



HOUSE OF LORDS

Environment and Climate Change Committee

Corrected oral evidence: Office for Environmental Protection

Wednesday 28 January 2026

10 am

Watch the meeting

Members present: Baroness Sheehan (The Chair); Lord Ashcombe; Lord Jay of Ewelme; Lord Layard; Earl of Leicester; Lord Lennie; Lord Mancroft; Baroness McIntosh of Pickering; Lord Trees; Baroness Whitaker.

Evidence Session No. 1

Heard in Public

Questions 1 – 13

Witnesses

I: Dame Glenys Stacey, Chair, Office for Environmental Protection; Natalie Prosser, Chief Executive Officer, Office for Environmental Protection; Professor Robbie McDonald, Chief Scientist, Office for Environmental Protection.

Examination of witnesses

Dame Glenys Stacey, Natalie Prosser and Professor Robbie McDonald.

Q1 The Chair: Good morning, and welcome to the Lords Environment and Climate Change Committee. Today we will hear evidence from the OEP—the Office for Environmental Protection—and we are delighted to have with us Dame Glenys Stacey, Natalie Prosser and Professor Robbie McDonald. May I take this opportunity to thank them all for making the time to be with us today? I know, Dame Glenys, you in particular are very much in demand at the moment as you come to the end of your tenure with the OEP, so thank you once again.

Before we start, I remind everyone that the session will be webcast live on parliamentlive.tv and that a transcript will be taken and made public. Witnesses will have an opportunity to review the transcript and, if necessary, make minor amendments. Members are reminded that they should declare any relevant interests the first time they speak, and I will take this opportunity to declare that I am a director of Peers for the Planet. Before starting, I ask each of our panellists to briefly introduce themselves, starting with you, Dame Glenys.

Dame Glenys Stacey: I am the inaugural chair of the OEP.

Natalie Prosser: I am the chief exec at the OEP.

The Chair: Excellent. Do speak up as you are very quiet; maybe move the microphone towards yourself also. Thank you.

Professor Robbie McDonald: I am the OEP's chief scientist.

Q2 The Chair: Excellent. Again, thank you all very much for being with us. I would like to start, if I may, with the Government's report published just last week on *Global Biodiversity Loss, Ecosystem Collapse and National Security*. This national security assessment found with high analytical confidence, first, that global ecosystem degradation and collapse threaten UK national security and prosperity, not least our food security, and secondly, that ecosystem degradation is occurring across all regions and every critical ecosystem is on a pathway to collapse.

The OEP's reports, also published very recently, on protected sites, and the annual progress report, both highlighted that insufficient progress is being made on improving wildlife sites in England. Can I ask each of you, first, how bad is the problem really? Secondly, what are the main pressures contributing to the continued decline in the condition of protected sites? Maybe, Dame Glenys, you would like to start.

Dame Glenys Stacey: I will start, before seeing what my colleagues have to say. That latest assessment of Government is interesting, and it paints a stark picture; our own report paints a pretty stark picture as well. The Government's latest assessment builds on earlier assessments by various parts of government, including the Cabinet Office, talking about compounding factors that all lead not just to a dire situation for

nature, but also threats to our security. At a certain level there is an increasing cross-government understanding of the importance of these issues. It is not just about having nice nature to look at and walk in, it is about our health, well-being and national security, and obviously we welcome any increasing statement and awareness of that.

How bad is the situation? We reported this year that there has been an improvement, in some ways, over the year that we are reporting on, but it is all about the relevance, or rather the context in which we are saying that. We are saying, yes, that 12 of the 43 indicators that we measure have improved a bit, but 31 have not. Although we are seeing some marginal improvement in some areas, it is not on the scale or at the speed with which we must address these things in order not just to meet the Government's commitments and targets, but to make our country safe, secure, prosperous and a healthy place for people to live. You may want to add a bit more detail, Robbie.

The Chair: Your report's findings are in the context of England and the UK being one of the most nature-depleted countries in the world, so we are starting from a low base.

Dame Glenys Stacey: We absolutely are, there is no question of that. When we look at things like some of the species' issues levelling off, it is from an extremely low base when you compare us to every other country in Europe, for example.

Professor Robbie McDonald: The most striking thing about that assessment you are referring to is the certainty and immediacy of those impacts; this is not a report that is shying away from bad news. These events are having direct impacts on food production and security across the world. We are likely to feel those impacts, but the same processes of deterioration in ecosystems are happening in this country.

There was another piece of work that came out very recently: the Government's report on the Habitats Regulations, that showed that of the 71 habitats that required protection in this country, only two were in favourable conservation status. Those two were very localised: one in the Lizard in Cornwall, which I happen to know about, and another one in Lincolnshire sand dunes. The same processes that are happening globally and threatening international security and our domestic security are very much still happening in this country.

Natalie Prosser: In our latest review we have drawn on insights from within government, including the Cabinet Office's critical risk assessments. That also shines a pretty sobering light on the security threat domestically from biodiversity collapse, on practical things like food availability and supply chains. It is a very salient context in which to look at the threat to biodiversity domestically.

The Chair: Could I ask each of you to comment on the second part of the question, which is what are the main pressures contributing to the continued decline in protected sites?

Dame Glenys Stacey: I will start again and then see what others have to say. You found answers to some of this in your 2023 report, and we do not disagree with you: progress simply has not been sufficient.

We would point to a number of root causes, if you like, and then the pressures. The root cause is, first, insufficient action from Government. When you look over the last 25 years there was a period of about 10 years at the start of the century when things were happening, but nothing much has happened since somewhere around 2011. So we have seen insufficient action and neglect, really, of these sites from the Government.

The Chair: What happened? Why was there a change in 2011?

Dame Glenys Stacey: I do not know precisely. What I would say is that there is a clear link here with resources. When Natural England has been resourced to take action in relation to these sites it has done so, but when you withdraw resources it does not happen.

Insufficient investment—either with the delivery body or by way of incentives—has had its part to play as one of the root causes. There is indeed a great opportunity to cross that bridge, that lack of incentives, with some of the agri-environment schemes, for example, but we have not yet seen that fully connected. So again, the lack of incentives for those who are directly responsible for those sites is an issue.

There are still gaps in the evidence base around these sites and the gaps between, so there are those root causes to tackle. Then the actual pressures are mostly related to agriculture, as you found yourselves, and agriculture-related activities, as I would call them: intensive grazing, undergrazing, overgrazing, all of that. Things that lead to water pollution inevitably have their impact; then there is the burden of climate change. For birds, increasing disease has its part to play as well. Robbie, you wanted to come in on the break point.

Professor Robbie McDonald: It is important in relation to the specifics, because between 2000 and 2010, the Government were doing rather well. This was because there was a public service agreement in place that drove action. Once that came to an end in 2010, that drive from central government tailed off, and that is what we are seeing now. The roles and responsibilities ultimately lie with central government in driving and setting the level of ambition and introducing the ability to act.

Q3 **Lord Layard:** Very much following up on that, I wanted to ask whether there needs to be any change or strengthening in the responsibilities of Natural England or public authorities in order to achieve this? Or is it perhaps, as was suggested, just a matter of funding? Should there be changes in the formal responsibilities of any bodies?

Dame Glenys Stacey: I will start and then pass to you, Robbie. Money is the fuel, is it not? Without fuel, this car is not going anywhere, so we need the money. It is quite costly doing this work, although there are some new ways of monitoring, for example, that could help contain the

cost. But it is not just about resources. Indeed, we have made recommendations in our report on protected sites: you need to hardwire the responsibilities with statutory targets and with clear obligations on the delivery body, Natural England. Do you want to expand on that?

Professor Robbie McDonald: The roles and responsibilities are quite clear: there is a duty on the Secretary of State and on Natural England to ensure compliance with the requirements of regulations in relation to protected sites. We are seeing, however, a reduction in the level of ambition on the part of the Government, and you can see that in the wording and the way in which these targets are framed. We started out with targets for the condition of protected sites. That moved to commitments, and then that in turn has turned down to ambitions, so that is a moving away from the desire to preserve these protected sites.

We see central government also reducing its commitment in practice, not just in wording. Natural England could do more. We have highlighted the role of monitoring, and we think that monitoring is essential to effective regulation in this space. But Natural England also needs to do more on designation of sites, and critically it needs to do more in advising landowners, and there are significant shortfalls in the availability and quality of that advice.

In terms of wider responsibilities, there are duties on all occupiers of protected sites, and there are duties on other public authorities too, so it is not just Defra and Natural England. In our report we highlight the significant role of other public landowners, for example Forestry England, National Highways and Network Rail, and their performance in relation to protected sites is not what it could be. But that again comes to central government. Defra needs to take a leading role in co-ordinating the activities of these public authorities. The last guidance for public authorities was issued in 2003 and it is extremely hard to find, so refreshing that guidance and making sure that Defra is taking the lead with other public authorities is going to be very important.

Q4 Lord Mancroft: All your answers are very comprehensive, and you talk about the role of government in its various different forms, but the fact is that most of the land—the environment you are talking about—is privately owned, and anything that is done to improve it will be done because the private landowner spends money. Central government can have as many ambitions and targets as it likes, but if the private landowners do not have any money, they are not going to spend it, so what central or local government does is almost irrelevant.

I have a slight interest in that I have an SSSI. I do not think the Government have ever been near me. Next door to me is a very large piece of old woodland that does not belong to me. It is in the most appalling condition, mainly because the Government, in its various forms, have done so much damage to it, although it is privately owned, and the private landowner cannot possibly afford to do it up. So from where I look at it, central government is actually causing problems, not producing solutions, and just hampering the private landowner from doing any of

the things they might want to, or could do.

Dame Glenys Stacey: That is a situation we want to turn around, is it not?

Lord Mancroft: Yes.

Dame Glenys Stacey: We say that it falls in large part to the Government in the sense that they can assist that landowner in any which way to do the right things on that SSSI. For many people, that would include just being there to give site-specific advice. That is not routinely available at the moment, as no one is showing an interest in that site because the relevant delivery body is not funded to do so.

We come back to incentivisation being a great thing. If you are a landowner and there is a way in which you can be rewarded for doing what might be the right thing on that site, actually getting assistance, in the way of site-specific advice, may mean that you are more likely to do it.

I am not suggesting that this would result in 100% improvement in every SSSI, but it could make a difference nationally if that right advice were available in a timely way in relation to that site and the right incentives were there, perhaps connected to ELMS or agri-environment schemes, to actually reward that. That is the gap that we see at the moment.

The Chair: Do the Government recognise that gap?

Dame Glenys Stacey: I would hope that you would have the opportunity to ask a senior representative of the Government that question.

Lord Lennie: Whose responsibility is it? Is it the landowner's to seek advice, or local or central government's to provide that advice?

Dame Glenys Stacey: That is unclear at the moment. Landowners can seek advice, but some would perhaps say that the response is not satisfactory: that it is generic or like a call centre; it is not tailored to them and recognising the entirety of their interest on that piece of land and the land around it and associated with it. So what we are saying, and we have said it for a while now, is that that is a gap: that tailored human advice could go a long way. Robbie, did you want to add anything to that?

Professor Robbie McDonald: Just to highlight that your personal experience is not unusual; we reflect in the report that that is the norm. Most landowners are not closely in touch with the merits of their land, the reasons for its designation or the requirements of its management. A combination of government and other public authorities and private landowners would have the wherewithal to remedy that situation, but that is not what is happening. It is a key problem.

Natalie Prosser: There is a disconnect between agri-environment schemes, ambition, innovation and stability in nature markets and practical support to landowners and farmers. We have seen some really exciting examples of landowners and farmers coming together, working in clusters, working with nascent nature markets to improve their land, but that is not well-supported or well-connected. Where you have those opportunities, they are not necessarily evolving and providing a framework that could allow protected sites to really improve. So there are many different moving parts that could be improved and work together more effectively that would deliver on many fronts.

Dame Glenys Stacey: Chair, could I go back to your question about whether the Government recognise it?

The Chair: Yes, of course.

Dame Glenys Stacey: Thank you. I hope you get to ask the question to people other than me, but there is no doubt that they are able to recognise it. We have pointed it out in a protected sites report, we have reported annually in our EIP reports as well and you have pointed it out. It is hard to ignore the evidence if you are at all interested, so I assume that the Government are aware of the position.

The response from the Government is predominantly set out now in the new EIP25. There we see a watering down of the language, as Robbie has already said, but also a watering down of the actual commitments: they are notably less impressive than those that they replaced. The main thing is that something happens: the Government have made these commitments in the last EIP and not delivered against them. There are thinner commitments in the current EIP, but we need to see them delivered.

The Chair: Absolutely. I will come to Lord Jay, as time is moving on.

Q5 **Lord Jay of Ewelme:** I am going to ask about your report on protected wildlife sites, which recommends introducing statutory duties for Natural England. You have mentioned that already, and I want to ask you whether the Environmental Improvement Plan sufficiently addressed the concerns that you have. You mentioned the Environmental Improvement Plan, and I noticed that it says it will, "Build the evidence base for delivering the species targets, including the biodiversity targets modelling programme, monitoring and evaluation programme and supporting on the ground surveys and monitoring".

There seems to be an awful lot of emphasis on targets, goals and alerts, but not much action. Do you get the sense that action has just fallen away? You have already addressed this in a way, but it is actually quite worrying: lots of reports and lots of alerts, but not much action. Is that unfair?

Dame Glenys Stacey: The short answer is we recognise that entirely, and we have recognised it in our annual reporting against progress, where we are reporting a lack of sufficient progress. I do not know how

many times we have said that the thing that really matters is delivery; we have been saying it for many a long year now.

The predecessor to this EIP was many pages long and had lots of repetition, with a long list of things that should happen, but not much action to actually make those happen. What we have now is a tighter new Environmental Improvement Plan that is touching on delivery. There are some gaps, but there are indications of how these things are to be delivered, and how they then link back to achievement of these targets. So we are in a better position with this new EIP; it is early days but the question remains, is it actually going to be delivered? If it is delivered as set out in the plan, it would go a long way towards helping the Government achieve their ambitions for the environment. So once again, we are entirely dependent on delivery.

Lord Jay of Ewelme: Who would you go to in government to say, "Okay, you really have to take action now"? Who would you be speaking to?

Dame Glenys Stacey: This is the Government's plan; it is not Defra's plan. It is agreed and published by the Government, so that is the start point. But of course our day-to-day dealings are with the Secretary of State for the Environment—the most immediate embodiment of government in our world—so we would certainly initially be going to that Secretary of State.

Lord Jay of Ewelme: Do you get the sense that No. 10 and the various people who are advising the Prime Minister are focused on this? Are they giving instructions to Defra, or have they just got other things on their minds?

Dame Glenys Stacey: We know that there are plenty of other things to be concerned about, do we not? We know that this Government, despite the global issues, have a domestic agenda focused very clearly on economic growth, which is hard to argue with.

We argue that economic growth is not achievable and certainly not sustained without a healthy, thriving natural environment. As we understand it, that is not argued about in government: the Government have publicly accepted that that is the case at all levels. But words are one thing and action is another, and we need to see the actions.

Q6 **Lord Trees:** Thank you for coming and talking to us yet again; we appreciate it. It is clear from your reports and what you are saying now that there is an abject failure to reach many of the targets, which indicates that either the targets are set too high or the resources applied are insufficient. Clearly you seem to be suggesting it is the resourcing that is the problem rather than the setting of the targets, but I would be interested to hear that.

What specific shortcomings do you see in the funding, particularly in the resources, and how might they be addressed? Two or three things are particularly suggested in our notes, including the timing of funding being

too short to allow planning and appropriate responses, a clarity of duties among different ones, and a lack of support, really, for landowners, which has been touched on as well. Could you comment on those things, please?

Dame Glenys Stacey: Taking the targets first, if you remember, the last Government set those targets and they were late in setting them. We were pressing for those targets to be set, and we know that there was due deliberation over them at senior levels; there was an intention to set targets that were ambitious but achievable. The exact nature of the targets will have been influenced, just pragmatically, by what information could be monitored and collected in order to demonstrate achievement, so that would have been a factor as well. We certainly advised the Government at the time that we thought the targets were suitably, though not overly, ambitious, although we had an issue about air quality targets and the timeframe in which they were to be met, and I must say our concerns have been proven right, actually. So I do not think we are in a situation of overambitious targets. We are instead in a position where the level of commitment and effort required is immense and stretches beyond Defra and its agencies: to meet some of these targets means wholesale change for society.

Secondly, you start from a certain place. When these targets were set, Defra and its agencies were configured as it was when we were part of Europe—in a different universe—and for that configuration to come together to deliver these targets, and to work out how to do it, was a big ask. That has been a struggle as well. But yes, it is not just about the complexity of governance and the will to achieve, it is about funding.

I will turn to Natalie on funding in a minute, but it is immediately obvious that the timing of decisions for funding is difficult. The nature of funding streams can be very restricted within an individual delivery body—for example, around licencing—which makes it difficult for the leaders of those organisations to deploy their resources most effectively. Then there is the length of time for which one has any certainty about funding. It seems as I get older and smaller, so the length of time of certainty gets smaller. The window gets ever tighter, and that makes it enormously difficult to make decisions which need to be followed through in the long term and for years, in order to make the difference that is needed. Natalie, you may want to say a bit more.

Natalie Prosser: I would like to comment a little, not just about historical underfunding—there has been historical underfunding—but also how funding is used to best effect. The main funding stream for protected sites comes from agri-environment schemes, and I have mentioned those as well. There is also quite significant potential from nature markets, and that has been quite unsteady, because of varying degrees of policy changes.

But let us come back to agri-environment schemes. It is entirely possible that the use of that funding could be applied much more effectively, and there is a real paucity of information to know the impact of the money

that has been spent, in terms of what it has delivered. A lot of that funding goes into SFI schemes—the lower tier funding availability for farmers—but it is not joined up, and how that could potentially benefit the protected sites network in particular has not featured in the thinking very much.

In our report we make our key recommendation about getting nature-friendly farming right, because that is a huge policy lever that the Government can pull. Used effectively it can deliver multiple environmental benefits: yes, for protected sites, but also for clean water, clean air, improving our soils, resilience and adaptation to climate change. That investment has just not been adequately effective. It could be a lot better because there is a significant amount of money in agri-environment schemes, and getting that money working effectively is very much tied up in our recommendations.

Dame Glenys Stacey: I wanted to say, Lord Trees, that one reflection over the five years that I have been at OEP is that whenever we look at a particular area in detail—this time, protected sites, but also others—we always find inadequate resource.

What is interesting to me is that we are not talking about putting an extra 10% or 20% in, we are talking about orders of magnitude, if you want to make a difference, and Robbie, you might want to comment on that. For example, hundreds of millions of pounds committed to agri-environment schemes sounds great, but it is over 20 years. When you look at it on an annual basis, I question whether that is going to deliver. As I say, orders of magnitude are what we need to talk about here.

Lord Trees: Could I just say on that, we spent £4 billion supporting the CAP, and the promise was that we would spend the same amount of money but in a different way. That is a lot of money, so are we far short of that?

Dame Glenys Stacey: We appear to be, yes. Thank you for making that point.

Professor Robbie McDonald: Specifically in relation to working at a landscape scale, the higher tier schemes in the agri-environment schemes are extremely powerful. We have seen great evidence of landscape recovery projects working in north Norfolk, and they bring together clusters of farmers who are then able to access the necessary advice because they are doing it collectively. They work together at a landscape scale, often around protected sites, so they are at the centre of a landscape-scale project.

As Dame Glenys mentions, there is a commitment in the EIP to fund the landscape recovery scheme, but it is £500 million over 20 years. So by the time you are working at a landscape scale, engaging dozens of farmers in each project, then that gets spread very thinly and does not elicit the sort of landscape-scale restoration work that we know farmers and private landowners are willing to deliver. We saw great evidence of

them wanting to come together to build these projects before land was being turned away from the programme.

The Chair: Before I come to Baroness Whitaker, I want to ask our panellists about statutory duties. You mentioned the revised EIP 2025, and it has come up in our briefing notes on a number of occasions, stating that it will, "Build the evidence base for delivering the species targets, including the biodiversity targets modelling programme, monitoring and evaluation programme and supporting on the ground surveys and monitoring." As Lord Jay said, there is a lot of stuff about aspirations, but very little on commitment to a statutory duty for protected sites to be monitored. Is that something that you think needs to be addressed?

Dame Glenys Stacey: We have made recommendations in relation to this, but Robbie, you want to flesh that out.

Professor Robbie McDonald: Yes, so there are two key recommendations for legally binding targets in our report: to increase the area of protected sites, and then to improve their condition as well. England has among the lowest rate of coverage of protected sites across Europe and it has stopped designating new ones.

There are steps towards increasing the network of national nature reserves, which is welcome, but we have some questions about the thoroughness and completeness of the protection that that gives. The other target is about improving the condition, and we have mentioned how poor the condition of protected sites has become. In relation to a statutory duty, we recommend that Natural England is given a duty to monitor protected sites; but we see that as more or less impossible to operate if you do not understand the condition of the thing that you are trying to affect.

This is really at the core of all forms of regulation, is it not? That you need to have effective evidence in order to know what to then change, and whether compliance is occurring. It is not unusual that there should be a requirement for monitoring the condition of the thing that you are seeking to improve. So we think that that duty needs to be introduced, and indeed that was one of the recommendations made by this committee in its report on 30 by 30. It is basic evidence that is required. The way it is done presently is extremely laborious, so I have no doubt that there is room for efficiencies in how monitoring evidence is gathered, but it remains the fundamental aspect of how to make these sites work better.

Q7 Baroness Whitaker: Thanks very much for giving your advice again. I should first declare that I live in a national park with lots of protected sites and chalk-bed streams, so I see these issues at first hand.

I hope we can find something a little more positive from my question because we had a new Planning and Infrastructure Bill last December with spatial development strategies and the use of a nature restoration

fund. Can you tell me what your assessment is of the usefulness of these particular provisions as mechanisms to increase protected sites and species abundance?

Dame Glenys Stacey: We have had a good amount of engagement with government, and with this House, actually, in relation to the Planning and Infrastructure Bill, as perhaps you know. We had some immediate concerns about regression, and protection there, and gave advice to government fairly urgently. We are pleased to see that much of our advice was taken on board, which did ameliorate our concerns to a large extent, though not entirely.

What we see now is that it is all in the implementation, and there is a lot of uncertainty, is there not, about how that is going to pan out. We can see the delivery risks; that this is a big change for the main delivery body—Natural England—and we can very clearly see the funding risks as well. There are many opportunities for that funding to be dissipated over time, so I know that the OEP will be watching those implementation risks very carefully after I leave, and we would wish to report to Parliament on the first opportunity should we find that things are not working as Parliament intended. I do not know whether either of you wanted to add anything. Robbie?

Professor Robbie McDonald: I suppose the first thing to say is that the Act introduces a more strategic, or a different strategic, approach to this issue of the conflict or potential conflict between development and nature protection, and a more strategic approach is welcome. We identified the opportunities to make sure that these plans link up well with local nature recovery strategies, which is an important mechanism for local planning authorities to deliberate on where developments should best happen and how best to conserve nature. So a more strategic approach is important.

But the mechanism of the Act is not intended as a means of nature restoration; it is about facilitating development. We do not, and in fact government do not, really see it as a tool for nature restoration. The provisions in the Act are not included in the list of actions in the EIP that would contribute either to the species abundance target—the legally binding target in the Act—or any of the other measures. So it is there to facilitate development and to do so in a way that would ideally be nature positive, if it works the way it is intended, but it is not a means of improving the condition of protected sites or species per se.

Dame Glenys Stacey: No, but so much rests on how the overall improvement test is interpreted. You need to see something that is going to make a material positive difference. At the moment, it is very much open to interpretation, but that is the opportunity, if you like, in the provisions.

Baroness Whitaker: Yes, I accept that is a very positive way to look at it. The CPRE is on the side of growth, of course—imperilling nature—and Natural England takes the other view, but of course it is part of the system anyway, so perhaps that is what it would say anyway.

Dame Glenys Stacey: Hopefully, it will be looking to design, oversee and see delivered schemes that will make a real material improvement on the ground, which it can measure and demonstrate.

Baroness Whitaker: So is it all in the monitoring of delivery then, more or less?

Dame Glenys Stacey: There is something about how this is now taken forward and designed; given the experience of the past, there is a risk that it just becomes overly complex; you want it to be sufficiently straightforward. Then Natural England needs to be given sufficient authority to do the right thing. If I were you, that is something I would be watching: that it is empowered to make this work. And then I am concerned about the funding, as there are various ways in which it could come; there is a real risk of a lack of transparency in who holds it and how it is distributed.

There is a risk of a watering down of ambition: on the one hand, we would of course like to see obvious evidence of material improvement, but a cash-struck Government may take a more parsimonious view about that, and there will be that debate to be had. So there is actually a complex, interwoven set of risks here that I have no doubt that the OEP will be on top of. It is a big issue and we will want to make sure that we are able to alert you and others in Parliament to any shortcomings.

Natalie Prosser: We have identified real material risks of implementation, and we are scoping work at the moment about how we can use our scrutiny functions to assess the role and implementation of EDPs in the NRF. I know we have not finished that scoping work, but it is of a level of risk that makes it a priority area of interest for us on an ongoing basis.

Baroness Whitaker: That would be helpful. There is presumably more guidance to come, so I hope that your organisation will be involved in the development of that guidance.

Dame Glenys Stacey: I do not know whether we will, and of course we walk a fine line. We do not want to be responsible for developing or shaping government policy. If we are asked, we are always willing to comment.

The Chair: Excellent. Before we move on to marine protected areas, I wonder if I can delve a little further into Natural England's role in delivering the nature benefits that we have been talking about. It seems to be key and central; it has been given greater responsibilities and yet, as far as I can see to date, it has not delivered on some of the areas over which it has responsibility. What confidence do you have that Natural England will be able to step up to the mark in its more enhanced responsibilities?

Dame Glenys Stacey: Thank you for that question. I will not comment on whether Natural England has done the right thing in the past; I am not actually well-enough informed or equipped to answer that.

The Chair: We are one of the most nature-depleted countries in the world.

Dame Glenys Stacey: We are, but that is not just down to Natural England, is it? That is decades of neglect under a number of different Governments, and a lack of will and lack of funding. I am sure that, if it was here today, Natural England would say it has been severely constrained by funding, and, in a way, it is there to do what government requests or orders it to do. Its priorities are agreed with government, for example, so it does not always have a free hand. What I do see, though, is that Natural England has been aware of this challenge coming and it has been preparing for it. It has really considered its fundamental strategic approach to the oversight of nature, and has moved in the direction it strategically needs to move to in order to deliver this.

The Chair: Will it get more funding? Will it get more resources?

Dame Glenys Stacey: It will get more resources, but we are not able to say at the moment whether that is enough.

Professor Robbie McDonald: I would highlight the difficult position that Natural England is in in relation to major funding streams. We have highlighted the importance of agri-environment schemes. Those are distributed by Defra and the RPA, and Natural England has a pretty limited hand in how that happens: it can advise, but it does not distribute the funds. One of the things that we see that really limits progress in how useful agri-environment schemes are is siloing between those two interest groups in advancing biodiversity commitments and then distributing funds to landowners and occupiers. There is an opportunity for Natural England's greater input into the design and implementation of those schemes to effect better change for nature.

The Chair: In your view, how can Natural England's remit be enhanced so that it is better equipped to deliver what it is being asked to deliver?

Dame Glenys Stacey: The people who have the best answer to that are leading Natural England at the moment. But just to reiterate, it needs sufficient funding and sufficient freedoms in order to deliver well. It needs to account for what it does in delivering this. I am not going to be in this job when this develops, but one of the risks is that it does not have sufficient freedom to operate and that there will be pressures on all sides, will there not? There will be pressures from government to temper expectations, pressures from landowners and pressures from developers; it needs authority and freedom to operate.

Q8 **Lord Ashcombe:** We are going to turn to the marine for a second or two, and I do not know whether Natural England or any body comes into that. There are five highly protected marine areas that were assessed in

2022, and three of them were later implemented. Can the 30 by 30 target for the sites at sea be achieved without more highly protected marine areas?

Dame Glenys Stacey: We have certainly taken a view that more are necessary, but does anyone want to flesh that out?

Natalie Prosser: We have to remember, of course, that there are two 30 by 30 targets. One of them is to secure that 30% of degraded terrestrial and other waters are under effective restoration, and that 30% are effectively managed. As marine protected areas, not highly protected marine protected areas, we are well past the 30% already. Of course that does not answer the question about whether they are being managed effectively. We were really quite disappointed that there were not more highly protected marine areas.

Lord Ashcombe: If I can just stop you for a second, in our brief we are told that the marine protected areas do not allow ecosystems to fully recover and deliver the full range of ecosystem services, whereas highly protected areas do.

Natalie Prosser: That is the distinction between having it protected and that protection actually delivering decent outcomes. I will break it down a little: highly protected marine areas allow a whole-area approach and it is likely to be highly effective, although we do not have the data. But it is a fraction of 1%, I think, of the total area.

Lord Ashcombe: Is there a lack of monitoring?

Natalie Prosser: The point about highly protected marine areas is it gives us an opportunity to learn about what works well, because we know that the marine protected areas network is not delivering effectively. You may be aware that we have a live investigation at the moment into a failure to meet the good ecological status target by 2020; there is clearly a material issue here.

But your question is whether that can be achieved without more highly protected marine areas. If I can slightly sit on the fence, they in themselves are not going to deliver the 30 by 30 target, but they are an important prerequisite to the actions that need to be taken at scale on marine protected areas to achieve it. So ideally, we would like to see more. Without that, it makes delivering both of the overall 30 by 30 targets more difficult, but on their own they are not going to deliver 30 by 30.

Lord Ashcombe: With Minister Hardy telling the Environmental Audit Committee that they are not considering designating any new highly protected marine areas, what are we going to do about it? It does not seem as though there is going to be any progress from the Government's side.

Natalie Prosser: I can talk a little about the work we are doing in our investigation; I cannot talk about the substantial legal issues within

there. But one of the reasons we launched that investigation is because it is the first legally binding apex target that has passed on our watch. The measurements, whether they have been met or not, are highly technical, but it is highly unlikely that they have been met.

One of the reasons for the investigation is to really dig into what it requires the Government to do when they have a statutory target to achieve an environmental outcome, and in fact that is not really very well understood. In part of that investigation we would like to see the Government taking the action they need to catch up and deal with the very pressing issues in our marine environment. It is not necessarily for the OEP to tell the Government what they must do, but it is for us to help identify what the standard is that the Government need to meet when they make these commitments. That work is in progress, and I cannot tell you what the outcomes will be, but it should identify the steps that the Government need to take to get to that level.

So I cannot answer the question straightaway, but that is what we are doing to try to move that conversation on.

Lord Ashcombe: Do you think there is a massive lack of education about the maritime side in comparison to the rural side? You can walk and see and what have you on land, but unless you are a diver, you do not get much choice underneath water.

Dame Glenys Stacey: There is almost inevitably less immediate awareness. If you are not living within sight of the sea and you are not dependent on it for your income, then you will be less aware of it. But I am not sure it is simply education. Some of the issues are very tricky to address.

Lord Ashcombe: Can you give us some examples?

Dame Glenys Stacey: Given the iconic nature of our fishing industry, some fishing practices would be quite difficult in a societal context, for example. Then there are a lot of unknowns. That is what Natalie set out in our investigation: we are seeking to demonstrate what can be done, and that should be helpful. So there are a lot of unknowns and there are some politically difficult issues around it. There is quite an interesting issue around governance in terms of the agencies as well; there is not one clear route of governance that you can pin down. Robbie, did you want to add anything?

Professor Robbie McDonald: Going back to your question about what one can do about it, that is outwith the provisions for highly protected marine areas. Within marine protected areas, the regular ones if you like, there is a target on Defra that 70% of those features are in a favourable condition by 2042. That is meant to bind government to actions to mitigate further damage. So far, the Government have not taken steps to eliminate damaging activities within MPAs in a way that is necessary to achieve that. You also mentioned about the importance of monitoring,

and our analysis is that the present level of monitoring is not sufficient to detect change of the sort that would be necessary.

Lord Ashcombe: How could that be upgraded? Is it about money?

Professor Robbie McDonald: Yes, basically.

Natalie Prosser: These issues are only going to become more acute with the competing demands on sea. For example, the move to clean energy requires infrastructure in our oceans. These are challenging questions that need to be reconciled, but it is not going to get any easier. Being really clear about spatial prioritisation and how those areas should be used has to be a critical part of the solution here.

Q9 **Lord Mancroft:** If I can just jump in, Dame Glenys, you mentioned governance. Can you just explain how that has a practical effect?

Dame Glenys Stacey: To make a difference, people need to be clear who has responsibility for what; I was going to say on the ground, but it is more on the shore, is it not? I do not think that has been clear, or so I understand. I am aware there are discussions between interested individuals and agencies about trying to clarify that. We should not be in that position, should we?

Lord Ashcombe: Really, there is nobody in charge. Is that what you are saying?

Dame Glenys Stacey: There is a Government in charge. I do not know, would you say that there was a lead?

Lord Ashcombe: Yes, but government has many activities.

Lord Mancroft: Which are the agencies and who would be the individuals?

Professor Robbie McDonald: The key individuals are going to be the MMO, which is one of Defra's public authorities.

Lord Mancroft: What is the MMO?

Professor Robbie McDonald: That is the Marine Management Organisation.

Lord Mancroft: That is not an individual.

Dame Glenys Stacey: No.

Professor Robbie McDonald: It is an agency of government, so ultimately this all tracks back to Defra Ministers.

Lord Mancroft: But you claimed this was all about individuals; who are the individuals involved?

Dame Glenys Stacey: There is a clear interest here, and stake, from industry, is there not, from industry and from those in the energy sector

seeking to roll out offshore wind, for example. Now, these are new pressures on the marine—

Lord Mancroft: They are not individuals.

Dame Glenys Stacey: They are organisations. I meant representatives of organisations, I am sorry if I misled you there—my mistake. So these are new pressures on the marine environment that are getting ever more present, and governance needs to keep up.

Lord Mancroft: So it is actually about the relationship between government agencies and other organisations, commercial or otherwise?

Dame Glenys Stacey: Yes, there needs to be some clarity about what you are trying to do. You have these commitments in relation to our seas that are held centrally, but they are actually delivered within 30 miles of our shore, are they not? Actually making sure that how that is done is clear across the country: who is doing what, what they can expect and what they can and cannot do. I understand there is room for improvement in that.

Lord Ashcombe: Certainly DESNZ seems to do whatever it likes with regard to offshore wind, regardless of any environmental issues. At the time of the Great British Energy Bill there were discussions about that but it was swept away, which goes totally counter to what you are trying to do.

Dame Glenys Stacey: Offshore wind is a critical component of the Government's net zero strategy, is it not? But we are holding up the nature flag, of course we are. Whatever the Government are doing by way of growth or infrastructure for energy, they need to meet their nature targets as well.

Lord Ashcombe: Do you think the nature targets are being met?

Dame Glenys Stacey: At the moment, the 2030 targets are very pressing, are they not? What happens this year matters. We argue that this year is a definitive year for the Government to decide whether they are actually trying to achieve those targets.

Lord Mancroft: When you have previously talked about the relationship between organisations and government, it is actually what you have just said: it is the relationship between you and central government, is it not? You are trying to monitor the environmental protection part of it, and the Government are going in a separate direction. The various companies that want to build wind farms or whatever in the sea is one thing; they are doing what the Government's industrial strategy tells them they should be doing. But the fact is you are talking to the Government, and the Government are taking no interest and going ahead and doing what they want to do anyway.

Dame Glenys Stacey: I am not sure government is taking no interest in us. We can see that we have had influence over government; the Planning and Infrastructure Bill is one example of that.

Lord Mancroft: But particularly on the sea.

Dame Glenys Stacey: On the sea, this is probably a bit indiscreet, but I have personally found that of all the areas of endeavour that we cover at OEP—and we cover a fair range—I am always surprised at where we are in relation to marine and the glacial pace of movement of government in relation to it. So here we are investigating on a formal basis what appears to be non-compliance with a 2020 target for good environmental status. We should not be in that position as a country.

Lord Mancroft: Is that non-compliance by the Government, effectively?

Dame Glenys Stacey: Yes.

Lord Ashcombe: That is staggering. I do not know how we remedy that.

The Chair: Indeed. I can just follow up on that. It seems that the Government keep moving the goalposts, and another example is in the marine environment, where they have watered down actions. We have heard about the Government moving goalposts, removing goalposts, and watering down actions in a number of instances. It would be very useful for us to have a list of all those areas where the Government have taken the opportunity of the EIP25 to, if you like, water down targets in the EIP23.

Dame Glenys Stacey: All right. We are in the middle of doing our analysis of EIP25, but we have already identified certain areas, for example in relation to the commitments on protected sites, so we can certainly give you what we are aware of.

Professor Robbie McDonald: If I may, Chair, there are constants on this, though: the targets in the Environment Act still remain. In particular, the 2030 species abundance target is legally binding: it is not subject to alterations within the EIP; it remains. One of the things that we emphasised in our progress report on the EIP this year is that 2030 is only a few years away—stating the obvious—but it is a choice for this Government whether to meet or to miss the species abundance target for 2030. They could meet them by using the existing suite of policies and actions, by funding things correctly.

The Chair: Do you think it is still possible?

Professor Robbie McDonald: I think it is possible, and it remains a choice. But to not take that action at this point is a choice to not meet the target.

The Chair: What will be the repercussions on government if it fails to meet the 30 by 30 target?

Professor Robbie McDonald: It is a legally binding target, and that is one of the reasons why Natalie highlights our investigation into GES at sea, because that is a similar situation. So we are road testing, if you like, what happens when the Government do not meet their legally binding targets on the environment with the GES.

The Chair: Do you think the Government are taking those targets seriously?

Professor Robbie McDonald: They must take them seriously.

Dame Glenys Stacey: The Government have had the opportunity to consider their position as they looked again at their environmental improvement plan. They have come out with a new plan. That is a cross-government plan, it keeps the 10 goal areas and it keeps the statutory targets, so on the face of it the commitment is there. But as we have discussed already, it is going to require a lot of effort and a lot of funding at a time when government funding is constrained and there are all sorts of other national and international pressures. But the commitment is stated.

Lord Ashcombe: The Government do not like fining themselves; it is pointless.

The Chair: We will come back to this at the end.

Q10 **Lord Jay of Ewelme:** I want to move on to a question about the *A New Vision for Water* White Paper—sounds rather Narcissus-like—and your initial reaction to the it. Does the White Paper address your concerns about the need to implement water regulations more effectively, as has been set out in one of your recent reports?

Dame Glenys Stacey: The overarching intentions expressed there are welcome: providing clear long-term direction and priorities, exploring new targets for the water environment and a commitment at least to tackle pollution across all sectors, which is what we wanted to see. So that is good. But the paper is quite high level; there is little detail provided in it. That is disappointing. We know just how critical it is how these things are implemented. Without that detail, it is stating an ambition, really, so it makes it hard for us to do a clear, full assessment of it.

We note that the bulk of it is focused on the water industry and water quality issues. It is difficult to understand what the proposals are outside those specific areas that might actually lead to true improvement. We are looking particularly at urban and rural diffuse pollution. The paper is very light in those areas. So there are gaps. Then there is limited detail on the broader proposals, unfortunately. That means that the anticipated transition plan is so critical. I am not sure when we are expecting to see that transition plan, so it is something to be very aware of.

Lord Jay of Ewelme: Could you just say a little more about the transition plan? What is it?

Dame Glenys Stacey: I understand that the transition plan is there to set out how the proposals in the paper are taken forward. A delivery plan would be another name for it, as I understand it.

Lord Jay of Ewelme: It goes back to what we were saying earlier—there is commitment, but no real apparent determination to do anything.

Dame Glenys Stacey: I think the Government would say that they have issued this White Paper and it is inextricably linked to their commitments in the new EIP. We can see that, but you are right that it is once again all about delivery. I mentioned earlier that one of the lessons over the last five years has been that funding needs to increase by an order of magnitude. The second lesson is that it all comes down to delivery; there has been a lack of delivery planning and a lack of delivery. It is just the same in water. Things are improving in water in some areas. For example, when it comes to getting some sort of regulatory grip on the water authorities, we can see that efforts are being made. We do not see the same effort in relation to wider causes of pollution, and it needs to happen. There are regulatory solutions to be deployed in order to get where we need to be in relation to agricultural diffuse pollution.

Professor Robbie McDonald: Dame Glenys highlights that the paper is focused on the role of industry. One of the things that we highlight in our progress report is reductions in phosphorus emissions from wastewater. As it goes, that is one of the more tractable elements of this system. We welcome what the Government are doing with the industry, but Dame Glenys also highlights the wider pressures. We are particularly keen to draw attention to physical modifications to water bodies, because that generally does not receive the same level of attention and is really lacking in attention in the paper. It is one of the major reasons why water bodies are not achieving good ecological status. That is a really significant area that needs attention, alongside the necessary reforms to how industry works.

Natalie Prosser: We have another investigation in relation to apex targets around the 2027 target for our inland waters under the Water Framework Directive regulation. Our attention is particularly acute on effective management on pressures on inland water. I just want to put that on the record.

Lord Jay of Ewelme: I understand that, on 8 January, you said that you had identified possible failures by Defra and the Environment Agency and that both public authorities had been sent information notices. On the procedure, as I understand it, they have two months to respond. Let us assume they do respond; what happens then? What is the result of that which actually leads to an improvement?

Natalie Prosser: First, this is a statutory process that we have to follow in our legislation. What an information notice does is set out in quite a lot of detail why we think the Government are non-compliant with the law. Essentially, we set out our case—our analysis of what the law requires as opposed to what has actually happened. That is what is in the information

notice; it is quite detailed. In responding to that, the Government have an opportunity to either accept or contest our analysis. What they decide to do will lead to the next steps. What usually happens in our process is that it leads to us having quite a lot of negotiation because, rather than running a case up a formal route, we want to see committed action happen to deal with the underlying issues.

Where public authorities come forward with a proposed plan that they can commit to and that we are content resolves the underlying non-compliance issues, we will discontinue the case with an investigation report, which will set out quite clearly what happens. If that does not happen, the next point of escalation is something called a decision notice. That is where we make a determination that the Government, or the public authority, have broken the law. Again, there is another opportunity to resolve that with planned action. Ultimately, if that does not happen, we end up in court. We work very hard to avoid getting to court because we want to see resolution and actions taken to deal with the issues. So that is the process.

Lord Jay of Ewelme: How often have you ended up in court?

Natalie Prosser: We have never ended up in court, but we have been 24 hours out from going to court. On all our concluded cases to date, the public authorities have put forward committed plans for action to deal with non-compliances with the law.

Lord Jay of Ewelme: Has action actually been taken, or has it just been a commitment to action?

Natalie Prosser: It has been taken. For example, we considered that the Government's guidance on the farming rules for water was non-compliant with the law. That guidance has now been rewritten and is compliant with the law. In our investigation on combined sewage overflows, we have seen substantial improvement in enforcement activity from Ofwat and the Environment Agency is now taking steps to tighten its permitting of CSOs across the whole network. The Government have also rewritten their guidance to those public authorities. Those are concerted actions that will make a difference on the ground in those areas.

Lord Jay of Ewelme: That is encouraging; thank you.

Lord Lennie: The process works, then. The process that is available to you to threaten, or ultimately to take action, has resulted in the Government taking action to avoid going to court in every case.

Dame Glenys Stacey: Certainly our strategic approach to enforcement is working; we have reviewed that and it is good. Even if we do not get to issuing an information notice, on our website there are, for example, tens of examples of where talking with the relevant authority about compliance with the law has got us where we needed to be. Our approach is working well within the constraints of the process that we have been given in statutory provisions.

When you look at those statutory provisions and the way it is working in practice, we are making some real material differences. CSO is a brilliant example—thank you, Natalie. But what we find—I suppose this is how it is going to be, whether here or in Northern Ireland, where we also have jurisdiction—is that the Government will make the changes we need but not necessarily admit that they have been in breach of the law. The law is sort of left out. We can always consider taking the matter to court anyway, but what we are actually interested in is getting things done. If the Government are doing the right thing, then—

Lord Lennie: The Government will behave as Governments do.

Dame Glenys Stacey: That is it, yes. But we take the win.

Q11 **Lord Mancroft:** Can I ask you to turn your attention to agricultural pollution? In your latest assessment, you identified that progress in reducing diffuse agricultural pollution remains limited. Could we reverse that trend? How could it be reversed? What changes would you like to see in the delivery plans for that particular target?

Dame Glenys Stacey: Thank you for your interest in the area. We have seen notable progress in the last year in reducing agricultural pollution, but not on the scale that is needed. We are largely off track, and we will stay off track unless there is a substantial increase in compliance with farming regulations. It is that, and how land is used and managed. These things need to develop and change.

It is about scaling up compliance, more spatial awareness and more spatial prioritisation. The Government are beginning to do that on certain initiatives, but more could be done. As I understand it, many of the current failures in key regulations, as farms are inspected, relate to a lack of farm plans to manage nutrients. I suppose a third general lesson from five years is that you are never far away from a nutrient problem; it is a very significant problem.

Lord Mancroft: What do you mean by spatial prioritisation?

Dame Glenys Stacey: For example, looking at the potential for agri-environment schemes and what they can do, what you would like to see is money directed to where the most difference could be made, not simply in response to an application from Farmer A or Farmer F. It is about targeting your efforts in an area or at a particular issue. More could be done to help the Government meet their ambitions and targets.

Natalie Prosser: For example, where there is a river running through a number of different farms, if you are prioritising protecting that river, you would target your agri-environment funding to the farms on that riverbank for all of them to collectively introduce pollution management measures to reduce run-off into that river. That would allow you to use that money in a co-ordinated way, linked to a priority for that particular area, which might be improving the quality of that river or improving quality of soils to reduce flood risk, for example. Those are the spatial choices.

Lord Mancroft: Where is that money going now?

Natalie Prosser: It is predominantly going to SFI schemes, although my understanding is that that is closed at the moment. SFI does not have the capacity to be targeted in that way. Robbie mentioned some of the landscape schemes earlier; they are much more effective in the larger-scale, targeted investment that can deliver real benefit. But SFI does not have that same utility.

Dame Glenys Stacey: One of the tricks the Government have to pull off is to really increase uptake of those higher-order schemes in order to deliver what they need to deliver for the environment. Robbie mentioned soil health: if you really want to tackle diffuse pollution, you are going to have to start getting realistic about soil health.

Lord Ashcombe: Where do you see the low-hanging fruit in relation to this? What would be your top three areas to go after?

Professor Robbie McDonald: Going back one step, our assessment was that there was mixed progress in this space rather than limited. We note that significant steps have been taken that contribute to improvements around agri-environment schemes; there is also the work that the Environment Agency does on increasing monitoring and enforcement and Defra's improved guidance. All those things are good.

In relation to protected sites, it has been established that there is a need for diffuse water pollution plans for more than 200 sites. In 2015, there was an agreement that 37 of those would be developed. By 2025, we have only 28 in place. There is an order of magnitude shortfall in those plans. It comes back again to there being tools available to take the necessary steps, but they are not being implemented at scale. That is one point—that those diffuse water pollution plans are actually created and implemented at the sites where they are needed.

Beyond that, it is about farms and farmers knowing what is required of them in understanding a very complicated regulatory environment—no one can blame them for not understanding this. The levels of enforcement and compliance checking at a farm level are very low. There is really very little reason for those farm plans to be developed and implemented. That is probably the main thing. Levels of compliance would increase substantially were those plans in place.

Dame Glenys Stacey: Those regulations around soil health and water quality are pretty complex at the moment and overlapping. It would be quite useful to clarify all that and make it more straightforward for farmers to understand. Then, of course, we are promised a land use strategy. That could have a part to play in signalling more clearly the changes that are required in land use for the Government to meet their objectives; we do not have that at the moment. Certainly, simplifying and clarifying regulation and getting the land use strategy out are at least two things the Government could do.

The Chair: You mentioned diffuse water pollution plans; do you have any good examples that should or could be rolled out across the country?

Dame Glenys Stacey: I do not know that we have them. It would not be us that would.

Professor Robbie McDonald: Not to hand, no. Some of this work goes back to your early questions around EDPs, given that the front-runner plans are around nutrient mitigation of developments. It is not in the forefront of the Government's mind, but there are opportunities to engineer such schemes so as to bring benefits for protected sites and other areas of important habitats. There is considerable opportunity, because of the very widely distributed sources of this sort of pollution, to have very significant effects in reducing and then mitigating the effects of pollution. But I do not have a specific example of an effective DWPP.

The Chair: You do not have any examples of where water companies have been working with farming communities and businesses that over-pollute rivers?

Dame Glenys Stacey: There are certainly examples of that, I think in the south-west, for example, but we do not have them to hand. I do not know whether we could write to you on reflection. If there is anything we can add to that, we will.

The Chair: We were written to during the nitrogen pollution inquiry, and it was certainly a key recommendation. I am surprised that that is not something that the OEP is right across and advocating to the Government. Is there a formal route for the OEP to feed into the water White Paper as it moves forward in fleshing out the details and how it is going to deliver its aspirations?

Dame Glenys Stacey: We certainly have working relationships with the relevant team in Defra, and the discussions occur. There is not a formal mechanism through which Defra is required to consult us on these matters.

Natalie Prosser: Defra can seek our advice, if it wishes to do so, on any aspect of the environment. We are obviously very interested in the water Bill because we can provide unilateral advice, as we did on the Planning and Infrastructure Act on new environmental law, and we are likely to have a keen interest in the environmental elements of the water Bill when it comes forward. We have good operational-level engagement with Defra, including the leads on the White Paper. We engaged quite extensively with Sir Jon Cunliffe as part of the Cunliffe review. We were able to provide evidence into that—for example, our review of the Water Framework Directive regulations implementation, our insight from our WFD investigation and our participation in the Pickering Court of Appeal case, which was precedent-setting in relation to water law. We have that ongoing dialogue, but there are formal mechanisms should the Government choose to utilise them—or should we choose to—in relation to the water Bill when it comes forward.

Dame Glenys Stacey: Our role is to give advice when asked, or when we have the opportunity to do so, and certainly we are able to provide an evidence base which is increasingly respected and used. We do not co-design, if you like; we fall short of that, and quite rightly so.

Q12 **Lord Lennie:** We are going to move to waste. What further actions on waste management would you like to see, and are you expecting these to be addressed by the circular economy growth plan?

Dame Glenys Stacey: There is an association between them, but they are different things, are they not? Waste crime and a circular economy are sisters, but not bedfellows.

Natalie Prosser: The circular economy plan is about how to minimise ultimate waste. It is keeping those resources in circulation as long as possible, and that should minimise the output of waste if done effectively. But of course, once you have waste, you then have to deal with it. An effective circular economy plan should hopefully reduce residual waste, but it will not tackle the residual waste when it is there. We do not think that it is necessarily going to be the magic bullet.

I appreciate that you have looked very closely at the waste sector. This is something that we are grateful for. As far as we are aware, the Government are currently implementing the delayed waste collection and packaging reforms that were proposed back in 2018. We think that is important. We also think that the Government need their residual waste reduction Environment Act target delivery plan—I appreciate that does not trip off the tongue very easily—to meet the Environment Act 2021 residual waste target. But we think there are clear gaps in managing residual waste. Those are some examples of things that could be done and improved to get a better handle on things.

Professor Robbie McDonald: Essentially, the problem is the slippage between the legitimate sector and the illegitimate sector. There is ample opportunity to improve policy provision around digital waste tracking schemes when it moves out into the illicit sector, for example. There are also improvements that could be made in how agencies interact with one another. There is an opportunity to improve understanding of compliance and improve compliance around waste duties of care applying to those waste handlers. It is pretty straightforward stuff identifying where those regulatory failures occur, but it is about stepping up understanding of compliance and where the slippage occurs.

The Chair: The OEP mentions a source-to-sea management approach. Would you like to expand a little further on what you mean by that?

Professor Robbie McDonald: This speaks to some earlier discussions and is best exemplified by things like nutrients. Our focus of attention would be around the impact of nutrient pollution, often on coastal sites. By the time it reaches the sea, the additional nutrients are going to affect designated marine habitats and sites, yet the solution to nutrient pollution in those locations is not to be found at sea; it is right up in the

source of the water bodies where animal manures and fertilisers are applied. It is impossible to solve the problem where it is most pronounced without dealing with it at source upstream. That is an example.

The same would be true of a whole host of other problems that upstream thinking, if you like, is necessary to mitigate. Flood risk downstream is where the greatest opportunities for climate mitigation are to be found. If anything, I suppose it is best characterised as thinking about the whole of the environment as a series of connected systems and therefore the policies that affect change in those systems need to be connected up in the same way.

The Chair: This committee has applied quite a lot of thought to waste crime. Some 20% of all the waste generated is diverted into being illegally managed in one way or another; that is 38 million tonnes every year. There are repercussions of that on the economy in terms of clear-up costs and the pollution that, as you say, ends up generally in the sea once it gets into the groundwater. There is lost methane capture, because if that rubbish was in a properly engineered landfill site it would be used to generate energy as biogas. These are all fairly robust arguments and reasons for an effective waste management regime which minimises the crime element. It undermines the circular economy model in that confidence is lost in the legitimate businesses that are looking to attract investment into their business models as they try to deliver the Government's circular economy vision. The circular economy has to be the way to go. We have to try to reuse the waste that we cannot recycle, reduce, et cetera. Surely this is something that you should be pushing the Government harder on.

Dame Glenys Stacey: We have certainly been pushing the Government on it and accept entirely that it is the sister to good waste management. Although, even with a good circular economy, you still have waste and you still have to deal with it. As I understand it, the issue here in relation to waste and illegal tipping is that dealing with the amount of fly-tipping now is like playing whack-a-mole: as soon as you deal with one, you have another. It is very distressing for those who own the land and for people in the community who are having to cope with it.

Again, as I understand it, much of this on the larger scale is down to rogue operators who are able to undercut the legitimate operators. But they are committing a crime. We are talking about criminality and there are other parts of government that need to get a grip on that. I do not know whether my colleagues have anything to add, but a circular economy can be developed more quickly and there could be a good effort to bring the public along with that and for each of us to play our part. But we still have a significant issue about waste and the illegal side of it.

The Chair: Absolutely. This committee fully recognises the whack-a-mole nature of waste crime and therefore recommended that a very fast responsive hotline be set up to deal with this.

Dame Glenys Stacey: That sounds like an excellent idea to me. You would have to really get this up the priority agenda for police forces, I imagine.

Natalie Prosser: We have followed your inquiry with a great deal of interest, as I am sure you will appreciate. It is very timely and relevant to a lot of people. At the OEP, we try not to duplicate the activities of others, so we have been watching your evidence with great interest and continue to do so in terms of further responses to your recommendations. But one of my observations—it is quite typical of the environmental regulatory system—is the fragmentation. I am not telling you anything you do not know. I think the agencies involved understand that fragmentation. How that would be resolved is something for Government to really get a grip on, but it is quite clear that things are falling between the gaps of the Environment Agency, local government, the tax authorities and more broadly. Dame Glenys is correct: this is criminal activity that needs to be addressed with an appropriate response to criminality.

Lord Ashcombe: Do you have any additional recommendations that you think we might have missed?

Natalie Prosser: We have not scrutinised this to the level that you have. We have work going on in relation to licensed waste dumps and we are due to report probably in April or May, but no, we do not have anything to add.

Lord Ashcombe: Did you say licensed?

Natalie Prosser: Yes, the regulated sector.

The Chair: I will leave it there, but this is such a visible failure of the Government's regulatory efforts in the environmental field and it is one that the public fully understand, comprehend and see on a daily basis. It is really important that they get a grip on this, particularly if they want to realise their circular economy agenda.

Q13 **Lord Trees:** This is something of a valedictory question for you, Dame Glenys. I hope you have had prior sight of this. How would you summarise the OEP's impact over the period of your tenure? Are there improvements that could be made to the powers, oversight and enforcement of regulations within the OEP's remit?

Dame Glenys Stacey: Thank you very much for that question. I should say that I have had an enormously enjoyable time having the privilege of being the inaugural chair of the OEP. There has never been a day that I have not found satisfying in this job; it has been great. I hope that the OEP has met Parliament's expectations of it. I remember, for example, when I was being scrutinised for appointment by one of your sister committees, I was challenged about the independence of the committee. I hope that we have demonstrated that in spades. I cannot think of an example where we have been anything other than entirely independent, so we have done well there.

We are getting much better at looking more systems-wide at issues. As we have been just talking about, increasingly these issues are systems-wide. Being able to take a systems-wide perspective is useful, and we are developing that pretty well. I am pleased that we have managed to do our job in two quite different jurisdictions, here and in Northern Ireland, each with their own challenges. We have done it over the last five years, not in the most stable of periods for government. Getting this set up and through its fledgling phase into early adulthood, if you like, has been good.

There are things we could have done better within the OEP. We are more confident now about the choices we make about what we should tackle and what we should not, recognising that others have roles to play and can do things. We are getting faster, and I hope we will continue to get faster and more concise in our reporting. That initially seemed quite a dark art, but we are getting better at knowing how to do it well and not to overdo it. I hope we get better at that.

As to our statutory provisions, we keep a list of little things that, in an ideal world, we would wish to change. It is several pages long, but actually, overall, it is okay. We always thought we could make a difference with the provisions as they are, and I believe that we have. I do not know, Natalie, whether there is anything you see as desperately needing changing. The legislation has been much more workable than I perhaps anticipated, particularly around enforcement, which we explored a bit earlier. Although these provisions are seemingly cumbersome, they deliver. Maybe that is not necessarily how it was designed, but with the strategic approach we adopt, we have been able to use them to good effect. I hope that answers your question.

Lord Trees: I might have asked this of you before, but have you had adequate input into setting the targets that you then, to some extent, have oversight over seeing whether they are met or not?

Dame Glenys Stacey: Those first targets were made in our very early days. The Secretary of State at the time was Thérèse Coffey. She was very aware of our interest in those targets and that they were sufficiently ambitious, and we were able to give very detailed advice ahead of those targets being set. That is how it should be. It is not for us to set them; it is for us to give advice and then give an opinion if they are found wanting, and we were able to do both those things.

The Chair: Thank you very much, committee members and our three witnesses today. It has been a pleasure to have you before us. Dame Glenys, we wish you all the best in your future endeavours.

Dame Glenys Stacey: Thank you very much indeed for that. I appreciate it.