



Office for  
Environmental  
Protection

# Annual Report and Accounts 2022/23

(for the year to 31st March 2023)





Office for  
**Environmental  
Protection**

# Annual Report and Accounts for the year to 31st March 2023

Presented to Parliament pursuant to paragraphs 13(2) and 14(6) of Schedule 1  
to the Environment Act 2021

Ordered by the House of Commons to be printed on 14th December 2023

Laid before the Northern Ireland Assembly  
under paragraphs 13(2) and 14(6) of Schedule 1 to the Environment Act 2021  
by the Office for Environmental Protection on 14th December 2023



© OEP copyright 2023

This publication is licensed under the Open Government Licence v3.0. To view this licence, visit [www.nationalarchives.gov.uk/doc/open-government-licence](http://www.nationalarchives.gov.uk/doc/open-government-licence).

This publication is available at [www.gov.uk/official-documents](http://www.gov.uk/official-documents)

Any enquiries regarding this publication should be sent to us at

The Office for Environmental Protection

Wildwood

Wildwood Drive

Worcester

WR5 2QT

[www.theoep.org.uk](http://www.theoep.org.uk)

03300 416 581

[enquiries@oep.org.uk](mailto:enquiries@oep.org.uk)

ISBN: 978-1-5286-4434-1

E02975091 12/23

Printed on paper containing 40% recycled fibre content minimum.

Printed in the UK by HH Associates Ltd on behalf of the Controller of His Majesty's Stationery Office

# Contents

Chair's Foreword .....	3
Performance report.....	5
Chief Executive's Statement.....	5
About the Office for Environmental Protection .....	7
Performance summary.....	15
Performance analysis.....	21
Accountability report.....	38
Corporate governance report.....	38
Governance statement.....	40
Remuneration and staff report.....	53
Parliamentary accountability and audit report .....	67
The Certificate and Report of the Comptroller and Auditor General to the Houses of Parliament and the Northern Ireland Assembly.....	68
Financial statements.....	75
Statement of Comprehensive Net Expenditure for the year ended 31 March 2023 .....	75
Statement of Financial Position as at 31 March 2023.....	76
Statement of Cash Flows for the year to 31 March 2023 .....	77
Statement of Changes in Taxpayers' Equity for the year ended 31 March 2023.....	78
Notes to the Accounts .....	79

# Foreword

# Chair's Foreword



Parliament and the Northern Ireland Assembly created the OEP to underpin the new system of national environmental stewardship of the Environment Act 2021. Our role is to hold government to account for commitments in environmental law, and the progress made towards the long-term objectives it has set for the environment.

We report on our first full year of activity, the strategy we have set and how we have implemented it. We explain how we have begun our independent scrutiny of whether progress in the environment is on track, our monitoring of whether environmental law is playing its intended part to protect and improve the environment and the advice we have given to improve it, and our first investigations into whether public authorities are complying with the law as they should. In our first year, we have stepped into each part of our role.

Long and persistent trends of environmental decline in England and Northern Ireland provide a sobering context for our work. Our analysis in our first year is that government in England is not demonstrably on track to meet its environmental goals and targets. Yet the need for action is urgent. It is 85 months until government's rightly ambitious target to halt species decline in England must be met in law; a key indicator of whether government's apex environmental goal to improve nature will be achieved.

In Northern Ireland, implementation of the new system of stewardship is following a later path, but the context is no more encouraging. Here, I'm pleased to report how we have established our organisation and work in Northern Ireland in the year, and provided our first advice to departments on issues of the environment and environmental law in Northern Ireland. Our contribution will increase, now this establishment phase is concluding – we launched our first investigation in Northern Ireland shortly after the period on which we now report.

The environment will be best served when we play our full, independent and purposeful part, holding government and other public authorities to account. We have made a determined start. I'm grateful to all those in our staff, and beyond that have contributed to our achievements this year, and look forward to their continued support in the years ahead.

A handwritten signature in black ink, appearing to be 'G Stacey', written in a cursive style.

**Dame Glenys Stacey**  
Chair

# Performance report



# Performance report

These accounts cover the year from 1 April 2022 to 31 March 2023.

In this section, we describe our organisation, mission, objectives and functions, and how we have delivered against these during the year.

## Chief Executive's Statement



This annual report provides information about our first full year since being legally established, and nine months after we adopted our strategy and enforcement policy allowing us to exercise our functions fully.

It was a year of organisational growth, both in our size as we completed recruitment to our opening organisational structure, and in our work, as we performed our role and used our functions for the first time.

[Our first report on environmental progress in England](#) allowed us to analyse independently and set out whether government's plans are on track. We found actions falling far short of what is needed to deliver the ambitions government has set. The Environment Act 2021 requires us to set out our analysis of progress each year, and for government to respond. Our report in 2023/24 will focus on the apex goal of government's environmental improvement plan – to improve nature – and the most proximate of the new statutory targets, in 2030.

These legal targets are a welcome cornerstone of the Environment Act. We were pleased to provide independent and evidence-led advice on the comprehensiveness, coherence and ambition of government's proposals, and to play a role in monitoring the targets being set by government, close to the date it was required to do so.

This is one of nine instances where we used our powers to advise Ministers, or departments of the Northern Ireland Executive or provided evidence to Parliament where changes to environmental law, or aspects of its implementation were proposed. We aligned our work around key environmental priorities to improve nature, support clean air and water and improve soil health, and on the system of effective governance for environmental improvement. We began thorough evidence-led studies on key issues of the implementation of environmental law within these themes, which will complete in 2023/24.

With our enforcement policy in place, we launched our first investigation on the first day we were legally able. Our investigation into the roles of public bodies in the regulation of network combined sewer overflows in England is illustrative of the serious, complex problems our functions were introduced to consider.

These activities sit within the context of an organisation continuing to establish itself, its functions, and ways of working. We started the year with no Northern Ireland based staff to support our role in Northern Ireland; we ended with 13. Our staff – from finance and HR specialists, through to complaints handlers, lawyers and scientists have all developed, embedded and matured the approaches we take in their domains of expertise through the year.

We collectively have high ambitions for what the OEP will achieve for environmental protection and improvement, which is reflected in the corporate plan which guided our work. Through this report, we explain how our prioritisation choices in year, and some challenges in recruitment and other programmes impacted on the delivery of the plan we set ourselves. In all these choices, our focus has been on how we make the most difference for the environment. Through our work in this first year, we have shown the part we can play and laid foundations for that to grow.

A handwritten signature in black ink, appearing to read 'N. Prosser', written in a cursive style.

**Natalie Prosser**  
Chief Executive

## About the Office for Environmental Protection

### Who we are

The Office for Environmental Protection (OEP) was established by the Environment Act 2021. We are a public body with powers to advise ministers and government departments and to hold them and other public authorities to account against their environmental responsibilities and the law. Our independence is protected in law.

Our work covers England and Northern Ireland, and UK-wide environmental matters where reserved to the UK Parliament.

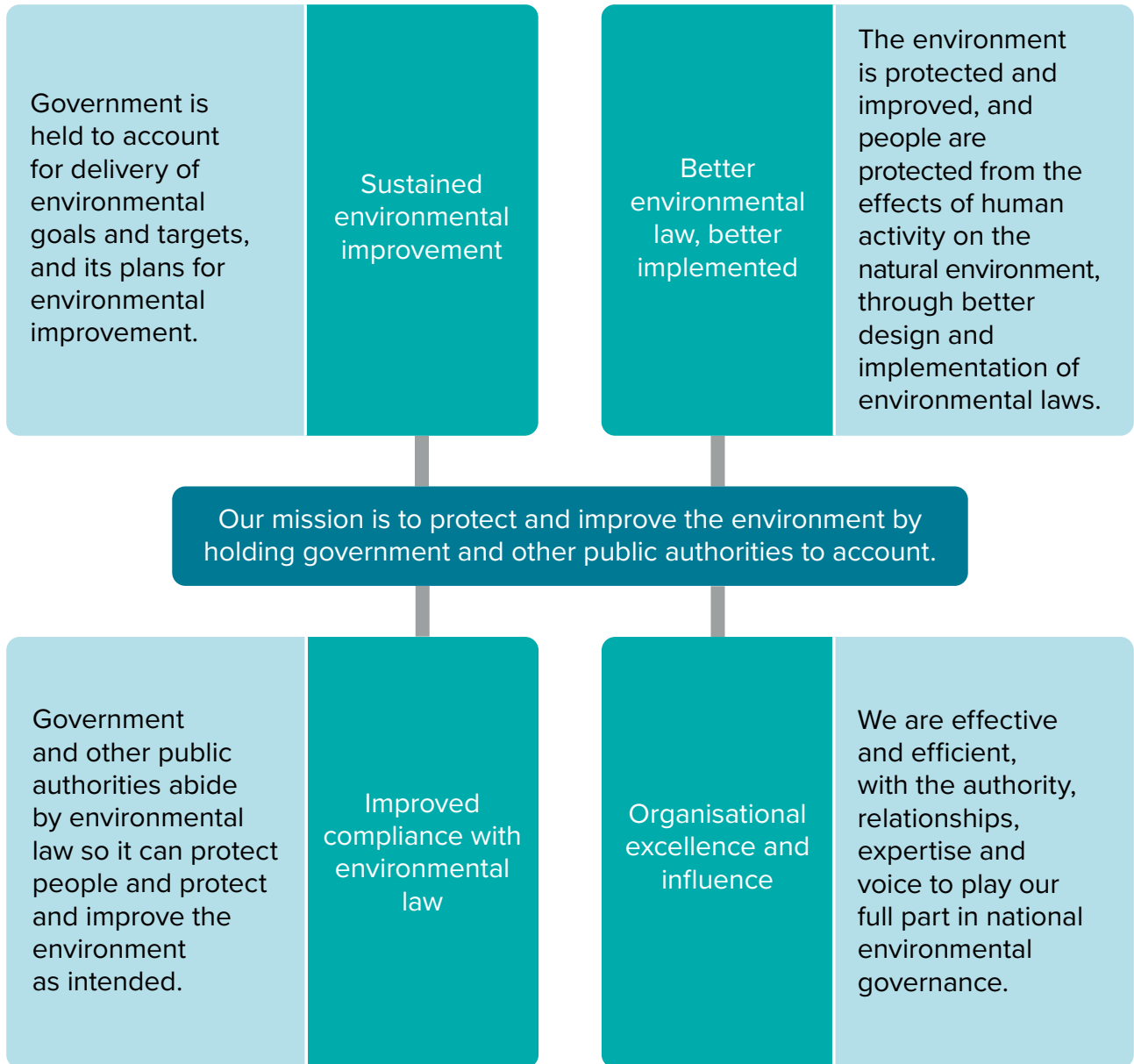
### Our strategy and objectives

We are established with the principal objective to contribute to environmental protection and the improvement of the natural environment. This includes the protection of people from the effects of human activity on the environment.

### Our mission

Our mission is to protect and improve the environment by holding government and other public authorities to account.

We have four strategic objectives to pursue this mission:



## Our functions

We are established with four main functions to contribute to these objectives.



[Our strategy](#) explains how we work to deliver our mission and strategic objectives. It explains how we prioritise, the approach we take within each of our four main functions, how we work with our equivalent and other public bodies in all the nations of the United Kingdom, and how we engage with the wide range of stakeholders we must to fulfil our role. It also sets out our enforcement policy.

## Our independent role and resources

We are funded via the Department for Environment, Food and Rural Affairs (Defra) in England and the Department of Agriculture, Environment and Rural Affairs (DAERA) in Northern Ireland, who oversee our use of public money.

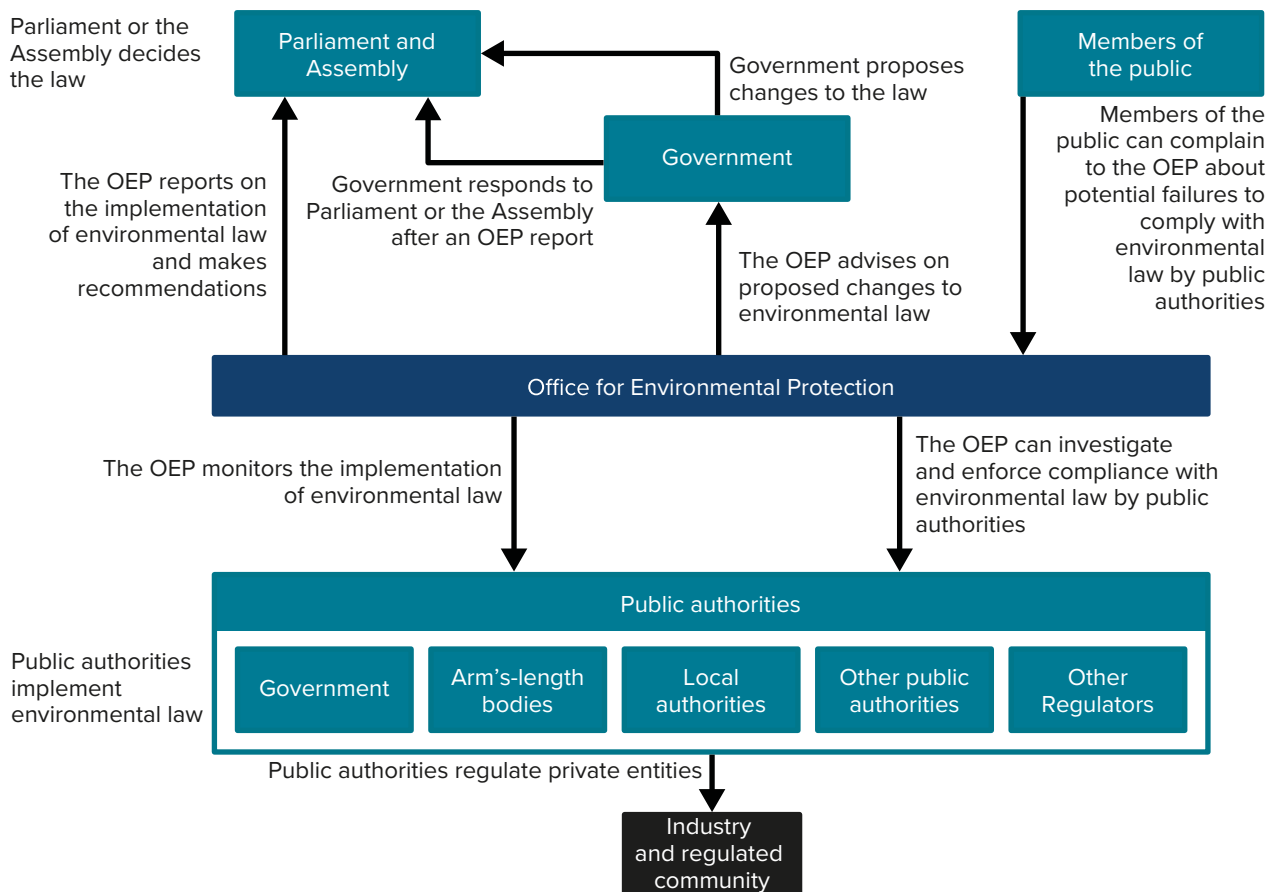
Defra and DAERA ministers are accountable in Parliament and the Northern Ireland Assembly for this, along with our work. Northern Ireland Office ministers are accountable in Parliament in a similar way, in the period when the Assembly and DAERA ministers have not been in place.

We pursue our objectives and implement our functions objectively and impartially, separately from government. Our judgements are our own, formed independently.

## Our role in context

Environmental law includes a range of activities aimed at protecting and improving the environment. It is enacted by Parliament and the Assembly, and implemented by individuals and organisations, both public and private, under the administration and regulation of public authorities including government, specialist regulators like the Environment Agency and Northern Ireland Environment Agency, and local authorities.

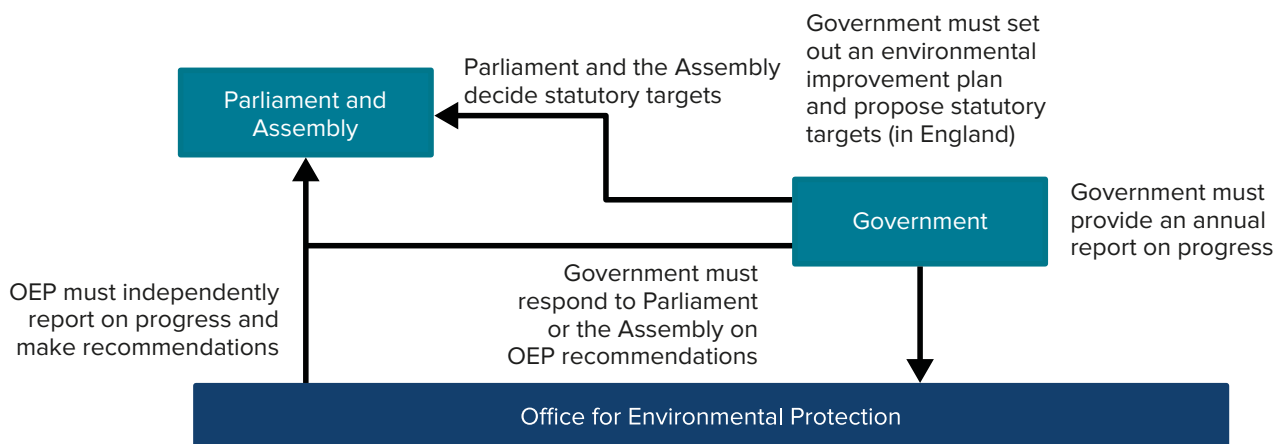
Our role is to scrutinise the implementation of environmental law, and report on it to Parliament and the Assembly. We can investigate compliance with environmental law by public bodies and can advise Ministers, departments in Northern Ireland, Parliament and the Assembly on changes to the law.



Our work covers England and Northern Ireland, and UK-wide environmental matters where reserved to the UK Parliament.

The Environment Act 2021 requires that a long-term Environmental Improvement Plan (EIP) is put in place by the UK government for England, and DAERA for Northern Ireland. This EIP must set out the steps to be taken to deliver a significant improvement in the natural environment, and (in England) the statutory targets set by Parliament. These steps are to be taken by government and a wide range of public bodies and others.

Our role is to scrutinise progress independently against the EIP and (in England) towards environmental targets, and can make recommendations for improvement. Government must respond to our recommendations.



## Our organisation

Our board is the legal authority of the OEP. Information about the role and members of our board is set out in the Accountability Report below.

Our Chief Executive is our senior executive and Accounting Officer. We have four directorates, each led by an executive director

- Our Chief Insights Officer is our most senior scientist. They lead teams responsible for technical and scientific analysis, research and evidence, and the preparation of our reports monitoring progress in delivering the EIPs and targets.
- Our Chief Regulatory Officer leads teams responsible for the management of complaints we receive and investigations we pursue and our monitoring of the implementation of environmental law.
- Our General Counsel leads teams responsible for legal advice, analysis, research and evidence, and our enforcement activities.
- Our Chief of Staff leads teams responsible for our corporate and enabling services, including our relations with stakeholders. They are also the senior executive responsible for our work in Northern Ireland.

During the year, the number of our staff increased as we recruited to grow into our organisational structure. This included recruitment of locally based and expert staff to support our Northern Ireland functions, which were confirmed by the Assembly at the end of the last financial year.

At 31 March 2023, we had 71.2 full-time equivalent (FTE) staff including 4.0 FTE employed under temporary or short-term contracts and 13.9 FTE seconded into the OEP from different public authorities and other entities, and for a range of terms. 13 FTE were based in Northern Ireland, 58.2 FTE in England.

We continued to recruit permanent staff after year end. By the end of year 2023/24 we expect to increase the number of our permanent staff to around 70. In the evidence we have provided to Defra and DAERA to assess our resourcing needs, we have estimated that we will need around 95 staff when fully established.

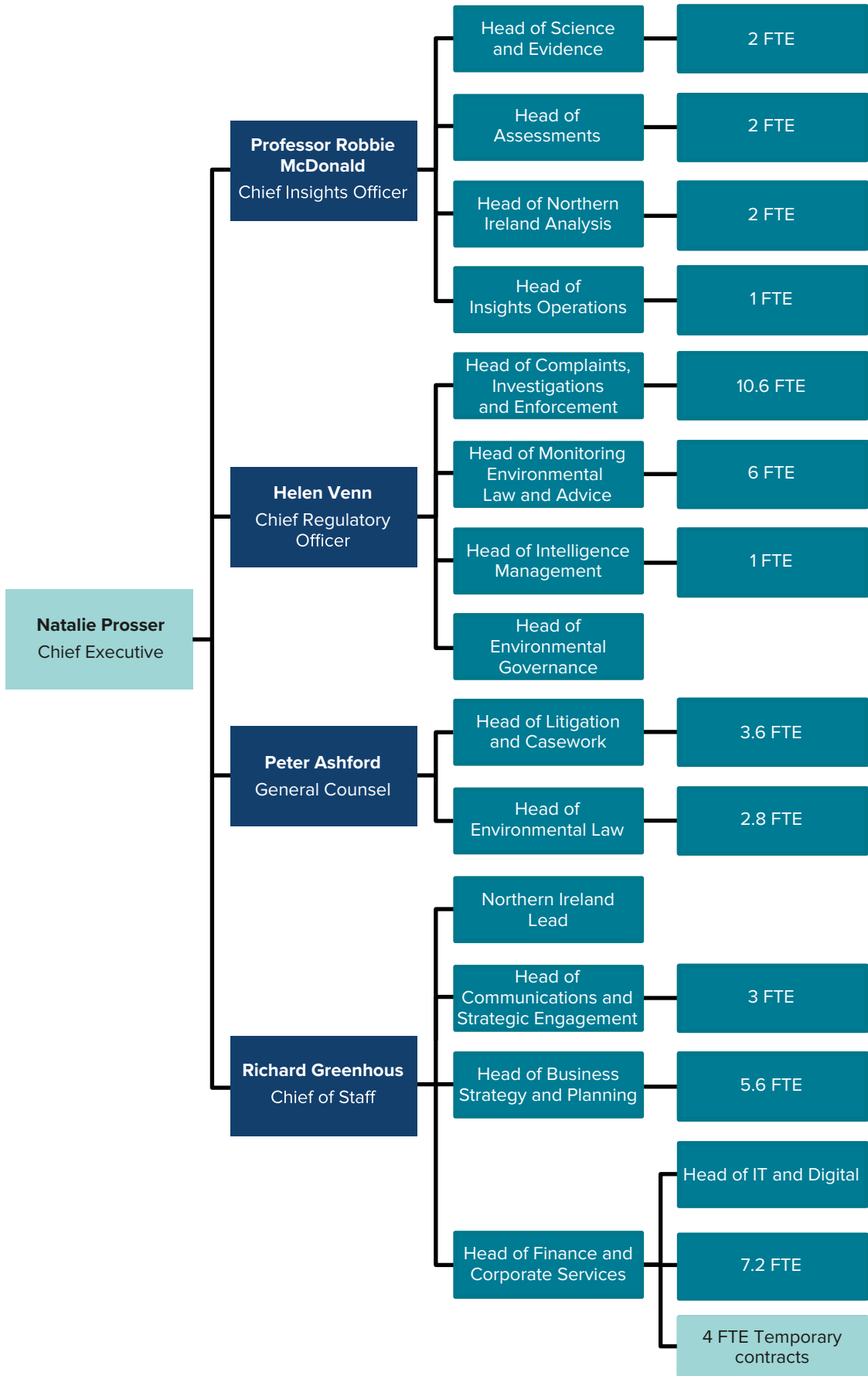
Our operating model is designed to be responsive. Most of our staff are recruited to posts which are flexible, in the expectation that role holders will work across the OEP's functions in each of England and Northern Ireland to organisational priorities as these are set and change.

Most of our work is multi-disciplinary, with experts from professions across the OEP and outside coming together to scope, develop and deliver the programmes we pursue.

In particular, we work with experts outside the OEP to support our work in specific areas of the environment, or to consider specific issues in environmental law. This includes engagement with those with a role to play in the protection and improvement of the environment in public authorities, businesses, the scientific community, academia and the voluntary sector. We also work with researchers, scientists, professional bodies, consultancies and others with specific expertise to generate the evidence we need to underpin our analysis. We expect the proportion of our work we undertake in this way to grow in the year ahead.



# OEP organisational structure at 31 March 2023



## EU exit, COVID-19 and the war in Ukraine

The OEP was established as part of a broader suite of measures within the Environment Act 2021 to improve national environmental governance arrangements in England and Northern Ireland after the UK's departure from the European Union.

The OEP was established in November 2021. During our operations to date, most staff and Board members have worked largely remotely, including in engagement with stakeholders. In England, we have operated from temporary premises without the capacity to accommodate a majority of our staff at any one time.

We judge that EU exit, the COVID-19 pandemic and the war in Ukraine have not had a material impact on the operations of the organisation in the period. There was no expenditure directly attributable to these events, though, like most sectors of the economy, the cost of goods and services we procure increased more than we anticipated in 2022/23, partly as a result of this war.

## Going concern

The OEP was established by Parliament under the Environment Act 2021 to undertake statutory functions. In line with HM Treasury's Financial Reporting Guidance, the information presented in these financial statements is based on the assumption that the OEP will continue to provide existing services in the future, with no changes to our role or through legislation currently expected.

In common with other non-departmental public bodies across government, the OEP's future funding is to be met by Grant in Aid. A proportion of this Grant in Aid is recharged by Defra to DAERA to fund our Northern Ireland functions. Approval of Grant in Aid for 2023/24 has already been given. The Secretary of State for Environment, Food and Rural Affairs has confirmed that Grant in Aid for the OEP's functions for England will be ring-fenced within Defra's settlement for the period of this spending review until 2024/25 in a [Written Ministerial Statement to Parliament on 31 March 2022](#).

Based on the above information it has therefore been considered appropriate to adopt a going concern basis for the preparation of these financial statements. We make this judgement in the context of our assessment of sufficiency of funding, set out below.

## Assessment of sufficiency of funding

The Environment Act 2021 requires the OEP to make an assessment of whether the Secretary of State and DAERA have provided sufficient sums for us to carry out our functions in the period covered by the financial statements. This provision is intended to ensure that it is transparent whether or not the resources made available to the OEP allow us to undertake our role.

We report here on our first full year of operations, including the nine-month period after we had adopted our strategy and enforcement policy following consultation, allowing us to undertake all the functions provided for us. In Northern Ireland, we recruited our first locally based staff to support our work in Northern Ireland, as well as England.

In the 2022/23 reporting period we were provided with sufficient Grant in Aid to carry out our functions, as we developed and established them and the ways we will work, and recruited the staff needed to deliver. We make this judgement primarily recognising the sums made available to spend by the Secretary of State and DAERA in the period, and the sums we did spend.

In our next annual report for the year 2023/24, we will be required to provide a statement of the sufficiency of our funding for that period. There is some risk that we will not be provided with sufficient Grant in Aid to carry out our functions in the year 2023/24.

We submitted evidence to Defra and DAERA of our long-term resourcing needs in autumn 2022, with the benefit of early operational experience. We have not received all of the resources we judged necessary in England or Northern Ireland to carry out our functions in the way that Parliament and the Northern Ireland Assembly intended.

We judge there to be a low risk that our funding will not be sufficient to carry out our functions in England in 2023/24 and a greater risk in relation to our Northern Ireland functions in 2023/24.

We were initially provided with a substantially lower amount of Grant in Aid by DAERA than we judged necessary, but have received some additional resources in year. There is a risk that in total sufficient sums may not be made available in relation to our Northern Ireland functions, and a risk that the sums may not be received sufficiently early in 2023/24 to allow us to carry out our functions in the way the Assembly intended.

Our analysis suggests that we will need a further increase in resources from 2024/25 in both England and Northern Ireland. This is in part as our duty to report on progress in the natural environment in accordance with the Northern Ireland environmental improvement plan comes into effect. There is a risk that these will not be provided. Defra and DAERA are committed to review our long-term resourcing needs further ahead of 2024/25.

## Performance summary

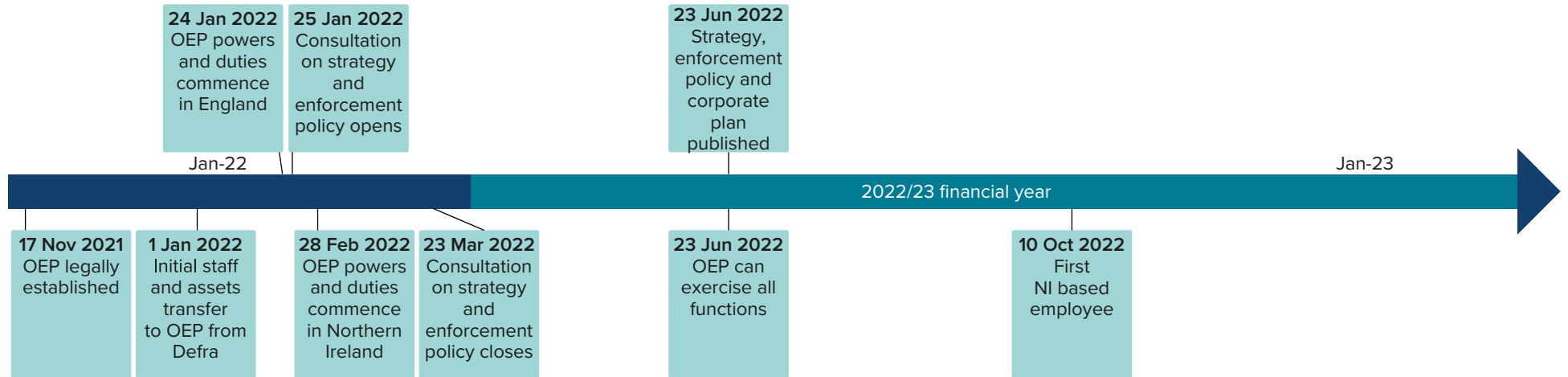
This report covers the year to 31 March 2023, the first full year since the OEP was legally created in November 2021 and includes the first nine months in which we could exercise the functions provided to us after we had consulted on and adopted our strategy and enforcement policy.

We are therefore a young organisation. This year we spent a proportion of our resources on activity to support the formation and the operational establishment of our organisation, and the approach we will take to our work. This was particularly true in the first quarter of the year, as we adopted our strategy and enforcement policy and developed our first corporate plan. It remained true through most of the year in our functions in Northern Ireland, where we recruited our first locally based staff from October 2022.

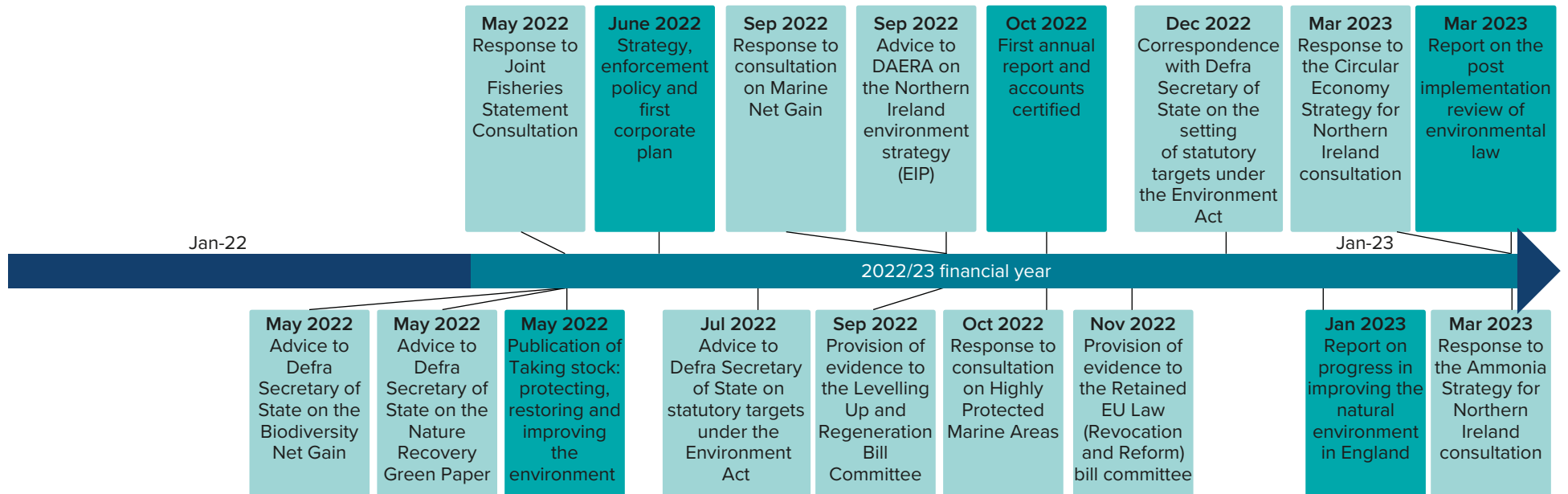
But it is also a year in which we delivered programmes and used each of the functions provided to us in law, to hold government and public authorities to account for environmental protection and improvement.

We provided Parliament with two reports independently scrutinising progress in improving the natural environment in England. We provided advice, including to DAERA on the Northern Ireland environmental improvement plan, before it is adopted, and to Defra on the statutory targets required under the Environment Act. We presented our first reports on the implementation of environmental law to Parliament. We managed nearly 400 enquiries from members of the public, and 43 complaints and launched our first investigation.

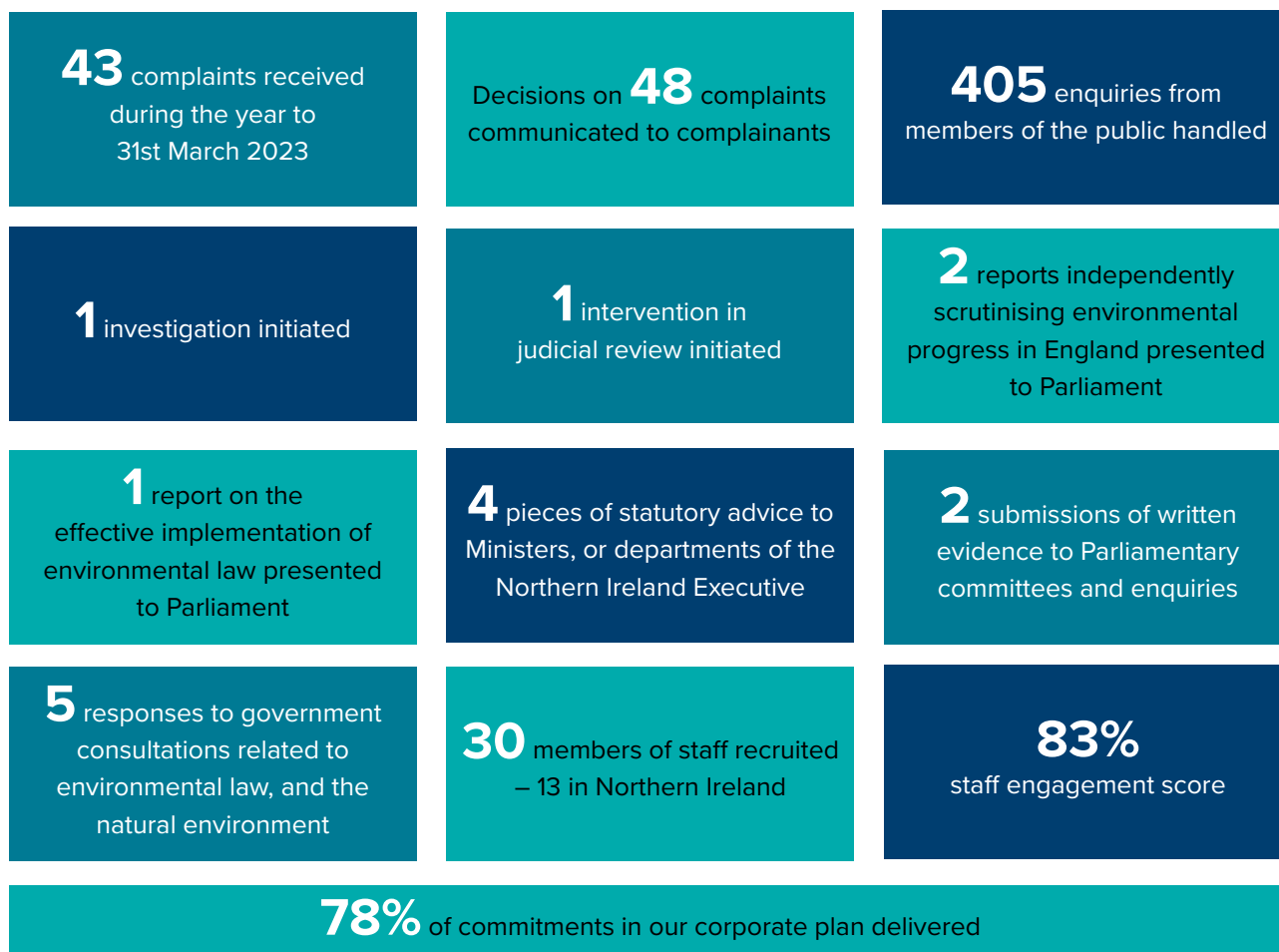
Key milestones in our establishment:



Highlights of our delivery:



## Our year in numbers:



In our objective to hold government to account for the **sustained environmental improvement** required to deliver environmental targets set out in law, we prepared two reports to assess progress. [Our first, published in May 2022](#), took stock of what is needed for government to protect, restore and improve the environment in England; [our second published in January 2023](#) reported on government's progress in improving the environment in England in the year to March 2022. We will produce a similar report each year in England, providing independent scrutiny of progress towards the ambitions for the environment government has set.

Northern Ireland's environmental improvement plan is not yet decided by the Executive and Assembly. We gave [advice to DAERA on its draft plan](#) and found it appropriate and adequate as the basis for Northern Ireland's first environmental improvement plan. When adopted, we will report on progress in delivering it as we have in England.

These environmental improvement plans are a key part of the new framework of environmental governance established by the Environment Act. In England, legally binding statutory targets were introduced this year as a second cornerstone of this framework. We [advised on the government's draft proposals for environmental targets](#), and [closely monitored the timely setting of these in law](#).

These activities lay the foundations for our long-term role to provide evidence-led and independent scrutiny to support government to deliver the ambitions for the environment it and Parliament have decided, and to make the extent and adequacy of progress transparent to Parliament, the Assembly and the public.

Good environmental law, which is well implemented, is a key way in which the environment can be effectively protected, and improvement can be sustained. To support our objective for **better environmental law, which is better implemented** we provided advice and evidence to government, departments of the Northern Ireland Executive and Parliament on eleven occasions. Our advice focussed on priority areas in the environment and environmental law we identified, and set out in our corporate plan: the laws protecting nature, and providing for its improvement; the implementation of laws protecting nature at sea; clean water; clean air, and; arrangements for effective environmental governance.

This year, we began to implement the long-term approach to this objective we set out in our strategy in June. In particular, we progressed the research phase of three thematic studies on the effectiveness of the implementation of environmental laws in specific areas. In each case, we expect to report to Parliament and/or the Assembly in 2023/24 to provide evidence on how environmental laws are working now, and provide recommendations for improvement. We are evaluating the laws that support inland water quality, and support delivery of the water framework directive regulations; the implementation of laws for the designation and management of sites protected for nature on land, and; in England, the implementation of the regimes for assessing the environmental impacts of development. These are material evidence-led studies, which we expect to take one to two years to complete.

Environmental laws can only deliver the outcomes for the environment intended if they are complied with. To support our objective to **improve compliance with environmental law** by public authorities, we operate a complaints process so members of the public can raise suspected failures to comply with environmental law by the public authorities we oversee. During the year, we engaged with 405 enquiries from members of the public to inform them about the OEP and our role, and support them identify the route for their concern. In many occasions, we signpost to the right organisation to consider the issues raised, often the public authority directly responsible. Others, we support to access our complaints service. We received 43 complaints during the year.

We provide strategic oversight of compliance with environmental law by public authorities. Our investigation and enforcement activities are focussed on potential failures to comply with environmental law that are serious and a priority. We work with public authorities to resolve issues we identify from complaints and other sources, and provide examples of the outcomes of the resolutions we achieve on [our website](#).

Our investigation and enforcement powers allow us to pursue compliance with the law if needed. We [launched our first investigation](#) on the first day we were able, after adoption of our enforcement policy – into the role in England of Ofwat, the Environment Agency and Secretary of State for the Environment, Food and Rural Affairs in relation to the regulation of network combined sewer overflows. [In Northern Ireland, we launched our first investigation](#) into DAERA's guidance for assessing ammonia emissions for certain livestock developments shortly after the end of this business year.

We aim for the **organisational excellence and influence** that will support us to achieve these objectives. During our first full year, a proportion of our work related to the initial establishment of the organisation, and our functions. Having consulted on our strategy and enforcement policy in 2021/22, we finalised and adopted these in June 2022. We recruited 30 staff overall, and our first 13 staff based in Northern Ireland. We also obtained office space for our staff to work and meet others in Northern Ireland, and signed a lease for our long-term office in Worcester – albeit later than we had planned. We experienced challenges in recruiting at the pace, and to some of the skills we need –

notably our scientific and technical teams, and in specialist corporate roles in finance and procurement. This impacted the pace with which we were able to progress some of our work. We completed the establishment of our independent enabling infrastructure – human resources, finance, procurement and data, digital and information technologies – and operated, tested and matured these and our key governance procedures and controls.

Our role to protect and improve the environment relies on others to act based on the scrutiny we provide, actions we take, and recommendations we make. We began to implement our strategy to establish our voice. We developed and expanded our engagement with the wide range of people who work for environmental protection and improvement, and to connect with people through our website, social and other media.

Through this report, and each of our objectives we provide information on our work in Northern Ireland. We provide information about risks to our objectives in the governance statement below.

## **Financial performance and funding**

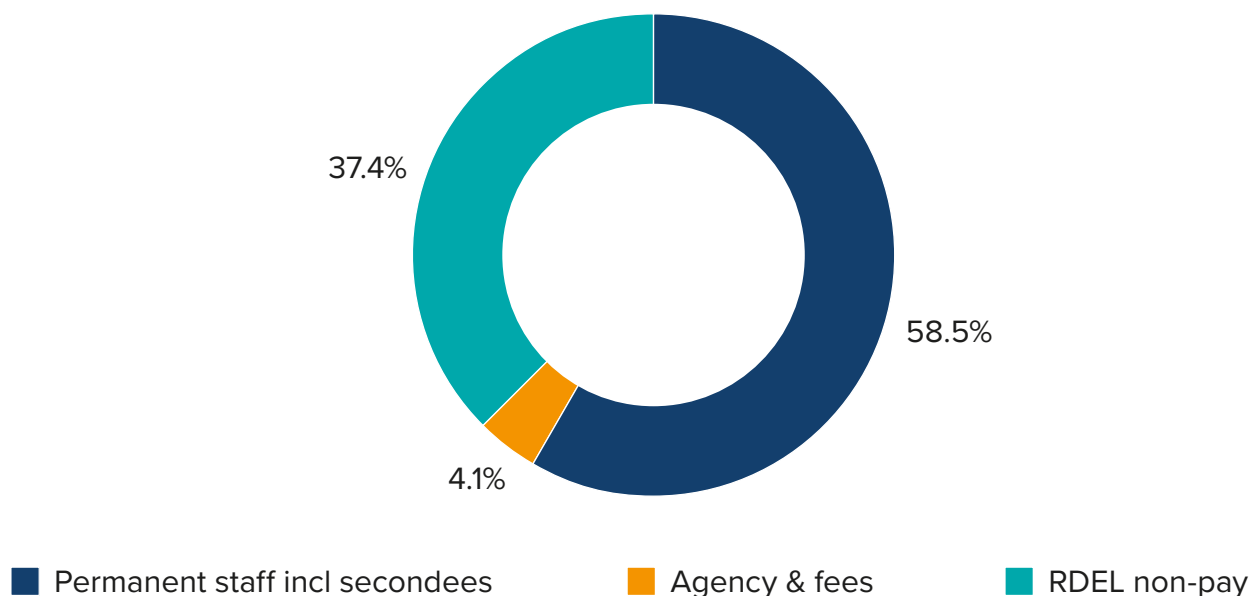
Our financial performance reflects a year in which we established and grew the OEP and nine months in which we were able to exercise our functions after adopting our strategy following consultation. In this section we compare our financial performance for our first full year of 2022/23 to the 19-week period we were legally established in 2021/22 and on which we reported in our last annual report and accounts.

### **Expenditure**

Our total comprehensive net expenditure increased to £7.139m for the full year of 2022/23, this is 4% higher than previous year when compared to an extrapolation of £2.520m for the 19 weeks we were established in 2021/22. Of this total, 58.5% or £4.176m (£1.172m 2021/22) related to permanent staff costs including secondees, and 4.1% or £0.291m (£0.226m 2021/22) was agency staff & Non-Executive Director fees. Together this totals £4.467m (£1.398m 2021/22). Further detail of our expenditure on staff costs is provided in the remuneration and staff report and in Note 2.1

The balance of £2.672m which is 37.4% of total expenditure (£1.122m 2021/22) is related to services provided by third party providers, consultancy, research and professional costs to support the delivery of our objectives, and charges associated with the establishment of our operations, such as those relating to our new long-term accommodation in Worcester.

## 2022-23 Total Comprehensive Net Expenditure by spend category



### Non-current assets

There was capital expenditure of £1.072m (£nil in 2021/22) relating to non-current assets. This relates to our new long-term accommodation in Worcester, notably the lease for this accommodation.

### Funding

The government makes decisions about Defra funding through HM Treasury's Spending Review process and a proportion of this funding is then allocated to us by Defra each year. The 2021 Spending Review set resource and capital budgets for three financial years from 2022-23. We receive adjustments to our grant-in-aid funding each year as part of the Defra group planning process. In financial year ended March 2023, Defra and DAERA together made available £12.104m of resources for the period, which is made up of £9.137m revenue spend (RDEL) and £2.967m capital spending (CDEL).

As illustrated in the Table below, a £3.893m underspend was reported at the end of the financial year. Delay and complexity in leasing our long-term office accommodation in Worcester, and consequential delays in associated expenditure on items such as construction, furniture and information technology has resulted in an underspend in both our capital budget (£1.895m) and our revenue budget (£0.626m). The remaining £1.372m underspend was due to slower than expected progress in our recruitment plan notably in our Insights directorate, which impacted our expenditure on staff costs, and our ability to commission consultancy and other external expertise to support deliver of our functions. By year end, the intended recruitment had been completed.

Of the total difference (underspend) between sums made available and sums expended, £0.075m relates to our functions in relation to Northern Ireland; £3.818m in relation to our functions in England. £2.829m was returned to Defra and DAERA in September and December 2022.



Expenditure by category (revenue and capital) is summarised as follows:

	Sums made available	Sums expended	Difference
<b>RDEL</b>	£9.137m	£7.139m	£1.998m
<b>CDEL</b>	£2.967m	£1.072m	£1.895m
<b>Total</b>	£12.104m	£8.211m	£3.893m

Grant in Aid of £10.964m has been agreed from Defra for the full year 2023/24, of which £1.250m is to be recharged to DAERA (made up of an initial £1.000m plus £0.250m in year contributions). Our funding for 2023/34 and future financial years is considered in the 'Assessment of sufficiency of funding' section of this report.

We are able to seek additional resources in year from Defra and DAERA.

## Performance analysis

This report outlines our performance against our strategic objectives for the year 2022/23. It is structured in accordance with these objectives.

It includes information and metrics relevant to our work in our first full year of operations, and first nine months in which we were able to exercise all the functions provided to us. This information is largely provided for context. We do not report on performance trends, other than in a small number of cases where meaningful comparison can be made.

Our corporate plan explains how we intend to develop our performance framework to monitor and strengthen our work, and the indicators we aim to develop. We expect to report on these indicators in future annual reports.

## Sustained environmental improvement

**Government is held to account for delivery of environmental goals and targets, and its plans for environmental improvement.**

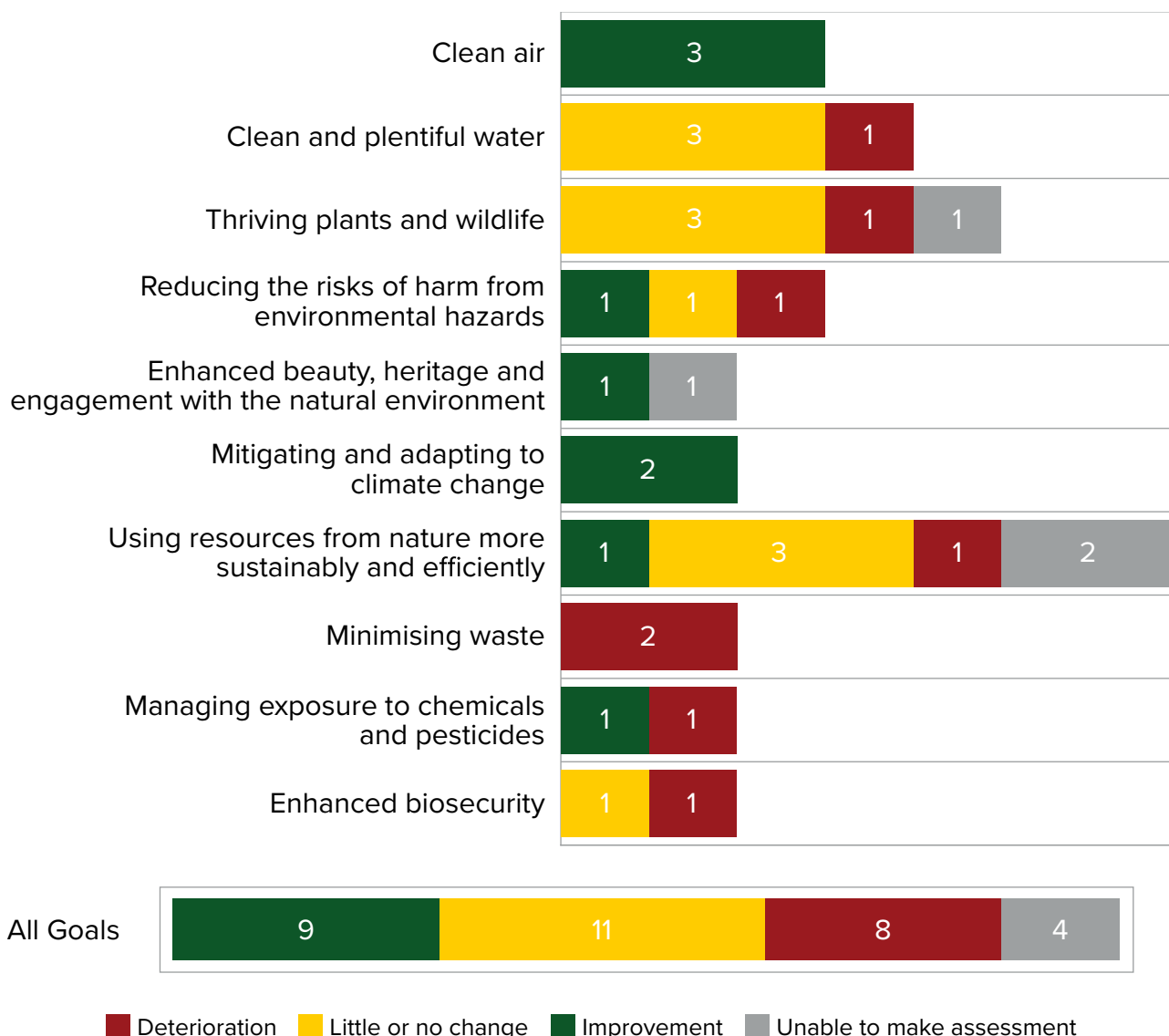
Highlights:

- Report taking stock of national level stewardship of the environment in England
- Report assessing progress in the natural environment in England in 2022/23
- Advice and other activity to support the timely introduction of environmental targets in England
- Evaluation and advice on the draft environment strategy for Northern Ireland

The Environment Act 2021 set out a new basis of national stewardship of the environment in England and Northern Ireland. During 2022/23, the UK government and DAERA each took steps to implement key elements of the new framework. Our role is to monitor independently and report on the progress being made to protect and improve the environment, in accordance with the environmental improvement plans (EIPs) the UK government and DAERA set for England and Northern Ireland, and towards long-term targets that must be met in law.

In England, we took the opportunity to take stock and examine the system of national environmental stewardship as we stepped into this role. Our report of May 2022 [Taking stock: protecting, restoring and improving the environment in England](#) set out a framework of six building blocks that need to be in place and made sixteen recommendations to government for purposeful, coherent and decisive action so that the environment is restored, protected and improved. We gave this advice as government prepared to refresh its environmental improvement plan in January 2023 and set the first statutory targets required by the Environment Act. We made recommendations for government to consider, in each of these key areas.

In January 2023, we made our [first assessment of government's progress in England](#), and delivered it to Parliament on time. We will make and report this independent assessment each year. We set out our analysis of the trends of 32 headline indicators of progress in the goals government identified in its 25-year environment plan of 2018, and an assessment of progress towards 23 associated environmental targets. In the indicators, we found nine (28%) improving, 11 (34%) static and eight (25%) deteriorating. We were not able to assess four trends reliably (13%) due to a lack of evidence. We found progress not demonstrably on track for any of the 23 environmental targets. We urged government to act with energy and urgency to close the gap between reality and its vision, making five further recommendations.



Summary of the Office for Environmental Protection’s assessment of trends in 32 headline indicators in the 10 goal areas of the 25 Year Environment Plan. Values represent the number of indicators.

Our report was presented to Parliament in January 2023. It has been cited in and outside Parliament since. We will develop our approach to this independent assessment in our next, and subsequent reports. Over time, we expect to report increasingly on how progress may be improved, as well as reporting on progress achieved, as we build evidence through our scrutiny and other work.

The new environmental governance for England includes legally binding long-term targets. We [responded](#) to government’s consultation on the proposed targets in June. We commended some of the targets, recommended improvements to others, and urged that the suite of targets be comprehensive, cover the full range of priorities and that the resources and activity necessary to deliver them be quickly assembled. Through summer and autumn, we monitored closely as government prepared to set final targets by the deadline in law of 31 October. Through our compliance role, we [corresponded with Ministers](#) on progress in setting these targets during this period, and [up to the introduction of the targets](#) in December 2022.

In Northern Ireland, the new environmental governance required by the Environment Act 2021 is to be implemented to a different timetable. DAERA is yet to lay its first environmental improvement plan before the Assembly; we will report on progress once it is adopted. This year, we evaluated DAERA's draft environment strategy, and [provided advice on its suitability](#) to be adopted as Northern Ireland's first environmental improvement plan. We recommended ways in which it could be strengthened to improve prospects of success. This included to provide clarity on priorities for environmental improvement in Northern Ireland, improved specificity in targets, and better accountability for delivery and how progress will be evaluated.

Our scrutiny of environmental progress is enabled by a range of evaluation, evidence gathering and research activities undertaken by our own scientific staff and through working with a wide range of experts in environmental science, and practice. During the year, we started to develop an evidence programme to underpin our work. We published [research into the drivers and pressures of air quality](#) in England and Northern Ireland.

We did not progress our evidence programme as quickly as we intended, following slower than expected recruitment of our scientific and technical staff to undertake, commission and engage with others in this evaluation and technical appraisal. This reduced our planned expenditure in this area. By year-end, our intended recruitment in year was complete, allowing us to develop a longer-term evidence strategy and programme, and plan to develop other routes to access expertise and analysis in future years.

## **Better environmental law, better implemented**

**The environment is protected and improved, and people are protected from the effects of human activity on that natural environment, through better design and implementation of environmental laws**

Highlights:

- Evidence to the Levelling Up and Regeneration Bill, and Retained EU (Revocation and Reform) Bill committees of the UK Parliament
- Successful [application to intervene in the Supreme Court](#), to support the court clarify the law on the interpretation of indirect effects under environmental impact assessment legislation
- Advice and evidence on three potential changes to the laws which protect nature in England and Northern Ireland
- Responses to three consultations on the implementation of laws which protect and improve nature at sea

We work towards better environmental law which is better implemented by providing advice and evidence to government, Parliament and the Assembly as it considers changes to the law, by monitoring and reporting to Parliament and the Assembly on how well environmental law is implemented in practice, and by seeking clarity in the law.

Our corporate plan for the year 2022/23 identified priority areas for our work: the laws which protect nature and provide for its improvement; supporting clean water; supporting air quality; supporting soil health; protecting and improving nature at sea.

In early 2022, the UK government highlighted its intention to look afresh at how to protect and restore nature, in the context of the statutory target to halt the decline in species abundance in England by 2030, set in the Environment Act. In April, we gave [advice on Defra's green paper on nature recovery](#), setting out five key principles for a framework for nature's recovery, and providing specific recommendations if reform of the Habitats Regulations Assessments were contemplated. In Autumn, we gave [evidence to the Levelling Up and Regeneration Bill Committee](#), to support its scrutiny of proposed changes to Environmental Impact Assessment and Strategic Environmental Assessment regimes. In both instances, we urged for maintaining and improving standards of environmental protection, and clear understanding of the benefits of change given potential risks, and the pressing need for improvement to deliver on government's ambitions.

It is in this context that we initiated two studies of the effectiveness of the implementation of environmental laws which protect nature. This implements the approach we set out in our strategy to scrutinise independently in depth the evidence of whether laws are delivering the outcomes intended. In both cases, we undertook research during the year, including a public call for evidence, and intend to report to Parliament and the Assembly in 2023/24. These reports will assess the implementation of laws for the designation and management of sites protected for nature in England and Northern Ireland, and on the effectiveness of environmental assessment regimes in England.

In Northern Ireland, we also advised on changes to environmental laws which protect nature. We [provided advice on DAERA's draft ammonia strategy](#), via a consultation response, welcoming its ambition, and seeking that it be strengthened including by providing a coherent set of delivery plans and targets to make it more likely that the ambitions are realised. We also urged for greater transparency in the evidence underpinning the strategy's proposals.

The need for greater coherence, detailed delivery and implementation planning, better governance – including transparency – and improved monitoring and evaluation were features of other advice through the year. We responded to Defra's consultations on [the joint fisheries statement](#), [highly protected marine areas](#) and proposals for [marine net gain](#) within our work to protect and improve nature at sea, and to the Department for the Economy's consultation on a [circular economy strategy for Northern Ireland](#).

Our strategy sets out how we aim to prioritise our work, so that we are responsive to changes in context and adjust our plans so that we undertake work which makes the most difference for environmental protection and improvement. We reprioritised in year to monitor the implication for environmental laws in England and Northern Ireland of the Retained EU Law (Revocation and Reform) Bill, including by providing [evidence to Parliament's bill committee](#) to highlight the risks and opportunities. Our evidence and four recommendations were cited a number of times in Parliament's debate on the Act. This, and other similar choices, slowed the delivery of other activity we set out in our corporate plan, so that we did not deliver all we intended in year. This will now complete in 2023/24.

As we implement our strategy, we expect more of our work to be through in-depth studies providing rigorous and thorough evidence for government, Parliament and the Assembly as they consider how the law can best support government's ambitions for the environment. We initiated a third study this year, to examine the implementation of laws including regulatory governance which supports inland water quality in England and Northern Ireland.

The implementation of our strategy remains at an early stage, in the context of the thorough evidence-led studies we intend, and the influence for better environmental law, better

implemented that we seek. We will develop how we monitor and report on the impact of our work, including the influence of our recommendations in Parliament, the Assembly and to government and the public authorities to whom they are directed.

## Improved compliance with environmental law

### **Government and other public authorities abide by environmental law so it can protect people and protect and improve the environment as intended**

#### **Highlights:**

- Consultation and adoption of our enforcement policy, enabling us to use our powers of investigation and enforcement
- Improvements to the accessibility and experience of those who complain to us
- Responses to all complaints made to our predecessor organisations<sup>1</sup>
- Launch of our first investigation
- Report to the UK Parliament assessing the extent to which government is complying with its obligations for post implementation review of environmental law

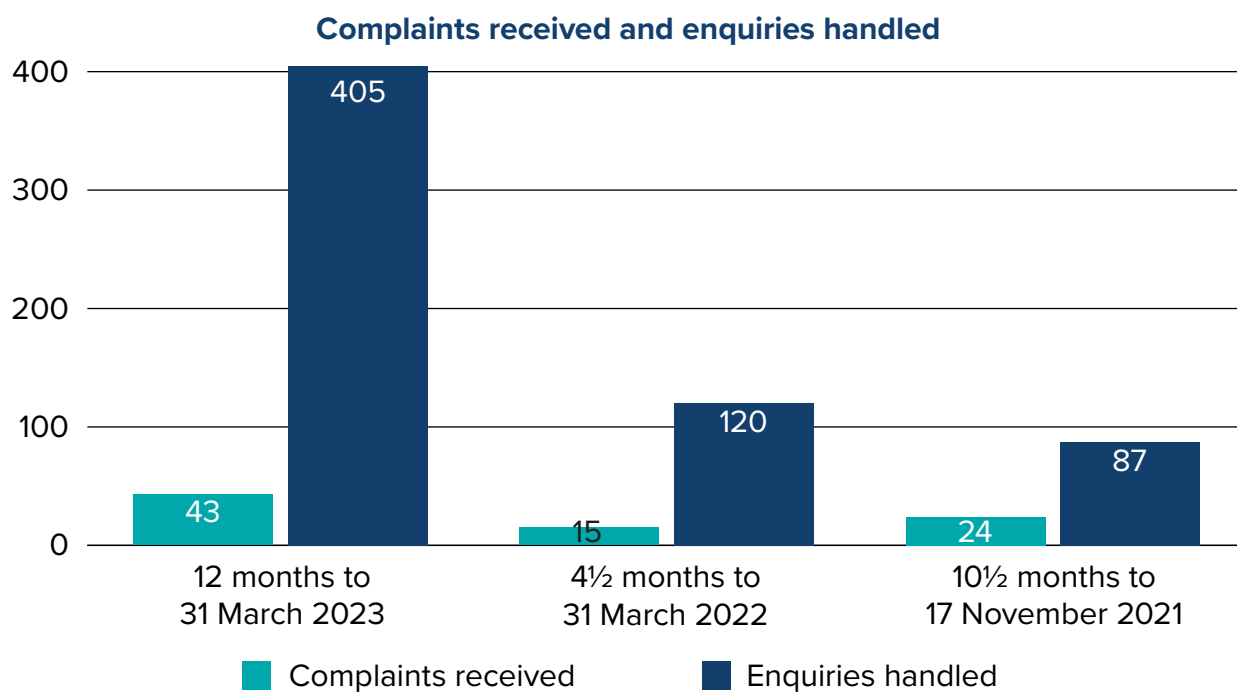
### **Complaints and Enquiries**

Receiving and assessing complaints about potential breaches of environmental law by public authorities provides us with important information that can inform all our work. We consider and respond to every complaint we receive. However, our role is not to act in every case, nor to seek individual redress for those who complain to us, nor to provide compensation.

Rather, we assess the issues and analyse the evidence to identify breaches which may be serious from one, or a number of, complaints. We can investigate serious cases which we prioritise. Where we investigate, this is to determine if a public authority has complied with the law, and if it has not, to establish what it should do to correct the failure.

We receive enquiries from the public about matters connected to potential breaches of environmental law by public authorities. We aim to help all those who contact us by either answering their questions directly or signposting to the best organisation to provide support or information.

<sup>1</sup> Before the OEP was legally created, members of the public were able to complain to an Interim Environmental Governance Secretariat established by Defra from 1 January 2021 to 30 June 2021, and to the OEP operating as an interim body from 1 July 2021 to 16 November 2021. These complaints were held by these organisations, and passed to the OEP when it was legally created on 17 November 2021.



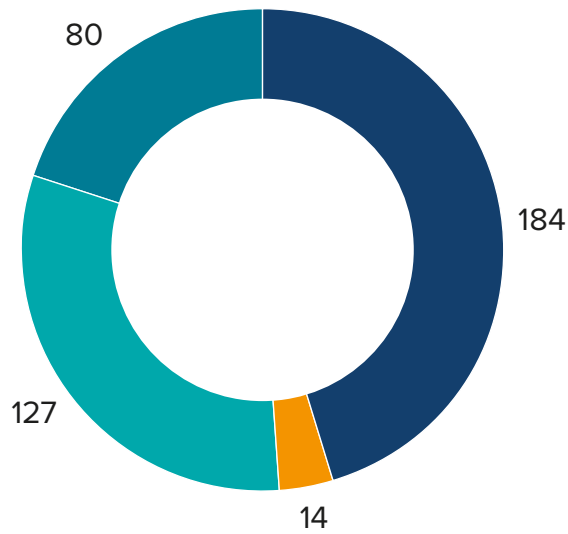
Our complaints and enquiries in numbers:

	12 months to 31 March 2023	4½ months to 31 March 2022	10½ months to 17 November 2021 <sup>2</sup>	TOTAL
Complaints received	43	15	24	82
Enquiries handled	405	120	87	605

<sup>2</sup> Complaints received by the interim bodies: the Interim Environmental Governance Secretariat or Interim OEP

Enquiries in detail:

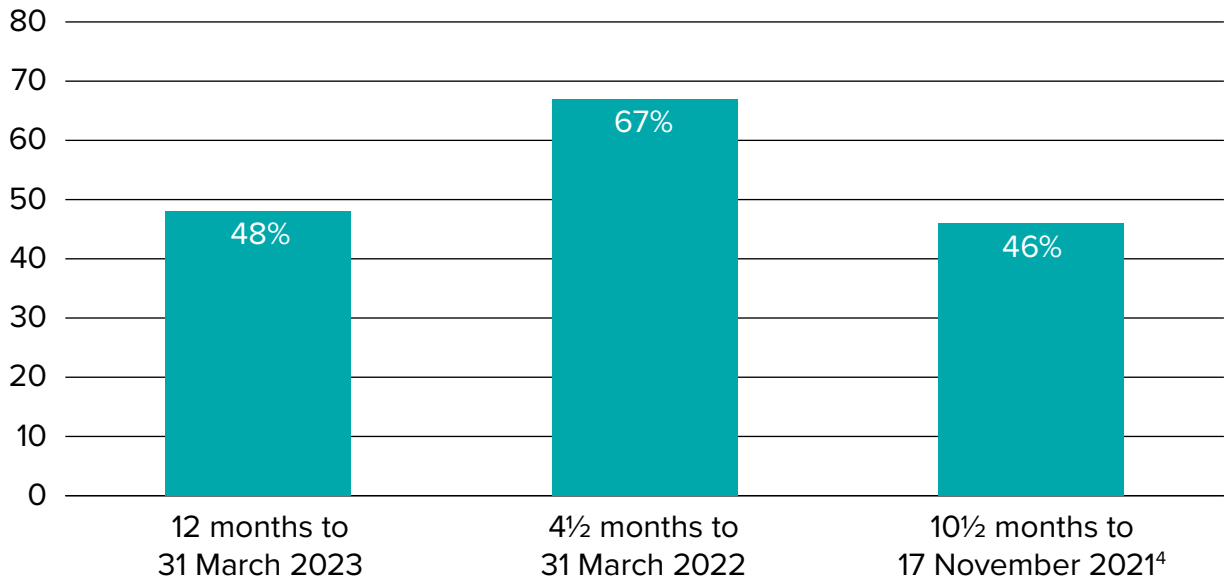
**Enquiries in detail: 12 months to 31 March 2023**



- Possible complaint about potential failure to comply with environmental law and sign-posted to appropriate authority
- Possible complaint about potential failure to comply with environmental law and supported to complain to the OEP
- Other information about the OEP or our functions
- Other

Complaints in detail:

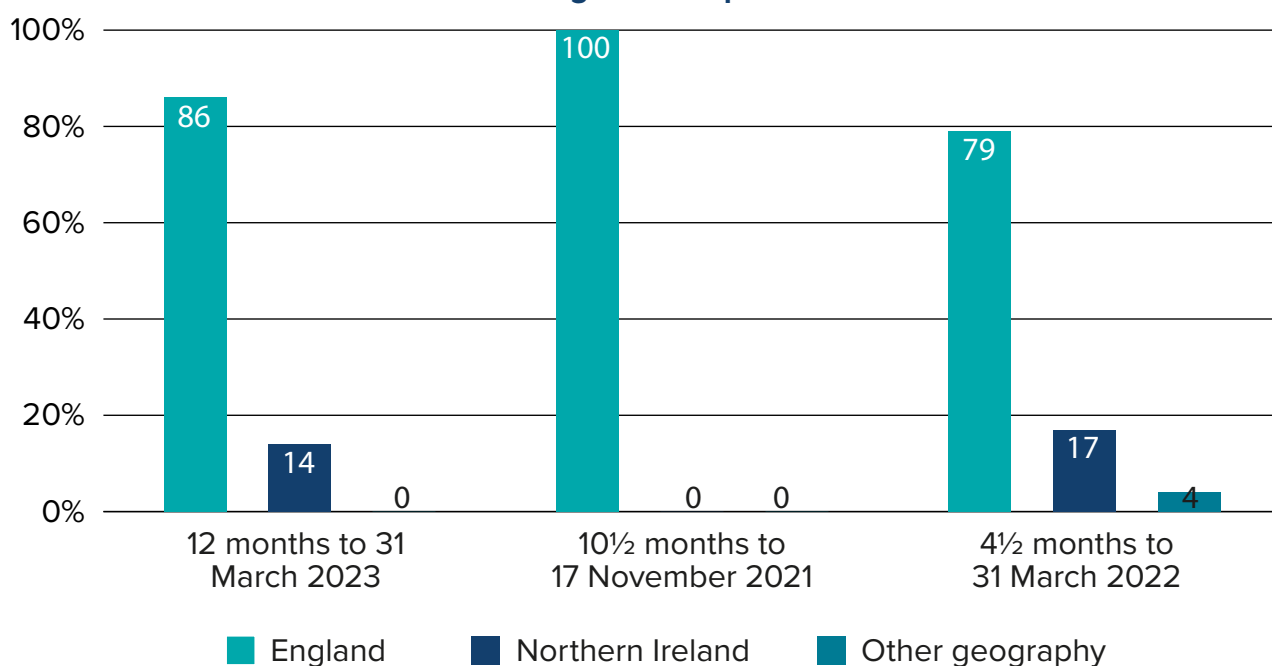
**Valid complaints\***



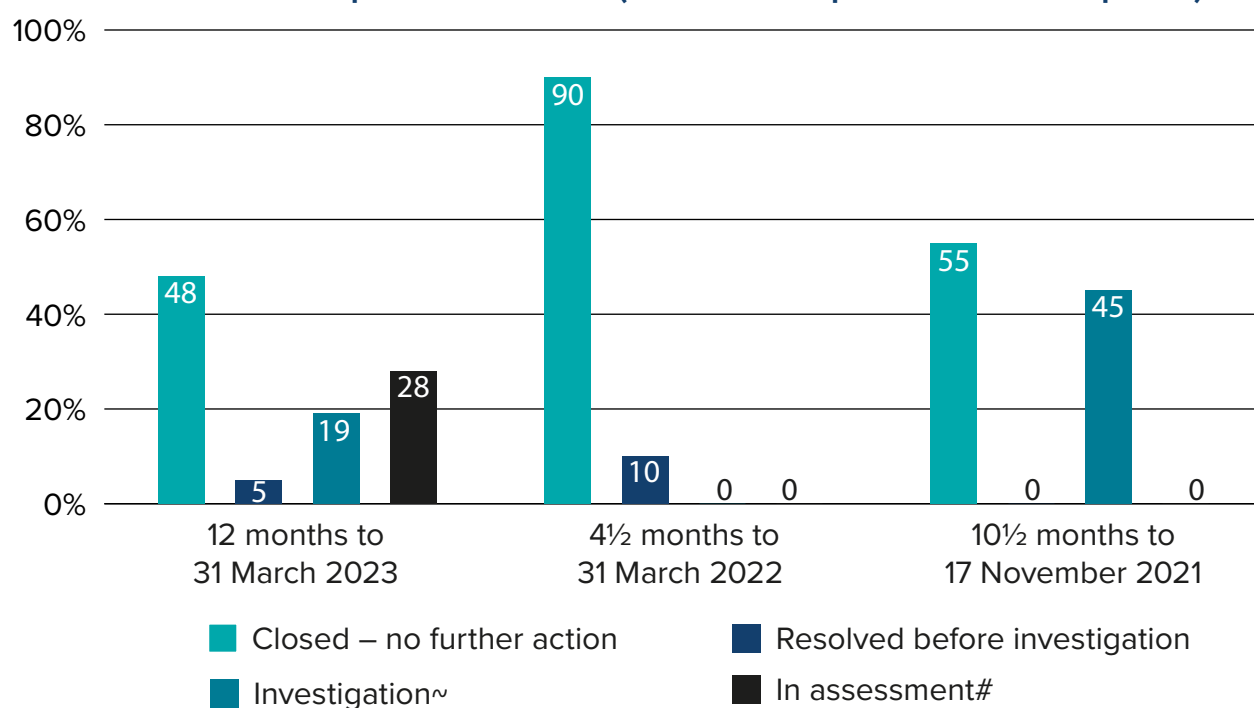
\* We judge a complaint valid where it meets each of the criteria set out in the Environment Act 2021. We explain more about these criteria on [our website](#).



### Origin of complaint



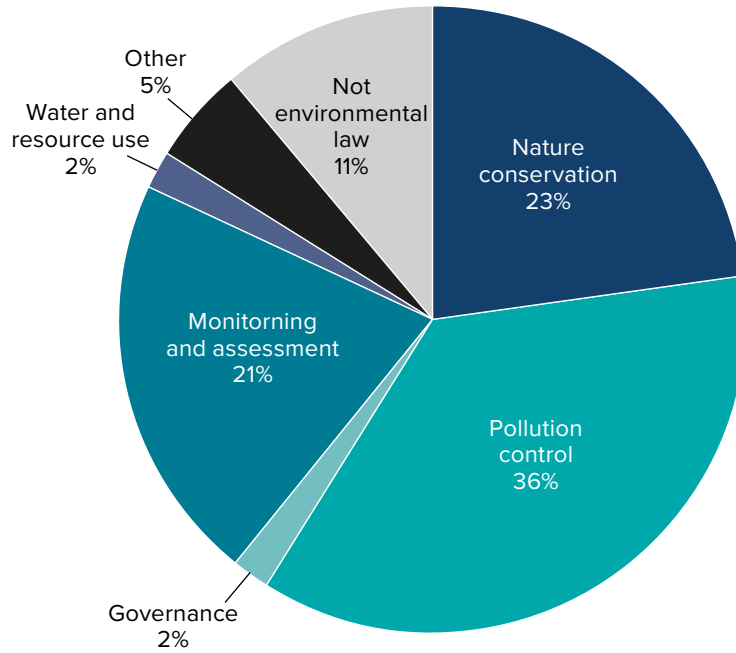
### Outcome of complaint assessment (% of total complaints received in period)



~ Our investigations can be informed by information provided by one or a number of complaints. We seek to identify serious issues where our work can make the most difference. Our investigation may relate to an aspect of the issue raised by complainant.

# At 31 March 2023

## Category of complaints received in the 12 months to 31 March 2023\*



\* Complaints can be placed in multiple categories.

Public authorities should comply with environmental law, so that it can protect and improve the environment as intended. We aim to hold public authorities to account for their compliance with environmental law, and challenge and remedy serious failings.

The complaints we receive from members of the public provide important intelligence on potential failures to comply with environmental law which may be serious. Through the year we have made improvements to the accessibility of our complaints process, so that it is easier for people to raise concerns with us. We have provided improved guidance for complainants and public authorities. Our online complaints portal now includes an eligibility checker, so people can identify whether we are the right organisation to address their concerns, and we have introduced an [explainer video](#) with further information about our role.

We improved the information we collate on our work with the public before they make use of our complaints service. We handled 405 contacts from members of the public about our work, or potential failures to comply with environmental law. Of these, we supported 184 to access a more appropriate route for their concern about environmental law, often a different public authority. 127 we provided information about our work and 14 we supported to access our complaints service.

After the UK's exit from the European Union until the legal establishment of the OEP, interim arrangements were put in place by Defra and DAERA so that complaints could continue to be made. In line with these interim arrangements complaints were received by the Interim OEP and the Interim Environmental Governance Secretariat (IEGS). Complaints that were received by these interim organisations were passed to the OEP on its establishment.

We assessed and responded to each of these complaints and in total responded to 48 complaints during the year. We received 43 new complaints during the year, 48% of which met the eligibility criteria set out in the Environment Act. We monitor themes in the complaints received, and from other intelligence of failure, and seek to identify common

potential failures to comply with environmental law which may be serious, to inform the work we do through all our functions.

Complaints are one source of information we can use to consider whether to investigate potential failures to comply with environmental law which are serious. We explain in [our enforcement policy](#) that we normally aim to resolve potential non-compliance we identify in agreement with public authorities. This means that we raise issues identified, and work with public authorities to understand where a failure may have occurred, whether that is serious and how it can be remedied. This may involve discussions and correspondence with the public authority, the agreement of an action plan, or other similar steps. We publish [examples of our casework on our website](#), for example, we agreed an action plan with the Environment Agency in respect of its duties to provide public registers of certain environmental information.

We are a strategic oversight body, with powers to consider serious issues of compliance with the law by public authorities. We [launched our first investigation](#) on the first day we were legally able, after adoption of our enforcement policy after consultation. This is considering the roles of the Environment Agency, Ofwat and Defra Secretary of State in the regulation of network combined sewer overflows in England. Our [first investigation in Northern Ireland](#), into the guidance given by DAERA to planning authorities on ammonia emissions was launched shortly after the end of year.

We use our other powers to hold public authorities to account for compliance. In March, we [reported to Parliament on the post implementation review of environmental law](#). We found that the UK government had not completed 49 of 56 legally required reviews by the time due, and made three recommendations including that reviews should be completed and publicly available before reform to those laws is proposed. [Government responded to our report](#), including setting out its plans to clear Defra's post implementation review backlog by the end of 2024.

Through our monitoring of the implementation of environmental law, we identified other instances where commitments under environmental law had not been met at the time required by law. Where prioritised, we highlighted our concerns to the relevant organisations, seeking assurances on the action plans in place to remedy. We have mechanisms in place to track the extent to which similar deadlines are met in future.

## Organisational excellence and influence

**We are effective and efficient, with the authority, relationships, expertise and voice to play our full part in national environmental governance.**

Highlights:

- Adoption of our strategy after consultation, and agreement to our first corporate plan
- Recruitment of 30 staff, and our first staff in Northern Ireland
- Established and securely operated our independent press office, and corporate and enabling functions
- Held four launch events for our work, and engaged with more stakeholders within our stakeholder engagement strategy agreed by our board

[Our strategy](#) sets out how we will approach our work, and how we aim to make the most difference we can. We consulted widely on the approaches we proposed, including through events attended by more than 140 participants, and a formal consultation which closed just before the start of this year. After analysing feedback, we adopted our strategy and enforcement policy in June and [published the feedback we'd had, and the outcome of a public engagement exercise we undertook](#) to help inform our work and priorities.

Our strategy recognises the importance of establishing our voice, so that people understand our work, listen to what we say, and act to protect and improve the environment. This year, we developed our communications and stakeholder engagement approaches, and began to expand our work on social media. In particular, we expanded our engagement in Northern Ireland, as our local capacity was established.

We commissioned independent research to gather evidence on how our early activity had been perceived by a range of relevant stakeholder groups, and assess their confidence in the early approach taken. This research suggested we had started well, our independent position and work was respected and our efforts for transparency welcomed. Lessons, including the extent of public awareness of our work, have informed our communications strategy since.

Establishing and implementing the organisation, and our independent operations has been a particular feature of our work in year, to lay foundations for our longer-term stability and success. We expect the proportion of our work on this activity to reduce in future years, as our establishment concludes.

We recruited to 30 posts in year; significantly growing the organisation. We had particular challenges in recruiting to our scientific and technical roles, and some specialist enabling roles – notably finance and procurement. This limited our ability to complete the plans we intended. We were unable to progress our evidence programme at the pace intended, and did not conclude all activities we planned to establish the organisation. We did not complete set up of our finance function, following recruitment challenges, and are therefore yet to operate as efficiently as we intend.

During the year, we prioritised activities in line with our strategy to issues that emerged, to make the most difference we are able. We chose to delay delivery of some of our policy framework – for example our sustainability and transparency policies – to release resources to support delivery of our other strategic objectives. These policies will now be implemented in 2023/24.

We developed our data, digital and technology strategy, and improved the tools available to our staff in our independent technology estate. We developed and implemented our independent procurement and human resource approach.

Our role and functions in Northern Ireland were confirmed just before the start of the year. We welcomed our Northern Ireland board member, and recruited our first Northern Ireland based staff. We work as one organisation, with staff based in England and Northern Ireland working across our organisation to deliver outcomes in either. We recruited 13 Northern Ireland staff supporting our work, including senior staff responsible for our science and analysis, and our strategy and engagement in Northern Ireland. Our board met in Northern Ireland for three days in June 2022, engaging with a wide range of stakeholders, and considering issues of environmental protection and improvement in Northern Ireland. In October, we occupied office space in Belfast for our staff to work, and meet with others.

In England, we did not occupy the office space our organisation needs as quickly as expected. This impacted materially on our expenditure in year. We had planned to move out of our temporary office mid-year, but identified an opportunity to save money in both construction and long-term occupation costs, in an office with improved sustainability. This delayed our office move. We did not sign the lease for our long-term office until March 2023 and have moved into our new office space in October 2023.

## **Sustainability Report**

It is our mission to protect and improve the environment by holding government and public authorities to account. Environmental improvement is at the core of what we do, including managing our own impact on the environment and climate.

The OEP was exempt from sustainability reporting, including its contribution to Government's Greening Commitments, in 2021/22. This year, we have begun to develop our sustainability strategy and action plan, which we will complete in 2023/24. This will set out how we will manage and measure our environmental impact, including in the contribution we make to these commitments.

2022/23 has been a year of establishment and growth, and has seen us begin to exercise each of our functions in England, and Northern Ireland. We do not consider it an effective baseline year from which to assess the OEP's environmental impact in future. In 2022/23, we operated largely remotely in England with access to a temporary office to accommodate a proportion of our staff based in England. In Northern Ireland, we recruited our first Northern Ireland based staff and signed a lease for touchdown space to be used by our Northern Ireland based staff mid-year. We also grew our headcount significantly.

Our activities and environmental impact during the year are unlikely to be representative of our future activity. For example, our travel to enable our staff to exercise our functions in each of England and Northern Ireland is likely to be higher in future, as a whole, and per FTE.

We present information on our environmental impact in this context. During the year 2023/24 we will publish our sustainability strategy, and develop and begin to implement our sustainability action plan. Our strategy will include our approach to baseline measurement of our environmental impact, which will allow us to report in more detail in future years.

We will also move into our long-term office accommodation in Worcester. We have designed sustainability considerations into our office move wherever possible, including to have the necessary information to report on our environmental impact in future years.

This report provides information available, at this stage of this maturity.

	Measurement	2022/23	2021/22
<b>Business travel</b>	Total miles (per FTE*)	64,393 (1,154)	Not available
	Tonnes CO <sub>2</sub> e (per FTE*)	8.8 tonnes (0.16)	Not available
	Expenditure (per FTE*)	£53,259 (£954)	Not available
	Of which air travel (all domestic) (per FTE*)	29,865 (535)	Not available
	Tonnes CO <sub>2</sub> e (per FTE*)	6.72 tonnes (0.12)	Not available
	Expenditure (per FTE*)	£14,080 (£252)	Not available
<b>Electricity, gas and other heating fuels</b>	Electricity consumption (per FTE)	Not available#	Not available#
	Gas consumption (per FTE)	Not available#	Not available#
	Tonnes CO <sub>2</sub> e (per FTE)	Not available#	Not available#
	Expenditure (per FTE)	Not available#	Not available#
<b>Waste</b>	Tonnes (per FTE)	Not available#	Not available#
	Waste to landfill (per FTE)	Not available#	Not available#
	Waste reused/recycled (per FTE)	Not available#	Not available#
	Waste incinerated (per FTE)	Not available#	Not available#
	Expenditure (per FTE)	Not available#	Not available#
<b>Water</b>	Consumption (m <sup>3</sup> ) (per FTE)	Not available#	Not available#
<b>Paper use</b>	A4 reams (500 sheets per ream) (per FTE)	26 (0.5)	

\* business travel includes the business travel of our board members. The calculation per FTE therefore includes the six non-executive members of our board.

# all our energy consumption, waste and water consumption arises from our office occupation. During 2022/23 we occupied a temporary office space within Defra's occupation of Worcestershire County Hall, the environmental impact of which is reported in Defra's annual report and accounts. We occupied a touchdown space for our staff in Northern Ireland from October 2022, within a multi-occupied private estate. Our occupation is 1% of the building and is not separately metered. Meaningful data for this occupation is therefore not available.

## IT policy

We align with the Greening Government sustainable information technology strategy. As a new organisation, with no legacy technology, we have taken a cloud first approach to designing our technology infrastructure. Our technology estate is provided by outsourced providers. All our suppliers were procured with sustainability in mind, and have publicly stated Net Zero plans. We make use of Microsoft Azure hosting and its virtual infrastructure to ensure we use resources efficiently. We use Office 365 and its cloud-based video and telephony services which supports our hybrid working workforce strategy and reduces the need for unnecessary travel for face-to-face meetings.

Our contractual arrangements require our suppliers to provide energy efficient devices and to manage the repair, reuse, recycling and disposal of devices based on a principle of maximum use through the lifecycle of device leasing.

## Consumer single-use plastic

We make no use of consumer single-use plastic. For example, we provide reusable glass and tableware for staff.

## Sustainable procurement

The OEP awards many of its major contracts through Crown Commercial Service frameworks, or through other central purchasing bodies where sustainability has been built into the contracts, and the social, economic, and environmental impact in the purchase of goods, services and works has been considered.

We recognise that purchasing has potential to support people, communities, and the environment. We intend to design and implement our long-term approach to sustainable procurement in 2023/24 within our wider sustainability strategy, and then embed this in our procurement policy, procedures, and staff training.

During the year, we decided on our long-term office in Worcester, and occupied space in Northern Ireland for our Northern Ireland based staff to work and meet others. In each case, tender award was partly based on sustainability credentials.

We have no independent catering provision on our sites.

## Sustainable construction

We undertook no construction work during the period but tendered for construction works at our long-term office in England, which is being undertaken in 2023/24.

Throughout the tender and award process, opportunities have been identified to make the construction as sustainable as possible. For example, we have recycled and reused existing carpets, and procured additional where necessary through a supplier with a carbon negative supply chain. Our specification includes improved energy efficiency in lighting, and furniture supplied by providers with a net zero pledge by 2030, and zero waste-to-landfill policy.

## Biodiversity

We have no landholdings, and no independent estate. All of our office occupation in 2022/23 was within multi-occupied estates, as a very small proportion of the total office occupation. We do not have a biodiversity action plan given this context.

A key focus of our work in the period was to advise, monitor and report on the laws which protect biodiversity and nature. This will remain for future years.

In 2023/24 we will consider and set out what we can do to conserve and enhance biodiversity within the context of our wider sustainability strategy.



**Natalie Prosser**

Chief Executive and Accounting Officer

8th December 2023



# Accountability report

# Accountability report

This accountability report contains three sections: a corporate governance report; a remuneration and staff report and a governance statement. Together they show how the OEP has been governed, controlled and managed to contribute to environmental protection, and the improvement of the natural environment.

## Corporate governance report

### The directors' report

#### Board and senior leadership

Our board has the legal authority to exercise the OEP's functions. The composition of our board is described within the governance statement of this report.

The board derives its authority from the Environment Act 2021. The board provides strategic leadership, takes certain decisions and decides who is authorised to take other decisions. It operates in accordance with a [governance framework](#), which is published on our website.

The board has delegated authority to the Chief Executive and certain other members of our staff for day to day leadership and management, and the exercise of specific actions in support of our functions. During the period, the board amended these delegations as we established and developed our approach to exercising our functions, and arrangements to provide assurances that we are exercising them effectively and consistently. Over the period, these amendments delegated further decisions to staff. [Our delegation policy is available on our website.](#)

#### Executive leadership

Natalie Prosser was appointed as Interim Chief Executive on 17 November 2021 by the Secretary of State for the Environment, Food and Rural Affairs, at the request of the Chair. This was for a fixed term for the period to 30 June 2022 pending appointment of a permanent Chief Executive. On 1 May 2022, Natalie Prosser was appointed as the OEP's first Chief Executive by the Chair, as provided for in the Environment Act.

The OEP's executive leadership team is formed by the Chief Executive and four executive directors. Each executive director and the Chief Executive was appointed on merit on the basis of fair and open competition, in line with the Civil Service Recruitment Code.

The executive leadership team in the period has been:

Position	Position holder	Date of Appointment
Chief Executive	Natalie Prosser	17 November 2021 to 30 April 2022 as Interim Chief Executive 1 May 2022
General Counsel	Peter Ashford	1 January 2022
Chief of Staff	Richard Greenhous	17 January 2022
Chief Insights Officer	Dr Simon Brockington Professor Robbie McDonald	24 January 2022 to 16 September 2022 20 September 2022 to 31 March 2025
Chief Regulatory Officer	Helen Venn	1 March 2022

Dr Simon Brockington left the post of Chief Insights Officer on 16 September 2022. Professor Robbie McDonald was appointed to this post on secondment from the University of Exeter on an interim basis on 20 September 2022, and subsequently appointed on long-term basis on 13 March 2023. This arrangement is on a 0.8 FTE basis and expires on 31 March 2025.

The notice period for permanently employed executive directors and senior officials is 3 months. The notice period of the Chief Insights Officer and most seconded staff is 1 month.

The composition of the management committees of the OEP is described in the governance statement of this report.

### Statement of Accounting Officer's responsibilities

The Environment Act 2021 requires the OEP to prepare a statement of accounts in the form specified by the Secretary of State.

The Secretary of State for Defra has directed the OEP to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction.

The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the OEP and of its income and expenditure, statement of financial position and cash flows for the financial year.

In preparing the accounts the Accounting Officer is required to comply with the requirements of the Government Financial Reporting Manual (FrEM) and in particular to:

- observe the Accounts Direction issued by Defra, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis
- make judgements and estimates on a reasonable basis
- state whether applicable accounting standards as set out in FrEM have been followed, and disclose and explain any material departures in the accounts
- prepare the accounts on the going concern basis

- confirm that the Annual Report and Accounts as a whole is fair, balanced and understandable and take personal responsibility for the Annual Report and Accounts and the judgements required for determining that it is fair, balanced and understandable

The Principal Accounting Officer for Defra designated the Interim Chief Executive and then the Chief Executive as Accounting Officer of the OEP. The responsibilities of an Accounting Officer are set out in *Managing Public Money* published by HM Treasury. These include responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding the OEP's assets.

## Preparation and audit of the accounts

The accounts have been prepared under a direction issued by Defra and are audited by the Comptroller and Auditor General.

As the Accounting Officer, I have taken all steps that I ought to have taken to make myself aware of any relevant audit information and to establish that OEP's auditors are aware of that information. So far as I am aware, there is no relevant audit information of which the auditors are unaware.

## Governance statement

The Accounting Officer is responsible for maintaining a system of internal control that supports the achievement of the OEP's policies, aims and objectives, while safeguarding public funds and departmental assets. This is in accordance with the responsibilities assigned in the HM Treasury publication [Managing Public Money](#).

This governance statement describes how these duties have been carried out by the Accounting Officer and the supporting structure in place in the period.

During 2022/23 our governance arrangements and broader controls continued to develop as we established our operations and matured the controls and assurance framework which supports our work. The Accounting Officer ensured that proportionate controls were in place, and that these were applied in a system of effective governance. Please see Financial governance and control section below.

The framework document which sets out the governance, accountability and funding arrangements between the OEP, Defra and DAERA was in negotiation in the period, and remains in negotiation at the date of publication. In the absence of a framework document, the OEP followed relevant guidance and standards including *Managing Public Money* and Cabinet Office Spend Controls. We also developed plans to and then followed the intended requirements of the framework document where these were agreed in principle, ahead of the formal agreement to the framework document by all parties. Many of the likely expectations of the framework document were in place throughout the period, or put in place during the year.

Our internal governance framework has been designed to comply with HM Treasury's Code of Good Practice for Corporate Governance, as is appropriate for an independent non-departmental public body, and consistent with the provisions for our governance in the Environment Act 2021. Our operations are designed to comply with the mandatory requirements of the relevant government functional standards.

Our arrangements differ in limited circumstances. The board has decided not to constitute a nominations committee, and instead consider such matters itself. The Head of Finance and Corporate Services was the senior officer responsible for finance throughout the period, and held the role of Finance Director envisaged by Managing Public Money. They had a right of attendance at all meetings of the board, and to give advice to the Accounting Officer or the board at their discretion at any time. The board decided on these arrangements to reflect the size and nature of the OEP and the complexity of our operations.

During the year, the arrangements for our governance were reviewed by Defra under the Cabinet Office’s Arm’s-length Body Review programme. It found the OEP to be in good health, with plans in place to meet the minimum requirements of an Arm’s-length Body. [The 12 recommendations of this review are published](#). Our approach to governance, strategy and performance management has also been audited by our internal auditors in the period.

## The board

The board is the legal authority of the OEP. The Environment Act 2021 sets out how its members are to be appointed.

The Chair and two to five non-executive board members are appointed by the Secretary of State for Environment, Food and Rural Affairs in England. One non-executive member is appointed by the Department of Agriculture, Environment and Rural Affairs in Northern Ireland.

Natalie Prosser, the first permanent Chief Executive was appointed by the Chair on 1 May 2022. Future Chief Executives are to be appointed by the board.

The board must also appoint one to three employees as executive members. The board has decided to appoint one executive member, and for that to be an executive director of the OEP. This appointment will be made for a six-month period in rotation between the executive directors, with the exception of the General Counsel. During his secondment to the role of Chief Insights Officer, Professor Robbie McDonald is not eligible to be appointed as an executive member of the board. The executive member of the board is therefore either the Chief of Staff or the Chief Regulatory Officer in rotation.

In the period, the board was formed by:

Appointee	Role	Term
Dame Glenys Stacey	Chair	1 February 2021* to 31 January 2026
Natalie Prosser	Chief Executive	17 November 2021 to 30 April 2022~ From 1 May 2022#
Malcolm Beatty OBE	Non-executive member appointed by DAERA	1 April 2022 to 31 March 2027
Richard Greenhous	Executive member appointed by the OEP	1 February 2022 to 31 July 2022 1 February 2023 to 31 July 2023

Appointee	Role	Term
Julie Hill MBE	Non-executive member appointed by Defra	1 July 2021* to 30 June 2024
Professor Dan Laffoley	Non-executive member appointed by Defra	1 July 2021* to 30 June 2025
Dr Paul Leinster CBE	Non-executive member appointed by Defra	1 July 2021* to 30 June 2025
Professor Richard Macrory CBE	Non-executive member appointed by Defra	1 July 2021* to 30 June 2024
Helen Venn	Executive member appointed by the OEP	1 August 2022 to 31 January 2023

\* These appointments were made on a designate basis before the OEP was legally created, and became appointments to the board of the OEP on 17 November 2021, when the OEP was legally created.

~ Natalie Prosser was a member of the board in the role of Interim Chief Executive until her appointment as Chief Executive on 1 May 2022

# This appointment has no determined end-date. The OEP Chief Executive is an ex-officio member of the board.

The board held seven ordinary and eight extraordinary meetings and one workshop in the period from 1 April 2022 to 31 March 2023. Minutes and papers of board meetings are published on [our website](#), ordinarily within two months of being approved by the board.

The regular business of the board included: agreeing minutes from previous meetings and the matters arising; considering a report of the Chief Executive setting out progress in delivering our strategic objectives; considering reports about finance and risk and other matters escalated by the Chief Executive.

In addition, the board regularly considered decisions reserved to it in law, or under our delegation policy. This includes approval of our annual report to Parliament on progress in improving the natural environment in England; advice to Ministers, or departments of the Northern Ireland Executive; considering strategically significant decisions to begin any investigation into a potential failure to comply with environmental law by a public authority, and receiving reports on the progress of such investigations; considering the objectives and scope of reports initiated into the implementation of environmental law, and; approving our strategy and enforcement policy, annual report and accounts, corporate plan and budget, and significant policies, contracts and other corporate matters.

Data and information were provided to the board within the formal reports it received. This included information on complaints received, risks, progress in delivering our corporate plan and certain other performance information. All information provided to the board was scrutinised and assured by the executive leadership in advance. The board judged the information it received proportionate and of appropriate quality.

## Committees of the board

In the period there was one committee of the board, the audit and risk assurance committee (ARAC)

The ARAC is a permanent sub-committee of the board to support it and the Chief Executive as Accounting Officer in their responsibilities for risk, control and governance. It also oversees internal and external audit arrangements covering both financial and non-financial systems.

The ARAC met five times in the period. It is chaired by Dr Paul Leinster CBE and Professor Dan Laffoley is a second non-executive board member. An independent member is also appointed to the ARAC to bring expertise relevant to the ARAC's remit. The Head of Internal Audit and external auditor also routinely attended and reported to the ARAC.

Appointee	Role	Term
Kieran Rix	Independent member appointed by the OEP	1 January 2022 to 31 December 2024

The regular business of the ARAC included: agreeing minutes from previous meetings; considering an action tracker; considering the risk report; considering deep dives into areas of strategic risk in accordance with a programme decided by the ARAC; considering reports from our internal and external auditors; considering reports on health and safety, mandatory training completion, fraud, security and whistleblowing.

In addition, the ARAC considered other business. This included recommending the annual report and accounts to the board for approval; considering the audit planning report; considering the internal audit opinion; considering significant policies relevant to its work, including financial policies and procedures and the business continuity policy.

## Board effectiveness

The board appointed an independent consultant to review its effectiveness in accordance with Cabinet Office and other relevant guidance and good practice. The board decided to conduct an independent review after its first year of operation to provide early independent assurance of its own effectiveness.

The review reported that the board is working well and showing the attributes of an effective board. The board endorsed the findings of the review and agreed a plan to improve its effectiveness, in response to its recommendations. Areas of focus include ensuring sufficient time for the board to focus on its most strategic discussions, and to develop a medium-term plan to consider strategic questions as to how the OEP can best secure the impact we intend.

## Board and committee attendance, and significant interests

The board has adopted a [governance framework](#) to govern its business. This includes a code of conduct for the board consistent with the [seven principles of public life](#) and the [code of conduct for board members of public bodies](#).

Members' attendance at the board and committees on which they served is shown below:

Appointee	Board Meetings	Board Workshop	ARAC
Dame Glenys Stacey	15 of 15 (100%)*	1 of 1 (100%)*	n/a
Natalie Prosser	15 of 15 (100%)	1 of 1 (100%)	n/a
Richard Greenhous	6 of 6 (100%)	1 of 1 (100%)	n/a
Julie Hill MBE	15 of 15 (100%)	1 of 1 (100%)	n/a
Prof. Dan Laffoley	15 of 15 (100%)	1 of 1 (100%)	5 of 5 (100%)
Dr. Paul Leinster CBE	14 of 15 (93%)	1 of 1 (100%)	5 of 5 (100%)*
Prof. Richard Macrory CBE	15 of 15 (100%)	1 of 1 (100%)	n/a
Kieran Rix	n/a	n/a	4 of 5 (80%)
Helen Venn	9 of 9 (100%)	1 of 1 (100%)	n/a

\* denotes the chair.

Executive Directors not appointed to the Board, the Head of Finance and Corporate Services, Head of Communications and Strategic Engagement and the Head of Business Strategy and Planning routinely attend meetings of the Board, workshops and relevant committee meetings. Other staff members attend to support the consideration of business before the board.

Every 12 months, board members and executive directors are required to complete a declaration of interests in which they must disclose any financial and non-financial interests of their own, their partner or any immediate family members. In addition, any new interests are required to be declared as they arise. Where a member's interest may represent a conflict, arrangements are put in place by the Chair to manage the risk.

As a further safeguard, at the start of each board meeting, members are asked to declare if they have any interests which they believe conflict with any item on the meeting agenda. This is recorded in the minutes.

The directorships and other significant interests of members of the board and its committees are shown below. During the year, Julie Hill MBE and Dr Paul Leinster CBE were recused from discussions and decisions relating to certain items of the Board's business in light of their previous roles as a board member and Chief Executive of the Environment Agency respectively.



Name	Type of interest	Organisation	Start date	End date
Dame Glenys Stacey	Paid advisor	Ministry of Justice	n/a	n/a
	Trustee	Tetbury Hospital Trust	July 2023	n/a
Natalie Prosser	Lay advisor (voluntary)	Warwickshire multi-agency public protection arrangements (MAPPA)	n/a	n/a
Richard Greenhous	None to declare	n/a	n/a	n/a
Julie Hill MBE	Chair and board member	Waste and Resources Action Programme (WRAP)	n/a	November 2022
	Board member	Accelerating Growth Fund (subsidiary of WRAP)	n/a	November 2022
	Independent Board member	Consumer Council for Water	n/a	February 2021
	Vice-chair, advisory committee on social science	Food Standards Agency	n/a	October 2022
	Chair, advisory committee on social science	Food Standards Agency	October 2022	n/a
	Chair	Institution of Environmental Sciences	n/a	n/a
	Associate	Green Alliance	n/a	n/a
	Fellow	Royal Society of Arts	n/a	n/a
	Advisory Board member	Etsaw Ventures	2023	n/a
	Chair	Expert Advisory Group to the Enhanced Rock Weathering Greenhouse Gas Removal Demonstrator	n/a	n/a

Name	Type of interest	Organisation	Start date	End date
Prof. Dan Laffoley	Director	Ocean Innovations Ltd	n/a	n/a
	Director	Sargasso Sea Commission	n/a	n/a
	Chair	Mission Blue Hope Spot Council	n/a	n/a
	Emeritus Marine Vice Chair/Chair's Advisory Group	IUCN World Commission on Protected Areas	2022	n/a
	Fellow	Marine Biology Association	n/a	n/a
	Fellow	Royal Geographical Society	n/a	n/a
	Fellow	Linnean Society	n/a	n/a
	Fellow	Royal Society of Biology	n/a	n/a
	Overseas Fellow	The Explorers' Club	n/a	n/a
Dr Paul Leinster CBE	Chair	bpha Housing Association	n/a	n/a
	Non-executive director	Flood Re Ltd		March 2023
	Non-executive director	Delphic HSE Ltd		n/a
	Chair	Water Resources East Ltd		n/a
	Chair	Bedfordshire Local Nature Partnership	n/a	n/a
	Chair	Upper Bedford Ouse Catchment Partnership	June 2023	n/a
	Chair	Oxford Cambridge Arc Environment and Infrastructure Working Groups	n/a	March 2022
	Chair	Oxford Cambridge Pan Regional Partnership Water Leadership Group	May 2022	n/a
	Member	Oxford Cambridge Pan Regional Partnership Environment Working Group	May 2022	n/a
	Member (to December 2021)	Natural Capital Committee	n/a	December 2021
	Fellow	Royal Society of Chemistry	n/a	n/a
	Fellow	Institute of Environmental Management & Assessment	n/a	n/a
	Trustee	Bromham Baptist Church	n/a	n/a
	Visiting Professor	Cranfield University	n/a	n/a

Name	Type of interest	Organisation	Start date	End date
Prof. Richard Macrory CBE	Master of the Bench	Grays Inn	n/a	n/a
	Honorary Patron	UK Environmental Law Association	n/a	n/a
	Honorary Fellow	Chartered Institute of Waste Management	n/a	n/a
Malcolm Beatty OBE	Director	Field Studies Council	n/a	n/a
	Director	Centre Ministries	n/a	n/a
	Governor	St Colman's High School & Sixth Form College	n/a	n/a
	Fellow	Chartered Institute of Public Finance and Accountancy	n/a	n/a
	Fellow	Institute of Chartered Foresters	n/a	n/a
	Fellow	Royal Society of Biology	n/a	n/a
Helen Venn	None to declare	n/a	n/a	n/a
Kieran Rix	Director of Finance and Corporate Services	Electoral Commission	n/a	April 2023
	Fellow	Chartered Institute of Public Finance & Accountancy	n/a	n/a

The directorships and other significant interests of executive directors who are not members of the board are as follows:

Name	Type of interest	Organization	Start Date	End Date
Peter Ashford	None to declare		n/a	n/a
Dr. Simon Brockington	Director	North York Moors Railway Trust	n/a	n/a
Professor Robbie McDonald	Professor/Chair in Natural Environment	University of Exeter	n/a	n/a
	Fellow	Royal Society of Biology	December 2022	n/a
	Trustee and vice-chair	Vincent Wildlife Trust	December 2017	n/a

## Executive governance

The Chief Executive established an executive committee to advise her in the discharge of her delegated authority from the board, to provide a forum for assurance, scrutiny and challenge of recommendations and information provided to the board and to provide leadership for the business of the OEP.

The executive committee is constituted by the Chief Executive, the executive directors, the Head of Business Strategy and Planning, the Head of Finance and Corporate Services and the Head of Communications and Strategic Relations. The Northern Ireland Lead attends the executive committee for all business connected with our functions in relation to Northern Ireland. The Data Protection Officer has the right to attend the executive committee.

The business of the executive committee included the assurance of information provided to the board and the analysis supporting recommendations for the decisions of the board. It also regularly considered finance, organisational performance and risk.

## Risk management

Our risk framework defines the approach to identify, manage and report on risk decided by the board, and scrutinised by the ARAC. It is based on HM Treasury's [Orange Book: Management of Risk – Principles and Concepts](#). Our internal auditors reported substantial assurance in their audit of our risk management arrangements during the year.

All OEP staff have responsibility for identifying and escalating risks. All decisions of the OEP's executive committee, board and any board committee are supported by an analysis of risk.

Risks to the OEP's objectives and strategic goals are escalated to the strategic risk register, which is reviewed by the executive committee regularly, scrutinised by the ARAC in each of its meetings and considered by the board quarterly. Management of operational or delivery risks is delegated to executive directors, and recorded in operational risk registers.

In accordance with the draft framework document, we report relevant risks to Defra and DAERA on a quarterly basis which could have impact beyond the OEP, and which require a wider approach to mitigate and control. These can be escalated within Defra to the appropriate governance forums in which they can be managed.

In its scrutiny of the risk framework, the ARAC has played an active role in developing the way it is implemented. This has included the way risk is recorded, the way risk tolerance has been defined and implemented, improvements to the definition of strategic risks, and assurance on the management of operational risks. This has led to a reduction in the risks managed in the strategic register, to ensure appropriate focus by the executive and board on those risks the board considers most strategic.

The risk environment in which the OEP operates has evolved in the year, as we complete our establishment phase and increasingly exercise our functions. Strategic risks that have been reported in the reporting period include:

**Confidence in the OEP is not maintained.** This is critical to our credibility and ability to influence for our objectives. We control this risk through the underpinning objective, evidence-led and impartial quality of our work, and our stakeholder engagement and communications strategy. During the year, we also escalated confidence risks relating to

particular events, or activities. This included risks arising from the UK government's failure to set statutory targets at the time required by the Environment Act, and risks relating to confidence in our report scrutinising environmental progress in England.

**The independence of the OEP is, or is seen to be, fettered.** The independence of our judgements and actions is central to the confidence the public and stakeholders have in us, and the effectiveness of our activities and recommendations. The framework document we are negotiating with Defra and DAERA is a key mitigation.

**The OEP's outputs are not effective.** Some of our functions have impact through the effect they have on others. We mitigate this risk through stakeholder engagement, and the objective, evidence-led and impartial basis to our work. We plan to develop the approach we take to measure our impact, over time.

**Insufficient resourcing to deliver our strategy and exercise our functions.** We were sufficiently funded to fulfil our functions in the period. In the medium term, we aim to mitigate this risk through Defra and DAERA's review of our long-term resourcing needs as well as our own efficiency. We were provided with some additional resources from Defra for the year 2023/24, and anticipate seeking additional resources for the year 2024/25.

**Insufficient capacity and capability to deliver.** This has been a notable risk in delivery of our Northern Ireland functions in the period, as we have developed our Northern Ireland operating model and recruited our first Northern Ireland staff. Risks relating to capacity were escalated to the strategic register in relation to our procurement function and our Insights directorate following challenges in planned recruitment. Key mitigations in the period include recruitment, and developing our ability to commission external expertise.

**A material underspend to our available resources in year.** This risk increased in likelihood during the year as we took decisions which reduced the cost of our long-term office accommodation in Worcester, but delayed expenditure in year. Challenges in recruiting to our Insights team, and delayed expenditure under our evidence programme was also a key driver. We mitigate through active monitoring and prioritisation in year, and through early disclosure of underspend to Defra and DAERA so that funds can be reallocated to other priorities by Defra and DAERA as needed.

**Lack of timely or effective cooperation fetters our ability to discharge our statutory duties.** Much of our work requires cooperation from public authorities, including through the provision of information. All public authorities have a duty to cooperate with us, set out in the Environment Act. During the year, the likelihood and impact of this risk increased as we increasingly exercised our functions. In mitigation, we began work with Defra to develop further processes and principles to improve effective and efficient cooperation between us.

**The wellbeing of the OEP's staff is impacted.** We actively monitor this including through our first people survey and address concerns as required. Mitigation is also linked to completion of our resourcing plans.

**A regulatory decision of the OEP is subject to successful legal challenge.** We manage this risk through well-defined and structured evidence gathering, judgement and governance and through appropriate internal or external legal advice.

**Operational failure as we exercise functions, and undertake tasks for the first time.** This strategic risk is the cumulation of individual operational risks managed under our operational risk registers. We mitigate this through completion of our policy, procedure,

governance and control framework, and from embedding a continuous learning approach to delivery, such as through lessons learned approaches.

**Cyber security or business continuity event.** We have controls in place through the contractual arrangements for our information management technology and estate. We developed our business continuity management approach further in year.

## Financial governance and control

During the period, the governance and controls for financial propriety and regularity were subject to transition, as our finance function was established, and the financial policies and procedures developed accordingly.

From February 2022, the OEP implemented its own suite of financial governance and control, including ensuring appropriate segregation of duties within a small finance team. The board approved an updated Financial Scheme of Delegation and associated Finance Handbook in March 2022. The policies continued to be developed during this period and were scrutinised by the ARAC and further varied in May 2022 and during the year. Key financial controls relating to payroll and accounts payable were subject to internal audit in 2022/23, with the internal auditors reporting moderate assurance in each case.

During the year, there were delays in the production of regular monthly management accounts and in carrying out the intended system-led control of bank reconciliations due to challenges in recruiting to the finance team and subsequent delays to the accounting function set up. Most notably, the system generated bank reconciliations were not completed on a timely basis, but instead were batched together. Separate checks were carried out to mitigate against the risks of fraudulent transactions occurring through the bank. At year end, all bank reconciliations were completed. We agreed an action plan in respect of these issues with our external auditors, overseen and scrutinised by the ARAC and Accounting Officer after period end.

## Internal Audit

The Government Internal Audit Agency (the GIAA) was appointed to provide the OEP's internal audit service in March 2022. At that time, the ARAC and Accounting Officer agreed an internal audit plan, informed by our risk profile, for delivery in 2022/23 and an indicative plan for subsequent years.

All seven audits planned for the 2022/23 year were delivered. There were no variations to the plan in year. The GIAA uses four classifications to summarise its opinion of its assurance on the matters subject to audit: substantial, moderate, limited or unsatisfactory.

Individual audits completed in year and the GIAA's opinion for each are set out below.

Audit title	Opinion
Governance, strategy and performance management	Moderate
Payroll	Moderate
Cyber security	Moderate
Accounts payable	Moderate
Risk management	Substantial
Complaints management	Substantial
Procurement	Moderate

We agreed a response to each of the 20 recommendations made during the course of the GIAA's work during the year. Progress in implementing these was reported to the ARAC. At the end of the year, actions agreed in five instances are completed, nine were not yet due for completion and six were overdue at 31 March 2023. Extensions to the timeline for these actions were discussed by the ARAC.

The Head of Internal Audit annual opinion and report to the ARAC for 2022/23 assessed their assurance of our framework of governance, risk management and control as moderate in its overall adequacy and effectiveness. This means that some improvements are required to enhance the adequacy and effectiveness of the framework.

## Whistleblowing

We are committed to high standards of integrity, honesty, objectivity and impartiality in all that we do, including through our arrangements for whistleblowing from our staff. There were no whistleblowing reports in the period.

The OEP became prescribed person in law in Northern Ireland in November 2022 and in England in December 2022. As a prescribed person, the OEP can receive whistleblowing reports from employees of public authorities in England or Northern Ireland who wish to raise concerns about wrongdoing, risk, or malpractice, relating to environmental law at their workplace. There have been no disclosures to the OEP to date.

## Information management and data security

We have established policy and procedures to ensure information assets are handled appropriately. All OEP staff were asked to complete information data handling courses within induction processes, and annually. Compliance with such mandatory training is reported to the ARAC.

There were no data security lapses that were deemed to be significant or critical during the period. There were no personal data incidents to report to the Information Commissioners' Office.

There have been three non-reportable incidents during this period. The ARAC received reports in the year to provide assurance on the management of these and process and actions taken against themes identified. All incidents were resolved and appropriate controls were put in place where necessary.

## **Business continuity plans**

The OEP was established to operate fully remotely during the Covid-19 pandemic and response. Our core information management and technology systems are outsourced and cloud based, with contractual commitments to restore in appropriate timescales in case of need.

We developed our business continuity policy during the year. This was scrutinised by the ARAC in April 2023, just after year-end and agreed by the Accounting Officer at that time. Full implementation of the policy and associated action plan is now being completed.

## **Business-critical analytical models**

The OEP had no business-critical analytical models in the reporting period. We set out our assessment methods in [Annex 2 of our report on progress in improving the natural environment in England](#).

## **Fraud**

During the year, we established and implemented our counter fraud policy and fraud response plan. As part of the implementation approach, the GIAA provided training made available to all OEP staff on fraud awareness. This supplemented mandatory training on fraud, bribery and corruption completed by all staff.

A report on fraud was provided to the ARAC in each of its meetings in year. There was no instance of fraud reported during the period.

The OEP did not administer any COVID-19 government support schemes or any grant or other schemes of distribution and there is therefore no related fraud or error to report.



## Remuneration and staff report

The OEP has its own independent employment contracts, recruitment and remuneration policies, which are separate from Defra and DAERA. We are a non-departmental public body accredited with the Civil Service Commission which means that while OEP staff are not civil servants, the OEP adheres to Civil Service Recruitment Principles.

The OEP applies Senior Civil Service (SCS) terms for the remuneration of Executive Directors. Remuneration policy for grades below Executive Director is decided by the OEP. The board has decided to abide by the public sector pay controls and public sector pay terms and guidance.

### Service contracts

The Constitutional Reform and Governance Act 2010 requires Civil Service appointments to be made on merit, on the basis of fair and open competition. The recruitment principles published by the Civil Service Commission specify the circumstances when appointments may be made or not. While OEP staff are not civil servants but public servants we have chosen to adopt a recruitment approach which is consistent with these principles.

Unless otherwise stated below, the officials covered by this report hold appointments which are open ended. Early termination, other than for misconduct, would result in the individual receiving compensation as set out in the Civil Service Compensation Scheme.

Further information about the work of the Civil Service Commission can be found on the [Civil Service Commission website](#).

### Remuneration policy

The remuneration of the Senior Civil Service (SCS) (and therefore the OEP's Executive Directors, as opted into this policy) is set by the Prime Minister following independent advice from the Senior Salaries Review Body (SSRB). The Cabinet Office advises departments in March or April each year of the government's response to the SSRB recommendations and produces guidance for departments and network bodies to follow.

The OEP develops the Executive Directors Reward Strategy within the Cabinet Office Framework, ensuring that the overall pay awards for the Executive Directors are within the cost ceiling allowed.

Executive Directors are eligible to be considered for individual levels of bonus as non-pensionable, non-consolidated variable pay (NCVP), based on their performance. NCVP is paid in the financial year after that in which it was earned. NCVP values, informed by each individual's appraisal grade, are paid within Cabinet Office guidelines.

## Remuneration – salary, benefits-in-kind and pensions (audited)

The following sections provide details of the remuneration and pension interests of the OEP’s Directors and Chief Executive. Single total figure of remuneration

Officials	Salary (£'000)	Salary (£'000)	Bonus payments (£'000)	Bonus payments (£'000)	Pension benefits (to nearest £1,000)	Pension benefits (to nearest £1,000)	Benefits-in-kind (to nearest £100)	Benefits-in-kind (to nearest £100)	Total (£'000)	Total (£'000)
	2022/23	2021/22	2022/23	2021/22	2022/23	2021/22	2022/23	2021/22	2022/23	2021/22
Natalie Prosser Chief Executive	110–115	40–45	–	–	14,000	24,000	–	–	125–130	60–65
Peter Ashford General Counsel	85–90	20–25	–	–	31,000	8,000	–	–	115–120	30–35
Dr. Simon Brockington Chief Insights Officer	40–45	15–20	–	–	16,000	6,000	–	–	55–60	20–25
Richard Greenhous Chief of Staff	85–90	15–20	–	–	39,000	15,000	–	–	125–130	30–35
Helen Venn Chief Regulatory Officer	90–95	5–10	–	–	37,000	3,000	–	–	130–135	10–15

- The value of pension benefits accrued during the year is calculated as (the real increase in pension multiplied by 20) plus (the real increase in any lump sum) less (the contributions made by the individual). The real increases exclude increases due to inflation or any increase or decreases due to a transfer of pension rights.
- 2021/22 full year equivalent annual salary bandings for the following: Richard Greenhous £85,000 to £90,000, Helen Venn £90,000 to £95,000 and Peter Ashford £85,000 to £90,000.
- Natalie Prosser joined the OEP on 17 November 2021 as interim Chief Executive and as Chief Executive on 1 May 2022. She was employed by the OEP on short term appointment from 1 January 2022 until her permanent appointment on 1 May 2022. The full year equivalent annual salary banding for 2021/22 is £110,000 to £115,000.
- Dr. Simon Brockington was in post from the beginning of the year until 16 September 2022. Figures quoted are for the period 1 April 2022 to 16 September 2022. The full year equivalent annual salary banding is £85,000 to £90,000 (2021/22: £85,000 to £90,000).

### Third party payments 2022/23 (audited)

Officials	Total costs (£'000)	Total costs (£'000)
	2022/23	2021/22
Prof. Robbie McDonald Chief Insights Officer	70–75 (full year equivalent 130-135)	N/A - not in post

Prof. Robbie McDonald was on secondment from the University of Exeter from 20 September 2022 to 31 March 2023 on an 0.8 FTE basis. The costs shown in this table are based on accrued costs made by the OEP and include total costs including Basic Salary, Pension, National Insurance and Tax that will be charged to the OEP by the University of Exeter.

### Salary

'Salary' includes gross salary; overtime; reserved rights to London weighting or London allowances; recruitment and retention allowances, and any other allowance to the extent that it is subject to UK taxation. This report is based on accrued payments made by the OEP and thus recorded in these accounts. None of our permanent employees are paid a London allowance.

### Benefits-in-kind

The monetary value of benefits-in-kind covers any benefits provided by the employer and treated by HM Revenue and Customs as a taxable emolument.

### Bonuses – (audited)

During the year no bonuses were paid to Executive Directors.

## Fair Pay Disclosures (audited)

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the lower quartile, median and upper quartile remuneration of the organisation's workforce.

	2022/23	2021/22
Band of highest paid employee total remuneration excluding pension benefits	110–115	110–115
50th percentile (median) total pay and benefits (£)	49,499	48,275
Ratio	2.3	2.3
25th percentile (lower) total pay and benefits (£)	37,367	35,895
Ratio	3.0	3.1
75th percentile (higher) total pay and benefits (£)	59,341	58,739
Ratio	1.9	1.9

The banded remuneration of the highest-paid director in OEP in the financial period 2022/23 was £110,000 to £115,000 (2021/22: £110,000 to £115,000). The salary increase in 2022/23 is 2%. The highest-paid director remuneration was 2.3 (2021/22: 2.3) times the median remuneration of the workforce, which was £49,499 (2021/22: £48,275).

The average percentage change from 2021/22 in the salary and allowances of OEP employees as a whole was an increase of 3.4%.

The median pay ratio for 2022/23 is consistent with the pay ratio for 2021/22 and in line with the pay, reward and progression policies for the OEP's employees taken as a whole.

In 2022/23, no employees received remuneration in excess of the highest-paid director (2021/22: nil employees). Employee remuneration ranged from £25,000 to £30,000 to £110,000 to £115,000 (2021/22: £20,000 to £25,000 to £110,000 to £115,000).

The salary component of total pay and benefits was equal to that of total pay and benefits for each of the 25th, 50th and 75th percentiles.

Total remuneration includes salary, non-consolidated performance-related pay and benefits-in-kind. It does not include severance payments, employer pension contributions and the cash equivalent transfer value of pensions.

## Compensation for loss of office (audited)

There have been no ex-gratia payments or amounts paid during the year in respect of compensation for former senior managers or to third parties for services of a senior manager (2021/22: £nil).

## Civil service pensions

Pension benefits are provided through the Civil Service pension arrangements. The Civil Servants and Others Pension Scheme or alpha, provides benefits on a career average basis with a normal pension age equal to the member's State Pension Age (or 65 if higher). Further details about the Civil Service pension features and benefits can be found in the resource accounts of the Cabinet Office: Civil Superannuation, [www.civilservicepensionscheme.org.uk](http://www.civilservicepensionscheme.org.uk).

These statutory arrangements are unfunded with the cost of benefits met by monies voted by Parliament each year and increased annually in line with pensions increase legislation.

Other arrangements include money purchase pensions known as a 'partnership' are available as an alternative. The employer makes an age-related basic contribution of 14.75% into a stakeholder pension product chosen by the employee from a panel of providers. The employee does not have to contribute.

Another 'partnership' is available as an alternative. The employer makes an age-related basic contribution of 3% into a stakeholder pension product chosen by the employer from a panel of providers. The employee does not have to contribute.

The pension figures quoted for officials in this report show combined pension earned in all schemes as appropriate.

## Cash equivalent transfer values

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme.

The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies. These figures also include the value of any pension benefit in another scheme or arrangement which has been transferred to the Civil Service pension arrangements and any additional pension benefit accrued as a result of buying additional pension benefits at their own cost. CETVs are worked out in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

## Real increase in CETV

This reflects the increase in CETV that is funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

## Senior Management pension in £'000 (audited)

Officials	Accrued pension at pension age as at 31/3/2023 and related lump sum	Real increase in pension and related sum at pension age	CETV at 31/3/2023	CETV at 31/03/2022	Real increase in CETV
<b>Natalie Prosser Chief Executive</b>	30–35	0–2.5	427	385	(3)
<b>Peter Ashford General Counsel</b>	0–5	0–2.5	23	5	11
<b>Dr Simon Brockington Chief Insights Officer</b>	10–15	0–2.5	127	110	9
<b>Richard Greenhous Chief of Staff</b>	30–35 plus a lump sum of 50–55	0–2.5 plus a lump sum of 0–2.5	451	386	19
<b>Helen Venn Chief Regulatory Officer</b>	45–50	0–2.5	619	557	22
<b>Taking account of inflation, the CETV funded by the employer has decreased in real terms</b>					

- Professor Robbie McDonald's pension costs are paid for as incurred by the University of Exeter and charged to the OEP.
- No employer contributions were made to partnership pension accounts during 2022/23 (2021/22: £nil) in respect of the OEP's executive. Employer contributions of £850 were made to partnership pension accounts during 2022/23 in respect of 2 non-executive (2021/22: £106).

## Civil Service and other compensation scheme exits (audited)

There were no payments in 2022/23 relating to early retirement, redundancies or loss of office (2021/22- £nil).

## External board and ARAC members (audited)

Membership details of the board and the ARAC are detailed in the Governance Statement. The following salaries and benefits-in-kind were paid to the external members:

Official	2022/23		2021/22	
	Salary (as defined above) £'000	Benefits-in-kind to nearest £100	Salary (as defined above) £'000	Benefits-in-kind to nearest £100
<b>Dame Glenys Stacey</b>	55–60	–	20–25	–
<b>Julie Hill MBE</b>	20–25	–	5–10	–
<b>Prof. Dan Laffoley</b>	20–25	–	5–10	–
<b>Dr. Paul Leinster CBE</b>	20–25	–	5–10	–
<b>Prof. Richard Macrory CBE</b>	20–25	–	5–10	–
<b>Malcolm Beatty, OBE</b>	20–25	–	–	–
<b>Kieran Rix</b>	–	–	–	–

- All members of the board were in post at 1 April 2022.
- Benefits in kind relate to reimbursement of home to office travel and reimbursement.
- Julie Hill and Malcolm Beatty received NEST pensions in 2022/23.
- 2021/22 is representing period from 17 November 2021 to 31st March 2022 only.
- 2021/22 full year equivalent salary for officials is listed for comparison:
  - Dame Glenys Stacey: 55-60
  - Julie Hill MBE: 20-25
  - Prof. Dan Laffoley: 20-25
  - Dr Paul Leinster CBE: 20-25
  - Prof. Richard Macrory CBE: 20-25

## Staff Report

### Staff numbers (audited)

At 31 March 2023 we employed 74 staff (71.2 FTE – audited), compared with 52 staff (50.7 FTE – audited) in the prior year.

	2022/23		2021/22	
	Number of staff	FTE (audited)	Number of staff	FTE (audited)
Permanent staff	53	51.7	34	33.5
Fixed-term appointed staff	2	1.6	1	1
Seconded staff	15	13.9	14	13.2
Temporary staff	4	4	3	3
<b>Total staff</b>	<b>74</b>	<b>71.2</b>	<b>52</b>	<b>50.7</b>

Seconded staff are supplied by other government bodies (13 staff, 12.1 FTE), or other organisations outside of government (2 staff, 1.8 FTE) under a range of terms. Temporary staff are supplied by employment agencies.

The number of full-time equivalent permanent and temporary staff during the period and an analysis of staff-in-post (headcount) by gender are shown on page 62.

We comply with the equal opportunities legislation and OEP policies on Equality, Diversity and Inclusion (including disability) and Health and Safety.



## Staff recruitment

The average number of full-time equivalent employees during the year to 31 March 2023 was as follows:

Staff	Permanent staff (FTE)	Fixed-term appointed staff (FTE)	Seconded staff (FTE)	Temporary staff (FTE)	2022/2023 Total	2021/2022 Total
Chief of Staff	12.8	0.3	7.2	1.5	21.8	22.2
General Counsel	5.8	–	0.8	–	6.6	3.9
Insights	8.7	–	2.0	–	10.7	12
Regulatory	14.3	0.1	1.8	–	16.2	12.6
<b>Total staff</b>	<b>41.6</b>	<b>0.4</b>	<b>11.8</b>	<b>1.5</b>	<b>55.3</b>	<b>50.7</b>

The number of staff-in-post (headcount) by gender as at 31 March 2023 was as follows:

Staff	2022/23			2021/22		
	Male	Female	Total	Male	Female	Total
Executive members on the board (all SCS)	1	2	3	1	1	2
Directors (excluding executive members of the board) (all SCS)	2	-	2	2	1	3
Other	36	39	75	23	24	47
<b>Total staff</b>	<b>39</b>	<b>41</b>	<b>80</b>	<b>26</b>	<b>26</b>	<b>52</b>
Non-executive members of the board	4	2	6	3	2	5

### Early departure costs (audited)

The OEP pension benefits are provided through the Civil Service Pension Scheme. Redundancy and other departure costs are therefore paid in accordance with the provisions of the Civil Service Compensation Scheme, a statutory scheme under the Superannuation Act 1972. Exit costs are accounted for in full in the year of departure or earlier where a demonstrable commitment exists.

There were no payments in 2022/23 relating to early retirement, redundancies or loss of office (2021/22 - £nil).

### Staff Turnover

Staff turnover in the year was 21.7%, this includes planned ends to secondments and contingent labour contracts.

## Staff costs (audited) in £

Staff costs consists of the following:

	Year to 31 March 2023			Period to 31 March 2022		
	Permanently employed staff	Fixed term appointments	Total 2022/23	Permanently employed staff	Fixed term appointments	Total 2021/22
	£	£	£	£	£	£
Wages and salaries	2,399,316	633,884	3,033,200	603,942	246,483	850,425
Social security costs	294,111	65,316	359,427	55,888	37,134	93,022
Other pension costs	650,544	132,994	783,538	176,654	51,872	228,526
<b>Total</b>	<b>3,343,971</b>	<b>832,194</b>	<b>4,176,165</b>	<b>836,484</b>	<b>335,489</b>	<b>1,171,973</b>
Agency staff			189,288			166,243
Non-Executive Director fees			102,000			60,047
<b>Total staff costs</b>			<b>4,467,453</b>			<b>1,398,263</b>

## Pensions

Pension benefits provided through the Civil Service pension arrangements are paid from an unfunded multi-employer defined benefit scheme and we are unable to identify our share of the underlying assets and liabilities. The Scheme Actuary valued the scheme as at 31 March 2016. Details are provided in the resource accounts of the Cabinet Office: Civil Superannuation, [www.civilservicepensionscheme.org.uk](http://www.civilservicepensionscheme.org.uk).

For 2022/23, employers' contributions of £633,089 were payable to the Principal Civil Service Pension Scheme (PCSPS) at one of four rates in the range 26.6% to 30.3% of pensionable earnings, based on salary bands. This is in line with 2021/22 employers' contribution taking into account of staffing levels (2021/22: £174,682 for 34.5 FTEs covering 4.5 months from 17 November 2021 to March 2022). The Scheme Actuary reviews employer contributions usually every four years following a full scheme evaluation. The contribution rates are set to meet the cost of the benefits accruing during 2022/23 to be paid when the member retires and not the benefits paid during this period to existing pensioners.

Employers' contributions were also paid in relation to secondees and establishment support from Defra.

No individuals retired early on ill-health grounds during the year and therefore no additional pension liabilities have been accrued for this purpose.

## Sickness absence data

The total full-time equivalent days lost through staff sickness absence in the year was 102 (2021/22 35 days). The average working days lost per employee during the year was 1.87 FTE (2021/22 0.71). Short term sickness absences of 35 days or less was 1.87 days per FTE (2021/22 0.71).

## Tax arrangements of public sector appointees

As part of HM Treasury's review of tax arrangements of public sector appointees, departments and their arms-length bodies are required to publish information in relation to the number of off payroll engagements costing over £245 per day that were in place as at 31 March 2023.

All of our existing off-payroll engagements have at some point been subject to a risk-based assessment to determine whether the contract is within the scope of IR35

<b>Number of existing engagements as at 31 March 2023</b>	<b>4</b>
<b>Of which, number that have existed:</b>	
<b>Less than 1 year</b>	<b>4</b>
<b>For between 1 and 2 years</b>	<b>–</b>

Some of our contractors were engaged in the beginning of the year as part of the residual establishment of the OEP. Other contractors are temporarily fulfilling roles that will be on payroll once initial recruitment has been completed. For all off-payroll appointments engaged at any point during the year ended 31 March 2023 and earning at least £245 per day.

<b>Number of appointments in force between 1 April 2022 and 31 March 2023</b>	<b>6</b>
<b>Of which:</b>	
<b>Number determined as in-scope of IR35</b>	<b>6</b>
<b>Number determined as out-of-scope of IR35</b>	<b>–</b>
<b>Number of engagements reassessed for compliance or assurance purposes during the period</b>	<b>–</b>

Off-payroll engagements of board members and/or senior officials with significant financial responsibility between 1 April 2022 and 31 March 2023.

	<b>2022/23</b>
<b>Number of off-payroll engagements of Board members, and/or senior officials with significant financial responsibility</b>	–
<b>Total number of individuals on-payroll and off-payroll that have been deemed “board members, and/or senior officials with significant financial responsibility”</b>	Board members x 3 (1 x CEO, 2 x Directors) Non-Executive Directors x 6

### Consultancy and temporary staff expenditure

	<b>2022/23</b>	<b>2021/22</b>
<b>Consultancy</b>	785,699	175,815
<b>Temporary staff expenditure</b>	189,288	166,243
<b>Total</b>	<b>974,987</b>	<b>342,058</b>

Additional specialised skills have been required to support the continued establishment of the OEP, and to exercise our functions. The OEP is a small organisation with a wide remit. Specialist expertise is required to supplement in house expertise on specific issues. Consultants are engaged when it is better value for money to do so on specific programme work and when specialised skills are required. Expenditure on temporary staff has provided additional resources to meet short term needs and cover for the backlog in filling vacancies.

### Health and safety

Our policies and procedures are based on Defra group practice and our Health & Safety lead engages with the cross-Defra Health & Safety group to utilise best practice. No work-related incidents were reported by employees during 2022/23. There have been 4 near misses reported.

### People Survey

Our first staff survey was undertaken in March 2023. Our engagement focal point was 83% which is 7% higher than the relevant public sector benchmark.

## **Trade union recognition**

During the year we negotiated a Partnership Agreement with the Prospect Union. This was finalised, agreed and implemented on 1 June 2023. This agreement will form the basis of our future engagement with the Union in terms of consultation, election of representatives and disputes.

## Parliamentary accountability and audit report

### Regularity of expenditure

We have considered all our activities during the year and confirm that they are in accordance with the legislation authorising them.

### Losses and special payments

Managing Public Money requires a statement showing losses and special payments by value and type to be shown where they exceed £300,000 in total, and those individually that exceed £300,000.

Losses may relate to: cash and stores losses; book-keeping losses; losses arising from failure to make adequate charge for the use of public property or services, fruitless payments, and claims abandoned as well as frauds. Special payments may relate to extra contractual, extra statutory, and ex gratia payments and compensation.

There were no losses or special payments that need to be reported in accordance with Managing Public Money.

### Contingent liabilities

There were no contingent liabilities as at 31 March 2023.

### Remote contingent liabilities

In addition to contingent liabilities reported within the meaning of IAS 37, Provisions, Contingent Liabilities and Contingent Assets, the OEP discloses, for parliamentary reporting and accountability purposes, liabilities for which the likelihood of a transfer of economic benefit in settlement is too remote to meet the definition of a contingent liability. As at 31 March 2023 there are nil to report.



**Natalie Prosser**

Chief Executive and Accounting Officer

**8th December 2023**

# The Certificate and Report of the Comptroller and Auditor General to the Houses of Parliament and the Northern Ireland Assembly

## Opinion on financial statements

I certify that I have audited the financial statements of the Office for Environmental Protection for the year ended 31 March 2023 under the Environment Act 2021.

The financial statements comprise the Office for Environmental Protection's

- Statement of Financial Position as at 31 March 2023;
- Statement of Comprehensive Net Expenditure, Statement of Cash Flows and Statement of Changes in Taxpayers' Equity for the year then ended; and
- the related notes including the significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and UK adopted International Accounting Standards.

In my opinion, the financial statements:

- give a true and fair view of the state of the Office for Environmental Protection's affairs as at 31 March 2023 and its comprehensive net expenditure for the year then ended; and
- have been properly prepared in accordance with the Environment Act 2021 and Secretary of State directions issued thereunder.

## Opinion on regularity

In my opinion, in all material respects, the income and expenditure recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

## Basis for opinions

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs UK), applicable law and Practice Note 10 *Audit of Financial Statements and Regularity of Public Sector Bodies in the United Kingdom (2022)*. My responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of my certificate.

Those standards require me and my staff to comply with the Financial Reporting Council's *Revised Ethical Standard 2019*. I am independent of the Office for Environmental Protection in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.



## Conclusions relating to going concern

In auditing the financial statements, I have concluded that the Office for Environmental Protection's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Office for Environmental Protection's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the Accounting Office with respect to going concern are described in the relevant sections of this certificate.

The going concern basis of accounting for the Office for Environmental Protection is adopted in consideration of the requirements set out in HM Treasury's Government Financial Reporting Manual, which require entities to adopt the going concern basis of accounting in the preparation of the financial statements where it is anticipated that the services which they provide will continue into the future.

## Other Information

The other information comprises the information included in the Annual Report but does not include the financial statements nor my auditor's certificate and report. The Accounting Officer is responsible for the other information.

My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my certificate, I do not express any form of assurance conclusion thereon.

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

## Opinion on other matters

In my opinion the part of the Remuneration and Staff Report to be audited has been properly prepared in accordance with Secretary of State directions issued under the Environment Act 2021.

In my opinion, based on the work undertaken in the course of the audit:

- the parts of the Accountability Report subject to audit have been properly prepared in accordance with Secretary of State directions made under the Environment Act 2021; and

- the information given in the Performance and Accountability Reports for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the applicable legal requirements.

### **Matters on which I report by exception**

In the light of the knowledge and understanding of the Office for Environmental Protection and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance and Accountability Reports.

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- Adequate accounting records have not been kept by the Office for Environmental Protection or returns adequate for my audit have not been received from branches not visited by my staff; or
- I have not received all of the information and explanations I require for my audit; or
- the financial statements and the parts of the Accountability Report subject to audit are not in agreement with the accounting records and returns; or
- certain disclosures of remuneration specified by HM Treasury's Government Financial Reporting Manual have not been made or parts of the Remuneration and Staff Report to be audited is not in agreement with the accounting records and returns; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

### **Responsibilities of the Board and Accounting Officer for the financial statements**

As explained more fully in the Statement of Accounting Officer's Responsibilities, the board and Accounting Officer are responsible for:

- maintaining proper accounting records;
- providing the C&AG with access to all information of which management is aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
- providing the C&AG with additional information and explanations needed for his audit;
- providing the C&AG with unrestricted access to persons within the Office for Environmental Protection from whom the auditor determines it necessary to obtain audit evidence;
- ensuring such internal controls are in place as deemed necessary to enable the preparation of financial statement to be free from material misstatement, whether due to fraud or error;
- ensuring that the financial statements give a true and fair view and are prepared in accordance with Secretary of State directions made under the Environment Act 2021;

- ensuring that the annual report, which includes the Remuneration and Staff Report, is prepared in accordance with Secretary of State directions made under the Environment Act 2021; and
- assessing the Office for Environmental Protection’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Accounting Officer anticipates that the services provided by the Office for Environmental Protection will not continue to be provided in the future.

## **Auditor’s responsibilities for the audit of the financial statements**

My responsibility is to audit, certify and report on the financial statements in accordance with the Environment Act 2021.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a certificate that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

### **Extent to which the audit was considered capable of detecting non-compliance with laws and regulations including fraud**

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulations, including fraud. The extent to which my procedures are capable of detecting non-compliance with laws and regulations, including fraud is detailed below.

### **Identifying and assessing potential risks related to non-compliance with laws and regulations, including fraud**

In identifying and assessing risks of material misstatement in respect of non-compliance with laws and regulations, including fraud, I:

- considered the nature of the sector, control environment and operational performance including the design of the Office for Environmental Protection’s accounting policies.
- inquired of management, Office for Environmental Protection’s head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the Office for Environmental Protection’s policies and procedures on:
  - identifying, evaluating and complying with laws and regulations;
  - detecting and responding to the risks of fraud; and

- the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including the Office for Environmental Protection’s controls relating to the Office for Environmental Protection’s compliance with the Environment Act 2021 and Managing Public Money;
- inquired of management, Office for Environmental Protection’s head of internal audit and those charged with governance whether:
  - they were aware of any instances of non-compliance with laws and regulations;
  - they had knowledge of any actual, suspected, or alleged fraud;
- discussed with the engagement team how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, I considered the opportunities and incentives that may exist within the Office for Environmental Protection for fraud and identified the greatest potential for fraud in the following areas: posting of unusual journals, complex transactions and bias in management estimates. In common with all audits under ISAs (UK), I am also required to perform specific procedures to respond to the risk of management override.

I obtained an understanding of the Office for Environmental Protection’s framework of authority and other legal and regulatory frameworks in which the Office for Environmental Protection operates. I focused on those laws and regulations that had a direct effect on material amounts and disclosures in the financial statements or that had a fundamental effect on the operations of the Office for Environmental Protection. The key laws and regulations I considered in this context included the Environment Act 2021, Managing Public Money, employment law, pensions and tax Legislation.

### **Audit response to identified risk**

To respond to the identified risks resulting from the above procedures:

- I reviewed the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described above as having direct effect on the financial statements;
- I enquired of management, the Audit and Risk Committee and in-house legal counsel concerning actual and potential litigation and claims;
- I reviewed minutes of meetings of those charged with governance and the Board and internal audit reports; and
- in addressing the risk of fraud through management override of controls, I tested the appropriateness of journal entries and other adjustments; assessed whether the judgements on estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

I communicated relevant identified laws and regulations and potential risks of fraud to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of my certificate.

### **Other auditor's responsibilities**

I am required to obtain evidence sufficient to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control I identify during my audit.

### **Report**

I have no observations to make on these financial statements.

**Gareth Davies**  
**Comptroller and Auditor General**  
National Audit Office  
157-197 Buckingham Palace Road  
Victoria  
London  
SW1W 9SP

**8th December 2023**

# Financial statements

# Financial statements

## Statement of Comprehensive Net Expenditure for the year to 31 March 2023

		Year to 31 March 2023	Period to 31 March 2022
	Note	£	£
<b>Operating costs</b>			
<b>Staff</b>	2	4,467,453	1,398,263
<b>Other operating costs</b>	3	2,663,238	1,121,301
<b>Depreciation</b>	3	8,509	0
<b>Total comprehensive net expenditure for the year</b>		<b>7,139,200</b>	<b>2,519,564</b>

The Notes on pages 79 to 88 form part of these accounts.

## Statement of Financial Position as at 31 March 2023

		As at 31 March 2023		As at 31 March 2022	
	Note	£	£	£	£
<b>Non-current assets</b>					
Property, plant and equipment	7	51,266		0	
Right of use Assets	9.1	1,012,525		0	
<b>Total non-current assets</b>		<b>1,063,791</b>		<b>0</b>	
<b>Current assets</b>					
Trade and other receivables	4	222,313		117,944	
Cash and cash equivalents	5	814,619		489,481	
<b>Total current assets</b>		<b>1,036,932</b>		<b>607,425</b>	
<b>Total assets</b>		<b>2,100,723</b>		<b>607,425</b>	
<b>Current liabilities</b>					
Trade and other payables	6	(2,071,785)		(2,111,110)	
Lease liabilities	9.2	(41,124)		0	
<b>Total current liabilities</b>		<b>(2,112,909)</b>		<b>(2,111,110)</b>	
<b>Total assets less current liabilities</b>		<b>(12,186)</b>		<b>(1,503,685)</b>	
<b>Non-current liabilities</b>					
Lease liabilities	9.2	(947,763)		0	
<b>Total non-current liabilities</b>		<b>(947,763)</b>		<b>0</b>	
<b>Total assets less total liabilities</b>		<b>(959,949)</b>		<b>(1,503,685)</b>	
<b>Taxpayers' equity</b>					
General fund		(959,949)		(1,503,685)	
<b>Total taxpayers' equity</b>		<b>(959,949)</b>		<b>(1,503,685)</b>	

The Notes on pages 79 to 88 form part of these accounts.



**Natalie Prosser**

Chief Executive and Accounting Officer

8th December 2023



## Statement of Cash Flows for the year to 31 March 2023

		Year to 31 March 2023	Period to 31 March 2022
	Note	£	£
<b>Cash flows from operating activities</b>			
<b>Total Comprehensive Net Expenditure</b>		<b>(7,139,200)</b>	<b>(2,519,564)</b>
Increase in trade and other receivables	4	(104,369)	(117,944)
Decrease in trade and other payables	6	(39,325)	2,111,110
Interest on lease liability		2,884	0
Depreciation on IFRS16 RoU asset		8,509	0
<b>Net cash outflow from operating activities</b>		<b>(7,271,501)</b>	<b>(526,398)</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	7	(51,266)	0
<b>Net cash inflow/(outflow) from investing activities</b>		<b>(51,266)</b>	0
<b>Cash flows from financing activities</b>			
Grants from sponsoring department		7,682,936	1,015,879
Direct costs associated with IFRS16 RoU asset		(35,031)	0
<b>Net cash inflow from financing activities</b>		<b>7,647,905</b>	<b>1,015,879</b>
<b>Increase in cash and cash equivalents in the year</b>	5	<b>325,138</b>	<b>489,481</b>
<b>Cash and cash equivalents at the beginning of the year</b>	5	489,481	0
<b>Cash and cash equivalents at the end of the year</b>	5	<b>814,619</b>	<b>489,481</b>

The Notes on pages 79 to 88 form part of these accounts.

## Statement of Changes in Taxpayers' Equity for the year to 31 March 2023

	General fund	Total taxpayers' equity
	£	£
Note		
<b>Balance at 17 November 2021</b>	0	0
Total Comprehensive Net Expenditure	(2,519,564)	(2,519,564)
Financing by Defra & Daera	1,015,879	1,015,879
<b>Balance at 31 March 2022</b>	<b>(1,503,685)</b>	<b>(1,503,685)</b>
Total Comprehensive Net Expenditure	(7,139,200)	(7,139,200)
Financing by Defra & Daera	7,682,936	7,682,936
<b>Balance at 31 March 2023</b>	<b>(959,949)</b>	<b>(959,949)</b>

The Notes on pages 79 to 88 form part of these accounts.

# Notes to the Accounts

## 1. Statement of accounting policies

The accounts have been prepared in accordance with International Financial Reporting Standards (IFRS) as adapted and interpreted by the Government Financial Reporting Manual (FReM) issued by HM Treasury. The accounts have been prepared under a direction issued by the Secretary of State for DEFRA under the Environment Act 2021.

Where the FReM allows a choice of accounting policy, the accounting policy which has been judged to be most appropriate to the particular circumstances of the OEP for the purpose of giving a true and fair view has been selected.

The financial statements are prepared on a going concern basis both on a financial basis and consistent with the FReM 2022/23 continued provision of service basis.

### 1.1 Accounting convention

These accounts have been prepared on an accruals basis under the historic cost convention. The OEP recognises reporting expenditure when it is incurred rather than when it is paid and where there is an obligation to pay suppliers based on agreed amounts, contractually, or by another form of mutual agreement.

### 1.2 Property, plant and equipment

Any expenditure on individual capital items above £1,000 is capitalised to the statement of financial position. This includes tangible and intangible items which are classified as assets in accordance with IAS 16 “Property, Plant and Equipment” and IAS 38 “Intangible Assets”.

The capitalisation threshold was determined by reviewing the threshold of other ALBs and Defra and considering the OEP’s comparative size.

Assets under construction are carried on the Statement of Financial Position (SoFP) at accumulated cost with depreciation commencing when the asset is completed and available to be brought into service. Balances are regularly reviewed to ensure that they only include costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The only Property, plant and equipment held by the OEP are assets under construction (see note 7). Right of Use assets are detailed in note 9.

The assets were all acquired in-year.

### 1.3 Depreciation

Depreciation is provided on a straight line basis over the estimated useful life of the asset. Depreciation is charged in full in the month of acquisition on the date it was brought into service and is not charged on assets under construction.

### 1.4 Leased Assets

The OEP has implemented IFRS 16 with effect from 1 April 2022, using the adaptations and interpretations set out in the FReM.

IFRS 16 has replaced IAS 17 (Leases) and has removed the previous distinction between finance leases and operating leases.

As a result, the new lease signed in year appears on the Statement of Financial Position as a Right of Use assets with corresponding lease liabilities.

The Right of Use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. As permitted by the FReM, right-of-use assets are subsequently measured using the cost model as a proxy for the measurement of the cost value in use. This is because lease terms require lease payments to be updated for market conditions, for example, rent reviews for leased properties, which will be captured in the IFRS 16 cost measurement provisions. Right-of-use assets also have shorter useful lives and values than their respective underlying assets, and, as such, the cost can be used as a proxy for assets with shorter economic lives or lower values in accordance with the FReM.

Right of Use assets are depreciated over the shorter period of lease term and useful life of the underlying asset.

Where the interest rate cannot be readily determined within a lease, the OEP has calculated the lease liability using the discount rates set out in the latest HM Treasury's Public Expenditure System paper as the incremental borrowing rate which for the 2022 calendar year is 0.95% and 3.51% for 2023.

A low value exemption threshold can be applied to the cost of an underlying asset when new; this has been applied in some instances (less than £5,000). For these leases, payments are recognised as an operating expense on a straight-line basis over the term of the lease.

As mandated by the FReM, the practical expedient that an entity should not reassess whether a contract is, or contains, a lease at the date of initial application has been applied.

### **1.5 Defra properties occupied by the OEP**

For 2022/23, the full cost of occupation of buildings that are either owned or leased by Defra is reflected within the Statement of Comprehensive Net Expenditure as part of 'Corporate Services recharge', see Note 3. The costs are determined by Defra based on proportionate occupation of the properties and include rates, utilities, management overheads, and associated capital charges. For Defra leasehold properties this also includes rental costs.

### **1.6 OEP Grant-in-aid**

Grant-in-aid is provided by Defra to finance activities and expenditure which supports the statutory and other objectives of the OEP. A portion of the amount (£631,000) that is paid by Defra to the OEP relates to funding received from Daera, that is subsequently passed onto the OEP. Activity for Defra and Daera is not invoiced or reported as income, but an authority to spend is delegated to the OEP along with deliverable objectives. The Net Parliamentary Funding is recorded as a movement in Taxpayers' Equity.

## **1.7 Value Added Tax (VAT)**

The OEP does not provide taxable supplies and is therefore not able to register for VAT. Input tax cannot therefore be recovered and amounts are stated inclusive of VAT.

## **1.8 Currency**

The functional and presentational currency of the OEP is sterling.

## **1.9 Pensions**

Employees of the OEP are covered by the provisions of a career average basis scheme called alpha, which is described in the Remuneration and staff report on page 53.

The OEP recognises the expected cost of these pension schemes on a systematic and rational basis over the period during which it benefits from employees' services by payment to the schemes of amounts calculated on an accruing basis. Liability for future benefits is a charge on the pension scheme on an accruing basis. The OEP also contributes to one defined contribution pension scheme.

## **1.10 Cash and cash equivalents**

Cash and cash equivalents comprise cash in hand and current balances with banks and other financial institutions, which are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value and have an original maturity of three months or less.

The carrying amount of these assets approximates their fair value. Bank overdraft amounts are included within trade and other payables in the Statement of Financial Position.

## **1.11 General Fund**

The General Fund represents the total assets less liabilities of the OEP, to the extent that the total is not represented by other reserves. Financing by Defra and Daera is credited to the General Fund through monthly cash forecast returns submitted to Defra.

## **1.12 Critical accounting judgements and key sources of estimation uncertainty**

The Chief Executive Officer, in her capacity as Accounting Officer, uses judgement in making estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the accounting period in which the estimate is revised, and if the revision also affects future periods in these periods as well. In reviewing these estimates, we consider the extent to which these could possibly vary and whether such a variation could indicate the need for a material adjustment to the accounts.

There is nothing in the current review to indicate that a variation of a material amount could arise.

There were no critical judgements, that the Chief Executive Officer, in her capacity as Accounting Officer, that were made in the process of applying the OEP's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

### **1.13 Financial Instruments**

A financial instrument is any contract that gives rise to a financial asset of 1 entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities would be recognised in the balance sheet if the OEP became a party to the contractual provisions of an instrument.

The OEP has no borrowings and relies primarily on grant in aid from Defra and the devolved administrations for its cash requirements and is therefore not exposed to liquidity risks. All material assets and liabilities are denominated in sterling so it is not exposed to significant currency risk.

## 2. Staff numbers and related costs

### 2.1 Staff costs comprise:

	Year to 31 March 2023			Period to 31 March 2022		
	Permanently employed staff	Fixed term appointments	Total 2022/23	Permanently employed staff	Fixed term appointments	Total 2021/22
	£	£	£	£	£	£
Wages and salaries	2,399,316	633,884	3,033,200	603,942	246,483	850,425
Social security costs	294,111	65,316	359,427	55,888	37,134	93,022
Other pension costs	650,544	132,994	783,538	176,654	51,872	228,526
<b>Total</b>	<b>3,343,971</b>	<b>832,194</b>	<b>4,176,165</b>	<b>836,484</b>	<b>335,489</b>	<b>1,171,973</b>
Agency staff			189,288			166,243
Non-Executive Director fees			102,000			60,047
<b>Total staff costs</b>			<b>4,467,453</b>			<b>1,398,263</b>

No staff costs have been capitalised.

Individual contractors engaged to fill temporary or permanent vacancies, or provide additional resource are included within staff costs in Note 2.1.

Where firms have been engaged to provide services, they are not considered to be employees and are excluded from staff costs in Note 2.1, and are reflected within consultancy and professional services in Note 3.

### 3. Other operating costs

	Year to 31 March 2023	Period to 31 March 2022
	£	£
IT costs	714,020	303,707
Recruitment costs	146,775	230,395
Corporate service recharge*	170,772	214,462
Consultancy costs	785,699	175,815
Professional fees	291,404	113,890
Other operating costs	316,322	27,291
External Auditors' remuneration	41,000	35,000
Internal Audit fees	56,761	0
Other accountancy costs	16,800	0
Training costs	120,801	20,741
IFRS16 Leasehold Property Depreciation	8,509	0
Finance costs (interest expense on lease liabilities)	2,884	0
<b>Total</b>	<b>2,671,747</b>	<b>1,121,301</b>

\*Services and facilities provided by Defra.

The Corporate service recharge comprises:

	Year to 31 March 2023	Period to 31 March 2022
	£	£
Estate Management costs	159,823	104,272
Human Resources services	9,749	72,000
Information Technology	0	33,030
Communications	0	2,400
Shared services including payroll and financial	1,200	2,760
<b>Total</b>	<b>170,772</b>	<b>214,462</b>

During the year to 31 March 2023, the OEP received no non-audit services from the NAO.



#### 4. Trade receivables and other current assets

Amounts falling due within one year

	As at 31 March 2023	As at 31 March 2022
	£	£
Prepayments	222,313	117,944
<b>Total receivables</b>	<b>222,313</b>	<b>117,944</b>

#### 5. Cash and cash equivalents

	Year to 31 March 2023	Period to 31 March 2022
	£	£
Balances held start of year	489,481	0
Net cash inflow	325,138	489,481
<b>Total balance</b>	<b>814,619</b>	<b>489,481</b>
<b>The following balances were held at 31 March:</b>		
Government Banking Services	814,619	489,481
<b>Total balance</b>	<b>814,619</b>	<b>489,481</b>

#### 6. Trade payables and other current liabilities

Amounts falling due within one year

	As at 31 March 2023	As at 31 March 2022
	£	£
Due to Defra and its agencies	518,991	704,778
Other taxation and social security	84,943	65,654
Trade payables*	754,367	184,470
Pension liability	84,366	55,630
Accruals	629,118	1,100,578
<b>Total trade payables and other liabilities</b>	<b>2,071,785</b>	<b>2,111,110</b>

\*Trade payables principally comprise amounts outstanding to suppliers.

The OEP considers that the carrying amount of trade and other payables approximates to their fair value.

## 7. Property, plant and equipment

### 7.1 Asset under construction

	Assets under Construction	Total
	£	£
<b>Cost or valuation</b>		
At 1 April 2022	0	0
Additions	51,266	51,266
<b>At 31 March 2023</b>	<b>51,266</b>	<b>51,266</b>
<b>Depreciation</b>		
At 1 April 2022	–	–
Charges in year	–	–
<b>At 31 March 2023</b>	<b>–</b>	<b>–</b>
<b>Carrying Value at 31 March 2022</b>	<b>–</b>	<b>–</b>
<b>Carrying Value at 31 March 2023</b>	<b>51,266</b>	<b>51,266</b>
<b>Asset financing:</b>		
Owned	51,266	51,266
Leased	–	–
<b>Carrying Value at 31 March 2023</b>	<b>51,266</b>	<b>51,266</b>

## 8. Capital commitments

As at the 31st March 2023, there are no capital commitments in excess of one year which require disclosure. Contracts held by Defra, which benefit the OEP, are included in the annual notional recharge of costs, but do not represent long term OEP commitments. (2022: £nil).

## 9. Leases

### 9.1 Right of Use assets

	Buildings
	£
At 1 April 2022	0
Additions	1,021,034
Depreciation expense	(8,509)
<b>At 31 March 2023</b>	<b>1,012,525</b>

On 31 March 2023 the OEP entered into a new lease for a permanent office space in Worcester which was available for immediate use.

## 9.2 Lease liabilities

	Buildings
	£
Not later than one year	75,833
Later than one year and not later than five years	520,000
Later than five years	639,167
Less interest element	(246,113)
<b>Present value of obligations</b>	<b>988,887</b>
Current portion	41,124
Non-current portion	947,763
<b>Present value of obligations</b>	<b>988,887</b>

## 9.3 Elements in the Statement of Comprehensive Net Expenditure

	Year to 31 March 2023
	£
Expense related to low-value asset leases (office equipment)	35,686

## 9.4 Prior year leases

	Year to 31 March 2023	Year to 31 March 2022
	£	£
Office equipment		
Not later than one year	–	26,574
Later than one year and not later than five years	–	48,720
<b>Total</b>	<b>–</b>	<b>75,294</b>

Each individual asset is an individual lease and each falls below the £5,000 low value threshold under IFRS16.

## 9.5 Cash outflow for leases

	Year to 31 March 2023
	£
Total cash outflow for leases	35,031

## **10. Contingent assets and contingent liabilities disclosed under IAS 37**

### **Contingent assets**

The OEP has no contingent assets.

### **Contingent liabilities**

The OEP has no contingent liabilities.

## **11. Related party transactions**

The OEP is an Arm's Length Non-Departmental Public Body within the Defra group. Defra is therefore regarded as a related party. During the year the OEP has carried out a number of material transactions with Defra in the normal course of business. The OEP had material transactions with the following entities within the Defra group for which Defra is regarded as the parent department:

- Environment Agency
- Natural England


No board member, chief officer or senior manager has undertaken any material transactions with the OEP. Further information on Board members and chief officers can be found in the remuneration report.

The OEP has had material transactions with the other government departments; Department for Digital, Culture, Media & Sport, Cabinet Office, HMRC and non material transactions with DWP.

## **12. Events after the reporting period**

These accounts have been authorised for issue by the Accounting Officer on the date the audit certificate and report were signed.





ISBN: 978-1-5286-4434-1  
E02975091