

ENVIRONMENT BILL COMMITTEE: WRITTEN EVIDENCE

MARCH 2020

SUMMARY

1. Building on the oral evidence provided on 10th March 2020, Aldersgate Group is submitting the following written submission for the Committee to elaborate on some of the points raised during the evidence session and include additional points for the Committee's consideration. We would like to particularly highlight the following aspects:
 - An objectives clause is needed to set out objective(s) for the long-term target setting process, which should guide the ambition and criteria that will underpin that process
 - The Bill should recognise the need for interdependent targets in each priority area to deliver coherent environmental improvements
 - Interim targets need to be made more robust to provide businesses with assurances that successive governments will put in place the necessary policies to meet the long-term targets
 - The Office for Environmental Protection (OEP)'s five-yearly indicative funding should be clearly set out on the face of the Bill
 - Parliament should have a role in the appointment process of the Chair of the OEP
 - The applicability and scope of environmental principles should be extended to all public authorities and the exemptions related to taxation and government spending should be restricted / more tightly defined
 - The Bill should include a provision which prevents future regression on environmental standards

Clause to set objective(s) guiding the long-term target setting process

2. In our evidence session before the Committee, we supported the recommendation by the Broadway Initiative that **there should be a clause at the start of the Environment Bill which set out the objectives of the Bill**. Including such a clause will ensure there is a consistent long-term view that bind together the long-term targets, the Environmental Improvement Plans (EIPs), environmental principles and the OEP.
3. It will also be vital that the criteria underpinning the target setting process are clearly outlined in the Bill, in order to demonstrate what factors will be considered when setting the long-term targets.
4. Together these steps will provide an important direction of travel for future targets and clearly set out the level of ambition of future environmental policy making. As businesses look to invest in infrastructure and transform their business models in a way that will be in line with future targets, clarity on what can be expected from the target setting process is important so businesses can anticipate regulatory actions and invest ahead of time.

Providing for interdependent targets to deliver coherent environmental improvements

5. In addition to a clause that sets out objectives for the Environment Bill, it will be crucial for the Environment Bill to recognise that **interdependent targets will be required to deliver coherent environmental improvements in each priority area**. The complexity of the issues at hand means that it is highly likely that a network of interdependent targets will be needed to delivery coherent and systemic environmental improvements.

6. For example, driving improvements in resources and waste is likely to require at least one target focusing on resource productivity and another target focusing on waste minimisation. Similarly, the biodiversity target needs to cover aspects such as habitat extent, condition and connectivity, and species abundance. Aldersgate Group would therefore emphasise that interdependent targets are needed to **ensure that the future target framework is developed in way that is coherent and results in holistic improvements to the natural environment.**

Strengthening the interim targets process

7. As made clear in our oral evidence to the Committee, Aldersgate Group believes that **strengthening the interim target process will be key to ensure consistent and continued policy action over the years to deliver the long-term targets.**
8. The Environment Bill establishes interim targets in Clause 10 and 13, stating that interim targets should be set when revising EIPs every five years. The interim targets should be “in respect of each relevant matter” and the Secretary of State “must be satisfied that meeting the target, or the revised target, would make an appropriate contribution towards meeting” the long-term targets.
9. For the long-term targets to be seen by businesses as credible and investible, there needs to be assurances that successive governments will take sustained, regular action to deliver these targets. This will allow businesses to have confidence that the interim targets will genuinely drive government action and that remedial policy action will be taken, should it appear that interim targets will be missed.
10. With this in mind, we believe that the current interim target delivery process is too vague and needs to be made more robust. In particular, it is essential that the Bill explicitly states that EIPs need to set out steps that enable the interim and long-term targets to be met, and that the five-yearly review process requires the **Government to take remedial action** (including updating existing policies or introducing new policies / measures), **if an interim target has been missed or looks likely to be missed.**

Funding of the OEP

11. The OEP will have a central role in the new environmental governance regime. For it to be as effective as possible, the new watchdog will need to be independent and have sufficient resources to carry out its functions.
12. Schedule 1, Clause 12 establishes that the Secretary of State “must pay the OEP such sums as the Secretary of State considers are reasonably sufficient to enable the OEP to carry out its functions”. Additional funding can be provided “subject to such conditions as the Secretary of State may determine”.
13. While we welcome the commitment made in the Government’s response to the pre-legislative scrutiny process that the OEP will have a five-year, ring-fenced budget, we are concerned that this is not made clear in the Bill. The current wording does not provide the OEP with sufficient long-term budgetary certainty, and we would welcome this five-year indicative budget being explicitly set out in the Bill. This has already been recognised by the Government as an important aspect following the pre-legislative scrutiny carried out

by the Environment, Food and Rural Affairs Committee¹, and it would therefore be good to provide greater certainty in this area.

Relationship between Government, Parliament and the OEP

14. During our evidence session before the Bill Committee, a question was asked as to whether it would be appropriate to have a Select Committee carrying out a pre-appointment hearing of the Chair of the OEP since it is a different type of organisation to the Office for Budget Responsibility (OBR), where the Treasury Select Committee scrutinises the appointment of its Chair.
15. At the evidence session, we set out our view that Parliament should have a clear role in the process. **This proposed model has proven to be effective and would work well for the OEP.** The scrutiny process itself does not have any bearing on the function of the organisations themselves. Having a robust process for appointing the Chair of the OEP will strengthen the body's credibility and provide important assurances regarding its independence.
16. The importance of involving Parliament, especially the relevant Select Committee, has been acknowledged by both the Environment, Food and Rural Affairs Select Committee and the Environmental Audit Committee following the pre-legislative scrutiny process of the draft Bill². **To guarantee the OEP's independence and effectiveness, it is important to all stakeholders that the Chair appointment process is transparent and sufficiently scrutinised.**

Environmental principles

17. There are two principal changes we advocate for with regards to the environmental principles. The inclusion of environmental principles in the Bill is welcomed and can play an important role in achieving the ambition of the Bill. However, for them to have the desired impact, **their scope and applicability need to be broadened.**
18. **The responsibility to have due regard to the policy statement on environmental principles should therefore be extended to all relevant public authorities**, not merely ministers, to have the desired impact. Most public authorities have some impact on the natural environment and giving them the responsibility to consider the environmental principles will help generate complementary measures across the different levels of government.
19. Additionally, the exemptions listed in the Bill risk undermining the effectiveness of the environmental principles in practice. As currently drafted, Clause 18(3) sets out the exemptions to the applicability of environmental principles. These include, among others, "taxation and spending or allocation of government resources". Given the importance of taxation policies and departmental budgets in delivering environmental targets in practice, this will limit the real-life effectiveness of the principles. We therefore suggest that **these**

¹ House of Commons Environment, Food and Rural Affairs Select Committee (16 October 2019) *Pre-legislative scrutiny of the Draft Environment (Principles and Governance) Bill: Government response to the Committee's Fourteenth Report of Session 2017-19*

² House of Commons Environment, Food and Rural Affairs Select Committee (30 April 2019) *Pre-legislative scrutiny of the Draft Environment (Principles and Governance) Bill*
House of Commons Environmental Audit Select Committee (25 April 2019) *Scrutiny of the Draft Environment (Principles and Governance) Bill*

specific exemptions are removed or, failing that, be restricted to clearly specified circumstances.

High environmental standards and non-regression

20. Finally, it is essential that the ambitions set out in the Environment Bill are achieved in a way that builds on and continuously improves on current environmental standards. We would therefore **welcome the inclusion of a provision preventing future regression on environmental standards** in addition to the proposed Clause 19, which is intended to provide transparency on any proposed regression. We strongly welcome this Government's intention to deliver a high level of environmental ambition and to go beyond EU standards. In order to put the Government's ambition into practice and ensure the Bill delivers environmental improvements across the piece, it is important for the Bill to include language which makes it clear that there should be no lowering of current environmental standards.