



National Audit Office

Report

by the Comptroller
and Auditor General

HM Government

Achieving government's long-term environmental goals

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Achieving government's long-term environmental goals

Report by the Comptroller and Auditor General

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Gareth Davies
Comptroller and Auditor General
National Audit Office

3 November 2020

This report examines how government has set itself up to deliver its long-term environmental goals.

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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).

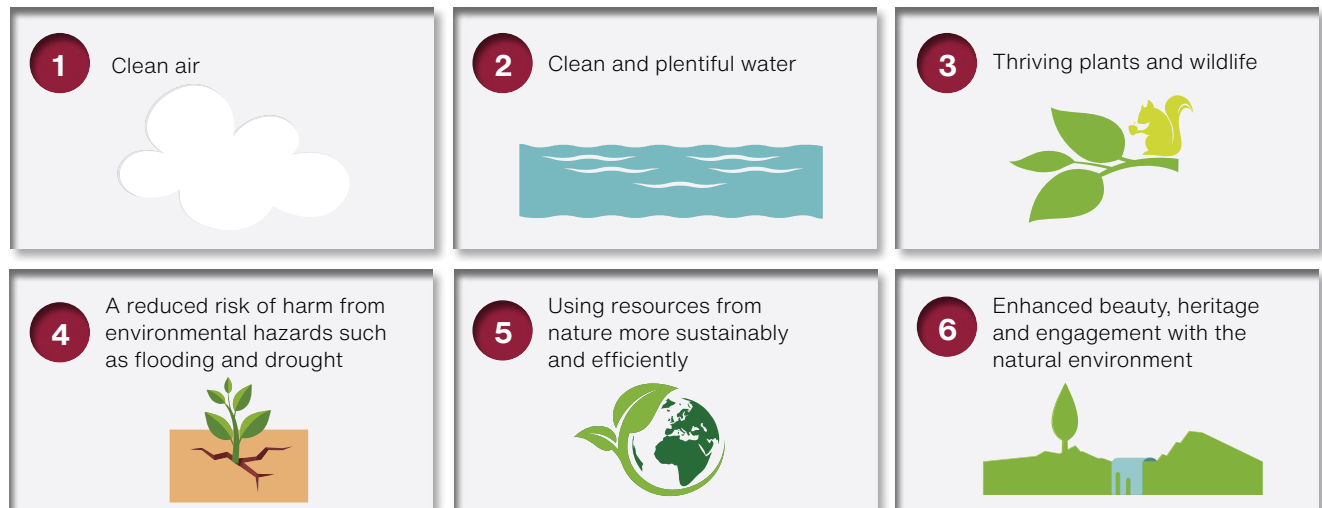
4 The Plan covers the government's environmental work in England, as well as policies, programmes and targets that have a UK-wide effect, and the UK government's international environmental work. Responsibility for environmental policy in Wales, Scotland and Northern Ireland rests with the devolved administrations. 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

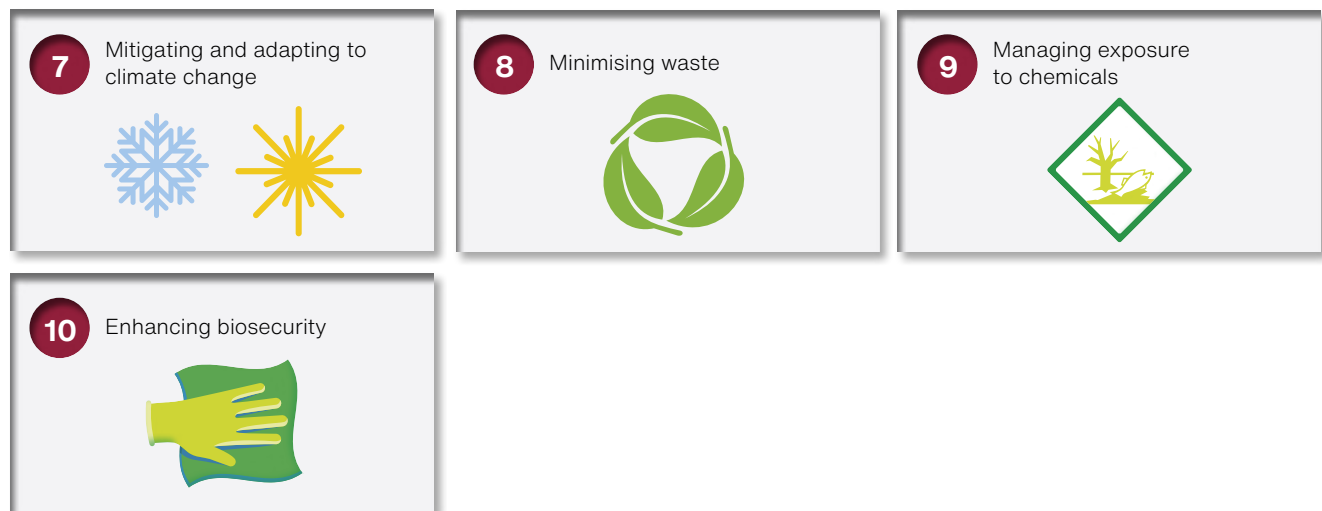
Figure 1

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.

Part One

Setting direction

1.1 This part of the report sets out:

- how government has set direction for its long-term environmental goals; and
- risks to the clarity of the direction.

How government has set direction for its long-term environmental goals

The 25 Year Environment Plan

1.2 In January 2018, government published a 25 Year Environment Plan (the Plan) for its ambition to improve the natural environment in England within a generation.³ The Plan established 10 overarching goals covering issues such as clean air, clean and plentiful water, and thriving plants and wildlife (Figure 1).

1.3 This ambition has been a longstanding policy commitment, first made in 2011 by the coalition government, in a Natural Environment white paper.⁴ The impetus for a corresponding 25-year plan goes back to 2015, when an independent advisory body, the Natural Capital Committee, made a recommendation to this effect, which government accepted. The decision to leave the EU added another angle to the case for a long-term environmental plan, as historically much of the UK's environmental policy has been shaped by participation in EU Directives. The 2017 Conservative manifesto pledged to “produce a comprehensive 25 Year Plan for the Environment that will chart how we will improve our environment as we leave the European Union and take control of our environmental legislation again.”

³ HM Government, *A Green Future: Our 25 Year Plan to Improve the Environment*, January 2018, available at: www.gov.uk/government/publications/25-year-environment-plan

⁴ 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

1.4 In terms of geographic scope, the Plan covers the government's environmental work in England, as well as policies, programmes and targets that have a UK-wide effect. The Plan also covers the UK government's international environmental work, in terms of its role in providing international leadership, in providing assistance to developing nations and in reducing the UK's environmental footprint in its overseas territories. Responsibility for environmental policy in Wales, Scotland and Northern Ireland rests with the devolved administrations.

1.5 The Department for Environment, Food & Rural Affairs (Defra) leads on all but one of the goals, working with a number of government and non-government delivery partners, including government departments, local government and local bodies, charities, the private sector and individuals (**Figure 2** and Appendix Three). For the climate change goal, Defra is responsible for coordinating across government on adapting to climate change, while the Department for Business, Energy & Industrial Strategy (BEIS) has the coordination role for climate change mitigation (reducing greenhouse gas emissions). On climate change mitigation, the content of the Plan only covers the parts of the goal that fall within Defra's remit,⁵ and it identifies the 2017 Clean Growth Strategy as a 'sister' document on the government's approach to reducing UK emissions more broadly.⁶

Subsequent strategies and legislation

1.6 Since the Plan's publication, government has published more detailed strategies for two of its 10 environmental goals: for clean air, and for resources and waste. Defra's December 2018 resources and waste strategy proposed substantive reforms to the sector, 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, 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. It has also developed three major draft pieces of legislation with implications for its environmental work: the Environment Bill, the Agriculture Bill and the Fisheries Bill, which are at varying stages of progress through Parliament as of November 2020 (**Figure 3** on page 20).

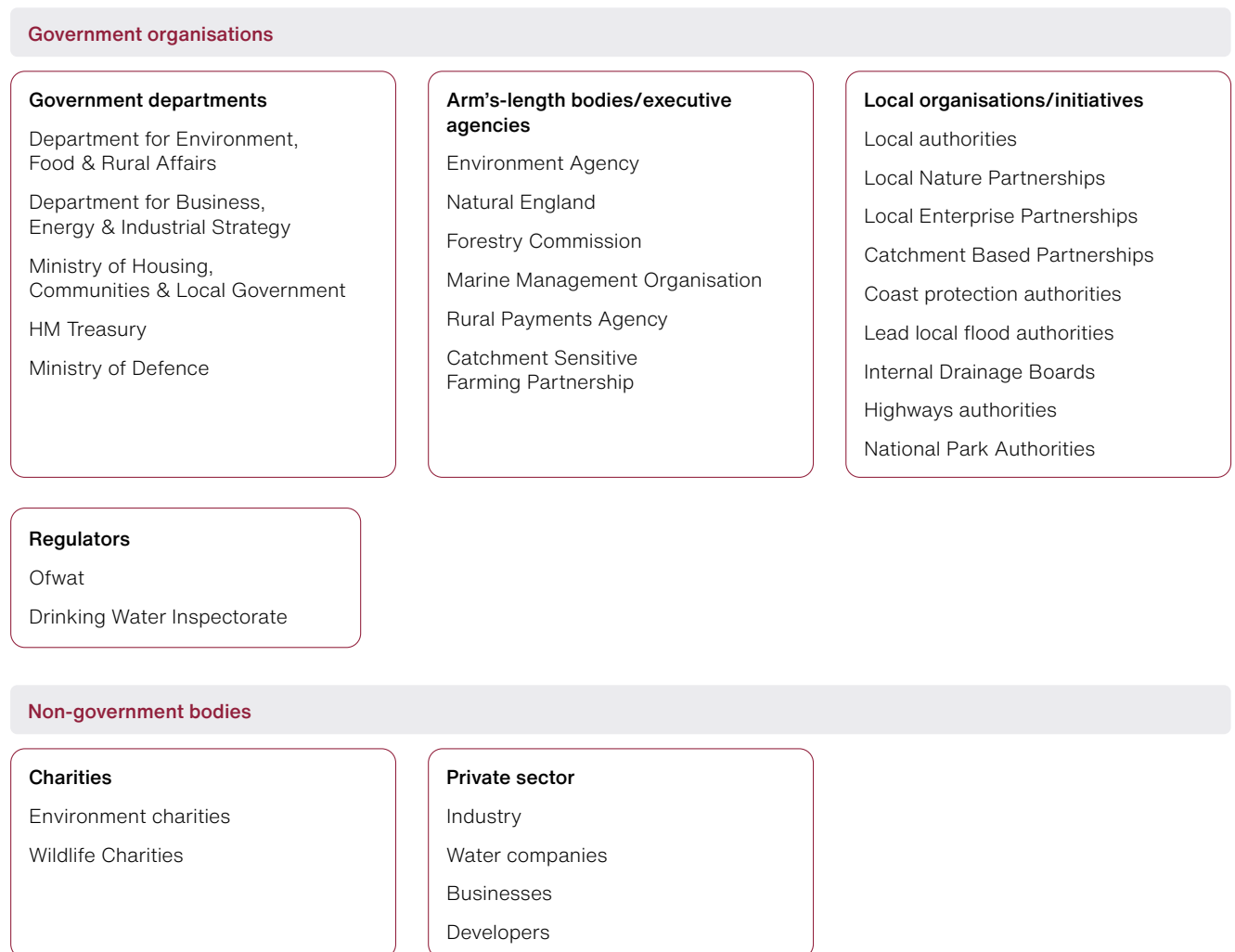
5 The Plan covers climate change mitigation in terms of greenhouse gas emissions reductions from land use, land use change, the agriculture and waste sectors and the use of fluorinated gases.

6 HM Government, *The Clean Growth Strategy: Leading the way to a low carbon future*, October 2017, available at: www.gov.uk/government/publications/clean-growth-strategy.

Figure 2

Examples of organisations involved in delivering the 25 Year Environment plan

Responsibility for delivering the 25 Year Environment Plan is diffuse, involving numerous government and non-government bodies

**Note**

1 Individuals such as landowners and farmers also have an important role in helping to deliver the Plan.

Source: National Audit Office analysis

Figure 3

Environmental legislation expected this Parliament

Since publication of the 25 Year Environment Plan government has developed three major draft pieces of legislation with implications for its environmental work: the Environment Bill, the Agriculture Bill and the Fisheries Bill

Environment Bill

Includes provisions to establish new long-term domestic environmental governance:

- to bring into law environmental principles and long-term legally binding targets, including on air quality; and
- to create an **Office for Environmental Protection**:

“a world-leading environmental watchdog that can robustly hold the Government to account, including powers to take the Government to court”.

Other provisions introduce:

- new powers for local authorities to tackle air pollution; and
- charges for some single-use plastic items and a ban on exports of plastic waste to countries outside the Organisation for Economic Co-operation and Development (OECD).

Agriculture Bill

Key elements include:

- reform of UK agriculture policy and the support system; and
- new schemes to pay for 'public goods' including environmental protection, access to the countryside, and work to reduce flooding.

Fisheries Bill

Key elements include:

- new arrangements for access to UK waters;
- measures concerning the sustainability of marine life and the marine environment; and
- a new framework to manage fisheries outside the EU Common Fisheries Policy.

Notes

- 1 The Environment Bill was first introduced to Parliament in 2019, re-introduced in January 2020 (following the General Election), and then paused in March 2020 due to the COVID-19 pandemic. It is currently at the House of Commons committee stage, which is due to report in December 2020.
- 2 The Agriculture Bill was first introduced to Parliament in 2018. It was re-introduced in January 2020 (following the General Election) and at the time of publication was awaiting consideration of the House of Lords amendments by the House of Commons.
- 3 The Fisheries Bill was introduced to Parliament in 2018. It was re-introduced to the Lords in January 2020 (following the General Election) and at the time of publication was awaiting consideration of the House of Commons amendments by the House of Lords.

Source: Briefing note from the Prime Minister's Office on the Queen's Speech, December 2019

1.7 The Environment Bill has particularly wide-ranging implications for government's approach to improving the natural environment, because it would introduce statutory requirements about how government develops its plans. The Bill identifies four of government's environmental goals as priority areas (air quality, water, biodiversity, and resource efficiency and waste reduction) and requires government to set at least one new long-term target for each by October 2022. The Bill 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 also proposes: to introduce wider changes to environmental governance and legislation, including establishing a new environmental watchdog, the Office for Environmental Protection; to require consideration of environmental principles in policy-making; and to grant powers to set up new environmental schemes, including to help take forward its resources and waste, and clean air strategies.

1.8 Government's capacity to take forward environmental work has been affected by the COVID-19 pandemic. During the pandemic Defra had to divert a number of people across the organisation to deal with the emergency response. As a result, it considers that there are risks of delays to publication of a number of planned strategies on specific environmental issues, including on water, peatlands and biosecurity. The Environment Bill's progress through Parliament was paused in March 2020 and was resumed in November 2020. Prior to the pandemic, Defra had already encountered delays in taking forward its work on the resources and waste strategy: it originally anticipated producing more detailed proposals in early 2020. Defra told us it was not able to because the General Election delayed engagement with stakeholders. It now plans to present proposals for consultation in early 2021.

1.9 In July 2019, government changed its target for mitigating climate change, setting a legislative target to reduce the UK's greenhouse gas emissions by 100% relative to 1990 levels (to 'net zero') by 2050.⁷ We are preparing a companion report on how government is organised to deliver net zero. 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.

Funding

1.10 Government does not monitor total historic and forecast spend on delivering its environmental goals, and it is not straightforward to estimate because of the range of activities and organisations involved. HM Treasury data (which applies a United Nations-defined framework for classifying government expenditure) give a figure of £4.7 billion spend on environmental protection objectives by central government in 2018-19, of which around £2.4 billion was spend on the management of historic nuclear sites, with a further £6.4 billion of environmental spend by UK local government, of which £5.7 billion related to waste management.⁸

1.11 Central government funding for the two main environmental regulators, the Environment Agency and Natural England, was £847 million in 2018-19, of which £667 million related to flood defence work. This represents an increase of 12% between 2009-10 and 2018-19 for flood defence work, while wider funding for these two organisations fell by 57% over the same period.

⁷ 'Net zero' refers to the amount of carbon emissions which are produced being equal to the amount which are removed from the atmosphere. The term recognises that zero emissions are unlikely to be achieved entirely through reducing greenhouse gas emissions. To reach net zero, emissions can be offset through storing carbon in natural carbon sinks (for example, peatlands, forests and oceans) and man-made carbon sinks (using carbon capture technology).

⁸ National Audit Office, *Departmental Overview 2019: Environmental Protection*, March 2020.

1.12 Since 2018, government has announced funding for a range of initiatives to deliver its environmental goals. Funding announcements include (**Figure 4** on pages 23 to 25):

- flood defence investment of £5.2 billion over six years;
- a £640 million Nature for Climate Fund to increase tree planting and restore peatland in England;
- £475 million on air quality measures; and
- up to £25 million to create a new 'nature recovery network' in England.

It is also developing a new Environmental Land Management scheme, to replace the European Union Common Agricultural Policy, a scheme that has provided payments to UK farmers of around £3.2 billion per year. Public sources do not give clear timescales for all these funding announcements, and government does not yet have a good breakdown of annual spend on delivering the goals (paragraph 3.8).

1.13 Central government funding is not the only way in which government funds environmental activities. The environmental regulators charge for certain licences and permits, for example for a licence to abstract water from rivers or wells. Environmental legislation can impose costs on businesses. For example, the packaging recycling obligation scheme requires certain companies to contribute to the costs of recycling the packaging they place on the market. Taxes can also be used to encourage behaviour change, with for example, the landfill tax intended to encourage efforts to minimise waste production and the use of non-landfill options for disposal such as recycling, composting or recovery.

Risks to clarity of direction

Coherent and specific objectives

1.14 A coherent and specific set of objectives is the foundation for setting a clear direction for any major programme.⁹ It is particularly important for such a transformative and broad-ranging set of ambitions as those in the Plan at a time when government has limited 'bandwidth', given EU Exit and the COVID-19 pandemic; without it, it may be difficult to persuade people within and outside government to take the goals seriously, and it will be hard to tell if progress is on track.

⁹ National Audit Office, *Framework to review programmes*, April 2019, available at: www.nao.org.uk/report/framework-to-review-programmes/

Figure 4

Funding announcements for environmental projects in the 25 Year Environment Plan (the Plan) and its progress reports

Since 2018, government has announced funding for a range of initiatives to deliver its environmental goals but has not provided a comprehensive, consistent and time-bound record of funding for the Plan

25 Year Environment Plan Goal	Funding announcements mentioned in 25 Year Environment Plan (2018)		Other funding announcements mentioned in the first progress update report (2019)		Other funding announcements mentioned in the second progress update report (2020)	
Clean air	£475.0 million	To support local authorities, tackle pollution hotspots.	–	–	–	–
Clean and plentiful water	–	–	£5.0 billion	Committed by water companies to the Water Industry National Environment Programme.*	£496.0 million (2020–2025)	For water companies to explore strategic options for meeting nation's future water needs.
Thriving plants and wildlife	£5.7 million	Support for the Northern Forest and to plant 1.8 million trees along the M62 corridor from Liverpool to Hull.	£0.1 million	Funding for six nature recovery projects.	£25.0 million	Nature Recovery Network to protect and restore wildlife.
Reducing harm from environmental hazards	£2.6 billion (2015–2021)	Flood defence spending.	£13.1 million	For three new flood risk management projects.	£200.0 million	For a resilience programme for flood defences in 25 areas.
	£15.0 million (to 2021)	To explore the use of natural flood management.			£5.2 billion	For flood defence spending over six years (doubled from £2.6 billion).
Using resources from nature more sustainably	£10.0 million (2018–2021)	For peatland restoration.	£10.0 million	Four projects to help restore 6,580 ha of peatlands.	–	–
	£0.2 million	To help develop soil health metrics and test them on farms.			–	–
Enhanced beauty, heritage and engagements with the natural environment	£3.5 million	A Heritage Lottery Fund Landscape Partnership grant.*	£13.1 million	Ministry of Housing, Communities and Local Government funding to improve and create parks and green spaces.	–	–
			£10.0 million	Department for Education funding for the Children in Nature programme.	–	–
			£10.0 million	Urban Trees Challenge Fund to plant and maintain at least 100,000 urban trees.	–	–

Figure 4 *continued*

Funding announcements for environmental projects in the 25 Year Environment Plan (the Plan) and its progress reports

25 Year Environment Plan Goal	Funding announcements mentioned in 25 Year Environment Plan (2018)		Other funding announcements mentioned in the first progress update report (2019)		Other funding announcements mentioned in the second progress update report (2020)	
	Amount	Description	Amount	Description	Amount	Description
Mitigating and adapting to climate change	–	–	£50.0 million	Woodland Carbon Guarantee to stimulate domestic carbon offsetting and incentivise new tree planting.	£640.0 million	For the Nature for Climate Fund, investing in tree planting and peatland restoration.
					£2.0 billion	To support clean growth in a range of sectors.
Minimising waste	£0.5 million	For a Waste and Resources Action Programme fund for charities who redistribute surplus food.*	–	–	£15.0 million	For a pilot scheme to reduce food waste through food redistribution and initiatives.
	£0.5 million	For a litter innovation fund to pilot local research projects.			£1.0 million	To build prototypes for the UK's first digital waste tracking system.
Managing exposure to chemicals	–	–	–	–	–	–
Enhancing biosecurity	–	–	£17.7 million	For a bacterial plant diseases research programme.	–	–
Other	–	–	£1.2 million	Funding from Highways England, Homes England and Department for Environment, Food & Rural Affairs for a local natural capital planning project.	£10.0 million	For development of natural capital projects that blend public-private investment.
Overseas	£5.8 billion (2016–2020)	International Climate Finance to help developing countries mitigate and adapt to the impacts of climate change.	£69.4 million	For the Commonwealth Clean Oceans Alliance, to help stop plastic waste from entering the oceans.	£30.0 million	For the Illegal Wildlife Trade Challenge Fund.
			£250.0 million (2019–2024)	Pledge to the Global Environment Facility to tackle major environmental challenges.	£10.0 million	Uplift to Darwin Plus programme which supports environmental projects in UK Overseas Territories.
					£11.6 billion (2021–2026)	A doubling of the International Climate Fund.
					£500.0 million	For the Blue Planet Fund to help eligible countries protect their marine resources.

Figure 4 *continued*

Funding announcements for environmental projects in the 25 Year Environment Plan (the Plan) and its progress reports

Notes

- 1 All examples in the figure are government funded except the three examples marked with an asterisk.
- 2 This figure presents funding mentioned in the 25 Year Environment Plan and its two progress reports – it does not present government's full spending on the 25 Year Environment Plan. For example additional funding announcements in the 2020 budget included providing £304 million to help local authorities reduce nitrogen dioxide emissions and improve air quality, £532 million for consumer incentives for ultra-low emission vehicles and £7.2 million for a waste tracking system. Announcements have also been made outside of the budget such as up to £40 million to create jobs in nature recovery and conservation (the "green recovery challenge fund").
- 3 Where the same funding has been mentioned in more than one of the 25 Year Environment Plan and its two progress reports, only one instance has been recorded in the table in relation to the earliest document that the funding was mentioned in.
- 4 These funding streams may overlap.
- 5 Funding timescales have been included where known.
- 6 For the goal 'managing exposure to chemicals' no references were made to funding in the progress reports.
- 7 Overseas funding has been listed separately but may contribute to the goals.

Source: National Audit Office analysis of HM Government, *A Green Future: Our 25 Year Plan to Improve the Environment*, January 2018, HM Government, *25 Year Environment Plan progress report: January 2018 to March 2019*, May 2020 and HM Government, *25 Year Environment Plan progress report: April 2019 to March 2020*, June 2020

1.15 The development and publication of the Plan was a step forward in setting direction because it brought government's objectives together, alongside the broad political intentions that underpin them. The headline ambitions in the 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 (**Figure 5** on pages 26 and 27). In its 2018 inquiry about the Plan, the Environmental Audit Committee criticised the fact that it was not easy for Parliament and the public to be able to see at a glance where the Plan's ambitions exceeded, met or fell short of existing commitments, and raised a concern that some targets appeared to have been weakened and had evasive wording inserted. Government agreed, in its October 2018 response, to publish an audit "in due course" of how its ambitions compare with national, EU and international environmental targets, which it has yet to do. The picture is further complicated by the number of linked strategies: the Plan refers to 38 existing and eight planned strategies on specific environmental issues (examples in **Figure 6** on pages 28 and 29).

Figure 5

Headline ambitions in the 25 Year Environment Plan (the Plan) for four of its ten overarching goals

The headline ambitions in the Plan are a complex mix of broad aspirations, legally binding targets, and policy commitments for action

Clean and plentiful water

We will achieve clean and plentiful water by improving at least three-quarters of our waters to be close to their natural state as soon as is practicable by:

- reducing the damaging abstraction of water from rivers and groundwater, ensuring that by 2021 the proportion of water bodies with enough water to support environmental standards increases from 82% to 90% for surface water bodies and from 72% to 77% for groundwater bodies;
 - reaching or exceeding objectives for rivers, lakes, coastal and ground waters that are specially protected, whether for biodiversity or drinking water as per our River Basin Management Plans;
 - Supporting Ofwat's ambitions on leakage, minimising the amount of water lost through leakage year-on-year, with water companies expected to reduce leakage by at least an average of 15% by 2025; and
- minimising by 2030 the harmful bacteria in our designated bathing waters and continuing to improve the cleanliness of our waters. We will make sure that potential bathers are warned of any short-term pollution risks.

Thriving plants and wildlife

At sea we will do this by:

- reversing the loss of marine biodiversity and, where practicable, restoring it;
- increasing the proportion of protected and well-managed seas, and better managing existing protected sites;
- making sure populations of key species are sustainable with appropriate age structures; and
- ensuring seafloor habitats are productive and sufficiently extensive to support healthy, sustainable ecosystems.

On land and in freshwaters, we will do this by:

- restoring 75% of our one million hectares of terrestrial and freshwater protected sites to favourable condition, securing their wildlife value for the long term;¹
- creating or restoring 500,000 hectares of wildlife-rich habitat outside the protected site network;
- focusing on priority habitats as part of a wider set of land management changes providing extensive benefits;
- taking action to recover threatened, iconic or economically important species of animals, plants and fungi, and where possible to prevent human-induced extinction or loss of known threatened species in England and the Overseas Territories; and
- increasing woodland in England in line with our aspiration of 12% cover by 2060: this would involve planting 180,000 hectares by end of 2042.

Figure 5 *continued*

Headline ambitions in the 25 Year Environment Plan (the Plan) for four of its ten overarching goals

Clean air

We will achieve clean air by:

- meeting legally binding targets to reduce emissions of five damaging air pollutants;²
 - this should halve the effects of air pollution on health by 2030;
- ending the sale of new conventional petrol and diesel cars and vans by 2040;³ and
- maintaining the continuous improvement in industrial emissions by building on existing good practice and the successful regulatory framework.

Mitigating and adapting to climate change

We will take all possible action to mitigate climate change, while adapting to reduce its impact. We will do this by:

- continuing to cut greenhouse gas emissions including from land use, land use change, the agriculture and waste sectors and the use of fluorinated gases;⁴
- making sure that all policies, programmes and investment decisions take into account the possible extent of climate change this century; and
- implementing a sustainable and effective second National Adaptation Programme.

- Legally binding targets
- Broad aspirations and policy commitments for action
- Non-legally binding but specific & measurable targets

Notes

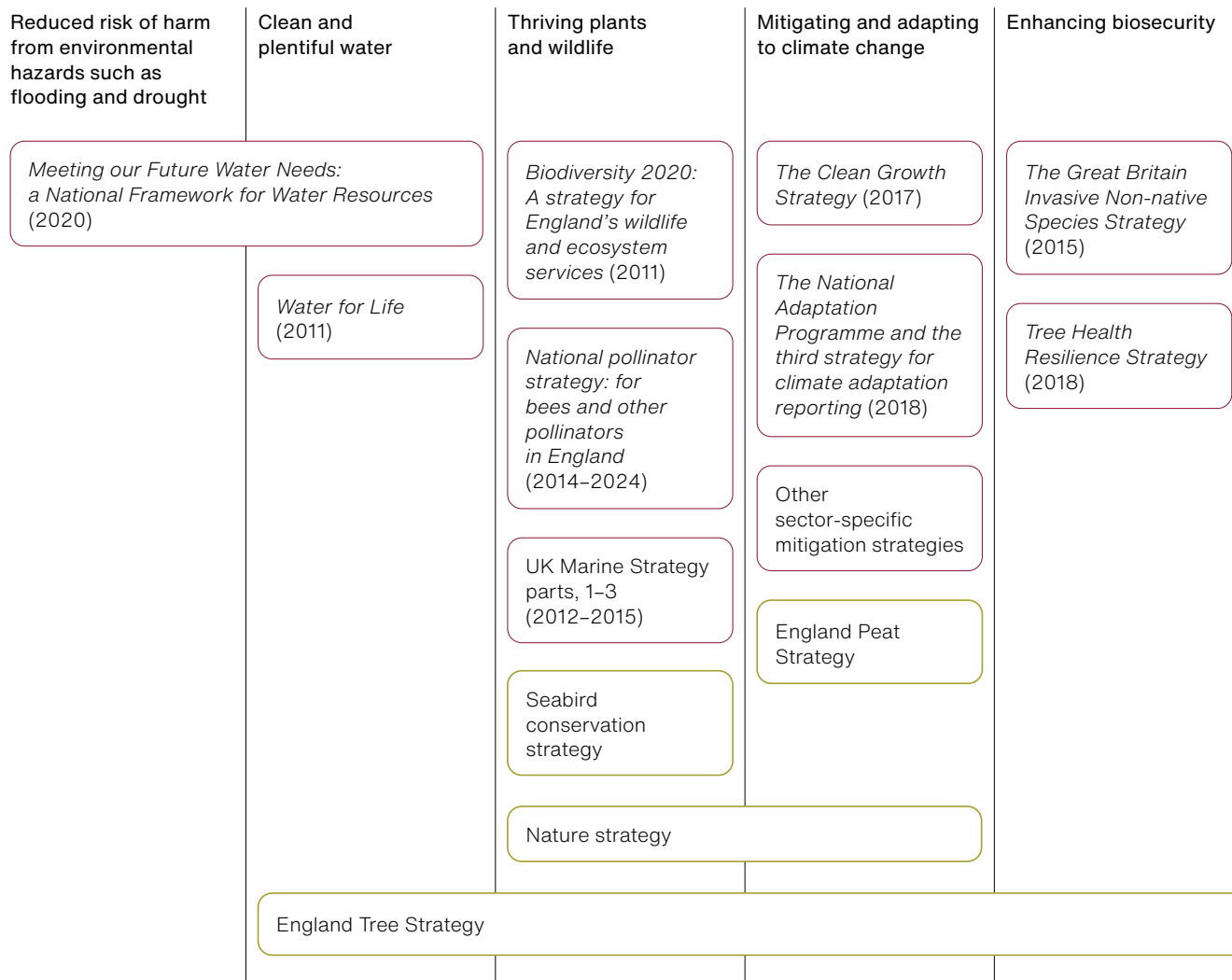
- 1 This ambition refers to restoring 75% of Sites of Special Scientific Interest by area to favourable condition.
- 2 The five air pollutants are ammonia, nitrogen oxides, non-methane volatile organic compounds, fine particulate matter and sulphur dioxide.
- 3 As at November 2020, the ending of the sale of new conventional petrol, diesel and hybrid cars and vans by 2035 or earlier is currently under consultation.
- 4 Government's net zero emissions target became law in June 2019, 18 months after the Plan was published, replacing the previous target set in the Climate Change Act 2008 to reduce the UK's carbon emissions by 80% compared to 1990 levels. Since the Department for Business, Energy & Industrial Strategy lead on net zero, the Plan refers to mitigation with respect to sectors owned by the Department for Environment, Food & Rural Affairs – carbon emissions reductions in these sectors will contribute to overall efforts to meet the net zero target, but there are no sector-specific targets.
- 5 While government is legally obligated to produce a National Action Plan, 'Implementing a sustainable and effective second National Adaptation Programme' is categorised as a broad aspiration in this figure because the Plan does not define what it means by 'sustainable and effective'.

Source: National Audit Office analysis of HM Government, *A Green Future: Our 25 Year Plan to Improve the Environment*, January 2018

Figure 6

Examples of government’s environmental strategies by 25 Year Environment Plan goal

The 25 Year Environment Plan refers to a range of existing and planned strategies on specific environmental issues



- Current strategy
- Planned strategy

Notes

- 1 This figure shows selected strategies relevant to each goal with publication year presented in brackets, for documents which have been published.
- 2 Some strategies such as the planned “English Tree Strategy” contribute to multiple environmental goals.
- 3 The chemicals strategy has been delayed due to COVID-19.
- 4 The Biodiversity 2020 strategy has expired and has not been replaced due to a delay to the 15th Conference of the Parties on the Convention on Biodiversity, which was due to be held in 2020 but was cancelled due to COVID-19.

Source: National Audit Office analysis of Department for Environment, Food & Rural Affairs documents

Enhanced beauty, heritage and engagement with the natural environment

Sporting Future: a New Strategy for an Active Nation (2015)

Landscapes Review (2018)

Using resources from nature more sustainably and efficiently

Our waste, our resources: A strategy for England (2018)

National Food Strategy

Minimising waste

Managing exposure to chemicals

Hazardous waste national policy statement: monitoring strategy (2013)

Chemicals strategy

Clean air

Clean Air Strategy (2019)



1.16 The subsequent setting of a legislative net zero target by 2050 has brought greater focus to government's efforts to mitigate climate change. The process of setting new legislative targets under the Environment Bill will also play an important part in clarifying long-term ambitions in other priority areas (**Figure 7**). However, government has not yet decided whether or how it will integrate and align these new targets with the wider legislative and non-legislative commitments that already exist. 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.

A realistic outline plan for delivery

1.17 Alongside clear objectives, government needs a realistic outline plan for delivery. This is important for understanding where new policies or initiatives are likely to be needed to meet the goals, and how soon associated decisions need to be made. Transparency over government's delivery plans should also help stakeholders understand how they might be affected or involved, and so give them the confidence to invest and plan accordingly.

1.18 The Plan is more of a vision statement than a delivery plan. It describes the steps that government plans to take to support delivery of the goals, but it does not assess whether these are likely to be enough to put things on track. This is despite many of the goals presenting major and longstanding challenges, including:

- on the 'clean and plentiful water' goal, 2019 data show only 16% of English waters were classed as having good ecological status. This percentage has not changed since 2016, when data were last published, and compares with a European average of 40%.¹⁰ The Plan states an objective to achieve 75% of waters in good ecological condition "as soon as is practicable". Under the EU Water Framework Directive, the original deadline for all natural water bodies to achieve good ecological status was 2015. This was extended to 2021, with potential extensions up to 2027. Moreover, in 2019, the Environment Agency improved its approach to measuring the chemical status of surface water bodies, and its assessments now show that none meet a good standard by this measure, meaning that none have a clean bill of health overall;
- on the 'thriving plants and wildlife goal', 39% of England's protected sites for nature (Sites of Special Scientific Interest – SSSIs) are in a favourable condition, with an improvement of only two percentage points since 2011, against a target of 75%. However, these condition data may not accurately reflect the actual condition of sites: according to the Royal Society for the Protection of Birds, more than half of SSSIs in England have not been assessed in the past six years. Previous National Audit Office work found that more than half of Ministry of Defence-owned SSSIs in England (which account for 7% of all SSSIs in England) have not been assessed since at least 2011; and

¹⁰ European average is according to analysis by the European Environment Agency, published in 2018.

- on the 'clean air' goal, the UK has not yet met EU concentration limits for one pollutant (nitrogen dioxide) that had an original compliance deadline of 2010 and was one of six EU member states which in May 2018 were referred to the European Court over non-compliance.

Figure 7

Government's plans to set new long-term environmental targets in legislation

The process of setting new legislative targets under the Environment Bill will help clarify long-term ambitions in four priority areas

The Environment Bill, as introduced to Parliament in January 2020, would allow government to set long-term targets in respect of any matter which relates to the natural environment, or people's enjoyment of it. The Secretary of State would be required to set at least one long-term target for the following areas:

- air quality
- water
- biodiversity
- resource efficiency and waste reduction.

It would also require the Secretary of State to set a target for particulate matter (PM2.5) specifically.

A draft of a statutory instrument (or drafts of statutory instruments) containing regulations setting these targets, must be laid before Parliament on or before 31 October 2022.

The Department for Environment, Food & Rural Affairs (Defra) has published a paper, *Environment Bill – environmental targets*, setting out its proposed approach to developing long-term targets, including that:

- where possible, targets will be based on environmental 'outcomes' (the intended final results or benefits to the environment);
- the choice of targets will be driven by the areas that matter the most, rather than by what is easy to measure and improve; and
- target development will be supported and scrutinised by independent experts, and proposals will be subject to public consultation and impact assessments.

The Environment Bill proposes that the government must assess whether meeting the long-term targets set under the Bill's framework, alongside any other statutory environmental targets, would significantly improve the natural environment in England. The government must report to Parliament on its conclusions and, if it considers that the test is not met, set out how it plans to use its new target-setting powers to close the gap. The first review must be completed by 31 January 2023, with subsequent reviews at least every five years thereafter.

Note

1 The Environment Bill Policy paper states that a long-term target must have a minimum duration of 15 years.

Source: Environment Bill, as introduced to Parliament January 2020; Department for Environment, Food & Rural Affairs, *Policy paper: Environment Bill – environmental targets*, 19 August 2020

1.19 Defra has developed its delivery plans as part of subsequent strategies for air quality and for resources and waste, and as part of preparing for the 2020 Spending Review. Defra has developed a set of expected milestones for implementation of measures in the Environment Bill. Its planning is most mature for air quality, where Defra has developed projections of the expected impact of its policies. At the time of the Clean Air Strategy, in January 2019, it concluded that its policies were likely to put it on track to meet its 2020 and 2030 emissions targets. However, its projections, as at July 2020, suggest that there is now a very high risk that it will not meet 2020 emissions targets for two pollutants (ammonia and fine particulate matter). Defra is also concerned about delays as a result of COVID-19 to local authorities' work to tackle local air quality 'hot spots', where concentrations of nitrogen dioxide exceed legal limits.

1.20 Defra has recognised that it remains difficult to determine how much further action might be needed to deliver the Plan's ambitions as a whole. It started an analysis to compare actions and intended outcomes across the goals in summer 2019. Defra told us that this analysis informed decisions about its business priorities for 2020-21, as well as preparations for the 2020 Spending Review, although it was paused due to the impact of COVID-19. It has not yet set a timetable for concluding this analysis or for developing it into long-term delivery plans for each of the goals, in order to identify and resolve gaps where current and planned measures may not be sufficient to deliver the intended overall objectives.

1.21 Previous NAO work on planning and spending has highlighted the importance of open and honest conversations about priorities, allocations and implications for public services. Defra told us that having the Plan has improved its engagement with HM Treasury on environmental funding, because it has helped develop a shared view of the case for environmental outcomes. HM Treasury is represented on the programme board for the new Environmental Land Management scheme. However, neither Defra nor HM Treasury yet has a good understanding of current and forecast 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 reflecting 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 about how best to resource long-term changes.

Part Two

Oversight and coordination

2.1 This part of the report examines:

- the arrangements government has established to oversee delivery of its environmental goals and to coordinate action; and
- risks to strength of oversight and coordination that government will need to manage.

The arrangements government has established to oversee delivery of its environmental goals and to coordinate action

2.2 The Department for the Environment, Food & Rural Affairs (Defra) has lead responsibility for all environmental policy areas apart from climate change mitigation, which is led by the Department for Business, Energy & Industrial Strategy (BEIS). Since publishing the 25 Year Environment Plan (the Plan) in January 2018, Defra has established new roles and accountability mechanisms within the department, as well as using existing oversight boards and committees, to make decisions concerning the Plan and to monitor progress. These include:

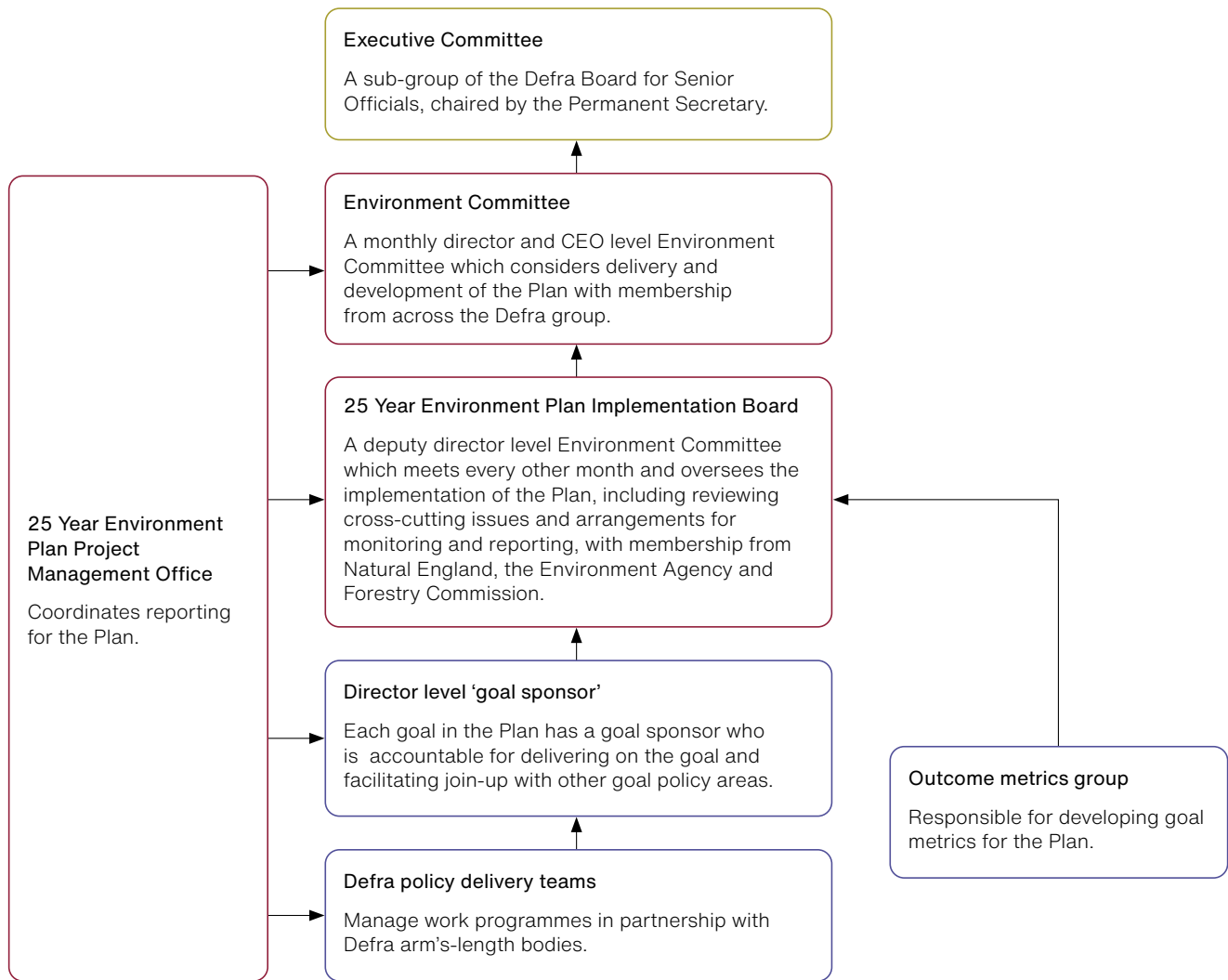
- a 25 Year Environment Plan Implementation Board, established in March 2018, responsible for oversight of key projects, decision-making and for identifying when issues or risks need escalating to the Environment Committee and ministers (**Figure 8** overleaf). The Implementation Board and Environment Committee 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. The Implementation Board did not meet between November 2018 and March 2019, or between January and July 2020, when Defra was focused on preparing for EU Exit and responding to the COVID-19 pandemic respectively; and
- new senior 'goal sponsor' roles established in May 2019. Goal sponsors are responsible for championing their goal both within Defra and across government.

In October 2020 the Implementation Board agreed to review governance arrangements for the Plan. This will include a review of the role and membership of the oversight committees, with the aim of clarifying responsibilities.

Figure 8

Governance structure and lines of reporting for the 25 Year Environment Plan (the Plan)

The Plan’s governance structure includes two senior committees within the Department for Environment, Food & Rural Affairs (Defra) with an oversight role for the Plan



- ◻ Dedicated plan level governance
- ◻ Plan level governance forms part of remit
- ◻ Goal level governance
- ➔ Formal lines of reporting

Notes

- 1 The core membership of the Environment Committee also meet separately as the Future Environment Committee which is responsible for planning alignment and prioritisation/resource allocation.
- 2 Programmes for specific goals may also be scrutinised at Executive Committee sub-committees other than the Environment Committee. For example: the marine side of the thriving plants and wildlife goal falls within the remit of the Marine and Fisheries Committee; and the biosecurity goal falls within the remit of the Food, Farming and Biosecurity Committee.

Source: National Audit Office analysis of Department for Environment, Food & Rural Affairs documents

2.3 Other government departments and local government also have important roles to play in delivering the Plan, such as the Department for Transport (DfT), which has responsibilities for reducing air pollution from transport, and the Ministry of Housing, Communities & Local Government (MHCLG), which acts as steward for the local government finance system to ensure local authorities can function effectively (**Figure 9** overleaf and Appendix 3). If passed in its current form, the Environment Bill will require all government departments to have due regard to environmental principles.¹¹ In recognition of the role of local government in delivering government's environmental ambitions at the local level, Defra formed a Local Government Engagement Group to engage with local authorities on the measures in the Environment Bill, which provides local authorities with additional powers.

2.4 The Plan stated "Delivery of the Plan will require sustained and committed effort not just from government but from organisations and individuals across our nation. This needs to be a shared endeavour and the government intends to work collaboratively with partners across the nation and globally to make a reality of its aspirations." Our 2020 report on the Get ready for Brexit campaign¹² demonstrated the importance of coordination between the centre of government and departments to meet cross-government goals. Defra has set up various bilateral and multilateral arrangements to work with other government bodies on activities relating to specific goals, although there are some gaps and weaknesses in these arrangements (**Figure 10** on page 37). As the Plan brought together pre-existing strategies, policies, targets and commitments in each of these areas, many of these arrangements pre-date the Plan. Defra also ran cross-government meetings to engage with other government departments on the Environment Bill, with representatives including from HM Treasury, Cabinet Office, BEIS and DfT.

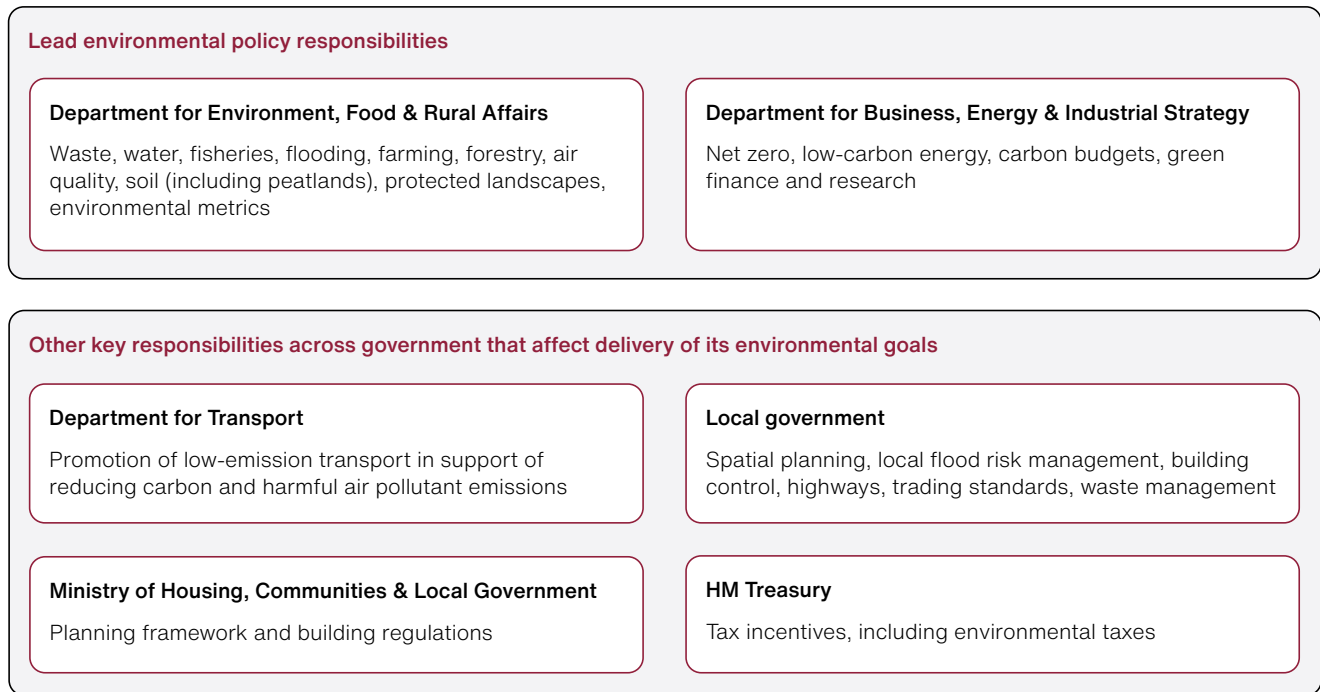
11 The five environmental principles are: 1) environmental protection should be integrated into policy-making principle; 2) the preventative action to avert environmental damage principle; 3) the precautionary principle; 4) environmental damage should as a priority be rectified at source principle; and 5) the polluter pays principle. Taken together, these principles contribute to meeting sustainable development and environmental protection objectives. Source: Department for Environment, Food & Rural Affairs, *Information paper on the policy statement on Environmental Principles*, December 2018.

12 Comptroller and Auditor General, *EU Exit: the Get ready for Brexit campaign*, Session 2019-20, HC 22, National Audit Office, January 2020.

Figure 9

Departmental and local government responsibilities for environmental protection in England

The Department for Environment, Food & Rural Affairs has lead responsibility for the 25 Year Environment Plan (the Plan), but several other government departments and local government also have key roles in protecting the environment



Note

1 Some aspects of the 25 Year Environment Plan apply to the UK as a whole. In other areas where environmental policy is devolved and responsibility rests with the Scottish Government, Welsh Government and Northern Ireland Executive, the proposals in the Plan apply to England only.

Figure 10**Examples of cross-government engagement on the 25 Year Environment Plan (the Plan)****The Department for Environment, Food & Rural Affairs (Defra) has bilateral engagement with individual departments on some goals and cross-government engagement on others**

On clean air: Defra and the Department for Transport (DfT) set up the Joint Air Quality Unit in 2016 to tackle nitrogen dioxide emissions from cars. The Unit focuses on work to reduce nitrogen dioxide emissions which is only part of the overall air quality goal. Defra's Executive Committee has noted that this is a difficult programme for Defra to deliver through the Unit as Defra does not hold all the necessary levers. During 2019 an informal cross-government group met to discuss the Clean Air Strategy, and during 2020 Defra brought a number of departments together to discuss air quality targets. Defra also has a system of Clean Air Strategy account managers responsible for bilateral engagement with other parts of government.

On international work to support thriving plants and wildlife: In September 2020 government established a new senior cross-government board - the Nature Board (International) (NB(I)) to coordinate work on an international strategy across departments. The NB(I) is chaired by a Cabinet Office director, with a joint Cabinet Office/Defra secretariat, and is expected to meet monthly. Its core membership covers Defra, the Department for Business, Energy & Industrial Strategy (BEIS), HM Treasury, the No 10 policy unit, the Foreign, Commonwealth and Development Office, and the Department for International Trade. Also represented are the Cabinet Office team responsible for the next UN climate conference ('COP26'). This board replaces a previous cross-government board for international biodiversity, established in November 2019, which had been chaired by Defra.

An equivalent board focusing on domestic biodiversity has membership limited to the Defra group.

On mitigating and adapting to climate change: The Climate Change National Strategy Implementation Group (NSIG) is a senior cross-government group for overseeing government's approach to climate policy. The NSIG reports to two climate Cabinet Committees and is chaired by a director general from BEIS who is the senior responsible owner accountable to the Cabinet Committees for climate action. While its remit covers both domestic and international aspects of mitigation and resilience, the focus of the NSIG has been on decarbonising the economy and the UK's net zero target with little consideration of adaptation. There is a cross-government Domestic Adaptation Board (DAB), but it rarely meets: over the last three years it has met twice, once during production of the National Adaptation Programme and then again in summer 2019 to review government's response to the Committee on Climate Change's adaptation progress report.

Note

1 This Figure includes examples relating to three of the 10 goals in the 25 Year Environment Plan.

Source: National Audit Office analysis of Department for Environment, Food & Rural Affairs documents

Risks to effective oversight and coordination

Shared and inclusive oversight

2.5 Strong and collaborative oversight arrangements promote a shared understanding of key issues, ensure decisions are made in a timely way by those best placed to make them and hold people to account for progress. In July 2018, the Environmental Audit Committee recommended that: “The government’s proposals for oversight and accountability of the Plan need to ensure all Government departments – not just Defra – are held to account.” In its response, government did not explain how it would hold other departments to account, stating only that “different departments are working closely together as required on specific issues relevant to their interests”. Our analysis of single departmental plans for 2019 found that Defra was the only government department which specifically mentioned the Plan in its objectives.

2.6 Government has acknowledged that delivering its environmental ambitions needs to be a shared endeavour across the public, private and third sectors, but the collaborative delivery model is not currently mirrored in the oversight arrangements for the Plan as a whole. Our review of oversight and accountability arrangements for the Plan found that it is Defra-centric, excluding key delivery partners both within and outside government. Implementation Board and Environment Committee members are drawn from Defra’s policy teams and from other bodies within the Defra group involved in delivering the Plan, such as the Environment Agency and Natural England, but there is no representation from delivery bodies outside the Defra group.

2.7 Despite the key role of other government bodies in delivering aspects of the plan, we have found no evidence of shared ownership of the Plan as a whole. In September 2020 government established a new cross-government board to coordinate international nature work across departments. This is chaired by Cabinet Office, with a joint Cabinet Office / Defra secretariat (Figure 10). Defra told us that it plans to strengthen cross-government governance for domestic environmental issues, to ensure that the whole of government is working to drive forward the Plan’s goals.

2.8 There are many interdependencies and overlaps between the Plan's 10 goals. A number of government's environmental policies contribute to more than one goal. In particular, government expects its new Environmental Land Management scheme to pay farmers for delivering a range of environmental benefits such as reducing flood risk and restoring habitats for wildlife. Just under one-third (29%) of the 62 indicators linked to a specific goal in the Outcomes Indicator Framework for the Plan are recorded as relevant to two or more goals. The interlinkages between the goals amplify the need for a coordinated and collaborative approach between policy teams and delivery bodies, to ensure they reach the optimum solutions, which maximise benefits across all affected goals. We have seen this previously in our report on improving the A303 between Amesbury and Berwick Downs, where we noted the need for the Department for Transport to work with other departments, to "ensure that there are means for identifying, delivering and monitoring progress on delivering benefits which are jointly owned".¹³

2.9 Government must also manage trade-offs and the risk of perverse outcomes (**Figure 11** overleaf). The current oversight arrangements lack a single point of leadership. Defra has not set out which decision-making body would have the authority to make difficult decisions should policy clashes or interdependencies require trade-offs involving more than one department. Even within Defra, while the Implementation Board provides a platform for discussing issues which cut across the Plan (such as the Environment Land Management scheme and the Environment Bill), it was only in July 2020 that the Board agreed to identify and allocate specific responsibility for the links (interdependencies) between goal areas, and it has not yet agreed what the most important links are.

2.10 The 'mitigating and adapting to climate change' goal is particularly inter-related with the other environmental goals, because:

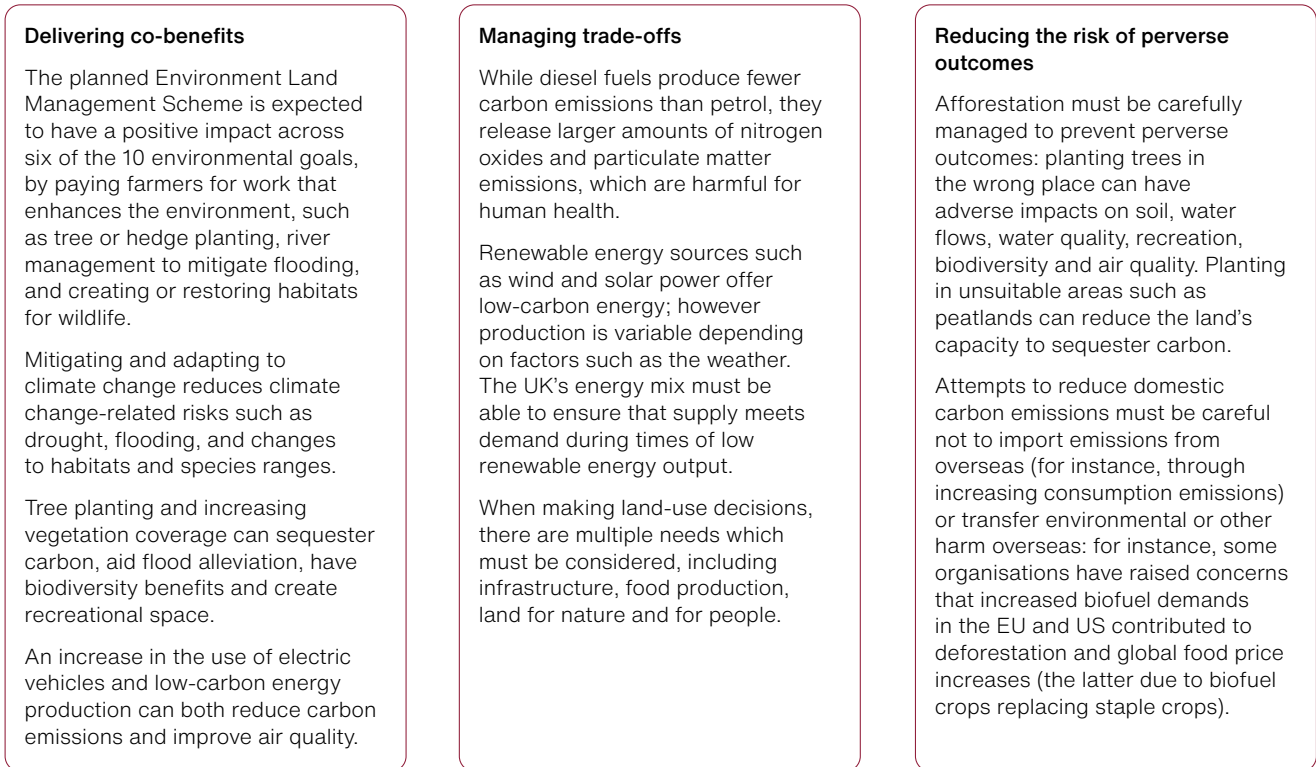
- climate change is a major pressure on the natural environment. A certain level of climate change is inevitable due to historic greenhouse gas emissions, leading to increased risks of drought, flooding and changes to habitats. If global mitigation efforts fail, the impacts could be severe. As a result, the government's climate change advisers, the Committee on Climate Change, consider that meeting almost all of the Plan's goals will require climate risks to be addressed; and
- actions to mitigate climate change can impact the achievement of other environmental goals, both through changes that bring multiple benefits, as well as through actions that bring risks of trade-offs (**Figure 12** on pages 41 and 42).

¹³ Comptroller and Auditor General, *Improving the A303 between Amesbury and Berwick Downs*, Session 2017-2019, HC 2104, National Audit Office, May 2019.

Figure 11

Examples of co-benefits, trade-offs and perverse outcomes that need to be managed when delivering the 25 Year Environment Plan (the Plan)

The interlinkages between the goals mean that government must take a coordinated and collaborative approach to delivering the Plan in order to manage co-benefits, trade-offs and perverse outcomes



Source: National Audit Office analysis

2.11 Mitigating and adapting to climate change requires joint action across several government departments and international cooperation across the globe. The split responsibility for this goal between Defra (adaptation) and BEIS (mitigation) could make managing the interdependencies between adaptation and mitigation, and between the climate change and other goals, more complicated. Government considers that the new cross-government oversight body for climate change (the Climate Change National Strategy Implementation Group) should help manage these interdependencies, although it has yet to set out how it will do this.

Figure 12

Examples of how actions to mitigate and adapt to climate change interact with other goals within the 25 Year Environment Plan (the Plan)

There are multiple links between the goals in the Plan, exemplified by the links between climate change mitigation and adaptation and other environmental goals

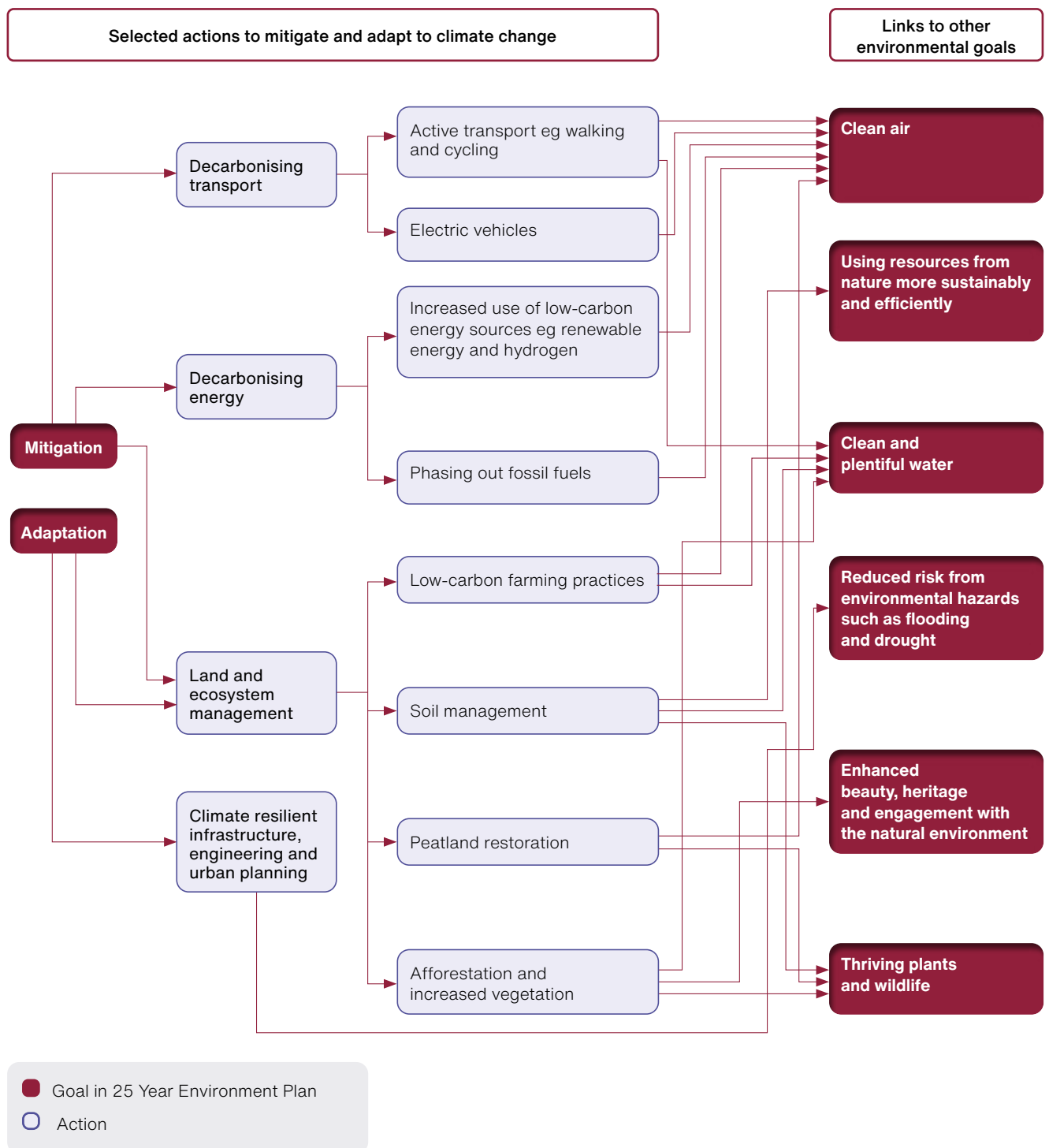


Figure 12 *continued*

Examples of how actions to mitigate and adapt to climate change interact with other goals within the 25 Year Environment Plan (the Plan)

Notes

- 1 This figure is not exhaustive: it does not show all possible interrelations between these goals.
- 2 In many cases the links shown represent scope for 'co-benefits' whereby actions to mitigate and adapt to climate change have wider environmental benefits. In some cases there is instead, or also, potential for adverse effects. For example while afforestation (tree-planting) can create new habitats for wildlife, it can reduce biodiversity in some cases if the trees replace other types of habitats (eg peatland).

Source: National Audit Office analysis

Engaging with bodies outside government

2.12 Understanding what is required of partners, stakeholders, businesses and individuals outside government, and having the right levers to get them involved, is key to delivering government's environmental goals. Since publication of the Plan in January 2018, Defra has engaged stakeholders through various mechanisms including: the establishment of the Council for Sustainable Business to advise on how businesses can help achieve the aims of the Plan; the Year of Green Action in 2019, to encourage people to connect with nature; and through consultation exercises on issues such as proposed reforms for biodiversity net gain and the resources and waste strategy.

2.13 Prior to the COVID-19 pandemic, Defra had begun to identify the behaviour changes needed from individuals, industry and the rest of government to help meet government's environmental ambitions, and to develop a behaviour change strategy. It is now looking to capitalise on the benefits of the positive behaviours demonstrated by citizens during the COVID-19 pandemic (such as walking and cycling more), and to address negative behaviours (such as fly-tipping) before they become entrenched. However, given the lack of success it has had with some behaviour change initiatives (such as reduced water consumption) Defra needs to speed up this work. During 2020 Defra has been working with BEIS on projects related to behaviour change for net zero. In view of the interdependencies between climate change and the other goals, it will be important for Defra to continue to build on these links.

Delivering through partners

2.14 While influencing is an important element in Defra's approach to implementing the Plan, encouragement alone is unlikely to achieve the ambitions set out in the Plan. Our report on improving the lives of women and girls overseas highlighted similar challenges faced by the Department for International Development with its decentralised delivery model.¹⁴ Defra has developed some good arrangements for collaboration and coordination on specific environmental issues and activities, but it is hampered by the lack of mandate to direct the other government departments and partners it is relying on to deliver.

2.15 For example, while the greatest pressures on the water environment are from sectors that fall within Defra's remit to influence (agriculture and wastewater), delivering the 'clean and plentiful water' goal requires input from another four government departments, to ensure policy coherence around issues such as land use planning and transport, four regulatory bodies, and water and sewerage companies (**Figure 13** overleaf). Our recent report on water supply and demand management (which examined the 'plentiful' part of the overall goal to provide 'clean and plentiful water') concluded that while Defra had taken positive steps to give a more strategic focus to water resource planning, it needed to provide stronger leadership across government, and a much clearer sense of direction to water companies, the water regulators and water consumers.

2.16 Defra faces similar challenges on its work on climate adaptation, where it has a lead role but requires the involvement of many other departments. This is reflected in the wide membership of the cross-government Domestic Adaptation Board, which includes 12 government departments. Despite an ambition in the Plan that "all policies, programmes and investment decisions take into account the possible extent of climate change this century", the Committee on Climate Change concluded that "only a handful of sectors have plans that consider a minimum of 2°C global warming". While the remit of the Climate Change National Strategy Implementation Group includes both adaptation and mitigation, its focus so far has been on decarbonising the economy and net zero, with little consideration of adaptation.

¹⁴ Comptroller and Auditor General, *Improving the lives of women and girls overseas*, Session 2019–2021, HC 316, National Audit Office, April 2020.

Figure 13

Delivery partners for the 25 Year Environment Plan's 'clean and plentiful water' goal

The Department for Environment, Food & Rural Affairs (Defra) oversees a complex delivery landscape for the clean and plentiful water goal

Other government departments

Ministry of Housing, Communities & Local Government (MHCLG) on local planning that takes account of water environment considerations.

Department for Transport on sustainable surface water drainage and tackling pollution from road run-off.

Department for Business, Energy & Industrial Strategy (BEIS) on industry regulation, net zero and dependencies with anaerobic digesters.

HM Treasury in assuring water considerations in departmental bids.

Regulators

Environment Agency responsible for water quality and resources.

Natural England responsible for ensuring England's natural environment, including its freshwater and marine environments, are protected and improved.

Ofwat economic regulator of the water sector in England.

Drinking Water Inspectorate regulator of drinking water in England.

Water suppliers

Water suppliers are the companies that provide water only and water and sewerage for general domestic use to the UK's homes.

There are currently 25 water suppliers covering England, Scotland and Wales, of which 11 provide both water and sewerage services to large regions across England and Wales.

In addition, **Catchment Based Partnerships** undertake integrated management of land and water, addressing each river catchment as a whole and delivering cross-cutting practical interventions on the ground. They consist of numerous organisations and sectoral interests including environmental non-government organisations, water companies, local authorities, government agencies, landowners, angling clubs, farmer representative bodies, academia and local businesses.

Source: National Audit Office analysis of Department for Environment, Food & Rural Affairs documents

Skills and capacity

2.17 Government will need to ensure that organisations across the delivery chain have access to the skills and resources they need to play their part. Natural England, the Environment Agency and the Forestry Commission raised concerns with us around funding or skills shortages. Government's plans to increase tree-planting, for example, will require much greater capacity in the nurseries that grow saplings, as well as a skilled workforce for planting and maintenance. In September 2020, the chair of Natural England warned that, as a result of a 49% decline in its government grant-in-aid budget over six years, "We are now running with some serious risk to our core, statutory functions, which will have consequences for our customers as well as for wildlife."¹⁵ The Committee on Climate Change told us that it considers climate change adaptation is severely under-resourced at present across government.

2.18 Local authorities have a critical role to play on a range of environmental issues. In our 2017 report on Air quality,¹⁶ we highlighted the central role of local authorities in implementing new air quality measures, and risks around ensuring that they had the capacity and resource to implement these measures at a time when they were facing funding pressures. Local authorities also have a central role in many of the new environmental initiatives being taken forward through the Environment Bill, for which they will need access to the right expertise and appropriate funding. In particular, they will need access to ecological expertise to assure new requirements over the impact of new developments, such as house building, on wildlife ('biodiversity net gain'¹⁷) and to prepare new plans for wildlife recovery in a local area. Government has committed to fully fund the additional environmental responsibilities for local authorities in the Environment Bill, and to support local authorities by ensuring they have access to training, expertise and systems.

¹⁵ Natural England, *Annual Report and Accounts, 1 April 2019 to 31 March 2020*, HC 712, September 2020.

¹⁶ Comptroller and Auditor General, *Air quality*, Session 2017–2019, HC 529, National Audit Office, November 2017.

¹⁷ The Bill would require developers to provide at least a 10% 'biodiversity net gain', as measured with reference to a government calculator. The Bill would provide for exceptions to this requirement, for example for small sites or residential self-build.

2.19 Defra itself will also need to ensure that it has people with the right skills and experience to oversee such a complex programme. There have been three senior responsible owners for the Plan since it was published in 2018. Such regular turnover puts pressure on supporting staff to brief each successor and could undermine credibility among staff and stakeholders as to how seriously government takes its environmental ambitions.

Part Three

Monitoring, learning and improving

3.1 Our January 2019 report on environmental metrics set out why it is essential for government to have an effective system for measuring its environmental performance and monitoring its progress.¹⁸ Meeting government's ambition to improve the environment will require significant and coordinated action across different sectors of the economy, and in some areas, it will involve reversing long-term trends of environmental decline. Strong environmental monitoring is also important in the context of the UK's exit from the EU, as it will enable stakeholders, Parliament and government to understand the government's performance against its commitment that leaving the EU will not mean environmental protections are diluted.

3.2 This part of the report examines the risks we consider important around monitoring, learning and improving if government is to succeed in delivering its environmental goals. It sets out:

- how government has developed its public reporting of progress against the 25 Year Environment Plan (the Plan) since 2018;
- how government has developed its arrangements for monitoring progress against the Plan; and
- risks to effective monitoring, learning and improving.

How government has developed its public reporting of progress

3.3 The Department for Environment, Food & Rural Affairs (Defra) is the lead department for government's annual progress reports against the Plan and has now published two such reports. Defra has also developed a framework of environmental outcome indicators to help measure the overall state of the natural environment.

¹⁸ Comptroller and Auditor General, *Environmental metrics: government's approach to monitoring the state of the natural environment*, Session 2017–2019, HC 1866, National Audit Office, January 2019.

3.4 In 2019, government's progress report focused on a set of priority actions, of which it reported four had been delivered, 32 were on track and four were delayed. The priority actions completed by May 2019 were: appointing a National Tree Champion; setting up the Council for Sustainable Business; and publishing strategies for clean air and for resources and waste. There was little read-across between the progress report and the outcome indicator framework in 2019: the progress report did not use information from the outcome indicator framework to set out progress against those goals for which trend data were available.

3.5 In 2020, the progress report included both a narrative description of progress against actions and an assessment of short-term trends towards environmental outcomes:

- The report highlighted as key actions the introduction of new legislation (the Environment, Agriculture and Fisheries bills); amending the Climate Change Act to set a target for net zero greenhouse gas emissions by 2050; and consulting on the end date for sales of new petrol and diesel vehicles.
- The report gave an overview of the change to 33 environmental indicators and identified around half (49%) as positive, a third (33%) as stable and around a fifth (18%) as negative. However, some of the positive assessments are in areas where there remain longstanding problems. For example: the 'percentage of waterbodies which meet the 'good ecological status' standard', reported as 'stable short-term trend, stable situation', was 16%, against a target of 75%; and 'changes in average roadside concentrations of nitrogen dioxide', reported as 'downward short-term trend, positive outcome', does not reflect continuing localised exceedances of EU concentration limits.
- The outcome indicator framework published data for 38 out of 66 indicators. It mapped these indicators to eight out of 10 environmental 'themes', (the themes being similar, although not identical, to the Plan's goals).¹⁹
- In summarising progress, the report highlighted the scale of the challenge: "Over the last 12 months we have continued to put the levers in place that will help us secure lasting change for the environment... Overall, there is much more to do, both in our country, and with international partners, to halt and reverse the decline of nature and address climate change."

3.6 The Natural Capital Committee has been responsible for scrutiny of government's public reporting against the Plan. It has criticised the reports for not giving an evidence-based assessment of whether performance had improved and concluded that the government is not on course to achieve its objective to improve the environment within a generation.

¹⁹ The 10 themes are: air, water, seas and estuaries, wildlife, natural resources, resilience, natural beauty and engagement, biosecurity chemicals and noise, resource use and waste, international. Some of these themes relate to more than one goal in the Plan, such as 'seas and estuaries', which contains indicators for three goals.

How government has developed its arrangements for monitoring progress

3.7 Internally, Defra has used three different approaches to reporting progress across the Plan to its oversight boards, since July 2018:

- **Actions-based reporting** (July to November 2018) – the Implementation Board received three updates on 26 priority actions in the Plan, a subset of the 40 priority actions featured in the first published update report.
- **Goal-focused work, no overall reporting** (March to November 2019) – Defra did not produce performance reports on the whole Plan for its oversight boards, instead it focused on supporting policy teams to understand the outcomes they needed to deliver to achieve the goals and on developing a new approach to collecting performance information. Some policy teams monitored progress through goal-specific governance structures or as part of wider reporting to Defra's Executive Committee.
- **Portfolio reporting** (2020) – In January, Defra piloted a portfolio performance report with Defra's Executive Committee, Environment Committee and Implementation Board, with data for three of the 10 goals. The process highlighted the lack of a consistent approach to monitoring delivery and that, to track progress each quarter, Defra needed to identify interim milestones for key delivery programmes. In July, Defra produced a portfolio performance report covering all 10 goals in the Plan and other cross-cutting and international work. Defra plans to produce this report quarterly and expects to include for each goal:
 - a status update for policies set for implementation in 2020-21;
 - an assessment of performance against targets linked to outcome indicators, where available; and
 - an evaluative commentary from the goal sponsor.

3.8 The new portfolio report does not include information about spending on interventions that would allow Defra's oversight boards to consider the value for money of spending on the Plan as a whole. The existing terms of reference of the Implementation Board exclude consideration of business planning and reallocation of resources, whereas the Environment Committee is expected to work with others in Defra on prioritisation, resource allocation and transformation. In 2020, Defra's preparations for the Spending Review included mapping known spending across the Plan and holding planning workshops with two goals; this process was halted due to the COVID-19 pandemic.

Risks to effective monitoring, learning and improving

3.9 This section sets out specific risks we have identified in relation to monitoring progress against the Plan, and how well placed Defra and government more broadly are to address these. Shortcomings in performance monitoring (such as if information is not good quality, focused on the right things, or available to the right people) creates a risk that those responsible for delivery, oversight or scrutiny will not have the information they need to fulfil their role. There is then an associated risk that government will not be able to learn from its work (such as to identify and upscale interventions that are effective) and improve its performance.

Filling data gaps

3.10 Defra's recent work to move its understanding of performance on from completing actions to delivering environmental outcomes is positive; however, gaps remain in its understanding of the state of the natural environment:

- Defra increased the number of environmental outcome indicators against which it published data from 27 in 2019 to 38 in 2020; however, it does not expect to publish data against all 66 indicators until 2024 at the earliest, depending on the funding settlement it receives in the Spending Review. There are still three goals and one major policy area that have no relevant metrics against which data have been reported,²⁰ with associated gaps in Defra's new internal performance reporting.
- Even where data exist, there may be a time-lag between data-gathering and reporting; reporting against indicators may be infrequent; and for some longer-term environmental interventions, there may be an inevitable time-lag between interventions and results. Defra is aware of these risks: it will need to continue to monitor the quality and appropriateness of data used in its reporting against the Plan.

Complete and transparent public reporting and effective scrutiny

3.11 Public reporting against the Plan is an important way of securing buy-in from stakeholders and allowing public scrutiny of government's commitment to improve the environment. Limited or unclear public reporting risks reduced engagement with, or misunderstanding of, progress towards government's goals.

²⁰ The goals or policy areas where no data have yet been reported against relevant metrics in the outcome indicator framework are: managing exposure to chemicals; minimising waste, enhancing biosecurity and reducing the risks of harm from natural hazards; and meeting the UK's commitments on global impacts.

3.12 The Natural Capital Committee produced its final review of Defra's progress reports in October 2020. Government's Environment Bill (paragraph 1.7) includes provisions to implement long-term environmental governance after the UK's exit from the EU, through a new Office for Environmental Protection (OEP). Government has stated that the OEP will provide scrutiny and advice on the implementation of environmental law in England and monitor and report on progress against future environmental improvement plans and targets,²¹ with an obligation to produce an independent annual progress report. The OEP will also have powers to run its own investigations into breaches of environmental law by public authorities. Government has broadened the OEP's remit by bringing all climate change legislation within its enforcement powers.

3.13 In our 2019 report on environmental metrics we highlighted that to be effective in holding government to account, the OEP will need to be sufficiently independent; have access to good-quality environmental data, with clear expectations over how it will use these data to determine whether and how to intervene if performance is not on track; and have appropriate resources and strong leadership to take action. We recommended that government strengthen safeguards for the new environmental watchdog's independence by setting out how it intends to involve Parliament in choosing its Chair and in determining its funding, and by setting out a clear framework document for the terms of the relationship.

3.14 Government has responded to some concerns about the extent to which the OEP will be able to provide effective scrutiny of government's performance on the environment, although some risks remain:

- Government had planned for the OEP to be operational by the end of the EU Exit 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. This could leave a potential or perceived gap in environmental governance. Defra told us its ministers have asked officials to establish interim arrangements, which will include a team to receive complaints about alleged failures of public authorities to comply with environmental law from the start of next year, until the OEP begins its statutory functions. Any lack of availability of good-quality, recent data on the state of the environment could also reduce the OEP's ability to hold public bodies to account.
- Some stakeholders are concerned that the OEP will not have powers to fine public bodies for breaching environmental law. Defra told us that instead, if a public authority failed to comply with a court order, the OEP would be able to bring contempt of court proceedings.

²¹ The Environment Bill includes an option to extend the OEP to Northern Ireland.

- There are safeguards in the Environment Bill designed to maintain the OEP's independence, however, the Environment, Food and Rural Affairs Select Committee has called for more independence and transparency in appointing the OEP's members: government's preferred model of a non-departmental public body means that the Secretary of State for Environment, Food & Rural Affairs will appoint the chair and the other non-executive directors. The chief executive will be appointed by the chair after consultation with the Secretary of State. Government has launched a public appointment campaign for the OEP Chair with an assessment panel that includes members from outside Defra.
- On resourcing, government has stated that it will be funded on a five-yearly cycle, to provide resource stability. It has not yet published the staffing complement for the OEP.

Ownership of and accountability for monitoring, learning and improving

3.15 Defra is the lead department for the Plan and for much of the work required to deliver individual goals. Given this lead role, we would expect Defra to have clear expectations for where performance will need to improve to achieve the goals, both internally and by other parts of government, where relevant. While Defra has taken steps to improve its processes for monitoring overall performance (paragraph 3.7), some arrangements for ownership of, and accountability for, performance against aspects of the Plan are missing, or are very new:

- Defra has not specified which of the oversight boards linked to the Plan is responsible for setting action plans to require improvements, should it identify any underperformance. It is undertaking a governance review of its oversight boards that is due to report in the autumn.
- On climate change mitigation, there is no single point of responsibility for tackling consumption emissions. It is currently spread across Defra and the Department for Business, Energy & Industrial Strategy.
- Goals such as clean air, or the marine element of thriving plants and wildlife, have governance structures that are well established and that capture performance relevant to the goals as part of ongoing regular reporting. However, on the nature element of the thriving plants and wildlife goal, it was only in June 2020 that Defra established a domestic nature board, with a remit to oversee delivery of 25 Year Environment Plan nature goals and the wider nature portfolio – replacing the Nature Strategy Board (established in May 2018), which had a narrower focus on a new Nature Strategy to replace Biodiversity 2020.

3.16 Defra's arrangements for understanding how other parts of government will contribute to the Plan are complex and may be incomplete. There is no single cross-government forum in which Defra shares performance information about the Plan as a whole or holds other parts of government to account for their contribution. Defra is involved in bilateral and multilateral arrangements to improve the environment across government (Figure 10). With complicated arrangements comes a risk that no one in government has a complete picture of performance against the Plan, or that key opportunities or interdependencies may be missed.

Learning from work in order to upscale effectively

3.17 Government has made commitments to a 'green recovery' from COVID-19. It is now over 2½ years since the Plan was published; if government is to capitalise on its work to date, Defra and other departments will need to move beyond understanding performance, to turn around any underperformance, manage interdependencies effectively and consistently upscale interventions that are effective.

3.18 Defra and some of its partner organisations ran four pioneer projects between 2016 and 2020 in different parts of England and across different landscapes to test the effectiveness of approaches to improving the environment and to inform both the Plan and subsequent policy development in associated areas. Defra told us that, due to COVID-19 resource reallocations, the final report on its pioneer projects has been delayed. There is a risk that the value of lessons from the pioneer projects may reduce if those involved in overseeing the projects are unable to complete their work as planned.

Appendix One

Our audit approach

1 In January 2018, government published a 25 Year Environment Plan (the Plan) for its ambition to improve the natural environment in England within a generation. The Plan included 10 overarching environment goals, expressed as aims government wants to achieve or pressures it needs to manage. This report draws on our experience of auditing large-scale, longer-term, cross-government projects and programmes to identify key risks that government will need to manage to achieve its goals and maximise value for money.

2 Where we can, we include evaluative commentary on the progress government has made so far, and how well placed government is to manage these risks in the future. These are broad and complex issues and so our aim has been to highlight the most significant potential strengths and areas for improvement across the Plan as a whole, rather than to assess the value for money of any particular aspect. The report examines risks in relation to:

- how government has set direction (Part One);
- oversight and coordination (Part Two); and
- monitoring, learning and improving (Part Three).

Methods

- 3** We conducted our work between April and July 2020. This involved:
- interviewing Department for Environment, Food & Rural Affairs (Defra) staff, delivery partners and stakeholders to understand progress to date and emerging risks;
 - reviewing documents – including board minutes, papers and terms of reference, strategy documents, and progress and performance reports;
 - deeper dives on four of the 10 goals – clean air, clean and plentiful water, thriving plants and wildlife, and climate change adaptation and mitigation. We undertook interviews with key stakeholders within Defra, and with relevant arm's-length bodies where appropriate, and examined key documents; and
 - reviewing reports from our back catalogue to identify relevant risks and what government can learn from these experiences. Appendix Two lists the reports from which we have gathered insights.

Appendix Two

National Audit Office reports

1 The 25 Year Environment Plan shares similar risks and opportunities with other long-term, large-scale programmes in government which we have audited. The table below maps the risk areas discussed throughout this report to other publications which have touched on similar risks.

Figure 14

Reports from the National Audit Office's (NAO's) back catalogue relevant to the risks featured in this report

Risk	National Audit Office report
Risks to setting direction (Part One)	
Coherent and specific objectives	<i>Improving government's planning and spending framework</i> (2018) highlights the importance of clarity and transparency over prioritisation decisions.
A realistic plan for delivery	<i>Improving the lives of women and girls overseas</i> (2020) raises concern about the lack of a long-term plan for the 12-year Strategic Visions for Gender Equality against which the Department for International Development could assess progress. Our reports on the <i>London 2012 Olympic and Paralympic Games</i> (2007-2012) show the importance of a fully integrated plan for successful delivery - a plan that brought together activities of different organisations to identify overlaps, gaps and critical dependencies.
Risks to oversight and coordination (Part Two)	
Shared and inclusive oversight	<i>The failure of the FiReControl project</i> (2011) illustrates the risks of not having clear lines of decision-making and not engaging all parties. <i>Improving the lives of women and girls overseas</i> (2020) highlights oversight challenges associated with the Department for International Development's decentralised model of delivery. <i>Improving the A303 between Amesbury and Berwick Downs</i> (2019) noted the need for the Department for Transport to work with other departments on projects that have implications beyond those usually associated with transport projects, to "ensure that there are means for identifying, delivering and monitoring progress on delivering benefits which are jointly owned".
Sufficiently strong mechanisms to bring about the level of change required	<i>EU Exit: the Get ready for Brexit campaign</i> (2020) demonstrates the importance of coordination between the centre and departments to meet cross-government goals. <i>Reducing modern slavery</i> (2017) shows how government struggled to meet its objectives where roles and responsibilities were not clearly understood.
Skills and capacity	<i>Rolling out Universal Credit</i> (2018) shows the importance of understanding the needs of external delivery bodies. <i>Improving children and young people's mental health services</i> (2018) showed the importance of having a sufficient capacity to deliver government's ambitions. <i>Air quality</i> (2017) identified a risk that local authorities may not have sufficient resources and expertise to be able to meet air quality requirements effectively.

Figure 14 *continued*

Reports from the National Audit Office's (NAO's) back catalogue relevant to the risks featured in this report

Risk	National Audit Office report
Risks to monitoring, learning and improving (Part Three)	
Complete and transparent reporting	<p><i>Environmental metrics: government's approach to monitoring the state of the natural environment</i> (2019) identified that good, accessible public reporting on performance information can help engage citizens with any behaviour changes required.</p> <p><i>The effectiveness of Official Development Assistance</i> (2019) found that government's desire to demonstrate the value secured from Official Development Assistance spending was undermined by its lack of progress improving transparency.</p> <p><i>Performance measurement by regulators</i> (2016) set out the importance of measuring inputs and outputs, understanding costs (direct and indirect of regulation) and linking outcomes to inputs and outputs.</p> <p><i>Controlling the consumer-funded costs of energy policies: The Levy Control Framework</i> (2016) highlighted the risks to investor confidence of the uncertainty over the budget available for individual consumer-funded schemes.</p>
Ownership of and accountability for monitoring, learning and improving	<p><i>Improving children and young people's mental health services</i> (2018) illustrates the impact of weak national accountability for locally delivered services.</p> <p><i>Vulnerable consumers in regulated industries</i> (2017) examined the impact of having multiple organisations with a role in supporting vulnerable consumers within and across the regulated sectors (including government departments, regulators, ombudsmen, consumer bodies, charities, trade organisations and companies).</p>
Learning from work in order to upscale effectively	<p><i>International Citizen Service</i> (2017) raised concerns around expanding the scheme prior to fully evaluating the impact of previous phases.</p> <p><i>Personalised commissioning in adult social care</i> (2016) shows the importance of sharing learning.</p>

Source: All of these reports can be found on the National Audit Office website: www.nao.org.uk

Appendix Three

Examples of cross-government policy responsibilities which influence delivery of goals in the 25 Year Environment Plan

Figure 15

Illustrative examples of cross-government policy responsibilities which influence the delivery of goals in the 25 Year Environment Plan (the Plan)

The Department for Environment, Food & Rural Affairs has overall ownership of and responsibility for the delivery of the Plan, yet the policy responsibilities of other government departments overlap and can influence the delivery of the goals in the Plan

	25 Year Environment Plan goal	
<p>Departmental policy responsibility</p> <p>Department for Environment, Food & Rural Affairs (Defra)</p>	<p>Clean air</p> <p>Lead department for work to meet international commitments to reduce emissions of five key air pollutants; including all measures to reduce emissions of ammonia from farming.</p> <p>Responsible for air quality policy and strategy.</p>	<p>Thriving plants and wildlife</p> <p>Lead department for the goal with policy responsibility for both terrestrial and marine biodiversity. The Defra Group is responsible for programmes and policies to deliver biodiversity gains such as plans to increase woodland cover, Nature Recovery Network and the Environmental Land Management Scheme.</p> <p>Natural England is responsible promoting nature conservation and protecting biodiversity in England.</p> <p>The Environment Agency (EA) is a statutory adviser in the land-use planning system.</p> <p>The Forestry Commission (FC) is the government department 'responsible for protecting, expanding and promoting the sustainable management of woodlands' – trees and woodlands are frequently part of priority habitats and are important for biodiversity.</p>

<p>Mitigating climate change</p> <p>Lead department for greenhouse gas emissions reduction action in several sectors: agriculture, F-gases, waste (including waste water) emissions and land use change (forestry and restoring peatlands).</p> <p>The FC encourage forest expansion amongst landowners and administer schemes for woodland creation such as the Woodland Carbon Guarantee scheme – tree planting is expected to help meet climate change mitigation targets.</p>	<p>Adapting to climate change</p> <p>Lead department on domestic adaptation, chair of the cross-government Domestic Adaptation Board and responsible for monitoring progress on actions in the National Action Plan.</p> <p>Defra and EA have responsibility for managing several key climate risks including: risks to food production and natural capital, flooding, emerging diseases, invasive non-native species, coastal erosion and water availability.</p> <p>The FC provide expertise and advice on natural flood management through woodland creation.</p>	<p>Clean and plentiful water</p> <p>Has overall responsibility for setting the policy and regulatory framework for water in England.</p> <p>Defra and the EA deliver River Basin Management Plans (asset management plans developed on a statutory basis on a 6-year cycle which are designed to coordinate action around water environment improvement).</p> <p>The EA is responsible for protecting the environment and managing water resources, and regulates abstraction licences to ensure there is enough water for environmental needs.</p> <p>The FC regulates and incentivises woodland creation and tree felling in ways that help improve water quality and avoid adverse impacts on water quality.</p>

Figure 15 *continued*

Illustrative examples of cross-government policy responsibilities which influence the delivery of goals in the 25 Year Environment Plan (the Plan)

	25 Year Environment Plan goal	
<p>Departmental policy responsibility</p> <p>Department for Business, Energy & Industrial Strategy (BEIS)</p>	<p>Clean air</p> <p>Responsible for regulating industrial pollution, promoting clean energy and energy efficiency and for supporting the development and adoption of new technology expected to reduce emissions.</p>	<p>Thriving plants and wildlife</p>
<p>Department for Transport (DfT)</p>	<p>Leads on measures to reduce emissions of nitrogen oxides and particulate matter from vehicles. There is a joint Defra-DfT Joint Air Quality Unit, set up in 2016, to tackle nitrogen dioxide emissions from cars.</p> <p>Responsible for policy measures to reduce air pollution from transport, such as schemes to promote cycling and walking, and to mitigate the effect of new road-building.</p>	<p>The transport sector is reliant on significant amounts of infrastructure, which can be in close proximity to sensitive ecosystems. Construction can directly result in habitat loss, while the ongoing impacts of traffic include increased mortality due to vehicle strikes and animal confusion from light and noise pollution. In addition to negative impacts, transport can produce improvements in biodiversity, such as through providing the means to connect different areas of habitat.</p>
<p>Ministry of Housing, Communities & Local Government (MHCLG)</p>	<p>For each of these goals (clean air, thriving plants and wildlife, mitigating and adapting to climate change, and clean and plentiful water), responsible for alignment with:</p> <ul style="list-style-type: none"> ● national planning policy (through, for example, policy on accounting for impacts on flood risk, indoor overheating and other climate change impacts, water pollution and biodiversity in preparing plans and planning decisions); and ● stewardship of the local government financial system. <p>Also holds a key relationship with local authorities, which themselves have important environmental responsibilities and influence (see next row).</p> <p>On climate change mitigation: Jointly responsible for homes and building emissions (along with BEIS).</p>	
<p>Local authorities</p>	<p>Responsible for local air quality measures including new 'clean air zones' and have statutory air quality duties.</p>	<p>Local authorities will have a central role in assuring that new developments (such as housing developments) take account of their impact on wildlife ('biodiversity net gain'). Local Authorities also have a role in preparing new plans for wildlife recovery in their local area.</p>

Mitigating climate change	Adapting to climate change	Clean and plentiful water
<p>Lead department with overall responsibility in government for achieving net zero. It also has policy responsibility for reducing emissions in several sectors: power, industry, homes and buildings.</p>	<p>Responsible for addressing and understanding risks and opportunities for businesses as a result of climate change.</p> <p>Responsible for monitoring progress by the electricity network companies on the implementation of their flood resilience programme.</p>	<p>Responsible for industry regulation and dependencies with anaerobic digesters.</p>
<p>Responsible for reducing transport emissions, which was the largest emitting sector of UK greenhouse gas emissions in 2018.</p>	<p>Responsible for building resilience to climate change in the transport sector, for instance, working with infrastructure providers to build resilience in the transport network to adverse weather.</p>	<p>Run-off from roads can be a source of water pollution.</p>
<p>Local authorities can help deliver national climate change goals through emissions reductions in their area. Many councils have declared a 'climate emergency' and are taking action to reduce the carbon emissions in their local area.</p>	<p>Local authorities can build resilience in their areas through local planning, increasing the resilience of buildings and infrastructure in their areas and through promoting flood resilience. Defra hosts the Local Adaptation Advisory Panel, a forum for dialogue on climate change.</p>	<p>Local planning authorities must have regard to River Basin Management Plans, which outline the main issues for water bodies and how to tackle them.</p>

Figure 15 *continued*

Illustrative examples of cross-government policy responsibilities which influence the delivery of goals in the 25 Year Environment Plan (the Plan)

	25 Year Environment Plan goal	
Departmental policy responsibility	Clean air	Thriving plants and wildlife
Summary	While Defra is the lead department for air quality policy, it works closely with DfT, given that transport is a key emitter of certain air pollutants, and with local authorities to ensure they carry out statutory duties.	Defra is the lead department for domestic and overseas biodiversity goals. Other parts of government can influence the implementation of the goal, such as through the role local authorities will play in preparing new plans for wildlife recovery in a local area.

Notes

- References to Defra's responsibility include the responsibilities of organisations within its group including the Environment Agency, Natural England and the Forestry Commission.
- The responsibilities and influences shown are illustrative and not exhaustive. Other government bodies also have important roles. For example, Ofwat is the water services regulator of the water and sewerage companies in England and Wales, including their economic regulation. It has a role regulating the environmental obligations of water companies. The Drinking Water Inspectorate regulate water companies in England and Wales to make sure water meets drinking standards.
- The five-yearly cycle under the Climate Change Act 2008 requires a Climate Change Risk Assessment to be carried out by the independent Adaptation Sub-Committee of the Committee on Climate Change, to which government must respond by producing a National Adaptation Plan (NAP). This provides a framework for adaptation action across climate risks. The most recent NAP identified the following key risks of climate change: risks to health, infrastructure, food production and natural capital, flooding, emerging diseases, invasive non-native species coastal erosion and water availability.
- For presentational purposes, the 'Mitigating and adapting to Climate Change' goal has been split to more clearly reflect the differences in policy responsibility.

Source: National Audit Office analysis

<p>Mitigating climate change</p> <p>Defra has policy responsibility for mitigation in sectors accounting for around 15% of UK emissions – BEIS has overall policy responsibility for climate change mitigation.</p>	<p>Adapting to climate change</p> <p>While Defra leads in coordinating domestic adaptation efforts, the 25 Year Environment Plan states that “all policies, programmes and investment decisions take into account the possible extent of climate change this century”. Several departments outside of Defra must manage key climate change risks identified in the Climate Change Risk Assessment.</p>	<p>Clean and plentiful water</p> <p>Defra has overall responsibility for setting the policy and regulatory framework for water in England. To deliver this Defra oversees a complex delivery landscape of multiple regulators and privately-owned water companies.</p>

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