Environment Bill introduction policy paper

1. Why we need the Environment Bill

The case for tackling biodiversity loss, climate change and environmental risks to public health is clear. The accelerating impact of climate change in this country and around the world is of profound public concern, as is the damage to nature with species loss, habitat erosion and the disappearance of cherished wildlife. The Government has already taken action to address climate change by setting a target to reach net zero emissions, leading the way amongst major economy as the first to do so.

The Environment Bill is part of the government response to the clear and scientific case, and growing public demand, for a step-change in environmental protection and recovery.

Acting as one of the key vehicles for delivering the bold vision set out in the 25 Year Environment Plan, the Environment Bill brings about **urgent and meaningful action to tackle the environmental and climate crisis we are facing**. It sets a **new and ambitious domestic framework for environmental governance** as we maximise the opportunities created by leaving the European Union and helps to **deliver on the government's commitment to be the first generation to leave our environment in a better state**.

The Environment Bill helps to manage the impact of human activity on the environment, creating a more sustainable and resilient economy, and enhancing well-being and quality of life. It will engage and empower citizens, local government and businesses to deliver environmental outcomes and create a positive legacy for future generations.

The Environment Bill has been prepared through consultations with the public on numerous measures in the Bill, including: environmental governance; the clean air strategy; biodiversity net gain; trees; conservation covenants; extended producer responsibility for packaging; recycling; deposit return schemes and water.

In addition to public consultations, extensive and continued collaboration has been undertaken with the Scottish and Welsh Governments and the Northern Ireland Civil Service. This has enabled us to bring forward a number of measures that we expect to see adopted outside of England. These joined up measures will help us **manage the environmental challenges we are facing together across the UK**.

2. Environmental Governance

The government is already taking strong action to protect the environment, as set out in our 25 Year Environment Plan. We have laid legislation to reach net-zero carbon emissions by 2050 and will be hosting the COP26 in 2020. The Environment Bill builds on this strong foundation, and maximises the opportunities created by leaving the European Union, underpinning our goal of delivering a Green Brexit.

We will transform our environmental governance by creating a new system which is built on international best practice and tailored specifically to a UK context. It **embeds environmental principles in future policy making** and takes the essential steps needed to **strengthen environmental oversight and improve on the way things have been done in the past**. The new system will be clear and accessible, providing certainty to businesses and citizens. Coherent and clear purposes underpinning key measures will collectively help to ensure that the protection and improvement of the environment is at the heart of this new system.

Environmental principles will work together to protect the environment from damage by making environmental considerations central to the policy development process across government. The Bill legally obliges policy-makers to have due regard to the environmental principles policy statement when choosing policy options, for example by considering the policies which cause the least environmental harm. The principles are: 1) environmental protection should be integrated into policy-making principle; 2) the preventative action to avert environmental damage principle; 3) the precautionary principle; 4)

environmental damage should as a priority be rectified at source principle and 5) the polluter pays principle.

A new statutory cycle of target setting, monitoring, planning and reporting will help deliver significant, long term environmental improvement and ensure government can be held to account for its actions. Statutory Environmental Improvement Plans (EIPs; the first being the 25 Year Environment Plan) and a new framework for setting long term legally binding targets will be integral to this cycle. We will set new legally binding targets in four priority areas of the natural environment: air quality; waste and resource efficiency; water and nature. The EIPs and legally binding targets will be reviewed on a five-yearly basis and together they will drive action to significantly improve the natural environment and provide much-needed certainty for businesses and stakeholders.

In order to **strengthen environmental accountability**, the Environment Bill will establish a new public body – the Office for Environmental Protection (OEP) – as our own independent, domestic watchdog. Through its scrutiny and advice functions, the OEP will **monitor progress in improving the natural environment** in accordance with the government's domestic environmental improvement plans and targets. It will be able to provide government with written advice on any proposed changes to environmental law.

Through its complaints and enforcement mechanisms, the OEP will replace the role of the European Commission, taking a proportionate approach to managing compliance issues relating to environmental law. Failures by public authorities to implement environmental law will no longer be considered through European enforcement processes and instead the OEP will engage with public authorities to reach a solution. Legal proceedings will only be taken as a last resort or in truly urgent cases.

To ensure the UK continues to drive forward ambitious action to tackle climate change as we leave the EU. We are bringing all climate change legislation (including carbon budgets) within the enforcement remit of the OEP, replacing the role of the European Commission, and ensuring there is no governance gap in relation to climate change legislation. The OEP will work closely alongside our world-leading Committee on Climate Change on these issues, ensuring that their individual roles complement and reinforce each other.

3. A new direction for resources and waste management

Material resources are at the heart of our economy, and we consume them in large quantities. We have already been successful in reducing the amount of harmful environmental waste we create. Since 2015 the government has introduced a 5p charge on single use carrier bags, reducing big supermarkets plastic bag sales by 90%; introduced a ban on microbeads in cosmetic and personal care products; and announced a ban on plastic straws, drinks stirrers, and plastic stemmed cotton buds in England (which comes into force from April 2020), following overwhelming public support.

The resources and waste measures in the Bill will help **move our economy away from the** 'take, make, use, throw' system to a more circular economic model. Our ambition is to keep resources in use for longer and ensure that we extract the maximum value we can from them.

The Environment Bill introduces a series of measures that will fundamentally change the way government, businesses and individuals produce and consume products.

New government powers to set resource-efficiency standards for products will help **drive a shift in the market towards products that can be more easily recycled**, as well as **products that last longer and which can be re-used and repaired more easily**. Powers in the Environment Bill to introduce new extended producer responsibility schemes will enable us to reform our existing producer responsibility arrangements and introduce new schemes in the future. Extended producer responsibility schemes seek to make producers responsible for the full net costs of managing their products at end of life. The powers provide for modulated fees that incentivise, producers to design their products with re-use and recycling in mind, as those that make their products easier to recycle will pay less.

We will also modernise the government's existing powers to set producer responsibility obligations, extending them to prevention and redistribution of waste.

To continue tackling plastic pollution across the country, the Environment Bill will enable the creation of new charges for other single-use plastic items, similar to the carrier bag charge, which will **incentivise a shift towards the use of more reusable items**. We are also taking powers to establish deposit return schemes that **further incentivise consumers to reduce litter and recycle more**.

The Environment Bill helps consumers to make purchasing decisions that support the market for more sustainable products. It contains powers to introduce clear product labelling, which will enable consumers to identify products that are more durable, reparable and recyclable and will inform them on how to dispose of used products.

The Bill also takes steps to tackle illegal waste activities, which costs the UK economy around £600 million per year¹. We will improve the management of waste and reduce the risk of economic, environmental and social harm that illegal activity often causes. These measures will help level the playing field by ensuring all **businesses are adopting legitimate waste management practices**, including through powers to introduce an electronic waste tracking system. It will also **ensure regulators and local authorities can work more effectively to combat waste crime**, with better access to evidence, improved powers of entry and the ability to keep fixed penalty notices at an appropriate level. The Bill also includes measures that will allow us to introduce producer responsibility obligations on waste prevention and redistribution.

To support citizens' efforts to recycle more, the Environment Bill stipulates a consistent set of materials that must be collected from all households and businesses, including food waste. This will help make services more consistent across the country.

The Environment Bill also helps deliver commitments in the 2017 Litter Strategy to promote proportionate and effective enforcement against littering. It will provide powers to issue legal guidance to litter authorities and extending government's existing powers to impose conditions to be met by those authorised to carry out enforcement activity.

4. Improving the air we breathe

Everyone has a role to play in changing the way we act in order to ensure we have a cleaner, healthier environment. The Environment Bill aims to **maximise health benefits** by tackling poor air quality, which is the greatest environmental risk to our health. Poor air quality shortens lifespans and damages quality of life for many people. Pollution also has major impacts both on the natural world and the state of the economy.

The UK has long been determined to improve air quality. Having adopted legally binding international targets to reduce overall national emissions of five key air pollutants by 2020 and 2030. Our tough regulatory frameworks have yielded significant progress to date. For example, direct action on nitrogen dioxide has led to emissions falling by almost 27% between 2010 and 2016 and they are now at their lowest level since records began. And in January we published our Clean Air Strategy, which was commended by the World Health Organisation. However, we still need to go further, which is why we are taking forward ambitious measures through the Environment Bill.

The Environment Bill makes a clear commitment to set a legally binding target for the pollutant with the most significant impact on human health, fine particulate matter. Reductions in this

¹ Rethinking Waste Crime

pollutant will deliver significant benefits to public health and technological advancements, resulting in benefits for the economy.

The Bill also **strengthens the ability for local authorities to tackle air quality issues**. At a local level, the legislative framework for air quality in England was in need of updating. Both the Environment Act 1995 and Clean Air Act 1993 provide mechanisms for local authorities to address local air quality, however these duties to act and the powers to enable action were often misaligned. While responsibility sits with local authorities, often the levers to take action sit with other bodies.

The Environment Bill updates, simplifies and strengthens the local air quality management framework (LAQM). In particular it ensures that **responsibility for tackling air pollution is shared across local government structures and with relevant public bodies.**

We are also introducing measures to **reduce emissions from the single largest contributor of fine particulate matter emissions** – domestic solid fuel burning. The Bill creates a simpler mechanism for local authorities seeking to tackle smoke emissions within their areas.

Finally, the Bill introduces a new power to **compel vehicle manufacturers to recall vehicles for environmental non-conformity or failure**, in the case that a manufacturer refuses to issue a voluntary recall.

5. Delivering sustainable water resources

Managing water sustainably is essential if our environment is to thrive; to benefit people and wildlife. In recent years we have improved our management of this vital resource; deaths from water pollution have reduced from over 500 per year in the early 1990s to 57 in 2016; the Water industry since privatisation have invested around £140 billion, equivalent to around £5 billion annually, and the government is investing £2.6 billion from 2015 to 2021 in flood and coastal defence projects, from which already 147,000 out of a total of 300,000 homes are better protected.

There is more to be done. Our changing climate is associated with more extreme weather; higher risks of drought and an increase in flooding which seriously affects people's lives and assets.

The water measures in the Environment Bill will help to secure long-term, resilient water and wastewater services, **making sure that we have a cleaner**, greener and more resilient country for the next generation. Water companies and other users of water may overabstract and deprive rivers of the very basic resource they need to survive: water. The Bill reforms elements of abstraction licensing to link it more tightly to our 25 Year Environment Plan goal of restoring water bodies to as close to natural state as possible.

The Bill enables the environmental regulator to propose the variation or revocation of abstraction licences without liability for compensation. This is established based on two conditions: 1) if they are causing, or risk causing, considerable environmental damage and / or 2) if they consistently abstract less water than their licensed volume.

The Environment Bill introduces additional requirements for Water Company planning for future water supply and waste water and drainage networks, enabling more resilient solutions to drought and flooding.

In a changing climate, **these measures will ensure the water regulator has the powers it needs to respond to changing priorities.** The framework for licence modification in other utility sectors has evolved over time, to create a more flexible and transparent process. In order to strengthen Ofwat's (the economic water regulator) ability to improve the way water and sewerage companies operate to meet current and future demand for water, the Environment Bill amends the process for modifying the conditions of companies' licences to operate. **The 25 Year Environment Plan committed to delivering clean and plentiful water.** The Environment Bill creates a power to update the lists of substances and their respective standards which are potentially harmful to surface waters and groundwater. This will ensure regulations protecting water quality are keeping pace with scientific and technical knowledge.

The Bill also creates a power to amend the governance arrangements in the Solway Tweed river basin district, which straddles the border between England and Scotland. This will bring greater efficiency for Scottish and English environment agencies and better reflect devolved competence.

This Bill will **enhance flood and coastal erosion risk management** by addressing a current barrier to the expansion of existing, or creation of new, internal drainage boards. Internal drainage boards undertake important work around managing local water levels and flood risk management. To fund this work, internal drainage boards charge the communities they serve. The Bill amends the Land Drainage Act 1991 to enable certain valuation calculations to be provided for in secondary legislation, so that necessary updates to the calculations (including data sources) can be readily made.

Internal drainage boards use these valuation calculations to correctly apportion their expenses between agricultural land owners (via drainage rates) and local authorities (via the special levy). The powers will enable the government to address the issue posed by the unavailability of certain valuation data, whilst also future proofing the legislation, by enabling any future updates to other aspects of the valuation calculations to be made in secondary legislation as necessary. Since internal drainage boards are funded locally the government will only establish them where there is local support.

6. Restoring and enhancing nature and green spaces

Our natural environment is in decline. In recent years the government has taken action to reduce this environmental decline. We have strengthened protections for ancient woodlands, veteran trees and other irreplaceable habitats in the revised national planning policy framework and provided almost £6 million to the new Northern Forest. In the 25 Year Environment Plan we pledged to plant 11 million new trees and one million urban trees.

Many ecosystems have been degraded and biodiversity has fallen significantly in recent decades. For too long, we haven't been able to reverse this downward trend and now urgent action is needed to drive necessary change.

This government is determined to create a step-change for our natural environment and work towards its recovery. To achieve this the Environment Bill introduces new measures to support lasting action for our natural environment. The Bill will drive continual improvement by changing the way we plan, invest and live to **maximise the health and social benefits of nature**.

Many environmental issues naturally have distinct local elements and responding to challenges at a local level allows not only for bespoke and more appropriate responses but also drives the potential for innovation. The Bill supports and enables action on the ground through working together, including with land owners and managers, developers, local government and conservation organisations to **create or restore wildlife rich habitats to enable wildlife to recover and thrive**. This will improve the way that environmental effects are measured in planning and development, **providing greater certainty for both developers and local communities**.

The Environment Bill introduces mandatory biodiversity net gain, to ensure that new developments enhance biodiversity and help deliver thriving natural spaces for communities. Integrating biodiversity net gain into the planning system will provide a step change in how planning and development is delivered. The Bill will provide new opportunities for innovation as well as stimulating new economic markets. This is

expected to result in the creation and the avoidance of loss of several thousands of hectares of habitat for wildlife each year, which represents **annual natural capital benefits of around £1.4 billion.** This will increase the public benefits of ecosystems, such as **improvements in air quality, water flow control, outdoor recreation and physical activity.**

Net gain requirements do not undermine existing protections for protected sites or irreplaceable habitats. In relation to protected sites, net gain will only be enforceable following a planning decision which will consider the existing legal and planning policy requirements for protected sites in the usual way. Net gain requirements will not undermine the existing range of protections, in planning policy and legislation, for irreplaceable habitats and protected sites.

The Environment Bill also introduces provisions requiring the development of Local Nature Recovery Strategies (LNRSs) across England. These are tools that will support **better spatial planning for nature recovery**, by setting out priorities and opportunities for protecting and investing in nature within a local area. They will include a map of existing nature assets including protected sites and wildlife-rich habitats and will identify key opportunities for enhancement.

LNRSs will help local authorities and other public bodies identify priorities and opportunities for conserving and enhancing nature. These tools will also support strategic planning for housing and infrastructure and help **direct net gain investment** so that it has the greatest benefit for local wildlife and people. Whilst government will provide data, guidance and support for LNRSs, each one will be produced locally ensuring local ownership and knowledge is embraced, and strategies are consistent and link together across England.

These spatial strategies will underpin the ability for key stakeholders to help deliver Nature Recovery Networks (NRNs). All members of society have a role to play, and these tools will help all parties work together more effectively to help deliver **meaningful environmental improvement**.

Maximising benefits for our natural environment should not just be for the short term. The Environment Bill enables landowners to make long term commitments to conservation. A conservation covenant is a private, voluntary agreement between a landowner and a 'responsible body', such as a conservation charity or public body, to fulfil conservation objectives and **ensure the delivery of wider health and social benefits for communities** for the public good. Covenants will be voluntary but legally binding.

The Natural Environment and Rural Communities (NERC) Act 2006 places a duty on public authorities to 'have regard' to conserving biodiversity in the exercise of their functions. With the environmental challenges we are currently facing, the current duty needs to be strengthened in order to **ensure public authorities play their part in enacting meaningful change.** The Environment Bill strengthens the duty to cover the enhancement, as well as the conservation, of biodiversity, and **requires public authorities to actively carry out strategic assessments of the actions they can take to enhance and conserve biodiversity**. Designated public authorities will also be required to produce a five-yearly report on the actions taken to comply with the new duty. Together, these measures provide an important driver for the effective implementation of LNRSs, providing an effective way to embed consideration of biodiversity across the public sector.

Trees bring nature to the heart of our communities, help clean and cool the air, reduceflooding, and improve people's physical and mental health. Urban trees in particular play a pivotal role in **creating healthy and economically successful communities and places for people and wildlife to live**. The Environment Bill introduces 'Duty to Consult' which will give the public the opportunity to understand why a street tree is being felled and express any concerns regarding this. The Bill also introduces Forestry Enforcement Measures which strengthens the Forestry Commission's power to **tackle illegal tree felling across England**, ensuring the Commission has the powers to continue to protect and maintain our forests.

7. Chemicals regulation (REACH)

The Environment Bill gives the Secretary of State the power to amend two pieces of legislation regulating the use of chemicals in the UK. The REACH (Registration, Evaluation, Authorisation and Restriction of Chemicals) Regulation regulates the manufacture, placing on the market and use of chemicals. The REACH Enforcement Regulations 2008 set out how the requirements of the REACH Regulation are enforced. Both pieces of legislation are retained EU law under the European Union (Withdrawal) Act 2018.

This will allow the Secretary of State to take further steps where necessary to ensure a smooth transition to a UK chemicals regime following the UK's exit from the EU. It will also make it possible to keep the legislation up to date and respond to emerging needs or ambitions for the effective management of chemicals.

8. Delivering environmental ambition at the local level

Local government has an essential role to play responding to challenges at a local level, leading specific and locally appropriate responses and driving innovation. Local authorities - as local experts, place-shapers, and conveners of their communities – must be empowered to play a fundamental role in delivering the environmental action needed in local areas.

The Bill bolsters the role of local leaders on tackling environmental issues by providing additional powers and flexibilities to deliver action. This Bill delivers this through:

- Improved and increased powers to take more effective action to tackle the challenges in each local area;
- Greater certainty through the planning system on how to plan effectively for the local environment;
- **Providing more certainty and simplicity for developers** by mandating biodiversity net gain, and ensuring that all new developments enhance biodiversity and help deliver thriving natural spaces for communities;
- Ensuring that producers can be held responsible for the full net costs of managing products at end of life, reducing local authorities' financial burdens from waste management, including litter collection;
- Stronger abilities to improve health and social outcomes for local citizens; and
- **Supporting local authorities as place shapers** through new tools and data for effective spatial planning.

The Bill creates a framework in which strong local government leadership will be enhanced to drive the necessary, and once in a lifetime environmental improvements to reverse decades of biodiversity loss, improve air quality.

Government will fully fund all new burdens on local authorities arising from the Bill in order to make our ambition a reality. We are committed to working in partnership with local government, businesses and wider stakeholders on the implementation of these measures, to identify and secure the capacity and skills to deliver a cleaner, greener and healthier environment.