



Department of the
Environment

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**ENVIRONMENTAL GOVERNANCE
IN
NORTHERN IRELAND**

DISCUSSION DOCUMENT

November 2015

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Minister's Foreword



Our environment is crucial to each and every one of us. It affects our economy, our health and well-being, and it facilitates social interaction. It is one of the main reasons people from other countries and regions visit, bringing money into the local economy and raising our profile on the world stage. Clean air, good quality water and the green and blue spaces to which we have access are part of our 'natural capital' while opportunities for outdoor recreation contribute significantly to our physical and mental wellbeing. We are lucky to have a good environment but it can still be improved and it deserves to be properly protected. I believe my Department has made great strides in its ability to protect and enhance the environment through the efforts of a highly qualified, motivated and passionate group of staff but I also believe that they could do even better if they were freed from the constraints of departmental structures. I have long been an advocate of an independent environmental protection agency in the North and, indeed, across the island of Ireland, and I believe that the time is right, with the prospect of departmental restructuring in 2016, to reopen the debate. Not everyone agrees with the need for an independent agency but the many reports completed over the years have all favoured such an arrangement and the vast majority of respondents to previous consultations have shown their support. Looking around Europe and the rest of the developed world, we are clearly out of step with best practice for environmental governance. It seems increasingly unlikely that Northern Ireland is right and everyone else is wrong. I want to re-engage with you as stakeholders, particularly those who remain unconvinced of the need for an independent agency, to hear your views as we move towards this significant shake up in departmental structures. I would encourage you to carefully consider the content of this discussion document and take the time to respond with your views.

A handwritten signature in black ink that reads "Mark Durkan". The signature is fluid and cursive.

Mark H Durkan MLA

1. INTRODUCTION

- 1.1 The Department last sought the views of key stakeholders on the issue of environmental governance in August 2011. At that time a significant majority of respondents expressed a preference for an independent agency in one form or other. However, at the time there was not sufficient political support to achieve that outcome.
- 1.2 Instead, recognising there were fundamental issues to be addressed, a root and branch review of the NIEA was undertaken, resulting in a programme of initiatives and reforms with a view to improving the performance of NIEA as an organisation and achieving better environmental outcomes.
- 1.3 Minister Durkan has made it clear that he supports an independent environment agency and recognises that there is still a strong desire in many quarters for the creation of such a body.
- 1.4 On this issue, the North is out of step with every other jurisdiction across these islands, leading to a perception that the environment, one of the North's key selling points, may be less well protected than in other jurisdictions. While changes have been made to both the structure and objectives of NIEA, which are fully expected to bear fruit, it is prudent at this time to consider alternatives that might improve environmental outcomes still further.
- 1.5 This discussion document is not intended to be prescriptive. It aims to reopen the debate and allow stakeholders to express their views on all aspects of environmental governance and/or suggest new ideas. For that reason specific questions are not included.
- 1.6 By way of related background information, and to help put the Northern Ireland position in a Britain and Ireland context, Annex B to the paper provides information on other environment bodies currently operating in England, Scotland and Ireland. Annex C is included to provide information on arms length bodies which sit outside of the environment field.

CONFIDENTIALITY AND THE FREEDOM OF INFORMATION ACT 2000

- 1.7 The Department may wish to publish responses to this Discussion Document and will publish on its website a summary of the responses received. If you do not consent to this, you must clearly request that your response be treated confidentially. Any confidentiality disclaimer generated by your IT system in e-mail responses will not be treated as such a request. You should also be aware that there may be circumstances in which the Department will be required to communicate information to third parties on request, in order to comply with its obligations under the Freedom of Information Act 2000 and the Environmental Information Regulations 2004.
- 1.8 The Freedom of Information Act 2000 gives the public a right of access to any information held by a public authority; in this case, the Department. The Department cannot automatically consider as confidential information supplied to it in the course of a consultation exercise. However, the Department does have a responsibility to decide whether any information provided by you in response to this consultation, including information about your identity, should be made public or treated as confidential. This means that information provided by you in response to this consultation is unlikely to be treated as confidential, except in very particular circumstances.

HOW TO RESPOND

- 1.9 The Department welcomes responses from all stakeholders, either as individuals or as representatives of an organisation. Responses should arrive no later than 25 January 2016 and may be forwarded by post to:

Environmental Governance Team
DOE Regulatory and Natural Resources Policy Division
6th Floor Goodwood House
44-58 May Street
BELFAST
BT1 4NN
or by e-mail to: environmental.governance@doeni.gov.uk

2. BACKGROUND

- 2.1 The environmental protection landscape has changed significantly in the last four years – some of these changes have been planned while others have been the result of external forces.
- 2.2 The structure of DOE and the relationship between the core Department and NIEA has changed with the policy, legislation and executive functions pertaining to environmental protection now all located under the Environment and Marine Group (EMG) umbrella within the Department, with common leadership and objectives.
- 2.3 For example, responsibility for aspects of the marine environment was previously located in NIEA, Environmental Policy Division and DOE Planning. Most of these functions are now housed within a new Marine Environment Division.
- 2.4 The widely reported Mobuoy waste incident led to the commissioning of the independent “Mills Review” which identified the strengths and weaknesses of the relevant parts of NIEA and made significant recommendations regarding structural and process improvements which the Department is currently implementing.
- 2.5 EMG has also embarked on an ambitious Regulatory Transformation Programme that aims to change how the Department regulates, reducing red tape for business but at the same time improving the effectiveness and efficiency of NIEA. The Environmental Better Regulation Bill has been introduced to the Assembly and further primary legislation is envisaged for the next Assembly mandate. Work on the subordinate legislation programme required to underpin a new environmental permitting regime is also under way.
- 2.6 As part of the Stormont House Agreement it was decided that the number of NI Departments should be reduced from 12 to 9 with the result that the functions of DOE will largely transfer to the new Departments of Agriculture, Environment and Rural Affairs (DAERA), Infrastructure and Communities.

- 2.7 The issue of restructuring, as much as any other, has precipitated the reopening of the debate on environmental governance. Many stakeholders harbour significant concerns that the further fragmentation of environmental protection functions both within DOE and other Departments may result in the environment being relegated in importance as it competes with other priorities in the new Departments.
- 2.8 Almost all of the functions relevant to EMG will transfer to DAERA with the one exception being Built Heritage. The Historic Environment Division (HED) has recently been located outside EMG, within the Local Government and Corporate Services Group of DOE, reflecting the fact that its functions will move to the Department for Communities. It is not proposed that the functions of HED will form part of this discussion document.
- 2.9 Among the external changes that have occurred are the unprecedented financial constraints facing all of the NI Departments. Significant reductions in budget means we will have to carefully prioritise the work we carry out and the projects we support and “work smarter” to give our environment the protection it deserves. This should include looking at whether we have the most appropriate structures for delivering environmental protection in an era of reducing resources.
- 2.10 This paper considers the importance of the environment and the key events and drivers that will impact on it over the coming years, and how we manage it in this context. In particular, it considers four major drivers for change:
- the need for environmental justice to guide what we do and how we manage the environment;
 - the impact of the economic downturn (and consequent anti-austerity measures) and the need for everyone to work more effectively within constrained resources;
 - expectations and opportunities as a result of the evolving process of devolution; and

- the need to enter into collaborations with colleagues in other jurisdictions on North/South, East/West and international bases.

3. DRIVERS FOR CHANGE

ENVIRONMENTAL JUSTICE

- 3.1 Environmental Justice is based on the notion of social justice, equality and a healthy environment for all. Living in a clean and healthy environment is everyone's right. However, the poorest people tend to be the most affected by for example, the location of hazardous installations, proximity to industrial plants, air pollution, flooding, inadequate enforcement of environmental laws, bad urban planning, or simply not having any access to the natural environment.
- 3.2 The North's health and wellbeing is not as good as many regions in GB and Europe. There are higher levels of chronic conditions, such as cancer, coronary and respiratory diseases, along with higher levels of obesity and mental health problems. These issues have a significant impact on society, the economy and public services. Health and wellbeing is fundamentally linked to the environment in which people live and the lifestyles they lead. There are direct impacts in terms of air quality, water quality and noise, in the higher incidences of smoking and alcohol consumption, and in unsustainable travel patterns but there are also indirect impacts.
- 3.3 A high quality environment encourages people outdoors and away from inactive, unhealthy, sedentary lifestyles. Northern Ireland already draws significant numbers of tourists who are attracted by the activities which are on offer such as water sports, hiking and fishing. By protecting and enhancing the environment, it should be possible to assist local people to make the best use of these activities and receive the resulting benefits in terms of health and wellbeing.
- 3.4 Opportunities exist to pursue environmental justice in the North through the creation of an independent agency. A governance system with a level of independence could uphold the principles of Environmental Justice, so that no social group, particularly a group already disadvantaged in other socio-economic respects, should suffer a disproportionate burden of poor environmental conditions. In keeping with the principles of Environmental

Justice, statutory powers available to an independent Agency could be used to ensure that the quality of life of communities is not degraded and, where possible, is enhanced.

THE ECONOMY

- 3.5 To ensure the North's economy continues to emerge successfully from the recession it will be necessary to promote technologies, sectors and industries that can thrive in these new circumstances; for example, renewable energy technologies, tourism and the agri-food sector. This in turn means promoting energy and resource efficiency and making more of the environment as an asset that can underpin existing and new businesses. However, the promotion of renewable energy technologies is becoming more challenging in light of recent policy shifts by the Westminster government.
- 3.6 As economies grow, competition for resources increases, with consequent potential environmental and economic implications. Resources include raw materials such as timber, minerals and metals, water and energy sources. While there is no universally accepted definition of "resource efficiency" or its scope, the general view is that resource efficiency means using these materials in the most productive and economical way possible, keeping the quantities consumed, waste and pollution to a minimum. Even renewable resources can only be replenished at a certain rate. If this rate is exceeded, the resource will become depleted. In addition to these physical limits, there are other constraints, such as the functioning of ecosystems and social issues. There is considerable evidence that inefficient resource use can lead to negative economic and environmental impacts.
- 3.7 As a result of these wider economic issues, public services are now experiencing resource pressures that are unlikely to ease for some time. Ever tightening constraints, both in terms of financial and staff resources, have forced a rigorous prioritisation of the activities which the public sector undertakes and funds. It will only be possible to make the best use of the resources available to protect and enhance our environment if we find better ways to work together on those most pressing of issues and

opportunities. It will also be critically important to utilise interventions that do not place an unnecessary burden on business.

- 3.8 Improved environmental governance offers improved economic opportunities and benefits for business by delivering stable and predictable environmental regulation, a physical environment that is attractive to the tourist and leisure industries and an infrastructure of knowledge and skills able to support participation in global markets for environmental goods and services. A governance system with a level of independence would be able to deliver an improved environmental regulation regime more attractive to business and in so doing can play its part in delivering a better economy.

EXPECTATIONS AND OPPORTUNITIES OF DEVOLUTION

- 3.9 The North is experiencing a period of significant social change as it continues to emerge from the aftermath of social conflict and towards a peaceful and prosperous society. The environment has a critically important role to play in facilitating that change by providing a positive sense of place. Poor environments, particularly in urban areas (where the majority of people live and/or spend their time) can lead to, or exacerbate, anti-social behaviour and a range of social problems. High quality environments, on the other hand, can make an area seem more welcoming and cared for, and can discourage acts of anti-social behaviour. Enhancing our built environment leads to an enhanced sense of place and engenders pride in the local community.
- 3.10 A high quality environment is recognised as an important factor in encouraging investment, boosting tourism and improving the quality of life for everyone. In the context of local devolution and normal day-to-day life in a post-conflict society, maintaining and enhancing the quality of the environment is now a mainstream political issue. People expect the local devolved Assembly to provide strong leadership on the environment and to provide a very high standard of environmental governance.
- 3.11 The proposed reorganisation of Departments as part of the Stormont House Agreement has assumed a very high priority in the minds of key stakeholders, many of whom fear a reduction of environmental protection as a result. However, while there is certainly the potential for such a result,

it must also be recognised that such significant restructuring also represents an outstanding opportunity to ensure that the most effective governance arrangements are put in place.

COLLABORATION WITH OTHER JURISDICTIONS

- 3.12 Most environmental issues are of a transboundary nature and many have a global scope. They can only be addressed effectively through international cooperation. According to the United Nations Environment Programme there are six priority areas which define the programme's focus on the environmental challenges of the 21st century – these are: Climate Change; Disasters and Conflicts; Ecosystem Management; Environmental Governance; Harmful Substances; and Resource Efficiency. As one of the key six priority areas Environmental Governance is described as promoting informed decision-making to enhance global and regional environmental cooperation.
- 3.13 Environmental protection is now firmly established as a key area of co-operation under the North South Ministerial Council arrangements. This is critically important in order to rebalance the economy, since businesses frequently operate across borders. A vibrant, sustainable economy will be facilitated by a level of playing field on the island of Ireland.
- 3.14 The British-Irish Council has also included the environment in its list of priorities to examine and develop policies for co-operation. EU environmental law and policy increasingly requires Member States to adopt a transboundary approach to the implementation of key measures and supports cross border participatory rights. The development of a shared approach with England, Scotland, Wales and, increasingly, with Ireland in terms of environmental governance will benefit the North by improving local environmental expertise and knowledge and understanding of best practice examples. There are also benefits to be gained for business by ensuring a consistent approach in terms of environmental regulation/enforcement, particularly for single business entities operating across the different jurisdictions.

4. BENEFITS OF AN INDEPENDENT AGENCY

- 4.1 While we have limited natural resources in the conventional sense of “raw materials”, the environment itself (and the perception of it as being of high quality) is a significant asset to the social and economic fabric of the North. Accordingly, having appropriate governance arrangements in place is vital.
- 4.2 Effective governance will have significant positive impacts on greenhouse gas emissions, environmental quality, sustainability and economic competitiveness, helping to ensure that everyone who comes into contact with the environment will treat it with care and respect. It will encourage businesses, government organisations and communities to make the very best use of the environment in a sustainable way that encourages innovation and growth.
- 4.3 A higher degree of independence should allow greater flexibility to make the changes necessary to speed up decisions and actions. An independent agency, for example, could become the key and easily identifiable champion for the protection and improvement of the Northern Ireland environment as opposed to just another limb of the Department. A new edge to protecting the environment could reassure the population of the North that it is no longer the ‘poor relation’ and will increase our environmental credentials – it should also be a catalyst for bringing about much needed behavioural change.
- 4.4 In a prevailing climate of financial cutbacks there is a danger that environmental regulation, as long as that function sits within central Government, could be diminished in the overall ambit of central Government functions and responsibility. A level of independence in environmental regulation could result in a degree of protection from future financial constraints although, as we are all well aware in the current climate, no-one can be completely immune from resource constraints. However, it is also recognised that although independence creates greater opportunities for the Agency to raise income that should not be at the expense of reducing Grant in Aid from central Government. The future independence of a new Agency would, for example, be enhanced by a commitment from central Government to maintain Grant in Aid funding,

linked to the GDP Deflator¹. Such a commitment would also provide some certainty and confidence for a new independent Agency during a time of financial constraint.

- 4.5 Enhanced opportunities for better regulation principles would deliver better environmental outcomes. Independence in the environmental governance system could move environmental regulation away from the political arena and thereby create a greater sense of trust in the system, both from the public and from those being regulated.
- 4.6 The significant financial constraints under which the Department of the Environment is currently operating (and under which the new Department will also be operating) reinforces the need to bring greater focus on a key aspect of the core business of the Department – namely protecting and improving the environment. Separating out regulatory functions would ensure that these activities can be managed against clear performance metrics and that funding can be tailored to reflect the level of activity. Independent regulatory functions would create the potential for the Agency to recover the full costs of its regulatory activity from sources such as charging schemes, costs for licenses, permits etc.
- 4.7 Improved efficiency will be dependent on the proper resourcing of a new agency in terms of finance, staff and professional expertise.

5. THE OPTIONS

- 5.1 The following organisational options have been selected for consideration but are not set in stone. Other feasible options will certainly exist and the included options may well be nuanced in light of responses to this paper.

¹ The GDP deflator is a much broader price index than the CPI or RPI (which only measure consumer prices), as it also includes the prices of investment goods, government services and exports, making it more appropriate for this purpose.

OPTION A: MAINTAINING THE STATUS QUO

5.2 This option would retain the NIEA as an Executive Agency of the Department (prospectively transferring to DAERA in May 2016). The NIEA has a mission to continue to protect, conserve and promote Northern Ireland's natural environment and built heritage. The NIEA advises on, and implements, the Government's environmental policy and strategy in Northern Ireland. NIEA currently carries out a range of activities, which promote the Government's key themes of sustainable development, biodiversity and climate change. The main functions are:

- Environmental Protection
 - Natural Environment Division
 - Conservation of wildlife, landscapes and earth science features;
 - Promoting access to and enjoyment of the countryside;
 - Management of nature reserves and country parks;
 - Grant aid of NGOs and councils;
 - Research and monitoring;
 - Strategic Environmental Assessment.
 - Resource Efficiency Division
 - Waste management;
 - Water management;
 - Environmental crime unit;
 - Drinking Water Inspectorate;
 - Information Unit;
 - Industrial Pollution and Radiochemical Inspectorate (IPRI);
 - Regulation of Chemicals (REACH).

Pros

5.3 The NIEA has the expertise and capability to carry out the functions. It employs, and continues to develop, a modern, more focused, risk-based approach to regulation and represents a valuable body of expertise and professionalism. It has built up good working relationships with Ireland, Defra and the other DAs. The Agency is directly answerable to the

Minister. Operational weaknesses have been identified and a programme of change is underway as a result of internal and external reviews (such as the Mills Review) with significant restructuring of NIEA and other areas of DOE having already taken place. In addition to the restructuring of NIEA, the proposals contained within the White Paper on Environmental Better Regulation are being progressed. The Environmental Better Regulation Bill has been introduced to the Assembly and is expected to complete its passage through the Assembly during this mandate. A raft of subordinate legislation will be made under this primary legislation, notably to support a new environmental permitting regime. These changes will improve the effectiveness and efficiency of the Agency but will, of course, take time to become fully effective. Undoubtedly the cheapest option.

Cons

- 5.4 Since devolution, the governance system has fundamentally changed. The environment within which the NIEA operates is now much more political. There is a danger that, in this environment, there is not enough independence in the current governance arrangements. Environmental regulation in Northern Ireland is sometimes perceived to be inconsistent and lacking transparency. There is arguably a need for greater separation between the role of the Department (policy maker and legislator) and the NIEA (protector, regulator and enforcer). However, not all environment-related functions lie with the Department. Northern Ireland is unique in the UK and Ireland in not having an independent environment agency. Retaining the status quo would not address the issue of perceived public confidence in the NIEA in respect of transparency and focus on environmental issues; and there could be a possible reduction in influence over all-Island issues due to its position within the Department.

Conclusion

- 5.5 This option, although requiring minimal additional costs, would result in Northern Ireland remaining out of step with Environmental Agencies in other jurisdictions and may lack the independence from political influence required to take strategic decisions to protect the environment. The status quo is also vulnerable to the potential for losing out to competing priorities in the restructured departments.

OPTION B: ALL CURRENT NIEA FUNCTIONS TO TRANSFER TO AN INDEPENDENT AGENCY

- 5.6 This option assumes that all functions currently undertaken by NIEA transfer to an independent agency which would be established as one or more Non-Departmental Public Bodies. This includes all the activities currently carried out within the functional areas covered by Natural Environment Division and Resource Efficiency Division. It would not include the functions of Marine Environment Division, which sit outside the NIEA structure.
- 5.7 However, within these areas there are a number of functions currently carried out which may not be appropriate to transfer to an independent agency as they do not directly serve to meet the principal statutory purpose to protect and enhance the environment – examples include, the location of the Drinking Water Inspectorate and the provision of country parks.

Pros

- 5.8 Previous discussion shows there is strong support for the creation of an independent agency. Independence from central government ensures that powers are exercised in a transparent and accountable manner. This option also creates the opportunity to define a clear alignment of responsibility between the independent agency and the Department. It allows for the forging of strong inter-regional alliances and provides the framework for a consistent approach to enforcement and presents the opportunity to adopt modern risk-based regulatory practices. An independent agency would strengthen public confidence, transparency and accountability; and bring Northern Ireland in line with the other UK jurisdictions and the governance arrangements in Ireland. It would, in particular, allow harmonisation of regulatory arrangements on an all island basis.

Cons

- 5.9 Certain functions in the NIEA are unsuitable for transfer to an independent agency, because they are associated with core Departmental functions. This also does not provide for the transfer of significant responsibilities

from other Departments. It also does not resolve the environmental legacies of the past, or respond to present and emerging environmental pressures. Depending on the specific models, the potential costs could be restrictive.

Conclusion

5.10 While it would be useful to have an independent Agency this may not be the best model as it raises issues on how to deal with functions not suitable for transfer and makes no provision for the inclusion of functions currently within the remit of other Departments (or other parts of DOE). However, logistically, it would be relatively easy to achieve this model as it would not impact on the significant work already carried out on the departmental restructuring programme to any great degree.

OPTION C: FULL REORGANISATION

5.11 This option would provide an independent Agency delivering modern environmental regulation in Northern Ireland. A full reorganisation of the NIEA's remit includes the transfer of significant responsibilities from other Departments, bringing together related functions and competencies into a single organisation to protect the environment. It would involve a suggested realignment of areas such as:

- Pollution Prevention and Control;
- waste management;
- protection of species and habitats;
- the marine environment;
- sustainable water management (including abstraction and drainage licensing, and river basin catchment management);
- sustainable inland fisheries.

Pros

5.12 Separating the independent agency from policy making allows for greater focus on environmental issues. It would prevent inappropriate interference with the regulatory functions in the future – political or otherwise. It would support the full and transparent implementation of Better Regulation with risk based regulatory practices. A new independent agency would be in

keeping with good governance practice elsewhere, which has moved to separate institutional policy making from regulation. Accordingly, there would be greater public confidence and strong public support for a new independent agency.

Cons

- 5.13 There are potentially significant costs. A transfer of functions from other Departments could be difficult to achieve and extend the timeline for delivery. This option would also cut across the ongoing reorganisation of Departments exercise. However, a consequence of the “Full Reorganisation” option would be a reduced portfolio of responsibilities for a number of other Departments so this may be an opportune moment to revisit this issue. This option could result in a wider and less focused remit than other Environmental Protection Agencies, which are broadly environmental protection only.

Conclusion

- 5.14 This model, although providing more comprehensive protection of the environment, may prove difficult to achieve in the short to medium term given the potential costs, the reorganisation of governance and the transfer of functions from other Departments.

OPTION D: A REGULATION-ORIENTATED INDEPENDENT ENVIRONMENTAL PROTECTION AGENCY

- 5.15 This option provides for the creation of a Non-Departmental Public Body to carry the key regulatory functions of the existing NIEA with a clear focus on delivering specified outputs meeting the well-defined aims of the Minister. The new organisation would have a clear mission to protect and enhance the environment through regulation relating to air, water and land. It is envisaged that this option would also include regulatory activities related to the marine environment.
- 5.16 It would monitor, report on and enforce environmental targets and tackle environmental crime. This new organisation would be primarily funded by grant-in-aid from the Department, with any shortfall being raised through

retention of application fees, inspection fees and cost recovery from enforcement. The new organisation would not include all of the functions currently undertaken by NIEA but would primarily be involved in regulation within the framework of legislation and policy developed by the Department.

Pros

5.17 The new organisation would have a clearly focused regulatory role, with policy-making remaining separately within Government. Independence from central Government is likely to command greater public confidence and having a clear mission should ensure that regulation is undertaken in a transparent and accountable manner. As the regulatory organisation would have a tightly defined role backed by legislation it would have to exercise its powers in a fair, consistent and predictable manner. It would have the capability to harmonise its regulatory activities with similar organisations, particularly to deliver environmental benefits on an all-Ireland basis. As all the functions are currently undertaken by DOE it would be a less costly and less disruptive alternative in the short to medium term.

Cons

5.18 This option would leave the natural heritage functions within the Department plus some others such as research, operational advice, guidance, impact assessment, property management, education and grant aid. Acting within Government allows an agency to have a greater influence on policy making. Budgetary pressures could potentially result in increases in cost recovery charges; and the independent Agency could be more costly to run if corporate services do not continue to be shared with the Department.

Conclusions

5.19 This option would deliver a clearly focused regulatory NDPB capable of protecting a high quality healthy environment for the benefit of everyone. There are clear benefits to be gained from separating the regulatory functions of the Department into a specialised and independent organisation that would then be able to concentrate its energies on the delivery of key priorities. It would gain by harmonising these activities with

similar agencies, particularly on a North/South basis, allowing co-operation and pooling of resources focusing on all-Ireland solutions to environmental threats. Separating the regulatory activities from the rest of NIEA may cause short to medium term difficulties with repositioning those functions left behind. However, the creation of a single-minded organisation is likely to ensure that the delivery of regulation is done in a fair, transparent and consistent manner, raising public and Assembly confidence that the environment is being properly protected.

6. COSTS AND BENEFITS

6.1 A robust and fully costed business case will be required to support final proposals to establish a new NDPB. In the meantime an outline of preliminary costing estimates is set out in Annex A. It must be stressed that these are preliminary costings - the Minister believes that a robust interrogation of costings may produce different, lesser figures.

6.2 Our expectation at this early stage would be that option B would have the lowest establishment costs, with option D (regulation-orientated) costing slightly more and option C (full reorganisation) slightly more again. For this reason, the costs provided are for option B. At this stage our initial view, in the absence of any evidence to suggest otherwise, is that the costs for options C and D should not differ significantly from the costs for option B.

6.3 The kinds of costs we have identified at this initial stage include:

- Establishment costs –
 - New board (recruitment and training) - £60k - £70k
 - Logo/branding/website/initial campaigns - £0 - £2m
 - Shadow organisation - £0 - £408k
- Recurrent costs –
 - New board - £470k
 - Legal team - £1.6m - £1.9m
 - Communication strategy - £0 - £750k

The significant variance between lower and upper cost estimates reflects the fact that the preferred option could be implemented in a number of ways.

- 6.4 The headline estimate figures are as follows (figures rounded up to the nearest £100k):

Costs	Lower	Upper	Comments
Establishment	£0.4m	£3.2m	Difference primarily due to Campaign costs and Shadow Organisation.
Recurrent	£1.6m p.a.	£4.0m p.a.	Difference primarily due to Comms Strategy, Legal Team, independent corporate services and extent of Better Regulation efficiencies.

7. ACCOUNTABILITY

7.1 There has been much criticism directed at the creation of NDPBs and the perception that they are less accountable than central government. However, there are many examples of successful, accountable NDPBs and other arms length bodies here and in other jurisdictions, and adequate guidance to ensure that appropriate means to achieve accountability can be put in place.

7.2 It is important to be clear that responsibility for setting environmental policy would remain under Ministerial control, creating the clear separation between policy-making and regulatory functions that most politicians and stakeholders believe is necessary.

7.3 It is perhaps worthwhile noting the following Cabinet Office Guidance:

“It is Government policy that new NDPBs should only be established as an absolute last resort. Any proposal to set up a new NDPB must be accompanied by a robust and fully costed business case which clearly evidences: (i) the need for the function or activity in question; (ii) the need for central Government to carry out the function or activity (as opposed to local government, the voluntary sector or the private sector);

and (iii) the need for a new NDPB to deliver the function or activity (as opposed to an existing body or other type of public body). In making the case for a new NDPB, departments must assess the function or activity against the following tests:

- *is this a technical function (which needs external expertise to deliver);*
- *is this a function which needs to be, and be seen to be, delivered with absolute political impartiality (such as certain regulatory or funding functions); or*
- *is this a function which needs to be delivered independently of Ministers to establish facts and/or figures with integrity and credibility?”*

7.4 A robust and fully costed business case is, quite properly, regarded as a priority to make the case for an independent agency but it can be argued that an effective environment agency should satisfy all 3 of the tests outlined in the paragraph above

7.5 The UK Government’s Public Bodies Reform Programme, which had the stated presumption that: “...state activity, if needed at all, should be undertaken by bodies that are democratically accountable at either national or local level²...”, aimed to reduce the number of quangos, either by absorbing the functions within central government or other bodies, taking them outside government control, or by abolishing them altogether. As a result of this process a significant number of NDPBs have been dissolved. However, it is worthy of note that no attempt has been made to return the Environment Agency for England’s functions to direct Ministerial control.

8. IMPLEMENTATION

8.1 The following key implementation issues will need to be addressed if it is decided to proceed with an independent agency:

² Written Ministerial Statement, Rt Hon Francis Maude (15 December 2011)

Legislation

8.2 Initial legal advice indicates that primary legislation will be required to, amongst other things:

- establish a new agency, provide for remuneration, staff, pensions etc;
- transfer functions, property etc to the new agency;
- set out the aims, objectives, duties, powers and general functions of the agency; and
- set out general financial arrangements.

8.3 The introduction of such significant legislation will require Executive approval. There will also be a need to factor such legislation into the Assembly Legislative Programme at an early date to ensure that sufficient Assembly time will be available. It is therefore not considered feasible to bring forward the necessary legislation within this mandate.

People

8.4 Currently the NIEA employs approx 510 staff mainly made up from the scientific discipline in the NICS staffing structure. From a people perspective a transition from employment in the Department to employment in a new independent agency is likely to have a significant impact. Staff will have concerns about pay, job security, future pension entitlement and other terms and conditions of service. In most cases the Transfer of Undertakings (Protection of Employment) Regulations (TUPE) will apply.

8.5 Decisions on the future of an independent agency will need to be taken through a robust and proper process, to ensure that they are clear, consistent and transparent, and provide clarity for staff of new organisational roles, remits and functions necessary to achieve desired business performance.

8.6 Staff will need to be treated fairly in any proposed organisational change and it is essential that the Department provides clear guidance and support to staff. Managers will also need to be supported in delivering the changes to ensure that the organisational structures in the new independent Agency

are populated with the right skills, knowledge and experience to deliver effectively.

Logistics

Timeframe

- 8.7 The practical tasks surrounding the setting up of a new independent EPA are likely to be considerable. The establishment of a clear and realistic time-frame, i.e. when the NDPB will begin to exercise its functions, at the outset will be important in terms of the overall management of the project. This will require decisions on the lead in time between Royal Assent and the full commencement of the new Act which sets up the body and on the need for any supporting subordinate legislation.

Departmental staff resources

- 8.8 An appropriately skilled team will need to be established within the Department to take the whole project forward. Links will have to be established with Departmental finance units, legal advisers and relevant outside organisations. Working groups will need to be formed to address and discuss specific topics (e.g. pensions, finance, etc).

NDPB arrangements

- 8.9 If it is decided that a new independent Agency is necessary and offers the best means of protecting and enhancing the environment of Northern Ireland basic proposals will need to be set out for inclusion in the draft primary legislation. These proposals should:
- define the functions, aims and objectives;
 - define the relationship with the Department and accountability to the Minister;
 - consider how it should be constituted and whether statutory authority would be needed;
 - consider pension arrangements for staff and Board members;
 - consider where it will be located;
 - agree an accommodation strategy;
 - consider the size and balance of the Board;

- determine how performance against objectives will be measured and decide on arrangements for monitoring;
- consider the extent of its delegated responsibilities;
- establish what assets are to be transferred/acquired; and
- consider when the NDPB should be subject to a review.

Resource planning and management arrangements

8.10 The Department would need to ensure that adequate planning and management arrangements are in place. These would include proper systems of financial management delegation, risk management and control and reporting, effective procurement procedures, target setting, performance monitoring, review, security systems, staff recruitment systems, payroll systems, accounting and banking arrangements.

Other considerations

8.11 Other considerations include:

- meeting sustainable development commitments;
- engagement with the voluntary and community sector;
- risk management – an overall risk management strategy and systems for ensuring continuing communication between the Department and the independent Agency on shared risks is recommended;
- Regulatory Impact Assessments for new major regulatory policies or initiatives;
- Enforcement Concordats;
- Corporate Governance – i.e. where part of the business of the Department is conducted with and through an Arm's Length Body, the Department's Board should ensure that there are robust governance arrangements with the Body's Board, setting out the terms of their relationship, on order to promote high performance and safeguard propriety and regularity.

9. CONCLUSIONS

9.1 The paper sets out to deliver alternative options for governance arrangements for environmental protection in a changing social environment in pursuance of environmental justice, with an evolving

devolution process where society expects strong leadership, all in the context of current economic realities where financial restraint is vital.

Summary of findings

- 9.2 The paper explores the advantages and disadvantages associated with the range of options considered and lays comparison with how other regional independent agencies support their central government in delivering environmental priorities while each adopting distinctive (although not dissimilar) functional and structural design. Initial examination of financial implications indicates no substantial variation in costs associated with the main options considered (options B, C and D).

Limitations of the current work

- 9.3 The results of this research support the idea that the creation of an independent environment agency is in keeping with environmental governance arrangements elsewhere. These findings suggest a number of courses of action for consideration. The paper has gone some way towards increasing our understanding of how it could operate in the context of a non-departmental public body; however, further more detailed work, including robust costings and a full economic appraisal, need to be carried out to enable the Department to progress to final proposals and the eventual introduction of primary legislation.

ANNEX A

N.B. The document below refers to Option B in the document.

		Option B		
		All NIEA Functions + Better Regulation + Reorganisation		
		Lower Est.	Upper Est.	
				Assumptions/Comments
Estate	£0	£200,000		Lower est: IEPA staff remain in current premises. Whether estate is transferred to IEPA or rented from DoE, net cost to public purse is effectively zero. Upper est: Klondyke staff relocate to iconic Belfast City Centre location (estimated costs to be obtained). Figure based on anticipated increased rental costs assuming £600k pa for BCC location and £400k pa for Klondyke. Approx. 350 staff currently in Klondyke.
Insurance	£0	£0		Additional ongoing insurance in relation to NDPB assets additional but not significant. Employer's liability/negligence would need to be considered in a detailed business case.
Funding / Income	£0	£0		Continuation of existing arrangements for cost recovery (fees, licenses, permits, etc.). These charges may increase to offset any overall cost increase as a result of independence. IEPA continues to receive bulk of funding through Grant In Aid (GIA). Potential small efficiency gains through greater flexibility in management of GIA.
Management Statement Corporate & Business Plan	£0	£0		Management Statement & Corporate Business Plan prepared within IEPA at little or no additional cost.
Separate IEPA Banking Arrangements	£0	£0		No significant costs anticipated to arise from holding own bank account.
New Board	£470,000	£470,000		12 Members including Chair + Secretariat (DP + SO) Chair: £5k pm 11 other Board Members: £2.5k pm Secretariat: £45,926 + £35,674
Legal Team	£1,690,000	£1,900,000		Derived from AFBI estimate of £3m for organisation with a budget of £45m (Further details below table). Lower est: £350k saving from reduced requirement within DoE (5 staff at £70k average) Upper est: £140k saving from reduced requirement within DoE (2 staff at £70k average)
Net Additional Staff & Increased Training Costs	£240,000	£310,000		Lower est: 0.5 Chief Executive + 1 Grade 5 + 1 Grade 7 Upper est: 1 Chief Executive + 1 Grade 5 + 1 Grade 7
Communications Strategy	£0	£750,000		Ongoing communications strategy including; naming & shaming; key environmental messages (e.g. on website, in press); press articles, media (including TV) – EPA is here and it's working.
Accounts (including account(NI), Finance, Economics)	£0	£80,000		Lower est: Continue to receive service from DoE (no net increase in cost) Upper est: Obtain independent service outside of DoE (25% cost increase due to loss of economy and no longer being able to reclaim VAT)
HR Services (including HRConnect)	£0	£190,000		Lower est: Continue to receive service from DoE (no net increase in cost) Upper est: Obtain independent service outside of DoE (25% cost increase due to loss of economy and no longer being able to reclaim VAT)
Training	£0	£62,000		Lower est: Continue to receive service from DoE (no net increase in cost) Upper est: Obtain independent service outside of DoE (25% cost increase due to loss of economy and no longer being able to reclaim VAT)
Computing/Email/Telecoms	£0	£70,000		Lower est: Continue to receive service from DoE (no net increase in cost) Upper est: Obtain independent service outside of DoE (external service contract cost estimated)
Audit (Internal)	£0	£50,000		Lower est: Continue to receive service from DoE (no net increase in cost) Upper est: DP Auditor appointed
Audit (External)	£0	£0		NIEA already incurs a charge for NIAO.
Counselling / Staff Welfare / Occupational Health	£0	£50,000		Lower est: Continue to receive service from DoE (no net increase in cost) Upper est: Provide service within IEPA (DP)
Press Office & Advertising	£0	£0		Included under "Communication Strategy"
Purchasing (Including advice on contracting, use of call-off contracts, etc.)	£0	£80,000		Lower est: Continue to receive service from DoE/CPD (no net increase in cost) Upper est: Provide service within IEPA (DP + SO)
SACs	£0	£0		SACs professional services subsumed within IEPA with little or no net cost/saving.
Additional Core DoE Staff In EPD	£0	£0		No additional staff in EPD.
Implementation of Better Regulation Principles	-£830,000	-£280,000		Lower est: 1.5% of Net NIEA Operating Costs Upper est: 0.5% of Net NIEA Operating Costs
IEPA Recurrent Costs				
NET RECURRENT COSTS	£1,570,000	£3,932,000		
	0	0		
NRC as % of NIEA Net Operating Costs	2.8%	7.1%		
Agri-Food & Biosciences Institute (AFBI) Submitted £3m bid for additional consultancy, legal and accounting staff in preparation for privatisation AFBI had a £45m budget Assuming half of these costs were legal services = £1.5m Uplifted to NIEA budget (£55.53m) = c.£1.84m pa Uplifted for inflation (4 years) at 2.5% per annum Savings applied for reduced demands on DSO (£350k saving for lower estimate and £140k saving for upper estimate)				

	Option B		Assumptions/Comments
	All NIEA Functions + Better Regulation + Reorganisation		
	Lower Est.	Upper Est.	
Estate	£0	£0	No significant impact on establishment costs. Potential impact on recurrent costs if a decision is taken to relocate from Klondyke to an iconic Belfast City Centre location.
Other Assets	£0	£0	Essential for carrying out statutory functions. Boats, vehicles, scientific equipment, etc. Current value c.£4m. Arrangements for transfer to IEPA require detailed assessment but anticipated to represent little additional cost. Potential accounting implications which need to be discussed with F&BPD as maximum "gift" from DoE to NDPB potentially capped at £250k (Managing Public Money NI).
Legal costs	£10,000	£20,000	IEPA will require its own independent legal advice. Estimates based on advertising costs as part of recruitment process in 10 UK journals. Lower est: one round of advertising. Upper est: two rounds of advertising.
No Longer Part of The Crown	£0	£0	Not considered to have significant cost implications.
Risk / Liability	£0	£100,000	Seminars and training for staff to address a range of risk/liability issues as a result of independence. Lower est: Training undertaken in house. Upper est: External independent training.
Staff Employment	£260,000	£510,000	All NIEA staff transfer to IEPA with same terms & conditions. TUPE would apply to transferring staff (further input required from F&BPD and Trade Union). As no longer Civil Servants, staff no eligible for PCSPS. Central Government establishes an equivalent scheme to guarantee equivalent pension rights/provision. Lower est: Administrative costs of establishing new pension scheme: c.£300 per staff member. Upper est: Administrative costs of establishing new pension scheme: c.£600 per staff member.
Recruitment of Additional Support Staff (new Finance, HR, IT, etc. teams)	£10,000	£20,000	IEPA will require its own embedded teams for finance, etc.. Estimates based on advertising costs as part of recruitment process in NI papers. Recruitment process will be managed internally.
Purchasing Arrangements	£0	£0	All existing contracts would be transferred (no need to close & tender). Not considered to be a significant cost issue.
New Board (Recruitment & Training)	£60,000	£70,000	Recruitment process will be managed internally. Lower est: £10k for recruitment adverts in UK journals + £50k training. Break down of training costs: (11 Board Members x 3 Days x £1,000) + (1 Chair x 3 Days x £2,000) + (Accommodation: £5,000) + (Facilitator, room, equipment: £6,000) Upper est: £20k for recruitment adverts in UK journals + £50k training
Logo / Branding / Website / Initial Campaigns	£0	£2,000,000	Lower est: No campaigns or advertising. Small nominal cost to remove "Agency of DoE" from logos. Website revised internally. Upper est: Campaigns to start immediately IEPA is launched and to run for 1 year (e.g. strong compliance and enforcement messages re: water, waste, etc. – with new branding to the fore). REGNI stressed the importance of establishing an independent identity for public confidence.
Shadow Organisation:	No Shadow Organisation	12 Month Shadow Organisation	
Chief Executive	£0	£90,000	£150k annual cost * 60% (assuming 3 days per week requirement).
Director of Corporate Services & Business Development	£0	£60,000	£100k annual cost * 60% (assuming 3 days per week requirement).
Head of Finance	£0	£60,000	£100k annual cost * 60% (assuming 3 days per week requirement).
Head of HR	£0	£60,000	£100k annual cost * 60% (assuming 3 days per week requirement).
Head of Business Development & Planning	£0	£60,000	£100k annual cost * 60% (assuming 3 days per week requirement).
Chair of Board Remuneration + expenses per meeting	£0	£12,000	1 Chair * 6 Days * £2,000
Board Members Remuneration + expenses per meeting	£0	£66,000	11 Board Members * 6 Days * £1,000
IEPA Establishment Costs			
NET ESTABLISHMENT COSTS	£340,000	£3,128,000	

ANNEX B

THE REMITS OF ENVIRONMENT BODIES IN OTHER JURISDICTIONS

ENVIRONMENT AGENCY – ENGLAND

Status

1. The Environment Agency (EA) is an Executive Non-Departmental Public Body responsible to the Secretary of State for Environment, Food and Rural Affairs. Until April 2013 it was also an Assembly Sponsored Public Body responsible to the National Assembly for Wales. Natural Resources Wales, an Executive Welsh Government Sponsored Body, has now assumed the functions of the EA, CCW and FCW in Wales.

Aims

2. EA's strategic objectives are to:
 - act to reduce climate change and its consequences;
 - protect and improve water, land and air;
 - work with people and communities to create better places; and
 - work with businesses and other organisations to use resources wisely
3. EA plays a central role in delivering the environmental priorities of central government through their functions and roles.

Regions

4. EA has a presence across all of England with teams based in 16 areas actively working in their local communities.
 - Northumberland, Durham and Tees
 - Cumbria and Lancashire
 - Yorkshire
 - Derbyshire, Nottinghamshire and Leicestershire
 - Lincolnshire and Northamptonshire
 - Greater Manchester, Merseyside and Cheshire
 - Staffordshire, Warwickshire and West Midlands
 - Shropshire, Herefordshire, Worcestershire and Gloucestershire
 - Wessex
 - Devon and Cornwall

- Cambridgeshire and Bedfordshire
- Essex, Norfolk and Suffolk
- Hertfordshire and North London
- West Thames
- Solent and South Downs
- Kent and South London

Remit

5. EA combines an England-wide perspective with practical experience of work at a local level. It identifies the best environmental options and solutions, taking into account the different impacts on water, land and air. EA's work includes:

- protecting people from flood;
- working with industry to protect the environment and human health;
- concentrating its effort on higher risk businesses - those that run potentially hazardous operations, or whose performance just isn't coming up to scratch;
- helping business use resources more efficiently;
- taking action against those who don't take their environmental responsibilities seriously - every year the EA brings hundreds of offenders to justice, leading to millions of pounds of fines;
- looking after wildlife - EA completes around 400 projects every year to improve the places where threatened species live;
- helping people get the most out of their environment, including boaters and anglers. EA sells over a million rod licences a year, many to young people coming into the sport for the first time. All the money EA raises goes straight back into improving the places people fish;
- working with farmers to build their role as guardians of the environment, tackling pollution that cannot be seen as well as adding to the beauty of the countryside;
- helping to improve the quality of inner city areas and parks by restoring rivers and lakes;
- influencing and working with government, industry and local authorities to make the environment a priority.

SCOTTISH ENVIRONMENTAL PROTECTION AGENCY

Status

1. The Scottish Environment Protection Agency (SEPA) is a Non-Departmental Public Body, accountable through Scottish Ministers to the Scottish Parliament. SEPA advises Scottish Ministers, regulated businesses, industry and the public on environmental best practice. As Scotland's environmental regulator SEPA's main role is to protect and improve the environment.

Responsibilities/Remit

2. In broad terms, SEPA's responsibilities include regulating:
 - activities that may pollute water;
 - activities that may pollute air;
 - waste storage, transport, treatment and disposal;
 - the keeping and disposal of radioactive materials;
 - activities that may contaminate land.
3. As Scotland's principal environmental regulator much of SEPA's business is dedicated to licensing and enforcement activity, including carrying out inspections, reviews, variations, and revocations of licences.
4. Other principal responsibilities include:
 - monitoring, analysing and reporting on the state of Scotland's environment;
 - running Scotland's flood warning systems;
 - helping implement the National Waste Strategy;
 - controlling, with the Health and Safety Executive, the risk of major accidents at industrial sites;
 - operating the Scottish part of the Radioactive Incident Monitoring Network.
5. SEPA has 1,300 employees in 22 offices across Scotland who cover a range of specialist areas including chemistry, ecology, environmental regulation, hydrology, engineering, quality control, planning, communications, business support and management functions.

Partnership working

6. There are a number of organisations that are responsible for protecting and improving Scotland's environment and SEPA works in partnership with many of them to ensure that there is a joined-up approach to this work. SEPA does not have responsibility for Scotland's Built Heritage or Natural Heritage which are the responsibility of separate bodies, "Historic Scotland" an executive agency within the Scottish Government and "Scottish Natural Heritage" a non-departmental government body, respectively.

Comparisons with the Environment Agency

7. The EA is responsible for flood warning and defence whereas SEPA is responsible only for flood warning (the local authorities are responsible for flood defence).
8. SEPA is responsible for local air pollution control whereas this is a local authority function in England and Wales.
9. The EA can bring its own prosecutions, whereas SEPA must submit cases through the Procurator Fiscal and cannot recover costs.

ENVIRONMENT PROTECTION AGENCY – REPUBLIC OF IRELAND

Status

1. The Environment Protection Agency (EPA) is an independent public body established in July 1993 under the Environmental Protection Agency Act 1992. The EPA is responsible for protecting the environment in the ROI. Its sponsor in the Irish Government is the Department of the Environment, Community and Local Government.

EPA's primary responsibilities

2. EPA's primary responsibilities are:-
 - Environmental licensing;
 - Enforcement of environmental law;
 - Environmental planning, education and guidance;
 - Monitoring, analysing and reporting on the environment;
 - Regulating Ireland's greenhouse gas emissions;
 - Environmental research development;
 - Strategic environmental assessment;
 - Waste management

EPA's main functions

3. EPA's main functions are:-
 - licensing, regulation and control of activities with regard to environmental protection;
 - monitoring of the quality of the environment, including the establishment and maintenance of data bases of information related to the environment and making arrangements for the dissemination of information and for public access;
 - provision of support and advisory services for the purposes of environmental protection to local authorities and other public authorities in relation to the performance of any function of those authorities;
 - promotion and co-ordination of environmental research.

Environmental governance

4. While the EPA does not have primary statutory responsibility for protecting biodiversity, it has published its own Biodiversity Action Plan. It also has a

role in relation to Strategic Environmental Assessment, water protection, contributing to the preservation of biodiversity and Ireland's response to climate change.

Review of the EPA – May 2011

5. The EPA has been subject to a recent review by their sponsor Department. The recommendations reflect the added significance attached to environmental matters since EPA's foundation.

DEPARTMENT OF ARTS, HERITAGE AND THE GAELTACHTS - HERITAGE FUNCTIONS

6. The Department of Arts, Heritage and the Gaeltacht is responsible for the built and natural heritage functions providing a wider, more holistic environmental mandate. The Department has a range of policy, regulatory, educational and promotional roles.
7. A key aim of the Department is to promote sustainable development and improve the quality of life through protection of the environment and heritage.
8. The National Parks and Wildlife Service (NPWS) section of the Department manages the Irish State's nature conservation responsibilities under national and European law. A particular responsibility of the NPWS is the designation and protection of Special Areas of Conservation (SACs), Special Protection Areas (SPAs) and Natural Heritage Areas (NHAs).
9. Archaeology is the responsibility of the National Monuments Service (NMS) section. The Architectural Protection and Heritage Policy section is responsible for built heritage – this includes the National Inventory of Architectural Heritage (NIAH).

NATURAL ENGLAND

Status

1. Natural England is a non-departmental public body (NDPB) established by the Natural Environment and Rural Communities Act 2006. It was formed on 1 October 2006 as a result of the merger of English Nature, the majority of the Countryside Agency (the remainder formed the Commission for Rural Communities) and the Rural Development Service (RDS) which was formerly part of the Department for Environment, Food and Rural Affairs (Defra).
2. Its powers include awarding grants, designating Areas of Outstanding Natural Beauty and Sites of Special Scientific Interest, managing certain National Nature Reserves, overseeing access to open country and other recreation rights, and enforcing the associated regulations. It is also responsible for the administration of numerous grant schemes and frameworks that finance the development and conservation of the natural environment, for example Environmental Stewardship, Countryside Stewardship, Environmentally Sensitive Areas, and Access to Nature.
3. Natural England is also authorised to discharge certain Defra wildlife management functions. This authority is given by a Part 8 Agreement under section 78 of the Natural Environment and Rural Communities Act 2006

Responsibilities/Remit

4. Natural England is responsible for ensuring that England's natural environment, including its biodiversity and geology on land and in the freshwater and marine environments is protected and improved. It also has a responsibility to help people enjoy, understand and access the natural environment. Natural England is the government's advisor on the natural environment providing practical advice, grounded in science, on how best to safeguard England's natural wealth for the benefit of everyone.
5. Natural England works with farmers and land managers; business and industry; planners and developers; national and local government; interest groups and local communities on a range of schemes and initiatives. Its aim is to create a better natural environment that covers all of our urban, country and coastal landscapes, along with all of the animals, plants and other organisms that live with us. Its remit is to ensure sustainable stewardship of the land and sea so that people and nature can thrive.
6. Its responsibilities include:
 - Managing England's green farming schemes, paying nearly £400million/year to maintain two-thirds of agricultural land under agri- environment agreements;
 - Increasing opportunities for everyone to enjoy the wonders of the

natural world;

- Reducing the decline of biodiversity and licensing of protected species across England;
- Designating National Parks and Areas of Outstanding Natural Beauty; and
- Managing most National Nature Reserves and notifying Sites of Special Scientific Interest.

7. It delivers the outcomes for the natural environment set out in its Corporate Plan through:
 - Regulation – issuing licences to carry out activities in a way that protects the natural environment;
 - Incentives – delivering the government’s Environmental Stewardship Scheme in England which offers around £400 million per annum as incentives to farmers to protect and enhance the environment and wildlife;
 - Practical action – facilitating, encouraging, enabling, leading and supporting others to understand and take action for the natural environment and delivering directly through its National Nature Reserves; and
 - Advice – it has a statutory responsibility to give advice to government and to others in relation to any of its functions.

Organisational Structure

8. Natural England has around 2500 staff with offices spread across England. Its headquarters are located in Sheffield. Natural England’s strategy, direction and performance are overseen by its Board which has corporate responsibility for ensuring that Natural England fulfils the aims and objectives set by the Secretary of State. The main roles of the Board are to establish Natural England’s strategy, approve direction and review performance of the organisation.
9. An Executive Board comprises the Chief Executive and four Executive Directors. Its purpose is to assist the Chief Executive in discharging their responsibilities as delegated by the Board. The Executive Board therefore provides overall strategic leadership to the organisation, in setting plans, reviewing performance and ensuring resources are allocated accordingly.

Finance

10. Natural England’s main source of funding is Grant-in-Aid from Defra. In 2009/10 Natural England’s total GIA was about £263m, which made up 93% of its gross income.
11. Natural England’s grant-in-aid settlement for the Comprehensive Spending Review period 2011-14 involves a £44.2m reduction over the next four years. This represents a 21.5% cut in Natural England’s overall

budget and a 30% cut in the portion of the budget which the organisation directly manages.

12. Natural England takes its Finance, Human Resources and Estates services from the Defra Shared Services organisation.

Food Standards Agency in Northern Ireland

Introduction

1. The Food Standards Agency (FSA) in Northern Ireland forms part of the FSA (UK) wide Food Standards Agency, a non-ministerial Government department and is accountable both to Parliament and the Northern Ireland Assembly.

Statutory Background

2. The establishment of the FSA on 1st April 2000 was by Act of Parliament (Food Standards Act 1999) and ensures the main purpose of the agency is:

'To protect public health from risks which may arise in connection with the consumption of food, and otherwise to protect the interests of consumers in relation to food.'

3. The FSA in NI was recognised as an independent Northern Ireland Department on 1 April 2004. Prior to that date the FSA in NI was funded indirectly through the Department of Health, Social Services and Public Safety.

FSA Structure and Organisation (UK)

4. The FSA is a non-Ministerial Government Department and staff are accountable through a Chief Executive to the Board, rather than directly to Ministers. The Board consists of a Chair, Deputy Chair and up to 12 members. The Chair and Deputy Chair were appointed by the Secretary of State for Health, Scottish Ministers, the National Assembly for Wales and the Minister for Health, Social Services and Public Safety in NI on behalf of that Department.
5. Two of the Board members are appointed by Scottish Ministers, one by the National Assembly for Wales, and one by the Minister for Health, Social Services and Public Safety in NI on behalf of that Department. These members have special responsibility for Scottish, Welsh and Northern Ireland issues. The other members were appointed by the Secretary of State for Health. The Board is responsible for the FSA's overall strategic direction, for ensuring that legal obligations are fulfilled, and for ensuring that decisions and actions take proper account of scientific advice as well as the interests of consumers and other stakeholders.
6. The annual increase in Board Members' remuneration is based on that recommended for office holders by the Senior Salaries Review Body. Senior Civil Service (SCS) staff salaries are uplifted in line with the central (Cabinet Office) SCS performance based pay and review system.

7. The Board is accountable to Parliament through the Secretary of State for Health, to Health Ministers in Scotland and Wales, and to the Minister of Health, Social Services and Public Safety in Northern Ireland.

The FSA Board (UK)

8. The FSA Board members are independent non-executives. They join the Board following open recruitment, and are expected to follow the Nolan principles of public life. The FSA maintains a register of Board Member details and interests.
9. The FSA Board meets around 10 times per year. Many of these Board meetings are held in public, across the United Kingdom, to ensure that consumers have their say in policy decisions made by the Agency. The minutes of these Board Meetings are available on the FSA's website.
10. The FSA also has an Executive Management Board (EMB) which is chaired by the Chief Executive. This Board is made of executive staff and ensures that the policies promoted by the FSA External Board are put into effect.

Remit of FSA (NI)

11. The FSA's remit includes:-
 - inspection and enforcement action to protect consumers;
 - advising Ministers on food safety and standards issues;
 - developing policy and proposing legislation;
 - auditing of food law enforcement activities undertaken by: district councils; the DARD Veterinary Service (meat hygiene); and DARD Quality Assurance Branch (milk and eggs);
 - auditing of feed law enforcement activities undertaken by DARD Quality Assurance Branch;
 - giving the public advice on food safety as well as diet and nutrition issues.

Costs/Staff

12. The Department has no administrative costs running FSA in Northern Ireland because staff are GB rather than Northern Ireland civil servants. The net cost of the FSA was £152.3m of which Northern Ireland costs were £9.1m (2009-2010).
13. The average number of whole-time equivalent persons employed by the FSA in Northern Ireland during the year 2009/10 was 37 of which 28 in food safety, 7 eating for health and 2 assigned to helping consumers make informed choices.

Offices

14. The FSA has regional offices in Aberdeen, Belfast and Cardiff and its headquarters are in London. The Belfast office (referred to as the FSA (NI)) has 37 staff with 80 in Scotland, 35 in Wales and 675 in London.
15. The main body of expertise is based in London including the Chief Scientist and the Head of Incidents. In the event of a major incident, the policy lead comes from London supported by senior officials in the devolved administrations.

Pensions

16. Employees of the FSA in NI are UK rather than NI civil servants and are members of the Principal Civil Service Pension Scheme (PCSPS). This is a Central Government unfunded pension scheme. Pension payments are made through the PCSPS resource account.
17. The FSA Board are not civil servants and are therefore not members of the PCSPS. However, some Board Members have similar pension arrangements independent of the PCSPS.

The Northern Ireland Food Advisory Committee

18. The Northern Ireland Food Advisory Committee acts as an independent advisory body to the Food Standards Agency. It is chaired by the Northern Ireland Board member, and its role is to advise the Agency on food safety and standards issues, with particular emphasis to Northern Ireland.

Health and Safety Executive for Northern Ireland (HSENI)

Introduction

1. The Health and Safety Executive for Northern Ireland (HSENI) is the regional health and safety authority for Northern Ireland. It was established on 1 April 1999 as an executive Non-Departmental Public Body (NDPB) with Crown status and is sponsored by the Department of Enterprise, Trade and Investment, (DETI). HSENI, subject to the DETI Minister, has primary responsibility for the regulation of health and safety at work in Northern Ireland.

Founding legislation; status

2. HSENI is established under Article 12 of the Health and Safety at Work (Northern Ireland) Order 1978 as amended by the Health and Safety at Work (Amendment) (Northern Ireland) Order 1998. HSENI carries out its functions on behalf of the Crown. HSENI is unique in that it is the only NDPB with Crown Status in Northern Ireland. Crown status means that the NDPB's staff are civil servants.

Resources

3. HSENI has a staff of 131, of whom approximately 75% are engaged in front line service delivery. HSENI is funded by way of a grant-in-aid from the DETI. In 2011/12 the grant-in-aid will be £6.8m to cover administration costs, such as staff salaries and wages and running costs, and to cover expenditure on items such as promotional activities and the provision of an information and advisory service.

Board

4. To oversee its operation and to provide strategic guidance HSENI has a ten member Board, which is appointed in accordance with the guidelines published by the Commissioner for Public Appointments for Northern Ireland. The Board has corporate responsibility for ensuring that HSENI fulfils the aims and objectives set by the Department and approved by the Minister, and for promoting the efficient, economic and effective use of staff and other resources by the NDPB.

Executive

5. The Executive comprises officials who collectively represent a broad range of administrative and professional skills, expertise and experience. HSENI works in close co-operation with the devolved Departments, the Northern Ireland Office and the District Councils in developing its policies and in delivering its services. It plays a key role in the preparation of new health and

safety legislation in order to ensure compliance with EU Directives and maintain parity with Great Britain. It places great emphasis on the promotion of workplace health and safety best practice, which it backs up with practical information and advice.

Functions, duties and powers of HSENI

6. The principal functions of HSENI are to:
 - promote key occupational health and safety messages and themes to targeted sectors and groups;
 - communicate appropriate timely and practical occupational health and safety information and advice;
 - improve compliance with health and safety standards through inspection and enforcement activities;
 - ensure that an effective and up to date health and safety at work regulatory framework is maintained.
7. Whilst HSENI is the lead body responsible for the promotion and enforcement of health and safety at work standards in Northern Ireland, it shares this responsibility with the 26 District Councils. Together HSENI and the District Councils cover all work situations in Northern Ireland that are subject to the Health and Safety at Work (Northern Ireland) Order 1978.
8. HSENI is the enforcing authority for health and safety in a range of work situations including:-
 - manufacturing;
 - schools and universities;
 - chemical plants;
 - hospitals and nursing homes;
 - construction;
 - disciplined services;
 - transport;
 - district councils;
 - gas supply and distribution;
 - government departments;
 - agriculture;
 - fairgrounds;
 - mines and quarries.
9. As an enforcing authority a significant proportion of its resources are directed towards ensuring compliance with the relevant statutory provisions. This is achieved through a combination of workplace inspection and investigation

activities, which are underpinned by Inspectors' extensive enforcement powers.

Pensions; redundancy/compensation

10. HSENI's staff shall be eligible for a pension provided by membership of the Principal Civil Service Pension Scheme (Northern Ireland) (PCSPS (NI)). Any proposal by HSENI to pay any redundancy or compensation for loss of office requires the approval of DETI and DFP. Proposals on severance payments must comply with DAO (DFP) 17/05. HSENI must conform to the procedures for early retirement severance which apply to the main Department and ensure that the level of benefits are the standard applicable under the Civil Service Compensation Scheme (Northern Ireland) (CSCS (NI)) rules. The Department is responsible for ensuring that HSENI does this.