The Environment Bill

Background, content and passage through UK Parliament

Primer | September 2020
Foreword

The Environment Bill marks a significant moment – an all-encompassing piece of legislation to improve the environment over the next generation following Brexit, and an opportunity to build back better as part of a green recovery.

Following the referendum and decision to exit the EU, we engaged with IEMA members to publish “Brexit and Beyond: IEMA Core Principles for the environment”, a touchstone to guide the UK’s transposition of the European Union “environmental acquis” and the subsequent development and implementation of environmental policy and legislation. Our work on the Environment Bill, including meetings with Secretaries of State, written and oral evidence before Parliamentary committees and discussions with officials across government, is rooted in these core principles.

IEMA is home to the Broadway Initiative, a platform for all sectors of the economy and society to work together on the frameworks, plans and partnerships needed to meet net-zero greenhouse gas emissions and wider environmental goals. Broadway Initiative members come from the worlds of business, NGOs, professional bodies, governance, policymaking and academia advocating for high environmental standards and putting sustainability at the heart of the UK’s economic model. We are working with the Broadway Initiative to amplify our voice to Government on the Environment Bill – you can read our Blueprint for the Bill and Assurances needed to put sustainability at the heart of our economic model here: www.iema.net/broadway.

This Primer provides an overview of the key elements of the Bill. As the Bill passes through Parliament, there are likely to be amendments as the process of scrutiny and debate identifies opportunities to make improvements. We have largely steered clear of providing comments on the merits or ways to enhance the Bill in this document – our views have been widely shared in various evidence submissions and webinars. Once the Bill receives Royal Assent, we will publish a more in-depth guide to provide IEMA members with detailed analysis and give them a head-start to plan for implementation of key measures.
Introduction

The Environment Bill sets a new environmental governance framework as the UK leaves the European Union’s environmental policy and legislative structures. The Bill is substantial, when Royal Assent is granted it will set in law significant new governance structures for managing and improving the environment together with more specific measures on waste and resources, air quality, water, and nature and biodiversity. In part, the proposals seek to fill the governance gap as the UK leaves the EU: however, measures are also included to tackle significant environmental challenges including the plastics crisis, biodiversity loss and air pollution.

It is important to note that legislative competence for the environment in the UK is largely devolved to the home-nations. The territorial extent of the Environment Bill’s provisions vary: some aspects apply across the whole of the UK (e.g. resource efficiency requirements), whereas others are England only (e.g. the process for setting long-term legally binding environmental targets).

The Bill is making its passage through Parliament and at the time of writing this Primer, we expect it to receive Royal Assent by the end of 2020. However, given the COVID-19 crisis and the impact it has already had on Parliament’s legislative programme, the date might be extended. It should also be noted that aspects of the Bill are likely to change, either through Government or Parliament amendments, before Royal Assent is granted – we will publish an IEMA Guide to the Environment Act shortly after it reaches the statute book to give members key insights and analysis on all the main legislative measures.
Approximately 80% of UK environmental legislation has been shaped by membership of the EU over the last 30yrs. The decision to leave the EU meant that the UK would no longer fall within the EU’s environmental policy framework – the EU Treaties requiring core principles to guide environmental policy-making; Environmental Action Programmes to tackle significant environmental challenges; EU regulations and directives setting legal requirements on member states; transposition into domestic legal structures and national implementation of measures to ensure compliance; with oversight through the European Commission and Court of Justice. The Environment Bill is, in part, to help fill the environmental governance gap arising from Brexit.

The European Union (Withdrawal) Act 2018 brought all existing EU law into UK law (“EU retained law”), such that it would continue to have legal effect after Brexit and gave powers to Ministers to make secondary legislation (statutory instruments) to operationalise in a UK context. The Act also required (following amendments introduced through the House of Lords) the Government to come forward with a draft Bill within 6 months to i) require ministers to have regard to a policy statement on environmental principles when developing policies, and ii) establish an independent public authority with powers to take legal proceedings against the Government for failure to comply with environmental law.

Following consultation, in December 2018 Government published a draft Environment (Principles and Governance) Bill which included provisions for putting the Defra 25 Year Environment Plan on a statutory basis, requiring UK Government Ministers of the Crown to have regard to a policy statement on environmental principles and the creation of a new independent body – the Office for Environmental Protection (OEP) – with scrutiny and enforcement powers.

Although not included in the draft, Government also committed that the broader Environment Bill would include measures on air quality, nature recovery, waste and resource efficiency and water management.

Following pre-legislative scrutiny by Parliamentary select committees, the Environment Bill was announced in the October 2019 Queen’s Speech and received its first reading in the Commons on 15th October. The Bill fell at second reading following the dissolution of Parliament for the general election held on 12th
December 2019. The Bill was (again) included in December Queen’s Speech and received its first reading in Parliament at the end of January 2020 – the republished Bill included additional requirements relating to statements to Parliament on environmental protection arising from new laws. Following debate during the second reading in the House of Commons at the end of February, the Bill passed to the Committee Bill stage for detailed examination by a cross-bench group of MPs. Although the Committee was due to report at the end of May, following the suspension of Parliament due to the COVID-19 crisis, proceedings were halted. It is anticipated that the Committee will resume its deliberations in September and report by the end of the month.
Environment Bill - Content

Environmental Governance
- Legally Binding Targets
- Environmental Improvement Plans (EIPs)
- Monitoring
- Environmental Principles
- Office for Environmental Protection (OEP)

Themes:
- Climate Change
- Air Quality
- Waste
- Resource Efficiency
- Water
- Nature and Biodiversity
The Environment Bill contains 8 Parts, 19 Schedules and runs to 244 pages.

Part 1 – Environmental Governance
Part 2 – Environmental Governance - Northern Ireland
Part 3 – Waste and Resource Efficiency
Part 4 – Air Quality and Environmental Recall
Part 5 – Water
Part 6 – Nature and Biodiversity
Part 7 – Conservation Covenants
Part 8 – Miscellaneous and General Provisions

Definition of “natural environment”

a. plants, wild animals and other living organisms,
b. their habitats,
c. land (except buildings or other structures), air and water and the natural systems, cycles and processes through which the interact.

Definition of “environmental protection”

a. protection of the natural environment from the effects of human activity,
b. protection of people from the effects of human activity on the natural environment,
c. maintenance, restoration or enhancement of the natural environment,
d. monitoring, assessing, considering or reporting on anything in paragraphs (a) to (c).
Governance Framework

Parts 1 and 2

The governance framework in the Bill establishes a set of inter-connected mechanisms of target-setting, planning, monitoring, and reporting with the aim of improving the natural environment or people’s enjoyment of it. Parliamentary scrutiny and oversight of performance is supported by a new Office for Environmental Protection (OEP), which also has powers to enforce public authorities’ compliance with environmental laws. Ministers of the Crown will be required to have due regard to a policy statement on environmental principles. The Governance framework only applies to England unless stated in the text.

Targets
The Bill gives power to the Secretary of State to establish long-term, legally binding, environmental targets. Long-term targets must:

- Be at least 15yrs in duration
- Set a standard to be achieved, which is capable of being objectively measured
- Set a date by which the target is to be achieved

The Secretary of State has a duty to set at least one long-term legally-binding target in each of the following areas by 31st October 2022 – air quality, water, biodiversity, and resource efficiency and waste reduction; together with an annual mean level of PM2.5 in ambient air target (which can have a duration of less than 15yrs).

The Secretary of State has the power to lower or revoke an existing target, but only if:

- meeting the existing target would have no significant benefit compared with not meeting it or with meeting a lower target; or
- because of changes in circumstances since the existing target was set or last amended the environmental, social, economic or other costs of meeting it would be disproportionate to the benefits.

In setting new targets, or lowering/revoking existing targets, the Secretary of State must seek advice from independent experts. Targets will be set in regulation and be subject to debate and approval in both Houses of Parliament. There is a duty on the Secretary of State to ensure that targets are met.

Government published a policy paper on environmental targets in August 2020, setting out in more detail the scope of each potential target area and the process for
engagement and seeking independent, expert advice.

Environmental Improvement Plans
The Bill requires that government must have an Environmental Improvement Plan (EIP) which sets out the steps it intends to take to improve the environment and achieve environmental targets and review it at least every five years, with annual reporting on performance. For each legally binding target, EIPs must include 5yr interim targets which set the milestones that need to be achieved. At the end of each 5yr period, a new set of interim targets must be set.

The Defra 25yr Environment Plan will be adopted as the first EIP when the Bill receives Royal Assent – the plan will be reviewed and updated by the end of January 2023 to reflect the first set of legally binding targets.

Monitoring, Reporting, Review and Update
The Bill places a duty on the Secretary of State to make arrangements for obtaining and publishing data on the natural environment to monitor progress towards achieving targets and interim targets, and determining whether the natural environment is improving.

The Secretary of State must report annually to Parliament on progress towards achieving targets, interim targets and measures in EIPs.

Every 5 years, there must be a review to determine whether the “significant improvement test” is met: the test is whether meeting legally binding targets would significantly improve the natural environment of England. Government must review the EIP and revise it if additional measures are required to ensure targets are achieved. The OEP will hold government to account on progress and can recommend improvements measures, to which the government must respond.

Policy Statement on Environmental Principles
The Secretary of State has a duty to prepare a policy statement on environmental principles, with the objective of contributing to environmental protection and sustainable development. Ministers of the Crown (i.e. all ministers, excluding Treasury and Defence) must have due regard to the principles when developing policy.

The environmental principles are:
- a. the principle that environmental protection should be integrated into the making of policies,
- b. the principle of preventative action to avert environmental damage,
- c. the precautionary principle, so far as relating to the environment,
- d. the principle that environmental damage should as a priority be rectified at source, and
- e. the polluter pays principle.

There is a requirement for the Secretary of State to consult during the development of the policy statement, and an opportunity for Parliament to express views on the draft, before it is adopted.
Environmental Protection
The Environment Bill includes measures to enhance government transparency about the impacts of future primary legislation on environmental protections. When a new Bill that contains a clause related to environmental protections is proposed, the Minister will be required to make a statement to Parliament that the legislation would not reduce the levels of protection which exist at the time the Bill is introduced, or to explain to Parliament why no statement to that effect can be made.

The Bill also introduces a duty on the Secretary of State to prepare and publish a report every two years on significant developments in international environmental legislation. The report will be published and laid before both Houses of Parliament and act as a means to identify where UK environmental legislation is lagging behind international best-practice.

Office for Environmental Protection (OEP)
The Bill establishes a new Office for Environmental Protection with the objective of applying its advice, scrutiny, and enforcement functions to contribute to environmental protection and improvements in the natural environment. The OEP has a duty to act objectively and impartially and is established as a body independent of Government, although the appointment of the OEP Chair will be by the Secretary of State.

The OEP will monitor and report to Parliament annually on the Government’s progress towards:
- implementing measures to improve the natural environment set out in EIPs
- meeting targets and interim targets

The reports to Parliament may contain recommendations on how progress could be improved, to which the Secretary of State has a duty to respond.

The OEP also has a duty to monitor the implementation of environmental law (and may report to Parliament on any matter of environmental law implementation it chooses) and to advise ministers on changes to environmental law (this may include the setting, lowering or revocation of environmental targets).

The OEP’s enforcement powers relate to failures of public authorities to comply with environmental law, i.e.
- unlawfully failing to take proper account of environmental law when exercising its functions
- unlawfully exercising, or failing to exercise, any function it has under environmental law.

Public authority is defined as the carrying out any function of a public nature and includes Government ministers, national regulators and local authorities. The OEP has powers to initiate investigations into public authorities’ failure to comply with environmental law and to consider and act on complaints made by the public.
The OEP has an escalating set of enforcement powers aimed at ensuring public authorities comply with environmental law, including:

- Information notice i.e. formal notice that the OEP has reasonable grounds to suspect a failure to comply with environmental law and that the failure would be serious
- Decision notice i.e. formal notice that the OEP is satisfied on the balance of probabilities of a failure to comply with environmental law and that the failure would be serious
- Environmental review in the Upper Tier Tribunal – where the court can review the conduct of a public authority and where non-compliance is found it may grant any remedy that could be granted under judicial review (except damages)
- Judicial review if the OEP considers that the conduct constitutes a serious failure to comply with environmental law

The enforcement actions are intended to ensure effective remedy of any failure to comply by a public authority. Although the courts do not have powers to issue fines, any failure by a public official to implement court directions is a serious matter and not to be taken lightly.

**Northern Ireland**

The Bill provides the legislative basis for a new environmental governance framework in Northern Ireland. Enactment of the governance provisions is subject to the consent of the Northern Ireland Assembly (NIA).

**Environmental Improvement Plans – Northern Ireland**

The Department of Agriculture, Environment and Rural Affairs (DAERA) is required to develop an Environmental Improvement Plan to significantly improve the natural environment in Northern Ireland. The EIP will set out the actions that DAERA and other government departments will take, with annual reporting to the NIA on progress towards achieving the EIP’s actions. Every 5yrs there will be a formal review of the EIP to evaluate whether there have been improvements in the natural environment and whether the plan needs to be revised.

**Environmental Monitoring – Northern Ireland**

The Bill places a duty on DAERA to make arrangements for obtaining such data about the natural environment as the Department considers appropriate for the purpose of monitoring whether the natural environment is, or particular aspects of it are, improving in accordance with the current environmental improvement plan.

**Environmental Principles – Northern Ireland**

DAERA is required to develop a policy statement on the following environmental principles:

- the principle that environmental protection should be integrated into the making of policies
- the principle of preventative action to avert environmental damage
• the precautionary principle, so far as relating to the environment
• the principle that environmental damage should as a priority be rectified at source
• the polluter pays principle

Northern Ireland departments when making policy, and Ministers of the Crown when making policy that relates to Northern Ireland, must have due regard to the policy statement on environmental principles. DAERA must consult on a draft of the policy statement, which must be laid before the NIA before it comes into effect.

**Office for Environmental Protection**
The Bill provides the basis for the OEP to operate in Northern Ireland with broadly similar powers to the OEP operating in England. These powers would allow the OEP to monitor the implementation of environmental law and progress in improving the natural environment in accordance with NI EIPs; provide Northern Ireland Departments with advice — for example, on any proposed changes to environmental law; and investigate any failures by public authorities in Northern Ireland to comply with environmental law, taking appropriate enforcement action when necessary.
Waste and Resource Efficiency
Part 3

The Bill contains a number of legislative provisions to support the move to a more circular resource economy and to give powers to enact many of the initiatives set out in the national resources and waste strategy.

The Bill:

a. extends and reforms the framework for Extended Producer Responsibility (EPR). The aim is to transfer disposal costs of packaging waste from local authorities (i.e. consumers paying through household Council Tax charges) to businesses putting packaging on the market, with the aim to incentivise better design with waste minimisation, re-use and recycling in mind. The Secretary of State will have powers for additional products to be brought within EPR schemes in the future. The Bill also clarifies that producer responsibility obligations can be extended to the prevention of waste and the redistribution of surplus products and materials (which will allow further action to be taken on food waste).

b. provides a framework for introducing Deposit Return Schemes, such as for drinks containers.

c. gives a focus on the consistency of waste collection across all local authorities, such that the following materials will be segregated for collection from domestic premises: glass, metal, plastic, paper & card, food waste, and garden waste.

d. provides a framework for introducing charges on single use plastics – going beyond carrier bags to encompass other products.

e. introduces measures to control waste crime, including powers to introduce electronic tracking.

f. gives powers to ban the export of plastic waste to non-OECD countries.

Consumer information about recycling
The Bill gives powers to the Secretary of State to introduce clear labelling and consumer information to enable consumers to identify products that are more durable, repairable and recyclable and to inform them on how to dispose of used products.

Information requirements may include:

a. expected life of the product

b. aspects of the product’s design which affect its expected life;

c. the availability or cost of component parts, tools, or anything else required to repair or maintain the product
d. whether the product can be upgraded, and the availability or cost of upgrades

e. any other matter relevant to repairing, maintaining, remanufacturing or otherwise prolonging the expected life of, the product

f. the ways in which the product can be disposed of at the end of its life (including whether and to what extent it can be recycled, and whether materials used in it can be extracted and reused or recycled).

Product groups to which the information requirements apply will be set out in regulations.

**Resource efficiency requirements**

The Bill gives powers to the Secretary of State to prohibit a product being distributed, sold or supplied unless it meets resource efficiency requirements. The requirements may include those listed for consumer information (about), plus:

a. the materials from which the product is manufactured
b. the techniques used in its manufacture
c. the resources consumed during its production or use
d. the pollutants (including greenhouse gases) released or emitted at any stage of the product's production, use or disposal

The Bill gives powers to set resource efficiency standards for products through regulations.
Air Quality and Environmental Recall

Part 4

In addition to requiring the introduction of two new legally binding air quality targets, the Environment Bill gives the Secretary of State powers to enforce environmental standards for vehicles and makes amendments to the Clean Air Act 1993 and the Environment Act 1995.

The Environment Act 1995 set up the local air quality management framework and included local government responsibilities to tackle air pollution. The Environment Bill:

- amends the local air quality management (LAQM) framework to enable greater cooperation at local level and broaden the range of organisations that play a role in improving local air quality - in particular, responsibility for tackling local air pollution will now be shared with relevant public bodies (which will be designated as air quality partners), all tiers of local government and neighbouring authorities.
- increases transparency and accountability by requiring the Secretary of State to regularly review the Air Quality Strategy at least every 5 years and to publish an annual statement to Parliament on progress towards achieving air quality standards and objectives.

The Clean Air Act 1993 enables local authorities to tackle smoke emissions from chimneys of buildings, fixed boilers and industrial plant. The Environment Bill’s amendments to the Clean Air Act 1993:

- replace the criminal offence of emitting smoke from a chimney in a smoke control area with a civil penalty regime, which allows for the removal of the statutory defences that currently hinder enforcement - this will enable quicker, simpler and more proportionate enforcement at a local level against the emissions of smoke within a smoke control area
- give local authorities powers to address pollution from solid fuel burning on inland waterway vessels (such as canal boats) in smoke control areas
- strengthen the offences in relation to the sale and acquisition of certain solid fuels for use in smoke control areas, by removing the limit on the fine for delivering unapproved solid fuels to a building in a smoke control area and
requiring retailers of solid fuels to notify customers that it is illegal to buy unapproved fuel for use in a smoke control area unless burning in an approved appliance.

The Bill gives powers to the Secretary of State to compel vehicle manufacturers to recall vehicles and non-road mobile machinery if they are found not to comply with the environmental standards that they are legally required to meet. The government will also be able to set manufacturers a minimum recall level.
The Environment Bill introduces new measures to enhance the resilience of water and wastewater services and updates regulatory processes.

**Water resources management**
the Bill amends the current statutory water resources planning process to ensure there is more effective collaboration between water companies and other sectors to manage supply and demand, deliver resilience against droughts and facilitate environmental improvement through a better understanding of environmental need.

**Drainage and sewerage management**
Drainage and sewerage management planning is to be made a statutory duty. Such planning, through which water companies examine and investigate the capacity of their networks, is intended to enable better risk-based assessments of current drainage and wastewater issues, impacts on the environment and long-term planning, improving resilience to extreme weather events and risks of sewer/surface water flooding.

**Water abstraction**
The Bill gives powers to the Environment Agency from 2028 to revoke or vary permanent abstraction licences without liability for compensation where the change is necessary to protect the environment or where the licence is consistently under-used.

**Water quality**
The Bill gives powers to the Secretary of State to amend or modify by regulation any legislation which (i) makes provision about the substances to be taken into account in assessing the chemical status of surface water or groundwater (ii) specifies standards in relation to those substances or in relation to the chemical status of surface water or groundwater. Similar powers are provided to the Welsh Ministers and Northern Ireland Department for their respective areas. (Clauses 82-83).
**Land drainage**
The Bill addresses a technical barrier which prevents existing internal drainage boards from expanding and new ones being established, where there is local support to do so. The measure will enable certain valuation calculations to be stipulated (and updated) in secondary legislation, addressing the issue of missing or incomplete data that currently prevents internal drainage boards from expanding because they cannot update the calculations used to apportion their expenses.

**Solway Tweed river basin district**
Powers are given to the Secretary of State to amend or modify the Solway Tweed Regulations to simplify the way in which the cross-border Solway Tweed river basin district is administered by UK and Scottish Ministers (and by the Environment Agency and the Scottish Environment Protection Agency).
Nature and Biodiversity and Conservation Covenants

Parts 6 and 7

A wide range of measures are included in the Bill with the aim of improving biodiversity and nature. The Bill amends the Natural Environment and Rural Communities Act 2006 (duty to conserve biodiversity) to require public authorities to conserve and enhance biodiversity and to publish biodiversity reports. For local authorities, the biodiversity reports must include action taken in respect of biodiversity net gain (see below) and plans for carrying out these functions over the following 5yrs.

Biodiversity gain in planning
The Bill introduces a new requirement on developers to provide for a minimum of 10% biodiversity net gain (BNG) as a condition of planning permission for new development. A register of BNG sites will be created; registration information will be accessible to members of the public. The Secretary of State is given powers to issue biodiversity credits to ensure a functioning market for BNG.

Local Nature Recovery Strategies
There will be a new system of spatial strategies for nature covering the whole of England - Local Nature Recovery Strategies (LNRS). Each strategy will include, for the area that it covers:
- a local habitat map
- a statement of biodiversity priorities
- the priorities, in terms of habitats and species, for recovering or enhancing biodiversity (taking into account the contribution that recovering or enhancing biodiversity can also make to other environmental benefits)

Controlling the felling of trees in England and a Duty to Consult
The Bill amends the Forestry Act 1967: fines for illegal felling will be increased to “unlimited”; introduction of a court ordered Restocking Order to be made by the courts to allow for the Forestry Commission to list Restocking Notices and Enforcement Notices on the Local Land Charges register.

A new duty is placed on local highway authorities to consult with local communities before felling street trees.
Conservation covenants
The Bill establishes conservation covenants which are a system of voluntary but legally binding agreements between a landowner and a designated “responsible body” such as a conservation charity, public body or for-profit body to conserve the natural or heritage features of the land.

Conservation covenants may contain positive and restrictive obligations to fulfil conservation objectives for the public good and generally, they will bind subsequent landowners to their conditions.
Miscellaneous and General Provisions

Part 8

Regulation of Chemicals
The Bill gives powers to the Secretary of State to amend the REACH (Registration, Evaluation, Authorisation and Restriction of Chemicals) Regulation and the REACH Enforcement Regulations 2008 (amendment of enforcement powers is also extended to the Devolved Administrations) which were retained EU law under the European Union (Withdrawal) Act 2018.

The powers allow the Secretary of State to enhance the functioning of REACH in the UK following the UK’s exit from the EU and to keep it up to date, subject to any changes being consistent with Article 1 of the REACH Regulation.

General Provisions
This section of the Bill sets out:
- conditions for applying powers to make regulations, including in the Devolved Administrations
- the territorial extent of different sections of the Bill
- commencement provisions for when different parts of the Bill come into force
The figure below shows the different stages of the Bill’s passage through Parliament. At the time of writing this Primer – it is in the House of Commons Committee Stage.

You can track the Bill’s progress here: https://services.parliament.uk/bills/2019-21/environment.html

We expect Royal Assent to be granted before the end of 2020.
Further information

The Environment Bill as introduced in Parliament:

Progress of the Environment Bill through Parliament:
https://services.parliament.uk/bills/2019-21/environment.html

Defra Factsheets on different parts of the Environment Bill:


Environment Bill - environmental targets

Broadway Initiative
www.iema.net/broadway
About IEMA

IEMA is a professional body with almost 16,000 members in 116 countries. Our members are sustainability experts working in public and private sector roles across a wide range of industries from financial services to development and construction. Through a combination of training programmes, sharing of best practice and thought leadership and advocacy, we work with our members to drive change in areas such as corporate sustainability, climate change and energy, the circular economy, environmental management and impact assessment.

We have a wealth of experience, case studies and insights to support the transition to a more sustainable future.

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+44 (0)1522 540069 | info@iema.net | iema.net

IEMA, City Office Park, Tritton Road, Lincoln, LN6 7AS

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