

Environmental Audit Committee and Environment, Food and Rural Affairs Committee

Oral evidence: Work of the Interim Office for Environmental Protection, HC 496

Wednesday 7 July 2021

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Members present: Philip Dunne (Chair); Duncan Baker; Ian Byrne; Dan Carden; Geraint Davies; Rosie Duffield; Robert Goodwill; Helen Hayes; Dr Neil Hudson; Ian Levy; Caroline Lucas; Cherilyn Mackrory; Jerome Mayhew; Robbie Moore; Dr Matthew Offord; Neil Parish

Questions 1 - 42

Witnesses

I: Dame Glenys Stacey, Chair-designate, Office for Environmental Protection; and Natalie Prosser, Interim Chief Executive Officer-designate, Office for Environmental Protection.

Written evidence from witnesses:

[Office for Environmental Protection](#)



Examination of witnesses

Witnesses: Dame Glenys Stacey and Natalie Prosser.

Q1 Chair: Welcome to a joint session of the Environmental Audit Committee. We are joined with colleagues from the Environment, Food and Rural Affairs Select Committee for a hearing today with Dame Glenys Stacey, who is the Chair-designate of the Office for Environmental Protection, and Natalie Prosser who is the Interim Chief Executive. I welcome you both. Could you introduce yourself to the Joint Committee, Glenys, by giving us a very quick overview of your immediate impressions and priorities as the Chair-designate?

Dame Glenys Stacey: Thank you very much indeed. We have met before quite recently in this Joint Committee format, so it is a great pleasure to be here again. Thank you very much indeed for the invite.

You have asked what our priorities are. Until this time last week our priority was to get interim status for the OEP, which we did last Thursday and indeed had our first board meeting that day and got our website up on the same day as well. Our priorities between now and vesting—which we anticipate will be at the back end of this calendar year—include setup. There is still a lot to do to establish the OEP proper and there is especially a great emphasis on recruitment and employing the best people, and that will continue.

Setup aside, a key priority is stakeholder relationships where we will be listening, developing relationships with other bodies, and carefully tending our relationships with Government and Parliament. Also, behind closed doors, we want to get our thinking caps on with our board so that we can start thinking through the OEP proper's approach to enforcement, to prioritising its work and to the meaning we will afford to the word "serious" in our approach to enforcement and our approach to a new, novel duty of monitoring environmental law, as well as our wider strategic approach. Getting our thinking caps on from now on will be important.

Complaints continue to come in—not in great quantities but we have been validating those complaints, making sure that it is clear which is the relevant public body, what is the issue complained about and so on, and doing some preliminary assessment. We are making sure that all the information is there in good order on each complaint for when OEP vests and we will continue to do that. As I say, at the moment the work is not particularly onerous because the volumes are low, less than 20 so far, but who knows?

There are two other things. We will provide advice to Government. We know already that we will be approached on the habitats regulations and in response to the proposed August Green Paper. There are potentially other matters as well. You will know that on our first day as an interim body we advised Minister Pow on the environmental principles draft



guidance statement. We can see that we will be giving precedence to that key work.

Lastly, we are very keen to produce—albeit non-statutory—a stocktake, a report of Government’s progress against its 25-year Environmental Improvement Plan. There has been an annual assessment from our predecessor NCC each year. We don’t want this year to go by and have a lacuna there. We know that this won’t be an all-singing, all-dancing report because we won’t be an all-singing, all-dancing organisation until the beginning of next year, but we will be giving it our best shot. Our aim is to do a decent enough stocktake before the calendar year end.

Q2 Chair: Thank you very much. As a Joint Committee, we will be expecting to have sessions with you, particularly once you are established, at least annually for you to be able to inform us of issues that are arising through your reports and beyond your reports and to hold you to some parliamentary scrutiny. You are to be congratulated on getting the organisation stood up—even if only in interim form—on schedule last week at a time when the enabling legislation is still going through the House of Lords, which is somewhat unusual.

Natalie, the fact that you are interim, and your appointment as designate, is that imposing any constraints on your ability to recruit people and get the organisation up and running in this slightly ambiguous form?

Natalie Prosser: As a new organisation, our recruitment to date has been overwhelmingly successful. We have completed recruitment for 12 of our permanent roles so far and we have been blown away by the calibre of the candidates who are applying to join us. There are clear protocols in place. We have been very transparent with our recruits about how they transfer from DEFRA, which is the recruiting authority—

Chair: Natalie, I am sorry to interrupt you, but you are coming through intermittently. I am not sure if it is my signal or yours, but if you can get a bit closer to the microphone it might help.

Natalie Prosser: I will move a bit closer. Does that help, Chair?

Chair: Thank you.

Natalie Prosser: The calibre of the applicants we have had and the offers that we have made so far for 12 of our permanent roles has been truly excellent. Dame Glenys and I have been delighted with the calibre of the applicants and our ambition is to recruit the very best. We have seen absolutely no evidence that our interim status has been a deterrent. We have been very transparent with our applicants. We are recruiting them for the time being into DEFRA as OEP has no distinct legal personality. We have a mechanism in place to transfer those staff upon vesting. So far it has been a delight to see the enthusiasm from very good people who want to join us.



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We are in the middle of a second wave of substantial recruitment. We are seeing really strong applicants coming in from a whole range of backgrounds; 96% of our applicants so far have come from outside the DEFRA family and a significant proportion are coming from the midlands and south-west region, which is very encouraging to see.

Q3 Chair: Do you expect to be on track to be operational from 1 December? If so, will you also be undertaking some of the back-office services independently or will you be relying on shared services from DEFRA for things like HR, IT, payroll, procurement and so on?

Natalie Prosser: The timetable we are holding ourselves to is undoubtedly ambitious. However, we are completely on track, and I hope that we stay that way. It is very much our ambition that when we vest at the back end of this year we hit the ground running and that is certainly where we are at the moment.

On our back office, we are very grateful for the support of DEFRA to provide us with infrastructure. We have a substantial programme in place and that will set up the OEP to be entirely functionally independent in our back office and front office. That includes our IT provision, HR provision and finance functions. We will need to buy some external services, as a very small organisation, and some limited services will be bought from DEFRA, for example for pension arrangements for staff. But largely in everything that matters we will be functionally independent.

Dame Glenys Stacey: Chair, you may have noticed that we have an independent website already and we will have an independent communications function.

Q4 Chair: Glenys, in your introductory answer you touched on your future priorities. You may have seen in the report that the EAC issued on biodiversity last month that we called for you to have an enforcement role. We were calling for you to expand your scope and priorities before you had even got started, which was a little bit unfair of us, but could you give us your view on the extent to which you are going to be able to take on additional roles? You mentioned that you had a number of inquiries coming in already for investigation. Can you give us any flavour of the sort of priorities for investigations that you are working up?

Dame Glenys Stacey: Dealing with that first, as I mentioned we have had 19 complaints. They cover a variety of issues and so far they are all from individual members of the public. They don't necessarily point us to any particular priorities for investigation. I am not surprised about that. I imagine that we may find that people wait for vesting to bring very well developed complaints to our attention, so it is difficult to say at this stage to what extent complaints will drive our particular investigations or other real work. We know that we have this opportunity over the following six months with our board to begin to think through the many serious environmental issues that are at stake here in our country and we will begin to shape our strategy, but it is just too early, I am afraid. I am



very happy to come back, Chair, perhaps in the autumn when we have done some of that thinking, to tell you what our preliminary views are. I think it would be helpful to do that.

Q5 Chair: Thank you. Do you have a view on my first point about expanding scope to take on other work?

Dame Glenys Stacey: We are being established with the assumption that the Environment Bill, as currently drafted, sets out our powers, duties, and responsibilities. There is no reason at all why that scope could not be expanded. If that was to happen, we would wish for two things. One is that there is specific statutory provision, so we are not seen to be out on a limb or acting on a whim. Secondly, we would always want to be sure that whatever extra responsibility we were given sat well enough with our proposed statutory objective, but that is quite broadly drawn. Natalie, do you have any other view or advice about that?

Natalie Prosser: We have designed an organisation at significant pace, and we believe it can meet the duties and responsibilities set out in the Environment Bill. If we were to expand on that—and that obviously is a question for Parliament—we would have to make sure that we are sufficiently designed and resourced to deliver effectively on any expanded remit.

Chair: Thank you. You were a little bit in and out there again, so I am sorry, you may have to lean forward when answering questions. I am going to open it up now and invite Geraint Davies from the EFRA Select Committee to ask some questions.

Q6 Geraint Davies: Dame Glenys, we have the Interim Office for Environmental Protection set up during the passage of the Environment Bill. How are you going to demonstrate your independence from DEFRA during that time? In particular, as you have mentioned, there are questions about expanding the scope of the agency. Have you been suggesting to DEFRA and to Ministers that there is a case in the Environment Bill for perhaps more measurable targets against which regulation and enforcement through the Office for Environmental Protection could happen, in particular on air quality?

Dame Glenys Stacey: Thank you. There is a lot in your question, so I will give it my best shot and come back if there are any residual matters. I will say again that we became an interim body just last week. I don't think I have met the Secretary of State since then, although I am sure I will before too much longer.

I quite see that we are in interim form while our enabling legislation is still being actively debated. It is thrilling to see that debate and the really powerful calls for the strongest possible constitutional arrangements for the OEP and to make sure, so far as possible, there is a guarantee that we are well funded, can act independently and have a sufficiently broad range of powers. I deeply respect and applaud that debate and I am thrilled to watch it. It is really good.



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In case there is any residual doubt, I can say now straightaway that I have absolutely no doubt at all in my mind that we will think and act independently. My board and our staff and I will act independently without fear or favour. I welcome the safeguards that are already in the Bill, but I also welcome the debate.

I am very pleased to see the spirit of our independence followed through in the terms of reference that we have recently settled with DEFRA, which will cover governance during our interim period. They are on our website now for people to see. They provide fully for our independence of thought and action. That is where we are on independence and are watching with deep thrill the debate that is going on.

Of course, having said all that, I appreciate that it is for Parliament and Government to decide the constitutional arrangements for this body. It is for Government and Parliament to decide on the areas where targets will be set and for Government to decide the detailed nature of those targets. I do expect that we will be consulted on those targets. I think there is a requirement in the Bill as drafted that the Secretary of State must consult experts in the field. I hope that we will fall squarely within that category, so I expect that consultation. But I feel that it would be rather pre-emptive of me to be going to the Secretary of State at this early stage suggesting a wider gamut of targets.

Q7 Geraint Davies: Natalie, do you have anything to add? Do you want earlier and clearer targets to help your job of enforcement? Has there been any engagement over the drafting of the Environment Bill or are you waiting for it to come out of the oven and see whether it works or is digestible or whatever?

Natalie Prosser: We are very much in the process of building our operations at the moment. In doing that, we have to be very mindful of the Bill provisions and how they are articulated. There are a number of areas that we will have to turn our minds to on the Bill as currently drafted to make sure we understand that quite correctly. As Dame Glenys said, the provisions in the Bill are really matters for Government and Parliament. Our job is to make sure that we use those provisions to their fullest effect.

On the targets, we will have an ongoing role in reporting on and monitoring those targets and, of course, we would like to see the targets expressed clearly and in a form where we can measure and assess the degree to which they are being met. We are building a structure for us to work with DEFRA and wider organisations in which we have a particular interest, so that we can engage with them at the appropriate time and use our voice to make targets and other areas within our remit.

Dame Glenys Stacey: Chair, might I add, to be clear, we know that Government will set these targets in areas that Parliament agrees, that Government or the Secretary of State must seek expert advice and we will be firmly in that category. I would expect to be approached about the



detail of these targets. We would support two things. One is as far as possible a system-based approach because of the difficulties of having too narrow a target. We would also expect to see a deal of ambition in these targets. We really want to see the golden thread between the 25-year Environmental Improvement Plan, the targets, the environmental principles, and the guidance that sits at the policy statement supporting those principles. We need to see a coherent and consistent level of ambition across that, and we will be very keen to press for that when we are approached by the Secretary of State.

Q8 Geraint Davies: Excellent, thank you. You have mentioned the need to be independent and you have highlighted your willingness to speak out to defend the environment. You can do that on targets. Also, there are principles of the polluter pays and the precautionary principle. If you don't have specific targets in place, are you willing to speak out where there is emerging evidence?

For example, there is a moratorium in Wales against incinerators and there are concerns about nanoparticles coming out and health impacts in urban environments. How will you speak out and show your independence? Are you willing—on the basis of evidence of course—to speak out in such a way based on your principles in the interests of the environment?

Dame Glenys Stacey: Thank you. If I was waiting for the targets, I would be waiting until September 2022 before I opened my mouth. I have already spoken at six to eight events, and I have been interviewed any number of times. I have given advice to Government in firm measure about the draft statement on the environmental principles and we have an opportunity before the year end on our 25-year stocktake. There are plenty of opportunities in any event.

Once we are vested, our organisation will have, by statute, a wide range of powers. I suspect one of the secrets for us on any issue of concern is to find the best way to make the best difference. That might be in dealing with any of our powers or a private word or a public statement. There is every opportunity there for us once we are vested but we are certainly not waiting until September 2022 to express a view.

Q9 Geraint Davies: Will you be proactive in speaking out? You mentioned you have had only 19 complaints. That is presumably because nobody knows you exist and up to now you have been interim, and you have not been speaking out. Will you be getting there, shouting out for the environment, and speaking out so that people approach you and see you as a place they can bring their concerns about the environment moving forward?

Dame Glenys Stacey: One of the secrets of success in an organisation like ours that is not all powerful—it has a decent set of powers, but it won't be all powerful—is to find our power of voice. All of those steeped in regulation oversight will recognise that the power of voice of the



oversight body is significant and is influential and powerful in itself. I hope you can take some assurance from the fact that we are to have our own press office, our own communications staff. We are in charge of our voice. Clearly it is not the Dame Glenys show. This is an organisation. There is a board that has met once. It needs to work in the coming months to agree precisely how it develops and uses that voice, but it is certainly key on our agenda.

Q10 Geraint Davies: Natalie, on the use of voice and perhaps focusing on the polluter pays, is the organisation willing to develop policies that might show that, for instance, a tax on incineration would mean that local authorities, instead of incinerating things because they have a tax on landfill, have a more even-handed approach to waste management. Is that something the organisation would talk about or wait for Government guidance?

Natalie Prosser: At the moment, we are busy building the mechanisms and systems to make sure we can make our decisions in an informed and evidence-based way. As Dame Glenys said, the interim OEP has existed for one week now and we have met with our board just once but, even in the conversations we have had so far, we are making sure that we have the mechanisms in place to focus our attention on the most serious and most important matters of our time.

We will be candid; there are many matters to which we could turn our minds. It is very important for us to make choices about when and how we speak and intervene, based on the best evidence and in the most well-informed way. We are developing proposals for our board to consider exactly how we make those choices.

I also note that where we are at the moment in our development, I have no permanent staff. I have interim transitional staff who are working extraordinarily hard to build an organisation and—noting the importance of us getting on with the job we have to do—doing that work at the same time. I am extremely confident that over the next six months, as our permanent staff start to join us, our ability to engage with these issues will increase exponentially.

I can assure this Committee that our ambition to hit the ground running when we vest at the back end of this year is a very real one. That is certainly my key area of attention, and it will be important for us to not only speak but also to listen. As Dame Glenys noted, we are building our communications functions and engagement functions to make sure that we can listen, because that is how we will make good choices and source the very best evidence.

Chair: Thank you very much. That is a very good segue into our next questions on staff from Robbie Moore.

Q11 Robbie Moore: Dame Glenys, how many staff did you have on 1 July and how many do you expect to have when you become fully



operational?

Dame Glenys Stacey: On 1 July, staffing is really Natalie and me and a team that is seconded to us, mostly from DEFRA and its agencies. Natalie, you will correct me if I am wrong, but that is up to 40 people, but 20 or so are on setup, broadly speaking. These people are with us for varying lengths of time. Some of them will wish to apply for permanent jobs with us, others perhaps not, and we are looking to select the best people. As Natalie said, we have made offers to 12 people already, which have been accepted, and I think over 50% of our jobs are actively being recruited for now.

As to the numbers we are aiming for, I have agreed that I will establish this organisation this year with up to 50 staff. That is what we are aiming for, and that is quite a rate of development. I have the freedom to design this organisation as I wish and also to make sure the staff are of the right grade and calibre and cover the right areas of activity.

Q12 **Robbie Moore:** With an aspiration to achieve 50 staff, do you think that that will be sufficient for the OEP to carry out its tasks? How have you got to the figure of 50? How have you established that to be the appropriate figure?

Dame Glenys Stacey: I am confident that 50 is sufficient for the initial operation of the OEP. It gets us up and running. It gets us to vesting and it is a rate of recruitment that we can manage. Of course, we need to induct these people to create this organisation with a sense of culture and belonging, values and belief in what we do. We are mostly working remotely. We don't have the premises in Worcester yet, so there is a large practical and pragmatic element to this.

As to whether it will be enough, I don't know. There has been any number of figures and views expressed about what size OEP will be from 60 to 120 or whatever, and we simply don't know. We do know that we are building an organisation at the moment that is lean, but the design is also tremendously flexible. About half of our positions are people who will shift from one thing to another. For example, two of our lawyer positions are lawyers that will serve the organisation in any way we require them to. The thing that will tell us will be well into the new year and beyond.

A number of aspects of our work are uncertain but there are two I will particularly point to. One is the nature of complaints that we receive and the number and type that we determine are serious and require investigation. From past experience, Natalie and I know just how resource intensive that can be. The other thing that we will be discussing with our board in the coming months is our approach to the new function of monitoring environmental law. That could be, or might not be, resource intensive, depending on the approach that we take.

There are a number of uncertainties, but we have the prospect of a review of OEP—the usual sort of review—once we have been established



for about 18 months. We will have the opportunity by perhaps the middle of next year to see to what extent we can be more certain about these things. Of course, we have some provisions in the draft Bill that give us the ability to shout if we are not resourced well enough. That is where we stand. We are setting it up with 50 and there are some uncertainties. If complaints turn out to be serious in nature and require further resource, or if other areas of our work does, we will be seeking that resource for sure.

Q13 Robbie Moore: In the recruitment that you are undertaking at the moment or anticipating taking going forward, do you think that there will be any particular roles that will prove difficult to recruit for?

Dame Glenys Stacey: That is an interesting question; thank you. You must be able to read my mind. For the most part, no. As Natalie said, we have some fantastic jobs. They are just great jobs. I envy the people who have these opportunities to make such a contribution and they are applying to us in droves. But not every job is attractive, is it? I am curious, when we get to it, whether we will attract good people, for example in our finance function or in one or two areas that are more routine in nature perhaps. There are ways through it if we have that problem. We can redesign those jobs or look at other ways for those services to be provided. But we shall wait and see, I think, Natalie, don't you?

Natalie Prosser: I agree with that. From the statistics that we have seen so far, nearly all of our roles are attracting a really broad and talented pool. The only area so far where we have identified some potential pinch points is in the corporate services areas, but that is quite niche at the moment. I am very confident. We are unlikely to have all our new recruits in post and on board until late spring, early summer next year. As we bring staff in, it will become clearer to us whether we have any gaps in particular expertise that we might need to target. We are keeping that under very active review. In the short term we may need to supplement permanent staff with interim or contracted staff, to make sure that we have the full breadth of expertise we need to do this job.

Dame Glenys Stacey: I should have explained that we are setting this up with 50 but about half of our budget for this year and next year is non-staff. It is an unusual proportion for such an organisation. You would normally expect staff to take up 60% or 80% of the budget of such an organisation. Our idea here is that some of that money—over £1 million of it—is there for us to consider using to supplement permanently employed staff with shorter periods of work or the use of experts on specific issues or projects. We are trying to strike quite an unusual balance here, so that we have the core embedded in the organisation, but we have very wide reach where we need it. We think that is probably a good design for OEP.

Q14 Robbie Moore: Finally from me, Dame Glenys, can you outline what steps you are taking as a recruitment strategy to encourage diversity



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among applicants?

Dame Glenys Stacey: I could do that, but it is very much Natalie's field, so You will get a better answer from her.

Robbie Moore: Thank you, Natalie.

Natalie Prosser: We have designed our recruitment right from the outset with the ambition to have a truly diverse staff. That is diversity in all its senses, including diversity of thought. So far we have made sure we have advertised our roles as broadly as we can and we have raised them with various networks including, for example, the Black Lawyers Network and other networks to make sure that our roles are visible.

We have also designed our recruitment in line with the absolute best practice. For example, our applicants are sifted applicant-blind and we have taken steps to make our roles as understandable and as accessible to as many as possible. I have led webinars for nearly all our key roles. That makes it easier for candidates to understand what we are looking at and allows them to speak to us directly about roles to make sure that they understand them.

We also have substantial monitoring data in place for our roles. I am not able to give you the detail on all of that because, as each wave closes, we are only given the final representative information, but so far we have seen a real breadth in our candidate pool. We will be reviewing that as we have the full dataset from our first wave. However, we recognise that this is a sector that struggles with diversity. It really does. In light of the new data coming through, we are going to review our approach to see if there is even more that we can do.

We are certainly exploring things, like working with our local universities, potentially creating opportunities for those folk at the start of their careers to join us through apprenticeship schemes and other outreach programmes. I reiterate our absolute commitment to this but also recognise that it is a real challenge particularly in this sector.

Chair: Dame Glenys was talking about some of the implications of funding, and we have questions on that subject from Caroline Lucas.

Q15 **Caroline Lucas:** I will come to Dame Glenys first. The question is about whether the £8 million funding is sufficient for OEP's initial setup costs?

Dame Glenys Stacey: Yes, it is. It has not just been imposed upon us. We have worked with DEFRA to get to that and had input into the business case for that. It is a considered figure.

Q16 **Caroline Lucas:** That takes me to my second question about how much funding you estimate you are going to need for the first full year of operation. Do you think there is any drawback in the fact that the OEP is not able to negotiate and publish its own estimate in its own right, so that the negotiations that you are having with Government are not transparent to everybody else?



Dame Glenys Stacey: I have not thought in those terms, Caroline. I have been a chief executive or a leader of any number of independent bodies, either non-departmental public bodies or non-ministerial Government departments. The constitutional model has never been that relevant when it comes to how much money we seek and how much we get. I think, as the Bill is currently drafted, there are some very welcome safeguards for us. These Committees will be the first to know if we have a difficulty over funding, for example. Given that we might be a drop in the ocean compared to other demands on DEFRA, let alone wider government, we are an insignificant amount of money, even if we grow, but the job that we do is so significant, so I would be surprised and alarmed if we have a problem with funding, frankly.

Q17 **Caroline Lucas:** I hope you are right, but it is interesting that both of our Committees have drawn attention to budget cuts that have affected DEFRA's arm's length bodies. For example, the Equality and Human Rights Commission had its budget cut massively from £70 million to £18 million. Even if the context right now seems to be a positive one with this set of Ministers and this particular Government, don't you feel that there is an issue with security going forward in the longer term?

Dame Glenys Stacey: As I said, my experience is that Government funds what they wish to fund. We have some particular safeguards here in that we can bleat very loudly if we think we are not getting sufficient funds. As I have said, and I will repeat it again, the precise provisions about the constitutional arrangements for OEP are matters for Parliament and Government. Natalie and I are thrilled at the entirety of the debate that is happening about our constitutional framework. We will always wish for the strongest possible arrangements, but I would not like to cherry pick anything in particular in that debate.

Q18 **Caroline Lucas:** That is a pity because my next question was probably going to invite you to do exactly that. I hear what you say. The Government have said that the OEP will have a five-year ring-fenced budget, but how do you think that is going to be ensured, particularly given that it is not in legislation? It does not seem to be a mistake that that five-year bit of the multiannual budget is not in legislation. I have had PQs about it. I have followed other people doing the same, and in their responses the Government are very careful not to mention the five-year issue specifically. There are concerns—not necessarily with this Government but just going forward—that if it is not properly in legislation having that period over which you have certainty could be a problem going forward.

Dame Glenys Stacey: I will ask Natalie to come in, but just to say first off there is a public commitment to a ring-fenced budget for OEP.

Caroline Lucas: But not for five years.

Dame Glenys Stacey: No, I think three years is being talked about at the moment. There are pros and cons, of course, to secured budgets. For



example, I would not want that ring-fenced budget calculation to be done this year or necessarily in the early part of next year. We need to know well enough what our resource requirements are to input meaningfully into discussions about what the ring-fenced budget should cover. A ring-fenced budget is then concretised, so if something unexpected comes along, we are there with our begging bowl asking to be treated with exception. I do not deny that a ring-fenced budget gives us some protection, but the real issue is, will Government fund us appropriately year in, year out? Natalie, do you want to say anything about the statutory provisions?

Natalie Prosser: Not necessarily on the statutory provisions. As the accounting officer, I will say that, once OEP vests, it will be very important to me that we ask and seek the amount that we actually need and the amount that we can evidence that we need. That is very important. As Dame Glenys has already explained, it is very difficult for us to quantify that meaningfully at the moment.

However, saying that, we have already been asked by Government, even in interim form, to provide advice and we are very keen to earn our crust in that regard. As we go forward, we will not hesitate to use the protections already in the Bill if we don't think that we are receiving sufficient funding. At the moment I think we have a very open relationship with DEFRA. I have not seen any evidence that would give me cause for concern, but I am very keen to make sure that we make very clear in our framework document, which we will be working on over the next few months, the nature of our relationship and of course that will be transparent to all as that is documented.

Caroline Lucas: I take your point that right now it would be difficult to foresee how much you are going to need over five years when you are not even five months in establishment. You are going to want to have some variation over it, but it feels that going forward, although you have a good relationship right now with DEFRA and Government, it leaves you a little bit vulnerable, potentially, if that five years is not set out in legislation. But you have made your position clear, so thank you.

Q19 **Rosie Duffield:** Dame Glenys and Natalie, whichever of you wants to answer, the board comprises yourselves and four non-executive directors. What was your involvement in the selection process for the non-executive directors?

Dame Glenys Stacey: I was very heavily involved in the recruitment of our board members. You will have seen them announced recently, and I am absolutely delighted with the calibre of them. I was consulted about the actual role description. I was a key member of a small appointments panel, which then did the initial sift and decided on the shortlist. I then participated fully with others on the panel in interviewing candidates. It was a very good process, in my view.



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They were asked to give us a presentation on what success might look like and they were also asked in interview what failure might look like at OEP. We had Baroness Brown—who you will know from chairing the Adaptations Committee of the Climate Change Committee—as a member of our panel. We had Caroline May, who is a leading environmental lawyer, and me and an official, as is usual, from the Department.

We made recommendations to the Secretary of State from that process but none of these candidates was in any way shoehorned in by Government or Ministers. They were entirely applicants through the process. We made recommendations to the Secretary of State. There was an element of choice in there for him, but I was very clear which four I would like to see on my board. I had a very helpful and careful discussion with the Secretary of State, where we went through each of the candidates on the list of recommendations and he agreed the four, I am delighted to say. I can say with absolute confidence that this is the board that I could have recruited, and I was allowed every freedom to do so.

Q20 Rosie Duffield: Thank you. You have pretty much answered the next part of that question which was: is the range of expertise on the interim board sufficient? It sounds as though you think it is.

Dame Glenys Stacey: There are these four members, and I am there as well, obviously, and Natalie is a member. I don't want to blow our own trumpets, but between us we have pretty good experience of law, environmental science, environmental policy and, critically, investigatory and enforcement proceedings. I think it is a pretty good bag, but of course there is scope for further membership.

I will mention two things there. One is that, should the Assembly in Northern Ireland decide that our remit is to extend to Northern Ireland—I very much hope it does, and we might come on to that—we will need a Northern Ireland member and we can look to see whether we need to supplement at all. Of course, if we still find that we don't have the breadth required, we can go back to seek further appointments but, as I say, I am simply delighted with what we have.

Q21 Rosie Duffield: Thank you. That is great, because the next part of the question was focusing on Northern Ireland and asking: do you think that there will be someone with that particular expertise? It sounds as though you are bearing that in mind.

Dame Glenys Stacey: As I understand it—Natalie will correct me if I am wrong—the requirement in the Bill for a Northern Ireland member does not require them to then represent Northern Ireland. They need to bring a similar set of knowledge and experience as others on the board. It is about environment policy, environment law, the environment, not simply related to Northern Ireland, although they will inevitably bring that dimension.

Q22 Rosie Duffield: Thank you very much, Natalie, do you want to come in



on that?

Natalie Prosser: I have nothing to add.

Chair: Now to the Chair of the EFRA Select Committee, Neil Parish.

Q23 **Neil Parish:** Good morning, Dame Glenys, and Natalie. You really have hit the ground running, so thank you very much for joining our Joint Committee this morning. Some of this question has been answered already, but what issues were discussed at the interim OEP's first board meeting? You have discussed the setting up of the board. What were the burning topics at your first meeting?

Dame Glenys Stacey: I have got the board agenda somewhere—I can't find it now, but I can remember it. We had the usual kind of report from the chief executive on activities to date, which was helpful. We had a lot of activities to date. We had a detailed governance framework for our organisation, how our organisation will govern itself and make decisions. That was discussed carefully and signed off by the board.

We had a presentation to board members on the detailed role and functions and powers of this organisation, as it is currently set out, so that we start off with a good, shared understanding of what we are here for. We had a good discussion about how far we have got in the design of the organisation and board members were asked to challenge the design but also to note it, and that discussion went very well.

We then had a specific paper proposing the advice that we would give in response to Minister Pow's request for advice on the draft guidance on the environmental principles. That was a very helpful discussion, and our outline advice was honed through that discussion. Then we discussed transparency and the extent to which we wish to be a transparent board, which we do, and we commissioned wide transparency proposals to come back to the board later this year but before we are vested. Natalie, was there anything else?

Natalie Prosser: We also had a very preliminary discussion about the development of the OEP's statutory strategy.

Q24 **Neil Parish:** That was my second question, Natalie: when are you going to develop the OEP's strategy and what consultation will be taking place during its preparation?

Dame Glenys Stacey: Thank you, Natalie. We also had an update on the work we had done so far on our proposed 25-year plan review for the end of the year and established a steering group for that.

On our strategy, the Bill as drafted requires us to consult in any event. We would wish to do so anyway, given its import, but the Bill requires us to do that and also to consult. Our strategy must include our enforcement policy and also show the meaning we would afford to the word "seriousness" within that enforcement strategy. We have some very helpful and welcome consultation requirements there anyway. We can't



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formally run the consultation until we are vested but we aim to get to the point in our thinking where we can do that fairly quickly in the new year, assuming that we are vested on 1 December.

We are doing the preliminary work to inform our strategic thinking and development. To give one example of that, we have recently set out a call for evidence on cases that have gone to Europe, cases that have settled ahead of any court appearance. Those facts and circumstances are not necessarily in the public domain, but they are so useful to us in understanding the nature and detail of challenge so far. We are beginning to collect our thoughts and we have this very welcome period until the end of the year to get to a final strategy.

Q25 Neil Parish: As you know, Dame Glenys, one of the things I am particularly interested in with the OEP is that in the past we have had cases that ClientEarth have brought against the Government on air quality. There have been fines to the European Commission. I believe much of this could be nipped in the bud and dealt with without such big, long court actions. How do you see that happening where you can get to grips with the Government, and local authorities sometimes, without it all going into court? It is such a waste of money and time, and it does not really improve the air quality or the environment in the meantime.

Dame Glenys Stacey: What improves the air quality, or the environment, is Government policy, and Government policy well drafted, well thought through and implemented effectively. I have a clear understanding that that is what will make a difference.

Q26 Neil Parish: Do you have teeth that you can bite the Government with for not behaving?

Dame Glenys Stacey: I will come back to that if I may. Secondly, you mentioned ClientEarth, and I have a great deal of respect for what it has done in the absence of OEP. It has been a champion for the environment, and I respect it greatly. I am aware that there are judgments against this Government where the Government are still in breach, so ClientEarth has made very good efforts. As I understand it, about once a year the European courts have found against this Government.

There is a reason for us to exist, to have enforcement powers, to have teeth, as you put it. I have said before—and I do believe this—that our powers are stately, but they are modelled on Europe. There is a logic to the powers that we are given, the information, its judiciousness and so on. I also believe, and I know from what I am told so far, that many of these matters are best resolved without resorting to proceedings. We have spoken before in this Joint Committee format about the standard regulatory approach of a cup of tea together, but a stick is in the cupboard, and everyone knows that stick is there, and it will come out if needs be.



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I still have every hope that that cup of tea and stick approach will work. History tells us it does in other regulatory environments or oversight environments. Once you get into proceedings everything gets legalised, concretised, all the lawyers come in and it is difficult to move. I wish to get quicker resolution of issues, but the resolution needs to be right and good enough otherwise the stick does come out of the cupboard.

Neil Parish: Thank you, Dame Glenys Stacey. You need to keep going, Philip, don't you?

Chair: Very much, yes. I look forward to seeing the length of your eyebrows grow by the next time we meet, Dame Glenys—that is the tactic adopted, rather than tea, by Governors of the Bank of England over many years. Thank you.

Q27 **Duncan Baker:** Coming on now to the locations of operations, we understand that the OEP's location will be in Worcester. I read about some concern because it was envisaged initially that it would be in Bristol. I understand that the spread of opportunity around the country is absolutely the right thing to be doing. Have there been any issues, any impact, particularly in the ability to recruit the very best staff, perhaps being away from the capital and in Worcester?

Dame Glenys Stacey: Personally, I think it is absolutely right that OEP should be based in somewhere like Worcester rather than Westminster. The capital does not seem to me the right place at all. It is also good to be placed in a rural area with a nearby substantial river. I think it grounds us well.

Secondly, I was pleased to hear it was Worcester because I have worked in Worcester before. I worked for years as the chief executive of Animal Health, which was then based in Worcester, and I know the calibre of people there. I also found in that job that the reach you can have in Worcester is quite significant. At that stage I employed people in Animal Health from Bristol, north of Bristol and from Birmingham and the spaces in between. I think Worcester has great potential. It is a good choice, and our experience so far is that we are attracting good candidates.

Q28 **Duncan Baker:** Good. There hasn't been an impact, which is the most important thing. I would not want to be seen at all to be denigrating Worcester, which is an excellent place to be locating and the catchment of people there is as good as anywhere else in the rest of the country, and so I am very glad to hear that. But in what you have said, will there be any plans to have a satellite office or any presence in London as well with such an important facility?

Dame Glenys Stacey: We have considered that, thank you. I am delighted to say that we are developing good close relationships with our colleagues at the Climate Change Committee, who do have premises in London. They have nobly offered us dropdown space there at no cost, and we are very grateful indeed and eager to take up that offer. We think that is a good arrangement for us. We are not embedded there in any



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particular department. It is cost-effective for us, and it is flexible as well. We are not committing to a long-term lease in any particular place. I think we have hit upon a really happy solution there.

Q29 Duncan Baker: Thank you very much. Lastly, I want to ask about the Northern Ireland Assembly. If they decide that the OEP will operate in Northern Ireland, will you similarly have a relationship over there and have a physical presence such as you have described you might be able to achieve in London?

Dame Glenys Stacey: This is an interesting question. We await the Assembly's decision and hope to get a decision before the year is out. In the meantime, we are working closely with colleagues in DAERA on the assumption that this will happen. That has been our assumption from the beginning, so we have DAERA staff embedded in our complaints handling process, for example. We are working very closely with them. The exact operating model that we will deploy in Northern Ireland is yet to be discussed with Ministers there. I don't want to pre-empt those discussions, but I have spoken with officials there about the options.

I have experience in former roles of having responsibility for Northern Ireland and I have had a number of models. One was with a small office in Northern Ireland, one with no small office but regular visits every two months that are meaningful, and other ways in which we exert presence there, for example in how we receive a complaint.

It seems to me that that is really worth discussing because, if you start a new organisation and it is small and it is going to develop very quickly, you want all your people to develop with it. I know from experience how difficult that is when a small handful of them are in an office across the water. It is very difficult to bring them along. I certainly want Northern Ireland to have the full attention of our most senior staff and they will inevitably be predominantly based in Worcester.

I think that there are some discussions to be had. I don't close my mind to any particular model, but I do wish us to have a good discussion about the benefits and drawbacks of particular models to get to the right one. I certainly accept that there is a need for us to be sufficiently present but there is more than one way to do that in Northern Ireland.

Duncan Baker: That is very encouraging. Thank you very much.

Chair: We are going to move now to some quickfire questions and start with Ian Levy.

Q30 Ian Levy: Thank you to the panel for joining us this afternoon. As the Chair said, hopefully there will be quick answers with this one because it is quite straightforward. Can you give us a bit of an update on how you are progressing with the 25-year Environment Plan, the progress report and when it will be published?



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Dame Glenys Stacey: We are progressing well. We have a dedicated staff who are doing a preliminary analysis already. We have scoped the main areas we expect to cover in the report. We have agreed the governance and we have a steering group that has already met, a steering group that has already met. It is a steering group with two board members on it, as well as me. We expect to publish this by the year end. We have not agreed a precise date yet.

Q31 **Ian Levy:** Are there any areas that you are likely to recommend that the Government take action? I do not know if you want to let the cat out of the bag yet.

Dame Glenys Stacey: We have had one steering group meeting and there is no written text yet, so it is much too early. Perhaps when I come again in September or thenabouts we will have a bit more to say.

Q32 **Dr Neil Hudson:** Thank you both for being before us today. This week you published the advice that you provided to Ministers on the draft environmental principles policy statement. Can you let us know what concerns you have potentially with that policy statement?

Dame Glenys Stacey: I hope we provided you with a copy of our full response. For those listening, it is on our website in case they would want to see it. We have a number of concerns. First, in very general terms, this is a real opportunity, a one-off opportunity to make sure the policy statement is consistent with Government's stated ambition. I spoke about the golden thread that we were looking for earlier and here is a classic opportunity.

What we want is the Government's ambitions, both those in the 25-year plan and those stated subsequently, but those ambitions and the principles and the policy statement to be absolutely aligned. We do not think that they are at the moment. We have raised the opportunity here to improve the statement in a number of ways; in the way it is structured, in the emphasis put in there as to what you can do as opposed to what you should not do.

The nature of the environmental effects, they should be positive as well as negative. Negative effects are to be avoided but the positive contributions are to be actively encouraged by this statement. We want some consistency in the drafting around positive effects, as when it is all drafted rather oddly at the moment, and we raise issues about proportionality. Here we seem to be taking a not sufficiently ambitious view of proportionality. We raise the integration principle, and again it is an on-demand definition at the moment. It could be stronger. Yes we mention that the precautionary principle because it looks like it is a fairly narrow approach at the moment that is being suggested. That does not seem to accord with current understanding elsewhere.

Lastly, I raised issues about the implementation of it. What we want to avoid here is the statement being there in its bare form without policy



makers, who want to do the right thing, having sufficient guidance alongside the statement so they fully understand how to implement it. Then we would be keen to see how Government oversees implementation. What we want to avoid are good intentions, good aspirations, but we do not then track whether they are delivered. That seems to be a significant issue across the environment more generally. But again, here is an opportunity to make that difference.

Dr Neil Hudson: Thank you, that is helpful. I am aware, Chair, we are short of time but, Natalie, do you have any broad concerns on top of what Dame Glenys has said?

Natalie Prosser: The condition with our response here is to make this policy statement effective across Government and, in particular, to let Government and support Government across the whole gamut of—*[Inaudible]*—and embed good environmental practice. I want to lend support to what Dame Glenys has said in that regard.

Q33 **Dr Neil Hudson:** Dare I say it, Dame Glenys, there may be occasions where the Ministers do not follow your advice. If that does happen, what effective recourse will you have if they do not follow your advice?

Dame Glenys Stacey: It would not be the first time that I would find myself in that position. I have some experience of finding ways to influence Ministers, and I would resort to my own experience there. Secondly, ultimately of course Government Ministers can decide. That is the democratic arrangement in this country, and quite right too.

I can also learn from the experience of others. A sister organisation—the Climate Change Committee—sets a good precedent for me. It has been around a decade. A lot of their advice has been followed. Where it has not been followed they have been very clear and use their power of voice to point that out.

I have with my own experience, and experience of others, to rely on in terms of escalation. Ultimately, OEP has certain statutory powers. We can not only point out issues in our regular reports but there are circles in which we can issue proceedings against Government where, for example, there is a clear breach of environmental law that is serious. We would not hesitate to do that if that was the right thing to do.

Dr Neil Hudson: You will not be afraid to use your experience and the mechanisms that you can use to speak out if you feel the Government are doing the wrong thing then?

Dame Glenys Stacey: I would be more afraid in not doing that.

Q34 **Dr Neil Hudson:** Finally, where Ministers do seek your advice on future matters, such as the habitats regulations, do you plan to publish your advice in full each time?

Dame Glenys Stacey: That is an interesting question. We have yet to decide our publication strategy or as part of this wider approach to



transparency. The default position—my preferred position and I am sure of our board—would be that wherever it is appropriate to publish advice we would do so. Most certainly, formal advice would almost always fall into that category. In general, yes, but there may be some things that are more likely to meet our objectives by quiet, less formal advice. It would be unusual to publish that, as you would understand.

Natalie, I hope I have not spoken out of turn there and pre-empted discussions but that would be our experience, wouldn't it?

Natalie Prosser: That is quite right. I would reference provisions in the current Bill on many occasions that would oblige us to publish that advice.

Q35 **Jerome Mayhew:** I just have a couple of quick questions. In your previous evidence you said that about 19 complaints have been received so far. Can you characterise those complaints for us? What have they been focusing on? Can you draw any conclusions from the direction of travel so far?

Dame Glenys Stacey: Natalie, you will wish to come in, in a moment. But no, we cannot draw any firm conclusions from these complaints. I do not believe that they are sufficient in number to suggest they are representative in any event. I also believe that, once we get to vesting, complaints will change in nature. Natalie, do you want to provide some more information?

Natalie Prosser: At the moment, of the 19 complaints that we have had we have only identified that three of them fall within our statutory remit and will be passed on to OEP when it vests. The strongest theme coming out from the complaints we have had so far is nature conservation. More than half of our complaints are related to nature conservation in one form or another. I would repeat that we have only had 19 complaints so far, all from members of the public. It would be difficult to draw any thematic conclusions from them at the moment. They are proving very helpful for us in terms of how we develop and test our systems, which will certainly be a significant advantage for the OEP upon vesting because we have had the opportunity to test these out.

Q36 **Jerome Mayhew:** The main thing I want to tackle is your attitude towards enforcement. In the Environmental Audit Committee, we have been undertaking a water quality inquiry and it is very apparent that the Environment Agency has fallen off a cliff in terms of its prosecution, its enforcement of breaches, particularly of water quality. If you look at the water companies, over the last decade they have averaged about 17 prosecutions per annum and yet there are estimated to be more than 2,000 potentially illegal water permit breaches by the water companies during that period each year.

There seems to be an enormous differential between likely breaches and enforcement. In farming, in my own constituency, there is a degree of



frustration from compliant farmers who see people cutting corners, saving money, and damaging the environment and they are getting away with it. There is no enforcement process that is effective. If that is our experience with the Environment Agency what is our experience going to be like with you? You say you have a stick, and you say it is in the cupboard, are you ever going to get it out? Are we going to come back in a year and say, "What happened to that stick? Where are we?"?

Dame Glenys Stacey: Thank you for raising this. Thank you to the Chair and others here for your keen interest in water quality, in our ancient sewage system and in combined sewer overflows. The work you have done to raise the profile of this is laudable, and I am very pleased to see your current inquiry and await the results of that.

It is a very good example of how the OEP needs to think intelligently about how to approach such important issues. We have begun to think about this one within the team. I note the EA estimates it costs £4.8 billion to fix this thing. I do not know whether that is their up-to-date figure, but I note that Thames Water spent £4.2 billion dealing with just 30 CSOs on the Thames estuary. So, as there are well over 20,000 CSOs in the UK, excluding Scotland, I question that figure. In the House of Lords debate last night I think someone mentioned that £200 billion to £300 billion was much more a figure. I can see then that there is a massive cost implication here to get these things right.

Also, it is a classic complex wider system problem, isn't it? You have competing responsibilities. You have Ofwat there regulating, including regulating pricing structures, and setting investment requirements at a certain level. You have EA overseeing permitting but, also, it has a significant legacy: that scheme of deemed licences; many thousands of deemed licences at the time EA came into being.

No doubt Treasury has a very keen interest in what the solution might be and what it might cost, and Government have their interest in overall compliance and also the cost of services to the public at large.

In our embryonic executive team, we were recently discussing this issue and the relationship between it and individual complaints. We may, for example, receive individual complaints about a particular CSO, and we could investigate that. Or we could get a number of complaints about a number of CSOs and other elements of the system at large, and we could investigate each of those. Or we could look across our range of powers and duties and recognise the significance of this issue overall and consider how we then deal with it, not necessarily through individual investigation of the complaints and enforcement but in other ways.

This would be a matter for our board. I do not want to pre-empt those discussions, but this does sound like what I would traditionally call thematic review territory, where you evaluate the problem as a whole and you ask yourself questions—why, why, why? Why are these things



happening? Why is the Environment Agency acting as it is? You soon get to the nub of the issues.

I am not saying at the moment that this would be a priority for OEP, because I do not want to usurp our board, but I can certainly see that it is a strong contender and it is a very good case study of the relationship that we must strike, the balance we must strike between individual enforcement and our wider powers that could influence things much more significantly. That is the way I see it at the moment.

Jerome Mayhew: That is a brilliant segue. You are hinting at thematic investigation into the questions that my colleague Cherilyn Mackrory is about to ask you.

Chair: Thank you very much, Dame Glenys, for what you said about the work that we are doing as a Committee on water quality. This is an area that you may well benefit from your interest.

Q37 **Cherilyn Mackrory:** Thank you, Jerome, for segueing me in. Keeping with that theme, where the OEP finds other bodies—such as the Environment Agency or water companies or others—are not resourced to carry out their duties, could you comment a bit on how that will be handled?

Dame Glenys Stacey: Absolutely. There are a number of ways in which it could be handled. I know that Sir James was giving evidence to you quite recently and was quite candid in relation to the resource constraints that they face, so we can predict that this will become a live issue.

As I understand it, there are a number of ways that this could be dealt with. One is that we make plain in any monitoring of environmental law that environmental law is not being complied with, because of a lack of enforcement by those agencies charged with enforcement or inspection. We identify, as the rationale and reason for that, one of the reasons may well be either overall funding or the way funding is trammelled and channelled in these large agencies. It is often so directly related, for example, to licensing or whatever.

I certainly want to know a lot more about how the EA is responding, how it makes decisions to prioritise one thing over another, for example. We need to understand fully what issues such big agencies are grappling with in order to understand, yes, but also to make the right decision as to what to do next. One way is in terms of our reporting.

Secondly, of course we do have these enforcement powers. We may well find ourselves taking enforcement action against the Environment Agency and, Natalie, forgive me if I have misunderstood this, I understand that the draft legislation enables us to join the Minister in those proceedings if we think it appropriate to do so. If that was appropriate we would not hesitate to do so. These are difficult issues, but they are not to be avoided if we are to do the right job and do it well.



Cherilyn Mackrory: Natalie, did you want to add anything?

Natalie Prosser: What I would add is that one of the reasons I am in the role that I am in is because I am an enforcement specialist and a trained commercial litigator. A core part of what I have been asked to do is to make sure that the OEP is fully capable of using all of its powers from the very start. We are building the mechanisms to make sure that we can do that. It is a complicated business to get that right, but it is absolutely essential.

We will attempt, in all that we do, to resolve matters as efficiently and as quickly as we possibly can. I give my personal assurance to this Committee that the OEP will be capable of using all of its powers and, as quickly as we can, we will put the mechanisms in place to do so. I will draw on my own personal experience to make sure that we can do exactly that.

Dame Glenys Stacey: Can I add, I missed the opportunity to point out that Natalie is a regulatory enforcement specialist with a solid track record of bringing numerous successful and tricky enforcement cases? I do not think you have lost a case yet.

Natalie Prosser: I will make sure I do not do that now.

Q38 **Cherilyn Mackrory:** On that, how do you decide when a public body's internal complaints procedure has been exhausted and will you consider a complainant's case? I suspect whether that is in a corporate manner or even in an ombudsman manner what role the OEP might take.

Dame Glenys Stacey: Just to be clear, we are not an ombudsman. That would be a mistake for us to fall into that trap; so, we are not. Yes, we are taking a very keen eye on complaints, and we would be foolish to wait until all validation is done before beginning to consider what it is telling us. We have taken steps to strengthen our oversight of these from the very beginning.

Now that we have our board, one of our board members, Richard Macrory, is going to act as a critical friend overseeing those complaints so that we can get a good understanding of them, even before we become properly vested. We are going to have a bit of a forensic eye to make sure that we do not miss it.

You have your individual complaint, and you have the regular issues coming up. We have systems that help us connect those, but it takes clear sight as well and we are putting those arrangements in.

On whether or not proceedings of complainants have been exhausted, it is a requirement. We have to make sure that that is the case. We are bending over backwards to help complainants to get to that point. We are not just telling them that. As I understand it, we are providing and embedding in our letters to complainants the direct link to the relevant complaints' procedure because it can be a bit difficult to find on a specific



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public body's website. In at least one case, we have been in touch with the public authority to assist them to improve their complaints' procedures so that it is very clear that complaints can be made in relation to these important environmental matters.

We are taking a philosophical approach that it is very difficult for an individual complainant to know which environmental law is at stake, which public body is at stake, and whether or not they have exhausted the complaints' procedures. We will continue, while we are resourced to do so, to take that supportive approach.

Chair: That is a very important conversation you have just had. We are now going to have some final concluding quick questions—and hopefully quick answers—from my fellow Committee Chair, Neil Parish, and then from me.

Q39 **Neil Parish:** As far as Scotland is concerned, how much have you talked to your OEP equivalent bodies? Does the OEP fit together well with what is going on in Scotland, and how do we deal with the environment across borders because river quality, and the like, does not stop at the Scottish-English border?

Dame Glenys Stacey: No, it does not, as much as animal health issues didn't in my day. I am delighted to say that we are forming very good relationships with our colleagues in the equivalent body in Scotland—which is ESS—and also with the interim assessor for Environmental Protection Wales, which is Dr Nerys Llewelyn-Jones.

We are still waiting for the Welsh Assembly to come to their final proposition for how they will govern these matters. For the moment, we have an interim solution with an assessor there and we are enjoying good relationships. We meet with these people obviously at my level but also at a working level. The team currently meet with representatives from Scotland and Wales on a monthly basis. We have good relations with them. Our Northern Ireland colleagues are involved as well. We have involved them from the beginning in relation to our handling of complaints.

We are making very good progress in establishing trust and candid relationships, while we are all trying to build our organisations obviously. Northern Ireland, Scotland and Wales are each in a different position at the moment.

Neil Parish: Geraint Davies wants a quick question on Wales before I hand back to Philip.

Q40 **Geraint Davies:** How will you cope with differences of policy across the border in Wales and in Scotland? At the moment, there is no culling of badgers in Wales—so we have asylum seekers here, or whatever—and there may be a moratorium on incinerators, which there isn't in England, and similarly on plastics. How will you cope with differences across the border?



Dame Glenys Stacey: There will always be differences across the border. It is difficult for me to pre-empt or predict exactly how we deal with each one. I can see it is a special issue in Northern Ireland. Should we have that jurisdiction where it abuts Ireland and therefore Europe? We are going to have to grapple with these issues.

In the preliminary discussions that we have had in Scotland—and forgive me but we do not have the equivalent body in Wales yet—we recognised very readily that there are issues of common interest and there we will benefit from a common endeavour. My experience as a chief inspector, for example, in criminal justice, is that there are matters where it is much more powerful for the criminal justice chief inspectors to speak collectively and there may be circumstances where that same model is appropriate here. It is early days, but we recognise that we have a common interest in matters. I do not see that the borders are going to get in the way there. Not if I can help it anyway.

Q41 **Chair:** Two final questions from me. First, on funding, Dame Glenys, you referred in your response to Caroline Lucas about multi-year funding to, I think, a three-year period. We were previously under the impression that there was a five-year funding period being provided by DEFRA. Can you just clarify how long your funding lasts for, as far as you are aware?

Dame Glenys Stacey: I do believe that the proposition is for a three-year ring-fenced settlement but that is not applicable this year because we have interim funding this year. But am I mistaken?

Natalie Prosser: No, you are quite correct there. We have a funded settlement for this year. We have an indicative budget for next year. We are about to embark on a spending review, as we will all be aware, and it is through the spending review mechanism that our three-year ring-fenced budget should be settled.

Q42 **Chair:** My last question was following up from your earlier discussion with Cheryl Mackrory about how both the public and the bodies that you are going to be overseeing recognise the role that you have. We have had evidence from the Natural Capital Committee, who is concerned that a memorandum of understanding may not be a strong enough mechanism to ensure that you do not duplicate efforts with the regulators, like EA or Natural England.

You are also going to have to oversee the environmental protection efforts of local authorities, national parks, and a whole host of other public bodies. To what extent have you already been talking with these bodies about how you are going to work without duplicating effort? How you are going to communicate that to the public so that you do not get just a raft of complaints coming into you because they see you in a role at the top of the tree and, therefore, the people to complain to?

Dame Glenys Stacey: That is a very thoughtful question. A memorandum of understanding: first, those memoranda are being drafted. We do not have them for 1 July. We need them ready for



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vesting, but we are talking to the relevant bodies—for example, the Climate Change Committee—about the contents of those and we want to get them right by December. Those are only just part of the picture.

However, they tend to focus on, for example, our working arrangements. Relationships matter and we are working hard to build those relationships. We meet regularly, for example, with the chief executives and chairs of Natural England, the Environment Agency, as well as the Climate Change Committee. We are also meeting regularly with significant environmental NGOs, as we enjoy good relations with them as well.

There is a significant job we need to do to explain the role of OEP and it is probably a bit like the fourth bridge. We are going to have to keep on doing it. It is a slightly unusual role. It is very broad, but we are not an ombudsman and so on. We have to find ways in which to communicate that. We have had a stab with our team at how to succinctly express what we do. Our board signed that off last week. What I do not have yet is a full communication strategy but, in my defence, I do not have any comms staff yet. There is a chicken and egg thing there.

You have hit on an important issue for us. That is how do we get across well enough, broadly enough, what our role is. I imagine in a year's time we might do a quick survey and find just a few percent of the population understand it. But we will gauge that, and we will keep on building it. Any advice would be welcome.

Chair: We were not expecting you to be able to answer all of these questions completely today because you have only been in post for a short period, and you have only stood up for a week. I will conclude this joint session by thanking Dame Glenys Stacey and Natalie Prosser for answering our questions today. We wish you every success in developing the OEP over the coming months and look forward to you appearing before us again.

I would like to thank Neil Parish and members of the EFRA Select Committee for joining members of the Environmental Audit Committee for this joint hearing today. I particularly thank Amy Brew, Laura Grant, and Nick Davies from the Committee staff of the EAC, and Max Falkenberg McGillivray from the EFRA Select Committee, for helping to prepare our brief.