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Environment, Food and Rural
Affairs Committee

**The Environment
Agency**

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Volume I

*Report, together with formal minutes and lists
of oral and written evidence*

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Environment, Food and Rural Affairs Committee

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The current staff of the Committee are Matthew Hamlyn (Clerk), Jenny McCullough (Second Clerk), Jonathan Little and Dr Antonia James (Committee Specialists), Marek Kubala (Inquiry Manager), Andy Boyd and Alison Mara (Committee Assistants) and Lizzie Broadbent (Secretary).

Contacts

All correspondence should be addressed to the Clerk of the Environment, Food and Rural Affairs Committee, House of Commons, 7 Millbank, London SW1P 3JA. The telephone number for general enquiries is 020 7219 5774; the Committee's e-mail address is: efracom@parliament.uk.

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Summary

The Environment Agency is the leading public body protecting and improving the environment in England and Wales. It is the second largest agency of its type in the world and the largest in Europe. Ten years after its creation, a review of the Agency's effectiveness and funding, and its relationships with Defra and other key bodies, is opportune.

The Agency's involvement in environmental protection and conservation has increased considerably over the past ten years. Stakeholders are concerned that the Agency is experiencing difficulties managing its wide range of responsibilities and, in particular, that it is struggling to combine its regulatory role with that of 'Champion of the Environment'. Defra should examine whether the Agency is adequately equipped for the cross-cutting environmental challenges facing it, not least its important role as environmental champion and how it balances this with its regulatory role. In particular, the Agency's capability to address the challenges that climate change poses for its areas of responsibility should be fully explored.

A strong case exists for placing more of the burden of enforcement costs onto fines, rather than charges. Fines for environmental offences are still relatively small and often do not reflect the severity of the offence. We also believe that consistency in sentencing of environmental crimes should be improved, and therefore support the Agency's proposal that a team of magistrates be trained specifically to deal with environmental cases. Defra should set out its proposals on the roles to be played by other branches of Government in devising ways in improving the system by which the courts administer environmental prosecutions.

We are extremely concerned that the Agency is experiencing difficulties recruiting specialist staff, such as flood risk engineers, hydrologists and geomorphologists. The Agency should issue a work plan with specific deadlines to set out how it aims to solve its recruitment problems, and publish details about its future graduate requirements. We welcome the Government's recent funding increases to the Agency in relation to its flood defence work. However, flooding risks will only increase in the future due to the effects of climate change. The Government should aim to increase the Agency's funding in this area to £1 billion per year in the long term.

We welcome the progress made by officials in the Agency and the Natural England Partnership in establishing a close and constructive working relationship. We are concerned, however, that tensions already exist relating to the potential use of the agri-environment budget. Defra should provide Natural England with clear guidance on using this agri-environmental funding to achieve both organisations' objectives.

1 Introduction

Background information

1. The Environment Agency is the leading public body protecting and improving the environment in England and Wales. It is an executive non-departmental public body (NDPB)¹ which employs more than 11,000 staff: the second largest agency of its type in the world and the largest in Europe.² It was created by the Environment Act 1995 and came into operation in April 1996, taking over the roles and responsibilities of the National Rivers Authority, Her Majesty's Inspectorate of Pollution and the waste regulation authorities in England and Wales. Its current remit includes:

- preventing flooding and pollution incidents;
- reducing industry's impacts on the environment;
- ensuring waste produced is correctly disposed of;
- advising on land use planning, including advice on regional planning, development plans and planning applications;
- cleaning up rivers, coastal waters and managing water resources;
- improvement of contaminated land;
- improving wildlife habitats;
- improving and enhancing inland waterways and ensuring sustainable inland fisheries.

The Agency consists of seven English regions and Environment Agency Wales. These are sub-divided into 26 areas.

2. The Agency currently has 14 board members, most of whom are appointed by the Secretary of State for Environment, Food and Rural Affairs. The Welsh Assembly Government appoints one member. The Board is directly responsible to Ministers for all aspects of its organisation and performance. The Board is accountable to Parliament through Ministers.

Funding of the Agency

3. The Agency's budget in 2005–06 was £1 billion, an increase from £860 million in 2004–05. Approximately two thirds of this came from Government funding, particularly Grant-in-Aid, with the remaining amount raised directly through various charging schemes, including the regulation of business activities. The Agency's functions relating to

1 Executive NDPBs are established by statute to carry out administrative, regulatory and commercial functions. They employ their own staff and are allocated budgets which they manage themselves. All Executive NDPBs are subject to external audit.

2 Q 252 [Minister of State for Climate Change and the Environment]

environmental protection, fisheries and navigation are funded mainly from charges for licences, supplemented by Grant-in-Aid. Expenditure on water resources is funded entirely through charges for water abstraction licences. Flood defence levies are raised on local authorities to fund flood defence activities.

4. The following table and pie chart show the various sources of the Agency's income in 2005–06, and comparative figures from five and ten years ago.³

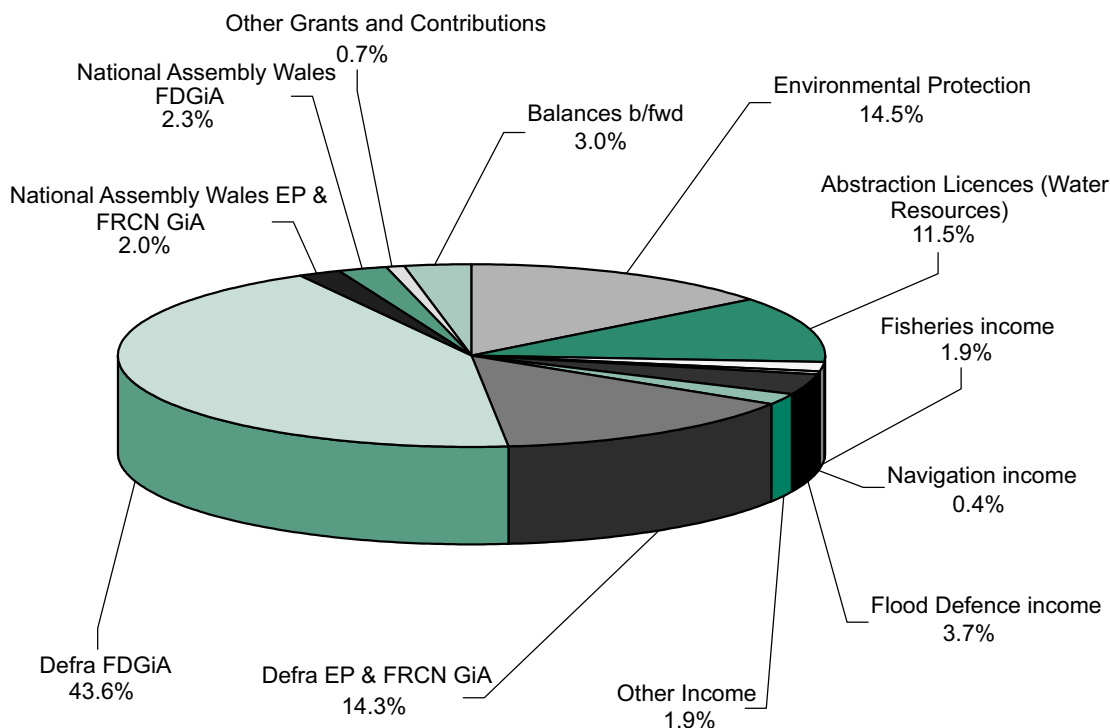
Table 1: The Agency's sources of income

Income Streams	1996–97 (£m)	2001–02 (£m)	2005–06 (£m)
Environmental Protection	89	113	149
Abstraction Licences (Water Resources)	87	100	118
Fisheries income	13	15	19
Navigation income	4	4	4
Flood Defence income	188	248	38
Other income	10	52	20
Total Environment Agency generated income	396	538	349
Defra Environment Protection & FRCN GiA	120	108	147
Defra Flood Defence GiA	47	54	448
National Assembly Wales Environmental Protection & FRCN GiA	0	14	21
National Assembly Wales FD GiA	1	1	23
Other Grants and Contributions	0	0	7
Total Environment Agency Government funding	167	177	647
Balances b/fwd	0	-12	31
Total Environment Agency funding	564	703	1027

Source: Environment Agency

3 Ev 144–145 [Environment Agency]. Data for 1996/97 and 2001/02 taken from Published Environment Agency Corporate Plans.

Source of Income 2005/06

**Key to abbreviations used**

FRCN	Fisheries, Recreation, Conservation and Navigation
GiA	Grant-in-Aid
FDGiA	Flood Defence Grant-in-Aid
EP	Environmental Protection

5. We address issues relating to the funding of the Agency throughout our Report, in the sections on: the provision of advice to businesses; regulatory charges; the Agency's flood defence work and its role in the planning system; and the protecting of biodiversity.

History of the Committee's involvement with the Agency

6. Our Committee, and its predecessor committees, have had a long history of involvement with the Agency. In February 1989, the then Environment Committee first called for the establishment of an "Environmental Protection Agency or Commission" in its report on *Toxic Waste*.⁴ This body, the Committee suggested, should be charged with "an overall responsibility for safeguarding environmental quality in the United Kingdom".⁵ The Committee reiterated its call in subsequent reports and the concept of an Environmental Protection Agency also received growing public attention.⁶ Eventually, in July 1991, the then Prime Minister announced the Government's intention "to create a new agency for

4 Second Report from the Environment Committee, Session 1988–89, *Toxic Waste*, HC 22, para 9.

5 HC (1988–9) 22, para 12.

6 For example: First Report from the Environment Committee, Session 1989–90, *Contaminated Land*, HC 170; Fourth Report from the Environment Committee, Session 1989–90, *Pollution of Beaches*, HC 12; Sixth Report from the Environment Committee, Session 1990–91, *Indoor Pollution*, HC 61.

environmental protection and enhancement”.⁷ The draft Environment Agencies Bill was published in October 1994 and the Environment Committee took written and oral evidence on the Bill.⁸

7. Three years after the Agency’s creation, the Environment, Transport and Regional Affairs Committee reported on the performance of the Agency.⁹ This report was generally critical, with the Committee concluding that “progress in creating an effective, coherent and confident new body has not been as rapid in the three and a half years since the Agency was formed as it ought to have been”.¹⁰ Since then, the Environment, Food and Rural Affairs Committee has continued to take a keen interest in the Agency, examining its work in reports on *The Water Framework Directive*, the *End of Life Vehicles Directive and Waste Electrical and Electronic Equipment Directive*, and *Waste Policy and the Landfill Directive*.¹¹

Scope of our inquiry

8. Ten years after its creation, we believe a review of the Agency’s effectiveness and funding (including value for money)—and its relationships with Defra and other key bodies—is opportune. In November 2005, we formally agreed to inquire into the work of the Agency. Our terms of reference were to examine:

- how successful the Agency has been in its role as enforcer of environmental regulation and controls, and how well it manages its wide range of activities;
- whether the Agency operates efficiently and provides good value for money;
- the structure, governance and accountability of the Agency;
- the Agency’s relationships with Defra, Defra-sponsored bodies and the rest of Government, including the Agency’s role in the planning system;
- the Agency’s relationship with non-Governmental stakeholders and the general public, and how the Agency monitors satisfaction with its services;
- the Agency’s responsibilities for flood defence and flood mapping, including guidance to the public;
- how the organisational changes brought about by the Natural Environment and Rural Communities Bill will affect the role of the Agency;

7 Speech by the Rt Hon John Major delivered at the *Sunday Times* Environment Exhibition, Olympia, London.

8 Environment Committee, *Environment Bill: Hearings on the draft Environment Agencies Bill*, HC (1994–95) 40–i, –ii, and –iii.

9 Sixth Report from the Environment, Transport and Regional Affairs Committee, Session 1999–2000, *The Environment Agency*, HC 34–I.

10 HC (1999–2000) 34–I, para 11.

11 Fourth Report from the Environment, Food and Rural Affairs Committee, Session 2002–03, *The Water Framework Directive*, HC 130–I; Fourth Report of Session 2003–04, *End of Life Vehicles Directive and Waste Electrical and Electronic Equipment Directive*, HC 103; Fourth Report of Session 2004–05, *Waste Policy and the Landfill Directive*, HC 102.

- how the Agency's work in improving wildlife habitats will tie in with Natural England's work on biodiversity;
- the Agency's forthcoming corporate strategy 2006–2011.

9. We received 73 written memoranda from various interested parties. In December 2004 and January 2005, we took oral evidence from: the Association of British Insurers; Royal & SunAlliance; the Confederation of British Industry; EEF, the manufacturers' organisation; Water UK; Environmental Services Association; Waste Recycling Group; the Natural England partnership; Royal Society for the Protection of Birds; Campaign to Protect Rural England; Local Government Association; the Minister of State for Climate Change and the Environment, Elliot Morley MP, together with Defra officials; and the Chief Executive of the Agency, Baroness Young of Old Scone, and the Chairman, Sir John Harman. We are grateful to all those who submitted written evidence and appeared before us to give oral evidence.

10. At the start of our inquiry in December 2005, we visited the Agency's London Headquarters to meet Agency staff and discuss the work of the Agency. We are grateful to the staff at the Agency for arranging this interesting and informative event.

11. Our report addresses those issues set out in our terms of reference which we consider to be most pertinent.

The Agency's roles and activities

- How successful has the Environment Agency been in its role as enforcer of environmental regulation and controls? How well does it manage its wide range of activities?

Managing the Agency's various roles and responsibilities

12. The Agency's various responsibilities and functions fall under five overarching "strategic roles", as outlined in the Agency's Corporate strategy 2002–07, *Making it happen*.¹² The Agency describes its five strategic roles as:

Efficient Operator – we take direct action locally to safeguard and improve the environment, for example by building flood defences to reduce the risk of flooding to vulnerable homes and businesses, managing navigation on our major rivers and looking after wildlife on sites we own.

Modern Regulator – we deliver for the environment by taking a risk-based, proportionate approach that drives improvements and rewards good performance, but takes tough action against those who fail to meet acceptable standards.

Influential advisor – we advise government, in the EU, nationally, regionally and locally on the development and implementation of environmental policy and strategy, based on our scientific knowledge and our wide operational and regulatory expertise. We take an independent knowledge-based approach. We provide advice to all those partners and others who need to act if our environmental outcomes are to be achieved.

Active communicator – we promote information about the environment in ways which highlight the need for change. We report on the state of the environment on a regular basis. We are active in public debate, persuading key stakeholders that environmental change is needed, for example through World Environment Day, the *Spotlight Report* on business environmental performance. We target our communications e.g. to people at risk of flooding. We actively engage with local communities and authorities, regional bodies, industry and other stakeholders.

Champion of the environment (within the context of sustainable development) – our primary purpose is to promote the safeguarding and improvement of the environment, but we ensure that we understand the social and economic implications of our decisions and policies.¹³

¹² Environment Agency, *Making it happen: Corporate Strategy 2002–07*, 2002.

¹³ Ev 132

The Agency's roles as a regulator and 'Champion of the Environment'

13. Some witnesses representing the business community and waste management sector told us that the Agency was struggling to manage its various roles and responsibilities, and was suffering from 'mission creep'.¹⁴ The Waste Recycling Group believed that the Agency's "very wide range of responsibilities" was having a negative effect on its performance, which it described as "patchy at best".¹⁵ In particular, business witnesses were concerned that the Agency was struggling to balance its roles as a regulator and that of a 'Champion of the Environment'. The Environmental Services Association (ESA) told us the Agency's role as environmental champion "risks conflict with its central function as a regulator".¹⁶ It said that, as other organisations were able and willing to champion the environment, the Agency should concentrate on being "one really effective and focussed environmental regulator".¹⁷ Severn Trent was concerned that this dual role could result in "environmental improvements being made where the benefits do not justify the costs".¹⁸

14. Environmental witnesses, on the other hand, emphasised the importance of the Agency's role as a 'Champion of the Environment'. RSPB witnesses told us they were "strong proponents of the need for a strong, independent champion and regulator of the environment".¹⁹ The Campaign to Protect Rural England (CPRE) believed it was "important that we have the knowledge which [the Agency] can provide in terms of monitoring the state of the environment" because the environment was so broad and interconnected.²⁰ The Environmental Industries Commission believed that the Agency had been "broadly successful" in combining its regulatory role and its role as a 'Champion of the Environment'.²¹

15. We questioned the Agency on the perceived tension between its regulatory role and its role as a 'Champion of the Environment'. The Chairman of the Agency believed the conflict was "not marked".²² He told us that the Agency had experienced difficulties determining what exactly the term meant but the Board had decided that "it should never get further than a logical connection back to [the Agency's] statutory remit would take you".²³ He therefore considered the role as essentially being a "spokesperson ... for things that are related to our functions within sustainable development"—such as climate change—but not as a "campaigning body".²⁴ He made it clear he did "not believe that we are neglecting any area of our brief".²⁵

14 For example, EEF [Q 102 and 104]

15 Ev 50

16 Ev 49

17 Ev 49

18 Ev 257

19 Q 203

20 Q 215

21 Ev 291

22 Q 338

23 Q 338

24 Q 338

25 Q 332

16. In its written evidence, Defra did not provide any analysis of how successful it believed the Agency had been in managing its various roles, or how it expected the Agency's role to change in the future in relation to climate change in particular. In oral evidence, however, Elliot Morley, the Minister for Climate Change and the Environment, was confident that the Agency was managing its various roles and responsibilities adequately, although he stressed there was “always scope for improvement”.²⁶

17. **The Agency's involvement in environmental protection and conservation has increased considerably over the past ten years. We note the concerns of some stakeholders that the Agency is experiencing difficulties managing its wide range of responsibilities and, in particular, that the Agency is struggling to combine its regulatory role with that of 'Champion of the Environment'. In this context, we were disappointed that Defra, in its written evidence to the Committee, did not include any robust appraisal of whether the Agency had achieved the objectives it was designed to achieve. Neither did the Minister set out the Government's ideas as to whether the role and responsibilities of the Agency should change to take into account the Government's commitment to the sustainability agenda. Given the range of cross-cutting environmental issues faced by Government, we strongly support the Agency's role as a 'Champion of the Environment'. However, it is important that there should be clarity between all the Agency's different functions, particularly between its regulatory and environmental champion roles.**

18. **We recommend that Defra examine whether the Agency is adequately equipped for the cross-cutting environmental challenges facing it today, not least its important role as environmental champion and how it balances this with its regulatory role. In particular, the Agency's capability to address the challenges that climate change poses for its areas of responsibility should be fully explored. As part of this examination, Defra should also hold a series of stakeholder workshops with the Agency's main contacts and customers to critically appraise the Agency's ability effectively to deliver its current regulatory functions.**

The Agency's roles as a regulator and adviser

19. Another common theme raised in evidence was the perceived tension between the Agency's role as a regulator—or an enforcer—and that of an adviser to business. A number of witnesses representing the business community told us that the Agency should focus less on the enforcement aspect of its role and instead place greater emphasis on advice services for companies trying to comply with legislation.

20. EEF, the manufacturers' organisation, told us that the Agency was sometimes “overly focussed on 'policing'”, which could lead to a perception of its being “a non-pragmatic enforcement authority working against the interests of business”.²⁷ EEF gave the example of one of its small member companies which had suffered an internal spill of low risk.²⁸ The company wrote to the local Agency inspector to inform them of the incident. The

26 Q 252

27 Ev 28

28 Ev 43

reply from the inspector “thanked the company for reporting the incident and informed them that next time a spill occurred they would be fined”.²⁹

21. EEF believed this kind of attitude discouraged companies from reporting incidents, which ran counter to the Agency’s aim of protecting the environment.³⁰ Instead, EEF wanted a “balanced approach” with more emphasis on “advice services for companies trying to comply with legislation”.³¹ The Agency should help companies to “put improvement programmes in place to rectify situations, rather than just going for the red card”.³² The Confederation of British Industry (CBI) made similar points.³³

22. We questioned the Agency on the allegations that small and medium-sized enterprises (SMEs) were discouraged from asking for advice from the Agency for fear of prosecution. Baroness Young believed there was a “bit of a bogeyman feel” about such concerns.³⁴ Nevertheless, she recognised a need to work more with some of the umbrella bodies for SMEs “to try and assure them that we are not out to catch them out”.³⁵ In general, she believed the Agency had made considerable progress in improving its advisory services to companies, particularly to SMEs.³⁶ For example, the Agency’s web guidance tool ‘NetRegs’ aimed to help SMEs “to understand the complex environmental regulations that can affect them”.³⁷ Baroness Young told us that NetRegs—which is free to use and accessed anonymously—had doubled in size over the last year and, to date, had been used by quarter of a million of the four million SMEs in the UK.³⁸ She acknowledged there was “still a lot to do” to improve advisory services, but finding funding for such work was “challenging”.³⁹ NetRegs, for example, had only been established with the aid of a Capital Modernisation Fund grant from the Treasury.⁴⁰ The Agency was therefore working on “future funding mechanisms” to develop NetRegs and other advisory services.⁴¹

23. The Chief Executive told us that the Agency could not be held completely responsible for the environmental performance of business.⁴² She generally preferred a “partnership advisory approach” with business, but made it clear that the Agency could not be “the consultancy service to the whole of British business”.⁴³ She told us:

29 Ev 43

30 Ev 43

31 Q 107; Ev 27

32 Q 107

33 Ev 26. For further examples, see Q 145 [Waste Recycling Group].

34 Q 339

35 Q 339

36 Q 338

37 www.netregs.gov.uk/netregs

38 Q 338

39 Q 340; Ev 133

40 Ev 43

41 Ev 43

42 Q 338

43 Q 338

Businesses have a responsibility to understand what their environmental responsibilities are and we give them as much information and advice as we can in a generic sense to help them with that. ... we cannot give bespoke tailored advice to every single business about every single issue.⁴⁴

24. We note the views of business witnesses that the Agency should focus more on providing advisory services for companies trying to comply with legislation. Small and medium enterprises (SMEs) in particular often require greater attention, especially in areas where there is new environmental legislation. We were concerned, therefore, to hear that some SMEs are discouraged from approaching the Agency for advice because they fear prosecution. The establishment of the NetRegs web-guidance tool is one effective means by which SMEs can obtain advice, as it can be accessed anonymously and for free. We recommend that the Agency continue to develop its NetsRegs web tool and to increase awareness amongst SMEs about its existence. The Agency should also remember that not all small businesses will turn automatically to the internet for information, and therefore consider other forms of dissemination as well. This would also improve its image amongst SMEs. We recommend that Government provide additional ring-fenced funding for the development of NetRegs and other advisory services aimed at SMEs.

25. Proper implementation of environmental legislation is the antidote to prosecution. Therefore, we further recommend that the Agency undertake survey work with a representative range of SMEs to ensure that the right balance is achieved between the Agency's roles as an advisor and as a prosecutor.

The Agency's performance as a regulator

26. One of the Agency's five strategic roles is as a "modern regulator".⁴⁵ The Agency is responsible for more than 1,600 authorisations in process industries, more than 100,000 consents to discharge to inland waterways and more than 7,500 waste management licenses.⁴⁶ In addition, the Agency manages 49,000 water abstraction licenses ranging from those for water companies to individuals.⁴⁷ The following issues were raised in evidence: the Agency's commitment to a risk-based approach to regulation; inconsistencies in its approach between different geographical locations; the lack of specialist staff within the Agency; the transparency of regulatory charges; the use by the Agency of income from regulatory charges; and environmental prosecution. We cover each of them below.

The risk-based approach

27. In line with initiatives such as the Hampton Review of inspection and enforcement⁴⁸ and the Government's Better Regulation Agenda, the Agency is committed to a "risk-based, proportionate approach [that] drives improvements and rewards good

44 Q 338

45 Ev 132

46 Environment Agency, *Delivering for the environment: A 21st Century approach to regulation*, January 2005, p 6.

47 *ibid.*

48 *Reducing administrative burdens: effective inspection and enforcement*, Philip Hampton, March 2005 (HM Treasury)

performance”. Risk-based regulation involves targeting regulatory effort at higher-risk operators with the worst environmental performance.⁴⁹

28. The vast majority of witnesses supported the Agency’s commitment to a risk-based approach to regulation. However, business witnesses argued that few benefits of such an approach were yet evident. The CBI said that, whilst the Agency had adopted some risk-based approaches, they appeared to be having little effect in practice.⁵⁰ For example, “a particular dimension of the Landfill Directive” required a risk-based approach but CBI’s member companies affected by the legislation had found that the Agency was adopting a “dirigiste” approach across all the sites it inspected.⁵¹ The CBI believed this degree of prescription was not in the “spirit of the Directive” and caused “some significant disbenefit” to affected firms.⁵² In a similar vein, the Environmental Services Association (ESA) told us waste operators had experienced a “great deal of dissatisfaction” in obtaining landfill permits because the conditions attached to the issuing of such permits “should be risk-based [but] are often not risk-based”.⁵³ The Chemical Industries Association wanted the Agency to concentrate “more on operators with the ‘worst’ performance while giving a real regulatory dividend to operators with good environmental performance”.⁵⁴ The Association of Electricity Producers and the EEF made similar points.⁵⁵

29. We questioned the Agency on its commitment to risk-based regulation. The Agency told us that it was at the “forefront” of this approach and that the benefits were already evident.⁵⁶ Agency witnesses cited the fact that the number of low-risk waste inspections had decreased from 120,000 to 80,000 a year, as part of the Agency’s Modernising Regulation Change Programme.⁵⁷ The Agency had also decided that 500,000 potential new low-risk hazardous waste producers did not need to register with the Agency, which “saved the producers around £14 million a year”.⁵⁸ At the same time, the Chief Executive told us that its focus on “the big, bad and ugly, the illegal end, the companies or individuals who flout environmental regulation” had increased considerably.⁵⁹

30. In response to the claims made by industry representatives that compliant operators were still burdened with too much regulation, the Chairman of the Agency stressed that it was impossible to reduce the regulatory effort to zero.⁶⁰ He acknowledged, however, that

49 Details of the Agency’s commitment to modern regulation and a risk-based approach to regulation are outlined in its 2005 booklet, *Delivering for the environment: A 21st Century approach to regulation*, January 2005.

50 Ev 24

51 Q 107

52 Q 107

53 Q 132

54 Ev 243

55 Ev 228 [Association of Electricity Producers]; Ev 30 [EEF]

56 Q 328

57 Q 329

58 Ev 135

59 Q 329

60 Q 328

there was “not as much gradient ... between the lowest and highest performing operators as there might be”, and that the Agency was “trying to extend this the whole time”.⁶¹

31. We strongly support the Agency’s commitment to a risk-based approach to regulation. Not only does such an approach target those operators with the worst environmental records, it also reduces the regulatory burden on compliant operators and, by providing financial incentives to companies to improve their environmental performance, improves standards across the board. However, we recognise the force of the criticisms from some operators that the full benefits of this approach are still yet to be realised. We recommend the Agency continue to hone its risk-based approach to regulation. In particular, it should emphasise the financial benefits businesses can gain by improving their environmental performance.

Inconsistencies in approach

32. Problems relating to inconsistencies in the Agency’s approach—either between geographical regions or between the policy centre and inspectors on the ground—have been a long-standing issue for the Agency, and were raised in the Environment, Transport and Regional Affairs (ETRA) Committee’s 1999 report.⁶² A number of witnesses to our inquiry believed inconsistency remained a problem.⁶³ Augean, a waste management company, said the Agency was “much segmented with each area applying different standards of regulation”.⁶⁴ The CBI told us that the quality and experience of local inspectors “varies considerably, as do their opinions on environmental issues”.⁶⁵ This resulted in a degree of uncertainty that decisions would be upheld, and also made it “tempting for business to ‘shop around’ for the answer that suits them best”.⁶⁶ Wyecycle claimed that the Agency operated a “pick ‘n’ mix” attitude towards the Waste Management Licence rules.⁶⁷ For example, some community groups were allowed to sell compost without a licence, while others had been threatened with enforcement action.⁶⁸

33. One factor that witnesses felt contributed to inconsistencies between regions was poor communication between the policy centre and inspectors on the ground. The UK Petroleum Industry Association (UKPIA) believed the role of the inspector was “diminishing” because inspectors were “less well informed of developments at national level, resulting in less consistency”.⁶⁹ Water UK told us communication problems had been exacerbated by the Better Regulation Improving The Environment (BRITE) reorganisation within the Agency, which moved policy responsibility away from local staff

61 Q 328

62 HC (1999–2000) 34–I, paras 64–76.

63 For examples, see: Ev 193 [UK Petroleum Industry Association (UKPIA)]; Ev 225 [Port of London Authority]; and Ev 237 [British Cement Association]).

64 Ev 179

65 Ev 26

66 Ev 26

67 Ev 177

68 Ev 177

69 Ev 193

to the supra-regional level.⁷⁰ In the past, negotiation on issues such as statutory drought plans had been with the relevant regional official; now it was necessary for water companies to consult three different layers of the Agency.⁷¹

34. Another factor said to contribute to inconsistency was the large degree of movement of staff between the various functions of the Agency.⁷² Water UK told us there had been a different member of Agency staff at every six-month meeting it had attended.⁷³ Staff appeared to be on short-term contracts which did “not help continuity or building knowledge”.⁷⁴

35. On the other hand, some evidence acknowledged that the Agency was attempting to make improvements in this area. One development particularly welcomed was the establishment of Strategic Permitting Groups (SPGs) in relation to waste permits. The Chemical Industries Association recognised that the use of SPGs had “considerably reduced” the delivery time of Pollution Prevention and Control (PPC) permits and “improved consistency of output”.⁷⁵ ESA was “reasonably pleased” with the efforts the SPGs were making.⁷⁶ CBI also welcomed the initiative, although believed its full benefit had “not yet fully worked through the system”.⁷⁷ The Agency noted that SPGs had reduced the determination time for permits by about 40%.⁷⁸

36. We asked the Agency about consistency. The Agency’s Chairman told us that this remained a “key issue” for the Board, but stressed the Agency had come “a tremendously long way” since the ETRA Committee’s report, and considerable organisational change within the Agency over the past five or six years had made “a huge impact on consistency of process”.⁷⁹ Baroness Young told us about some of these organisational changes, which included:

- a new process management system, which established “a single consistent process for each regime established on a national basis”. The system included a telephone help-desk to ensure that “anybody with any doubts about a particular regime can get definitive advice on a particular issue, which is the same advice right across the country”;
- the establishment of SPGs for the major permits (noted above);

70 Q 109

71 Ev 45. We note another complaint about BRITE in paragraph 62 below.

72 See Q 118 [CBI]

73 Q 112

74 Q 112

75 Ev 244

76 Q 132

77 Q 118

78 Q 341

79 Q 341

- training for new staff in new regimes and externally-accredited training and development programme for front-line staff and environmental officers that specifically focus on consistency in enforcement and inspection;
- standardised site inspection forms and guidance;
- the introduction of a standard compliance assessment process, to ensure “a common nationally consistent benchmark to assess whether individual sites are complying or not”;
- a national risk assessment system to ensure companies’ risks were being assessed in a standardised fashion.⁸⁰

37. Baroness Young stressed, however, that there was “always going to be a struggle between national consistency and local flexibility”.⁸¹ Therefore, the Agency had incorporated into all these processes “the ability to take account of individual circumstances, of companies and their locations and the particular circumstances of their activities”.⁸²

38. We welcome the measures taken by the Agency over the past six years to improve consistency in its regulatory and enforcement functions. Real progress has been made with initiatives such as the establishment of Strategic Permitting Groups in respect of issuing waste permits. However, we remain concerned that inconsistencies still occur because of poor communication between the policy centre and the inspectors on the ground. Variations in policy and practice between the different regions of the Agency should be limited to those areas where they are a result of a genuine need for local differences in approach, rather than a lack of policy clarity or a failure to communicate national policy and standard working practices to local staff. The Agency must continue to improve its communication processes to ensure a consistent approach across the country to regulation and advice. It should also publish a work plan to indicate what steps it plans to take to further address the problem.

Specialist staff

39. Witnesses told us that inconsistencies in the Agency’s approach were partly caused by a lack of specialist staff. The Chartered Institution of Wastes Management believed the Agency suffered from employing too many “generalist” staff and not enough specialists.⁸³ The ESA also noted that Agency officers tended to be generalist, and wanted the Agency to “develop teams of specialist waste regulators”.⁸⁴ Water UK believed the Agency needed to “build on their science base” in order to adapt to changing demands in water resources

80 Q 341

81 Q 341

82 Q 341

83 Ev 217

84 Ev 46

management, but was doubtful whether the Agency could recruit and retain the right level of staff to provide the kind of advice that was needed.⁸⁵

40. Witnesses agreed that the Agency faced difficulties in recruiting specialist staff because of the decline in the number of university courses offering—and students taking—scientific subjects such as hydrogeology and geotechnics. The ESA said there was a “severe technical skills shortage in the market” and the number of graduates being generated with specialist skills was “far too low”.⁸⁶ The RSPB likewise acknowledged an “industry-wide problem”—it told us only one hydrogeology degree course remained in the country because universities favoured more general and less technical environmental courses.⁸⁷ Consequently, the number of graduate hydrogeologists had “dropped significantly”.⁸⁸ One reason given for the decline in the demand of such courses was that the financial rewards were “not adequate for those to go through that training to identify a career”.⁸⁹ The CBI told us that Agency staff in the North East had been leaving the organisation to join the local Regional Development Agency which offered higher pay.⁹⁰

41. However, the ESA believed that the Agency itself was also to blame for the lack of specialist staff it employed, on the grounds that it did not communicate sufficiently with young people about its technical work.⁹¹ The ESA believed that many people did not necessarily perceive the Agency as “an organisation that needs technically-qualified staff” because the “big view” of it remained as “a general protector of the environment”.⁹² Consequently, “people who have those specialised skills, or are considering acquiring them, do not automatically consider a career in [the Agency] as one where they can use them”.⁹³

42. The Chairman of the Agency was confident that Agency staff were sufficiently skilled for their purpose.⁹⁴ The Agency, he told us, maintained itself as a “a centre of expertise and excellence in a range of functions”, as required in ministerial guidance, and the large size of the Agency ensured it possessed the “resources to maintain expertise”.⁹⁵ He told us there was a “huge over-subscription” for environment officer jobs in the Agency, and the Agency remained an “employer of choice for a lot of young graduates in the relevant disciplines”.⁹⁶ He acknowledged, however, that the Agency was experiencing staffing problems at the “operational end ... where just covering the number of things we have to do makes the job feel most stretched”.⁹⁷ Baroness Young agreed that the Agency experienced “quite a degree of difficulty in recruiting and retaining staff”, particularly with flood risk engineers, and the

85 Q 105

86 Q 154

87 Q 221

88 Q 221

89 Q 155 [ESA]

90 Q 118

91 Q 155

92 Q 155

93 Q 155

94 Q 321

95 Q 321

96 Q 343

97 Q 321

Agency was “putting measures in place to try and improve them”.⁹⁸ For example, the Agency had introduced a foundation degree for its trainees in the first stages of engineering.⁹⁹ The Agency was also collaborating with the Institute of Civil Engineers to address a “general national shortage of civil engineers across the country” by running a series of recruitment campaigns.¹⁰⁰ These measures include the provision of work experience to sixth form and gap year students, improved career advice and providing case studies and computer models for undergraduate courses.¹⁰¹

43. Regarding hydrologists and geomorphologists, the Chief Executive acknowledged there was a “black hole”, caused largely by the reduction in the number of university courses available in this area.¹⁰² She told us the Agency was working with universities to try and re-invigorate those courses, as well as putting in place an improved career structure and providing in-house staff development.¹⁰³

44. We are extremely concerned that the Agency is experiencing difficulties recruiting specialist staff, such as flood risk engineers, hydrologists and geomorphologists. By its nature, much of the Agency’s work requires a high level of specialist knowledge. It is therefore essential that the Agency employs staff with the necessary skills to undertake its work. We understand that, to some extent, these difficulties are indicative of a more general industry-wide problem relating to a decline in the number of engineers and opportunities to study specific technical environmental courses. We welcome the Agency’s attempt to improve this situation by working with the Institute of Civil Engineers and with universities, and encourage the Agency to continue this collaboration in order to encourage more young people to take engineering and technical environmental courses, and to seek employment in the Agency. As part of this work, the Agency should consider a system of bursary payments to encourage young people to study in the disciplines which it needs but where graduates are in short supply. The Agency should also be discussing with the Department for Education and Skills further measures to increase the number of graduates in these areas.

45. It is clear from our evidence that the credibility of the Agency depends largely on the performance of its specialist staff in the front-line, such as its inspectors and flood risk engineers. The importance of such specialist positions should therefore be reflected in the pay structure of the Agency. If the Agency is not able to offer more pay, it should ensure its own generalists acquire appropriate technical skills as part of their training. We therefore recommend the Agency expand the opportunities available for Agency trainees to take a foundation degree in the first stage of engineering.

46. Our evidence showed that witnesses regarded lack of specialist staff as one of the Agency’s most significant drawbacks. The Agency should therefore issue a work plan

98 Q 342

99 Q 342

100 Q 342

101 Further information about the Agency’s collaboration with the Institute of Civil Engineers is available in *Action on Engineering Skills Shortages in Flood Risk Management Shortage*, Feb 2005. Available at www.environment-agency.gov.uk/commondata/acrobat/action_report_pdf_985716.pdf.

102 Q 342

103 Q 342

with specific deadlines to set out how it aims to solve its recruitment problems, and publish details about its future graduate requirements.

Transparency of charges

47. Many witnesses criticised the Agency’s perceived lack of transparency in relation to regulatory charges. The Prospect trade union said there was “a lack of clarity as to where the income from fees and charges on industry is spent”.¹⁰⁴ Yorkshire Water said it paid an annual charge of approximately £5 million yet “a lack of transparency on what these monies are used for by the Agency ... means that we are not able to challenge charges adequately”.¹⁰⁵ Similarly, EEF argued that business needed to see results from increased charges.¹⁰⁶ EEF claimed that currently, companies “often see charges increasing with little or no justification, and no obvious improvement in service”.¹⁰⁷ In relation to water abstraction charges, Water UK said it had been informed by the Agency that charging for supported river systems was calculated using a three times multiplier but “no evidence is given why this should be so”.¹⁰⁸

48. We questioned the Agency about the issue of transparency. The Chief Executive believed the Agency was “pretty transparent” in how it determined its charges, but was continuing to make improvements in this area.¹⁰⁹ The Agency provided us with the following information about the various means by which charge-payers can obtain information about its charges.

Table 2: Provision of information by the Agency about its charges

<p><i>Consultation document</i>—this provides details of the impact of cost increases on different types of charges, for groups of chargepayers, and breaks down the various elements of any charge increases.</p> <p><i>Leaflets</i>—where there are significant changes to schemes or charges, the Agency sends out leaflets with bills for annual charges which provide an explanation of the reasons for the changes and a breakdown of the elements which make up any increases.</p> <p><i>Website</i>—the Agency publishes detailed information on the principles and processes involved in developing its charging schemes and setting charges, as well as providing details of the charges for each of its schemes. The Agency has placed a document on its website entitled “<i>Costs and charges for environmental licences</i>” which describes how it brings charging principles together in order to calculate costs and charges. Charges for Pollution Prevention and Control permits are used as examples.</p> <p><i>Stakeholder forums</i>—the Agency engages with its stakeholders through a number of standing groups (for example, the Charges Review Group involving the Government, the trade associations and some of the bigger charging partners and representatives of SMEs which meets three to four times a year) and ad hoc meetings with trade associations where it respond to requests for information,</p>
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104 Ev 211

105 Ev 235

106 Ev 28

107 Ev 28

108 Ev 31

109 Q 324

including on the make up of charges.

Specific requests—requests received from individuals are usually concerned with the individual’s own charges. These are usually channelled through the Agency’s National Customer Contact Centre phoneline, its Finance Departments (Exchequer and Financial Accounting Service (EFAS) or EA Wales Finance) or to the Charges Team, either via stakeholder forums, by e-mail (the Agency advertise a specific e-mail query address in our consultation documents and leaflets) or post. Where a query relates to the basis or calculation of the charge, this is usually dealt with by EFAS or EA Wales Finance, with reference to local (Regional) Environment Officers where the query is of a technical nature. Other charging queries, or where the basis of the charge is disputed by the chargepayer and cannot be resolved locally, are referred to the Charges Team in the Agency’s Head Office for a decision and response. This ensures a “consistent approach and response to chargepayers”.

Source: Environment Agency¹¹⁰

49. The Agency concluded:

We believe we provide transparent information about charges and how they are reached. Regulated industry may not like the final outcome but they are fully involved in the process.¹¹¹

50. The provision of clear and comprehensive information to businesses and companies about their regulatory charges is crucial. In evidence, we heard contradictory opinions about the current degree of transparency provided by the Agency in this area. The Agency believes it provides adequate information about its charges and how they are reached, through its website, leaflets and the establishment of a Charges Review Group including Government, trade associations and partners and representatives of SMEs. We support such initiatives and encourage the Agency to take particular note of the comments made by representatives of charge-payers on the Charges Review Group so that it can truly demonstrate that they are, in the Agency’s words, “fully involved in the process”.

51. Our evidence showed, however, that a large number of charge-payers are still dissatisfied with the information they receive from the Agency, particularly in relation to where the money received from charges is being spent. The problem here could be a lack of communication with stakeholders about where they can obtain information about charges. We recommend that Defra examine how the Agency calculates its charges to satisfy itself that this process is conducted in the most transparent way possible, so that all stakeholders understand why they are charged as they are.

Use of income from charges for enforcement

52. CBI and EEF both said that some of the funds obtained from charges were being used by the Agency for inappropriate purposes.¹¹² For example, the Agency uses £2 million of the money raised by the Business Resource Efficiency and Waste (BREW) Programme for policing of fly-tipping.¹¹³ CBI believed it was “inconsistent to use revenue raised from

110 Ev 166

111 Ev 166

112 Ev 25 [CBI]; Ev 28 [EEF]

113 For further information about the BREW Programme, see www.defra.gov.uk/environment/waste/brew.

business for the costs of policing unregulated offenders”.¹¹⁴ The Composting Association believed the costs of regulating and enforcing illegal or poor-performing sites should be “borne by those operators or recovered through the Courts”—not by the legitimate operator through increased fees.¹¹⁵ It argued the Agency needed “sufficient funding” from Government “to enable it to carry out this function effectively”.¹¹⁶

53. We asked the Minister whether it was fair that compliant operators bore the costs of policing illegal operators. He told us there was always a “risk” of this occurring, but he believed that developing a risk-based approach would ease the financial burden on compliant operators and free up more resources for the enforcement of poor performing or illegal operators.¹¹⁷ The Chief Executive of the Agency told us that the origin of enforcement money depended on the particular regime, but the majority of the funding for the Agency’s enforcement work on illegal operators came from Grant-in-Aid, not from charges.¹¹⁸

54. Business witnesses are concerned that revenue raised from charges on legitimate operators is being used for the policing of illegal operators. We believe that the risk of this occurring should be minimised. Business charges must reflect the costs of regulatory effort. The Agency should make clear how much of the money derived from charges it is currently using for enforcement and produce a plan to show how it intends to end this practice. Enforcement of illegal and poor-performing operators should be funded by Grant-in-Aid or from environmental fines. If the Agency is struggling to fund its enforcement duties, Government should provide additional resources ring-fenced for this purpose.

Prosecution of environmental offences

55. In 2004, the Agency successfully prosecuted 233 limited and public companies.¹¹⁹ However, the Agency believed a number of “key barriers” needed to be addressed if performance in relation to prosecution were to be improved.¹²⁰ One barrier was the current low level of environmental fines. For example, in 2004 the average fine for business was £8,500—£500 less than in 2003.¹²¹ In total, the Agency estimated that approximately £3 million per year was generated from environmental fines, but the bulk of this revenue went into the Consolidated Fund.¹²² The Agency told us it had explored with the Treasury whether it could retain income from fines but, until fines increased considerably, it was “not worth making too much heat and steam about”.¹²³ According to the Minister, the

114 Ev 25

115 Ev 269

116 Ev 269

117 Q 295

118 Q 330

119 Ev 134

120 Ev 134

121 Ev 134

122 Q 331

123 Q 331

Treasury would defend the current arrangement by arguing that the fine income which went into the Consolidated Fund was recycled back to the Agency through Grant-in-Aid.¹²⁴

56. The Agency identified other barriers restricting effective prosecution, including:

- *Inconsistency in sentencing*—the Agency believed inconsistency was “considerable” due in part to the “lack of familiarity that courts have with environmental cases”.¹²⁵ It proposed that all environmental cases should be heard by a specialist group of magistrates, who had received dedicated training.¹²⁶
- *Lack of deterrence*—fines are often less than the profit gained. The Agency wanted a “general principle that no one should profit from environmental crime”, and powers for the criminal courts to order companies or individuals to clean up the pollution they have caused.¹²⁷
- *More flexible penalties*—the Agency wanted the courts to be able to use higher fines coupled with new penalties such as adverse publicity orders, corporate probation or community benefit orders and remediation orders, in order to gain the attention of the boardroom, shareholders and customers of larger companies.¹²⁸
- *Regulator-applied penalty powers*—to enable the Agency to propose the payment of a penalty by the offender as an alternative to court action. Penalties imposed by the court would be equivalent to or higher than the administrative penalties, and the offender would be free to accept or reject the proposed penalty. The Agency believed this would provide “a faster and more effective process for cases where there is no dispute about responsibility for environmental damage”.¹²⁹

57. Some of these issues were raised in the Environmental Audit Committee’s (EAC) Second Report of Session 2004–05 on *Corporate Environmental Crime* and its Sixth Report of Session 2003–04 on *Environmental Crime and the Courts*.¹³⁰ The EAC concluded that the general level at which fines were imposed “neither reflects the gravity of environmental crimes, nor deters or punishes adequately those who commit them”.¹³¹ It also supported the creation of “a robust civil penalty regime as an alternative means with which to deal with environmental crime”, as well as compulsory remediation work.¹³²

124 Q 299

125 Ev 134

126 Ev 134

127 Ev 134

128 Ev 134

129 Ev 134

130 Environmental Audit Committee, Second Report of Session 2004–05, *Corporate Environmental Crime*, HC 136; Sixth Report of Session 2003–04, *Environmental Crime and the Courts*, HC 126.

131 HC (2003–04) 126, para 16.

132 HC (2004–05) 136, para 48; HC (2003–04) 126, para 17.

58. We asked the Minister whether he thought there was a case for tougher penalties for poor-performing and illegal operators. He agreed that the fines often did “not reflect the severity of the offence”.¹³³ He told us:

Those companies that break regulations are doing so often to give them a competitive advantage by cutting corners and costs in terms of competing with decent companies that are applying the proper health and safety and environmental standards. I think it is quite right and proper that we should have levels of fines which reflect that but also reflect that some of the illegal activities are potentially very profitable.¹³⁴

He told us that Government was considering a review that would examine “a wider concept of environmental justice”, and whether there was a case for special training for magistrates, dedicated courts and different forms of fines, such as remediation penalties.¹³⁵

59. Business witnesses also supported reform in this area. The CBI believed a “new approach” was necessary to deal with illegitimate operators, whether in terms of higher fines or the use of administrative penalties.¹³⁶ However, it warned that some issues would need to be resolved—such as the establishment of an appropriate means of appeal against administrative penalties—because it believed the Agency might be tempted to use such an approach “rather more rigorously than might otherwise be desirable, in the interests of raising sufficient revenue”.¹³⁷

60. We believe a strong case exists for placing more of the burden of enforcement costs onto fines, rather than charges. Fines for environmental offences are still relatively small and often do not reflect the severity of the offence. We also believe that consistency in sentencing of environmental crimes should be improved, and therefore support the Agency’s proposal that a team of magistrates be trained specifically to deal with environmental cases. Consideration should be also given to the Agency having the ability to propose payment of a fixed penalty by the offender as an alternative to court action. We welcome the fact that discussions are taking place within Government about the prosecution of environmental cases. The Environment Agency and business representatives should be closely involved in such discussions. Defra should, without delay, publish a Green Paper detailing its proposals on the roles to be played by other branches of Government in devising ways to fundamentally improve the system by which courts administer environmental prosecutions.

61. At present, money received from environmental fines goes directly into the Consolidated Fund, and is recycled to the Agency through Grant-in-Aid. If the amount of fines increases significantly, the Agency should receive the full value of any additional revenue either through retaining fine income or through the present arrangement. Our preference, however, is for the Agency to be able to retain income

133 Q 296

134 Q 297

135 Q 298

136 Q 124

137 Q 124

directly from fines. We recommend that the Treasury examine the case for allowing the Agency to keep the fines which result from successful prosecutions and report to Parliament about its conclusions on this matter.

2 The Agency's relationship with Government

- **The Agency's relationships with Defra, Defra-sponsored bodies and the rest of Government, including the Agency's role in the planning system**

Lack of distinction between Defra and the Agency in policy-making

62. A common complaint in our evidence was that the Agency, in the words of the Port of London Authority, “exceeds the purposes for which it was established” and is too closely involved with policy-making.¹³⁸ The UK Petroleum Industry Association said it was “difficult to establish who is responsible for interpreting legislation between officials in Defra and the Agency”.¹³⁹ The CBI likewise referred to a “lack of distinction” between Defra and the Agency as to which one was responsible for developing policy.¹⁴⁰ It said this had increased since the reorganisation of the Agency's structure under the BRITE initiative, which had “put in place more policy functions in the Agency than before”.¹⁴¹ The CBI believed that policy-making should be distinct from enforcement and that Defra should be responsible for policy, and the Agency for enforcement.¹⁴²

63. Several witnesses blamed Defra for the perceived increase in the Agency's involvement in policy-making, primarily as a result of Defra being slow to issue relevant guidance to the Agency. The Waste Recycling Group said that a “lack of timely policy setting” within Defra sometimes created a policy vacuum, resulting in the Agency adopting the role of policy maker, “sometimes unwillingly, sometimes enthusiastically”.¹⁴³ The Port of London Authority criticised Defra for being “slow to issue the necessary policy guidance in a changing situation”.¹⁴⁴ The CBI cited the Landfill and Groundwater Directives where Defra had failed to establish a lead in the design and interpretation of policy, which resulted in the Agency making decisions “on the hoof” about the enforcement of regulations.¹⁴⁵ The ESA acknowledged that “poorly written” European legislation had caused problems relating to the issuing of permits under the Landfill Directive.¹⁴⁶ But it believed Defra

138 Ev 223

139 Ev 193

140 Ev 24

141 Ev 25

142 Ev 24

143 Ev 52

144 Ev 226

145 Ev 42; Q 119

146 Q 134

should have interpreted the guidelines “a lot earlier”.¹⁴⁷ The Agency would then have had “a relatively straightforward task”.¹⁴⁸ A number of other witnesses made similar criticisms relating to Defra’s perceived hesitancy in issuing clear policy guidance for the Agency.¹⁴⁹

64. We asked the Minister about this perceived increase in the Agency’s role in policy-making. He believed the concerns of business witnesses were “sometimes exaggerated”.¹⁵⁰ He told us that the Agency was very closely involved in the production of policy—for example, with *Making Space for Water* (the new strategy for flood and coastal erosion risk management in England) and the Waste Review—and was “free to comment on policy”, but policy functions were ultimately a matter for Defra.¹⁵¹ He dismissed accusations that Defra had been slow in bringing forward guidance. He said Defra often gave advice and warning to stakeholders “well in advance” and “they then turn round a couple of years later and say that they never knew that was coming”.¹⁵²

65. Nevertheless, the Minister acknowledged improvements could be made.¹⁵³ He told us Defra was establishing a policy group “to improve the implementation of European directives ... to make sure that we do involve people as early as possible and that they are open and transparent”.¹⁵⁴ He hoped the policy group would act as “a centre of excellence” in terms of the kind of good practice or best practice that both Defra and the Agency should apply.¹⁵⁵

66. The Agency’s view on this matter, however, was closer to the position of business witnesses than that of the Minister. It told us that:

Given the incoherence and inconsistencies in legislation, [the Agency] from time to time fills a policy void as we have to take the regulations, apply them at an operational level and make them fit real life situations.¹⁵⁶

67. In order to address these inconsistencies, the Agency believed regulatory reform was necessary at both the European and national level.¹⁵⁷

Regulatory changes at the European level

68. The Agency told us that EU environmental legislation was often drafted in “piecemeal” fashion resulting in “incoherence, inconsistency and overlapping requirements”, and “poorly defined” primary legislation.¹⁵⁸ For example, the term “pollution” was defined

147 Q 134

148 Q 134

149 For examples, see: Ev 228 [Association of Electricity Producers]; Q 127 [EEF]; Ev 236 [Yorkshire Water]

150 Q 263

151 Q 262

152 Q 262

153 Q 263

154 Q 263

155 Q 263

156 Ev 164

157 *ibid.*

158 *ibid.*

differently in different EU Directives.¹⁵⁹ Consequently, EU law was transposed into national legislation in “a piecemeal fashion” and could not “easily be integrated into existing legislation”.¹⁶⁰ This “silo approach at EU and national level” resulted in legislation that was piecemeal and overly complex, and it led to “delayed or ineffective implementation”.¹⁶¹

69. To rectify this situation, the Agency wanted the EU to adopt “a common regulatory code for the environment”, covering such issues as definitions, permitting, consultation periods, and monitoring arrangements.¹⁶² It wanted the first step in this direction to be in respect of the legislation governing waste.¹⁶³ The Agency believed this would “reduce the administrative and financial burdens on the public and business” because the legislation would be “clearer and easier to understand” and would also “make transposition easier for Member States”.¹⁶⁴

70. Business representatives are concerned that the Agency appears to be increasingly involved in the development of policy. The Agency acknowledges that, due to incoherence and inconsistencies in legislation, it occasionally fills a “policy void” in order to apply regulations at an operational level. This is partly caused by poorly defined and broadly written European Union legislation. We agree with the Agency that a common EU regulatory code for the environment—covering such issues as definitions, permitting, consultation periods, and monitoring arrangements—would facilitate the effective implementation and transposition of EU environmental legislation by the Agency, comparative agencies in other Member States and other EU governments. We therefore task the Government with publishing proposals to address these problems and committing itself to raising its conclusions in the Council of Ministers within the next six months.

Regulatory changes at the national level

71. The Agency also believed regulation should be improved at the national level.¹⁶⁵ It wanted “a common regulatory framework” at the national level because legislation was currently developed in “separate regulatory silos” with “a different format each time, with different administrative requirements”.¹⁶⁶ The Agency told us it was working with Defra on developing such a framework for two major licensing schemes from differing EU directives: the Environmental Permitting Programme, which aims to combine the major

159 Ev 164

160 *ibid.*

161 *ibid.*

162 *ibid.*

163 *ibid.*

164 *ibid.*

165 *ibid.*

166 *ibid.*

licensing regimes of Pollution Prevention and Control and waste management licensing.¹⁶⁷ It is seeking to extend this to other regimes and EU directives in the future.¹⁶⁸

72. We agree with the Agency that developing legislation at the national level within separate regulatory ‘silos’ can create problems for the effective interpretation and enforcement of policy. It can also complicate matters for businesses and individuals affected by that legislation. We welcome the moves to develop a common regulatory framework for the Pollution Prevention and Control and waste management licensing regimes. We recommend that Defra and the Agency seek to extend this common framework to other regimes and EU directives, ensuring that business interests are kept fully informed of developments.

The Agency’s involvement at consultation stage

73. The CBI believed “the other side of this issue” was that Defra did not involve the Agency in policy discussions early enough, thereby potentially “missing out on some of the practicalities of regulatory enforcement”.¹⁶⁹ A similar point was made by the Campaign to Protect Rural England which said that the Agency often only provided advice “post-hoc”, after decisions had been made.¹⁷⁰

74. We asked the Agency how satisfied it was with the extent to which Defra consulted it in the initial stages of policy discussions. The Agency told us it was encouraged by the “increasing commitment” from Defra to involve it earlier in the decision-making process, and that it was “seeing improvement”.¹⁷¹ The Agency believed that, historically, Defra had regarded it as “merely technical support” and had not engaged it in policy discussions.¹⁷² This was partly because of “a difference in focus” between Defra and the Agency, with the Department focusing sometimes on avoiding infraction proceedings in the European Court of Justice.¹⁷³ The Agency said Defra’s approach could lead to “a compressed timescale to plan for implementation, additional administrative burdens and increased business uncertainty”.¹⁷⁴

75. However, the Agency believed that Defra now recognised the need to bring the Agency “to the table earlier”.¹⁷⁵ It told us about two “very positive” initiatives:¹⁷⁶

- the introduction of a programme and project management (PPM) approach for developing policy, regulation and negotiating positions. This allowed “a more

167 Ev 164

168 *ibid.*

169 Ev 25

170 Q 212

171 Ev 164

172 Ev 165

173 *ibid.*

174 *ibid.*

175 *ibid.*

176 *ibid.*

systematic involvement of key stakeholders, including [the Agency] at the earlier stages of policy development”;¹⁷⁷

- Defra and the Agency have signed a Concordat on EU and International Relations, which “encourages the earlier involvement of [the Agency] in EU decision-making”.¹⁷⁸

76. The Agency said the benefits of these approaches were already evident, for example, in the work on the revision of the Emissions Trading Directive.¹⁷⁹ In particular, the Agency considered the initial PPM projects as “a good step forward”.¹⁸⁰ However, the Agency did not believe it was sufficient for PPM to be adopted selectively.¹⁸¹ It called for the discipline of PPM to be “rigorously applied throughout Defra ... for it to make a real difference”.¹⁸²

77. We strongly believe that it is essential for the Agency to be involved on a regular basis in the early stage of policy discussions with Defra. If it is not, effective assessment of the feasibility and costs of proposed regulations is hindered. We note Defra’s reluctance in the past always to involve the Agency in such discussions, and we hope that recent initiatives—such as the programme and project management (PPM) approach and the Concordat on EU and International Relations—are indicative of a more collaborative relationship between Defra and the Agency at the initial stages of policy discussion. In particular, we believe PPM has considerable value in promoting systematic engagement with the Agency. We recommend Defra expand the use of the PPM approach throughout its work.

The Agency’s role in the planning system

Revision of the Planning Policy Guidance (PPG) 25

78. The Agency provides all regional and local planning authorities with information on flooding issues, and advises on the preparation of their development plans and associated strategic flood risk assessments. It also advises potential developers on site-specific flood risk assessments. In total, it consults on around 60,000 planning applications per year.¹⁸³ The Agency is opposed to inappropriate development in flood risk areas and advocates restoration of the floodplain—wherever possible—to enable it to function naturally.¹⁸⁴ However, the Agency’s advice has been ignored in some cases. In 2004, about 693 houses were built in flood risk areas against Agency advice.¹⁸⁵ Estimates also suggest that the Agency may be consulted on less than 60% of applications at risk of flooding.¹⁸⁶

177 Ev 165

178 *ibid.*

179 *ibid.*

180 *ibid.*

181 *ibid.*

182 *ibid.*

183 Ev 138 [Environment Agency]

184 Ev 140 [Environment Agency]

185 *ibid.*

186 Ev 6 [Association of British Insurers]

79. In March 2005, the Office of the Deputy Prime Minister (ODPM) announced that it was to review the existing guidance in this area, Planning Policy Guidance note PPG25: *Development and Flood Risk*.¹⁸⁷ A key proposal within the consultation on the revised guidance was to grant the Agency statutory consultee status for new developments in areas of flood risk. The Agency welcomed the proposal because it would ensure that significant developments in the flood plain proposed against its advice would be referred to ministers.¹⁸⁸ The analysis of the consultation will be published in October 2006.

80. The vast majority of witnesses also welcomed the proposal to grant the Agency statutory consultee status for developments in flood risk areas. Insurance companies were particularly supportive. Royal & SunAlliance (RSA) told us that the Agency's proposed new status would "give insurers and the public more confidence that new homes are being adequately protected from flooding".¹⁸⁹ Similarly, the Association of British Insurers (ABI) warned that home-owners could struggle to obtain insurance for properties in areas of flood risk if the Agency were not granted such powers.¹⁹⁰ Environmental groups also supported the proposed revision of PPG25. Campaign to Protect Rural England (CPRE) wanted the Agency involved in planning decisions "at the earliest stage of policy making and at the highest level".¹⁹¹ If the Agency's advice were ignored, CPRE believed that a Minister should explain in public why this was so.¹⁹² It told us that:

... ministers have made a lot of attaching importance to evidence-based policy-making and ... if decisions are being made which go against the evidence which is being provided, it only seems appropriate that there needs to be additional justification given.¹⁹³

The RSPB and the Country Land and Business Association also supported an increase in the Agency's statutory status in this area.¹⁹⁴

81. We asked the Minister about the Agency's role in the planning process. He agreed that there was a strong case for granting the Agency statutory consultee status in relation to major developments.¹⁹⁵ He welcomed a "considerable stepping up" of the Agency's powers, including granting the Agency a "call-in of the application" if it believed planning decisions were being taken without any regard to its advice.¹⁹⁶ However, the Minister stressed that the revised PPG25 was "not a blanket ban" on any development in any floodplain.¹⁹⁷

187 Once approved, the revised PPG25 will become known as Planning Policy Statement (PPS) 25: *Development and Flood Risk*.

188 Ev 140

189 Ev 2

190 Q 41

191 Ev 91

192 Q 222

193 Q 222

194 Ev 88 [RSPB]; Ev 293 [Country Land and Business Association]

195 Q 269

196 Q 269

197 Q 273

Instead, planning authorities only had to “take into account” the potential for increased flood risk in terms of the application.¹⁹⁸

82. We are concerned that the Agency’s advice on development in areas of flood risk has sometimes been ignored. In some instances, the Agency has not even been consulted. Along with the majority of our witnesses, we strongly support the proposal in the current consultation on the revision of PPG25 to grant the Agency statutory consultee status for planning applications involving development in flood risk areas. We are aware, however, that this new status will not necessarily ensure the Agency’s advice will be accepted: only that its advice is considered. We recommend that, where the Government allows development to go ahead against Agency advice, the Government should publicly explain the reasons for not accepting the Agency’s advice. We believe this would significantly improve transparency in this area.

Need for additional resources in relation to planning

83. Some witnesses were concerned that the Agency could struggle to cope with the additional demand in applications if it was granted statutory consultee status in relation to proposed developments in flood risk areas. The ABI said the Agency would “need to ensure that it can respond in a timely manner to the increased demand for advice that these measures would generate”.¹⁹⁹ CPRE too questioned whether the Agency had sufficient resources—both financial and in terms of human resources—to deal with the thousands of planning application queries it received every year, which would most likely increase after the revision of PPG25.²⁰⁰

84. We questioned the Chairman of the Agency on this matter. He estimated that the Agency would probably need an additional 40 planning officers across the country in response to the additional PPG25 demands, which would come out of flood defence expenditure.²⁰¹ He told us that the Agency currently received no income from the planning regime for the advice it provided, despite the fact that total costs associated with its work in this area were around £8m per annum.²⁰²

85. We are concerned that the Agency lacks adequate resources to respond appropriately to many planning applications. This situation will only worsen if the demands on the Agency increase considerably, as a result of it being granted statutory consultee status in the revised PPG25. At present, the Agency receives no income for the provision of its advice in relation to planning, despite estimated costs of £8 million per year in this area. We recommend that the Government re-examine the way the Agency is funded for its work in providing information for development and planning applications, and assess whether some of its work in this area should be funded by the developer concerned.

198 Q 273

199 Ev 7

200 Q 219

201 Q 335. This extra resourcing followed a workforce review looking at all Agency planning activity and policy, including the revised PPG25.

202 Q 335; Ev 159. This figure covers the direct costs of the planning liaison workforce, IS/IT systems development and support, plus management support and overheads.

Flooding information for developers

86. The Agency also provides advice to developers and landowners through its pre-application advice and discussions. RSPB told us that the percentage of new homes built in the floodplain was “roughly equivalent” to the percentage of England’s land area designated as floodplain, suggesting that Agency advice was still not making floodplain land generally less attractive to developers.²⁰³ The Agency also warned that flood risk could increase “as much as 20 fold in the future” due to the effects of climate change.²⁰⁴

87. **Even if, as expected, the Agency is granted statutory consultee status for planning applications involving development in flood risk areas, we believe action will still be necessary to reduce the number of planning applications made in such areas in the first place. To help achieve this, the Agency should further improve its provision of information to developers regarding the environmental and financial consequences of development in flood risk areas. In doing so, the Agency should spell out to developers and other stakeholders the extent to which flood risk is likely to increase in the longer term.**

3 Flood defence and management

- **The Agency’s responsibilities for flood defence and flood mapping, including guidance to the public**

Flood risk management

88. One of the Agency’s biggest responsibilities is flood risk management. It has a supervisory role in all matters relating to flood risk management in England and Wales and is empowered to construct and maintain flood defences, provide flood warning and advice and flood incident response. The Agency estimates that over five million people and two million homes and businesses are currently at risk of flooding in England and Wales with assets valued at £250 billion.²⁰⁵ Approximately half of the Agency’s income and expenditure in 2005–06 was related to its work in this area.²⁰⁶ Defra provides the great majority of funding for the service, including flood defence Grant-in-Aid to the Agency, which totalled £445m in 2005–06.²⁰⁷

89. Most witnesses were satisfied with the Agency’s work in relation to flood defence. For example, the National Association of Fisheries and Angling Consultatives told us that the Agency now acted in “a far more holistic way” in flood defence matters than it had in previous years.²⁰⁸ Concerns were raised, however, that the Agency would struggle to

203 Ev 88

204 Ev 139

205 Ev 139

206 Ev 145 [Environment Agency]

207 Ev 145 [Environment Agency]

208 Ev 209

address the likely increased risk of flooding due to climate change, unless significant increases in funding were granted for its flood defence work. The Chairman of the Agency believed that the current level of investment on flood defence was “correct for the present time”.²⁰⁹ He welcomed recent funding increases from Government in this area, but stressed these were “a step on a longer journey”.²¹⁰ In the long term, he believed the UK should aim to spend “approximately a billion pounds a year” on flood defence.²¹¹

90. Witnesses shared this view. The ABI told us that climate change was “likely to result in a considerably worse flood risk” and warned that the Government could not afford to take its “foot off the gas pedal”.²¹² It wanted Government to increase levels of investment in flood risk management by at least £30 million year-on-year in order to tackle the growing risks.²¹³ The 2004 Foresight Report by the Office of Science and Technology (OST) also warned that figures for annual damage from flooding could rise from the present level of £1 billion to about £25 billion “in the worst case scenario”.²¹⁴ It therefore recommended Government increases in spending for building and maintaining flood defences in response to these increased risks. Our predecessor Committee welcomed the Foresight Report’s conclusions in its previous report on *Climate change, water security and flooding*.²¹⁵

91. We asked the Minister whether the Government intended to increase the Agency’s income for its flood defence work. He stressed that Defra had already “substantially increased” the Agency’s flood defence budget in the past few years, with a 40 per cent increase since 2002.²¹⁶ He agreed, however, that it was “inevitable” that more would have to be spent in this area and acknowledged the importance of taking the findings of the OST into account.²¹⁷ The Minister told us that Defra would “make its case” to the Treasury—in consultation with the Agency—as part of the next Spending Review about “the appropriate level of spend” for the Agency’s flood defence work.²¹⁸ The Spending Review will include Defra conducting a zero-based review of flood risk management.

92. Defra’s Head of Flood Management Division also emphasised the importance of funding being spent effectively by the Agency.²¹⁹ She told us that the Agency had been granted “increased flexibility” with its flood defence Grant-in-Aid to enable it to divert resources to the most pressing areas.²²⁰ She believed that “moving money around in terms

209 Q 320

210 Q 320

211 Q 320

212 Q 100

213 Ev 3

214 Office of Science and Technology, *Future Flooding Foresight Report*, April 2004. Also see www.environment-agency.gov.uk/subjects/flood.

215 Environment, Food & Rural Affairs Committee, Sixteenth Report of Session 2003–04, *Climate Change, Water Security and Flooding*, HC 558, paras 34 & 37.

216 Q 300

217 Q 304

218 Q 304

219 Q 301

220 Q 301

of maintenance... is required as much as more money”.²²¹ Baroness Young welcomed the recent increases in flood risk management funding but recognised that the “big stretch” for the Agency was to “spend it well”.²²²

93. We welcome the Government’s recent funding increases for the Agency in relation to its flood defence work. However, flooding risks can only increase in the future, due to the effects of climate change. The Minister has acknowledged that spending in this area will consequently also have to increase. We expect him to listen closely to the Agency’s advice in this area before decisions are made in advance of the next Spending Review. We agree with the Agency that Government should aim to increase the Agency’s funding in this area to £1 billion per year in the long term.

94. With such a large budget comes increased responsibility to ensure the money is wisely spent. As part of its zero-based review of flood risk management in the next Spending Review, Defra should examine how effectively the Agency is spending its flood management funding.

Communicating with the general public about flood risk

95. As part of its work on flood defence, the Agency aims to increase public awareness in those areas at risk of flooding. It has previously invested £25 million in mapping the likely areas at risk from river and coastal flooding, using “the most advanced technology available”.²²³ The flood map is available to the general public via its web site and is updated regularly, requiring investment of around £8 million per year.²²⁴ The Agency states that the European Commission considers it to be an exemplar of best practice in terms of flood risk mapping and flood warning in Europe.²²⁵

96. The Agency also aims to increase public awareness about flood risk in other ways. For example, it:

- disseminates flood warnings to around 1.2 million homes and businesses in England and Wales;
- tries to encourage those at risk to take effective action to prepare for and respond to flood warnings;
- provides a 24-hour telephone advice and information line (Floodline);
- invests £30 million a year in improving its flood warning service and encouraging take-up of the service by householders and business; and

221 Q 303

222 Q 321

223 Ev 140

224 Ev 140

225 Ev 140

- is shortly to launch new services which will provide flood warning for the public through a range of media, including to mobile phones and by text message.²²⁶

97. The Agency stressed, however, that its resources were “small compared to the campaigns that can be run by central government”, and that it was “not resourced to run large-scale campaigns aimed at the public at large”.²²⁷

98. Witnesses were generally positive about the Agency’s work in this area. The Association of Drainage Authorities believed the Agency had been “hugely successful” in the raising of public awareness of flood risk, achieved through both “an enormous publicity effort” and the maps of flood risk areas.²²⁸ The NFU acknowledged the Agency’s work on flood defence had achieved “good awareness”.²²⁹ The ABI believed the Agency had made “good progress in communicating flood risk through delivery of its flood mapping strategy”.²³⁰ The British Soft Drinks Association also believed there was “good information” on flood defence, for example with the flood maps available on the website.²³¹ However, it questioned whether the general public was “fully aware of the information available”.²³² Other evidence suggested that, although the information was available, there was a degree of indifference among those likely to be affected, until it was too late.²³³

99. The provision of information and advice to households in areas of flood risk is a crucial element of the Agency’s work. The Agency has achieved much in this area with relatively limited resources, through initiatives such as the flood map available on its website and its 24-hour telephone helpline. If the Agency is to maintain and improve its work in raising awareness about flood risk amongst the general public, Government should review with the Agency the funding available for this work and jointly publish proposals showing how this part of the Agency’s work will be further developed. The Agency should also consider other innovative ways to reach out to the general public in these areas of work, bearing in mind that not everybody uses the internet as their main source of information.

226 Ev 141

227 Ev 141

228 Ev 216

229 Ev 254

230 Ev 7

231 Ev 223

232 Ev 223

233 Ev 175 [Louis Jankel]

4 Relationships between the Agency and Natural England

- **How will the organisational changes brought about by the Natural Environment and Rural Communities Bill affect the role of the Environment Agency?**
- **How will the Agency’s work in improving wildlife habitats tie in with Natural England’s work on biodiversity?**

100. The Natural Environment and Rural Communities (NERC) Act has created a new agency—Natural England—comprising all of English Nature, the landscape, access and recreation elements of the Countryside Agency, and the environmental land management functions of the Rural Development Service. The new organisation’s responsibilities include integrated resource management, nature conversation, biodiversity, landscape, access and recreation.²³⁴ Pending its formal establishment in October 2006, the constituent bodies that are to form the new agency have been working as a confederation of partners—the Natural England Partnership. Our predecessor Committee examined the draft Bill that led to the Act in its Fifth Report of Session 2004–05.²³⁵

101. Defra wants the Agency and Natural England to work closely together to “maximise the impact of activities on the environment”.²³⁶ For example, the two organisations will take joint action to tackle diffuse water pollution and work together on local projects to generate improvements in biodiversity and flood defence.²³⁷ The Natural England Partnership, the Agency and the Forestry Commission have already signed a Memorandum of Understanding which provides “a framework for future relations” between the three organisations.²³⁸ The Memorandum “defines individual responsibilities and shared priorities, and how the organisations will work together to deliver these in line with statutory purposes”.²³⁹

102. Witnesses from both the Agency and Natural England Partnership organisations said the relationship between the two organisations had been progressing well, and both emphasised the importance of maintaining a close relationship once the new organisation was established. The Natural England Partnership was generally very positive about its relationship with the Agency, and told us its representatives liaised regularly with Agency officials.²⁴⁰ The Minister told us there was a “good relationship” between the Agency and the newly appointed Chair of Natural England, and that they had been meeting and co-

234 www.defra.gov.uk/rural

235 Environment, Food and Rural Affairs Committee, Fifth Report of Session 2004–05, *The Government’s Rural Strategy and the draft Natural Environment and Rural Communities Bill*, HC 408–I.

236 www.defra.gov.uk/rural

237 www.defra.gov.uk/rural

238 www.defra.gov.uk/rural

239 www.defra.gov.uk/rural

240 Q 156

operating regularly.²⁴¹ One example of such co-operation was in relation to on-farm management of diffuse pollution.²⁴²

The Government's agri-environment budget

103. Although witnesses representing the Agency and Natural England Partnership told us they were broadly happy with the current relationship, it was clear that the Government's agri-environment budget was an area of tension. This budget of over £300 million per year will be controlled by Natural England and used to achieve its objectives of biodiversity, landscape, access and recreation, as set out in the NERC Act. However, the Agency stressed that the budget was also intended for its own aims of protecting the natural resources of air, land and water.²⁴³ It therefore wanted Natural England to be given "clear guidance" on using agri-environmental funding to achieve both organisations' objectives.²⁴⁴

104. When questioned on this issue, the Natural England Partnership acknowledged that the agri-environment budget was a source of tension between the two organisations because they both wanted "a slice of the action".²⁴⁵ However, it believed the main problem was simply that the budget was not big enough at present. One reason for this was that a recent EU budget settlement had placed the agri-environment budget under pressure.²⁴⁶ The Natural England Partnership believed any further pressures on the budget would be "very painful ... not only for Natural England but also for the Agency".²⁴⁷ We asked whether these potential budget constraints could hinder the Agency's performance in some areas. Natural England did not believe budgetary problems would affect the Agency's "core" shared outcomes, such as the Water Framework Directive and the Sites of Special Scientific Interest (SSSI) target.²⁴⁸ However, it warned that some of the Agency's less important responsibilities—"the nice to do, the desirables"—could potentially be threatened.²⁴⁹

105. We welcome the progress made by officials in the Agency and the Natural England Partnership in establishing a close and constructive working relationship. Due to the overlapping nature of some of the Agency and Natural England's responsibilities, it is essential that these good relations continue once Natural England is established. We are concerned, however, that—even before the new body has been created—tensions already exist relating to the potential use of the agri-environment budget. This budget will be controlled by Natural England but, in effect, used to deliver both organisation's objectives. We therefore agree with the Agency that, in order to avoid potential

241 Q 312

242 Q 312

243 Ev 141

244 Ev 141

245 Q 172

246 Q 165. As part of the deal on the EU Financial Perspective 2007–13, the budget for agri-environment funding under Pillar II of the Common Agricultural Policy (rural development) has been reduced by an average of up to 40% for all Member States compared to current levels of spending.

247 Q 165

248 Q 168

249 Q 168

disputes, Defra should provide Natural England with clear guidance on using the agri-environmental funding to achieve both organisations’ objectives. It is also essential that any budget constraints that arise do not hinder the Agency’s performance in relation to its core shared outcomes, such as the Water Framework Directive and SSSI responsibilities.

Biodiversity

106. Under the UK Biodiversity Action Plan, the Agency is the lead organisation responsible for saltmarsh and mudflat Habitat Action Plans, while English Nature (and, in due course, Natural England) is the lead on wetland Habitat Action Plans (that is, fens, bogs, grazing marsh and reedbeds).²⁵⁰ The two organisations have an annual target for creating 200 hectares of new saltmarsh, mudflat and other wetland habitats, through the Agency’s flood risk management work.²⁵¹

107. We asked both sets of witnesses whether the division of responsibilities for Habitat Action Plans could cause confusion or duplication of effort. The Natural England Partnership believed it was important that two organisations had responsibility because of the wide range of Action Plans for species and habitats.²⁵² It was also “logical” for the Agency to have lead responsibility for saltmarsh and mudflat Habitat Action Plans because of its work on flood and coastal defence.²⁵³ Nevertheless, it stressed that each organisation had an important role to play on Action Plans led by the other organisation. For example, SSSIs often included a variety of habitats, and therefore required close collaboration between the Agency and English Nature. The Natural England Partnership believed this kind of joint working was “not an overlap, not a duplication [but] how we do our job”.²⁵⁴ What was important was that each Biodiversity Action Plan Group consisted of “the right constituent parts”, and that the respective lead organisation in each case should “provide the lead and the vision necessary for the constituent parts to then do what is necessary within each of those organisations”.²⁵⁵

108. The Agency recognised that the Biodiversity Action Plan process was “complicated”.²⁵⁶ However, it believed that giving Natural England direct responsibility for all 45 Habitat Action Plans “would not improve performance”.²⁵⁷ It explained that delivery would still depend on actions by the operational organisation which had the biggest influence on specific habitats—with the Agency’s influence on issues of water quality, quantity and flood risk management, it followed that it should lead on wetland habitats.²⁵⁸ The Agency told us that:

250 Ev 70 [English Nature on behalf of the Natural England Partnership]

251 Ev 142 [Environment Agency]

252 Q 176

253 Q 176

254 Q 179. The Committee saw a good example of such joint decision-making when it visited Abbots Hall Farm, Essex, in November 2005.

255 Q 173

256 Ev 165

257 Ev 165

258 Ev 165

The current arrangement, whereby lead responsibility reflects the influence of operating authorities such as [the Agency], increases the chances of action being delivered, because there is a corporate responsibility to deliver a Government target.²⁵⁹

109. The Minister believed it was “inevitable” that a body like the Agency—with responsibilities for air, land, water, pollution and flood defence—would have “implications in relation to biodiversity”.²⁶⁰ He also believed it was inevitable that overlaps would sometimes occur, regardless of the structure of government.²⁶¹ He stressed the fact, however, that the Agency had been developing Memoranda of Understanding with Natural England and the Forestry Commission where such overlaps occurred.²⁶²

110. The current arrangement between the Agency and English Nature—soon to be Natural England—in relation to the UK Biodiversity Action Plan is complicated. Each organisation has lead responsibility for certain Habitat Action Plans, depending on its type. However, the two organisations are often required to work together on specific Habitat Action Plans, as can occur with the restoration of SSSIs. Evidence suggests that all the parties involved believe that the current arrangement is the most logical one and, more importantly, that it is delivering results. We believe that rules and regulations defining responsibilities and boundaries are important, but ultimately it is the people involved in these collaborations that are vital. Provided the Agency and Natural England continue to work closely—with the lead organisation for each Biodiversity Action Plan Group providing the necessary lead and vision—and deliver results in this area, we are satisfied that the present arrangements should continue.

Conclusions and recommendations

The Agency’s roles as a regulator and ‘Champion of the Environment’

1. The Agency’s involvement in environmental protection and conservation has increased considerably over the past ten years. We note the concerns of some stakeholders that the Agency is experiencing difficulties managing its wide range of responsibilities and, in particular, that the Agency is struggling to combine its regulatory role with that of ‘Champion of the Environment’. In this context, we were disappointed that Defra, in its written evidence to the Committee, did not include any robust appraisal of whether the Agency had achieved the objectives it was designed to achieve. Neither did the Minister set out the Government’s ideas as to whether the role and responsibilities of the Agency should change to take into account the Government’s commitment to the sustainability agenda. Given the range of cross-cutting environmental issues faced by Government, we strongly support the

259 Ev 165

260 Q 254

261 Q 254

262 Q 254

Agency's role as a 'Champion of the Environment'. However, it is important that there should be clarity between all the Agency's different functions, particularly between its regulatory and environmental champion roles. (Paragraph 17)

2. We recommend that Defra examine whether the Agency is adequately equipped for the cross-cutting environmental challenges facing it today, not least its important role as environmental champion and how it balances this with its regulatory role. In particular, the Agency's capability to address the challenges that climate change poses for its areas of responsibility should be fully explored. As part of this examination, Defra should also hold a series of stakeholder workshops with the Agency's main contacts and customers to critically appraise the Agency's ability effectively to deliver its current regulatory functions. (Paragraph 18)
3. We note the views of business witnesses that the Agency should focus more on providing advisory services for companies trying to comply with legislation. Small and medium enterprises (SMEs) in particular often require greater attention, especially in areas where there is new environmental legislation. We were concerned, therefore, to hear that some SMEs are discouraged from approaching the Agency for advice because they fear prosecution. The establishment of the NetRegs web-guidance tool is one effective means by which SMEs can obtain advice, as it can be accessed anonymously and for free. We recommend that the Agency continue to develop its NetsRegs web tool and to increase awareness amongst SMEs about its existence. The Agency should also remember that not all small businesses will turn automatically to the internet for information, and therefore consider other forms of dissemination as well. This would also improve its image amongst SMEs. We recommend that Government provide additional ring-fenced funding for the development of NetRegs and other advisory services aimed at SMEs. (Paragraph 24)

The Agency's performance as a regulator

4. Proper implementation of environmental legislation is the antidote to prosecution. Therefore, we further recommend that the Agency undertake survey work with a representative range of SMEs to ensure that the right balance is achieved between the Agency's roles as an advisor and as a prosecutor. (Paragraph 25)
5. We strongly support the Agency's commitment to a risk-based approach to regulation. Not only does such an approach target those operators with the worst environmental records, it also reduces the regulatory burden on compliant operators and, by providing financial incentives to companies to improve their environmental performance, improves standards across the board. However, we recognise the force of the criticisms from some operators that the full benefits of this approach are still yet to be realised. We recommend the Agency continue to hone its risk-based approach to regulation. In particular, it should emphasise the financial benefits businesses can gain by improving their environmental performance. (Paragraph 31)

Inconsistencies in approach

6. We welcome the measures taken by the Agency over the past six years to improve consistency in its regulatory and enforcement functions. Real progress has been

made with initiatives such as the establishment of Strategic Permitting Groups in respect of issuing waste permits. However, we remain concerned that inconsistencies still occur because of poor communication between the policy centre and the inspectors on the ground. Variations in policy and practice between the different regions of the Agency should be limited to those areas where they are a result of a genuine need for local differences in approach, rather than a lack of policy clarity or a failure to communicate national policy and standard working practices to local staff. The Agency must continue to improve its communication processes to ensure a consistent approach across the country to regulation and advice. It should also publish a work plan to indicate what steps it plans to take to further address the problem. (Paragraph 38)

Specialist staff

7. We are extremely concerned that the Agency is experiencing difficulties recruiting specialist staff, such as flood risk engineers, hydrologists and geomorphologists. By its nature, much of the Agency's work requires a high level of specialist knowledge. It is therefore essential that the Agency employs staff with the necessary skills to undertake its work. We understand that, to some extent, these difficulties are indicative of a more general industry-wide problem relating to a decline in the number of engineers and opportunities to study specific technical environmental courses. We welcome the Agency's attempt to improve this situation by working with the Institute of Civil Engineers and with universities, and encourage the Agency to continue this collaboration in order to encourage more young people to take engineering and technical environmental courses, and to seek employment in the Agency. As part of this work, the Agency should consider a system of bursary payments to encourage young people to study in the disciplines which it needs but where graduates are in short supply. The Agency should also be discussing with the Department for Education and Skills further measures to increase the number of graduates in these areas. (Paragraph 44)
8. It is clear from our evidence that the credibility of the Agency depends largely on the performance of its specialist staff in the front-line, such as its inspectors and flood risk engineers. The importance of such specialist positions should therefore be reflected in the pay structure of the Agency. If the Agency is not able to offer more pay, it should ensure its own generalists acquire appropriate technical skills as part of their training. We therefore recommend the Agency expand the opportunities available for Agency trainees to take a foundation degree in the first stage of engineering. (Paragraph 45)

The Agency's charges

9. Our evidence showed that witnesses regarded lack of specialist staff as one of the Agency's most significant drawbacks. The Agency should therefore issue a work plan with specific deadlines to set out how it aims to solve its recruitment problems, and publish details about its future graduate requirements. (Paragraph 46)
10. The provision of clear and comprehensive information to businesses and companies about their regulatory charges is crucial. In evidence, we heard contradictory

opinions about the current degree of transparency provided by the Agency in this area. The Agency believes it provides adequate information about its charges and how they are reached, through its website, leaflets and the establishment of a Charges Review Group including Government, trade associations and partners and representatives of SMEs. We support such initiatives and encourage the Agency to take particular note of the comments made by representatives of charge-payers on the Charges Review Group so that it can truly demonstrate that they are, in the Agency's words, "fully involved in the process". (Paragraph 50)

11. Our evidence showed, however, that a large number of charge-payers are still dissatisfied with the information they receive from the Agency, particularly in relation to where the money received from charges is being spent. The problem here could be a lack of communication with stakeholders about where they can obtain information about charges. We recommend that Defra examine how the Agency calculates its charges to satisfy itself that this process is conducted in the most transparent way possible, so that all stakeholders understand why they are charged as they are. (Paragraph 51)
12. Business witnesses are concerned that revenue raised from charges on legitimate operators is being used for the policing of illegal operators. We believe that the risk of this occurring should be minimised. Business charges must reflect the costs of regulatory effort. The Agency should make clear how much of the money derived from charges it is currently using for enforcement and produce a plan to show how it intends to end this practice. Enforcement of illegal and poor-performing operators should be funded by Grant-in-Aid or from environmental fines. If the Agency is struggling to fund its enforcement duties, Government should provide additional resources ring-fenced for this purpose. (Paragraph 54)

Prosecution of environmental offences

13. We believe a strong case exists for placing more of the burden of enforcement costs onto fines, rather than charges. Fines for environmental offences are still relatively small and often do not reflect the severity of the offence. We also believe that consistency in sentencing of environmental crimes should be improved, and therefore support the Agency's proposal that a team of magistrates be trained specifically to deal with environmental cases. Consideration should be also given to the Agency having the ability to propose payment of a fixed penalty by the offender as an alternative to court action. We welcome the fact that discussions are taking place within Government about the prosecution of environmental cases. The Environment Agency and business representatives should be closely involved in such discussions. Defra should, without delay, publish a Green Paper detailing its proposals on the roles to be played by other branches of Government in devising ways to fundamentally improve the system by which courts administer environmental prosecutions. (Paragraph 60)
14. At present, money received from environmental fines goes directly into the Consolidated Fund, and is recycled to the Agency through Grant-in-Aid. If the amount of fines increases significantly, the Agency should receive the full value of any additional revenue either through retaining fine income or through the present

arrangement. Our preference, however, is for the Agency to be able to retain income directly from fines. We recommend that the Treasury examine the case for allowing the Agency to keep the fines which result from successful prosecutions and report to Parliament about its conclusions on this matter. (Paragraph 61)

The Agency's relationship with Government

15. Business representatives are concerned that the Agency appears to be increasingly involved in the development of policy. The Agency acknowledges that, due to incoherence and inconsistencies in legislation, it occasionally fills a “policy void” in order to apply regulations at an operational level. This is partly caused by poorly defined and broadly written European Union legislation. We agree with the Agency that a common EU regulatory code for the environment—covering such issues as definitions, permitting, consultation periods, and monitoring arrangements—would facilitate the effective implementation and transposition of EU environmental legislation by the Agency, comparative agencies in other Member States and other EU governments. We therefore task the Government with publishing proposals to address these problems and committing itself to raising its conclusions in the Council of Ministers within the next six months. (Paragraph 70)
16. We agree with the Agency that developing legislation at the national level within separate regulatory ‘silos’ can create problems for the effective interpretation and enforcement of policy. It can also complicate matters for businesses and individuals affected by that legislation. We welcome the moves to develop a common regulatory framework for the Pollution Prevention and Control and waste management licensing regimes. We recommend that Defra and the Agency seek to extend this common framework to other regimes and EU directives, ensuring that business interests are kept fully informed of developments. (Paragraph 72)
17. We strongly believe that it is essential for the Agency to be involved on a regular basis in the early stage of policy discussions with Defra. If it is not, effective assessment of the feasibility and costs of proposed regulations is hindered. We note Defra’s reluctance in the past always to involve the Agency in such discussions, and we hope that recent initiatives—such as the programme and project management (PPM) approach and the Concordant on EU and International Relations—are indicative of a more collaborative relationship between Defra and the Agency at the initial stages of policy discussion. In particular, we believe PPM has considerable value in promoting systematic engagement with the Agency. We recommend Defra expand the use of the PPM approach throughout its work. (Paragraph 77)

The Agency's role in the planning system

18. We are concerned that the Agency’s advice on development in areas of flood risk has sometimes been ignored. In some instances, the Agency has not even been consulted. Along with the majority of our witnesses, we strongly support the proposal in the current consultation on the revision of PPG25 to grant the Agency statutory consultee status for planning applications involving development in flood risk areas. We are aware, however, that this new status will not necessarily ensure the Agency’s advice will be accepted: only that its advice is considered. We recommend that,

where the Government allows development to go ahead against Agency advice, the Government should publicly explain the reasons for not accepting the Agency's advice. We believe this would significantly improve transparency in this area. (Paragraph 82)

19. We are concerned that the Agency lacks adequate resources to respond appropriately to many planning applications. This situation will only worsen if the demands on the Agency increase considerably, as a result of it being granted statutory consultee status in the revised PPG25. At present, the Agency receives no income for the provision of its advice in relation to planning, despite estimated costs of £8 million per year in this area. We recommend that the Government re-examine the way the Agency is funded for its work in providing information for development and planning applications, and assess whether some of its work in this area should be funded by the developer concerned. (Paragraph 85)
20. Even if, as expected, the Agency is granted statutory consultee status for planning applications involving development in flood risk areas, we believe action will still be necessary to reduce the number of planning applications made in such areas in the first place. To help achieve this, the Agency should further improve its provision of information to developers regarding the environmental and financial consequences of development in flood risk areas. In doing so, the Agency should spell out to developers and other stakeholders the extent to which flood risk is likely to increase in the longer term. (Paragraph 87)

Flood defence and management

21. We welcome the Government's recent funding increases for the Agency in relation to its flood defence work. However, flooding risks can only increase in the future, due to the effects of climate change. The Minister has acknowledged that spending in this area will consequently also have to increase. We expect him to listen closely to the Agency's advice in this area before decisions are made in advance of the next Spending Review. We agree with the Agency that Government should aim to increase the Agency's funding in this area to £1 billion per year in the long term. (Paragraph 93)
22. With such a large budget comes increased responsibility to ensure the money is wisely spent. As part of its zero based review of flood risk management in the next Spending Review, Defra should examine how effectively the Agency is spending its flood management funding. (Paragraph 94)
23. The provision of information and advice to households in areas of flood risk is a crucial element of the Agency's work. The Agency has achieved much in this area with relatively limited resources, through initiatives such as the flood map available on its website and its 24-hour telephone helpline. If the Agency is to maintain and improve its work in raising awareness about flood risk amongst the general public, Government should review with the Agency the funding available for this work and jointly publish proposals showing how this part of the Agency's work will be further developed. The Agency should also consider other innovative ways to reach out to

the general public in these areas of work, bearing in mind that not everybody uses the internet as their main source of information. (Paragraph 99)

The Government's agri-environmental budget

24. We welcome the progress made by officials in the Agency and the Natural England Partnership in establishing a close and constructive working relationship. Due to the overlapping nature of some of the Agency and Natural England's responsibilities, it is essential that these good relations continue once Natural England is established. We are concerned, however, that—even before the new body has been created—tensions already exist relating to the potential use of the agri-environment budget. This budget will be controlled by Natural England but, in effect, used to deliver both organisation's objectives. We therefore agree with the Agency that, in order to avoid potential disputes, Defra should provide Natural England with clear guidance on using the agri-environmental funding to achieve both organisations' objectives. It is also essential that any budget constraints that arise do not hinder the Agency's performance in relation to its core shared outcomes, such as the Water Framework Directive and SSSI responsibilities. (Paragraph 105)

Biodiversity

25. The current arrangement between the Agency and English Nature—soon to be Natural England—in relation to the UK Biodiversity Action Plan is complicated. Each organisation has lead responsibility for certain Habitat Action Plans, depending on its type. However, the two organisations are often required to work together on specific Habitat Action Plans, as can occur with the restoration of SSSIs. Evidence suggests that all the parties involved believe that the current arrangement is the most logical one and, more importantly, that it is delivering results. We believe that rules and regulations defining responsibilities and boundaries are important, but ultimately it is the people involved in these collaborations that are vital. Provided the Agency and Natural England continue to work closely—with the lead organisation for each Biodiversity Action Plan Group providing the necessary lead and vision—and deliver results in this area, we are satisfied that the present arrangements should continue. (Paragraph 110)

Formal Minutes

Wednesday 3 May 2006

Members present:

Mr Michael Jack, in the Chair

Mr David Drew	Mr Dan Rogerson
James Duddridge	Sir Peter Soulsby
Patrick Hall	David Taylor
Lynne Jones	Mr Shailesh Vara
David Lepper	Mr Roger Williams
Mrs Madeleine Moon	

Draft Report [*The Environment Agency*], proposed by the Chairman, brought up and read.

Ordered, That the draft Report be read a second time, paragraph by paragraph.

Paragraphs 1 to 110 read and agreed to.

Summary agreed to.

Resolved, That the Report be the Seventh Report of the Committee to the House.

Ordered, That the Chairman do make the Report to the House.

Ordered, That embargoed copies of the Report be made available, in accordance with the provisions of Standing Order No.134.

Several papers were ordered to be appended to the Minutes of Evidence.

Ordered, That the Appendices to the Minutes of Evidence taken before the Committee be reported to the House.

Several papers were ordered to be reported to the House.

[Adjourned till Wednesday 10 May at 2.30 p.m.]

Witnesses

14 December 2005

Page

Mr David Pitt, **Royal & SunAlliance**, Mr Nick Starling, Ms Jane Milne, **Association of British Insurers**

Ev 8

17 January 2006

Mr Michael Roberts, Mr Steve Bailey, **CBI**, Mr Gary Booton, Ms Anna Latham, **EEF**, Mr Barrie Clarke, Ms Alex Martin, **Water UK**

Ev 34

Mr Dirk Hazell, Mrs Leslie Heasman, Mr David O'Connor, **Environmental Services Association**, Mr Jim Meredith, Mr Andy Ryan, Mr Graham Watson, **Waste Recycling Group Limited**

Ev 53

18 January 2006

Mr James Marsden, Dr Alastair Burn, **English Nature**, Ms Alison Tytherleigh, **Natural England Partnership**

Ev 78

Mr Martin Harper, Mr Robert Cunningham, **RSPB**, Mr Tom Oliver, Mr Paul Hamblin, **Campaign to Protect Rural England**

Ev 92

Councillor Michael Haines, Mr Lee Searles, **Local Government Association**

Ev 104

25 January 2006

Mr Elliot Morley MP, Minister of State for Climate Change and Environment, Miss Sarah Nason, Mrs Sue Ellis, **Department for Environment, Food and Rural Affairs**

Ev 120

Baroness Young of Old Scone, Sir John Harman, **Environment Agency**

Ev 147

List of written evidence

1	Absorbent Hygiene Products Manufacturers Association	Ev 247
2	The Air that We Breath Group and the European Cement Forum	Ev 271
3	Association of British Insurers	Evs 2, 22
4	Association of Drainage Authorities	Ev 215
5	Association of Electricity Producers	Ev 228
6	Augean Plc	Ev 179
7	William Bond	Ev 248
8	British Canoe Union	Ev 229
9	British Cement Association	Ev 237
10	British Ports Association and the United Kingdom Major Ports Group	Ev 195
11	British Soft Drinks Association Ltd	Ev 222
12	Rev'd Douglas J M Caffyn	Ev 206
13	Campaign to Protect Rural England	Evs 90, 99
14	CBI	Evs 24, 42
15	Central Council of Physical Recreation	Ev 210
16	Chairmen of the Environment Agency's Regional Environment Protection Advisory Committees in England	Ev 271
17	Chartered Institution of Wastes Management	Ev 217
18	The Chartered Institution of Water and Environmental Management	Ev 297
19	Chemical Industries Association	Ev 242
20	Cluttons	Ev 288
21	Committee of the Residents Against Toxic Site	Ev 197
22	Composting Association	Evs 268, 270
23	Country Land and Business Association	Ev 292
24	Countryside Council for Wales	Ev 287
25	Dairy UK	Ev 218
26	Department for Environment, Food and Rural Affairs	Evs 110, 130
27	Devon Community Composting Network	Ev 227
28	EEF	Evs 27, 43
29	English Nature, on behalf of the Natural England Partnership	Ev 67
30	Environment Agency	Evs 131, 143, 159, 174
31	Environmental Industries Commission	Ev 290
32	Environmental Services Association	Evs 45, 61
33	Eunomia Research & Consulting	Ev 283
34	Fisheries and Angling Conservation Trust Ltd	Ev 241
35	John W Gittins	Ev 183
36	Halcrow Group Ltd	Ev 258
37	Mrs Mary Horner	Ev 188
38	Mr & Mrs Irwin	Ev 207
39	Louis Jankel	Ev 175
40	Kent County Council	Ev 201
41	Land Network International Ltd	Ev 298

42	Local Government Association (including Planning Officers Society submission as annex)	Ev 100
43	Met Office	Ev 232
44	National Association of Fisheries and Angling Consultatives	Ev 209
45	National Farmers' Union	Ev 253
46	Andrew Needham	Ev 182
47	OFWAT	Ev 219
48	Oldham Metropolitan Borough Council	Ev 289
49	Gill Pawson	Ev 248
50	Port of London Authority	Ev 223
51	Prospect—Environment Agency Branch	Ev 211
52	Prudential Property Investment Managers Limited	Ev 208
53	Mrs Jacqueline R Rowland	Ev 255
54	Royal & SunAlliance	Evs 1, 21
55	RSPB	Ev 86
56	Michael Ryan	Ev 202
57	The Salmon & Trout Association	Ev 240
58	Severn Trent Water Ltd	Ev 257
59	Technical Advisors Group	Ev 298
60	Thames Fisheries Consultative Council	Ev 231
61	Thames Water Utilities Ltd	Ev 221
62	Torbay Council	Ev 184
63	UK Petroleum Industry Association	Ev 191
64	UNISON	Ev 184
65	Veolia Water Group	Ev 264
66	Waste Recycling Group Limited	Ev 50
67	Water UK	Evs 30, 45
68	Women's Environmental Network	Ev 250
69	Cllr Patricia Wyatt	Ev 231
70	WyeCycle	Ev 176
71	Yorkshire Water	Ev 234

List of unprinted written evidence

Additional papers have been received from the following and have been reported to the House but to save printing costs they have not been printed. Copies have been placed in the House of Commons Library where they may be inspected by Members. Other copies are in the Record Office, House of Lords and are available to the public for inspection. Requests for inspection should be addressed to the Record Office, House of Lords, London SW1. (Tel 020 7219 3074). Hours of inspection are from 9:30am to 5:00pm on Mondays to Fridays.

Association of British Insurers – Revisiting the Partnership Oct 2005 Report (Background paper)

Department for Environment, Food and Rural Affairs (Background papers)

Environment Agency – Annexes A-C (Background papers)

Environment Agency – Annexes A&B (Supplementary background papers)

Torbay Council – 2004 Report on Flooding (Background paper)

Reports from the Committee since 2003

Session 2005–06

Sixth Report	Bovine TB: badger culling	HC 905-I
Fifth Report	Rural Payments Agency: interim report	HC 840
Fourth Report	The Departmental Annual Report 2005	HC 693-I (HC 966 05–06)
Third Report	The Animal Welfare Bill	HC 683
Second Report	Reform of the EU Sugar Regime	HC 585-I (HC 927 05–06)
First Report	The future for UK fishing: Government Response	HC 532

Session 2004–05

Ninth Report	Climate Change: looking forward	HC 130-I (HC 533 05–06)
Eighth Report	Progress on the use of pesticides: the Voluntary Initiative	HC 258 (HC 534 05–06)
Seventh Report	Food information	HC 469 (HC 437 05–06)
Sixth Report	The future of UK fishing	HC 122 (HC 532 05–06)
Fifth Report	The Government's Rural Strategy and the draft Natural Environment and Rural Communities Bill	HC 408-I (Cm 6574)
Fourth Report	Waste policy and the Landfill Directive	HC 102 (Cm 6618)
Third Report	The Work of the Committee in 2004	HC 281
Second Report	Dismantling Defunct Ships in the UK: Government Reply	HC 257
First Report	The draft Animal Welfare Bill	HC 52-I (HC 385)

Session 2003–04

Nineteenth Report	Water Pricing: follow-up	HC 1186 (HC 490 04–05)
Eighteenth Report	Dismantling of Defunct Ships in the UK	HC 834 (HC 257 04–05)
Seventeenth Report	Agriculture and EU Enlargement	HC 421 (HC 221 04–05)
Sixteenth Report	Climate Change, Water Security and Flooding	HC 558 (HC 101 04–05)
Fifteenth Report	The Departmental Annual Report 2004	HC 707 (HC 100 04–05)
Fourteenth Report	Sites of Special Scientific Interest	HC 475 (HC 1255)
Thirteenth Report	Bovine TB	HC 638 (HC 1130)
Twelfth Report	Reform of the Sugar Regime	HC 550-I (HC 1129)
Eleventh Report	GM Planting Regime	HC 607 (HC 1128)
Tenth Report	Marine Environment: Government reply	HC 706
Ninth Report	Milk Pricing in the United Kingdom	HC 335 (HC 1036)
Eighth Report	Gangmasters (follow up)	HC 455 (HC 1035)
Seventh Report	Implementation of CAP Reform in the UK	HC 226-I (HC 916)
Sixth Report	Marine Environment	HC 76 (HC 706)
Fifth Report	The Food Standards Agency and Shellfish	HC 248 (HC 601)
Fourth Report	Environmental Directives	HC 103 (HC 557)
Third Report	Caught in the net: Cetacean by-catch of dolphins and porpoises off the UK coast	HC 88 (HC 540)
Second Report	Annual Report of the Committee 2003	HC 225
First Report	Water Pricing	HC 121 (HC 420)