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## **Better Regulation Policy and Compliance and Enforcement Policy Consultations**

Dear Teresa

Natural Resources Wales welcomes the opportunity to comment on your draft policy documents for Compliance and Enforcement and Better Regulation.

Our purpose is to ensure that the natural resources of Wales are sustainably maintained, enhanced and used, now and in the future. We have a wide range of roles and responsibilities and as an organisation need a flexible approach to ensure that people, business and the environment can thrive together. One of our key roles is as a regulator, and we have developed principles that guide our approach to regulating others.

Given that many environmental regulators currently face financial pressures and that the issues faced are common, we recognise there are significant benefits to be derived from regulators working in a coordinated and collaborative way. We already share knowledge and practice with the Environmental Protection Agency through “Five Agencies”, which also includes the Environment Agency, the Scottish Environmental Protection Agency, and the Northern Ireland Environment Agency. There is also now the Shared Agency Regulatory Evidence Programme (ShARE) whose purpose is to create a flexible framework for evidence collaboration in the field of regulation. Its objective is to deliver regulated industry evidence of common need, where it is most efficient and effective to work on a UK wide basis.

In considering your draft Better Regulation and Compliance and Enforcement policy documents it is apparent that our enforcement powers are broadly similar and we note that our regulatory principles take a similar approach. We have both taken account of our regulatory responsibilities and good practice based on the Hampton (2005) and the

Macrory (2006) reports<sup>1</sup> and are building on the requirements of the Regulators' Code<sup>2</sup> which provides a clear, flexible and principles-based framework.

Based on evidence, our aim is to use the most effective approach when working with others, including identifying and developing new ways of working - to protect people, the environment, and business. We have access to a wide range of tools, which are not restricted to those that may be considered as more traditional regulatory approaches. We also seek to utilise other tools and approaches, such as economic, voluntary and the use of information and knowledge sharing which, linked to early engagement and prevention, provide a range of ways for use to effectively deliver the outcomes we seek to achieve.

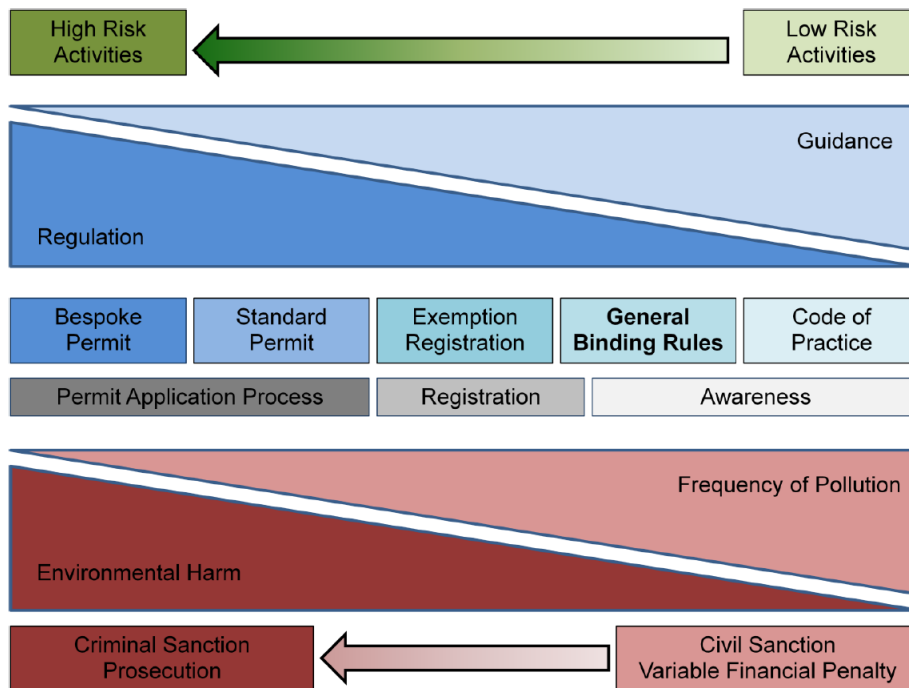
Natural Resources Wales takes an ecosystem approach and define our regulatory work in the context of integrated natural resource management and what this means for delivering our outcomes. Further detail about this approach can be found in our Policy Documents, located on our website under sections Regulatory Principles (<http://naturalresources.wales/how-we-regulate-you/regulatory-principles/?lang=en>) and Regulatory Responsibilities (<http://naturalresources.wales/how-we-regulate-you/regulatory-responsibilities/?lang=en>).

We are currently working with Welsh Government to consider available evidence for the potential introduction of general binding rules (GBRs) in Wales. These would provide an additional tool that would allow us to take a more proportionate approach to lower risk activities. We believe that general binding rules could support delivery of a range of outcomes and help to reduce the regulatory and financial burden on business. They would establish minimum standards for common, low risk activities introduced through regulation and create a statutory baseline of good environmental practice. The following diagram illustrates how we envisage general binding rules fit with more established controls. We will share the final model produced following any Hampton review recommendations. It would be useful to know whether you are considering any similar models.

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<sup>1</sup> Hampton review: 'Reducing Administrative Burdens: Effective Inspection and Enforcement' 2005, Richard Macrory 'Regulatory Justice; Making Sanctions Effective' 2006.

<sup>2</sup> Regulators' Code 6 April 2014, England and Wales (replaced The Regulators' Compliance Code)



We would also be interested to understand how, based on your polluter pays principle, you are approaching illegal activity in particular both those who are operating outside their licence or permit and also those who do not have any permit or license to operate.

We hope you find the observations we make above of some use and would be happy to provide any further detail if you would find that helpful.

Simon Neale is our Future Regulation Manager at Natural Resources Wales, he would welcome any further discussion with you.

Yours sincerely

PP  
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