



National Audit Office

Report

by the Comptroller
and Auditor General

HM Government

Achieving government's long-term environmental goals

Timeline of key events

June 2011	Government published a Natural Environment white paper stating an ambition to be the first generation to leave the natural environment of England in a better state than it inherited.
January 2015	The Natural Capital Committee recommended that government, working with business, non-government organisations and other parts of society, should fully develop a 25-year plan to protect and improve natural capital for the next generation.
January 2018	Government publishes <i>A Green Future: Our 25 Year Plan to Improve the Environment - 25 Year Environment Plan</i> (the Plan), setting out its plans to improve the environment within a generation.
March 2018	Inaugural meeting of an 'Implementation Board' for the Plan with the Department for Environment, Food & Rural Affairs (Defra) – responsible for overall oversight of the Plan.
December 2018	Government publishes its resources and waste strategy for England.
January 2019	Government publishes its clean air strategy, setting out plans for dealing with all sources of air pollution.
May 2019	Government publishes its first progress report on the Plan together with a proposed indicator framework to measure outcomes.
October 2019	Environment Bill introduced to Parliament.
January 2020	Environment Bill reintroduced to Parliament following the General Election.
June 2020	Government publishes the second progress report on the Plan.
July 2020	First full set of goal-based progress reporting presented to Defra's Environment Committee.
2023	Updated 'Environmental Improvement Plan' due, under the proposed Environment Bill.

Summary

Introduction

1 Government wants this to be the first generation to leave the natural environment of England in a better state than it inherited, and to help protect and improve the global environment. This is in recognition of the role that nature plays in supporting our health, wealth and well-being, as well as its intrinsic value.

2 Improving the natural environment within a generation is a major challenge and the urgency and significance of the issues at a global level are increasingly expressed by people within and outside government in terms of climate and nature 'emergencies'. For example, within Britain there are more than 1,000 species threatened with extinction, and globally species are becoming extinct at such a rate that this may constitute the sixth 'mass extinction' event in the history of the Earth.

3 The ambition to be the first generation to improve the natural environment of England was first made in 2011 by the coalition government, in a Natural Environment white paper.¹ In January 2018, government published its 25 Year Environment Plan (the Plan) to achieve this ambition and also to position the UK as a global environmental leader. The Plan set 10 overarching environmental goals (**Figure 1** overleaf).

4 The Plan covers the government's environmental work in England, as well as policies, programmes and targets that have a UK-wide effect, and the UK government's international environmental work. Responsibility for environmental policy in Wales, Scotland and Northern Ireland rests with the devolved administrations. Part of the impetus behind the publication of the Plan was to set a direction for a 'Green Brexit', as the UK's participation in EU Directives has had a wide-ranging influence on its environmental policy and approach.

¹ HM Government, *The Natural Choice: securing the value of nature*, June 2011. Available at: www.gov.uk/government/publications/the-natural-choice-securing-the-value-of-nature

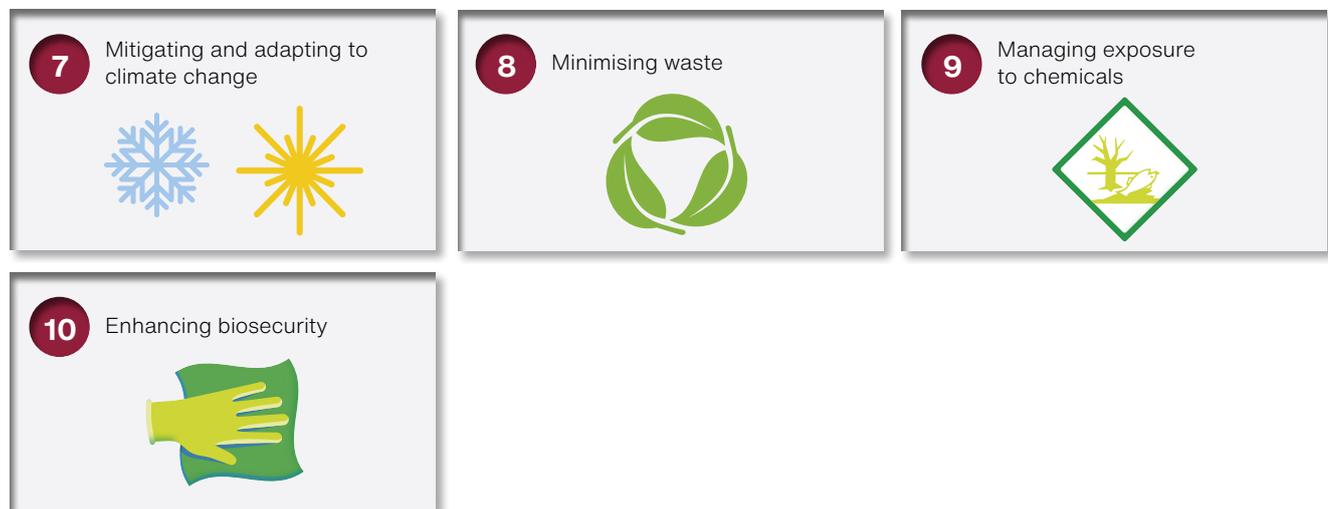
Figure 1

Government's long-term environment goals as set out in the 25 Year Environment Plan

Government intends to achieve:



In addition, government intends to manage pressures on the environment by:



5 The Department for Environment, Food & Rural Affairs (Defra) has lead responsibility for all environmental policy areas apart from climate change mitigation, for which the Department for Business, Energy & Industrial Strategy (BEIS) has the policy lead. Other parts of government also have important roles to play in achieving government's environmental goals. In particular:

- the Department for Transport (DfT) has responsibilities for reducing air pollution from transport. It also has an important influence on the extent and connectivity of wildlife habitats through its role in the construction and maintenance of transport infrastructure such as strategic roads and railway lines;
- local authorities are responsible for local air quality measures including new 'clean air zones'; for waste management services including recycling collections and for developing local plans to guide development in their area, with the aim of meeting economic, social and environmental needs and opportunities; and
- the Ministry of Housing, Communities & Local Government (MHCLG) oversees the frameworks that can impact on local authorities' functions, including delivery of their environmental activities. It is responsible for the overall planning system, and acts as steward for the local government finance system to ensure local authorities can function effectively.

The scope and purpose of this report

6 This report examines how government has set itself up to deliver its long-term environmental goals. These are broad and complex issues and so our aim has been to highlight the most significant potential strengths and areas for improvement, as well as key risks that government will need to manage, drawing on our experience of auditing large-scale, longer-term or cross-government projects and programmes.

7 We examine risks in relation to:

- how government has **set direction**. Without clear objectives and plans, it may be difficult to persuade people within and outside government to take the goals seriously, particularly at a time when government has limited 'bandwidth', given EU Exit and the COVID-19 pandemic;
- **oversight and coordination**. Without good arrangements to bring stakeholders and delivery partners together, there are risks that people work in 'silos' and do not manage the links between different issues as well as they could; and
- arrangements for **monitoring, learning and improving** to ensure that problems do not go unnoticed or unaddressed, and that good practice is shared.

8 Government's 'net zero' greenhouse gas emissions target is central to its environmental goal of mitigating climate change, and we are preparing a companion report on how government is organised to deliver it. This report therefore focuses on government's approach to its wider environmental goals, although we do also consider how it integrates this with its approach to net zero.

Key findings and recommendations

Setting direction

9 The 2018 Plan brings together a number of government's environmental commitments and aspirations in one place, but it does not provide a clear and coherent set of objectives. The headline ambitions in the 25 Year Environment Plan include a number of specific and measurable objectives, such as the ambition to achieve zero avoidable waste by 2050, and to meet legal emissions targets for air pollution. However, these form part of a complex mix of aspirations and policy commitments for action, with varying and often unclear timescales. It is also difficult to determine how the ambitions relate to pre-existing national, EU and international environmental targets: in October 2018, government agreed to publish an audit of this comparison "in due course", which it has yet to do (paragraph 1.15 and Figure 5).

10 Since publication of the Plan Defra has developed more detailed strategies for two of government's 10 environmental goals: on resources and waste, and clean air. Defra's December 2018 resources and waste strategy proposed changes including to: require producers to pay the full costs of disposal for the packaging they place on the market; introduce a new tax on plastic packaging; and to develop a consistent approach to recycling and food waste collections across local authorities. Its January 2019 clean air strategy proposed a new target to cut public exposure to pollution from fine particulate matter, and new measures to tackle sources of air pollution including new powers for local authorities and legislation to restrict the sale of all but the cleanest woodburning stoves (paragraph 1.6).

11 Defra has also developed a wide-ranging Environment Bill, which would put its plans on a statutory basis, and help clarify long-term ambitions.

The Environment Bill as introduced to Parliament in January 2020, would introduce statutory requirements about how government develops its approach to the natural environment. The Bill identifies four “priority” environmental areas (air quality, water, biodiversity, and resource efficiency and waste reduction), covering five of government’s environmental goals.² The Bill would require the government to set at least one new long-term target in each priority area by October 2022 and would allow government to set additional long-term targets on any aspect of the natural environment or people’s enjoyment of it. Together these must constitute a “significant improvement” to the natural environment in England. It proposes that the Plan becomes the first in a series of ‘environmental improvement plans’, which government must report on annually and update every five years. The Bill would also bring about wider changes to environmental governance and legislation, including to require consideration of environmental principles in policy-making and to implement changes proposed in the resources and waste, and clean air strategies (paragraph 1.7, Figure 3 and Figure 7).

12 However, government has yet to set a clear course for the development of a coherent and complete set of environmental objectives, and for a full set of costed delivery plans. Government has not yet decided whether or how it will integrate and align the complex mix of legislative and non-legislative environmental commitments that already exist with the new targets required under the Environment Bill. In particular, government has yet to set out whether or how it will clarify long-term ambitions for the five environmental goals that it has not designated as priority areas. These include important issues such as how society adapts to a changing climate and manages exposure to chemicals. Defra has started to assess potential gaps against government’s environmental ambitions. However, it has not set a timetable for concluding this analysis or for developing long-term delivery plans for each of the goals. This means that neither Defra nor HM Treasury yet has a good understanding of the long-term costs involved in delivering the Plan as a whole. Given the timescales involved, delivery plans will need to be flexible enough to accommodate different scenarios, with associated costings recognising the underlying uncertainties. However, they are still important as otherwise there are risks that decisions about funding allocations are made in a piecemeal way, rather than on the basis of a strategic view of long-term priorities (paragraphs 1.16, 1.18, 1.20 and 1.21).

² The Plan lists resource efficiency and waste reduction as two separate environment goals, while the Bill treats them as a single environmental area.

We recommend that government:

- clarifies its environmental ambitions so that by the time it puts forward new legislative targets (in October 2022), these are part of a coherent suite of objectives that set specific and measurable ambitions for medium-term (2030) and long-term (2040 onwards) outcomes for each of its environmental goals;
- develops a delivery plan for how the planned outcomes are to be achieved. This should set out the firm and funded actions that government has planned, and explicitly state whether government expects these are likely to be sufficient to put progress on track to meet the outcomes. Where there are gaps, government should set out how and when it expects to make decisions to fill these. This plan should also set interim milestones by which progress can be monitored, covering medium-term outputs (up to 2030); and
- assesses the short-, medium- and long-term costs of this delivery plan to ensure that Defra and HM Treasury have a shared view of the associated costs and how these might be financed.

13 Government's capacity to take forward environmental work has been affected by the COVID-19 pandemic over the past six months, but progress was already slower than government had intended. During the pandemic Defra had to divert people from across the organisation to help with the emergency response. However, prior to the pandemic, Defra had already encountered delays: it originally anticipated producing more detailed proposals for some of the new measures in the resources and waste strategy in early 2020. Moreover, given that the Plan was published three years after government accepted a recommendation to develop a 25-year plan to deliver its environmental ambitions, we would have expected it to already have fairly well-developed delivery plans. The Environment Bill was first introduced to Parliament in October 2019, reintroduced in January 2020 after the General Election. Its progress through Parliament was paused in March 2020 due to the COVID-19 pandemic and resumed in November 2020 (paragraph 1.8).

Oversight and coordination

14 Defra is developing governance arrangements to help manage the links between different environmental issues. Defra has two oversight groups for its environmental work: a 25 Year Environment Plan Implementation Board, and a more senior and pre-existing Environment Committee. These groups have brought together relevant parties from different teams in Defra and its arm's-length bodies to discuss cross-cutting issues such as the new Environmental Land Management scheme and, from February 2020, to consider strategic risks and issues for delivery of the Plan as a whole. In July 2020 the Implementation Board started work to assign responsibilities for managing the links between goal areas, although it has not yet agreed what the most important links are. These formal coordination arrangements will need the right culture to have real effect, with working relationships across teams and across organisations built on openness and trust (paragraphs 2.2 and 2.10, and Figure 8).

We recommend that Defra:

- maps out the most significant interdependencies between the goals in the 25 Year Environment Plan and sets out how decisions about any significant trade-offs will be made, and by who; and
- defines the values and behaviours that will support delivery of its environmental goals, reviews how closely these align with its current working culture and sets out plans for improving and monitoring progress.

15 Government's arrangements for joint working between departments on environmental issues are patchy. We found a mixed picture in terms of the extent and strength of arrangements between different departments on specific environmental issues, and no clear indications of senior ownership outside Defra and its arms-length bodies for the Plan as a whole. Joint working arrangements are most established for air quality, for which there is a joint Defra/DfT unit, although even here there have been some difficulties. Arrangements for engagement on adaptation to climate change have been weak. The Domestic Adaptation Board has met infrequently: twice in the past three years. There are no regular, formal arrangements at all for Defra to engage other departments on the goal to protect and restore wildlife in England, although government established a new cross-government board in September 2020, chaired by the Cabinet Office, to oversee international work on nature. No other departments, apart from Defra, are represented on the main oversight committees for the Plan, and government has not developed other ways to ensure senior cross-government ownership of the Plan as a whole nor to set clear accountabilities for their contribution to performance (paragraphs 2.3, 2.4, 2.6, 2.7 and 2.10, and Figure 10).

We recommend that Cabinet Office and Defra:

- review and improve arrangements for engaging departments outside Defra on the Plan. This should involve:
 - a mapping out the areas where other departments have a critical role to play;
 - b establishing clear expectations for these departments' contributions to improving performance, and how this will be measured and monitored; and
 - c strengthening coordination and oversight arrangements where appropriate, particularly for climate change adaptation and domestic biodiversity.

16 Defra knows it will need to help people to change their behaviour but is only just beginning work to look at how it will do this in a coordinated and evidence-based way. Defra recognises the importance of behaviour change and public engagement. For example: in June 2018 it established the Council for Sustainable Business to advise on how businesses can help achieve the aims of the Plan; and in 2019 Defra organised the Year of Green Action, to encourage people to connect with nature and get involved in nature-related projects. However, Defra is only now in the early stages of producing a behaviour change strategy to ensure that its approach to engaging people and stakeholders outside government is evidence-based, targeted and coordinated. There are particularly pressing issues associated with wider changes in people's behaviour in response to the COVID-19 pandemic that have environmental implications. During 2020 Defra has been working with BEIS on projects related to behaviour change for net zero (paragraphs 2.13 and 2.14).

We recommend that Defra:

- prioritises its behaviour change strategy work to capitalise on positive behaviour changes brought about by the COVID-19 pandemic and continues to build links with related behaviour change work being carried out with other parts of government.

17 There are indications that skills and resources gaps could inhibit government's progress in achieving its environmental ambitions. We found risks in three areas:

- **Among local government.** Local authorities have a critical role to play on a range of environmental issues, including to improve local air quality and to ensure that developments in their local area support the recovery of nature. The COVID-19 pandemic is putting pressure on local authorities' resources, and they will need access to the right expertise, including ecological expertise.
- **Within Defra.** Defra will need to ensure that it has people with the right skills and experience to oversee such a complex programme, and that it handles turnover well: since the Plan was published it has had three different senior responsible owners.
- **Among arm's-length bodies.** Three of Defra's arm's-length bodies raised concerns with us around funding or skills shortages within their organisations or within the wider supply chain that they will rely on to deliver environmental improvements (paragraphs 2.18 to 2.20).

We recommend that Defra, working with Cabinet Office and HM Treasury:

- develops a strategy for ensuring that the right skills and resources are available to meet government's environmental ambitions. This should include:
 - a a published analysis of how government will ensure that key delivery partners, including local authorities and Defra's arm's-length bodies, have appropriate funds to fulfil their environmental responsibilities; and
 - b a review of the factors that led to high turnover among the senior responsible owners for the Plan, and how these factors may be mitigated in future.

Monitoring, learning and improving

18 Defra's approach to monitoring progress across the goals is developing but has some serious gaps. Defra started monitoring progress by tracking a subset of priority actions, but then moved to ad hoc, narrative updates on specific issues. In July 2020 Defra prepared a new quarterly progress report which gave a more rounded, though still incomplete, picture of performance, covering progress on some outcome measures and targets as well as actions expected in 2020-21. Defra increased the number of environmental outcome indicators against which it published data from 27 in 2019 to 38 in 2020 but it does not expect to have a full set of data for all 66 indicators to measure overall performance against its environmental goals until 2024 at the earliest. Without a clear and complete set of objectives, it cannot be sure that its monitoring focuses on the right things. It has yet to specify which of its oversight groups is responsible for setting action plans and requiring improvements if performance against any of the goals is not on track (paragraphs 3.4, 3.5, 3.7, 3.10 and 3.15).

We recommend that government:

- sets a deadline for securing a full set of outcome-focused environmental indicators, with data, and that Defra's Environment Committee monitors progress against this deadline, taking swift action if things fall behind.

19 Government does not yet monitor total spend on delivering its environmental goals. Since 2018, government has announced funding for a wide range of initiatives to deliver its environmental goals, including a £640 million Nature for Climate Fund to increase tree planting and restore peatland, £475 million on air quality measures and up to £25 million to create a new 'nature recovery network' in England. Defra started an analysis of spend by environmental goal as part of its preparations for the 2020 Spending Review, but it does not yet have a good breakdown of annual costs. There is no single point of responsibility for monitoring overall environmental spend or costs on an ongoing basis, which is likely to limit government's ability to assess and take action to improve the value for money of the portfolio of initiatives as a whole (paragraphs 1.10, 1.12 and 3.8, and Figure 4).

We recommend that Defra, working with Cabinet Office and HM Treasury:

- monitors annual costs and spend on key environmental initiatives across government, alongside the benefits they achieve, as part of developing performance reporting against the Plan.

20 Public reporting of progress is not well developed. Defra has published two annual progress reports on the Plan. The latest, published in June 2020, gave an assessment of short-term trends for a subset of environmental indicators that identified around half (49%), as positive, one-third (33%) as stable and around one-fifth (18%) as negative, although some of the positive trends are for areas where there remain serious and longstanding problems. The Natural Capital Committee, responsible for scrutiny of government's public reporting against the Plan, has raised concerns about the quality of these annual reports, and concluded that the government is not on course to achieve its objective to improve the environment within a generation (paragraphs 3.3 to 3.6).

21 Government is establishing a new Office for Environmental Protection, which will scrutinise progress from 2021. The Natural Capital Committee published its final review of Defra's progress reports in October 2020. The Environment Bill would establish a new environmental watchdog, the Office for Environmental Protection (OEP), with an obligation to publish an independent annual progress report on implementation of the 25 Year Environment Plan, and to investigate the compliance of public authorities with environmental law. We have previously highlighted the need for the OEP to have appropriate resources, strong leadership, and sufficient independence to provide effective scrutiny over environmental metrics. Government had planned for the OEP to be operational by the end of the transition period, from January 2021, but it now expects that it will not be formally established by this time and that it will be a few more months before it is fully operational (paragraphs 3.12 to 3.14).

We reiterate our recommendation that government:

- continues to strengthen safeguards for OEP's independence, by developing a clear framework document for the terms of its relationship with Defra, and by setting out Parliament's ongoing role in reviewing OEP's funding and leadership.

We also recommend that Defra:

- continues to develop its public reporting of progress, including by incorporating reporting against a comprehensive set of interim milestones as soon as these are available; and
- includes in its progress reports an appendix showing how it has responded to any recommendations made by the OEP.

Conclusion

22 Defra has a range of schemes and projects under way to support its ambitions for improving the natural environment, and it is developing its arrangements to oversee, coordinate and monitor its work effectively. It is now nine years since government first set an ambition for this to be the first generation to improve the natural environment in England, and there is still a long way to go before government can be confident that it has the right framework to deliver on its aspirations and ensure value for money from the funding it has committed to environmental projects. We recognise that the demands of responding to the COVID-19 pandemic over the past six months have slowed the momentum it had started to develop, but progress was already slower than government had intended. Environmental issues are broad, inter-related and complex, so these are not straightforward challenges to address, but government needs to pick up the pace if it is to improve the natural environment within a generation.