

THE ENVIRONMENT BILL: SEIZING THE OPPORTUNITY

5 changes to unlock market and local solutions
to environmental challenges



The Environment Bill could be a major enabler of improved quality of life and prosperity after Brexit, setting the policy framework for doing good business in a way that makes our towns, cities and countryside cleaner, greener and more productive places to live and work, while accelerating decarbonisation.

The Bill, alongside the Climate Change Act, already has the main building blocks, but needs some targeted amendments to give business and local communities the power and direction they need to mobilise action and investment at scale.

The potential prize

As we leave the EU, the Environment Bill could give business and local actors the long-term policy framework they need to collaborate on the systemic changes required to meet future environmental challenges. It has the potential to:

- give all economic sectors the clarity to plan, invest and collaborate on environmental solutions by design, rather than as an expensive afterthought;
- give local people greater voice in directing investment to improve their communities;
- improve the environment as a whole rather than treating issues like climate, nature, soil, water and floods as separate silos;
- give business early signals on where to invest and divest (for example single use plastics)
- avoid passing costs around the economy for example of poor air quality or waste;
- accelerate decarbonisation through more nature-based solutions and resource efficiency
- stimulate the innovations that will be needed globally as all countries increasingly face a common set of challenges.

The framework needed in the Bill

To achieve, the Bill would need to establish a policy framework that

1. gives society a shared vision for the environment both at national and local levels
2. clarifies who's responsible for what in a more granular way, either directly or through its policy development framework
3. holds successive governments to account to keep society on track to meet the objectives

The framework must work across government to avoid pulling in different directions and connect local and national action.

The Environment Bill has the right foundations

The Bill already has the main building blocks needed to provide this framework, including:

- A process for setting environmental targets - requiring the Secretary of State to set targets for at least air quality, water, nature and resources by October 2022.
- Environmental Improvements Plans – requiring the Secretary of State to set out the Government's plans for improving the environment on a five year cycle.
- Environmental principles – requiring ministers to 'have due regard' to principles like 'polluter pays', 'precautionary' and 'rectification at source' when developing policy.
- Metrics – so there is a consistent means to measure progress on the environment.
- Spatial planning mechanisms – with separate mechanisms for nature, air and water.
- Responsibility mechanisms – requiring developers to give back to nature and making producers pay for the costs of waste.
- Oversight – the Office for Environmental Protection to advise, scrutinise and enforce government action and inaction.

However, in a few critical respects, the Bill retains controls centrally, rather than giving business and local communities the ability and direction to build environmental outcomes directly into their activities by design.

Targetted amendments to unlock market and local power

The following amendments, devised through extensive engagement, would be needed to give business and local communities the power and direction to plan and invest at scale in the environment:

- 1 Objectives to bind the Bill's policy and governance processes into a commonly understood direction, giving the economy a consistent long-term view about how to align investment and activities.** Currently there is nothing to guide the governance processes in the Bill. The business community is worried that this will exacerbate random and piecemeal targets that will quickly need correction (note for example that there have been 7 Environment Secretaries in the past 10 years). The proposal is that the Bill should have succinct objectives to govern at least the targets, Environmental Improvement Plans, environmental principles and Office for Environmental Protection (OEP) and which everyone can relate to.
- 2 Transparent criteria and processes for setting targets and interim targets, so that everyone is assured that targets are practical and feels the ownership needed to align their activities with them.** Business and other stakeholders are consistently of the view that targets will only carry widespread legitimacy if they are developed through an inclusive process of engagement that properly understands how environmental improvement is achieved through the economy. The proposal is that the Bill should explicitly require the Secretary of State, before proposing any targets, to seek the views of those whose action is needed to achieve the targets. It should also include criteria for setting targets akin to those in the Climate Change Act and that the OEP should have a more formal role in setting the targets.
- 3 Enduring obligations on successive governments to ensure policies enable targets to be met, so everyone has sufficient confidence to act and make long term investments.** Currently the Secretary of State must ensure that targets are met but only at the point that targets are missed. This will not give investors sufficient confidence to invest in time. The proposal is that: Environmental Improvement Plans, taken together with all other measures in place, should enable the targets to be met; annual and five yearly reviews should check whether we are still on track to meet targets; that the Secretary of State should have to account if an interim target is missed; that the OEP should have a formal role in overseeing these arrangements and should be required to advise on the adequacy of the overall governance arrangements. Further strengthening the independence of the OEP for example through giving Parliament a role in the appointment of the OEP's chair would add further confidence.
- 4 Provision to enable consistent local environmental planning and prioritisation towards the targets, so that the economy has a shared view of how to plan, invest and collaborate to improve the environment locally.** Currently environmental spatial planning is very fragmented and often disconnected from other local decision-making such as land-use planning for houses, local infrastructure and minerals development which reduces the effectiveness of investment and adds to a sense of disempowerment locally. The proposal is that the Secretary of State should introduce a coherent framework for delivering relevant climate and environmental targets at local level.
- 5 Provision, subject to consultation, of a simplified planning mechanism for organisations to factor the environment into their activities, so business and others have a consistent, intuitive and proportionate way to manage the environment.** Currently there are many overlapping regulatory or market driven environmental risk frameworks with significant gaps in responsibility. Rather than add to this piecemeal picture, this proposal is to introduce a simplified framework that consistently, and without duplication, gives organisations the responsibility to manage their climate and environmental risks. The detailed mechanism would be designed with users to make sure it is proportionate and effective. Public bodies could be subject to this requirement or, as a separate mechanism, the Secretary of State could designate where public bodies need to have regard to the targets.

Finally, further mechanisms are needed to ensure cooperation between the four UK countries to manage our shared environment coherently.

Broadway has produced a version 2.0 of the Bill that illustrate how these amendments can be made to the Bill.

