



HOUSE OF LORDS

Environment and Climate Change Committee

Corrected oral evidence: the Office for Environmental Protection

Wednesday 16 November 2022

10 am

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Members present: Baroness Parminter (Chair); Baroness Boycott; Lord Browne of Ladyton; Lord Colgrain; Lord Lilley; Lord Lucas; Baroness Northover; The Lord Bishop of Oxford; The Duke of Wellington; Lord Whitty.

Evidence Session No. 1

Heard in Public

Questions 1 - 16

Witnesses

I: Dame Glenys Stacey, Chair, Office for Environmental Protection; Natalie Prosser, CEO, Office for Environmental Protection.

Examination of witnesses

Dame Glenys Stacey and Natalie Prosser.

Q1 The Chair: Good morning and welcome to this one-off evidence session with the Office for Environmental Protection. We are holding this session one year after your official, legal set-up, so we are looking forward to hearing more about your roles and responsibilities, both what has happened in the last year and looking forward to the future. We welcome the Chair, Dame Glenys Stacey, and the Chief Executive Officer, Natalie Prosser. You are extremely welcome. We look forward to what you have to say to us today.

A transcript will be taken, in line with all committee proceedings, and will be made public. You will have the chance to review that. The session is webcast live and subsequently made available via Parliament TV. Members, please declare any relevant interests if you have them. We do have some Members attending virtually as this is a hybrid session so, if you hear voices coming from the ether, they are Members in this hybrid setting.

Perhaps I could open with the first question. As I say, this is a session to look back at what you have achieved in your first year. Perhaps you could talk a little about the challenges that you have faced, the competing functions that you have had to manage, the priorities and how you have managed the tensions between those in this first year.

Dame Glenys Stacey: Thank you very much for that warm welcome. To answer the first question, I will start with a general overview and then refer to Natalie for a little more detail, if you are interested.

First, I should say that we have been so grateful for the encouragement, enthusiasm and support of so many people, including your committee, as we have set up the OEP. All of you have wished to see the OEP be the strongest and most effective organisation possible. It has just been a pleasure to set up a new organisation in that environment, with that level of support.

You will know that we were very eager to get the OEP up and on a proper constitutional footing at the first opportunity. You may recollect that the Environment Bill had a rather sticky time of it going through scrutiny. We were upset that it was put back but delighted in turn when the then Secretary of State decided to set us up as an interim body. We cracked on with that. It enabled the organisation to get off the ground earlier than it might otherwise have done.

Setting up a new body always has its challenges, of course, but it is also hugely exciting and stimulating to be starting with a green field, so to speak. I would say that this set-up has been pretty much par for the course. There have been difficulties, but there always will be, and there is nothing that we have not been able to overcome with the team we have.

We still have some residual set-up work; we are not yet in our established premises, for example. We are itinerants in Worcester, really,

waiting until later next year for our premises to be ready. So we do expect to be in our proper home before too much longer but it is an example of our set-up not being finished yet.

We are in a good position overall on that but we are not taking our own judgment alone. We are undertaking some work at the moment to see how stakeholders view us and how we are doing; we will be very interested to see the outcome of that, just to make sure that we are not deluding ourselves as to where we stand. Natalie, you might want to flesh that out with some colour and detail.

Natalie Prosser: I would agree with Dame Glenys's assessment. It has been a real privilege to set up the OEP and be able to work with such a talented group of people. I would note that we first started out when we were in total lockdown, so we did not even meet in person until about three or four months after we started this project; it is testament to the commitment of the team that that did not, in fact, get in our way or get in the way of progress.

I would describe the OEP as small and strategic. That means that there is a material challenge for us in deciding on which areas we are to prioritise our attention. We have done a great deal of work through our strategy, which went through a 12-week consultation. We had really strong and useful engagement in working out how to balance that role.

Since we have been up and running, we have certainly noticed the synergy between our different functions. There is our ongoing role in monitoring and scrutinising progress against the 25-year Environment Plan; we are getting ready to expand that role to new statutory targets and the new EIP.¹ The principles policy statement is another key component of that. It is also about how we balance our complaints, investigations and enforcement functions, as well as the novel new role that we have in monitoring the implementation of environmental law. That has been really powerful. We have learned over the past 11 months that we have been in legal existence that those functions work in a very strong synergy.

The biggest challenge has been understanding how to balance those different roles and select the function that is most effective. We are discovering now that issues we are dealing with sometimes flow from one function to another, and we have built the systems to do that.

Overall, I am absolutely delighted with where the OEP has come in less than one year. We are one year old tomorrow in legal terms. We are completely up and running, completely functional and really starting to do our job.

Dame Glenys Stacey: Chair, you asked about our prioritisation. Did you want to hear a bit about that? Obviously, set-up is demanding in itself, and some things need to be done immediately. We cannot have staff without paying them, for example. Then there are some legal obligations that we were intent on meeting. Indeed, we presented our first annual

¹ Environmental Improvement Plan

report on the Government's progress on their EIP. Although at the time we presented it, the statute had not quite bitten, if you like, but we were very keen to take the opportunity to do that.

In a sense, the Government themselves have dictated some of our priorities. It will not have escaped your attention that it has been a very busy year in terms of significant consultations and, indeed, expectations that arise and flow from the Environment Act itself. We have been keeping abreast of that and taking every opportunity to informally and formally advise the Government within the deadlines set, so they have very much dictated our work.

The Chair: Can I just pick up on one phrase that you, Natalie, used about being "small and strategic"? Earlier in the year, when the publication of the strategy came out, you, Dame Glenys, said that you had sufficient money for the job that you wanted to do in this year. Can you say a bit more about what that might mean going forward, such as whether being "small and strategic" is constrained by the budgets or whether there are more jobs that you would like to be doing? Have you had any indications about the ongoing funding going forward?

Dame Glenys Stacey: It is right that we are small and strategic, and always will be. At the moment, we are 63 staff, with a Northern Ireland headcount of eight as well. The budget that we have represents less than 0.2% of Defra's allocated resources, and we now know that, if we are to continue to be resourced as we are at the moment, it just will not be enough. It is not sufficient. We have been consistently clear that we could set it up with the resource we have but, in our view, that does not create a credible organisation because we need to be sufficiently but not excessively resourced.

Parliament intends that we fulfil the role we have been given and protect the environment, given the pressing need to do so. That will take more resource than we have at the moment—sufficient but not excessive. We know that some very detailed and respectable modelling was done within Defra, with consultancy help, which suggested that we should be around 80 to 120 people, as a ballpark figure. Indeed, there were various statements in the House, as the Bill was going through, suggesting that we may be an organisation of 100 or so people; we do not quibble with that.

We would be surprised if we were at the top end of that ballpark figure but we recognise that there is a need now, for the year ahead and beyond, to scale up the size of our organisation so that we can do the job that was set up sufficiently credibly.

Q2 The Lord Bishop of Oxford: I thought that the principles you articulated for prioritisation were really clear and excellent. Targets are clearly really important as a springboard for the OEP's work but they have been significantly delayed. What role do you see the environment targets under the Environment Act playing? What impact does that delay have on environmental protection, and what more can you do?

Dame Glenys Stacey: That has been much on our minds of late. The Environment Act, a seminal piece of legislation, has what I call four cornerstones and a new governance framework for the environment. The OEP is one cornerstone. We are up and running and carrying the weight.

The Environmental Principles Policy Statement is the second cornerstone. It is late. There is no statutory provision about timing there, but it is regrettably late and we wish to see it in very quickly.

The Environmental Improvement Plan is the third cornerstone. We have a plan. There is a massive opportunity to improve it significantly in the next iteration, which is due early next year.

The fourth cornerstone is the statutory environmental targets, which are new for this country as it gets a grip on the environment. These are not any old targets. They are one of the four cornerstones. They are long-term and are embedded in statute. They will drive funding—or should do. They will drive activity and action. They will provide clarity. They will be, and need to be, a really important stake in the ground for people to deliver on the environment. This is not a small issue that we are talking about.

In terms of the effect of delay, we all know of the urgent need to protect, restore and enhance the environment. I do not have to spell it out but look at species reduction: a 17% reduction in the past five years does not suggest that there is any time to waste. The Government's own information tells us that, over the period of the current plan, half of the indicators monitoring progress have not been met, so we are not in a good position.

It is not really possible to determine, target area by target area, the effect of a few months of delay in relation to each of those proposed targets, but we can be very clear, can we not, that delay does nothing to help the Government meet their ambitions for the environment. Adverse trends will almost certainly continue until those four cornerstones are in place, each working in tandem and each providing the proper net lift performance overall across government.

You have asked what we will do. We have spent a good amount of careful time considering that with our board. We were chasing the then Secretary of State about this back in the summer. We have published our correspondence about that. We indicated in that correspondence at the back end of last month that we would expect to see these targets in by the year-end. We accept that it has been an unusual year—let us put it that way—but there is no excuse now.

We have a new Secretary of State. We have met her to discuss the targets and our advice—we were grateful for that—and we have her assurance that, to use a government expression, work is proceeding at pace to get these targets in. We are watching and monitoring that closely and formally; obviously, if we see any stumbling, we will consider again our position and what we should do.

Natalie Prosser: The only thing I would add, just to place it in context, is that we see the targets and their implementation as the first step on the trajectory to implementing the full spectrum of the Environment Act. We are concerned about the domino effect of delays. The targets are needed to inform the interim targets in the environmental improvement plan, and the Government are due to deliver their assessment of those targets, again under the legislation, in terms of them delivering significant improvement. That is also due at the end of January.

You can see the potential for knock-on effects of a delay having a cascade effect that goes beyond just the targets themselves. That is one of the reasons why we have pressed so firmly for those targets to be set by the end of the year at the very latest, to allow those subsequent anchor points of the Environment Act to take effect.

Dame Glenys Stacey: The opportunity in January, with the significant improvement test, to consider interim targets is really important. We do not want to see that missed. It needs to be taken full advantage of.

The Lord Bishop of Oxford: Is there anything else that this committee or other agencies can do to expedite this?

Dame Glenys Stacey: I am sure that you can show as much concern as we are. I know that you are but we do not want to take our eye off this; we certainly will not, but I hope that Parliament has a keen interest as well.

Q3 **The Chair:** Dame Glenys, you have been very clear to us, by the use of your phrase “a few months of delay” and by reiterating that year-end is the timeframe you are expecting from the Government, that, if it is not, you will review what your options are on that matter.

Dame Glenys Stacey: To be clear, we keep our options under review now. We want to see evidence that this is proceeding at pace; that the process is being followed; that the Secretary of State has determined the targets, hopefully taking into account the best advice; and that the targets are suitably ambitious. However, we also want to see that the process is being followed so we can see, for example, that the right information is being presented to the Joint Committee on Statutory Instruments and that we will have some evidence. If we do not see that evidence at the time we expect to, we will certainly be reviewing our position ahead of the end of the year.

Q4 **Lord Lucas:** In the process of putting together a response to your letter, and following on to produce the targets, are the Government in constant contact with you and talking about how it is developing, or are they keeping you at a distance?

Dame Glenys Stacey: We have met the Secretary of State. It was just a couple of weeks ago. Time flies, does it not? We subsequently met the senior official there, David Hill, to discuss the process. We have written since then to senior officials, beginning the formal exchange where we

would expect to see the regular reporting of progress. We are moving to what we might call a close and continuous monitoring arrangement.

Q5 **Lord Colgrain:** Dame Glenys, you referred to adverse trends. What are the most immediate adverse trends that you are identifying?

Dame Glenys Stacey: I have already mentioned the difficult position that we are in with species, with a 17% reduction in species variety in the past five years. The Government certainly have a pretty ambitious overall target for that, with a target date of 2030, although we have advised them that they need to be very careful that the categorisation of species is sufficiently comprehensive and covers marine as well.

Apart from that, we have real concerns about the freshwater environment and the paucity of rivers in a good state of health. The trends and the data are not sufficiently reassuring. You may know that our first investigation is into how the roles of Ofwat, the Environment Agency and the Secretary of State are playing out and whether they are sufficiently well integrated to manage the environment well.

On water, I do not know what you think but it seems to me that having just 16% of surface water bodies in England currently meeting the criteria for good ecological status is pretty dire. There is a lot of public concern about that.

They are the two matters that I would particularly point to. We have raised air pollution before. It is a difficult one, and we have given advice on the target. The Government may well choose to keep their 2040 date rather than take our advice to bring it to 2030 but we would want to see action now, immediately upon the setting of any target. The important thing is that there is a plan for delivery and that delivery starts now. A lot of parts of the country can achieve this if there is a will.

There are those three things particularly but did you, Natalie, want to add anything?

Natalie Prosser: Those are some headline points. The OEP is due to publish its first formal statutory monitoring and scrutiny report in mid-January. That work is now very advanced and we are undertaking an evaluation across all of the goals in the 25-year Environment Plan, analysing trends and performance across the piece.

I do not want to pre-empt the publication of that report but I suggest that you will want to look at it quite carefully in terms of what we are finding there in our monitoring. Across all these different trends, year to year, the OEP will determine some particular priority areas of focus. This year, for example, we have been particularly interested in water and nature. There are other areas too, but those primarily.

As we bed in that scrutiny role, it will be our ambition to look specifically at those different areas of priority over time so that we can be confident that we have effective monitoring and feedback systems to allow us to ensure that policy is targeted appropriately. That is very consistent with the recommendations in our *Taking Stock* report. Dame Glenys has

highlighted just a few trends but our report in January will be pretty comprehensive across the whole piece, and will highlight some very important messages that I am sure we will want to come back to.

Dame Glenys Stacey: We briefly spoke about resources earlier but one of the reasons why we need additional resource is to build the capability and capacity to do the analysis and predict whether the Government are going to meet their ambitions, so that they can set a new plan and set targets. Our job will be to keep close track of whether they are on track to get there; we need the resources to be able to build that capacity.

Looking at commonly known indicators, we already know, for example, that the Government themselves admit that their current air quality plan will not enable them to reach four out of five of their targets. We can already see the most obvious things but we need that capability, do we not, Natalie, in the organisation to be sufficiently ahead in the thinking to be able to put the flag up early enough.

Natalie Prosser: If I might add something, we have spent some time with our board talking exactly about this topic. We do not want to be in a position, when the target dates come around, where we look back and say, "With hindsight, the Government might have done something different". However, in order to address that in live time, as these policies and ambitions are being implemented, we need to develop the foresight to identify early where a course correction might be needed.

We talk about hindsight, foresight and near sight a lot when we are talking about strategy. We do not want to be looking back with the benefit of hindsight. We want there to be good foresight. This is really where we want to invest in our capabilities and capacities, to take that bird's eye view that we are designed to take, so that we can really help the Government deliver on their ambitions.

Q6 **Baroness Boycott:** I would just like to clarify something that I do not yet understand. We have a lot of questions in the House about water quality. Everyone agrees that it is terrible. The Ministers and the Government seem to be saying at the moment that they can control this by fines. You will remember the Southern Water fine of £90 million. When the boss went to court and was asked why he did it, he said that it was cheaper to pay the fine. What can you bring to this situation that is not currently there?

Dame Glenys Stacey: I will ask Natalie to speak in a moment but let me just say that we have what we think is a unique role. If we look, for example, at the investigation that we instigated into the respective roles and responsibilities of those overseeing water, we were the only body that could legitimately do that. We are focusing on our unique role. We are not the first responders. We are overseeing those. In that investigation, we think we will get to a point where we can be clear where the oversight provisions or the law are working or are well implemented, and where they are not working or are not well implemented. We hope to be able to make recommendations that would be able to improve the

oversight of our freshwater environment. We are focusing on our unique role. Natalie, you are much closer to this than me; you may want to add to that.

Natalie Prosser: I always have to disclose an interest in water quality. I am a keen open-water swimmer. I swim in rivers, lakes and seas on a regular basis.

Dame Glenys mentioned the investigation that is under way. That looks at a very specific part of the functioning of the regulatory system. It is just one component. We know that, with only 16% of our waters meeting good ecological status, something is not working well. With the oversight role that we have, we are very keen to understand exactly what is going on.

In addition to our investigation, which Dame Glenys mentioned, we have just initiated a new programme to evaluate both the UK Government and DAERA's plans—as you know, we have a role in Northern Ireland as well—and measures for reducing nutrient, sediment and ammonia pollution in the aquatic environment. We know that the sources of water pollution are multifaceted. The effective functioning of water companies and their duties is one component but it is only approximately half; there are lots of pressures on our waterways, from agricultural diffuse pollution in particular.

In terms of our role, as Dame Glenys mentioned, we are not a first responder but we want to understand how, in practice, the regulatory systems are working to protect our water. That is under the current water framework directive regulations and other relevant legislation. That is important because diagnosing and understanding exactly what is happening now is essential in order to make sure that any improvements are addressed. We think that improvements are necessary because the outcomes in terms of environmental protection are not being achieved.

Perhaps a more robust regulatory approach to water companies' performance is part of that solution. We have not done the work yet but we would speculate that it goes beyond that and that solving the problem of the quality of our waters will require a much more comprehensive strategy, looking at all the material pressures on those waters and how the different regulators involved organise themselves to address that.

I know that the question was in relation to fines. We understand that they play a role but we do not think that they are the entirety of the solution. They may be just a small part.

Baroness Boycott: I am still not clear where your teeth are, given that these huge fines do not work. There apparently cannot be criminal charges faced by any of these companies. I also include in that chicken farmers on the banks of the Wye, et cetera. Where are your teeth to add to what we have at the moment?

Dame Glenys Stacey: In the investigation that we are conducting, which is a big investigation with many thousands of documents, we expect to report in the summer of next year and hope to produce an

interim report by the end of this financial year, so there is not long to wait.

What we are trying to do in this investigation is, first, discover whether the existing law is being complied with and understood by the three bodies. If it is not complied with, we are able to insist on compliance. That is the first thing we can do: make sure that the law, as intended, is applied.

We might also find that the law is an ass and that it is not fit for the current issues in water because it is, of its nature, legacy legislation. We would then be able to recommend improvements to the law. Hopefully, that would be influential in Parliament and to a Secretary of State in Defra. We are right at that strategic end in terms of identifying whether the law is complied with, whether it is fit for purpose and, if it is not, whether change is required. When I say "the law", I do not just mean the black and white in the statute book; I mean the regulatory regimes that fall from it, which fall within our ambit as well.

We are not biting the leg of the chief exec of a water company. We are acting as a stimulant and a mirror to show the Government whether their regimes are working. If the law is not complied with, we will say so.

Q7 The Duke of Wellington: First, may I say that I am so pleased that the two of you have been able to appear before the committee today? Of course, your new agency is perhaps the most important for the matters in which this committee is interested. I am pleased that your first investigation, as I understand it, is on this question of combined sewage overflows. I know that you cannot talk too much about it because it is an ongoing investigation but I am sure that you are aware of how much concern there is in this House and the other place about the continuing discharge of sewage into the aquatic environment.

For example, some work has been done showing that the monitoring by the Environment Agency of water quality above and below discharge points has, it has been suggested, been reduced recently. The whole purpose, as we understood it in this House, of the Environment Act last year was to increase that oversight and monitoring. Many people, in this House at least, are left with the impression that the various regulators—possibly Defra and now our new OEP—are simply not taking this matter seriously enough.

The fact that you have made it your first investigation is music to our ears. We are delighted that you have decided to do that, and all power to your efforts, but we are left with the impression that neither Ofwat nor the Environment Agency are taking this matter seriously enough and making it a high enough priority. I must say that I have not yet heard any explanation from government Ministers that changes my view, and the view of many others, on that.

Dame Glenys Stacey: Just before Natalie speaks to you specifically about monitoring and the detail, let me just say thank you very much indeed for your warm words about the OEP in welcoming us. It is lovely to hear them. When you are working day by day, you are not quite sure.

Secondly, just to give you the organisation's reassurance and my personal reassurance, we are taking water very seriously indeed. It is a priority area that we identified when we did our prioritisation with our board earlier this year. We started this investigation on the first day that we could, which was the day after we got our enforcement powers. I do not think that there can be a clearer signal than that. We have a good amount of resource on it. You can imagine how much I am pressing for this to be concluded but I need a solid, good investigation. That is what is happening.

The investigation will prove fruitful. I am pretty certain that we are going to get somewhere that is terribly helpful in terms of the quality of our water and its oversight because of it. Natalie, you might want to deal particularly with the monitoring and the roles of others.

Natalie Prosser: This very much goes to the heart of the piece of work that we have just initiated. It is a good example of where we at the OEP can add real value. We are going to look directly at how the regulatory system to protect water is operating in practice. It is probably going to take us about six months or so to do that piece of work. Of course, we may find, as we progress, areas that we want to look at further. It is a good illustration of where the OEP plays its part as part of a wider governance and accountability system.

Of course, if we identify issues with compliance with the law, which might relate to monitoring—I cannot say at the moment because the work is just starting—we will deal with that appropriately under the relevant functions. We hope to bring an independent evaluation of the functioning of the current system, either to hold that system to account or to inform reform of that system, so that we can help parliamentarians and Defra to understand where the real issues lie.

As I said, that work is only just getting started. I feel very optimistic about it. It will help us diagnose some of the pressures, then it will be part of the wider system in Defra and across government to decide what to do with what we bring to light. Of course, in line with our policy, we will be transparent. We will report publicly and, as it is a statutory piece of work, we will lay our report before Parliament when it concludes.

I know that this is not a quick fix. I do not think that the problems we have, which are profound, can have a quick fix. I am certainly optimistic—this is our ambition for it—that it allows us to move in the right direction and look at what is really going on on the ground. Only then can we think about how reform or improvements can happen to put things right. I share your frustrations at a personal and professional level with the state of our water.

The Duke of Wellington: Both your answers were very helpful and constructive. I just want you to know that I am sure that members of this committee and many other people in this House will be supporting you in anything you can do to improve the current situation. We definitely feel that there is insufficient priority attached to this matter by the regulators.

Many of us have had direct communications with the regulators. I hope that all of us have tried to inject a greater sense of urgency into the minds of the regulators; anything that you can do in that regard will have our full support.

Dame Glenys Stacey: Just to reassure you, we are absolutely aware of the scale and persistence of parliamentary and public concern. It is one of the reasons why we prioritised this matter.

Q8 Lord Browne of Ladyton: I want to come in on enforcement and complaints. I can see all the nodding heads around here. Like you, I am enjoying the tone of this meeting in which you welcome what we are doing; in turn, we welcome your openness and the absence of all those hackneyed phrases, such as "We cannot talk about this at the moment" or "We take this issue very seriously", which usually precede most of the answers that we get from people. With respect, you do not have a history to defend.

Dame Glenys Stacey: Not yet.

Lord Browne of Ladyton: It is fair to set the context of this question. We all live in an environment in which the alleged ineffectiveness of regulators is a constant. It is mostly to do with ineffective enforcement, which that last conversation was largely about. It is a common thread in this House in terms of the ineffectiveness of enforcement in relation to laws that we pass and that we think will solve the problem.

I should probably cut this introduction down a bit but I was prompted to ask this question by one particular part of the reporting of your interview with ENDS magazine in August, Natalie, in which, after a limited experience, to be fair, and the publication of your complaints report, you said that you thought the complaints you had received, which were 50 in the first six or seven months, were just the tip of the iceberg.

I am much more interested in the fact that you commented openly about just how difficult it might be for people to complain because making complaints is not straightforward. It is the precursor of quite a complicated process for a lot of people. In terms of your assessment of complaints, they quote you as saying that it is quite a resource-intensive activity.

With a further three or four months beyond when you were interviewed, what other early conclusions are you coming to about this? Is there anything that we could recommend, do or encourage to simplify and clarify a bit the processes that lie in advance of this? It may be too early to ask you this but I am interested in your view of the internal complaints procedures of some of the public authorities that you are dealing with, including whether they are geared up to plug into your role as a regulator, whether you find the same difficulty that I used to find when I was a Member of Parliament in trying to get information about them, and whether we can encourage the back-engineering of some of this to make your job easier.

Dame Glenys Stacey: It is just occurring to me that we have, in our early months, engaged with a number of public authorities to improve their complaints procedures so that they fit more neatly with the next step, which is a referral to the OEP. We are not complacent about the state of the existing complaints procedures in the bodies that we oversee. Where we can see that improvement would be helpful, we are plain about that and have been successful in that regard. For example, HS2's procedures are much better now than when we first engaged with them. Natalie, you will want to speak to the detail of that question.

Natalie Prosser: If I can just take stock of where we are, either we or the interim body that was in existence before us have received 63 complaints so far but I do not think that is really reflective of the volume. We have had a little over 500 contacts or inquiries; we classify them as inquiries, so they are not qualifying complaints. The interest from the public is there.

The qualifying criteria for an eligible complaint are long, and understandably so. Dame Glenys mentioned that we are not a first-responding organisation and it is always right that public authorities should have an opportunity to put things right first, so they are there for good reason but it does not necessarily make it easy for complainants, particularly members of the public, to understand how to navigate that.

Candidly, the environmental regulatory system is complex to understand, even for us. It is even more complex for members of the public to know which public authority it is. Is it their local authority, central government or an arm's-length body? On the investigation we are doing at the moment, it is sometimes several public authorities, and it is not entirely clear. That is very difficult for members of the public to understand. We then have the whole range of environmental laws as in scope for potential complaint; understanding which law might have been broken is, again, very challenging.

The reason why our complaints procedure can be quite resource-intensive is that, for some of those complaints, we have to work with complainants to work out whether their complaint qualifies in the first place and how it is situated. We do that as much as we can, although that is going to become a resource pressure if the volumes increase beyond where they are.

I also note that our enforcement policy has been in force since June this year. It is a statelike process to go through, to a certain extent, so we have not yet concluded to the very endpoint some of our operational activity. That makes it difficult for complainants to know, "Is the OEP the right place to take my issue? Will it deliver an outcome?"; that will bed in over time.

What we have learned to date is that complaints have given us only part of the picture. It is not comprehensive. In two or three years' time, we will be able to draw much greater insight. I also note that some of our more robust and complex complaints come from representative bodies,

charities and NGOs. Our complaint that we have taken forward to investigation is a good example of that.

We engage with those informed stakeholders to talk to them about whether the OEP is the right place for their complaint. We are not necessarily encouraging or discouraging that, but we want to encourage the right sorts of complaints that fit with our remit to come to us because we will be prioritising very hard those complaints and issues that have big strategic significance and where there are systemic issues. We are not an ombudsman and we are not here to provide redress to complainants. That can be quite difficult to communicate as well.

I absolutely think that our role has driven improvements in public authorities. We have had really good support from the Parliamentary Ombudsman and the Local Government Ombudsman in terms of providing information, particularly to local authorities but also to national authorities, about our role and how to handle things effectively. That is a very good side effect of the work that we do, so I am encouraged that that will continue to improve.

We have also fed back more broadly that, even for some of the complaints that we do not take forward because they do not meet that seriousness or prioritisation threshold, our interest will often prompt a response from the primary public authority. Over time, we are tracking issues so we are aware that complaints may indicate repeated patterns of behaviour, potentially across multiple public authorities. Whereas a single incident, or even a handful of them, might not be indicative of a thematic issue, over time, that may well emerge. We might see that, for example, in the waste sector.

There is much to see as things bed in. I also note, of course, that the OEP can self-initiate investigations. It is sometimes the case that intelligence comes to us around an issue of legal compliance where we may determine to self-initiate; in due course, that may well take up a reasonable proportion of our caseload as we go forward. It is still to be seen.

Lord Browne of Ladyton: This is a supplementary to the supplementary. Of your strategy document, 25% is the annexe on enforcement and complaints. I read it because I am a bit nerdy.

Dame Glenys Stacey: We are nerdy about it, too.

Lord Browne of Ladyton: I have to say that, when I read it, I gathered that. I am absolutely certain that informed stakeholders read it but I would probably have to travel pretty far to find a member of the public who has read it. At the end of the day, what is really important about this whole regulatory structure that we have in this country, which is frustrating lots of people, is that ordinary people think that they have some agency. It means something to them and it matters to them; that is also important to elected politicians, I have to say, much more than to us. Do you have plans in terms of communication to simplify it and draft

a more accessible explanation of what you do for ordinary people?

Dame Glenys Stacey: Indeed, it is there in an annexe. It is as fulsome as it is because there is a legal requirement for us to produce an enforcement policy. That enforcement policy has a job to do. When we get into the real, hard, crunchy end of enforcement, that policy must withstand scrutiny before a court of law. We are experienced enough to know that and know what needs to be in that. That is why it is the length it is and in the detail it is.

It will get scrutinised within the next two or three years in a court of law and it will withstand that scrutiny, I hope, but we recognise that that is not the place for members of the public to find out whether they can complain and how to put in a complaint. Instead, the first opportunity on our website to engage with us is around how to make a complaint. We have worked hard at putting, in simple terms, how to do that. We have a pro forma for that, although you do not have to complete the pro forma. You can phone us about your complaint as well.

The two things are slightly different. We try to make how you make a complaint as plain and simple as possible. Indeed, as Natalie indicated, we are putting our arms around people who think that they might want to make a complaint. I do not think that we could be more accessible in terms of the approach we are adopting, but the enforcement policy has a different role.

You asked earlier on whether you and other Members of the House could do anything to assist us in relation to our complaints policy. Certainly, when we first started—indeed, just before we became an interim body—we internally challenged the statutory provisions relating to complaints to us because they are cumbersome. Our early experience of getting complaints right from beginning was that people were finding it difficult. We have gone through it all and we can see the rationale for each of those provisions.

We can certainly see that it is essential for people to follow the complaints process of the first-responder body first. We were ready to make recommendations for changing the legislation, if we thought that it was appropriate, but in the end we did not find a way to say that this could be simpler. It is just a fact that the first responders need to have the first chance to respond. We need to know who you are complaining about and what the complaint is but we help enormously with that when people come to us.

Natalie Prosser: There is more work to be done. We are not in any way complacent about it. We have evolved our front-facing portal six times already. Given that we have had our enforcement policy in force for not quite five months, that is quite lot of iterations. We do that from learnt experience and dealing with complainants. We are going to reform our website again, probably within the next 12 months, in order to make it more accessible. Accessibility is really important to us because we already understand from experience that it is not a simple thing.

We will continue to improve—I do not think that we are where we need to be yet—but I am confident that, given that the team work on it and drive a continuous improvement approach, even on a three-month cycle, constantly evolving how they do that, we will get to where we need to get to. A lot of that is about our website and accessibility on it, as well as having the capacity within the business to engage with complainants who might find it quite difficult to articulate an important complaint. That will be important as well.

Lord Browne of Ladyton: I know I do not need to reassure you of this, but I am not accusing you of any complacency at all. Having listened to you for the time you have been here, there is no sense of complacency from any of your documents or your website. I am not suggesting that.

I know many organisations whose front-facing stuff is very good, but it is the process that happens inside that I am more concerned about, so that people understand what they are getting themselves into and what their expectations can be. I am not asking you to answer that at the moment. I just wanted to make that point.

Q9 Lord Lucas: What needs to be in place for the Environmental Principles Policy Statement and wider co-ordination of environment policy to be delivered across government?

Dame Glenys Stacey: First of all, I would refer to this as one of the four cornerstones of the Act, and it certainly is. It is critically important, and there is no reason why departments cannot act in accordance with the draft statement now. That is the first thing. There is no reason why they have to wait. They could apply the notion of looking after the environment right from the beginning in policy-making now.

Another point is that, although the statement is applicable to central departments, it is not applicable to local authorities. I would really like local authorities to consider it as well, because they are making decisions that have a real impact on the environment at a local and regional level, and it seems equally important to me that that is considered there.

What needs to happen for it to come into effect? We and others have given advice on early drafts of the statement, and I know that this committee has shown a special interest in it. I appreciate that. Indeed, a large part of our advice has been taken, but not all of it, as we understand, in the draft as it is at the moment.

Frankly, we now just want this statement in, because it is a pivotal time. We have the Retained EU Law Bill and fast-paced change coming upon us, and we need that statement in, as under a new Government, so to speak, departments are making policy at a rate and we need to make sure that the environment is suitably considered and protected. A new Secretary of State has to look at the statement and, hopefully, sign it off and own it. I am satisfied that work is going ahead. That is the first thing.

The second thing is that it then needs to be laid before Parliament and agreed. A statutory instrument is required for that. Then it needs to be

implemented. Defra will wish to give departments sufficient time to implement, and I believe Defra is producing a toolkit to enable departments to do that. That is good, although we have not seen the toolkit. It is not our role to develop it, but we would like to see that it is at least sufficient.

The main thing is to get it implemented as quickly as possible across those departments. I worry about any notion that that would take any length of time. There then needs to be effective monitoring of it, because you can put any number of statements out to departments, and I am sure they get everything across their desks every day, but this matters. It needs to be implemented, and there needs to be evidence that it is implemented in departments at the right time, as decisions are made.

We are very keen to see effective monitoring arrangements, which will be the responsibility of Defra, but we will be watching as well. We have a keen interest. It is one of the four cornerstones. We will be looking for evidence that that principles statement has been applied. Indeed, there is a requirement for departments to evidence that they have considered this, and we do not want to see a tick-box approach. We will be constant in our interest in this, as and when it comes in.

Natalie Prosser: If I just may add a couple of important points, this is a new statutory duty on government departments. It is an environmental legal obligation and, of course, it is Defra's responsibility to implement that. If departments are not compliant with the law, we will have an interest, perhaps via complaints that may well come to us in due course. We are planning a programme of monitoring, once the statement has had an opportunity to bed in, to test whether departments are complying with this new environmental duty. That is under our implementation role, but, of course, if we find issues of non-compliance with the law, that may well be a matter for us in due course, and we will signal our ongoing interest in that regard.

Lord Lucas: How would you expect monitoring to work? Interdepartmental relationships are famously difficult in government. If you have Defra telling the Treasury that it is not behaving, this is not an easy thing to make work.

Dame Glenys Stacey: I will deal with that, but, first, I said before that there is no timescale for this coming in in the statutory provisions in the Environment Act, but delay can become unconscionable. A court of law could ultimately decide that that was the case. We are not at that point yet, but it seems to me that there is a great opportunity here for the Government to show that their ambitions are greater than simply compliance with bare law. Let us get this thing in.

As far as monitoring is concerned, we do not have any specific monitoring proposals from Defra as yet, although we have pressed for monitoring proposals and have advised that robust monitoring will be necessary here, given what we know from history about how departments are likely to behave. We know that we have our own abilities to monitor, so we can

call in evidence from departments that we request. We have statutory provisions that require them to produce information in that way. There is a provision in the Act, as I have said, that requires departments to document in some way that they are applying this, decision by decision, so we should be able to find some real hard evidence, or not.

We will play our full part, but we are interested in how robust the arrangements might be that Defra will put in to make sure that the statement is adhered to. There is, as you know, a high-level cross-department executive group led by a senior director in Defra, David Hill, and I am sure that this will be on its agenda. We have spoken with that group before and appeared at its meetings, and we will no doubt do so again.

Q10 Lord Lilley: I was just trying to get a handle on the size of your organisation. Is there an equivalent body within the EU that monitors the implementation of environmental policy across the 27 member states? If so, how many people does it employ?

Dame Glenys Stacey: The short answer is no. We have other bodies. We have Environmental Standards Scotland.

Lord Lilley: I said within the EU.

Dame Glenys Stacey: Yes. I am just thinking of where we have anything at all.

Natalie Prosser: There is no OEP equivalent anywhere in the world at the moment.

Dame Glenys Stacey: The EU is said to be watching us with deep interest.

Lord Lilley: So why do we need it if they do not?

Dame Glenys Stacey: It is a matter decided by the Government and Parliament that, as we left the European Union, the oversight that had traditionally been provided by the European—

Lord Lilley: They did not provide it.

Dame Glenys Stacey: They have provided oversight in the court of law, so oversight has been through proceedings going through a court of law. There are, of course, also inspection regimes within and across Europe that we were subjected to as well. As they fall away as we leave the European Union, the Government and Parliament decided that a governance gap was created by that, and so determined that the OEP should exist.

Lord Lilley: That was my understanding of the rationale for the OEP—that it replaced something that existed at a European level—but you seem rather unclear as to whether it existed at a European level and, if so, how many people were employed doing it. You said that 63 people will not be enough, but it seems an awful lot to me. Ofwat employs only

226 and is an actual regulatory body; it is not just looking at what other regulatory bodies do.

Dame Glenys Stacey: Bodies differ in size. You mention Ofwat, but the Environment Agency has almost 11,000 people. They differ in size. We have done some very careful work to see what the minimum amount is that we could do a credible job on. It is informed by our own experience, but also by some very sophisticated modelling done in Defra with the support of PA Consulting. We have met with PA Consulting and with Defra to consider that modelling, which comes out at around 80 to 120. The experience that we have had to date suggests that that modelling is broadly right.

It is partly because we have such a broad range of functions. We are not simply dealing with complaints. We are also advising the Government, monitoring the law and reporting annually on the Government's progress in relation to environmental improvement, for example. We have an unusually broad remit, which means that, as it is, we have some very significant points of failure.

For example, on complaints and investigations, we have between two and four people in that area at the moment, so we are not overegging it. We have a broad remit. We have developed as flexible an organisation as we can. Every person in our organisation matters and we carry no passengers, but we cannot do a credible job on the numbers that we have. We do not need a lot more, but we need some more.

Coming back to the arrangements in Europe, there was no separate body in the way we are set up to carry that breadth. Indeed, no body was monitoring environmental law. That is a new function for us. The jobs were done across Europe in a range of ways.

The Chair: Yes, that is the key point. There was no comparable body, but there were organisations, including the Commission and the European Court of Justice, that were holding Governments to account for the implementing of legislation.

Lord Lilley: I am often critical of the European Union, but the European Commission is very tightly manned. It has 4,000 staff covering everything. I would be astonished if they had 63 people looking at environmental law compliance. They do it with far fewer people.

Dame Glenys Stacey: I could repeat myself.

Lord Lilley: They have 27 countries to look at as well.

The Chair: That is not a matter for you, Dame Glenys. If Peter wishes to pick that issue up, he can pick it up with Europe. I am sure they would be delighted to hear from him.

Lord Lilley: I am not complaining about Europe; I am using Europe as a comparison.

The Chair: Indeed, I know. It is a delightful moment, Peter. It is an issue for you to pick up with them. You are trying to get a sense of the numbers of European Commission staff who deal with this issue. We are saying that they do not have a separate body within the European Commission. There must be people, but that is not an issue that we can ask the OEP to justify.

Lord Lilley: It may be something we as a committee should look at, given that the whole rationale for the organisation is that it replaces a role that was done somehow within the European Union. We ought to look to see whether it was done more economically within the European Union and could be done more economically here or whether it needs more people. That seems a sensible analysis, given the origins of the body.

The Chair: That was perhaps a question to raise when the Bill was going through Parliament. We really should move on.

Lord Lilley: It is a question for the committee.

Dame Glenys Stacey: If I may just conclude on that, it is not for us to question the creation of the OEP or to question the arrangements that exist in Europe. For example, we know there is the European Environment Agency, which will have done a good amount of monitoring. We know we have some new functions that were not undertaken in Europe, such as the monitoring of environment law. That is a jolly good job too, given the amount of legislation that is proposed and the focus on nature this year.

It is a jolly good thing that the OEP is here, that it has the functions it has and that it has been able, despite the limited resource it has, to do an exceptionally good job of keeping track of a fast-moving legislative programme.

Q11 **The Duke of Wellington:** Hear, hear. Can I make one comment? Dame Glenys, you said—I should have known this, I am sure—that 11,000 people are employed by the Environment Agency.

Dame Glenys Stacey: That might have been an exaggeration. When I last looked it was 10,600.

The Duke of Wellington: It is of that order. Is one of the matters you might consider whether the Environment Agency, with that amount of resource, is able and prepared to carry out all the functions placed on it as a regulator? It seems a huge number of people.

Dame Glenys Stacey: That is a difficult question to answer, in fact. What I can say is that it has an enormous job. It is not only regulating for the environment; it is also managing flood risk and flood response. It is managing some very significant infrastructure projects in that regard. We would need to know a lot more about how that is managed to come to any conclusion.

Speaking in general terms, we know that all regulatory bodies start regulating with a strategy and an approach. That can become set and concretised. You want it to develop and grow with time—I am sure they try to do that—but sometimes it is concretised, despite your best efforts as a regulator, because of the funding arrangements. Funding is streamed. Funding coming from a licensing arrangement or scheme may be applied only to that scheme.

There may well be particular exasperating constraints in the way the Environment Agency can choose to prioritise and reprioritise. It is a matter that we are interested in. It is such a big first responder. No doubt we will maintain an interest in that. It is not in our direct remit to advise on the funding of the Environment Agency, but we are certainly interested in how it operates and its efficiency and effectiveness.

Indeed, the agency has been very responsive when we have asked questions about how it works. We appreciate that.

The Chair: Of course, in the Bill that set you up, we were very clear that a provision was put in to ensure that you can give advice to the Government on any matter that you feel is appropriate. I just put that on the record.

Dame Glenys Stacey: That is absolutely right. I keep coming back to it, but we are in the early months and we have had to prioritise certain things. I am pleased with our first report, but we did not deal with delivery. We were not in a position to do that.

Q12 Lord Colgrain: My question is really three questions in one. Which reform proposals from across government are you following most closely? What assessment have you made of the Retained EU Law Bill's environmental implications? What are your views on the proposed reform of the environmental impact assessment and strategic environmental assessment regimes?

Dame Glenys Stacey: That is a meaty set of questions. Indeed, it has been an interesting few months with a great deal of uncertainty. "Permacrisis" is the expression that is now commonly used. Like others, we are hoping that we are now entering a more stable period, but it is early days. We are not taking our eye off anything at the moment.

The things we are interested in are ELMS and what is happening there, investment zones and that proposition, the Levelling-up and Regeneration Bill, the newly announced planning and infrastructure Bill, and, critically, the Retained EU Law Bill. We can see that the Bill will give the Government really very significant powers to revoke and repeal EU environmental law, and to do so at an eye-watering speed. The first date is December 2023, which is a worrying first date.

What are we doing about it? We have set up a small team within our organisation to look at this and other reform matters. The day before yesterday, on late Monday evening, we submitted a substantial piece of advice and evidence to the House of Commons Public Bill Committee that

is currently scrutinising the Bill. We have made plain our concerns, which I am happy to go into if you, if you wish.

We will not be taking our eye off this one. We are liaising with Defra to find out from them what their approach will be to doing this work. This will be another close and continuous monitoring approach.

Lord Colgrain: It would be interesting to hear an illustration of your concerns.

Dame Glenys Stacey: Our main concern is about the short timescales proposed for automatic revocation of substantial pieces of European law. In our view, that creates very material risks in terms of protecting the environment. We know that law-making that is rushed can result in bad law, and mistakes are made when you are working under those sorts of pressures.

Resources are finite as well. Think about the amount of effort Defra would have to put into this. There are many hundreds of pieces of legislation. There is an opportunity cost. So much resource, in an already busy department, would be put into this that it would divert attention from other urgent work to protect and restore the environment.

The scale and speed that is proposed here presents considerable risks to the environment, which could result in more significant costs being put on businesses and others as well as some pretty dire effects on the environment, if we are not careful.

There is a particular risk in Northern Ireland. I am not sure whether you are familiar with this, but there is one long-stop date in Northern Ireland: December 2023. There is no opportunity for that long-stop date to shift in the way the Bill is drafted. Of course, we have an issue in Northern Ireland at the moment with no Northern Ireland Executive in place. It seems almost ludicrous to see that situation evolving.

We are also concerned that there is, oddly, no requirement in the Bill at the moment to maintain existing provisions that protect the environment. The existing level of protection is not said to be maintained. For us, that is an absolute minimum requirement. When the Government have such ambitions for the environment and such tight timescales to meet those ambitions, such as the 2030 species target, why would they not have in this Bill a provision that maintains existing levels and indeed, more than that, sets out to improve on existing levels of protection? Improvement is necessary in order for the Government to meet their ambitions for the environment. Here is a God-given opportunity, if they were to go through with this, to make a statutory commitment that would enable those ambitions to be better met.

The Bill—you may also have your concerns about this—also enables changes to be made by statutory instrument without those individual changes coming before Parliament. You do not get the chance to scrutinise these changes in the way we would wish to see. We could end

up with a less coherent body of environmental law if we do not have that level of careful scrutiny.

The Bill provides for the removal of retained principles, long-established principles, of EU law, including the environmental precautionary principle. We think this could weaken environmental protection. It certainly will not do anything to strengthen it. One way of mitigating that would be to get that Environmental Principles Policy Statement in. If we get it in now, it will shore this up, at least to some extent.

There is a difficulty, if this goes through as it is, in relation to how the courts will interpret matters. They will not know whether they are able to rely on established cases and established case law. Its standing will not be clear, as I understand it, in the future. We have a good number of concerns about the Bill as it is currently drafted.

Q13 Lord Lucas: The timescales in the Bill strike me as totally bonkers. I cannot imagine how a department can do a good job in that time. Would five years be reasonable? Will it take longer to get this job done well?

Dame Glenys Stacey: That is difficult to answer, because we do not even have yet a definitive list of the registered provisions or the Acts of Parliament that fall within it. That list is still being built. Within that list there will be matters that are pretty clear. A small percentage of those Acts of Parliament will be safely defunct or whatever, but a good number of them will not be.

If you wish to change it, how do you change it and what do you put in place? That is the issue. In that timeframe, if enough resource is put in, we could see better, more effective regimes to protect nature and water, for example. If you prioritise in that timeframe and put the right resource in, you could get to a reasonable place, but I cannot be certain about that. None of us can be. 2026 is a lot more palatable than 2023. It is to go through scrutiny, is it not? There are opportunities to get a better position, I hope.

The Chair: Lord Colgrain also mentioned the EIA and SEA regimes

Dame Glenys Stacey: I am sorry. There were several parts to your question. I might have answered one. Natalie, you can deal with the EIA.

Natalie Prosser: Of course, our evidence to the relevant Bill committee will be published in due course in line with normal procedure. You can see the detail of what we have said once that happens.

Turning to EIA and SEA, there are two angles that I want to talk about. First, you may have seen that we submitted evidence to the Levelling-up and Regeneration Bill Committee, in particular in relation to Part 5 of that Bill, which creates that framework for potential reform and the environmental outcomes regime that would replace existing SEA and EIA assessment.

In principle, we are not at all averse to reform of this regime. It has been subject to some criticisms. It is very likely that it could benefit from reform, but we would note that the Government are obliged to have published several reports on the implementation of the existing EIA legislation. They should have been published in May 2022. As is noted in our evidence, that assessment would be incredibly valuable in assessing the efficacy of a proposed new regime.

The second point we have made is that the real detail of a future regime would exist in secondary legislation, not primary legislation, which means that, as part of this process, it has been that much more difficult to scrutinise what those proposals may mean. Of course, they may well be very positive—we do not know yet—but the lack of evidence and analysis at the moment is hampering that.

In relation to that and the Government's recent Green Paper earlier this year, in line with our priorities around nature, we have initiated two programmes of work under our implementation of environmental law powers. One is looking at the functioning of environmental impact assessments and SEA impact assessments as they operate now. The second is looking at how the current regime for protected sites is operating. That is linked to the potential reforms as proposed in those Green Papers.

That piece of work will look at current functioning. We would hope that that will produce some evidence to suggest where it is working well or where it can be improved. Whether those regimes change or not, we think that will be of benefit. If the regimes are changed, we would hope that the work that we are doing and getting under way can help to inform what a new regime would look like and address areas of weakness in the current regime.

Similar to our water work, that is just getting under way at the moment. Again, it is due to report ideally in early summer next year. That will be another Section 29 report, which we will lay before Parliament. If events move more quickly in relation to the current Bill, we will draw on our interim findings, where it is possible for us to do so. I hope that addresses that question.

Dame Glenys Stacey: The frustration here is that this is an area where the devil is in the detail. We need to see those draft statutory instruments.

The Chair: It would seem sensible if the Government waited to get your report on how the current regime is working in terms of its ability to deliver the objectives on environmental protections before pushing ahead in the Bill. I would hope that the OEP has made that view clear to the Government in some shape or form.

Natalie Prosser: We have certainly made it clear to the Government that it would be helpful for them to do the reports they are legally obliged

to do, as this Bill moves forward. We have written to the relevant departments in that regard.

Dame Glenys Stacey: Given your steer, we will press it again.

Q14 **Baroness Boycott:** First of all, the level of your workload is completely staggering. It is amazing. What are your main priorities for the coming period? What will success look like for you? What needs to be in place for the Government to deliver the environmental ambitions through to 2025?

Dame Glenys Stacey: I will start with our priorities at the moment. There is still a bit of setting up to finish, moving into those new premises. There is some stuff that just has to happen, and we need to get on with that.

A big priority for us now is that in January we will be doing a second report on the Government's progress against its environmental improvement plan as it is now. There is a deadline set there for us by statute, and we are not going to miss any statutory deadlines. It is not a good look. There is an awful lot of work under way now in relation to that. You will understand how much work goes into that report. It is a key priority for us.

We have a big investigation under way on combined sewer overflows and water. We want to finish that at the first opportunity, so we will continue to press for that on the provisional timescale we have outlined.

We still have a lot of work to do to keep track of a fast-moving legislative programme. We will be following that closely and, of course, tracking the Government, most immediately in relation to the statutory targets that are now regrettably overdue. Alongside that, we will keep up with our complaints work. We may well find another complaint that we judge to be serious and give it priority.

When we take all those things into account, there is not much room for any other immediate priorities. I might have forgotten something, and Natalie will tell me.

It is also worth noting at this point that we produced our first corporate plan for just a 12-month period when we started because, frankly, we needed to have some experience to see. We will produce a second corporate plan in the spring of next year, which will be a three-year plan that will set out more fulsomely for you what our priorities and approach will be from then on. We have plenty to get on with at the moment.

Natalie Prosser: We are turning our minds right now to our future three-year plan. The scale of our ambition for what we can deliver is very contingent on how much resourcing we have. We are actively in negotiations with Defra at the moment in terms of the future resourcing model.

I will go back to the comment I made at the beginning. We do not want to be in the position of looking backwards when the target deadlines

arrive. We want to play our full part in supporting the Government to meet their ambitions. These are ambitions set by the Government. Yes, of course we press for ambition, but this is a policy agenda owned by the Government.

In terms of evolving the OEP from where it is now, it is about making sure that we are able to forecast meaningfully the future trajectories for improvement of the environment against those targets and those EIPs. I very much hope that we can develop that, because it will be incredibly helpful. We will continue to invest in shining a light on areas of current implementation and on how the system is working now on those pressing areas.

We will see. We will learn as we go. We have two big pieces of evaluation that we are just about to commence. We want to learn from that to understand whether our attention and diagnosis of issues provides the opportunity to drive effective reform. All of this is keyed to making the Environment Act and the constitutional arrangements created by the Environment Act work as well as they can and playing our full part.

Dame Glenys Stacey: You asked what success would look like for us. We have a statutory role and purpose, and we want to fulfil that to the full. We set out to assist the Government in protecting, restoring and improving the environment. We would hope to be able to demonstrate, over time, that we have had a positive effect there. It will help when we have that new EIP and those new statutory targets, because we will have things to measure against.

We are getting pretty regular advice to the Government. We have done a good handful of quite good pieces of advice. We would wish to see at least some of our advice taken. We are not naive. Government and Parliament are able to make decisions, but we would hope to be able to demonstrate to you that we have had influence in the right places and in the right way.

Of course, we want to be seen to be sufficiently effective in relation to enforcement, recognising that we know that often the best approach is to raise an eyebrow and have a chat rather than resort straight to lawyers. We want to be seen to make wise and best use of the powers we have.

Baroness Boycott: Are you optimistic that you will get the extra funding in order to increase your staff, given that cuts are going on?

Dame Glenys Stacey: It is a difficult environment in which to be asking for yet more. I have made the point already, though, that our resource to date is 0.2% of Defra's budget.

Baroness Boycott: It is tiny.

Dame Glenys Stacey: It is just a drop in the ocean. My hope is that both Defra and the wider Government understand that it is beneficial to have an effective OEP rather than an OEP that is not credible. At the

moment, we are hopeful, but we are pressing our case and demonstrating it.

Baroness Boycott: When will you know?

Dame Glenys Stacey: We are going through a process at the moment.

Natalie Prosser: We should have a clear indication by the end of the year, but we are very much actively in that negotiation process at the moment. It is difficult to ask for more funding in difficult times, but the OEP is still being established. We are just getting up and on our feet. It is not the case that we are asking for addition above a core baseline. This is to get to our proper target operating model.

I would hope that the money spent on the OEP represents really good value for money, because it allows government to make strategic choices. There is an enormous capital budget in Defra that needs to be deployed in the right way, in a way that is targeted to deliver on those ambitions. We think we can play an important role in how those choices are made and in ensuring in turn that that money is spent to best effect.

I see the OEP's value in enabling a much broader system to work in an optimised way, including in a way that is efficient. We can look at the evidence base for what an optimal arrangement looks like in terms of effective regulation, in particular.

Baroness Boycott: That is something we can all ask questions about.

Dame Glenys Stacey: Thank you very much for your interest.

Q15 **The Chair:** As a follow-up to that, are your proposals to scale up your operation publicly available? What are the priorities, and what would that cost? We have the Secretary of State coming before us in a couple of weeks. Is there an opportunity for Parliament to give support, should we feel it was appropriate?

Dame Glenys Stacey: I wonder whether it would help if we offered you a note.

The Chair: That would be extremely helpful.

Natalie Prosser: We are still crunching the numbers, but we have to crunch them quite quickly. I am sure we can supply that.

The Chair: There are a couple of weeks before we see the Secretary of State. It will be her first evidence session before a parliamentary committee, so it would be a useful thing to have.

The Duke of Wellington: May I just make a suggestion? I have found this session so helpful and interesting. I am sure that we as a committee would want to give every possible support to the new agency. Could we, for example, ask for another session after the publication of the report on your investigation into combined sewer overflows? That would be extremely helpful.

The Chair: We certainly can.

Dame Glenys Stacey: We would be happy to appear before you at any time.

Q16 **Lord Browne of Ladyton:** On this subject, now that we are no longer in the EU we do not have to pay for the Commission. The Commission employs 32,000 civil servants. There are 26 Commissioners. There is one for the environment. If he gets his fair share, he has about 1,200 civil servants. In terms of scale, that is a reasonable point to make to the Government.

On the question of metrics for success, paragraphs (a) and (b) of your strategy are very interesting. In those paragraphs, you explain how you will assess what effect you can have in any given set of circumstances. You will be tested by that if it is transparent enough for people to know what your assessment is. Will it be transparent enough for people to know in any given set of circumstances what your assessment is at the beginning and what the result is at the end?

Dame Glenys Stacey: It is worth making the point that we set out to be as transparent as we can be. That is not necessarily because it is convenient; it is because we believe that we will not be seen to be credible unless we are as transparent as we can be. There are some things that we necessarily cannot be transparent about. With enforcement proceedings, for example, we would risk success by doing that.

Where we can, we will be transparent. Indeed, as a board, we have had a session on how transparent we can be and what transparency means. We know we have further to go, but we have already set out as we mean to go on. We publish the correspondence we have had with the Secretary of State about missing a statutory deadline, for example. We publish our board minutes. We are doing everything we think we can. Of course, it would be an odd organisation that produced a corporate plan, said it was going to measure success and then was not public about how it evaluated success, so we will be doing that.

One other thing I would say is that we are not complacent. We will not be the only judges of our success—quite the opposite. We are very interested in feedback from NGOs, Parliament and anywhere as to how we are doing. Indeed, we have a piece of work under way now to assess, at this early stage, through interviews with stakeholders—indeed, there is one with your Chair this week—how we are seen to be doing. We are very keen to be seen to succeed and to actually succeed.

Lord Browne of Ladyton: I can see that part of the purpose of your existence is the degree to which you contribute to the national targets we all are responsible for setting with the Government. The proper metric of your success is the degree to which you meet your own assessment of what you ought to be able to do. It does not really matter how many people are out there to comment on that. If they do not have the data, their comments are irrelevant. To what extent will you share the data

that is required by paragraphs (a) and (b) of your strategy publicly?

Dame Glenys Stacey: To be direct, my answer is that we will share all that we can. If we are not providing data, there will be a reason. We will have to justify why we are not. I cannot think of that reason at the moment, frankly.

My default answer is yes. If we do not provide something, there will be a reason, and we can tell you what that is. I cannot think of one now, but it might, for example, be tangentially relevant to an ongoing investigation, although I doubt it. Our commitment is to provide all that we can and to do so in a timely way.

The Chair: Our job is to challenge or scrutinise that, if we feel there is a question that needs exploring. Thank you for that.

That is an appropriate point to end this session on. As we have identified, it will not be the last that we will be seeing you, I hope. Thank you very much for your forthrightness and your openness. We really appreciate that. We wish you every success. As you will know, around this table there are a number of strong champions, as there are in the House of Lords, for the very necessary work that you need to undertake if we are going to get anywhere near the environmental improvements for our country. Thank you very much.