, Defra laid a short response before Parliament on 29 July acknowledging and welcoming the report. That response does not address the substance of our report and its recommendations but commits to do so in September. We have published an exchange of letters with Defra welcoming this commitment and setting out our expectation of a detailed response that addresses all of our recommendations individually, as well as setting out the Government's position on the report and its findings as a whole.
14. Production of the equivalent report on the implementation of the WFD Regulations for Northern Ireland has been completed. Our report will be laid on 3 September after the Northern Ireland Assembly returns following its summer recess. We made small updates to the report during its final production to acknowledge the recent publication of the Lough Neagh Action Plan, although the River Basin Management Plan for Northern Ireland remains outstanding. We are also putting in place the mechanisms to brief stakeholders and the media when the report is laid and published.
15. **Bathing waters** –The team are currently drafting reports on implementation of the Bathing Water Regulations in England and Northern Ireland. Drafts have been circulated to our Board member critical friends and external experts for review. Subject to their comments, we are aiming to bring the proposed final reports to the Board in September and publish in October.
16. **Compliance assurance** – We undertook a survey of former Environment Agency (EA) inspectors in March 2024. Before this we had also sought to include surveying serving EA officers, but it was only in late June 2024 that the EA agreed to this. The survey has now gone live until September. We have also now received Compliance Assessment Report (CAR) forms from the EA, which were requested last year. Unfortunately, a high proportion are corrupted, and we are working with the EA to obtain usable data. These delays are likely to affect when we can report.

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17. **Protected sites** – The team are currently developing the Northern Ireland report, taking on board comments from the Board in July. This report is due to be published on 12 November. A full copy will be made available for discussion at the Board meeting on 4 September.
18. The England report will follow the Northern Ireland report. We are aiming to discuss it with the Board in October and publish it in December.
19. **Environmental Principles Policy Statement (EPPS)** – We expect the final report from our contractor, RPA, by the end of August. We continue to gather evidence from government departments (in the form of impacts from EPPS implementation for new policies) over the coming weeks to inform our report, which we aim to complete in early 2025.
20. **Local Nature Recovery Strategies (LNRS)** – We have commenced the stakeholder engagement element of this project and have contacted all 48 Responsible Authorities. We will be holding workshops and undertaking other engagement activity during the summer and into Autumn, both with local stakeholders (such as Responsible Authorities and Supporting Authorities), and with strategic stakeholders. This engagement will inform the development of our assessment framework, which we will then use to assess twelve of the 48 LNRSs. We will also be using this engagement to gather evidence on the barriers and enablers to effective development and implementation of LNRSs.

### Interventions

21. The Board will separately consider a proposal for intervention in the Court of Appeal case *R (Pickering Fishery Association) v Secretary of State for Environment, Food and Rural Affairs*.

## Strategic Objective 3 - Improved compliance with environmental law

### Complaints and enquiries

22. Since January 2021 we have received 1509 enquires and 136 complaints. Since my last report, we have received nine new complaints and handled 93 enquiries. We have eight open complaints in the assessment phase.

### Progress in investigations

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

### Casework and Interventions

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

## Strategic Objective 4 - Organisational excellence and influence

### Financial performance

**25. Q1 financial outturn and forecast** – In Q1, the year-to-date actual spend was reported at £1.98m for the three months ending in June 2024. This represents a 20.9% (or £0.5m) underspend against the Q1 budget of £2.5m, which comprises £0.359m in pay and £0.162m in non-pay expenses. The underspend is mainly due to delayed funding confirmation from Northern Ireland and early election restrictions, which have resulted in delays in recruitment and project spending. However, the year-to-date actual spend of £1.98m, combined with commitments of £0.79m, amounts to 25.9% (£2.77m) of the annual budget of £10.709m. This gives us confidence to forecast a slightly improved year-end underspend position of £0.166m as of Q1, reflecting the projects’ underspend position in the first quarter and is broadly in line with 2023-24 outturn position.

**26. System related changes to financial management** – The 2024-25 year marks a period of continuous improvement for Corporate Services, particularly for Finance, following significant advancements in financial management reflected in the previous year’s results. This year, our focus is on refining policies and processes and implementing digital innovations to provide more timely financial insights for strategic decision-making. In the first quarter, we have achieved several milestones:

- Completed calendar month-end closing using Sage (our finance system).
- Introduced project reporting with a targeted approach, concentrating resources on genuine projects only.
- Enhanced finance reports by implementing dashboards, trend analysis and introducing commitments reporting.
- Included HR, procurement, and IT performance statistics in our monthly management information pack to improve transparency, clarity, and regularity for our key stakeholders, particularly our staff, in response to People Survey results.

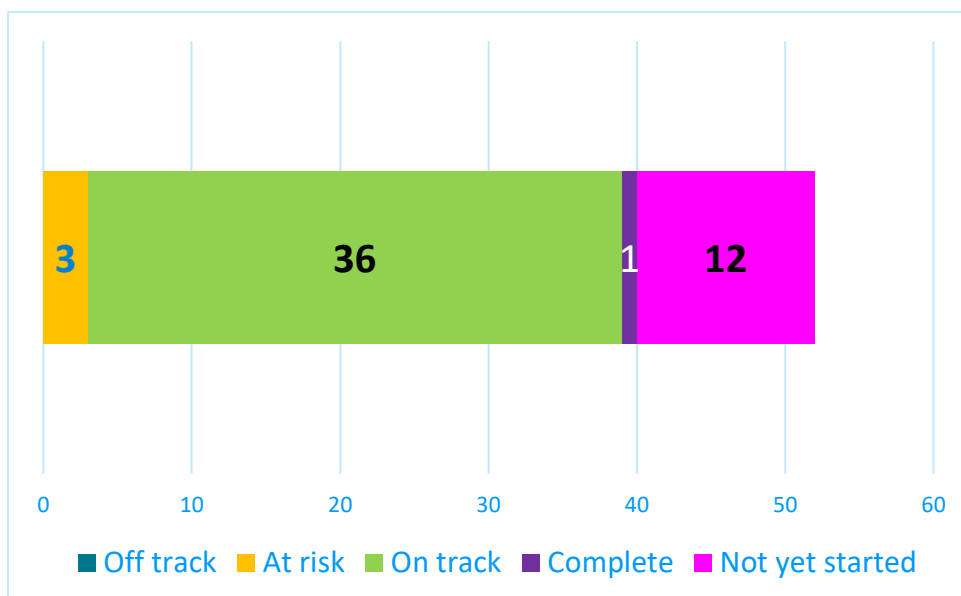
We will continue to enhance our services and information, supporting the delivery of our organisational strategic objectives.

**Delivery of the business plan**

27. After approval of the business plan in June, we have baselined our activity for the year. At Q1 we report that we are on track to meet 87% of the commitments in our corporate plan which we intend to this year, with two at risk and three not yet started.

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28. We monitor 52 projects of various scales that contribute to delivery of this plan. The majority of those which are started are on track. Annex B provides a detailed summary of our plan and its progress.



29. In light of the outturn, we are actively considering how we can adjust the scope of existing projects, or mobilise new ones, to further mitigate underspend risk and maximise the value we can achieve.

### Strategy consultation

30. We published our revised strategy for consultation, and publicised the consultation to stakeholders and on our website. In September we will hold a series of consultation engagement sessions with businesses, eNGOs, scientific bodies, environmental lawyers and public bodies in England, and with stakeholders and public bodies in Northern Ireland. Board members are very welcome to attend. We published our corporate plan at the same time having received no material comment in our required consultation with Defra and DAERA.

### People strategy and action plan

31. The People Strategy action plan was provided to staff in Q1 following ExCo discussion and consultation with our recognised Trade Union (Annex C). To improve transparency and communications with staff, quarterly progress reports will be provided, with the first report scheduled in October 2024.

### Recruitment

32. Several recruitments were launched in July, in line with the conclusion of our business planning. These include:

33. Senior Projects and Reporting Officer (FTA/ Secondment)

34. Principal Analyst x2 -(permanent)

35. Environmental Analyst x2 (1 permanent, 1 FTA/Secondment)

36. Senior Analyst - Marine Governance (STA/ Secondment)

37. Senior Analyst - Chemical Regulation (STA/ Secondment)

### **IT and procurement**

38. We launched the **Intelligence Management System (IMS)** on 17 June. Initial roll out went well and supports the production of the weekly intelligence notes, briefings and horizon scanning activity. We are championing the use of the IMS across the business and collecting feedback for further development improvements to the IMS.

39. **IT procurement:** work is underway on the procurement of our IT contract. We are now assessing the most advantageous procurement framework to use, with a decision to be made in mid-August. Sept-Nov will be spent determining future needs, developing the specification, market engagement and internal sign-off. We are aiming to publish to our chosen Framework in December. Supplier assessment and contract award will be completed by March. This gives five months: a comfortable amount of time to move to a new supplier if this is the outcome, as the current contract expires in September 2025.

40. **HR and Payroll ‘Software as a Service’ and managed payroll re-tender exercise.** This has now been published as an Open procurement procedure. Closing date is 19 August with time then allowed for shortlisting and demonstrations which should allow enough time for an onboarding process to be completed allowing for a dual month implementation run later in the year and full payroll management from the December payroll.

41. ExCo approved two new **enhancements to the website**. One is to improve the design and usability of how we present our investigations and interventions, the other is to improve the design and discoverability of reports produced by contractors. Work is expected to complete by early September.

42. **Artificial Intelligence Trial.** We are trialling Microsoft’s Copilot AI tool with 12 staff members to assess how this technology can add value to the OEP. The tool is embedded into the apps we use every day (Outlook, Word, Excel) and this work will determine the extent to which we may roll this out more widely from next financial year.

## **Impact Assessments**

### **Risk Assessment**

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

### **Equality Analysis**

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

### **Environmental Analysis**

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45. 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

*This section has been redacted as it contains information available elsewhere.*

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