

Regulating for people, the
environment and growth

We are the Environment Agency. We protect and improve the environment and make it a better place for people and wildlife.

We operate at the place where environmental change has its greatest impact on people's lives. We reduce the risks to people and properties from flooding; make sure there is enough water for people and wildlife; protect and improve air, land and water quality and apply the environmental standards within which industry can operate.

Acting to reduce climate change and helping people and wildlife adapt to its consequences are at the heart of all that we do.

We cannot do this alone. We work closely with a wide range of partners including government, business, local authorities, other agencies, civil society groups and the communities we serve.

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Welcome

In 2005, we published an overview of the Environment Agency's approach to modern regulation, *Delivering for the environment*.

By applying this approach and introducing new regulatory tools and practices we have continued to play our part in protecting and improving the environment for the benefit of people and wildlife, while also reducing the administrative costs of regulation to the businesses that we regulate.

It is important that we review and update our approach regularly to ensure that it remains relevant. In particular, we recognise the impact that the recent global economic crisis has had on the UK's economy and the importance of removing barriers to recovery and growth while continuing to protect and improve the environment.

Our job is to apply the regulatory framework set by government. We are committed to doing this in a way that minimises the administrative burdens of regulation on businesses and makes it as easy as possible for them to do the right thing.

This document updates *Delivering for the environment* and sets out our approach to environmental regulation in the context of current and future challenges. It describes our key role as a fair and proportionate regulator that works to protect people and the environment, supporting business and sustainable economic growth while targeting illegal operators.

We explain why regulation is important and the benefits it has helped to achieve over recent years. We describe our regulatory roles, the principles to which we work, the approaches and tools we apply, and how we work with others.

Over the next few years we have four main aims for our regulatory work. We will continue to:

- support sustainable growth by working with businesses to help them comply with regulatory requirements, whilst continuing to protect environmental and public health
- take action to improve compliance of poor performers and to reduce their impact on the environment
- reduce environmental crime
- work with businesses to reduce emissions, discharges and pollution incidents, and help to ensure that resources are used sustainably



Paul Leinster
Chief Executive

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1. Regulation and the environment

Regulation plays an important role in securing a clean and healthy environment. It helps to protect people and wildlife from harm, such as the health effects of exposure to harmful chemicals in air, water, soil and food, and the risks of flooding. It also safeguards vital natural resources, such as water in rivers and aquifers, and helps to ensure they are used sustainably.

Environmental regulation provides a means to protect people and the environment where this cannot be secured in other ways - for example, through market mechanisms. This is important for public confidence. Regulation also provides certainty for businesses which often need to plan actions and investments years ahead.

Regulation establishes the minimum requirements within which organisations need to operate. In doing so, it provides a level playing field within and between countries (for example, in the case of the Directives that are applied within member states of the European Union) and within business sectors.

Regulation can be good for business. It can help avoid waste and drive efficient processes and careful management. It can also help to drive innovation. Examples of this include finding more efficient ways of using resources and stimulating the development of new technologies, which can reduce costs and create new markets.

The importance of environmental regulation was recognised many years ago with concerns about the impacts of rapid and uncontrolled development during the industrial revolution on the health of people and the environment. In 1845, the government introduced the first major piece of environmental regulation, the Public Health Act, which was aimed at reducing the outbreaks of cholera caused by poor sanitation and contamination of water.

Initially, the focus of environmental regulation was on reducing risks to human health and public nuisance, and tackling gross pollution from point sources such as factory chimneys and discharges from sewers. As these point sources of pollution have been progressively reduced, there has been a greater focus on the problems caused by pollution from more diffuse sources, such as the run-off of chemicals from land to water.

There has been a move towards more integrated approaches to regulation that recognise that regulation often has to consider the relative impacts of emissions to air, land or water. This type of approach includes integrated pollution control and river basin management.

There has also been more recognition of the role of regulation in protecting natural resources and wildlife, as well as human health.

Environmental regulation today involves interpreting and implementing a wide range of legislation covering different media, processes and substances. It involves applying many different standards and targets, and a suite of different instruments, tools and techniques. It requires finding a balance that:

- provides risk-based, outcome-focused and cost-effective protection for the environment and human health
- supports sustainable growth and minimises administrative costs to regulated businesses
- ensures the public retains confidence in the regulator

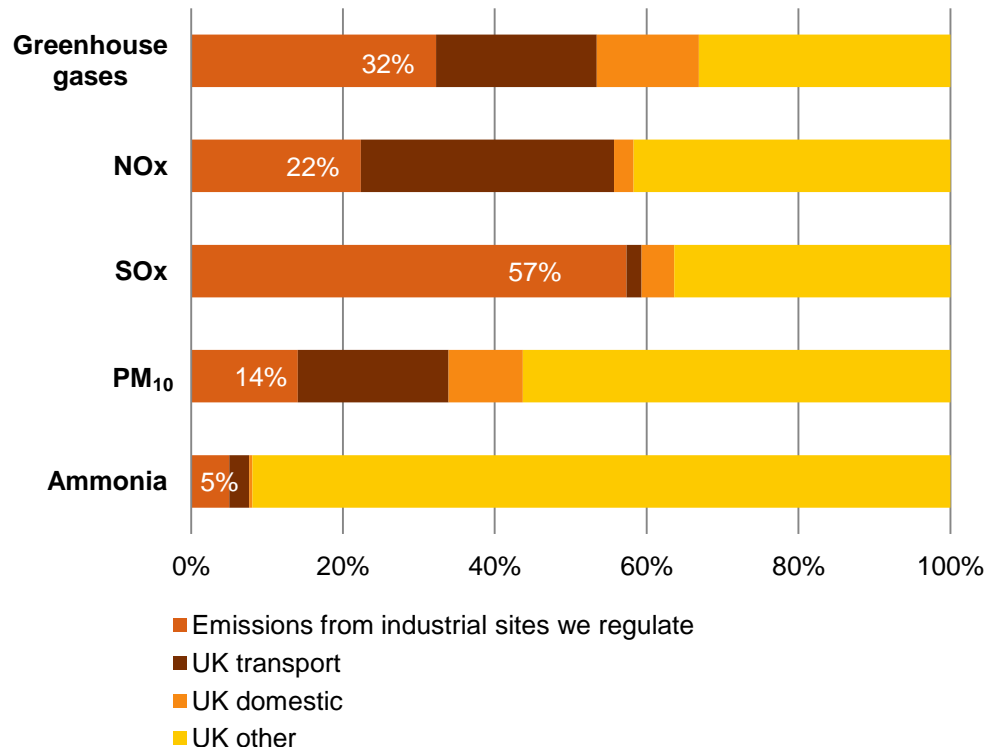
2. What has environmental regulation helped to achieve?

A clear regulatory framework with agreed standards and targets has helped to drive major environmental and public health improvements over the last few decades. Regulation has played an important part in reducing emissions to air, discharges to water, the quantities of waste produced by businesses, and the number of pollution incidents.

Reduced emissions to air and improved air quality

Regulation has played an important part in achieving major reductions in emissions to air with corresponding benefits to public health and the environment. Emissions to air of gases and fine particles affect health in many ways, including causing breathing or heart difficulties. According to a report by the Department for Environment, Food and Rural Affairs (Defra) published in 2010, *Air pollution: action in a changing climate*, poor air quality leads to a reduction in average life expectancy in the UK of about six months. Emissions can also affect the natural environment - for example, by causing acid rain and contributing to global warming. These emissions arise from many different sources including industry, transport, farming and households, some of which we regulate. Through the environmental permits we issue, we require the industries we regulate to manage and reduce their levels of emissions.

Emissions to air from industrial sites we regulate in England as a percentage of UK emissions, 2011

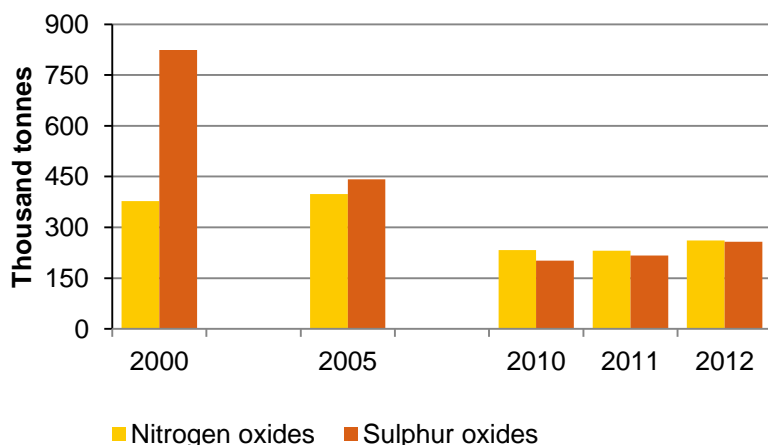


Note: the most recent UK emissions data available is for 2011. In this graph, this has been matched to Environment Agency 2011 emissions data for the industrial sites we regulate in England.

We regulate many sources of gases and particles released to air. Sulphur oxides (SOx), nitrogen oxides (NOx), small particles (known as PM₁₀), and greenhouse gases (ghg) probably have the most significant effects on people's health and the natural environment. Businesses we regulate are responsible for 57 % of SOx, 22 % of NOx and 14 % of PM₁₀s released in UK.

Between 2000 and 2012 regulation of industry has been a major factor in achieving a 69 % reduction in emissions of SOx, a 31 % reduction in NOx, and a 27 % reduction in fine particles. The benefit to health since 2005 is estimated to be £634 million.

Emissions to air from industrial sites we regulate in England: nitrogen oxides and sulphur oxides



Against a general trend of falling emissions since 2000, SOx, NOx and small particles emissions increased in 2012, primarily due to the increase in the amount of coal burned in the power generation sector. This is partially due to the colder winter but mainly because the price of coal has fallen, relative to gas, making it more attractive to industry as a fuel. The cause of this significant drop in coal price is due to the wide availability of unconventional gas in the USA releasing cheap coal onto the market.

The overall trend in all these pollutants is still downward, and emissions are still well within regulated limits for the sector. We are expecting further significant reductions in emissions of SOx, NOx and PM₁₀s over the next few years as the operation of fossil-fuelled power stations is further constrained by the Large Combustion Plant Directive and Industrial Emissions Directive requirements.

Most ghg emissions are controlled by EU and Government levies, voluntary agreements and cap and trade schemes. Around half of the UK's greenhouse gas emissions are covered by regulatory and economic schemes that we operate. Through permits we also regulate emissions of some ghgs such as methane from landfill sites. Emissions of methane from operational landfills we regulate have decreased by nearly half since 2002.

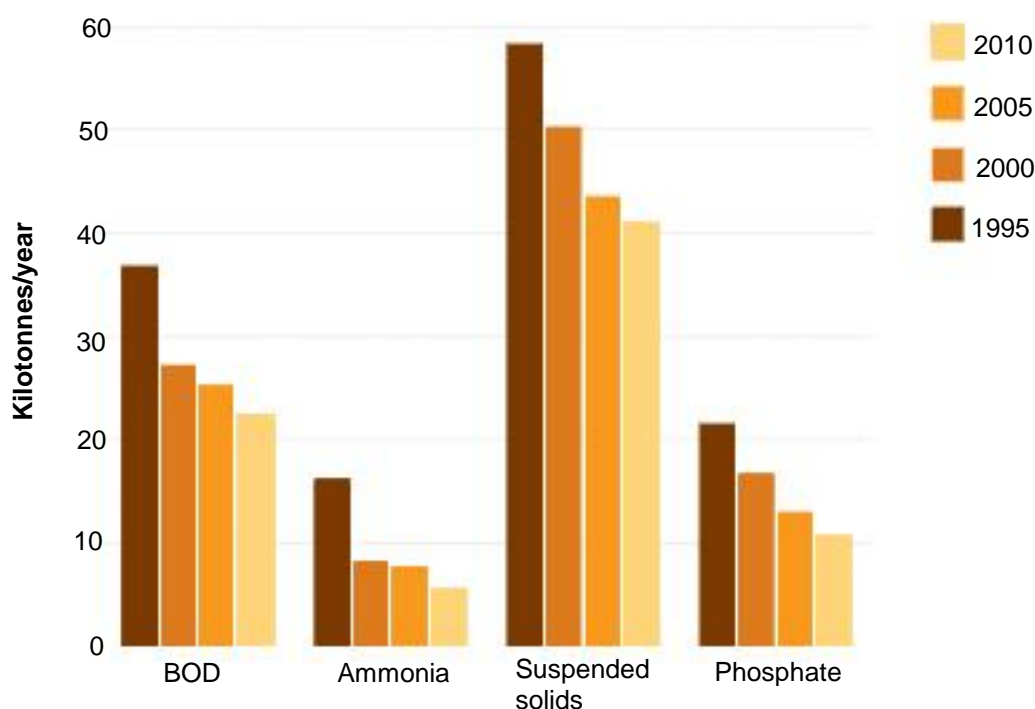
Reduced discharges to water and improved water quality

Regulation has been a major factor in driving improvements in sewage treatment by the water and sewage companies over the past 25 years. This has reduced pollution significantly, and achieved substantial benefits for the water environment. Discharges from sewage treatment works and sewerage systems can reduce water quality and harm the ecology of the water environment. This can impact on businesses, such as fisheries and tourism, which depend on good water quality. It can also affect people's health where they come into contact with polluted water and spoil the enjoyment and recreational use of the natural environment such as boating and bathing. We set limits for these discharges in our permits.

Ammonia and phosphorus loads discharged from sewage works fell by more than half between 1995 and 2010. Biological Oxygen Demand (BOD), a measure of the organic pollutant load, and suspended solids have reduced by a third between 1995 and 2010.

We continue to work with water companies to target further improvements in treatment works and to reduce discharges, ensuring the improvements are resilient against the pressures of population growth and climate change.

Loads discharged to rivers from water company sewage treatment works in England and Wales

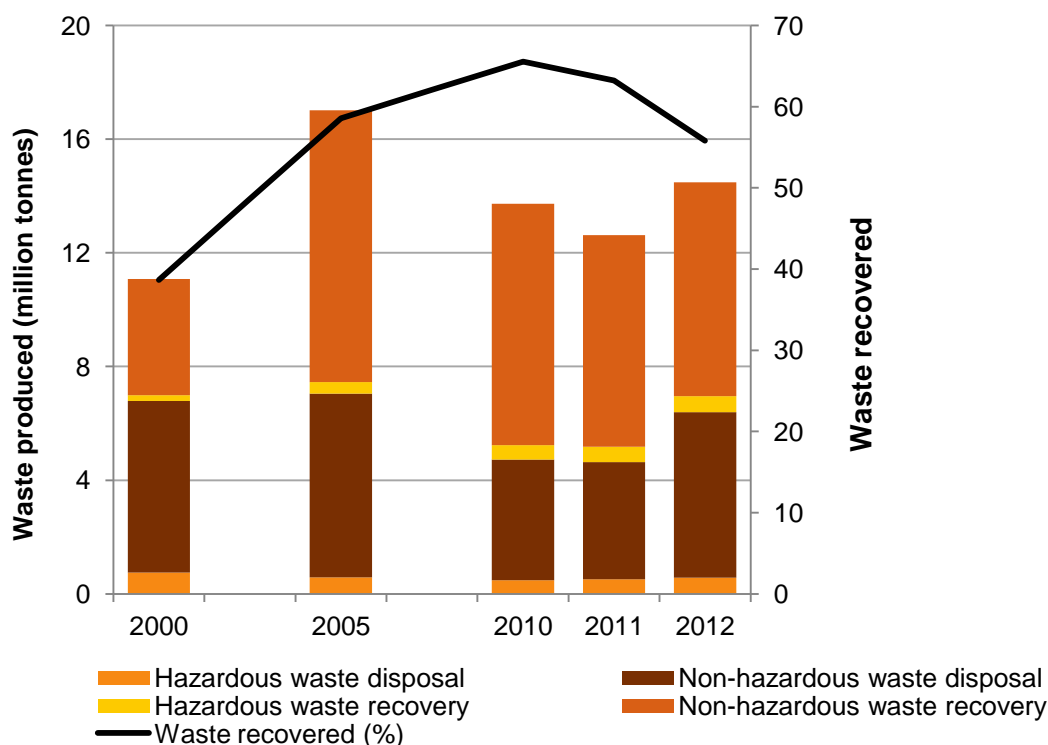


Less waste produced by business and more of it beneficially re-used

We regulate the management, transport and disposal of waste. This includes regulating the activities of landfills, incinerators, waste transfer stations and the movement and export of waste. Waste that ends up in the wrong place or is handled in the wrong way can harm the environment, pose a risk to human health or cause serious nuisance. Minimising, re-using and recycling waste means that fewer natural resources are used, the production of waste is reduced and waste that would otherwise go to landfill is redirected to beneficial uses. This makes industry more competitive, stimulates innovation and reduces the burden on the environment. It can also create new opportunities for business in turning waste into useful and economically valuable products.

Since 2000, the amount of material recovered from waste produced by the industrial sites we regulate has increased from 39% to 56%. There's still work to do - the total amount of waste produced increased between 2011 and 2012, largely due to a 49% increase from the power sector.

Waste disposed and recovered by the industrial sites we regulate in England



Fewer pollution incidents

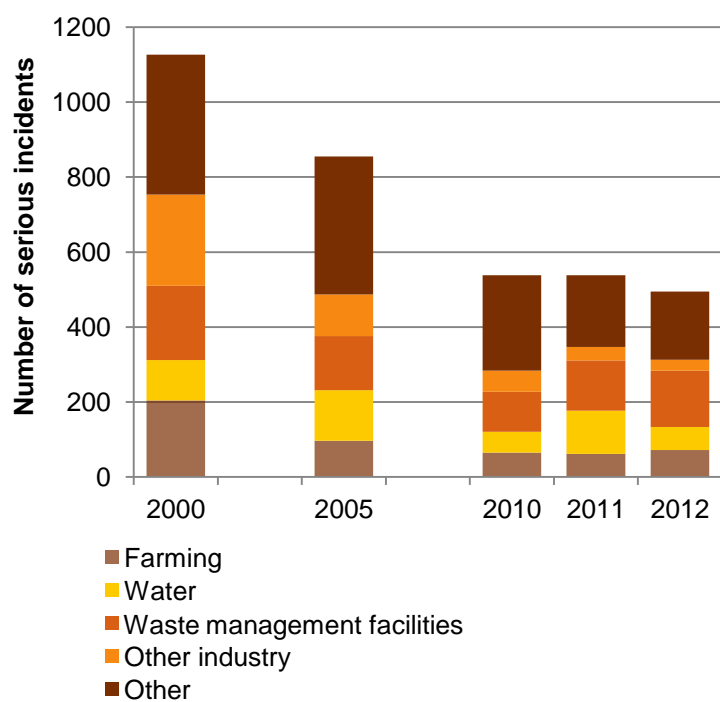
We work with businesses to reduce and, if possible, eliminate pollution incidents. Uncontrolled releases from industry, waste fires and uncontrolled leakages of sewage can pose a risk to health or destroy habitats as well as affect drinking water supplies and prevent people from using and enjoying their local environment. We work with site operators to help them understand and manage risk. We require operators to identify what caused an incident, assess it and limit its impact, and ensure action is taken to prevent re-occurrence. We will take enforcement action where appropriate.

Most businesses we regulate have taken action to implement and improve environmental management systems resulting in a significant reduction in serious pollution incidents.

Since 2000, serious pollution incidents¹ have fallen by 55%.

¹ 'Serious pollution incidents' are those classified as category 1 or 2 incidents according to the Sustainable business report 2012, see <https://publications.environment-agency.gov.uk/ms/DivBYa>

All serious pollution incidents (including sources we regulate and those we don't) in England



3. Our regulatory role

We implement the policies and apply the regulations that are set by government. We are a fair and proportionate regulator that works to protect people and the environment, supporting business and sustainable growth while targeting illegal operators.

As a Non-Departmental Public Body established under the Environment Act 1995, our principal aim is to *protect or improve the environment, taken as a whole, to contribute towards achieving sustainable development*. Our role in environmental regulation plays an important part in achieving this aim.

We work within a framework of government policy and legislation that defines our powers and duties, and the regulations that need to be applied. Our job is to implement the regulations and the environmental standards set by government. Many of these regulations are based on European-wide requirements. Environmental regulation today involves many different legal instruments including European Directives, UK Acts and Statutory Instruments, and byelaws.

Within the regulatory framework set by government we have discretions on when, where and how to act. Our approach is based on targeting activities and sites that pose the greatest risks, and on achieving the best possible outcomes for people and the environment. This helps us to make the most efficient and effective use of our resources and to reduce the administrative costs on businesses.

This requires an understanding of the state of the environment and the pressures and impacts on it. We monitor the environment to assess the extent to which standards are being achieved and carry out investigations to understand the impacts on the environment, what is causing them and what remedial action needs to be taken.

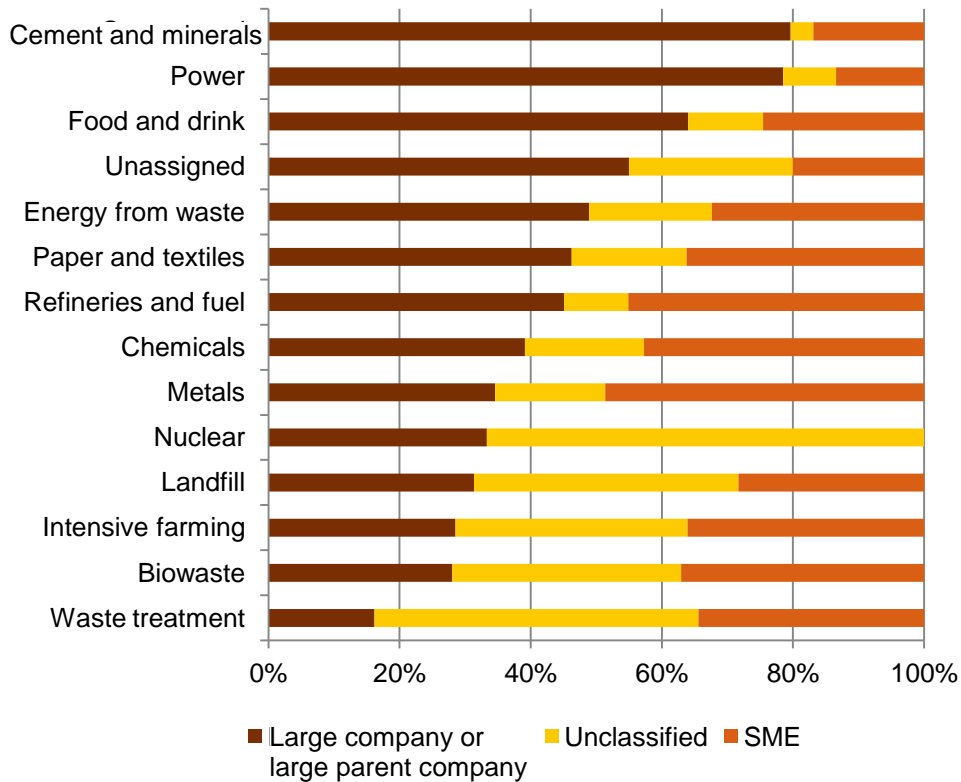
We set the conditions and issue permits to operators to make sure that the environmental standards will be met. These include permits for emissions to air, waste management, discharges to water, abstractions, impoundments, flood risk management assets, fisheries management, angling and navigation. We then check to ensure that operators are complying with the requirements of the permits and, if necessary, take enforcement action where they fail to comply with the law.

We regulate a wide range of business sectors and other organisations and activities, including:

- waste management - including waste storage, treatment, transfer, use, landfill, incineration, and biowaste
- industry - including chemicals, food and drink, metals, power generation, refineries and fuels, paper and textiles, cement and minerals, construction, and mining
- energy intensive industries and large public and private sector consumers of energy
- the use, storage and disposal of radioactive substances
- water companies - including discharges from sewage treatment works and sewerage systems, and the abstraction of surface and groundwater
- producers of packaging, batteries, waste electrical and electronic equipment, and vehicles
- agriculture - including water abstraction, discharges to surface and groundwater, management and disposal of farm wastes and spreading of waste on land, disposal of pesticides and sheep dip, intensive farming (pig and poultry) units, and the storage of silage, slurry and fuel oil.
- fisheries and aquaculture - including the netting and trapping of eels, salmon, sea trout, lamprey, smelt and crayfish, and abstractions and discharges and movements of live fish from fish and shellfish farms.
- angling
- navigation on some waterways
- onshore oil and gas

The businesses that we regulate vary widely in size and complexity. This also varies between different sectors. Some sectors, such as cement and minerals, tend to operate in large industrial installations, whereas others, such as the metals industries, are more dispersed in many small and medium sized enterprises (SMEs).

Size of regulated industries operating in different sectors



4. Our regulatory principles and ways of working

We are proportionate, targeted, customer-focused, consistent and accountable.

Proportionate: The vast majority of businesses comply with the law. We make sure that we do not get in the way of business by imposing unnecessary bureaucracy and administrative burdens. We help compliant businesses to maintain compliance, and non-compliant businesses to be compliant by giving clear advice and support where necessary. We apply the principle of earned recognition that recognises and encourages better performance. We use influence, advice and other complementary approaches wherever possible to achieve outcomes, underpinned by regulation. However, we will seek tough sanctions against those who deliberately or persistently break the law.

Targeted: We want to make the best possible use of our resources, and help to target the use of others' resources, to benefit people, businesses and the environment. We concentrate on processes and activities that present the greatest risks to people and the environment and where we have a low level of confidence that operators will comply with the law. We focus on outcomes. We take an integrated approach across environmental media (air, land and water), processes and geographic areas to identify the best available options. We seek to prevent problems at source - for example, through waste minimisation and pollution prevention campaigns. We target environmental crime, using our own powers and working with others to take action against illegal operators.

Customer-focused: We want to support businesses and make it as easy as possible for them to do the right thing. We listen to those we regulate and communicate clearly with them. Our guidance and advice are clear and easy to understand. We are digital by default, to make transactions with us as easy as possible, while recognising that some businesses prefer more traditional approaches. We make sure that our officers understand the businesses that they are responsible for regulating as well as the environment. We work in a way that is aligned with business so that our officers develop expertise in particular sectors and can provide a more tailored engagement. We are open to new ideas and proposals, supporting innovation and sustainable growth. We seek to understand the financial consequences for businesses of our regulatory processes and, where there are costs, how they can be minimised. We recognise that it is the businesses themselves that are adopting and implementing the necessary control measures and improvements.

Consistent: Through consistent application of regulations we help to create a level playing field for business and provide certainty and continuity for planning and investment. We standardise and simplify our regulatory approach wherever possible, both within and between business sectors, across geographic areas, and over time. We provide clarity on what we expect and make sure that we do not impose unnecessary changes. Our service standards are consistently high.

Accountable: The decisions we take are based on the best available evidence and we are able to clearly explain the reasons for our decisions and actions to others. We maintain a local site presence to give communities and the businesses that we regulate confidence they are being listened to and that we are carrying out our regulatory role fairly and effectively. We also provide our services nationally where that is most efficient and effective for our customers. We provide accessible information on the state of the environment and on business performance. We improve our regulatory approach by consulting with our customers, testing the effectiveness of our interventions and learning from the available evidence. We seek and learn from best practice in other countries, including Europe, the United States and Australia. We are able to account for how the income received through charging schemes is used to fund our regulatory activities. We set and publish standards and targets for our service and performance as a regulator and operate a clear complaints procedure.

5. Our model for environmental regulation

Our model for regulation is based on defining the outcomes to be achieved and risks to be managed and then targeting action and resources accordingly. It involves planning, taking action and monitoring progress and achievement of results.

In *Delivering for the environment*, we set out a model for modern regulation that was based on defining outcomes to be achieved and risks to be managed. This model has served us well and has provided the foundation for improving our regulatory efficiency and effectiveness. The tools and techniques that supported this approach - such as business sector plans and operational risk appraisal (Opra) - have been successfully developed and implemented.

We will continue to use the main elements of this model as the basis for our regulatory work, but the way in which we apply different interventions is changing. For example, in the past much of our regulatory effort was put into assessing compliance. We are now putting more emphasis on gathering intelligence and helping businesses to manage compliance themselves through internal environmental management systems so that we can focus our inspection work on those sites and activities where we have particular concerns.

We will target our effort on the parts of the regulatory cycle where we can have the greatest impact and prevent problems at source. For example, in responding to local authority planning consultations we help ensure that activities are appropriately located with regard to environmental sensitivities and impacts. We are also developing new ways of working that are improving alignment with business sectors. As part of our Future Approach to Regulation (FAR) programme, we have reorganised regulation of sites according to key business sectors, allowing staff with expertise in specific sectors to provide a more tailored engagement. Working in this way will allow us to gather and use sector-specific intelligence more effectively at all stages of the regulatory cycle, helping to make the right intervention at the right place and time.

Our current model updates the previous one and makes a few small changes to reflect the changes in emphasis. It is a cyclical model with four main parts which involve:

Our model for environmental regulation



- defining outcomes to be achieved and risks to be managed
- choosing the approach to be taken and the interventions that are needed
- assessing compliance with requirements and, if necessary, carrying out enforcement
- monitoring, evaluating and providing information on progress and performance in achieving the agreed outcomes

At all stages we will use the best available evidence to inform our own decisions and to inform others, and seek options that enable businesses to meet regulatory requirements as easily as possible.

6. Defining outcomes and risks

Our approach to regulation is based on understanding the outcomes that need to be achieved and the risks that need to be managed. The degree of regulatory effort required and the choice of interventions will depend on the severity of the risks posed by an activity and the level of confidence that we and society have in the organisations and people responsible for the activity.

Determining outcomes

In many cases the outcomes to be achieved through regulation are prescribed in government policy and legislation. This may be through environmental standards set by government or through regulations that set specific requirements for sites, processes and activities. Many of the environmental standards to which we work are set in European legislation. For example, the framework of objectives and standards for the water environment, for ambient air quality and for waste management are established through the Water Framework, Air Quality Framework, and Waste Framework Directives respectively.

In other cases the desired outcomes may be less prescriptive but nevertheless very important for local communities - for example, reducing the impact on people and businesses of odours, dust and litter. Targeting and reducing organised environmental crime is an important outcome for our enforcement work.

Assessing risks

Risk is determined by a combination of the severity of the hazard and the likelihood of the hazard occurring. The risks to people and the environment will depend on a range of factors including the nature and complexity of the activities, where they are located, and how well they are being managed.

For activities that require permits under the Environmental Permitting Regulations we use an appraisal system to assess environmental risks called Operational Risk Appraisal (Opra). This provides us with a systematic way of assessing risks from permitted activities which we use as the basis for targeting our regulatory effort.

For other activities and for assessing risks in relation to potential accidents, emergencies, pollution incidents, and environmental crime, we use information from a range of sources to support decision-making including:

- environmental monitoring
- business activity and performance (at site, company and sector level)
- previous incidents
- the size and scale of impacts
- public concerns and interests
- intelligence-gathering
- surveillance and specific investigations

The degree of regulatory effort required and the choice of interventions will depend on the severity of the risks posed by an activity and the level of confidence that we and society have in the organisations and people responsible for managing the activity. We consider the nature of the risk, and the motivation and capability of those operating an activity. This ensures we protect people and the environment in an efficient and effective way, while minimising the burden of regulation on good performers.

Targeting regulatory effort using Operational Risk Appraisal (Opra)

Operational Risk Appraisal (Opra) is a tool that supports decisions about the level of regulatory effort required for permitted activities in relation to the risks posed to the environment and human health.

It is a scoring system that places activities into six bands, A to E (or F for compliance rating), where A-rated activities pose the least risk and E or F the highest. Activities in the highest bands require more regulatory effort because of the increased environmental risk and more oversight necessary for the operator to comply with permit conditions.

The scoring system is based on five attributes:

- the complexity of the type of activities covered by the permit
- emissions and inputs, including releases to air, land and water, and wastes transferred into and out of sites
- location, including the state of the environment around a site.
- operator performance, including management systems and procedures in place and enforcement history.
- compliance rating, based on how well the operator has kept to the conditions required in the permit, assessed using the Compliance Classification Scheme.

Opra has delivered multiple benefits - for us as a regulator in better targeting of regulatory effort; for those we regulate in reduced inspections and charges for good performers; and for people and the environment in reducing environmental risks. For example:

- our average charges for subsistence have been frozen or increased at less than the rate of inflation for several years
- annual subsistence charges for the best performers are less than one third of that of the worst
- the number of inspections for the waste sector was reduced from about 100,000 in 2001-2002 to 21,000 in 2008-2009, and around 11,000 in 2011-2012
- the number of poorly managed sites (Opra bands D,E and F) has decreased from 5% (600) of permits in 2006 to 3% (401) in 2012

7. Regulatory approaches and instruments

Many of the regulatory approaches and instruments that we use are prescribed in legislation. But we make decisions on when, where and how they are applied. Our aim is to apply them in a way that is proportionate to the risks to be managed and to minimise administrative burdens on businesses and barriers to growth.

Regulatory approaches for different media (air, water and land), sectors (for example, process industry, water companies, waste management, and agriculture), and individual substances of concern (for example, pesticides and metals) are prescribed in specific government policy and legislation. These may involve direct regulation, such as permitting and registration and/or the use of alternative approaches, such as environmental taxes, trading schemes, negotiated agreements, and advice and guidance.

Our regulatory role in implementing government policy is defined in specific legislation. We have agreed freedoms to act in deciding how the legal requirements should be applied in practice and the choice of approach and tools to be used. By making use of these discretions in our decision-making we aim to apply the legal requirements in a way that is proportionate to the benefits to be delivered and the risks to be managed, and takes account of the impacts of our actions on economic growth.

Where we do have freedoms to act, we aim to take a 'yes if' approach wherever possible. We want to work flexibly with businesses to support sustainable growth while ensuring that the required environmental standards are met. For example, we have worked closely with businesses to give greater certainty about when materials are no longer waste and helped promote the greater re-use and recycling of materials. This has reduced the amounts being disposed into landfills, reduced operating costs and increased sales of recycled goods and materials.

We recognise that we have to effectively balance the needs of both businesses and communities whilst ensuring the environment is protected and legislative requirements are fulfilled. We strongly support companies' efforts to establish community liaison groups to facilitate constructive dialogue with their neighbours.

Working flexibly with businesses to support sustainable growth – End-of-Waste and Quality Protocols

Proving that a material has reached end of waste status can save business millions pounds and promote the beneficial re-use of material that might otherwise be taken to landfill.

The Environment Agency operates a Definition of Waste Panel to assess end of waste submission from industry. Our aim is to support sustainable growth by helping businesses to use resources more wisely, whilst ensuring protection of the environment and human health

Applying the criteria set out in the Waste Framework Directive, the panel uses three key tests to assess end of waste applications:

1. The waste has been converted into a distinct and marketable product.
2. The processed substance can be used in exactly the same way as a non-waste.
3. The processed substance can be stored and used with no worse environmental impacts when compared to the raw material it is intended to replace.

We have also worked with industry to produce Quality Protocols which set out end-of-waste criteria for the production and use of a product from a specific waste type. Compliance with these criteria is considered sufficient to ensure that the fully recovered product can be used without undermining the effectiveness of the Waste Framework Directive and therefore without the need for waste management controls. Quality protocols aim to provide increased market confidence in the quality of products made from waste and so encourage greater recovery and recycling.

We have published 11 Quality Protocols and new ones are currently being researched. The programme has, to date, resulted in an estimated 21 million tonnes of materials being diverted from landfill, savings of around 40 million tonnes of virgin raw materials and approximately 130 thousand tonnes of carbon. We predict that Quality Protocols have saved businesses over £160 million and produced sales of approximately £80 million. By 2020, we estimate there will be around 160 million tonnes of waste diverted from landfill, £1.5 billion savings (Net Present Value) and approximately £3.4 billion (NPV) sales.

Permitting

Permitting is an important part of the regulatory regime for protecting and improving the environment. A permit allows specified activities to be carried out within a prescribed set of conditions, including emissions to air and discharges to water. There are many factors that will determine these conditions including the environmental standards set in European and national legislation; process standards, that in some situations describe best available techniques (BAT); and local site considerations. Permitting is a major activity involving many different kinds of permits, licences and consents. For example, we:

- permit around 3,300 industrial installations, ranging from nuclear sites to chemical production, food and drink manufacture to intensive pig and poultry farming
- permit over 10,000 waste management activities from landfills and treatment facilities to waste transfer stations
- register around 94,000 waste carriers and brokers, around 150,000 producers of hazardous waste
- apply European and domestic climate change trading regimes to over 1,000 large energy intensive industrial processes including power stations and oil refineries, aviation operators, and about 2,000 further significant consumers of energy such as supermarkets and local authorities
- permit around 1,500 users of radioactive substances

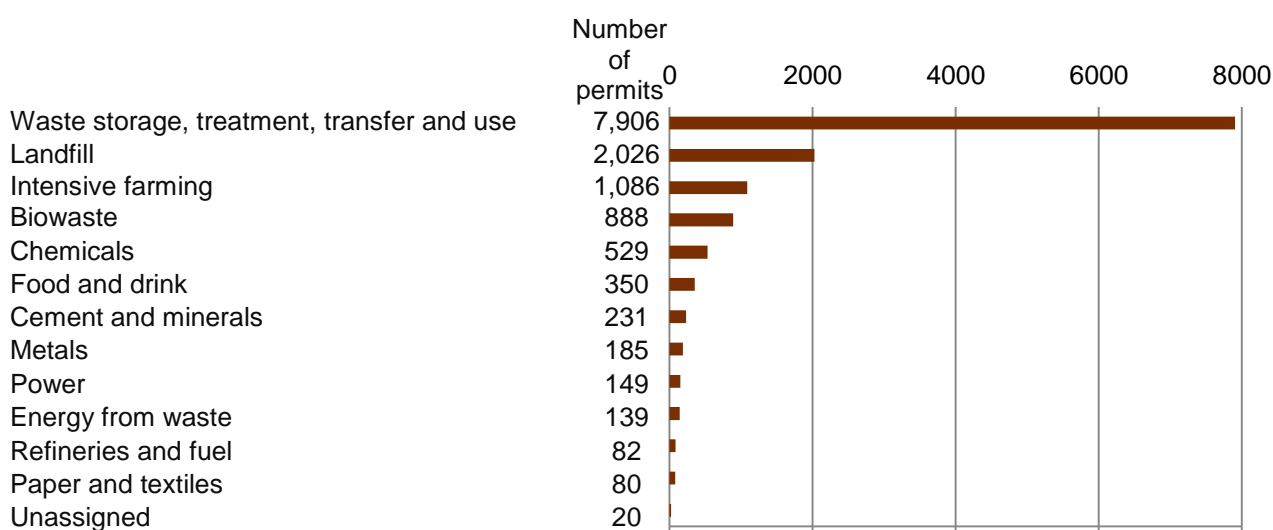
- issue permits for around 72,000 discharges to surface and groundwater
- grant around 20,000 licences to water companies, farmers and businesses to abstract and impound water in a sustainable way
- protect flood defences and reduce the risk of flooding through around 6,000 consents for works on rivers
- issue over 1.2 million rod licences to anglers and around 170 net licences for salmon and sea trout
- register more than 25,000 boat users on waterways where we are the navigation authority

We have developed different types of permits that are applied in particular circumstances. Sites and activities where there is a higher risk or a site-specific need may require **bespoke permits**. These are custom-designed permits tailored to specific activities. Examples of activities where we have issued bespoke permits include power stations, waste incineration plants, intensive pig and poultry farming, cement manufacture, and pharmaceutical production.

Under the Environmental Permitting Regulations 2010 we have developed **standard rules permits** for particular defined activities as a simpler, quicker and cheaper alternative to bespoke permits. 77% of new waste permits we issue are now for standard rules permits. Examples of activities where we have issued standard permits include composting, farm anaerobic digestion facilities, and materials recycling facilities.

In some cases, the legislation requires that operators register the details and location of certain activities with the Environment Agency - for example, waste carriers. Like permits, any conditions attached to **registrations** must be complied with.

Number of permits according to major sectors



Environmental Permitting Regulations and the National Permitting Service

The Environmental Permitting Regulations (EPR) 2010 updated and replaced previous Regulations that were introduced in 2007 to combine the Pollution Prevention and Control (PPC) and Waste Management Licensing (WML) regulations. Discharges to water, groundwater activities, radioactive substances and provision for a number of directives, including the Mining Waste Directive were subsequently included in the EPR. This has allowed consolidation of a wide range of environmental legislation into one regime.

The introduction of this single more proportionate and risk-based system is expected to deliver net benefits of £121 million Net Present Value (NPV) over 10 years.

We have introduced a National Permitting Service (NPS) to facilitate the efficient and effective processing of permit applications. The NPS is achieving greater consistency in permitting than previous arrangements and, in combination with other better regulation initiatives, is processing permit applications more quickly and at less cost. Benefits include:

- on-line applications for simple exemptions - these can be registered in less than 24 hours and do not incur a charge
- standard rules permits for less complex activities
- determination times for almost all activities within 13 weeks (subject to exceptions agreed with government, including major and complex projects; factors beyond the Environment Agency's control; and where a different deadline is agreed with the applicant)
- reduced fees - the average application fee for a standard permit is around 40% of the fee for a bespoke permit; 77% of new waste permits we issue are now for standard rules permits

Developing and simplifying our permitting approach

We are working with government to include more permitting activities within the framework of the Environmental Permitting Regulations (including water abstraction and impoundment, flood consenting and fish pass approvals).

Through this framework we will continue to simplify permitting as far as possible, including extending the use of standard permits and using registrations or general binding rules more often for low risk activities.

We will aim to limit the use of bespoke permits to unique or high risk sites by making standard rules permits available for all other activities. We will seek to apply standard conditions based on industry best practice, wherever we can, including at these high risk sites. Standard definitions for Best Available Techniques (BAT) are described in European-wide reference documents (called BREFs). These provide technical definitions of BAT for specific industry sectors. Where the operator can demonstrate that the costs of compliance are disproportionately greater than the environmental benefits which might be obtained we will consider alternative conditions. These will usually be accompanied by requirements to make agreed improvements within a defined timescale. Where we allow such an approach, we will explain our decision-making transparently and consult publicly.

We will seek opportunities to work more closely with businesses through the planning process, alerting applicants early to any serious concerns we have to avoid wasting their time and money. We will also work closely with other regulators including Natural England and with local authorities to ensure that there is a consistent approach to planning and environmental regulation. We will seek to engage as early as possible with applicants to enable them to make informed choices about the timing of applications in relation to planning permission and, in particular, the advisability of parallel tracking where appropriate.

Non-site based approaches

Some businesses involve activities that are widely dispersed, often with complex transport routes and supply chains. Different environmental impacts and risks may arise in different places and times. Regulation of these activities relies on evidence and intelligence-led approaches to inform what kind of interventions are appropriate and where and how they should be applied.

The regulation of chemicals, for example, requires an understanding of how chemicals are used in different products, how they enter and move through the environment from point and diffuse sources, and the potential risks that they pose to human health and the environment.

The regulation of chemicals – REACH

The Environment Agency's Chemical Compliance Team devised and adopted a new intelligence-based approach to ensure compliance with chemical restriction laws, including REACH (Registration, Evaluation, Authorisation and restriction of CHemicals) Regulations. The team prioritises chemicals based on their potential for environmental harm, and the likelihood of release.

Once a chemical has been selected for investigation, the team employs an intelligence-led approach to identify businesses that are using or selling it, and works with trade associations to disseminate specific information to help companies comply with the law.

The team builds up a detailed picture of a specific supply chain and can target effort accordingly. Understanding a supply chain enables the team to determine the most effective points for intervention. For some substances it can be more effective to target blenders, formulators or distributors as mid-supply chain points of contact, rather than large numbers of downstream users.

Waste flows, waste management supply chains and processing techniques have become more complex, involving more recovery, recycling and treatment. Taking a 'waste stream approach', we identify those wastes that present the greatest environmental risks and the root causes of any problems they present. We then use this understanding to select the appropriate mix of interventions to protect people and the environment. This may involve influencing, compliance assessment and enforcement. Applying a waste stream approach enables us to:

- understand why and where problem waste streams arise, where they end up, how they get there and what impacts they have at each stage
- select interventions that deal with the root causes of those problems by intervening at the most effective points in the chain or geographical location
- take account of the whole life of the waste, from production to disposal or recovery, when selecting the intervention

The approach requires greater sharing of knowledge across our operational teams, looking beyond individual activities and site boundaries. We are using this approach to address the management of dry recyclable wastes and Waste Electronic and Electrical Equipment (WEEE) and are now extending it to other high impact wastes.

We will consider extending the use of supply chain approaches to other materials and sectors, for example, the construction and retail sectors.

Market-based mechanisms and economic instruments

Increasingly we have been asked by government to implement policies that involve the application of market-based mechanisms. These include schemes designed to encourage greater responsibility by producers of manufactured goods on the lifetime environmental impacts of their products. They also include trading schemes that are aimed at achieving national and European

targets to reduce greenhouse gas emissions. Our role is to provide technical advice and support to government departments in the development of policies and to administer the agreed schemes.

We administer producer responsibility regimes on packaging, end of life vehicles, batteries and electrical equipment, ensuring that sectors and their member companies meet their take-back and recycling obligations. We also administer two carbon trading schemes (the CRC Energy Efficiency Scheme and EU Emissions Trading System) that together cover 50% of all UK carbon emissions with a projected value of £3.5 billion. Our role is to assist participants (including public bodies, commerce and industry and the aviation sector) in meeting their reporting obligations and to purchase carbon allowances where required to cover their footprint activities.

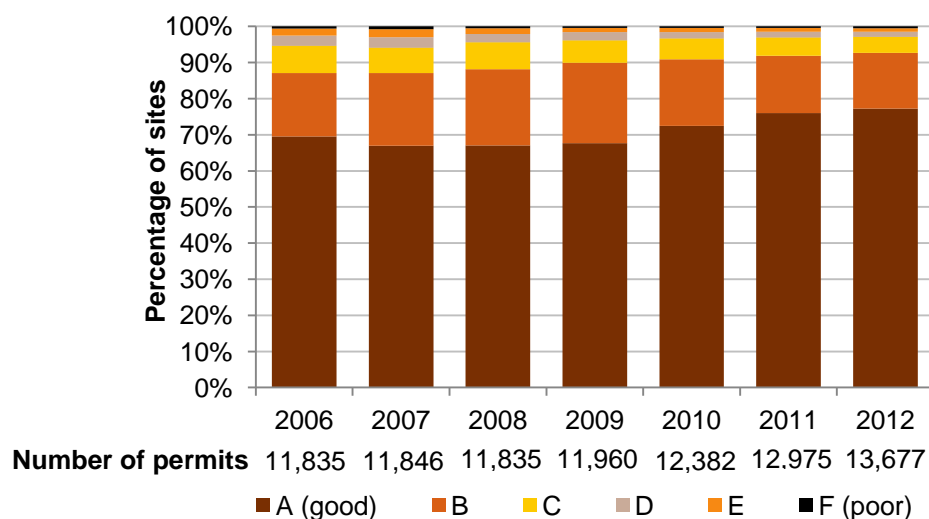
In addition, we now administer Climate Change Agreements, a voluntary initiative in which operators of energy intensive sites are able to obtain a discount on their climate change levy (a UK energy tax) in return for signing up to energy efficiency targets agreed with government. The scheme saves operators around £200 million annually. We have also been asked by the Department for Energy and Climate Change (DECC) to administer the proposed new Energy Savings Opportunity Scheme (ESOS), which will require large companies to undertake energy audits in accordance with the European Energy Efficiency Directive. We are also looking to deliver greater efficiencies where participants are subject to more than one regime.

8. Promoting compliance

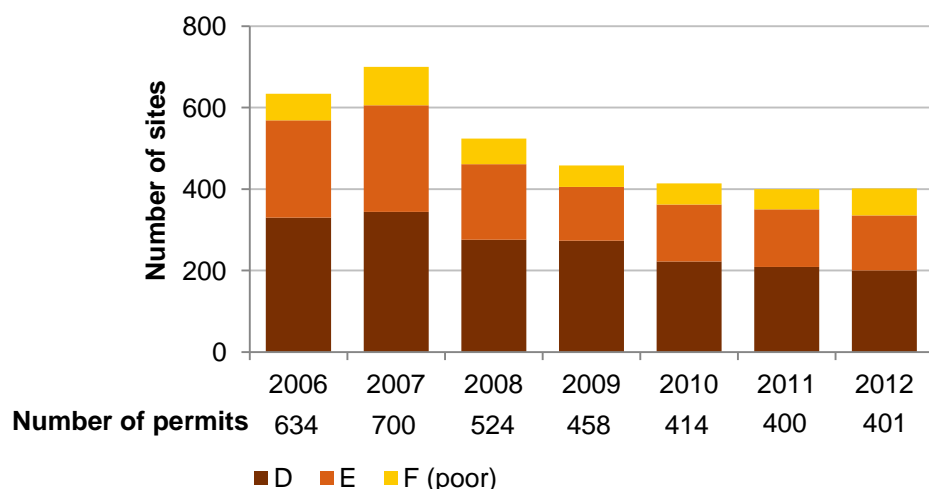
The vast majority of businesses comply with environmental regulations. We will continue to seek new approaches to make it as easy as possible for businesses to do the right thing, providing incentives for good performers. We want operators to take ownership of their environmental impacts and ensure compliance with permits through appropriate environmental management and assurance systems. This will allow us to focus more of our effort on persistent poor performers and those who wilfully decide not to comply.

Our evidence tells us that compliance with environmental permits is improving and 97% of businesses have good or satisfactory levels of performance (Opra bands A, B and C).

Compliance with permits in England



Number of permits in band D, E and F in England



The degree of confidence that we, and the public, have in how operators manage their sites is an important factor in guiding decisions on how regulatory effort should be targeted. We will spend the

greatest time and effort on individuals or companies with poor environmental management records carrying out the highest risk activities.

We will strive to find the right balance between reducing our interventions at well-run sites and keeping enough contact and oversight to maintain compliance. Sites that fall out of compliance will receive increased oversight and scrutiny so that they come back into compliance. If necessary, this will include enforcement action.

Environmental management systems

An Environmental Management System (EMS) is a structured approach which helps an organisation identify and manage its environmental impacts and improve its environmental performance. An EMS provides a methodical approach to planning, implementing and reviewing an organisation's environmental impacts and associated management processes.

An effective EMS can help an organisation:

- save money by preventing and reducing waste and pollution
- meet legal requirements and other environmental obligations
- control environmental risks and reduce liabilities
- ensure staff are competent to deliver their environmental responsibilities
- improve relations and reputation with customers and stakeholders

EMSs are encouraged under the Environmental Permitting Regulations and are taken into account in a site's Opra score.

We are working with regulated organisations and external assurance bodies to improve the way that organisations that implement EMSs are recognized and rewarded. We will continue to support businesses in developing EMSs as an important tool in improving compliance and their overall environmental performance. For example, we have produced guidance for businesses on the development of EMSs and a range of technical tool kits for specific sectors, such as the food and drink manufacturing industry.

We will work with exemplar businesses to identify how we can support them to best exploit their excellent performance.

Industry codes of practice

Industry codes of practice can be an effective way of encouraging business to take ownership in defining best practice and standards of environmental performance in specific business sectors. We have worked with industry sector representatives and individual businesses to develop codes of practice for a range of different activities and processes. Codes of practice provide assurance of the standards required to achieve compliance and help to ensure a level playing field by setting clear standards across industry sectors.

Working with industry to define best practice: Industry Code of Practice on the Management of Landfill Gas

The Industry Code of Practice (ICoP) on the Management of Landfill Gas represents current best practice. It has been written by the landfill gas industry with input from the Environment Agency, the Scottish Environment Protection Agency, and the Northern Ireland Environment Agency. The ICoP does not assume to instruct operators, but provides a set of guiding principles which, when followed, will demonstrate best practice.

Environmental permits require operators to minimise emissions and the impacts of gas escape. Operators following the best practice described in the ICoP will, in most cases, be able to demonstrate compliance with these permit conditions.

Published standards also help our officers identify what improvements are needed at sites

that are performing badly. It allows us to focus our regulatory effort on operations where the biggest improvements in gas management and the greatest reduction in methane emissions can be achieved.

Account management approaches

For large companies holding permits for multiple sites, an account management approach can be the most effective way for us to have strategic discussions about improving environmental performance across a business. We have used this approach with the water companies, several major waste companies and the nuclear sector, with a senior manager from the Environment Agency as the main point of contact with a senior manager from the regulated organisation.

Company Level Environmental Accounting, Reporting and Information (CLEAR Info)

CLEAR Info is a European project that aims to improve information on the environmental performance of parent companies that own different businesses operating at multiple sites. The project is co-funded by the European Commission (EU LIFE+) and a range of partner organizations in different European countries.

The project aims to:

- adapt environmental data reporting systems to collate site-level data, and link it to the parent company
- generate reports quickly and easily on a company's environmental performance across all the businesses and sites they may own
- use the reports to influence the environmental performance of businesses, through liaison at the parent company level
- provide reports to the financial sector to inform investment decisions

The anticipated benefits of the project are:

- improved compliance across whole companies by providing information that will help target action where it will have the most impact
- more importance attached to environmental performance in investment decisions
- improved accessibility of environmental data
- better sharing of data between organisations across Europe to support the regulation of pan European companies
- reduced burden of reporting requirements on regulated companies

Third party assurance

A third party assurance scheme is already in place for intensive pig and poultry farms that we regulate under EPR.

Following the success of the Pig and Poultry Assurance Scheme, we are trialling the Environmental Permitting Regulations Assurance Scheme. This has two main parts - an annual compliance statement (ACS) signed-off and sent to us by the most senior executive director responsible for environmental performance within an organisation, and an independent audit.

In return for voluntarily joining an assurance scheme, we will reduce oversight of an operator. This could include fewer on-site audits. We have completed initial testing of this approach, and are

exploring the potential to take this forward with business on a sector-by-sector basis. Entry into the assurance scheme is only available to those with a good compliance record.

The Pig and Poultry Assurance Scheme

Background

The Pig and Poultry Assurance Scheme was introduced on 1 April 2010 to cut 'red tape' and reduce charges for farmers. The scheme is targeted at pig and poultry producers who are achieving a high standard of compliance with their environmental permit, issued under the Environmental Permitting Regulations.

The scheme was developed with the National Farmers Union and the Red Tractor Farm Assurance (previously known as Assured Food Standards) scheme, with the support of the National Pig Association, the British Poultry Council and the British Egg Industry Council.

Certification bodies inspect and collect data on our behalf and, whenever possible, they do so when carrying out audits for the Red Tractor scheme to reduce the number of visits to farms.

Once a farm has joined the scheme we give its certification body a copy of the permit and any variations, enforcement positions and formal notices relevant to permit compliance. The certification body will carry out one visit every year that the farm remains in the scheme. We will visit once in every three years.

We remain responsible for regulation but the information the Certification Body collects on our behalf will help us to assess whether a farm is complying with its permit. Immediately after the inspection the certification body will provide us with the information they have collected; they will leave the same information with the farmer. If the farm is complying with its permit, no further action will be taken until the subsequent inspection, unless a complaint or an incident is reported. Any areas of non-compliance will be followed up with the operator.

Some farmers don't want to join and are happy to remain with standard Environment Agency regulation. Farms that are not in the scheme will continue to be inspected by us at least once a year.

Facts and figures:

Year 1 - 2010-2011: 582 farms invited to join (out of 1016 permitted farms). 443 joined – 377 poultry, 66 pig farms.

Year 2 - 2011-2012: 838 farms invited to join. 433 of these were renewals; 405 were newly eligible. 98% renewed and 76% of the newly eligible joined. 738 farms joined – 623 poultry, 115 pigs. Two farms were expelled from the scheme at the end of the year – one for poor compliance and one for failing to pay subsistence fees.

Year 3 - 2012-2013: 182 additional farms invited to join; 86 newly joined (47%). Year 3 membership is 809 farms - 692 poultry, 117 pigs. Current membership is around 70% of all permitted pig and poultry farms.

Benefits: Because participants in the scheme receive only one Environment Agency visit every three years our annual subsistence fee is reduced from £2,420 to £1,540. The certification body will charge for carrying out their visit, but this is likely to be less than our charge reduction.

Advice, guidance and data

We're improving the way that our advice and guidance is written, making it easier for businesses to find what they need and working with other regulators so businesses can find all relevant guidance in one place. We're exploring the possibility of involving business more in writing advice and guidance to make sure that we're speaking the same language.

We're working to reduce the amount of data we request from businesses and to make use of data other organisations already have or are asking for. We will continue to develop electronic systems that make data transactions easier, for example through the use of data portals and will work with others to develop innovative approaches to replace paper-based systems.

Modernising waste data collection through the Electronic Duty of Care (EDOC) programme

Under UK waste legislation, all businesses have a duty of care to ensure they produce, store, transport and dispose of their waste without harming the environment. One of their responsibilities is to complete waste transfer notes and keep them as a record for at least two years.

In the United Kingdom, the current system is paper-based and it results in at least 25 million waste transfer notes being produced a year, with around 50 million pieces of paper being stored in filing cabinets, boxes and so on at any one time. With a paper-based system, it is very difficult for businesses to track their waste to ensure it is disposed of properly and for regulators to gain an understanding of waste production and disposal.

With the support of EU LIFE+ funding, the EDOC programme aims to create a national, internet-based system to monitor the waste from production to collection, transportation, treatment and disposal. It is a joint programme between the Environment Agency, Chartered Institute of Wastes Management, Critical Resource Limited, Northern Ireland Environment Agency, Waste and Resources Action Programme and the Welsh Government.

The EDOC programme will deliver a wide range of benefits including:

- resource efficiency savings
- reduced administrative burdens for UK businesses
- improved data gathering and data quality
- turning data into useable powerful information
- improved compliance



9. Enforcement

We apply a proportionate approach to enforcement. We recognise that some operators that are usually compliant may occasionally stray into non-compliance. We also recognise that this requires a different response to dealing with operators who knowingly operate outside the law for commercial advantage.

Enforcement is the action taken to ensure that businesses comply with regulatory requirements, prevent harm to public health and the environment, and, where necessary, remediate the harm caused by incidents and regulatory non-compliance. Our approach to enforcement is set out in our Enforcement and Sanctions Guidance, which aims to ensure that our enforcement actions are proportionate and appropriate to each situation. Advice and guidance are usually our first response and generally prosecution is our last resort.

Where businesses are generally compliant and want to do the right thing we will work with them to provide guidance and timescales for improvement. Where there is repeated poor performance, we will require systematic improvement backed up, if necessary, by enforcement action. Where there is continued poor performance, we may consider refusing to issue a permit, or revoke an existing permit. Where there is persistent, deliberate wrong-doing we will prosecute.

Enforcement action

When considering the appropriate course of action to address offending and to ensure compliance, we aim to follow the penalty principles set out in the Macrory Review and included in the Regulators' Code. The appropriate enforcement action will:

- aim to change the behaviour of the offender
- aim to eliminate any financial gain or benefit from non-compliance
- consider what is appropriate for the particular offender and regulatory issue
- be proportionate to the nature of the offence and the harm caused
- aim to restore the harm caused by regulatory non-compliance, where appropriate
- aim to deter future non-compliance

Civil sanctions

The government has allowed us access to powers to apply civil penalties, known as 'Civil Sanctions' for certain offences. We have worked with government to introduce civil sanctions for 15 different sets of regulations. These have helped make certain sanctions more proportionate to the nature and severity of the offence, while supporting legitimate businesses that want to work within the law. Civil sanctions are also helping us achieve better results for communities because environmental restoration and improvement can be brought about more quickly without the need for lengthy legal proceedings.

Civil sanctions - Enforcement Undertakings

The majority of civil sanctions applied so far are Enforcement Undertakings, volunteered under the producer responsibility legislation. Enforcement Undertakings have to be offered by operators and accepted by us; they cannot be imposed. In this area, we received 59 Enforcement Undertaking offers from business during the first year. The primary purpose of the Enforcement Undertaking is to allow the offender to restore and remediate any environmental damage they have caused. However, in the producer responsibility regime, the offending does not result in a pollution incident. The breach of legislation in such cases

often results in a substantial financial advantage for the business through avoided costs. We consider that, in these circumstances, the Enforcement Undertaking should contain an offer to offset the avoided costs by making an appropriate financial contribution to an environmental project.

Our use of these new powers has:

- helped maintain a good relationship with the businesses concerned, with advice and guidance offered
- allowed us to retain prosecution as a last resort, reserving it for the worst incidents and persistent offenders
- reduced the legal costs for both us and the businesses involved by avoiding costly court fees
- maintained a level playing field for legitimate businesses
- delivered benefits for the environment and local communities

Tackling environmental crime

The Environment Agency is cracking down on serious and organised waste crime because it puts people and the environment at risk and undermines legitimate business and the investment and economic growth that go with it. We are taking tough action to deal with criminal behaviour.

During 2012-2013 we:

- stopped 1279 illegal waste sites from operating - 179 of these were brought within regulation. 31% of all stopped illegal waste sites had construction and demolition as their main waste type
- dealt with 107 incidents of serious illegal dumping - 23 % of which involved construction and demolition waste
- set up our illegal waste site taskforce to help close more sites more quickly
- worked with a range of partners to develop better intelligence and stop more waste crime
- took 171 prosecutions for illegal waste activity (during calendar year 2012)

We will continue to focus our enforcement effort on serious illegal operators who are undercutting legitimate businesses, damaging the environment and causing harm to human health and wildlife. We work closely with other organisations such as the police, Her Majesty's Revenue and Customs (HMRC) and local authorities. We will use all the powers available to us, such as prosecution and using the Proceeds of Crime Act (PoCA) to recover the profits made by illegal businesses.

We will continue to develop an intelligence-led approach to waste crime and work with others to develop new approaches and techniques, including:

- using crime analysis, strategic crime assessments and forensic science to understand priorities and the interventions needed to tackle them
- evaluating trends in waste management markets, including supply and demand within the re-use and recycling markets, identifying risks of crime such as fires and stockpiles, and addressing them through appropriate enforcement action
- working with shipping lines, ports and other European member states to understand the scale and nature of waste exports and, in conjunction with other enforcement partners, undertaking targeted inspections and enforcement action to prevent illegal waste exports

An intelligence-led approach to illegal e-waste exports

To understand how illegal Waste Electronic Electrical Equipment (WEEE) exports occur, the Environment Agency's National Enforcement Service set up a team tasked with building a picture of the e-waste market in England. Analysis of shipping data was used to identify which countries of destination were targeted most by exporters of illegal shipments. These shipments were frequently described as low value electrical goods. Working with external organisations including shipping lines, legitimate waste companies and e-waste recycling companies, it was possible to identify how e-waste was moving out of the legal waste chain into the illegal export market. The outcomes of this work have been:

- a comprehensive picture of the illegal waste exports market
- partnerships developed with other enforcement bodies to combat organised crime
- shipping lines taking responsibility for turning away potentially illegal shipments
- evidence to encourage WEEE producers to take greater care with its collection and disposal
- formal partnerships with international bodies, including the European Network for the Implementation and Enforcement of Environmental Law (IMPEL) and the International Criminal Police Organisation (INTERPOL)
- several hundred containers of WEEE prevented from being exported illegally
- recognition that to tackle international waste crime effectively, we need to use our resources flexibly and coordinate their deployment centrally

10. Working with others

We work with many organisations and individuals in carrying out our regulatory work. This involves listening and responding to the needs of our customers and creating partnerships with others to improve the efficiency and effectiveness of regulation.

Our customers

Our regulatory work involves providing services to many different customers. These include businesses, public bodies, farmers, homeowners, and those who use the environment for recreation such as anglers and boaters.

Our professional service commitment, *What you can expect from us – our service commitment*, sets out the standards customers can expect from us.

Through our Future Approach to Regulation (FAR) programme we have aligned our work and expertise to priority business sectors. We are addressing the different characteristics and concerns of individual business sectors and tailoring our regulatory approach accordingly through Sector Plans.

Before we introduce new measures or make significant changes to our regulatory activities we consult with affected customers to seek their views and to check that we fully understand the impact on them of our proposals.

We have a range of fora in which we seek input from businesses to inform the implementation of both new and existing regulatory initiatives. This includes:

- a **Regulated Businesses Forum** in which industry representatives and trade bodies discuss our regulatory activity with us, including new approaches
- an **Innovation Panel** which is responsible for making sure that, wherever possible, our regulatory activities do not present a barrier to innovation
- a **Regulatory Scrutiny Panel** which provides internal challenge of new or amended procedures or requirements that impact on businesses, to ensure we minimise the administrative burden we place on them

Guided by regular feedback from our customers, we are working to improve key areas of customer experience. This involves being more proactive in anticipating and providing what customers need. Areas of particular focus are improving the quality and accessibility of guidance for regulated customers and simplifying reporting requirements.

Government departments

The **Department for the Environment, Food and Rural Affairs (Defra)** is the main government department responsible for policy on the environment in England. We work closely with Defra and provide technical advice, evidence and expertise to support the development and implementation of policy and legislation. We also provide the required data and information from monitoring programmes to allow Defra to report on progress and compliance with European legislation.

The **Department for Business, Innovation and Skills (BIS)** has policy responsibility for setting the standards for regulatory bodies, including the Regulators' Code. We report on progress in implementing these standards of practice through the Better Regulation Delivery Office and the Better Regulation Executive of BIS.

We work closely with the **Department for Communities and Local Government** - for example, in streamlining the interface between environmental regulation and planning. We also work with the **Department for Energy and Climate Change** in the implementation of measures related to

climate change mitigation and in the environmental regulation of the energy sector and with the **Department for Transport** on the regulation of emissions from the aviation sector.

Other regulators

Our regulatory work involves partnership with many other regulatory bodies and agencies that are concerned with different aspects of regulation and environmental management.

We work closely with other delivery bodies that are part of the Defra Network, including **Natural England (NE)**, the **Forestry Commission (FC)** and the **Marine Management Organisation (MMO)**. For example, we are developing an Environmental Account Manager approach with NE and FC to provide a single point of contact where customers such as local authorities, farmers and developers require permits from the three organisations. We are looking at ways to streamline and simplify advice and guidance - for example, to farmers and to developers. We are working with MMO to streamline licensing arrangements in the marine environment.

In regulating the water industry, we work closely with **Ofwat** (responsible for the economic regulation of the water companies) and the **Drinking Water Inspectorate** (responsible for the regulation of drinking water quality).

With the **Health and Safety Executive (HSE)** we jointly regulate 850 major hazard sites and implement the Control of Major Accident Hazards (COMAH) Regulations. We also work with HSE on the implementation of the REACH Regulation in England. This involves assessing environmental hazards and risks from the manufacture, use and disposal of industrial and consumer chemicals.

We work with the **Office for Nuclear Regulation** in regulating nuclear sites, and particularly on nuclear new build development.

We work closely with other UK environmental bodies, **Natural Resources Wales**, the **Scottish Environment Protection Agency**, and the **Northern Ireland Environment Agency** on: cross-border issues, such as river basin management, the regulation of mobile plant and the import and export of waste; UK- wide regimes that we administer on behalf of government, such as producer responsibility schemes, the CRC Energy Efficiency Scheme and the EU Emissions Trading System; and promoting consistency of approach in the regulation of businesses across the UK.

We work with the **Planning Inspectorate** and **local authorities** to streamline the interface between the planning process and environmental regulation for large infrastructure projects and to simplify consultation.

We work closely with **the police**, **Her Majesty's Revenue and Customs (HMRC)** and **local authorities** in tackling environmental crime. We also work closely with **HMRC** on regimes that have an element of revenue collection such as the Landfill Tax.

We work with local authorities, the emergency services and health authorities through local resilience fora to plan for, and respond to, incidents and emergencies.

Local organisations and communities

We work with **local authorities** where there are interfaces between the environment, spatial planning, infrastructure development, and public health. We provide information and advice on the environment for local plans. Local authorities are also responsible for some aspects of local environmental regulation.

We work with **local communities** to find out what they want to achieve, understand problems and concerns, and develop ideas and find solutions. We engage with community liaison groups, particularly regarding sites of high public interest, to understand local concerns and how they can be addressed.

We involve **civil society organisations** in areas of work where we have mutual interests, benefiting from their skills and experience, for example in coordinating volunteers in environmental monitoring.

European and international networks

The **European Network for the Implementation and Enforcement of Environmental Law (IMPEL)** is a network of environmental authorities in 33 European countries which aims to contribute to protecting people and the environment by promoting the effective implementation and enforcement of EC environmental law. We work with IMPEL on projects that are aimed at promoting best practice on environmental regulation and trans-frontier shipments of waste.

The **European Network of Heads of Environment Protection Agencies (NHEPA)** brings together a wide range of organizations responsible for environmental regulation, monitoring and assessment across Europe. Through its Better Regulation Interest Group, in particular, we contribute to assessments and reviews aimed at improving regulatory policy and practices in Europe.

The **International Network for Environmental Compliance and Enforcement (INECE)** is a grouping of government and non-government enforcement and compliance practitioners from more than 150 countries. We work with INECE internationally to raise awareness on compliance and enforcement issues; to develop networks for cooperation on enforcement; and to strengthen capacity to implement and enforce environmental requirements.

We also work directly with environmental authorities in other countries where it is important to have a consistent approach to regulation across the EU - for instance, on aviation - and to coordinate enforcement activity - for example, through chairing the European Compliance Forum for the EU Emissions Trading System.

11. Improving environmental regulation for the future - our aims and priorities

We have made significant improvements in streamlining our regulatory approach over recent years and in providing better services to our customers. We have successfully contributed to major improvements in the state of the environment and in protecting public health. This has brought substantial benefits to society and the economy. But we recognise that there is more to do and that we need to keep improving and updating our approach.

We will support sustainable growth and apply the government's regulatory framework for the environment as efficiently and effectively as we can and not impose unnecessary burdens on businesses. We will ensure that people and the environment are properly protected. We will also take action against those who wilfully break the law to prevent harm to people, the economy and the environment.

The ways we work

To be successful in facing these challenges we will continue to focus on improving the ways we work with our customers and supporting the development and performance of our employees. We will continue to develop a highly skilled workforce that is flexible and able to adapt to the rapidly changing nature of business, to the needs of people and the environment, and to the increasing sophistication of organised environmental crime.

This involves creating a work environment in which:

- we take a 'yes if' approach in all we do
- we do more for people and the environment with every pound
- we focus on outcomes not processes
- we seek and embrace opportunities to work with others
- we develop our people and benefit from diversity

Aims and priorities

Our aims and priorities for developing and improving our approach to regulation over the next few years are:

1. Support sustainable growth by working with businesses to help them comply with regulatory requirements, whilst continuing to protect environmental and public health.

The government has put in place a range of initiatives aimed at supporting growth by reducing the administrative burden of regulation on businesses and making it easier for them to understand and comply with the law. We will continue to implement a programme of regulatory reform vigorously, taking opportunities to improve the services that we provide to customers while ensuring that statutory requirements for environmental and public health protection continue to be met.

We will:

Review, streamline and simplify permitting systems

- continue to review and improve our regulatory approach to make things simpler for businesses, for example through single site licences, the use of exemptions and providing pre-application advice
- work with government to extend the Environmental Permitting Regulations framework to include water abstractions, impoundment licenses, fish pass approvals and flood defence consents
- increase the use of standard permits and registrations, particularly for low risk activities
- seek opportunities for taking low-risk activities out of regulation altogether, for example, through the waste protocol approach that defines when waste ceases to be waste
- assess the feasibility of taking a whole company approach, including billing for regulatory charges and submission of required data and information
- Streamline the waste transfer note system by allowing businesses to use more flexible approaches to documentation, including electronic reporting.
- work with government to review the Producer Responsibility Regulations with the aim of improving alignment of different regulations and reducing administrative costs to business
- review the permitting of water company activities, including the regulation of sewage works and associated anaerobic digestion and biogas activities, the use of cold weather waivers, and the scope for increased use of seasonal permits and earned recognition schemes
- streamline the interface between environmental permitting and the process for planning permissions
- work to develop a quick and informal route for regulated businesses to obtain a second opinion where there is a significant disagreement, in addition to the formal appeal process prescribed by legislation
- account for the financial impact of our regulatory decisions by engaging early with businesses on significant changes to our approach

Improve guidance and information systems

- ensure that we only ask for data that we need and use
- simplify and reduce the volume of regulatory guidance
- use customer insight from our National Customer Contact Centre and market research to identify the priority customer needs for guidance and how this can be best targeted, and involve customers in the development of the necessary guidance
- provide information systems that enable our customers to access what they need and to apply for approvals online through www.gov.uk
- further reduce the burden of reporting and make it quicker and easier for businesses to meet data reporting requirements through the use of data portals
- investigate the feasibility of providing a single website for information on flood consents

Introduce schemes that recognise and encourage good performance

- develop, test and introduce schemes for implementing the principle of earned recognition
- build on the current trials of third party assurance schemes as an alternative to some existing inspections, including the use of third party compliance checks and self certification at company board level through an annual compliance statement

Improve joint working with other regulators

- work with other regulatory bodies in the Defra network, including Natural England and the Marine Management Organisation, to streamline licensing and approvals processes, and to implement an environmental account manager approach for complex developments
- continue to work closely with the Health and Safety Executive on implementation of the Control of Major Accident Hazards Regulations (COMAH)
- continue to support and work with the Planning Inspectorate and others to streamline our approach for large infrastructure projects

2. Take action to improve compliance of poor performers and reduce their impact on the environment.

We will continue to develop our approaches to make it easier for businesses to understand what they need to do to comply with the law. We will use the best available evidence to better understand which interventions are most effective and to develop the right balance between advice and guidance, inspections, audits, enforcement and penalties.

We will:

Take a business-facing approach

- building on the achievements of the Future Approach to Regulation (FAR) programme, further develop the sector-based approach that tailors the choice of interventions to the characteristics and performance of each business sector
- develop and nurture staff skills and expertise in specific sectors to better understand and communicate priorities and to be more responsive to both innovation and areas of concern within a sector

Tackle the problems caused by bad neighbours and persistent poor performers

- provide guidance for businesses on nuisance management and train our staff in addressing nuisance issues
- engage with trade associations so that they can help their membership tackle issues that give rise to persistent complaints such as odour, noise and dust
- continue to develop our approach to build trust with communities around sites of high public interest, taking actions to ensure that companies establish community liaison groups and local authorities are engaged where appropriate

Focus on improving compliance

- continue to develop our understanding of the root causes of non-compliance in different sectors, including breaches of permit conditions, pollution incidents, sources of public nuisance and complaints, and how to deal with them. Develop and apply a supply chain approach, focusing on priority waste streams and intervening at the most effective point in the transfer chain
- work with businesses to encourage the re-use of more waste and improve the quality of waste-derived products
- adapt our approach and develop the necessary staff skills to address the rapidly changing face of waste management with more waste now being subjected to innovative treatment

Streamline enforcement regimes

- work with Defra to review enforcement powers and to develop a common and consistent approach to enforcement across new and developing regimes, including the use of enforcement notices, and areas where it would be appropriate to decriminalise activity
- apply effective and proportionate sanctions for non-compliant activity and, where appropriate, replace prosecution with civil sanctions

3. Reduce environmental crime

We will continue to target and crack down on serious and organised environmental crime because it puts people and the environment at risk and undermines legitimate business and the investment and economic growth that go with it.

We will:

- reduce the number of illegal sites, concentrating our efforts on those that pose the greatest risks
- improve our evidence and information to understand the scale and nature of illegal waste exports and to take action to reduce the size of the problem
- reduce the illegal dumping of waste and the risks associated with serious and organised waste dumping
- target and take action against repeat offenders and the most serious crimes
- encourage waste producers and carriers to manage waste responsibly, meet their duty-of-care and understand where their waste goes to final use or disposal
- carry out targeted campaigns to address particular problem areas such as vehicle dismantling and the illegal disposal and export of used tyres
- develop partnerships with the police, the Serious Organised Crime Agency and other regulators to prevent and take action against serious criminal activities
- seek opportunities to remove the financial benefits of environmental crime, for example through confiscation orders
- improve our understanding of critical tipping points which increase the risk of environmental crime - for example, when currency exchange rates encourage illegal exports, or market prices make recycling financially unviable

4. Work with businesses to reduce emissions, discharges and pollution incidents, and help to ensure that resources are used sustainably.

We will work with businesses to:

- reduce the number of regulated industry sites that contribute to breaches of air quality objectives
- reduce the emissions to air of priority substances from regulated industries in line with European targets
- reduce discharges to water in line with environmental objectives and standards in European Directives, including the Water Framework Directive, the Bathing Waters Directive, and the Urban Waste Water Treatment Directive
- reduce the number of pollution incidents
- increase the amounts of materials reused, recycled and recovered, and reduce the amounts of waste produced

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