Board Meeting
Tuesday 18 July 2017
9am – 3.10pm

Venue: Ergon House, London
Quorum: 7 non-executive Board members

Board Breakfast
Emma Howard Boyd 9.00am 60 mins

1. Apologies
Emma Howard Boyd 10.00am 5 mins

2. Declarations of Interest
Emma Howard Boyd

3. Minutes of the Board meeting held on 23 May 2017 and matters arising
Emma Howard Boyd

4. Committee meetings – oral updates and forward look
   4.1 Audit and Risk Assurance Committee Annual Review
   Karen Burrows 10.05am 30 mins
   4.2 FCRM Annual Review
   Lynne Frostick
   Emma Howard Boyd
   Clive Elphick

5. Presentation of Annual Corporate Services Reports and Forward Look
   5.1 Annual Internal Environment Management Report
   5.2 Annual Equality, Diversity and Inclusion Report
   5.3 Annual health safety and wellbeing update and Report
   Toby Willison 10.35am 40 mins

6. Schemes of Delegation:
   6.1 NFSoD
   Peter Kellett 11.15am 15 mins
   6.2 FSoD
   Bob Branson
   For approval

7. Dry Weather update
   Harvey Bradshaw 11.30am 10 mins
   For information
<table>
<thead>
<tr>
<th></th>
<th>Agenda Item</th>
<th>Presenter</th>
<th>Time</th>
<th>Duration</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>For approval</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>9.</td>
<td>LGPS Pooling and Brunel Pension Partnership</td>
<td>Clive Elphick</td>
<td>12.00pm</td>
<td>60 mins</td>
</tr>
<tr>
<td></td>
<td>For approval</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10.</td>
<td>Time to Change pledge</td>
<td>Emma Howard Boyd</td>
<td>1.00pm</td>
<td>15 mins</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Lunch</td>
<td></td>
<td>1.15pm</td>
<td>30 mins</td>
</tr>
<tr>
<td>11.</td>
<td>Chief Executive's update and EU briefing</td>
<td>James Bevan</td>
<td>1.45pm</td>
<td>30 mins</td>
</tr>
<tr>
<td></td>
<td>For information</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>12.</td>
<td>Governance/Transformation</td>
<td>James Bevan</td>
<td>2.15pm</td>
<td>20 mins</td>
</tr>
<tr>
<td></td>
<td>For information</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>13.</td>
<td>Corporate Services Partnership Agreement</td>
<td>John Leyland</td>
<td>2.35pm</td>
<td>20 mins</td>
</tr>
<tr>
<td></td>
<td>For information</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>14.</td>
<td>Summary of June planning meeting and next steps</td>
<td>Emma Howard Boyd</td>
<td>2.55pm</td>
<td>5 mins</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>15.</td>
<td>AOB and date of next meeting – Board visit</td>
<td>Emma Howard Boyd</td>
<td>3.00pm</td>
<td>5 mins</td>
</tr>
<tr>
<td></td>
<td>19/20 September 2017</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>16.</td>
<td>Review of meeting</td>
<td>Emma Howard Boyd</td>
<td>3.05pm</td>
<td>5 mins</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Information papers -

1 Chair’s update – Emma Howard Boyd
2 Corporate Scorecard Q4 – Bob Branson
3 Annual WaterAid update – John Curtin
4 Communications forward look – Mark Funnell
5 EAPF Active and Closed Funds Annual Reports and Financial statements – Craig Martin
6 Annual Report and Accounts – Bob Branson
Minutes of the Board meeting held on 23 May 2017 at Ergon House, London.

Present

Emma Howard Boyd Chair
James Bevan Chief Executive (items 1-4, 6 and 9-14)
Richard Macdonald Deputy Chair
Peter Ainsworth Board Members
John Varley
Gill Weeks
Joanne Segars
Karen Burrows
Maria Adebowale-Schwarte
Lynne Frostick
Clive Elphick

In attendance

Harvey Bradshaw Executive Director of Environment and Business
John Curtin Executive Director Flood and Coastal Risk Management
Peter Kellett Director of Legal Services
Bob Branson Director of Finance
Sam Lumb Deputy Director Governance and Engagement
Rob Creed Governance and Engagement Manager
Beth Axtell Board Governance Advisor
Victoria Williams Senior Advisor Security of Supply Water

Item 4

Betsy Bassis Defra Group Director General Chief Operating Officer
Item 6

Mark Funnell Deputy Director of Communications

Item 1 Apologies for absence

1.1 Emma Howard Boyd welcomed the Board members and explained that the agenda would be arranged to accommodate James Bevan attending Exco following item 4.

1.2 Toby Willison and John Leyland sent apologies.

Item 2 Declarations of Interest

2.1 Joanne Segars informed the Board that she had been appointed Chair of the Local Government Pension Scheme Central Pool. The Board were assured that a comprehensive conflict management plan has been implemented in consultation with the Chair of the Environment Agency, the Chair of Pensions Committee and the Brunel Pension Partnership.
2.2 Clive Elphick declared that he has been temporarily appointed as a Non-Executive Director of Cadent Services Ltd.

**Item 3**

**Minutes of the Board meeting on 25 April 2017 and matters arising**

3.1 The minutes of the Board meeting held on 25 April 2017 were agreed.

3.2 The Board noted the action list and completed actions.

**Item 4**

**Chief Executive’s Update**

4.1 James Bevan updated the Board on the Manchester Arena incident. He informed the Board that Area Directors were checking the welfare of staff.

4.2 James Bevan informed the Board that in addition to the items in the paper the biggest issues being dealt with by the Executive were currently:
   - the election;
   - EU exit;
   - dry weather.

4.3 The Board noted the items in the Chief Executive’s update paper and commented that:
   - Environmental incidents week was a good initiative;
   - They would welcome an item at a forthcoming Board meeting focusing on the wellbeing of staff dealing with waste crime.

**Item 5**

**Committee updates and forward look**

5.1 Audit and Risk Assurance Committee
Karen Burrows updated the Board on the issues set out in the paper and informed the Board that the Committee had discussed:
   - Intimidation of Environment Agency Waste staff and associated legal cases
   - The appointment of a contractor to deliver UnITy IT services.

5.2 Pensions Committee
Clive Elphick updated the Board on the issues set out in the paper and informed the Board that the Committee had discussed;
   - The Pensions Committee discussed the progress with the creation of the Brunel Pension Partnership (BPP) and the legal documents required to allow the EAPF to join as a shareholder
   - The Board will be asked to approve the move before the summer.

   **Action: Secretariat**

5.3 FCRM Committee
Lynne Frostick updated the Board on the issues set out in the paper and informed the Board that the Committee had discussed;
   - Surface water flooding
   - Next generation spatial planning procedures
   - Innovative finance for coastal schemes.
5.4 Environment and Business Committee
Gill Weeks informed the Board that the Committee meeting held on 3 May was Clive Elphick's last meeting. Gill thanked Clive for his input into the Committee.

5.5 She also updated the Board on the issues set out in the paper and informed the Board that the Committee had discussed;
- Water Resources
- The March 2017 Board visit to Sellafield and Hinckley
- Training and retention of staff in the nuclear sector
- Periodic Review for the Water Industry.

Item 6 Governance and Transformation
(This item was taken following item 8)

6.1 Betsy Bassis joined the Board meeting to give an update on her recent roadshow of staff involved in the transfer of Corporate Services. Betsy informed the Board that over the course of 3 days, 9 sites from Exeter to Newcastle were visited, engaging with over 1000 people.

6.2 Betsy informed the Board that she and John Leyland spoke to staff about making Corporate Services a great place to work and hot topics such as wellbeing, smarter working and pension issues.

6.3 Bob Branson, who attended one of the Roadshows, fed back that they were valuable in getting key messages across. The Board discussed the issues.

Item 7 Strategic Review of Charges

7.1 Harvey Bradshaw updated the Board on the Strategic Review of Charges, informing the Board that the review of regulatory charges for 2018-23 aims to deliver a more targeted and efficient regulatory service.

7.2 The Board noted the progress made on the Review and suggested that engagement with business throughout the process would be important.

Item 8 Committee on Standards in Public Life, 7 principles of public life in regulation

8.1 The Board noted the direction of travel set out in the paper following the internal review and agreed with the recommendations.

8.2 The Board agreed to discuss appointing a Board Member champion but recognised the need for shared accountability. The Board requested that they be actively pressed by the Executive on ethical issues and conflicts and to be seen to be transparent.

8.3 The Board noted that some changes will take at least a year to implement (amending the Annual Report and Accounts) but agreed that a stewardship
review and other recommendations should be progressed as the opportunity arises. The Board requested a plan be developed in parallel to track progress.

**Action: Peter Kellett**

8.4 The Board reviewed and reaffirmed its 2011 Board Handbook guidance on Propriety. They asked that an addition be made to paragraph 5 that Board Members should always consider taking an Environment Agency staff member to meetings with industry.

**Action: Secretariat**

**Item 9** Communications Forward Look

9.1 In addition to the communication activities detailed in the paper the Board noted;
- The addition of a dedicated Instagram channel.
- Refresh of the social media strategy.
- The ‘Spotlight on Flood’ campaign session conducted for the Cabinet Office.
- The production of a new video to show the breadth of the work of the Environment Agency.

9.2 The Board requested that this video be shared with them.

**Action: Mark Funnell**

**Item 10** Finance Report and update on the year including the Draft Annual Report and Accounts

10.1 The Board noted the financial position at the end of March 2017. They delegated authority to the Audit and Risk Assurance Committee to approve the finalised annual report and accounts, and agreed to provide comments on the Annual Report by 30 May 2017.

**Action: Board members**

10.2 The Board also delegated approval of the Pension Funds Annual Reports and Accounts to the Audit and Risk Assurance Committee, following scrutiny by the Pension Committee.

10.3 The Board commented that the female and BAME staff figures as set out in the paper, underrepresent the progress made and asked that these be presented differently.

**Action: Bob Branson**

**Item 11** Schemes of Delegation

11.1 The Board noted the three approved form L’s and the changes to the Financial Schemes of delegation approved by the Chair and Chief Executive under Standing Order 4.1.

11.2 Pension Fund Scheme of Delegation
The Board approved the updated membership of the Investment Sub-Committee, Pensions Board and Pensions Committee.
Item 12  SE IDB Annual Report and Accounts

12.1 The Board approved the Annual Governance Statements and the Accounting Statements for the year ending 31 March 2017 and authorised Emma Howard Boyd as Chair of the meeting to sign these statements.

12.2 The Board noted the progress on divesting the Environment Agency responsibilities relating to the Internal Drainage Districts in the South East and transferring the flood risk management and land drainage activities to local communities.

Item 13  Any other business and date of next meeting

13.1 The next meeting was confirmed as 18 July 2017 in Ergon House, London.

Item 14  Review of the meeting

14.1 The Board reviewed the meeting.
Sponsor: Board Governance
Subject: Board Committee Meetings

Please clearly state what decision you are seeking from the meeting

The Board is asked to note:

1. Substantive agenda items discussed at Audit and Risk Assurance, FCRM, Pensions and Investment Sub Committee since May 2017.

<table>
<thead>
<tr>
<th>Key points for discussion</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>N/A</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Governance</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>What meetings/groups have already reviewed this item?</td>
<td>N/A</td>
</tr>
<tr>
<td>What meetings/groups need to review this item next?</td>
<td>N/A</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Are there any risks associated with the evidence and analysis in the paper?</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>No.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>How will the key messages/decisions be communicated?</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Through an oral update during the Board meeting.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>No legal annex is required.</th>
<th></th>
</tr>
</thead>
</table>

Form completed by: Faithful Conteh
Date: 12 July 2017
1.0 Introduction

1.1 This paper provides a summary of substantive agenda items that have been discussed at Committee meetings since the last full Board meeting on 23 May 2017.

2.0 Audit and Risk Assurance Committee

2.1 The Audit and Risk Assurance Committee met on 21 June. Substantive items discussed were:
- Annual report and accounts (2016/17) and finance items
- Update on NAO including value for money
- Defra and EA migration to GIAA update
- Organisational change risks and an update
- Internal Audit (IA) Progress Report.

3.0 Flood and Coastal Risk Management Committee

3.1 The FCRM Committee met on 4 July. Substantive items discussed were:
- Next Generation Supplier Arrangements – Approval of OBC and BCUR
- Natural Flood Management – Innovative Funding
- Modernising asset management
- Spatial planning and relationship with DCLG
- Annual Review.

4.0 Environment and Business Committee

4.1 The Environment and Business Committee have not met since the last Board meeting on 23 May.

5.0 Remuneration Committee

5.1 The Remuneration Committee met on 23 May. Substantive items discussed were:
- Pay Award and Pay Remit
- Lease Cars

6.0 Pensions Committee

6.1 The Pensions Committee and Pensions Board met on 15 June, substantive items discussed were:
- Risk management
- Approval of 2016-17 Annual Report & Financial Statements
- LGPS Pension Pooling and Brunel Pension Partnership update including: Update from business case, Legal documents and Terms of Reference
- Exit charge and BPP financing
- Report by the Investment Sub Committee
- Benefits administration, change management and communications update.
7.0 Investment Sub Committee

7.1 The Investment Sub Committee met on 25 May, substantive items discussed were:
- Risk management
- Project Brunel Asset pooling update
- Investment Strategy review
- Responsible investment; including: a report on private debt fund 4 implementation and real assets invested/committed update
- Active Fund Managers Performance
- Policy updates: Stewardship Code Compliance Statement.

Faithful Conteh
Board and Executive Secretariat Officer

July 2017
Appendix 1: Performance exceptions, trends and incident detail

Paper by: Executive Director of Operations

Subject: Internal Environmental Management Annual Report 2016/17

<table>
<thead>
<tr>
<th>Please clearly state what decision you are seeking from the meeting</th>
</tr>
</thead>
<tbody>
<tr>
<td>We ask the Board to:</td>
</tr>
<tr>
<td>• note the good performance against our internal environment management targets</td>
</tr>
<tr>
<td>• support improving messaging on the importance of IEM during Area visits (para 3.2)</td>
</tr>
<tr>
<td>• note that this paper forms part of the management review requirements of our ISO 14001 certified environmental management system.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Key points for discussion</th>
</tr>
</thead>
<tbody>
<tr>
<td>The highlights of our performance on internal environmental management during 2016/17. Strategic issues, risks and opportunities with our internal environmental management (IEM).</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Governance</th>
</tr>
</thead>
<tbody>
<tr>
<td>What meetings/groups have already reviewed this item?</td>
</tr>
<tr>
<td>N/A</td>
</tr>
<tr>
<td>What meetings/groups need to review this item next?</td>
</tr>
<tr>
<td>N/A</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Are there any risks associated with the evidence and analysis in the paper?</th>
</tr>
</thead>
<tbody>
<tr>
<td>No</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>How will the key messages/decisions be communicated?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Using existing corporate communications routes where necessary</td>
</tr>
</tbody>
</table>

Form completed by: Simon Dawes and Paul Woodcock
Date: 28 June 2017
1.0 Introduction

1.1 This paper:
- highlights good performance against our internal environment management targets
- seeks Board support with messaging on the importance of internal environment management (IEM) (para 3.2)
- forms part of the management review requirements of our ISO 14001 certified environmental management system.

2.0 Performance

2.1 We are making good progress against the measures that we track as part of our e:Mission internal environment management strategy. For further detail see table 1 in the appendix to this paper.

2.2 We achieved an impressive 42% reduction in carbon dioxide emissions compared to our baseline year of 2006/07 (charts 1 and 2). Our activities resulted in emissions of 34,435 tonnes of carbon vs 38,469 tonnes in 2015/16. We have refocused our fleet replacement programme to further reduce NOx as well as carbon emissions.

2.3 Our programme of site environmental management audits (SEMA) continued with 49% of sites having improved scores compared to 2015/16 (chart 4).

2.4 Our move to our new e:Mission environmental strategy saw us start to track our wider impact into our supply chain. Analysis over the last year has shown this to be the right strategic move. Our direct carbon emissions account for only 23% of our total impact. See paragraph 3.4.

2.5 In 2015/16 we introduced, for the first time, a target to reduce our wider environmental impact (by 5%), we achieved 3%. We were particularly successful in reducing supply chain waste and land use impacts but saw small increases in supply chain carbon and water impacts.

2.6 We successfully achieved external reaccreditation to the revised and stricter environmental management standard, ISO 14001.

2.7 The IEM Team was pleased to be recognised by The Environmental Data Services (ENDS) Report as ‘Team of the Year’ for our work on managing compliance, achieving certification to the new ISO standard, developing e:Mission and our work on our wider supply chain impacts.

3.0 Strategic issues

3.1 Incident reporting: This annual report was considered by the Executive Directors’ Team (EDT) at its meeting in June. EDT has agreed to collective leadership in driving up the reporting of environmental incidents, near misses and good behaviours to enable us to better learn from incidents. This will be supported by appropriate messaging across the organisation.

3.2 Staff survey: Analysis from the recent staff survey indicates that 49% of staff feel that senior leadership is committed to IEM. The Operations’ Leadership Team has initiated a short monthly IEM moment at each of its meetings and has allocated a
development day later in the year to consider its approach to IEM leadership. Maintaining accreditation to ISO 14001 is dependent on evidence of strong leadership. Board members are asked to support our commitment to IEM during Area visits.

3.3 **Construction impacts:** Much of our supply chain impact comes from our construction activity. Work is underway to manage this through our Water and Environment Management (WEM) Next Generation supplier arrangements. Alongside this, we will train our staff in low carbon design. Experience in the water sector (Anglian Water) shows that low carbon design and construction equals low cost. EDT has endorsed this approach and will encourage it through business board and directorate discussions on scheme development.

3.4 **Corporate carbon targets:** Increasingly, total carbon impacts are a feature of sustainability management of a number of well-regarded and progressive companies. Over the past months we have developed a mechanism for capturing our own total carbon impacts. This indicates that a high proportion of our impacts lie within our supply chain. EDT has agreed to the development of corporate carbon targets based on our total as well as direct impacts. We will present performance against these in future reports to EDT and the Board. We will align our new targets with those of government and the opportunities for low carbon solutions opening up through our new construction framework suppliers.

4.0 **Risks**

4.1 **Increased future carbon emissions:** As we progressively improve our carbon performance there is the risk that drought and flood will periodically, and for worthy operational reasons, skew our carbon performance. We will continue to drive efficiency in energy use (including in pumping) to maintain longer term downward trends.

4.2 **Defra UnITy project:** The UnITy programme recognises it is critical to procure environmentally sustainable technology and services and has included these requirements in tender documents and the post tender assessment criteria used as part of the contract award process. Our IEM team will support the programme during the procurement process.

5.0 **Conclusions and recommendations**

5.1 We ask the Board to:
- note the good performance against our internal environment management targets
- support messaging on the importance of IEM during Area visits (para 3.2)
- note that this paper forms part of the management review requirements of our ISO 14001 certified environmental management system.

Simon Dawes  
Head of Internal Environment Management

Paul Woodcock  
Director of Corporate Assets, Safety, Health, Environment and Wellbeing (CASHEW)

7 July 2017
### Appendix 1 - Internal Environment Management measures

#### Table 1: Summary of e:Mission measures at end of 2016/17

<table>
<thead>
<tr>
<th>e:Mission measures</th>
<th>Q4 YTD performance (RAGed)</th>
<th>% Inc/dec from 15/16</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total carbon</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reduce carbon by 41% since 2006/07 baseline</td>
<td>42%</td>
<td>-13%</td>
</tr>
<tr>
<td><strong>Buildings carbon</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reduce carbon by 56% since 2006/07 baseline</td>
<td>90%</td>
<td>-18%</td>
</tr>
<tr>
<td><strong>Embodied carbon</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>40% reduction between gateway 1 and 4 stages of FCRM projects</td>
<td>Not reported this quarter</td>
<td>N/A</td>
</tr>
<tr>
<td><strong>Total travel</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reduce total travel by 2.5% this year compared to baseline years</td>
<td>93%</td>
<td>-7%</td>
</tr>
<tr>
<td><strong>Total waste</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reuse/recover/recycle at least 70% total waste</td>
<td>83%</td>
<td>N/A</td>
</tr>
<tr>
<td><strong>Operational waste</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reuse/recover/recycle at least 70% operational waste</td>
<td>81%</td>
<td>N/A</td>
</tr>
<tr>
<td><strong>Office waste</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Produce less than 40kg office waste per FTE</td>
<td>37kg/FTE</td>
<td>-11%</td>
</tr>
<tr>
<td><strong>Construction waste</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reuse/recover/recycle at least 85% construction waste (NCPMS)</td>
<td>91%</td>
<td>N/A</td>
</tr>
<tr>
<td><strong>Total water</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reduce total water by 2.5% since 2014/15 baseline</td>
<td>94%</td>
<td>N/A</td>
</tr>
<tr>
<td><strong>Office water</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Use less than 4.3m³ office water per FTE</td>
<td>4m³/FTE</td>
<td>N/A</td>
</tr>
<tr>
<td><strong>Office paper</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Use less than an average of 3000 sheets of paper per FTE</td>
<td>2133 sheets/FTE</td>
<td>-14%</td>
</tr>
<tr>
<td><strong>Recycled aggregate</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Use at least 82% recycled aggregate in all construction projects</td>
<td>66%</td>
<td>Used 58% recycled aggregates</td>
</tr>
<tr>
<td><strong>Timber</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>100% legal and sustainable timber purchased</td>
<td>100%</td>
<td>N/A</td>
</tr>
<tr>
<td><strong>Fleet lease car CO₂ emissions</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lease car fleet emits less than an average of 100g CO₂/km</td>
<td>102g CO₂/km</td>
<td>N/A</td>
</tr>
<tr>
<td><strong>Fleet badged CO₂ emissions</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Badged vehicle fleet emits less than an average of 225g CO₂/km</td>
<td>193g CO₂/km</td>
<td>N/A</td>
</tr>
<tr>
<td><strong>Fleet lease car NOₓ emissions</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lease car fleet emits less than an average of 100mg NOₓ/km</td>
<td>140mg NOₓ/km</td>
<td>N/A</td>
</tr>
<tr>
<td><strong>Fleet badged NOₓ emissions</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Badged vehicle fleet emits less than an average of 125mg NOₓ/km</td>
<td>225mg NOₓ/km</td>
<td>N/A</td>
</tr>
<tr>
<td><strong>Environmental actions</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Complete all environmental actions on time</td>
<td>91% Actions due: 1515 Actions complete: 1372</td>
<td>N/A</td>
</tr>
<tr>
<td><strong>Environmental near misses and incidents reporting</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Report more IEM near misses than incidents. Report positive behaviours.</td>
<td>54 near misses / 51 incidents / 57 positive behaviours</td>
<td>63 near misses / 40 incidents</td>
</tr>
<tr>
<td><strong>Supply chain</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reduce environmental impact of our supply chain by 5% compared to our 2013/14 baseline</td>
<td>3% reduction</td>
<td>N/A</td>
</tr>
</tbody>
</table>
Ref: B/1806-5.1

Chart 1: Environment Agency carbon dioxide emissions – pumping and other direct sources

Chart 2: Environment Agency's direct and indirect greenhouse gas emissions (tCO₂e)
Chart 3: Incidents and near misses reported

Chart 4: Breakdown of Site Environmental Management Audit (SEMA) performance for 2016/17

Source: 1_Linked Data
<table>
<thead>
<tr>
<th>Area</th>
<th>Qtr</th>
<th>Cat</th>
<th>Description</th>
<th>Key action taken or planned</th>
</tr>
</thead>
<tbody>
<tr>
<td>KNSTSLN</td>
<td>2</td>
<td>2</td>
<td>A project to replace a trash screen and concrete channel with ballast resulted in sediment mobilisation over several kilometres. This was an environmental enhancement project that may have been able to avoid the incident with better design of the work, more time given to the consideration of options and negotiations with the landlord. The extent of the impact was increased because the channel downstream was concrete and did not allow the silt to settle out.</td>
<td>Discussed at OLT and ELEN generated. The learning on design, importance of initial planning and stopping to review design and method will be stressed. Clear responsibilities of the site supervisor also need to be stressed, including active monitoring. We gave the contractor a yellow card for management failings.</td>
</tr>
<tr>
<td>NCPMS West -</td>
<td>2</td>
<td>2</td>
<td>Fish kill resulting from our recovery works when concrete entered the watercourse and tracked vehicles mobilised sediment.</td>
<td>Discussed at OLT and ELEN generated. It appears that the water table rose up into the concrete baskets, washing out concrete into the watercourse. The review found that an alternative design could have prevented this. We gave the contractor a yellow card for management failings.</td>
</tr>
<tr>
<td>CMBLNC</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>WESSEX</td>
<td>4</td>
<td>2</td>
<td>Damage to a water vole habitat while carrying out unplanned, additional work. The original work was hedge removal in order to allow greater access to the river. The additional works included flailing a bank and compacting it with an excavator bucket and building up an area with soil to level the ground.</td>
<td>Review has been completed and will be discussed at OLT shortly.</td>
</tr>
</tbody>
</table>
Appendix 1: Proposed 2017-2020 Public Sector Equality Duty Objectives

Sponsor: Executive Director of Operations

Title: Equality, Diversity and Inclusion (EDI) Public Sector Equality Duty

Please clearly state what decision you are seeking from the meeting

The Board is asked to:

1. Note the highlights from 2016-17 for EDI.
2. Discuss and agree the proposed statutory objectives for 2017-2020.

Key points for discussion

To reflect on the breadth of EDI activity and progress through 2016/17 and consider how we should take the culture forward, as part of Defra Group, towards 2020.

Governance

What meetings/groups have already reviewed this item?
Executive Directors Team
All employees via a “Managers need To Know” action
Employee networks and their executive manager “champion”
Our external EDI partners

What meetings/groups need to review this item next?
Once approved at Board, the document is published on our GOV.UK webpage.

Are there any risks associated with the evidence and analysis in the paper?
No

How will the key messages/decisions be communicated?
This will be determined following the Board meeting.

Legal Services have been consulted and no legal annex is required
Legal advice provided by: Ian Cadogan

Form completed by: Mike Clarke
Date: 27/06/2017
Ref: B/1707-5.2

1.0 Introduction

1.1 Since 2012 we have been reporting progress against our 4 year Public Sector Equality Duties (PSED). We are now due to refresh our statutory PSED objectives and plan, in order to remain compliant. The refreshed objectives will take us forward to 2020 and will form the basis of future EDT and Board corporate updates.

1.2 This paper provides key highlights from the last 12 months, but predominantly seeks discussion on, and agreement to the new objectives.

2.0 EDI Highlights

2.1 2016-17 saw a step change in the depth and breadth of attention and activity across the organisation with regard to EDI. The HR team have been heavily utilised by Defra, in particular in the development of its Group Strategy. Whilst this has inevitably challenged direct support for the Environment Agency, the embedding of EDI has gone from strength to strength.

2.2 Highlights include:

- A substantial increase in teams taking part in “outcome days” supporting local communities, and enhancing our reputation as a good, diverse employer.

- Continued participation in a wide range of positive action initiatives;
  - Externally via the 30% Club for women in business, Coaching Squared (B.A.M.E., disabled, female and LGBT+ employees), and mentoring circles for B.A.M.E. employees.
  - Internally via career development workshops and reverse mentoring.
  - Feedback is very positive for both external and internal initiatives.

- Excellent function-led initiatives to improve attraction and recruitment of B.A.M.E. staff, notably during the FCRM campaign (Q3) and the work with Brunel University.

- Achievement of 1st quartile in all four of our external benchmarking exercises for disability, gender, race and sexual orientation.

- Business deal agreed with the 12 diversity orientated staff networks, which provides clarity about what the organisation can expect and what the networks can expect in return.

- Support for the development of new staff networks for chronic pain, age (Defra Group) and social mobility (Defra Group).

- Continued very healthy declarations rates, the highest in the Defra Group in most cases.

- Regular discussions at EDT on EDI activity, which is helping to embed the culture wider in the organisation. Also expansion of EDT membership to offer senior female development opportunities.
- Excellent staff survey results on how embedded diversity feels to staff.
- James Bevan has hosted two B.A.M.E. workshops to better understand staff’s perspectives of working here.

3.0 **Refreshed Public Sector Equality Duty Objectives**

3.1 Below are the proposed refreshed headline equality objectives. These align with the Defra Group EDI strategy. The objectives will be underpinned by specific actions and measures in due course.

3.2 The details of the objectives can be found in appendix 1.

3.3 These objectives were developed in consultation with internal and external stakeholders and partners. They fall into two categories; those concerning employees and those concerning our customers.

3.4 **Employee equality – “equal, diverse and inclusive”**

   a. **Fair and transparent practices** – removing barriers (and providing support) for people from under-represented groups, and ensuring all employees treat each other fairly and equally, and with respect.

   b. **Diverse workforce** – creating and maintaining a diverse workforce (including our Board and Executives) that better reflects the UK’s population.

   c. **Inclusive workplace culture** – creating a “life-enhancing” working environment that values and embraces difference. We will foster an inclusive workplace culture where colleagues from all backgrounds, can bring their whole self to work, progress their career, and feel their uniqueness is valued.

3.5 **Customer equality:**

   d. **Customer understanding** – continuing to better understand and relate to the diversity of those we provide services for. Better understand the impact of our services on customers with a protected characteristic, including identifying those who need enhanced support.

   e. **Customer services** – continuing to ensure that our public sector duty is reflected in appropriate Environment Agency proposals, policies, processes, projects and programmes, and in procurement.

4.0 **Conclusion and recommendations**

4.1 Board is asked to:

   1. Note the highlights from 2016-17 for EDI
   2. Discuss and agree the proposed objectives for 2017-2020

Mike Clarke
Human Resources
Appendix 1 – Proposed 2017-2020 Public Sector Equality Duty Objectives

Upon publication, these equality objectives will be prefaced by organisational background and context including the internal and external consultation process. This detail is excluded here for brevity.

### Employee focused equality objectives – 2017 to 2020

#### 1. Fair and transparent practices

We aim to remove barriers (and provide positive action support) for people from under-represented protected characteristics groups, ensure employees treat each other fairly, equally and with respect.

We will:
- set clear standards for behaviours, policies, positive action, projects, practices, and workplace adjustments
- routinely carry out equality analysis on proposed employee policies, projects, programmes
- identify and remove barriers which prevent people joining the EA, realising their full potential, and progressing their careers
- analyse and report on attraction, selection and recruitment; and identify fairness and reduce possible bias
- undertake pay gap analysis related to disability, gender, race/ethnicity and sexual orientation
- raise awareness of the appearance and impact of discrimination, bullying and harassment on employees.

We will measure our progress by:
- seeing more equality analysis
- ensuring managers involved in people decisions have taken part in unconscious bias awareness training
- more diverse recruitment & assessment panels
- a significant increase in the recruitment and workforce representation rates of B.A.M.E., female, disabled and LGBT+ employees by 2020, including executive manager grades
- a decrease in the percentage of employees reporting in the EA Employee Survey that they have been bullied, harassed and / or been discriminated against.

#### 2. Diverse workforce

We aim to create and maintain a diverse workforce (including our Board and Executives) that better reflects the UK’s economically active population.

We will:
- encourage the completion of personal diversity information to raise declaration rates facilitating monitoring of diversity in the workforce
- analyse our career development and talent development programmes and, if appropriate, identify measures to improve the take up rates for employees from under-represented groups
- analyse the EA career progression rates to monitor representation and, where appropriate, improve coaching, mentoring and sponsorship opportunities for employees from under-represented groups.

We will measure our progress by:
- positive declaration rates against the declaration targets for disability, race / ethnicity, religion / belief, and sexual orientation
- the number of successful talent programme applications from employees from under-represented groups, and in the number of permanent promotions gained
- the recruitment and workforce representation rates of B.A.M.E., female, disabled and LGBT+ employees by 2020, including in executive manger grades.

#### 3. Inclusive workplace culture

We aim to create a “life enhancing” working environment that values and embraces difference. We will foster an inclusive workplace culture where colleagues from all backgrounds can bring their whole self to work, progress their career, and feel their uniqueness is valued.

We will:
- work closely with our employee networks and their executive manager “champions” supporting their focus on the EDI issues which are important to our employees

We will measure our progress by:
- executive managers actively demonstrating inclusive behaviours, regularly sharing examples and experiences about respect, equality, diversity and inclusion with those
Appendix 1: Delivery of Key Elements of 2016/17 HSW Plan

Sponsor: Executive Director of Operations

Title: Health Safety and Wellbeing Annual Report (2016/17)

Please clearly state what decision you are seeking from the meeting

The Board is asked to note and comment on our Health, Safety and Wellbeing performance in 2016/17.

Key points for discussion

This paper provides the Board with a report on our health, safety and wellbeing (HSW) performance in 2016/17. It supplements the Board HSW monthly data reports (by correspondence) and consideration of key risks by the Board Audit and Risk Assurance Committee (ARAC). Any high performing organisation needs continued, significant emphasis by its leaders on HSW. The Board may wish to consider how best to sustain high levels of safety performance and its own contribution to leadership messaging during, for example, Area visits. This might take the form of congratulating staff on high levels of HSW performance and initiating conversations on how key risks are managed.

Governance

What meetings/groups have already reviewed this item?

The Executive Director Team 20 June 2017

What meetings/groups need to review this item next?

N/A

Are there any risks associated with the evidence and analysis in the paper?

No

How will the key messages/decisions be communicated?

Normal internal communications routes

Legal Services have been consulted and no legal annex is required.

Form completed by: Paul Woodcock
Date: 7 July 2017
1.0 Introduction

1.1 This paper provides the Board with a report on our health, safety and wellbeing (HSW) performance in 2016/17. It supplements the Board HSW monthly data reports (by correspondence) and consideration of key risks by the Board Audit and Risk Assurance Committee (ARAC).

1.2 The Health and Safety Executive (HSE) recommends that senior management should review health and safety performance at least once a year. The HSE recommends the review process should:

- examine whether the health and safety policy reflects the organisation’s current priorities, plans and targets;
- examine whether risk management and other health and safety systems have been effectively reported to the Board;
- report health and safety shortcomings, and the effect of all relevant Board and management decisions;
- decide actions to address any weaknesses and a system to monitor their implementation;
- consider immediate reviews in the light of major shortcomings or events.

1.3 Our Safe and Well values and commitments (our policy) were built through a thorough consultative exercise, reflect the needs of the business and are relatively new and current. They remain relevant to our priorities, and informed the HSW plan for 2016/17 endorsed by the Executive Directors’ Team (EDT) and the Board. The plan included our assessment of the key risks that we had to manage in 2016/17 and actions for addressing them. See appendix for a summary of our achievements against this plan.

1.4 An independent assessment in 2016 of our health and safety management system by Human Applications (a health and safety consultancy familiar with our organisation) concluded that our arrangements are suitable. They recommended some improvements. We have acted upon these.

1.5 Taking account of this report, the delivery of the 2016/17 HSW plan, the 2017/18 plan, monthly data reports, briefings to Executive Directors when issues emerge and the quarterly consideration of HSW topics by ARAC, we believe that Executive Directors and the Board are broadly meeting the HSE’s expectations.

1.6 EDT discussed this annual report in June. EDT’s discussion focused in particular on safety, where we have a strong culture, a good track record and no room for complacency. Whilst EDT was pleased that we have hit an all-time low of Lost Time Incidents, it continues to recognise how important safety is for us.

1.7 EDT reaffirmed our visible commitment to constant improvement, and to ensure that the Environment Agency culture (“stay safe and grow”) is lived by all our staff. The expectation is that a quality discussion on HSW takes place at all team meetings across the organisation (such as that which continues to occur during Operations Leadership team meetings).

1.8 Any high performing organisation needs continued, significant emphasis by its leaders on HSW. The Board may wish to consider how best to sustain high levels of safety performance and its own contribution to leadership messaging during, for example, Area visits. This might take the form of congratulating staff on high levels of HSW performance and initiating conversations on how they manage key risks.
2.0 Summary of Performance

2.1 Lost Time Incidents - A total of 21 colleagues suffered work related injuries which required them to take time off during 2016/17 (30 in 14/15, 31 in 15/16). Our Lost Time Incident frequency rate (LTIs per 100,000 hours worked) reduced to 0.11 from 0.16, an all-time low. In 2013/14 the rolling average was 0.23, and 0.16 in 2014/15.

2.2 The reduction is not due to reduced reporting. Around 2200 reports were made in the last whole year before our SHERMS2 reporting system was introduced in mid-2011. We have made great strides in reporting, we had 6223 incidents reported in 2016/17, up from 5972 the previous year.

2.3 The measure of LTIs provides a satisfactory lag indicator of our performance; one that is used universally throughout industry. We continue to consider measures which provide lead indicators of cultural engagement and leadership on HSW. The most relevant currently are those provided through the employee survey. In the most recent survey 83% of those who responded believed the Environment Agency supports them to be safe and well (a 1% increase). There was a 1% reduction in those who felt safe doing their job to 83%. Other relevant measures similarly varied by 1% or 2% either way.

2.4 Safety Critical Incidents are subject to particularly rigorous review to maximise our learning from them. We had 19 Safety Critical Incidents in 2016/17. This compares with 14 in 2015/16, 31 in 2014/15 and 36 the year before.

2.5 Health - We reviewed management of our health surveillance programme to ensure it was effective and as easy as possible for Team Leaders to implement. The health surveillance programme covers just over 1100 employees who are regularly exposed to vibration, noise, chemicals, confined spaces, manual handling and night work.

2.6 Of those included in the health surveillance programme, 85 were referred for further review by an occupational health physician (compared to 88 in total in 2013/14, 82 in 2014/15 and 21 last year). This included 63 for hand arm vibration syndrome (HAVS), 9 for potential hearing loss, 9 for respiratory ill-health, 3 for confined spaces working and 1 for skin.

2.7 This number is a typical proportion in a cross section of the working population that would expect to be identified with early signs of health issues that could be attributed to their employment and which merit further review. (Last year’s number was atypically low). Of the 85 referred, only one resulted in a diagnosis of an occupational disease (HAVS) which required notification to the Health and Safety Executive.

2.8 We have continued to sustain referrals for occupational health advice for significant ill-health cases. Broadly, we achieved our 70% target for referral of cases within 5 days of absence from work.

3.0 Wellbeing Programme

3.1 We continued to develop and deliver our wellbeing programme, providing support and assistance for colleagues for both mental and physical health. This year we delivered our healthy bodies programme in quarter 1, and healthy lifestyles in quarter 2. The rest of the year was devoted to healthy minds. All parts of the programme included webinars and support material to equip individuals and managers to take ownership of the issues.
3.2 The launch of our Wellbeing Ambition established an improved framework around the programme and targeted outcomes. By working with MIND, the mental health charity, we have sought to ensure that the most critical part of the wellbeing programme, healthy minds, is as comprehensive and supportive as possible. This has enabled us to learn from others, as well as sharing some of our great initiatives.

3.3 Our involvement with MIND included a recent comprehensive survey of our staff. The results of this are being analysed and will be considered by ARAC at a forthcoming meeting.

3.4 We developed and introduced a building resilience course for line managers. This has been successful. It will become part of the mandatory training package for all new managers and team leaders.

4.0 Independent Assurance – Audit and Inspection Programme

4.1 As in previous years we delivered a programme of audits across the construction activities of our teams and our suppliers. We undertook 6 site inspections across Facilities Management and the Corporate Property Programme. We completed 99 site inspections on projects delivered by supply chain partners through our water and environment management and minor works frameworks. We also provided assurance on construction and maintenance activities undertaken by Field Operations, undertaking 24 site inspections and a design audit. We issued 7 yellow cards to the supply chain for management failings.

4.2 We completed a compliance audit of workshops to ensure we embedded the lessons learned from the HSE prosecution following a circular saw accident in 2013. This identified a number of safety issues, and resulted in a red Safeguard action suspending the use of workshops until such time as the matters had been addressed.

4.3 Internal Audit undertook a series of reviews of key components of our health and safety management system, or critical risk activities. Audits of compliance with the process for undertaking Safety Critical Incident reviews and for ensuring the competence of staff (so that they can work safely) identified a number of recommendations for improvement. Internal Audit also provided assurance checks on our arrangements for managing the risks of plant working near water.

5.0 Sharing learning

5.1 A corporate scorecard measure is the percentage of accountable staff who respond to actions issued by Safeguard within a specified timeframe. We aim for 95% compliance with the most important actions by a specified deadline. Uncompleted actions are followed up through line management with support from the HSW service. Average compliance rates were as low as 52% in 2014/15, rising to 94%. In 2015/16 we achieved a rate of 97% and in 2016/17 94%. However we are seeing poor compliance with lower priority green actions, and will be initiating a campaign to remind staff that they must complete all Safeguard actions well and on time.
6.0 Contact with the Health and Safety Executive (HSE)

6.1 There was more regulatory interest from the HSE in 2016/17 than in recent years. Inspectors followed up on two cases of HAVS that we reported (including one from the 2015/16 health surveillance programme). In both cases the HSE has taken no further action. An overhead cable strike was investigated by the HSE, and again, no action has been taken.

6.2 An unannounced inspection of a Field Operations small construction site in Devon resulted in us being served an improvement notice to address shortcomings in the team’s management of respiratory health risks, and in particular the selection and fitting of respiratory protective equipment. The inspector also offered advice on other matters, although we successfully challenged some of her findings. As well as addressing the identified issues with the team, we shared the learning with the wider business through a Safeguard action.

7.0 Completion of the 2016/17 HSW Plan

7.1 We delivered an ambitious plan. Our priorities were to conclude the delivery of the Safe and Well programme to refresh our health, safety and wellbeing performance. This included re-launching dynamic risk assessment and challenging unsafe behaviours (our commitment to look out for each other), both of which staff had advised us through the Safe and Well Big Conversation needed addressing. Our other priority of improving our arrangements for managing specific higher risk areas of our work also made good progress, and is reported in appendix 1. Moving into 2017/18, we will focus on ensuring that these and other improvements made in the last few years are embedded into how we work.

8.0 Issues and Concerns

8.1 EDT and OLT consider key risks, issues and concerns at their regular discussions on HSW. The Board has been advised that Corporate Services transformation introduces the risk of the Environment Agency maintaining accountability for the compliance of its property holdings with HSW legislation as delivery of facilities management moves to the group. To mitigate this risk an agreement has been prepared which covers service provision accountability and monitoring arrangements.

9.0 Conclusion

9.1 We remain ambitious to make this a safe and well place to work. Our 2017/18 plan (agreed by EDT and the Board in April) is intended to reinforce the progress we have made from the Big Conversation by ensuring that initiatives have been successful and fully adopted into our ways of working. We are entering a period of consolidation during which, while reducing the number of new initiatives, we will repeat and reinforce what is already in place. This will help ensure that our policies, processes, culture and behaviours are fully understood and adopted. We will continue to simplify processes to make it easier for our colleagues to meet our standards. As part of this shift in emphasis, we will look to provide further assurance to test that we are following our arrangements appropriately.

Paul Woodcock
Director of Corporate Assets, Safety, Health, Environment and Wellbeing

Richard Houghton
Deputy Director of Health, Safety and Wellbeing

7 July 2017
## Appendix 1 - Delivery Of Key Elements of 2016/17 HSW Plan

### Achievements with 2016/17 HSW Plan: Wellbeing

<table>
<thead>
<tr>
<th>Plan</th>
<th>We did...</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wellbeing ambition statement</td>
<td>Developed following consultation across the business. Launched in Q2. Co-ordinated with other initiatives such as the MIND survey and Life Enhancing Places to Work.</td>
</tr>
<tr>
<td>Healthy lifestyles programme</td>
<td>Q2: Healthy Lifestyles programme of webinar and resources for team use. Similar promotion to Healthy Bodies.</td>
</tr>
<tr>
<td>Healthy Minds</td>
<td>Mind survey commenced. Revised stress tool &amp; QI launched.</td>
</tr>
<tr>
<td></td>
<td>SHERIUS 2.1 launched.</td>
</tr>
</tbody>
</table>

### Achievements with 2016/17 HSW Plan: Health

<table>
<thead>
<tr>
<th>Plan</th>
<th>We did...</th>
</tr>
</thead>
<tbody>
<tr>
<td>Work-related upper limb discomfort &amp; hand-arm syndrome management</td>
<td>New QI for use of modern IT launched in Q4.</td>
</tr>
<tr>
<td>Review of Health Surveillance outputs to ensure optimal management of NAVS</td>
<td>The process was reviewed in parallel with the 2016 Health Surveillance programme. Some improvements adopted. Others will inform the tender of contract in 17/18.</td>
</tr>
<tr>
<td>Launch of new Hand-arm vibration monitoring equipment</td>
<td>In use across all Field Operations teams to monitor use of vibrating tools.</td>
</tr>
</tbody>
</table>
**Safe and well**

### Achievements with 2016/17 HSW Plan: Safety

<table>
<thead>
<tr>
<th>Plan</th>
<th>We did...</th>
</tr>
</thead>
<tbody>
<tr>
<td>Site, trips and falls</td>
<td>September site visit campaign. Analysis of HERUS data to guide future targeted actions.</td>
</tr>
<tr>
<td>Ref: B/1707-5.3</td>
<td></td>
</tr>
<tr>
<td>Revise &amp; release Electrical</td>
<td>Revised code issued by Safeguard action. Feedback prompted further review of the code.</td>
</tr>
<tr>
<td>Code of Practice</td>
<td></td>
</tr>
<tr>
<td>Line and working near water</td>
<td>Revised up into improvements into under line working and hostile situations. Audit undertaken, identified range of actions, completed Q1.</td>
</tr>
<tr>
<td>Plant working near water</td>
<td>New processes cascaded by catchment engineers and adopted by operations. Process under continuous review and monitoring by the Field Operations HSW Portfolio Group.</td>
</tr>
<tr>
<td>Occupational road risk</td>
<td>Due to staff illness, prioritised until 17/18. Will complete in June 17.</td>
</tr>
</tbody>
</table>

**Safe and well**

### Achievements with 2016/17 HSW Plan: Overarching

<table>
<thead>
<tr>
<th>Plan</th>
<th>We did...</th>
</tr>
</thead>
<tbody>
<tr>
<td>Challenge to re-launch our</td>
<td>A green notice launching the Norm and Form campaigns was issued in Q3. (Dated to better time with other initiatives).</td>
</tr>
<tr>
<td>commitments look out for each other</td>
<td></td>
</tr>
<tr>
<td>Dynamic Risk Assessment</td>
<td>Revised approach to dynamic risk assessment developed and cascaded with a comprehensive delivery HSW business plan to key groups.</td>
</tr>
<tr>
<td>re-launch</td>
<td></td>
</tr>
<tr>
<td>Safeguard &amp; Wellbeing</td>
<td>Embedded number of health, safety and wellbeing themes into the outputs of HR, so that HSW was integral to the way of working.</td>
</tr>
<tr>
<td>Incident Response</td>
<td>New processes cascaded by catchment engineers and adopted by operations. Process under continuous review and monitoring by the Field Services HSW Portfolio Group. Aim to return to BAS in Q4.</td>
</tr>
<tr>
<td>Plant working near water</td>
<td></td>
</tr>
<tr>
<td>IT systems improvement</td>
<td>SHERUS 2.1 launched</td>
</tr>
</tbody>
</table>

**Safe and well**

### Achievements with 2016/17 HSW Plan: Construction Audits

<table>
<thead>
<tr>
<th>Plan</th>
<th>We did...</th>
</tr>
</thead>
<tbody>
<tr>
<td>A comprehensive programme</td>
<td>Audit - 73 WBM (50 Green, 16 Amber, 4 Red)</td>
</tr>
<tr>
<td>of audits of construction</td>
<td>21 WIP (18, 1, 2)</td>
</tr>
<tr>
<td>activities</td>
<td>21 WAM (100, 2, 2)</td>
</tr>
<tr>
<td>Undertaken within the dual</td>
<td>5 Estates/Facilities Management (1, 2, 1)</td>
</tr>
<tr>
<td>significant, high risk,</td>
<td>5 MEKA (1, 2)</td>
</tr>
<tr>
<td>activities</td>
<td>1 WAM (1)</td>
</tr>
<tr>
<td>Undertaken in the dual</td>
<td>21 Area Field Operations (10, 1, 2)</td>
</tr>
<tr>
<td>significant, high risk,</td>
<td></td>
</tr>
<tr>
<td>undertakings</td>
<td></td>
</tr>
<tr>
<td>Card Bearings were initiated</td>
<td>12 Hearing in total, WBM - 9 hearings / 4 yellow cards</td>
</tr>
<tr>
<td>where suppliers are periodically</td>
<td>MDF - 1 hearing / 1 yellow card</td>
</tr>
<tr>
<td>contracted accountable for</td>
<td>TEAM2100: 1 hearing / 1 yellow card</td>
</tr>
<tr>
<td>significant HSW findings</td>
<td>MECA: 1 hearing / 1 yellow card</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Sponsor: Chief of Staff

Title: Environment Agency Framework Document

Please clearly state what decision you are seeking from the meeting

The Board is asked to:
1. Review the attached draft Environment Agency Framework Document
2. Approve delegated final sign-off to the Chair and Chief Executive

Key points for discussion

That the Board reviews and approves delegated sign-off for the final Environment Agency Framework Document to the Chief Executive and Chair on the understanding that only very minor changes will be required to the text presented in the Appendix.

Governance

What meetings/groups have already reviewed this item?
EDT reviewed the initial template and have been involved in reviewing subsequent drafts

What meetings/groups need to review this item next?
N/A – Board is asked to approve delegated sign-off arrangements.

Are there any risks associated with the evidence and analysis in the paper?

There is a risk of failing to meet the deadline for publication ahead of the Public Accounts Committee follow-up report in September if final sign-off arrangements cannot be agreed.

How will the key messages/decisions be communicated?

The final Framework Document will be published on Gov.UK. Staff and Board members will be advised when this happens.

No legal annex is required.

Form completed by: Nessa Winters
Date: 7 July 2017
1.0 Background

1.1 The Environment Agency Framework Document is one of a number of Defra group Framework Documents currently being refreshed and published in line with recommendations from a report of the 2016 Public Accounts Committee (PAC).

1.2 The Framework Document is based on a template from HM Treasury, and sets out the statutory and financial obligations of the Environment Agency as a Non-Departmental Public Body.

1.3 The document represents a good outcome for us, and includes many of the positive changes we had wanted, most notably around our new ways of working as part of the Defra group.

2.0 Key issues to note

2.1 Sections and section headings are predominantly set out in line with the HM Treasury template. The exception is section 5, ‘Operating as the Defra group’, which we have agreed in collaboration with Defra and EXCO as representing our new operating model and way of working. Inclusion of this section has been agreed by HM Treasury.

2.2 Where possible, we have agreed language which reflects our new collaborative way of working with the Defra group. However, where sections have been mandated by HM Treasury we have been asked to follow these.

2.3 The Framework Document incorporates references to the Corporate Services transfer and reflects our requirements and accountabilities in line with the provision of these new Defra group services.

3.0 Sign off and publication

3.1 The Public Accounts Committee recommendation was that Defra group Framework Documents should be published by August 2017 ahead of the publication of a PAC follow-up report in September. It is expected that other Arms Length Bodies (ALB) documents, including Kew and Natural England, will be approved by their Boards and published in line with this timetable.

3.2 It is proposed that, in order to meet this deadline, the Board approves delegated sign-off for the final Environment Agency Framework Document to the Chief Executive and Chair on the understanding that only very minor changes will be required to the text presented in the Appendix.

4.0 Conclusion and recommendations

4.1 The Board is asked to:
   - Review the Environment Agency Framework Document; and
   - Agree the proposal for delegated final sign-off to Chair and Chief Executive.

Sam Lumb, Deputy Director Governance and Engagement
Nessa Winters, Executive Support and Correspondence Manager

18 July 2017
Contents

FRAMEWORK DOCUMENT: Environment Agency

1. Introduction ............................................................................................................. 1
2. Status of the Environment Agency ................................................................. 1
3. Purpose of the Environment Agency ............................................................... 2
4. Key relationships ................................................................................................. 4
5. Operating as the Defra group ............................................................................ 5
6. Ministerial responsibility .................................................................................... 7
7. The Environment Agency Board ......................................................................... 7
8. Defra’s Principal Accounting Officer (PAO) .................................................. 10
9. The Environment Agency Chief Executive as Accounting Officer ................. 11
10. Transparency, audit and scrutiny ..................................................................... 13
11. Risk management ............................................................................................... 15
12. Audit and Risk Assurance Committee ............................................................ 16
13. Freedom of Information .................................................................................... 16
14. Maladministration .............................................................................................. 16
15. Managing Public Money and other government-wide corporate guidance and
    instructions ........................................................................................................... 17
16. Management and financial responsibilities ...................................................... 17
17. Corporate governance ......................................................................................... 19
18. Environment Agency as an employer ............................................................... 20
19. Environment Agency Pension Arrangements .................................................. 21

ANNEX A: Compliance with government-wide corporate guidance and instructions .... 26
FRAMEWORK DOCUMENT: Environment Agency

1. Introduction

1.1 This Framework Document has been drawn up by the Department for Environment Food and Rural Affairs (Defra) in partnership with the Environment Agency. The document sets out how the Environment Agency and Defra, as its principal sponsoring department, will work together in an open, honest, trust-based partnership in accordance with the principles of the Partnerships between Departments and ALBs: Code of Good Practice. As such, both parties will ensure that they have a good understanding of each other’s strategic aims and objectives and will keep each other informed of any significant issues and concerns.

1.2 The overall governance framework of the Environment Agency is defined and supported by legislation and a number of other documents reflecting the variety of the Environment Agency’s roles and relationships. These are described in Annex A. This Framework Document is consistent with the legal requirements placed on the Environment Agency and the Minister under the Environment Act 1995 (“the 1995 Act”).

1.3 The Framework Document is signed and dated by Defra and the Environment Agency. Copies of the document and any subsequent amendments have been placed in the Libraries of both Houses of Parliament and made available to members of the public on GOV.UK.

1.4 Any questions regarding the interpretation of this document shall be resolved by Defra and the Environment Agency or other government departments including the Treasury and/or the Cabinet Office, as necessary.

1.5 This Framework Document should be formally reviewed every three years with light touch annual reviews as necessary. Changes can be made by addendum in advance of formal reviews if required. Certain events could also trigger a review of Framework Documents, such as the appointment of a new Chair or Chief Executive Officer in the Environment Agency, or changes in senior personnel.

2. Status of the Environment Agency

2.1 The Environment Agency is a Non-Departmental Public Body (NDPB) and carries out its statutory and regulatory functions with technical expertise, impartiality and transparency, principally across England and at arm’s length from its principal sponsor, Defra. In addition, the Environment Agency also works with, and delivers duties on behalf of, a range of other UK Government departments.
2.2 The Environment Agency is led and directed by a Board, whose Chair, Deputy Chair and members are appointed by the Secretary of State.

2.3 The functions accorded to the Environment Agency, on and since April 1996, mean that it has distinct roles as a regulator, operator and advisor. The 1995 Act requires the Environment Agency to have regard to a principal aim described in guidance from the Secretary of State (SoS) (section 4); to provide the SoS with such advice and assistance as requested (section 37(2)); to act in accordance with directions given by the SoS (section 40) and financial duties determined by the SoS (section 44) and to provide information requested by the SoS (section 51). Sections 45 to 49 and 52 also contain SoS controls in relation to accounts, audit, grants, borrowing, loans and the annual report.

2.4 The Act also gives the Environment Agency wide powers to make charging schemes in relation to its functions, subject to SoS approval (sections 41 and 42) and to charge for services and facilities (section 43).

2.5 This Framework Document is consistent with the legal requirements placed on the Environment Agency and the SoS under sections 44 to 52 of the 1995 Act (financial provisions and information). It also constitutes, in relation to that Act:

- the determination by the SoS of the Environment Agency’s financial duties under section 44;
- the requirements of the SoS relating to the annual statement of the Environment Agency under section 45;
- the principles under which the SoS will lend or make grants to the Environment Agency, guarantee loans or agree to borrowing under sections 47 to 50;
- the requirements of the SoS in relation to the provision of information and annual reports, under section 51 to 52.

3. Purpose of the Environment Agency

3.1 The Environment Agency was established on 1 April 1996 under the Environment Act 1995. The Environment Agency’s main aim (as defined in that Act) is to protect or enhance the environment, contributing towards the objective of achieving sustainable development through its role as:

- an environmental regulator;
- an environmental operator;
- a monitor and advisor of the state of the environment;
- a landowner and manager;
• a technical advisor on the development of environmental policy;
• a promoter of scientific research in support of these roles;
• a category one responder dealing with incidents and emergencies.

3.2 The Environment Agency has statutory responsibilities in relation to the collection
and dissemination of environmental information, assessing the environmental impacts of
pollution, and promoting and understanding of methods for environmental and flood risk
protection and management.

3.3 The Environment Agency is a NDPB that works as part of the Defra group, with the
rest of government, local councils, businesses, civil society groups and local communities.
Its aim is to make our environment better for people to live in and work in, by working for
cleaner air, cleaner water and cleaner land that benefits people and wildlife and supports
the economy. Its current strategic objectives and how this aim will be achieved are set out

Taking on additional duties

3.4 The Government may ask the Environment Agency to take on additional functions
on a permanent or temporary basis. The decision to take on additional functions will be
made jointly by the Secretary of State and the Environment Agency Board.

Directions

3.5 The Secretary of State also has a power under section 40 of the 1995 Act to give
the Environment Agency general or specific directions as to the exercise of its functions.
Such directions should be published as soon as is reasonably practicable after the giving
of the direction. The Environment Agency complies with directions given under section 40.
A direction may be varied or revoked at any time.

Legal basis of powers and duties

3.6 As indicated in section 3.2, the Environment Agency has a wide range of statutory
duties and functions under the Environment Act 1995. It operates within a legal framework
containing numerous pieces of national and local environmental legislation which together
assign to it a broad range of environmental functions. This framework provides the
Environment Agency often, within the same piece of law, with a wide range of
environmental powers (for example, to place permit conditions in environmental permits to
protect the environment) and duties (for example, to determine applications for permits
made to it for permits under Environmental Permitting Regulations). The main areas
covered by this framework concern flood and coastal erosion risk management and
environmental protection. The framework covers a diverse range of environmental laws
including:
• Environmental Permitting (England and Wales) Regulations - the main environment permitting regime which controls potentially polluting activities (waste, industry, water quality, groundwater, radioactive substances and waste, mining waste) through a system of permits and exemptions;

• water resources - controls on the abstraction and impoundment of water including in relation to drought orders under the Water Resources Act 1991;

• reservoirs regulation under the Reservoirs Act 1975;

• carbon mitigation under the EU Emissions Trading Scheme and a range of domestic carbon mitigation and adaption measures;

• transfrontier shipment of waste and radioactive waste;

• navigation (for example, for the non-tidal Thames and the Medway navigations under local legislation);

• producer responsibility schemes (from Packaging Waste to End of Life Vehicles);

• fisheries legislation (for example, under the Salmon and Freshwater Fisheries Act 1975);

• responsibility for flood risk management on main rivers and coasts under primary, secondary and local legislation including a general supervisory duty for all flood and coastal erosion risk management and a power to issue flood warnings;

• responsibility for the operation of key flood risk assets empowered by local legislation (for example, the Thames Barrier and Flood Prevention Act 1972).

4. Key relationships

Parliament

4.1 The Environment Agency is accountable to Parliament via the Secretary of State. The organisation has specific responsibilities to submit evidence and to appear, when requested, to the Environment, Food and Rural Affairs (Efra) Committee to support the Committee in its role to examine the expenditure, administration and policy of the Department and its associated public bodies.

4.2 More broadly, the Agency may be invited to submit evidence to government consultations, other Parliamentary Committees or to engage in other ways with Parliamentary committees or constituency MPs. As an NDPB, the Environment Agency will liaise with the Department, and ensure its responses to Parliament Committees and consultations are based principally on fact, evidence and technical expertise and judgement.
Stakeholders

4.3 The Environment Agency has wide-ranging functions, and many people have a direct or indirect interest in its work. The Agency should operate in an open and transparent way with all customers and partners from across the private, public and not-for-profit sectors.

International relationships

4.4 The Environment Agency has power to provide advice and assistance to any person, whether in or outside the UK, as respects any matter in which it has skill or experience, subject to the agreement of the Secretary of State where the person for whom advice is provided is outside the UK. By way of this Framework Document, the Secretary of State agrees to the exercise of this power by the Environment Agency, including the right to travel internationally where appropriate to do so. Whilst the Environment Agency’s remit extends predominantly to England, it does retain some UK-wide duties, including the management of the Emissions Trading Scheme.

4.5 The Environment Agency does not speak on behalf of the UK Government or Defra, but will liaise closely with Defra and a wide range of other Government Departments and their agencies, including those of the Devolved Administrations on proposals for international agreement.

5. Operating as the Defra group

5.1 Defra and 10 of its delivery bodies, including the Environment Agency, have agreed a group operating model that supports joint working in pursuit of shared outcomes.

5.2 The organisations involved are working to deliver the strategic objectives set out in the Defra group strategy (Defra Strategy to 2020), guided by the design principles underpinning the Target Operating Model on the understanding that effective partnerships must be based on trust, clarity of accountability, and a shared understanding of purpose and outcomes.

5.3 The organisational model for the Defra group identifies six main areas where the organisations collectively deliver outcomes: food and farming, animal and plant health, floods and water, environmental quality, natural environment and rural, marine and fisheries. All the organisations involved in delivering outcomes in each area come together as an outcome system under the guidance of a system leader.

5.4 The group operating model does not replace the accountability of the Environment Agency Accounting Officer and Board or alter the powers, duties, and governance of the Environment Agency.

5.5 The Defra group Executive Committee (ExCo) is responsible for overseeing the strategic direction and tracking the performance of the Defra group from policy through to
delivery; and for strategic decisions that affect more than one organisation or set a precedent for the future. System leaders are members of ExCo, providing a direct connection to all the organisations within the group operating model. They are supported by outcome system groups bringing together leaders from all the organisations that contribute to delivering outcomes in that system.

5.6 As part of the group operating model, the Environment Agency Chief Executive, Chair and Board have certain responsibilities in addition to those detailed in Managing Public Money.

5.7 The Environment Agency Chief Executive is responsible for

- ensuring that the Environment Agency works in collaboration with other parts of the Defra group, in line with the principles of the group operating model, to secure the most efficient and effective delivery of outcomes;
- ensuring that the Environment Agency Board is fully engaged in any decision affecting the Environment Agency and other organisations where the Defra group Executive Committee has overall strategic responsibility;
- leading the Flood Risk Management and Environment Quality System, managing, guiding and coordinating the system to deliver strategic outcomes across the Defra group.

5.8 The Environment Agency Chair and Board should

- support the delivery of the Defra group’s objectives and champion Defra’s agenda;
- deliver the Environment Agency’s independent statutory duties;
- support the Executive in working collaboratively with other parts of the Defra group, building relationships with other Boards and helping to remove barriers to joint working;
- engage fully and constructively with strategic decision-making led by the Executive Committee where a decision impacts on the Environment Agency’s formal duties and responsibilities.

5.9 Partnership working arrangements will be put in place between the Environment Agency and the new integrated corporate functions to ensure that the appropriate information is shared on business requirements. This will enable delivery to be appropriately planned and prioritised, thereby continuing to enable and support the delivery of wider business objectives and ensuring that organisations are able to meet their statutory obligations under other external regulators and regulation.
6. Ministerial responsibility

6.1 The Secretary of State for Environment, Food and Rural Affairs will account for business in Parliament.

6.2 The role of the Secretary of State is to:

- agree the Environment Agency’s overall priorities and objectives;
- allocate resources to the Environment Agency for its activities and with Treasury Ministers, to approve the Environment Agency’s charging schemes or amendments to such schemes;
- monitor the performance and accountability of the Defra group Corporate Services functions to ensure adequate service provision is available for the Environment Agency to fulfil its statutory duties under the Environment Act;
- monitor the performance of the Environment Agency through regular Ministerial Performance Reviews with the Chair of the Environment Agency and through reports to Defra’s Executive Committee and the Defra Board;
- keep Parliament informed about the Environment Agency’s performance and answer Parliamentary Questions after consultation with the Environment Agency where appropriate;
- appoint a Chair and members of the Environment Agency Board;
- confirm the appointment of the Environment Agency’s Chief Executive;
- issue any general guidance or specific directions;
- lay copies of the Environment Agency’s annual report and accounts before Parliament each year.

6.3 This document refers to the Secretary of State but in practice he/she may empower another Defra Minister to act on his or her behalf.

7. The Environment Agency Board

7.1 The Environment Agency Chair and board members are normally appointed for a period of three years by the responsible minister. Such appointments are regulated in line with the current requirements set out by government. In accordance with the Environment Act 1995, section 1, the Board consists of a Chair and no less than eight or more than fifteen other members. The Secretary of State may appoint one of the board members as Deputy Chair.
7.2 In line with the government’s Code of Good Practice the Board shall have a balance of skills and experience appropriate to fulfilling the Environment Agency’s business.

7.3 The Board is responsible for:

- establishing and taking forward the strategic aims and objectives of the Environment Agency within the policy and resources framework determined by the Secretary of State and in line with the relevant legislation;

- agreeing an Action Plan that sets out the Environment Agency’s specific delivery commitments and approving the appropriate allocation of resources;

- supporting the delivery of Defra group objectives whilst respecting the independent statutory duties of the Environment Agency;

- ensuring effective arrangements are in place to provide assurance on risk management, governance and internal control (see section 12);

- ensuring that any statutory or administrative requirements for the use of public funds are complied with; that the Board operates within the limits of its statutory authority and any delegated authority agreed with Defra, and in accordance with any other conditions relating to the use of public funds; and that in reaching decision, the Board takes into account any relevant guidance issued by Defra or by the Government more broadly;

- ensuring that the responsible Minister and Defra are kept informed of any changes which are likely to impact on the strategic direction of the Environment Agency;

- ensuring that the Board receives and reviews regular performance and financial information concerning the delivery against the agreed Action Plan of the Environment Agency; is informed in a timely manner about any concerns about its activities; and provides positive assurance to Defra that appropriate action has been taken on such concerns;

- demonstrating high standards of corporate governance at all times, including by using the independent audit committee to help the Board to address key financial and other risks;

- approval (e.g. of new charging schemes and high-value business cases);

- appointing a Chief Executive and setting performance objectives linked to these objectives;

- complying at all times with the Code of Conduct for Board Members of Public Bodies and with the rules relating to the use of public funds and to conflicts of interest;
• proactively engaging in succession planning and identification of potential candidates for future Board appointments.

7.4 Ministers and senior Defra group representatives will engage with the Board and, where appropriate and in agreement with the Chair, attend meetings where this might aid discussion or help inform decision making.

The Chair’s responsibilities

7.5 The Chair is responsible to the named minister for the overall leadership, direction and effectiveness of the Environment Agency. The Chair will represent the Environment Agency and will be the primary contact with Ministers for the Board, raising issues with Ministers as appropriate and ensuring that the other board members are kept aware of such communications.

7.6 In addition, the Chair has the leadership responsibility to:

• formulate the Board’s strategy;

• demonstrate appropriate leadership and support a culture of ambition and inclusion in line with Environment Agency strategies and plans;

• drive the culture of collaborative working with the Defra group and OGDs as appropriate to make the best use of resources available and to maximise outcomes and multiple benefits;

• ensure the Board takes proper account of guidance or strategy provided by Defra or Ministers when reaching decisions;

• ensure there is a Board Operating Framework and strategy in place setting out the role and responsibilities of the Board;

• drive efficiency and effectiveness;

• deliver high standards of regularity and propriety in accordance with Nolan’s Seven Principles of Public Life;

• represent the views of the Board to the general public.

The Chair also has an obligation to:

• set his/her objectives with the Secretary of State;

• ensure the Board is run in line with good governance practices including those sections of the Corporate Governance in Central Government Departments: Code of Good Practice appropriate for arm’s length bodies;
• review the work of the Board and its individual members annually to ensure the Board is working effectively and that board members are aware of the terms of their appointment, their duties, rights and responsibilities;

• receive, together with other Board members, appropriate induction to enable them to discharge their duties in line with *Managing Public Money*;

• ensure the Board has a balance of skills appropriate to directing Environment Agency business;

• advise the responsible Minister of the Environment Agency’s needs with as much notice as possible before board vacancies arise.

**Individual Board member’s responsibilities**

7.7 Individual board members should comply at all times with the *Code of Conduct for Board Members of Public Bodies* and with the rules relating to the use of public funds and to conflicts of interest:

• not misuse information gained in the course of their public service for personal gain or for political profit, nor seek to use the opportunity of public service to promote their private interests or those of connected persons or organisations;

• comply with the board’s rules on the acceptance of gifts and hospitality, and of business appointments;

• act in good faith and in the best interests of the Environment Agency.

8. **Defra’s Principal Accounting Officer (PAO)**

8.1 The Principal Accounting Officer (PAO) of Defra has designated the Chief Executive as the Environment Agency’s Accounting Officer (The respective responsibilities of the PAO and accounting officers for ALBs are set out in Chapter 3 of *Managing Public Money*.)

8.2 The PAO is accountable to Parliament for the issue of any grant-in-aid to the Environment Agency. As such, he/she is directly accountable for the grant-in-aid paid by the Secretary of State to the Environment Agency in England. The PAO is also required to advise the responsible Minister on:

• an appropriate framework of objectives and targets for the Environment Agency in line with the Defra group strategic aims and priorities;

• an appropriate budget for the Environment Agency in the light of Defra’s overall public expenditure priorities;
• how well the Environment Agency is achieving its strategic objectives and whether it is delivering value for money.

8.3 The PAO is also responsible for ensuring arrangements are in place that enable strategic oversight and review of performance and delivery, including:

• addressing significant problems in the Environment Agency, making such interventions as are judged necessary;

• carrying out assessments of the risks both to Defra and the Environment Agency’s objectives and activities;

• informing the Environment Agency of relevant government policy in a timely manner;

• bringing any concerns about the activities of the Environment Agency to the full Environment Agency board requiring explanations and assurances that appropriate action has been taken.

9. The Environment Agency Chief Executive as Accounting Officer

9.1 The Chief Executive is recruited through open competition. The appointment is made by the Board and is subject to approval by the Secretary of State. On appointment the Chief Executive may become an executive member of the Board alongside non-executive members, subject to approval by the Secretary of State. The Board should set performance objectives for the Chief Executive which reflect both the Accounting Officer (AO) responsibilities and the Chief Executive’s role in ensuring the Environment Agency delivers its stated priorities and statutory responsibilities.

9.2 The Chief Executive as accounting officer is responsible for safeguarding the public funds for which he or she has charge, for ensuring propriety, regularity and value for money in the handling of those public funds and for the day-to-day operations and management of the Environment Agency. In addition, he or she should ensure that the Environment Agency in terms of governance, decision-making and financial management, is run on the basis of the standards as set out in Managing Public Money.

Responsibilities for accounting to Parliament

9.3 The accountabilities include:

• signing the accounts to confirm that the accounts are properly prepared and presented in accordance with any directions issued by the Secretary of State;
• preparing and signing a Governance Statement covering corporate governance, risk management and oversight of any local responsibilities, for inclusion in the annual report and accounts;

• ensuring that effective procedures for handling complaints about the Environment Agency are established and made widely known within the organisation, and available externally for customers to use;

• acting in accordance with the terms of this document, Managing Public Money and other instructions and guidance issued from time to time by the Department, the Treasury and the Cabinet Office;

• giving evidence, normally with the PAO, when summoned before the Public Accounts Committee on the Environment Agency’s stewardship of public funds;

• calling on the support that he/she requires from Defra Corporate Services to meet these accountabilities.

Responsibilities to Defra

9.4 Responsibilities to Defra include:

• establishing the Environment Agency’s contributions to the Defra group Strategy and Single Departmental Plan;

• ensuring that timely forecasts and monitoring information on performance and finance are provided to Defra; that Defra is notified promptly if over or under spends are likely and that corrective action is taken; and that any significant problems whether financial or otherwise, and whether detected by internal audit or by other means, are notified to Defra in a timely fashion;

• informing Defra of progress in helping to achieve Defra group objectives and in demonstrating how resources are being used to achieve those objectives;

• driving the culture of collaborative working with the Defra group to make the best use of resources available and to maximise outcomes and multiple benefits;

• ensuring robust and effective dispute resolution systems are in place, in order to identify and address issues promptly and effectively.

Responsibilities to the Environment Agency Board

9.5 The Chief Executive as Accounting Officer is responsible for:

• advising the Board on the discharge of their responsibilities as set out in this document, in the founding legislation and in any other relevant instructions and guidance;
• advising the Board on the Environment Agency’s performance;

• ensuring that financial considerations are taken fully into account by the Board at all stages in reaching and executing its decisions, and that financial appraisal techniques are followed;

• taking action if the Board or its Chair, is contemplating a course of action involving a transaction which the Chief Executive considers would infringe the requirements of propriety or regularity or does not represent prudent or economical administration, efficiency or effectiveness, is of questionable value, or is unethical;

• ensuring that all public funds made available to the Environment Agency including any approved income or other receipts are used for the purpose intended by Parliament, and that such monies, together with Environment Agency assets, equipment and staff, are used economically, efficiently and effectively ensuring that the Environment Agency acts in accordance with its statutory remit and that all associated legal risks are effectively managed;

• ensuring that a system of risk management is maintained to inform decisions on financial and operational planning and to assist in maintaining and improving performance;

• ensuring that adequate internal management and financial controls are maintained by the Environment Agency, including effective measures against fraud and theft;

• maintaining a comprehensive system of internal delegated authorities which are notified to all staff, together with a system for regularly reviewing compliance with these delegations;

• ensuring that effective personnel management policies are maintained;

• recruiting, leading and motivating the senior management team and staff including the development of an organisational culture that promotes high performance and commitment;

• promoting and maintaining effective customer, stakeholder and partner engagement and collaboration at strategic and operational levels to ensure good understanding and responsive management of customer and stakeholder needs and concerns.

10. Transparency, audit and scrutiny

Annual Report and accounts

10.1 The Environment Agency Board must publish its Annual Report and Accounts (ARA) after the end of each financial year. The Environment Agency shall provide Defra
with its finalised (audited) accounts in line with the agreed timetable each year in order for
the accounts to be consolidated within Defra’s.

10.2 The Environment Agency’s ARA must be approved by the appropriate Defra
Minister and signed by the Comptroller and Auditor General (C&AG) before being laid
before the House of Commons. The ARA must also be published on GOV.UK once the
document has been laid before Parliament.

10.3 The Annual Report must comply with the Treasury’s Financial Reporting Manual
(FreM).

Internal Audit

10.4 The Environment Agency shall:

- establish and maintain arrangements for internal audit in accordance with the
  Treasury’s Public Sector Internal Audit Standards (PSIAS);
- ensure that their Internal Audit team have complete access to all relevant records
  within the organisation;
- ensure that the competencies and professional qualifications of the Head of Internal
  Audit meet the requirements of PSIAS;
- share the audit strategy, periodic audit plans, all final audit reports and annual audit
  report, including the Environment Agency Head of Internal Audit opinion on risk
  management, control and governance with Defra;
- keep records of, and forward to Defra an annual report on fraud, error and theft
  suffered by the Environment Agency and notify Defra of any unusual or major
  incidents as soon as possible.

Audit of Receipts and Payments from the European Union (EU)

10.5 Where the Environment Agency receives funding from the EU, it may be subject to
an audit by the European Court of Auditors. It may also be subject to audit from other
auditors acting under the terms governing the provision of the financial assistance or the
protocol arrangements agreed between government departments and the EU.

External audit

10.6 The C&AG passes the audited accounts to the Secretary of State who will lay the
accounts together with the C&AG’s report before Parliament. In the event that the
Environment Agency has set up and controls subsidiary companies, the Environment
Agency will (in the light of the provisions in the Companies Act 2006) ensure that the
C&AG is appointed auditor of those company subsidiaries that it controls and/or whose
accounts are consolidated within its own accounts. The Environment Agency shall discuss with Defra the procedures for appointing the C&AG as auditor of the companies.

10.7 The C&AG:

- will consult Defra and the Environment Agency on whom – the National Audit Office (NAO) or a commercial auditor – shall undertake the audit(s) on his behalf, though the final decision rests with the C&AG;

- has a statutory right of access to relevant documents, including by virtue of section 25(8) of the Government Resources and Accounts Act 2000, held by another party in receipt of payments or grants from the Environment Agency;

- will share with Defra information identified during the audit process and the audit report (together with any other outputs) at the end of the audit, in particular on issues impacting on Defra’s responsibilities in relation to financial systems within the Environment Agency;

- will, where asked, provide Defra and other relevant bodies with Regulatory Compliance Reports and other similar reports which Defra may request at the commencement of the audit and which are compatible with the independent auditor's role.

10.8 The C&AG may carry out examinations into the economy, efficiency and effectiveness with which the Environment Agency has used its resources in discharging its functions. For the purpose of these examinations the C&AG has statutory access to documents as provided for under section 8 of the National Audit Act 1983. In addition, the Environment Agency shall provide, in conditions to grants and contracts, for the C&AG to exercise such access to documents held by grant recipients and contractors and sub-contractors as may be required for these examinations; and shall use its best endeavours to secure access for the C&AG to any other documents required by the C&AG which are held by other bodies.

Right of access

Defra has the right of access to all Environment Agency records and personnel for any lawful purpose including for example, audits and operational investigations.

11. Risk management

11.1 The Environment Agency shall ensure that the risks that it faces are dealt with in an appropriate manner, in accordance with relevant aspects of best practice in corporate governance, and in line with the Defra risk strategy and framework, adopting the principles contained within the Treasury guidance *Management of Risk: Principles and Concepts*. Applying the common Defra group risk language, risks should be escalated where required and fully contribute to an annual central review of all of their corporate risks.
11.2 It should adopt and implement policies and practices to safeguard itself against fraud, error, bribery, money laundering and theft, in line with the Treasury’s guidance.

11.3 It should also take all reasonable steps to appraise the financial standing of any firm or other body with which it intends to enter into a contract or to give grant or grant-in-aid.

11.4 The Chief Executive can call upon the support that he/she requires from Defra Corporate Services to discharge these duties.

12. Audit and Risk Assurance Committee

12.1 The Environment Agency Board has a responsibility to ensure that proper internal audit and risk arrangements are established and maintained, and for that purpose should establish an Audit, Risk and Assurance Committee (ARAC) in accordance with Managing Public Money and the Cabinet Office’s Guidance on Codes of Practice for Public Bodies. The Environment Agency should develop a risk management strategy, in accordance with HM Treasury guidance Management of Risk: Principles and Concepts.

12.2 The Internal Audit service should provide regular reports to the Chief Executive and also report regularly to the Members of the Environment Agency Board, through the ARAC which will be chaired by a non-executive Member of the Environment Agency, on its programme, agreed management actions and their implementation. The Internal Audit service shall have direct access to the Accounting Officer and to the Members of the Board, usually through the ARAC. The Board or ARAC may deal directly with the Head of Internal Audit.

12.3 To assist with the provision of assurance to the Principal Accounting Officer the Environment Agency will ensure that the agenda and minutes and papers of all ARAC meetings are also shared with Defra’s group Chief Internal Auditor (GCIA). The Environment Agency will also extend an invitation, at its discretion, to Defra’s GCIA to attend ARAC meetings. Defra will provide copies of its ARAC agenda and meeting minutes to the Chair of the Environment Agency ARAC.

13. Freedom of Information

13.1 The Environment Agency is subject to the Freedom of Information Act 2000 (FOIA) and the Environmental Information Regulations 2004 (EIR) which ensure that the public can, on request, be given access to information, in accordance with its statutory obligations.

14. Maladministration

14.1 The Local Government Ombudsman investigates complaints relating to flooding and land drainage. The Parliamentary and Health Service Ombudsman may investigate all other complaints against the Environment Agency.
15. Managing Public Money and other government-wide corporate guidance and instructions

15.1 Unless agreed by Defra and, as necessary, HM Treasury, the Environment Agency shall follow the principles, rules, guidance and advice in Managing Public Money, referring any difficulties or potential bids for exceptions to Defra in the first instance. A list of guidance and instructions with which the Environment Agency should comply is in Annex A.

15.2 Once the budget has been approved by Defra (and subject to any restrictions imposed by statute or to the responsible Minister’s instructions) the Environment Agency shall have authority to incur expenditure approved in the budget without further reference to Defra on the following conditions:

- The Environment Agency shall comply with the delegated financial limits agreed with Defra and set out in an annual Delegated Authority Document issued prior to the commencement of a new financial year (see paragraph 17.1). These delegations shall not be altered without the prior agreement of Defra;

- The Environment Agency shall comply with Managing Public Money regarding novel, contentious or repercussive proposals;

- Inclusion of any planned and approved expenditure in the budget shall not remove the need to seek formal departmental approval where any proposed expenditure is outside the delegated limits as set out in the annual Delegated Authority Document;

- The Environment Agency shall provide Defra with such information about its operations, performance on individual projects or other expenditure as Defra may reasonably require, taking account of the need for the Environment Agency to operate within constrained resources;

- The Environment Agency, Defra, HM Treasury and the Cabinet Office have agreed what management and financial information will be required over the course of a year. Central government and the department are mindful of the need to avoid duplicate requests for the same information, and recognise the need to minimise reporting costs for the Environment Agency.

16. Management and financial responsibilities

Business Planning

16.1 Action plans will be required to establish how objectives in Defra’s Single Departmental Plan are to be delivered. The Action Plan and joint local area plans developed collaboratively across the Defra group should set out delivery of objectives, outputs, performance targets, drive for efficiency, costs and resources.
16.2 The plans should be developed and agreed through the Defra group business planning process. The plans will reflect indicative allocations and priorities and will be agreed by ExCo and the Board and then approved by Ministers and made available to the public through GOV.UK.

**Budgeting procedures**

16.3 Prior to the start of the financial year and in light of the decisions relating to financial provision including the proper use of fees and charges in line with *Managing Public Money*, and the policy delivery requirements of Defra, the Environment Agency will receive:

- a formal statement of the annual budgetary provision allocated by Defra in the light of competing priorities across the department and of any forecast income approved by Defra;
- notification of any planned changes in Defra or wider government policy affecting Environment Agency delivery and policy functions. These will be discussed and agreed as part of an on-going dialogue between the Environment Agency and Defra and recorded as part of the regular performance process;
- an updated annual delegation letter if any changes are made by Defra to the budget.

**Grant-in-aid and any ring-fenced grants**

16.4 Any grant-in-aid provided by Defra for the year in question will be voted in Defra’s Supply Estimate and be subject to Parliamentary control.

16.5 The grant-in-aid will normally be paid in monthly instalments on the basis of written applications showing evidence of need. The Environment Agency will comply with the general principle, that there is no payment in advance of need. Cash balances accumulated during the course of the year from grant-in-aid or other Exchequer funds shall be kept to a minimum level consistent with the efficient operation of the Environment Agency. Grant-in-aid not drawn down by the end of the financial year shall lapse. Subject to approval by Parliament of the relevant Estimates provision, where grant-in-aid is delayed to avoid excess cash balances at the year-end, Defra will make available in the next financial year any such grant-in-aid that is required to meet any liabilities at the year end, such as creditors.

16.6 In the event that Defra provides the Environment Agency with separate grants for specific (ring-fenced) purposes, it would issue the grant as and when the Environment Agency needed it on the basis of a written request. The Environment Agency would provide evidence that the grant was used for the purposes authorised by Defra. The Environment Agency shall not have uncommitted grant funds in hand, nor carry grant funds over to another financial year without the agreement of Defra.
17. Corporate governance

Delegated financial authorities

17.1 Delegations are issued annually from the Principal Accounting Officer in Delegated Authority Documents which provide the detail of specific delegations for the Accounting Officer of each organisation within the Defra accounting boundary. The Environment Agency shall obtain Defra’s prior written approval before:

- entering into any undertaking to incur any expenditure that falls outside the delegations or which is not provided for in the Environment Agency’s annual budget as approved by Defra;
- incurring expenditure for any purpose that is or might be considered novel or contentious, or which has or could have significant future cost implications;
- making any significant change in the scale of operation or funding of any initiative or particular scheme previously approved by Defra;
- making any change of policy or practice which has wider financial implications that might prove repercussive or which might significantly affect the future level of resources required; or
- carrying out policies that go against the principles, rules, guidance and advice in Managing Public Money.

Policies

17.2 The Environment Agency maintains and follows fit for purpose policies on the exercise of regulatory functions, propriety and whistle-blowing.

Risk management

17.3 The Environment Agency ensures that the risks it faces are dealt with in accordance with relevant aspects of best practice in corporate governance, and in line with the Defra risk strategy and framework, adopting the principles contained within the Treasury guidance Management of Risk: Principles and Concepts. Risks should be escalated where required and fully contribute to an annual central review of all of their corporate risks.

17.4 The Environment Agency adopts and implements policies and practices to safeguard itself against fraud, error, bribery, money laundering and theft, in line with the Treasury’s guidance.

17.5 The Environment Agency also takes all reasonable steps to appraise the financial standing of any firm or other body with which it intends to enter into a contract or to give grant or grant-in-aid.
18. Environment Agency as an employer

Broad responsibilities for staff

18.1 Within the arrangements approved by the responsible minister and the Treasury, the Environment Agency will have responsibility for the recruitment, retention and motivation of its staff. The broad responsibilities toward its staff are to ensure that:

- the rules for recruitment and management of staff create an inclusive culture in which diversity is fully valued; appointment and advancement is based on merit: there is no discrimination on grounds of gender, marital status, sexual orientation, race, colour, ethnic or national origin, religion, disability, community background or age;
- the level and structure of its staffing, including grading and staff numbers, are appropriate to its functions and the requirements of economy, efficiency and effectiveness;
- the performance of its staff at all levels is satisfactorily appraised and Environment Agency performance measurement systems are reviewed from time to time;
- its staff are encouraged to acquire the appropriate professional, management and other expertise necessary to achieve the organisation’s objectives;
- proper consultation with staff (or elected representatives when appropriate) takes place on key issues affecting them;
- adequate grievance and disciplinary procedures are in place;
- whistle-blowing procedures consistent with the Public Interest Disclosure Act 1998; and
- Defra whistleblowing policies are in place;
- a code of conduct for staff is in place based on the Cabinet Office’s Model Code for Staff of Executive Non-departmental Public Bodies.

Staff costs

18.2 Subject to its delegated authorities, the Environment Agency shall ensure that the creation of any additional posts does not incur forward commitments that will exceed its ability to pay for them.

Pay and conditions of service

18.3 Environment Agency staff are subject to levels of remuneration and terms and conditions of service (including pensions) within the general pay structure approved by
Defra and the Treasury. The Environment Agency has no delegated power to amend these terms and conditions except where prior approval has been given by the department to vary such terms. The department should have regard to the Cabinet Office publication, *Public Bodies: A Guide for Departments*.

18.4 Staff terms and conditions are set out in an Employee Handbook, which should be provided to the department together with subsequent amendments.

18.5 The Environment Agency shall operate a performance-related pay scheme that shall form part of the annual aggregate pay budget approved by Defra and the Treasury.

18.6 The Environment Agency shall comply with the EU Directive on contract workers, the Fixed-Term Employees (Prevention of Less Favourable Treatment) Regulations.

18.7 The expenses of Board members are the same as the rates and conditions allowed to senior staff. Reasonable actual costs shall be reimbursed. The time commitments for individual Board members shall be agreed between the Chair and the Secretary of State. Any review or revisions to these shall be agreed with Defra.

**Pensions, redundancy and compensation**

18.8 The Environment Agency is an administering and employing authority for the Local Government Pension Scheme and contractually enrolls all eligible staff. The Environment Agency may not make alternative arrangements for providing occupational pension benefits without the prior approval of the Department and DCLG.

18.9 The Environment Agency is an employing authority as defined in Schedule 2 to the Local Government Pension Scheme (1997). The Environment Agency must therefore ensure that their compensation schemes operate in accordance with the relevant Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations.

18.10 The Environment Agency operates compulsory redundancy and voluntary early release schemes that have been approved by Defra and will seek approval from Defra for any scheme changes that represent a degree of betterment. Proposals on redundancy and severance payments must comply with *Managing Public Money*, Annex 4.13. Any member of staff treated outside this arrangement could be viewed as a novel or contentious payment and approval from HMT is required.

**19. Environment Agency Pension Arrangements**

**Background**

19.1 The Environment Agency is responsible for the EA Active Pension Fund and the EA Closed Pension Fund. These are statutory public service occupational pension schemes, providing retirement benefits to current and past employees, and their dependants.
19.2 The Active Fund is open to all eligible Environment Agency employees as well as employees of certain other employers with close connections to the Environment Agency. The Closed Fund has no employed members. It exists to provide benefits to deferred and pensioner members who were employed by the former water authorities. The Closed Fund’s liabilities are met under grant-in-aid paid to the EA by Defra, the detailed terms of which are set out in a Memorandum of Understanding signed on 17 May 2005.

Statutory and regulatory background

19.3 The Active and Closed Funds are part of the Local Government Pension Scheme (LGPS). The principal regulations are the Local Government Pension Scheme Regulations 2013 and the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016. Reflecting the statutory framework for all public service pension schemes prescribed in the Public Service Pensions Act 2013, they set out the provisions relating to membership, benefits, contributions, funding and investment matters. Other regulations relate to such matters as taxation, discretionary benefits and certain transitional arrangements.

19.4 The Department for Communities and Local Government issues statutory guidance relating to the governance and administration of the LGPS. The Pensions Regulator is responsible for the oversight of such matters, in accordance with the relevant regulatory requirements. Other bodies such as the Government Actuary's Department and the Pensions Ombudsman, have regulatory responsibilities which also impact on the LGPS.

Environment Agency as administering authority

19.5 The Environment Agency is the administering authority for both Funds. In that capacity, it owes fiduciary obligations to the beneficiaries under general public principles, and is required to ensure the prudent management of the Funds' assets. Those assets are held and managed separately from the Environment Agency's other assets.

19.6 In its role as the administering authority, the Environment Agency commissions triennial valuations. These valuations assess the financial health of each Fund relative to their liabilities, and provide the basis of forward-looking funding agreements with all the employers participating in the Funds, and feed into the Funds’ ongoing investment strategies. In addition, an annual report and audited financial statements relating to each Fund are prepared and externally audited.

Pensions Committee

19.7 The Environment Agency Board has delegated its administering authority responsibilities to a Pensions Committee. The basis of such delegation is set out in formal Terms of Reference and a Scheme of Delegation. The Pensions Committee therefore acts as the administering authority for both Funds, in accordance with powers and duties delegated to it by the Board.
Environment Agency as scheme employer

19.8 As a scheme employer in the LGPS, the Environment Agency is required to deduct and pay member and employer contributions into the Active Fund. The level at which employer contributions are payable is set at the time of each triennial valuation. Any other employers participating in the Active Fund have similar obligations.

19.9 The Environment Agency can exercise certain scheme employer discretions under the LGPS Regulations, and these are set out in a written discretions policy.

19.10 The Environment Agency is responsible for paying out of revenue certain other pension liabilities relating to legacy pension arrangements. The funding cost for these liabilities is projected by the pension fund actuaries and funded through a separate ring-fenced portion of grant-in-aid paid by Defra.

19.11 The Environment Agency’s scheme employer responsibilities are not delegated to the Pensions Committee.

20. Review of Environment Agency status (and winding-up arrangements)

20.1 The Environment Agency will be reviewed in line with Defra and Cabinet Office requirements.

Arrangements in the event that the Environment Agency is wound up

20.2 Defra shall put in place arrangements to ensure the orderly winding up of the Environment Agency. In particular it should ensure that the assets and liabilities of the Environment Agency are passed to any successor organisation and accounted for properly. To this end, Defra shall:

- ensure that procedures are in place in the Environment Agency to gain independent assurance on key transactions, financial commitments, cash flows and other information needed to handle the wind-up effectively and to maintain the momentum of work inherited by any residuary body;

- specify the basis for the valuation and accounting treatment of Environment Agency assets and liabilities;

- ensure that arrangements are in place to prepare closing accounts and pass to the C&AG for external audit, and that, for non-Crown bodies funds are in place to pay for such audits. It shall be for the C&AG to lay the final accounts in Parliament, together with his report on the accounts;

- arrange for the most appropriate person to sign the closing accounts. In the event that another organisation takes on the role, responsibilities, assets and liabilities,
the succeeding Accounting Officer should sign the closing accounts. In the event that Defra inherits the role, responsibilities, assets and liabilities, Defra’s Accounting Officer should sign;

- ensure that the Environment Agency Chief Executive has the support that he/she requires from Defra Corporate Services in order to discharge their duties in this event;

- ensure the statutory obligations in relation to the Environment Agency Active and Closed Pension Funds are passed to a successor body in line with LGPS Regulations and overriding pension legislation.

20.3 The Environment Agency shall provide Defra with full details of all agreements where the Environment Agency or its successors have a right to share in the financial gains of developers. It should also pass to Defra details of any other forms of claw-back due to the Environment Agency.
Signatures

For Defra

Signed

(on behalf of Defra)

Peter Lee

Director (Devolution, Legislation, Governance and Private Office)

For Environment Agency

Signed

James Bevan

Chief Executive, Environment Agency
ANNEX A : Compliance with government-wide corporate guidance and instructions

The Environment Agency shall comply with the following general guidance documents and instructions:

This Framework Document;

Appropriate adaptations of sections of Corporate Governance in Central Government Departments: Code of Good Practice

Code of Conduct for Board Members of Public Bodies
https://www.bl.uk/aboutus/governance/blboard/BoardCodeofPractice2011.pdf

Managing Public Money (MPM); https://www.gov.uk/government/publications/managing-public-money

Cabinet Office Code of Good Practice Partnerships between departments and arm’s-length bodies

Fees and Charges Guide, Chapter 6 of Managing Public Money;

Departmental Banking: A Manual for Government Departments;

Relevant Freedom of Information Act guidance and instructions (Ministry of Justice);

Public Sector Internal Audit Standards,

Management of Risk: Principles and Concepts;

HM Treasury Guidance on Tackling Fraud,

Government Financial Reporting Manual (FReM),

Regularity, Propriety and Value for Money,

The Parliamentary and Health Service Ombudsman’s Principles of Good Administration
Sponsor: Chief Executive

Title: Chief Executive’s update

<table>
<thead>
<tr>
<th>Please clearly state what decision you are seeking from the meeting</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Board is asked to note the update on key topics since the last meeting.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Governance</th>
</tr>
</thead>
<tbody>
<tr>
<td>What meetings/groups have already reviewed this item?</td>
</tr>
<tr>
<td>N/A</td>
</tr>
</tbody>
</table>

| What meetings/groups need to review this item next? |
| N/A |

| Are there any risks associated with the evidence and analysis in the paper? |
| N/A |

| How will the key messages/decisions be communicated? |
| N/A |

| No legal annex is required. |

Form completed by: Kathryn McDonald
Date: 11 July 2017
1.0 Strategic review of charges (SRoC)

1.1 The Environment Agency is continuing to progress at pace to review our regulatory charges to implement new charges from April 2018. The programme is on track but timescales remain incredibly tight. The intention is to consult in mid-September but we will need Ministerial approval to do so. The Environment Agency will continue to work closely with Defra officials to manage this. There is scope to reduce the length of the consultation but launching it by early October is critical to achieving April 2018 implementation. Contingency options are being produced in the event of delays.

1.2 A focus over the past month has been to put a submission to Ministers following the General Election. We hope to get a view from them on our proposals before seeking formal approval to consult in the autumn.

1.3 The Environment Agency has also continued its discussions with trade associations to cover the general framework of the charging scheme. Further meetings will be held with them to discuss the proposed charges and how they will change.

1.4 All of the Environment Agency’s charge proposals must be approved by the Defra Fees and Charges Assurance Group. This work is progressing in parallel to seeking Ministerial approval. So far, charge proposals for EU Emissions Trading Scheme (EU ETS), Waste Electrical and Electronic Equipment Regulations (WEEE) and navigation have been submitted. The remaining proposals will be submitted over the next 2-3 weeks. They will then be submitted to HM Treasury for approval.

2.0 Civil claim brought by Manchester Ship Canal Company (MSCC)

2.1 We have successfully defended the Environment Agency against a £13 million civil claim for damages from Manchester Ship Canal Company. The claim relates to flooding on Boxing Day 2015 which MSCC alleged was caused by our lack of dredging on the River Irwell which MSCC argued we were obliged to carry out under a 1963 Agreement. After initially issuing arbitration proceedings, MSCC issued proceedings in the High Court to determine liability. We resisted the claim because we disagreed with the calculation of damages, and because the pre-conditions for claiming under the Agreement and Act (the installation of a new gauging station) had not been met. We applied to strike out its Claim as having no prospects of success because the new gauging station had not been installed. On the 30 May 2017 the case was struck out by the High Court who agreed with us. MSCC were ordered to pay our legal costs of £8000.

3.0 Tesco Stores LTD

3.1 In July 2014 some 23,500 litres of unleaded petrol were lost from a filling station operated by Tesco Stores Ltd (Tesco) at its Haslingden store in Lancashire. Some of that fuel entered Langwood Brook and the River Irwell causing significant pollution. Petrol also entered the local sewer network, causing fumes to enter nearby homes.
3.2 A multi-agency response was required, involving the Environment Agency, Fire Service, Police, United Utilities Water and the Local and County Council Authorities. Operation Merlin (a procedure for dealing with major incidents in Lancashire) was declared in order to manage the multi-agency response. Environment Agency officers observed dead fish over a 2km stretch of the River Irwell downstream of its confluence with Langwood Brook. We commenced prosecution proceedings for a pollution offence jointly with Lancashire County Council who brought proceedings for offences relating to inadequate risk assessment, Tesco’s response to the escape of the petrol and their incident prevention systems.

3.3 On 15 June 2017, at Preston Crown Court, Tesco was fined £8 million pounds, being £3 million for the environmental offence and £5 million for the health and safety matters prosecuted by the County Council. The Judge said this was a serious case with significant failings by Tesco. He said that Tesco’s initial investigation of the incident was inadequate and its written response to interviews under caution was also unsatisfactory. He found that the environmental offending was reckless.

4.0 Price Review 2019 (PR19)

4.1 The 2019 Price Review (PR19) is the seventh review of water company prices since privatisation in 1989. It is key to us achieving our strategic priorities. Our involvement in PR14 secured environmental investment of at least £3.5bn which will enhance more than 3000km of rivers.

4.2 PR19 presents a significant opportunity to mobilise additional funding to secure wider benefits for customers and the environment. This includes contributing to reduced flood risk and better protecting people and properties. We are at a critical stage of the process with Government and regulators producing strategic advice and water companies starting to engage with customers and developing their plans. There are three themes emerging for this price review – resilience, environmental enhancement and affordability.

4.3 The Water Industry National Environment Programme (WINEP) is the programme of enhancements that water companies need to include in their business plans to meet environmental requirements. This is our biggest contribution to the price review. On 31 March we issued the first release (WINEP1) to water companies. This includes the latest information on sustainability changes needed to resolve low flow issues and proposed water quality improvement schemes and measures to meet eels, biodiversity and invasive species obligations. We are now working to consolidate investigations into catchment programmes that will allow greater stakeholder engagement.

4.4 Defra has asked the Environment Agency and Natural England to work with the Drinking Water Inspectorate to provide a steer to water companies on strategic priorities for the next PR19. This replaces the Statement of Obligations, traditionally published by Defra. We have drafted a joint document titled Water Industry Strategic Environmental Requirements (WISER) with Natural England.

4.5 WISER highlights 3 outcomes we want water companies to achieve during PR19 - delivering excellent performance, enhancing the environment and...
improving resilience. The document sets out our expectations of water companies and their legal obligations relating to enhanced river catchments, secure and sustainable water use, improved raw drinking water, cleaner and healthier seas, flood protection and controlling emissions. In achieving these outcomes we want companies to share and adopt best practice and seek new ways of meeting performance commitments and the needs of their customers. Companies are being asked to value the environment, embrace innovation and seek partnerships.

4.6 The draft WISER was circulated to water companies, Defra leads, Ofwat, the Consumer Council for Water and Blueprint as part of an informal consultation in early April. Responses indicate widespread support for the document with positive feedback on the strategic objectives, content and approach. A final draft will be issued at the end of June. It will be published as soon as approval from government is received.

5.0 The Rod Licence Service

5.1 As of the 31st May income for England and Wales was at £16,699,333 compared with £14,984,944 in 16/17 and £15,513,575 in 2015 and so broadly in line with our previous expectations and forecasts. We are on track to generate £23.2m of income this year.

5.2 We have made a commitment to hold the rod licence duties at current levels until 2020. This will be advertised over the summer along with our intention to change the age range for junior licence requirements from 12-16 years to 13-16 years. New Data Protection legislation in 2018 will place extra requirements on holding details for 12 year olds which would involve significant and expensive work on the new system. Defra, Natural Resources Wales and the Welsh Government have all agreed in principle the change to avoid unnecessary cost.

5.3 The Rod Licence Marketing Evaluation report is now awaiting approval. Overall highlights for 2016 to 2017:

- Overall Return on Marketing Investment (ROMI) for the campaign is 36:1.
- Continued to slow the declining trend in income and sales, generating £1,227,738 more income than predicted (6.3%).
- Influenced 604,744 sales and £12,246,281 income.
- In 2016/17 we continued progress in moving customers online and for the first time over half of all sales 581,234 (54.53%) were conducted online.
- Of our new anglers (annual) non renewals 242,951 (58.66%) buy their licence online.
- Our 2016/17 trade and online media report showed fisheries content appeared 1,850 times, predominantly in regional print media. (81%) was positive in tone, 19% was neutral and balanced.
- Our interim, online, market research key findings were that:
  - The majority (85%) of anglers surveyed were satisfied with the fishing licence purchasing process in 2016/17.
  - The majority (80%) remember receiving some kind of communications about buying/renewing their licence.
6.0 Salmon consultation

6.1 We will shortly launch the informal consultation which seeks views on possible options, which we have developed in partnership with key fisheries organisations, to reduce the exploitation of salmon fisheries in England and the Border Esk. It forms part of the commitment to restore salmon stocks in England within the Salmon Five Point Approach.

6.2 The audience of this consultation is broad and is targeted towards anyone who fishes for and/or has an interest in salmon and sea trout which are caught in English and border rivers, estuaries or coastal waters. The distribution will include 10,000+ salmon anglers, 200+ nets men plus other known operators or businesses and fisheries and other environmental organisations.

6.3 The objectives of this consultation will include:
- setting out the need for further reducing the exploitation of salmon
- presenting the possible options for net, fixed engine and rod fisheries
- seeking views on the possible options from those that will be affected by or have an interest in them
- understanding the likely impacts and benefits to the wider environment of the possible options
- seeking alternative options to those that are presented
- ensuring we have sufficient information to be able to meet our duties for bringing in any new set of regulations.

6.4 The launch of this was delayed due to the General Election. It is now due to go out the week beginning July 9th although this is dependent on the parliamentary timetable. We propose to run the consultation for 8 weeks with formal byelaws and management options being advertised later in the autumn.

7.0 EU exit

7.1 On 19 June 2017 the UK began formal negotiations to agree the terms for exiting the European Union (EU). What the Environment Agency must do and by when will depend on the outcomes from negotiations and government decisions. As policy develops, we will seek to ensure that our requirements and milestones are clear.

7.2 The Environment Agency is supporting Defra and the Department for Business, Energy and Industrial Strategy (BEIS) in addressing regulatory issues that must be resolved ahead of day 1 of EU exit. There are dedicated programmes of work for “complex operability” issues where current delivery of EU law depends on EU level institutions or systems. For example, the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) regime relies on the European Chemicals Agency (ECHA) to perform many critical functions. The Health and Safety Executive is the REACH Competent Authority with Environment Agency input on the environment. The extent to which ECHA functions will need to be replicated in the UK will depend on what is negotiated, but there needs to be a minimum viable system in place for day 1. Our priorities are to ensure we have adequate resource to contribute to the new system design, are content with its environmental
aspects, and understand the future role of the Environment Agency and how it might be funded.

7.3 Carrying forward other EU measures will be easier but there will still be issues of “simple operability” to address. Operational instructions, guidance, permits, etc. will still need to function when the UK leaves the EU so that the Environment Agency will be able to continue regulatory functions like issuing permits, checking compliance and taking enforcement action. Day 1 readiness work to address these issues has begun. We have prepared an outline plan for the Environment Agency’s regulatory functions which will require involvement from staff throughout the business.

7.4 Exiting the EU also raises business continuity risks and potential new or changing demands on the Environment Agency. Economic impacts, impacts of tariffs or other trade barriers, and impacts on people and labour are some of the issues being considered. The Environment Agency is also working with Defra to achieve better environmental outcomes. This includes designing future agriculture and land use policy to replace the EU Common Agricultural Policy. Our work is additionally looking for opportunities to improve environmental regulations in the longer term, including in the areas of environmental reporting, standard setting and future waste regulation.

8.0 Onshore oil and gas

8.1 Preparation for the exploration for shale gas using hydraulic fracturing is underway. We have recently reaffirmed our expectations of high standards of compliance with environmental and health and safety legislation in a workshop with senior managers in the onshore oil and gas industry, with our partner regulators the Health and Safety Executive. We have created webpages on the Citizen Space portal to raise awareness of our regulation and provide the public with open access to public register information such as the permits, monitoring results and inspection reports.

8.2 Third Energy have the relevant permissions in place and are now working through the pre-operational permit conditions for their gas well in Yorkshire. These conditions require additional information on monitoring which we will assess to ensure that we are satisfied that they meet our high standards.

8.3 Cuadrilla started construction of their Preston New Road site in Lancashire in January and have started drilling the conductor well, which is the initial structure for the well. The deeper drilling works are expected to start later this summer. Cuadrilla are also working through the pre-operational permit conditions. Our staff have inspected the site five times during the construction phase to check compliance. Emma Howard Boyd also visited the site in June and met local residents and the Community Liaison Group to listen to their concerns. Cuadrilla recently applied to vary the permit to accommodate some process changes, and the public consultation on this application will start in early July. The company is also applying for a temporary water abstraction licence.

8.4 Ineos has applied for permits for drill and core activities as an initial stage in shale gas exploration in the East Midlands and South Yorkshire area.
9.0 Statutory Report of the Adaptation Sub Committee

9.1 On 29 June the Climate Change Committee published a statutory review of UK progress in reducing greenhouse gas emissions (mitigation) and preparing for climate change (adaptation). The Environment Agency’s primary interest is the progress report published by the Adaptation Sub-Committee (ASC). The report is expected to attract widespread media interest and may be critical of Government. We do not expect there to be direct criticism of the Environment Agency.

9.2 The key messages from the ASC report will underline the risks presented by climate change and the need for action in the light of recent extreme weather. It is likely to show mixed progress on adaptation with improvements on managing fluvial flood risk, albeit significant risks remain, but greater coordination is needed on surface water and drainage management. Adapting the coast requires more investment and community engagement, in particular around the development and delivery of Shoreline Management Plans. Water abstraction reform is welcomed, even if the timetable needs to be clearer but more is needed on demand management and leakages. Freshwater habitats show long term decline without a long-term adaptation strategy.

9.3 Government will be urged to update the National Adaptation Programme (NAP) with a meaningful long-term strategy to address priority UK climate risks. Government is likely to be asked to review the support to local government following the closure of the Environment Agency’s Climate Ready Support Service. The Government has to formally respond to the Committee’s recommendation by the 16 October.

9.4 On mitigation, the report is expected to say that more ambitious policies are needed to reduce greenhouse gas emissions and to meet the 5th UK Carbon Budget (covering the period 2028-32) and the Paris Agreement. These policies will need to tackle emissions from transport and the built environment.

9.5 We have worked closely with the ASC on their report and broadly agree with their findings. Defra will lead the government’s response to the report. We are organising a follow up meeting between Emma Howard Boyd and Baroness Brown, Chair of the ASC. We are also working with the Defra team who are drafting the next National Adaptation Programme, although Ministerial priorities are not yet clear. We will be discussing our ambition for the NAP with Executive Directors’ Team in the autumn.

10.0 Defra’s 2nd Waste Crime Consultation

10.1 The Environment Agency continues to support Defra with delivery of the 2nd Waste Crime Consultation, which proposes legislative amendments to raise the barrier to entry into the waste industry. The consultation, together with the consultation on changes to the waste exemptions regime are now likely to be published in September (rather than early June) as a consequence of EU exit and subsequent Home Office prioritisation of ‘Business as Usual’ legislative change proposals.
10.2 The two remaining affirmative powers from the 1st Waste Crime Consultation are still due to be laid with Parliament before the summer recess. These relate to extended powers to require the removal of waste and secure access to problem sites. The Environment Agency has been supporting Defra with final drafting of the legislation.

10.3 Both aspects have been included in a submission to the Minister on waste crime, which recommended that Defra and the Environment Agency develop a strategic, high level vision for tackling waste crime and fly-tipping, which would be tested with industry through a Ministerial roundtable in the autumn.

11.0 Waste fires

11.1 The risk of fire at waste sites has recently attracted greater political attention and enquiries from national media. The Environment Agency has briefed the Minister on the number of waste sites which we consider to have a high fire risk and the work that has been undertaken / is ongoing to address this risk.

12.0 Waste4Fuel

12.1 Defra has provided Secretary of State approval for the use of further Government funding to clear the remaining 9,000 tonnes of waste form the former Waste4Fuel site. Environment Agency representatives met with Defra and London Borough of Bromley officials on 28 June 2017. A final payment of £1.6million was offered by Defra as a contribution towards the London Borough of Bromley’s costs. The Borough’s representatives are now in the process of obtaining approval from their elected members to clear the waste from the site using the offered funding. Once approval is obtained from its elected members London Borough of Bromley will write to Defra breaking down the costs. In the meantime Environment Agency officers are liaising with London Borough of Bromley’s contractors to ensure that the waste removal is carried out with minimal risk to the environment and in compliance with regulations.

13.0 Building Cladding Materials following the Grenfell Tower Fire

13.1 Following the fire at Grenfell Tower, local authorities have been testing cladding on buildings identified as being at highest fire risk. Given the number of buildings affected, removing the cladding will generate a high volume of waste that needs to be disposed of, and it is possible that it will be classified as hazardous. The Environment Agency is developing guidance on recovery/disposal options for local authorities and others, and are assessing the available capacity to ensure that the need to dispose of cladding safely does not delay making these buildings safe.
14.0 ProTreat Limited Judicial Review

14.1 On 16 March 2017, ProTreat Limited, representing the Waste Oil sector brought Judicial Review proceedings against the Environment Agency. They are challenging the Environment Agency’s opinion, that waste mineral lubricating oil, intended to be used for non-fuel uses, is waste. ProTreat have been granted permission to proceed with their claim by the Court on 16 May 2017 and the hearing will take place on the 14 -15 November 2017.

14.2 The Environment Agency has filed a detailed defence to the 2 charges. Trade media (ENDS) has reported on this Judicial Review. The Environment Agency anticipate continued media interest.

15.0 2007 Flood Anniversary

15.1 In the summer of 2007, more than 55,000 homes and businesses were flooded – affecting communities from Bristol to Hull. Tragically there were 13 fatalities and many tens of thousands of people had their lives and livelihoods devastated by the events. At the time 100,000 homes and businesses were protected by flood risk management schemes. Following the events, Sir Michael Pitt was asked to carry out a review of the country’s flood risk management.

15.2 In order to manage interest in the 10 year anniversary the Environment Agency will deliver a nationally coordinated locally led campaign which will include planned proactive local media, focusing on the West Midlands and Yorkshire where government has invested. There will be a series of blogs published between June and August, and a social media plan with supporting infographics. The aim of the media and social media campaigns is to proactively demonstrate the progress the Environment Agency and Government has made across the country since 2007.

Fig 1. Planned local media

BBC Midlands is filming the key schemes along the River Severn from a helicopter.

BBC Look North interview with Therese Coffey (22.06.17) included construction work on the £36.5m River Hull scheme. The Minister was very complementary of the Agency’s work since 2007.

Lincolnshire print & broadcast media will attend the opening of the Horncastle & Louth flood basins.
MANAGING FLOOD RISK
Progress made since 2007 summer floods

£6.1 billion investment in flood and coastal risk management
1,176 flood risk management schemes constructed
480,000 homes and businesses better protected from flooding
1.26 million people now registered for flood warnings

1 joint EA & Met Office National Flood Forecasting Centre in operation 24/7

Fig 2. Social media infographics

James Bevan
Chief Executive

July 2017
**Board meeting**

**Meeting date:** 18 July 2017  
**Information item no.:** Info 2

**Appendix 1:** Corporate Scorecard April 2016 to March 2017  
**Appendix 2:** 2017 to 2018 Corporate Scorecard and Target  
**Appendix 3:** Message from the Chief Executive to all staff

**Sponsor:** Director of Finance

**Title:** Environment Agency Corporate Scorecard  
**Financial Year April 2016 to March 2017 - Year to date quarter 4**

<table>
<thead>
<tr>
<th>Please clearly state what decision you are seeking from the meeting</th>
</tr>
</thead>
</table>
| The Board are asked to:  
  1. The Board is asked to comment on:  
    a) performance for the financial year 2016/17 (year to date at quarter 4)  
    b) the actions indicated in the corporate scorecard report (Appendix 1) |

**Key points for discussion**

The corporate scorecard (CSC) has been updated to track performance of our new Environment Agency Action Plan launched in April 2016. The updated corporate scorecard has 15 performance measures which are reported quarterly to the Board before being shared with Defra and published externally on the gov.uk website. Each scorecard measure has a red/amber/green status and forecast, enabling us to track both current performance and likely year end outcome performance. Measures in bold in this paper are reported quarterly to the Defra Board.

**Governance**

**What meetings/groups have already reviewed this item?**  
Business Board: Throughout the year  
EDT: 6 June 2017

**What meetings/groups need to review this item next?**  
N/A

**Are there any risks associated with the evidence and analysis in the paper?**  
No.

**How will the key messages/decisions be communicated?**  
All staff message and on the gov.uk website

**No legal annex is required.**

Form completed by: Weston Herran-Young  
Date: 7 July 2017
1.0 **Background**

1.1 The corporate scorecard (CSC) has been updated to track performance of our new Environment Agency Action Plan launched in April 2016. The updated corporate scorecard has 15 performance measures which are reported quarterly to the Board before being shared with Defra and published externally on the gov.uk website. Each scorecard measure has a red/amber/green status and forecast, enabling us to track both current performance and likely year end outturn performance. Measures in bold in this paper are reported quarterly to the Defra Board.

1.2 Appendix 1 shows a summary of the current position for each CSC measure reported in the financial year 2016/17 and a more detailed ‘insight report’ with commentary that reviews performance issues and trends for each measure.

1.3 Appendix 2 shows the Corporate Scorecard targets and measures for reporting in the 2017/18 financial year.

1.4 Appendix 3 shows the Chief Executive message of thanks sent to all staff in recognition for their hard work achieving our ambitious aims as set out in our action plan. This message is included as an appendix at the end of this paper.

2.0 **Summary of year to date performance at quarter 4 performance and key issues**

2.1 At the end of Quarter 4 2016/17, the status of our performance measures was as follows:

<table>
<thead>
<tr>
<th>Measure status</th>
<th>Number of measures*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Green</td>
<td>12</td>
</tr>
<tr>
<td>Amber</td>
<td>1</td>
</tr>
<tr>
<td>Red</td>
<td>2</td>
</tr>
<tr>
<td>Not applicable – No Target</td>
<td>1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>16</strong>*</td>
</tr>
</tbody>
</table>

* NB. The diversity measure is comprised of two parts and so the total number of reds, ambers and greens in the above table equals 16.
## 3.0 Red and Amber Corporate Scorecard Measures

<table>
<thead>
<tr>
<th>Measure</th>
<th>Summary of performance explained</th>
</tr>
</thead>
</table>
| 7 EA 14: We have a diverse workforce:  
  a) proportion of staff from a BAME background  
  Actual 3.8%; Target 14%  
  RED – There were 25 new BAME recruits this quarter out of a total of 447 new external starters, which represent 5.6% of all external recruits. The percentage of BAME staff is now 3.8% (411). The recent FCRM external campaign saw around 7.5% of their job offers go to BAME applicants.  
  b) proportion of our executive managers who are female  
  Actual 37%; Target 50%  
  RED – The percentage of female Executive Managers (EMs) is 37.0% (43), which is a little above the average in the previous three quarters and significantly more than in Q3 (34%). This compares to a target of 50%. The equivalent figure for the UK Civil Service is 38%.  
  We set ourselves very ambitious targets which we know will take a long time to achieve but we are making progress. | |

| 1 EA 4: We reduce the number of high risk illegal waste sites (IWS)  
  Performance 104%; Actual 253; Ceiling Target 242  
  AMBER – The total number of sites has continued to rise during Q4. We believe this is largely due to Areas trialing a new national process for substantiating and recording new illegal waste sites (IWS) during Q4. Overall in 2016/17 the total number of high risk IWS decreased by 8% from 275 to 253 against the national end of year target of 242. Overall, a total of 815 illegal waste sites were stopped in 2016/17.  
  The landscape of waste crime is changing with criminals operating in groups over multiple sites and geographies, making it more challenging and time consuming to tackle those which pose the highest risk.  
  Measures to improve our performance include; sharing disruption and prevention best practice, implementing a new national process for substantiating illegal waste sites and using Waste Enforcement Programme 2017/18 funding to develop more strategic approaches. | |
4.0 **Greens from the Corporate Scorecard** – includes 1 measure which was not set a target

<table>
<thead>
<tr>
<th>Measure</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1 EA 1: Rivers, lakes and coastal waters are healthier</strong></td>
<td>This is the first year we have collected information for this metric. In total, we and our partners have made enhancements to 1,231kms of rivers, lakes, groundwaters, and transitional and coastal waters. In Q4, 290km of enhancements were made. This is a great success which we are celebrating. We are setting more stretching targets for next year to help drive us all toward the longer term target of enhancing at least 8,000km between the publication of the updated river basin management plans and the end of 2021.</td>
</tr>
<tr>
<td>Performance 172%; Actual 1,231km; Target 717km</td>
<td></td>
</tr>
<tr>
<td><strong>1 EA 2: We protect people, the environment and wildlife by reducing serious pollution incidents</strong></td>
<td>We are below our 2016/17 ceiling target, with comparable numbers of Category 1 &amp; 2 pollution incidents to 2015/16 (2016/17 incident numbers will be finalised with the Q1 2017/18 report to account for any incidents which were reported before the 31st of March but not fully investigated and recorded on the NIRS system at the time). 'Top 5' sectors accounted for only 34% of pollution incidents over 2016/17. Incidents increased by 16% in the 'Other' category from 2015/16 to 2016/17 (232 to 269 incidents). The dry, mild and largely settled weather during autumn-winter 2016/17 is likely to have positively impacted on pollution incident numbers, particularly in sectors more directly linked to weather fluctuations.</td>
</tr>
<tr>
<td>Performance 86%; Actual 477; Ceiling Target 553</td>
<td></td>
</tr>
<tr>
<td><strong>1 EA 3: We create new habitat</strong></td>
<td>We created 424 hectares of priority habitat this financial year against our target of 400 hectares. This was achieved through working with a wide range of external organisations including Wildlife and Rivers trusts, Natural England, local authorities, national parks, RSPB, National Trust, and water companies.</td>
</tr>
<tr>
<td>Performance 106%; Actual 424; Ceiling Target 400</td>
<td></td>
</tr>
<tr>
<td>Measure</td>
<td>Comment</td>
</tr>
<tr>
<td>---------</td>
<td>---------</td>
</tr>
<tr>
<td>4 EA 5: We reduce the risk of flooding for more households</td>
<td>114 separate projects have better protected a further 22,286 homes this quarter bringing the cumulative total over the 6 year programme to 96,986. This is above the target of 89,000. The largest schemes have been delivered in the following areas in 2016/17: Willerby and Derringham, Yorkshire (6,695 homes) Littlestone Beach, Kent (3,802 homes) Morcambe, Lancashire (3,098 homes) Rossall, Lancashire (2,499 homes)</td>
</tr>
<tr>
<td>4 EA 6: We maintain our flood and coastal risk management assets at or above the target condition</td>
<td>97.2% of Environment Agency high consequence assets are at required condition at year end. We saw a steady increase in asset condition throughout the year, representing an increase of over 300 assets at required condition in 2016/17. We expect performance to continue to increase steadily in 2017/18 as we work to target assets below required condition.</td>
</tr>
<tr>
<td>4 EA 7: We have a first class incident response capability</td>
<td>We have exceeded the year-end target with 6,716 trained incident staff in Q4. There are approximately 1,000 additional people in training. Further work is underway to strengthen our incident response resilience through new rostering and capability standards.</td>
</tr>
<tr>
<td>5 EA 8: We manage our money efficiently</td>
<td>We have invested £1.3bn on the environment in 2016/17, with expenditure on both our grant-in-aid and charge funded activities closely matching available funding. This represents an excellent achievement with over 10% more funding invested compared to last year, which reflects significant additional programmes of work delivered in the year. The key components were on recovery activity following severe weather last winter, and maintenance of flood defence assets.</td>
</tr>
<tr>
<td>Measure</td>
<td>Comment</td>
</tr>
<tr>
<td>---------</td>
<td>---------</td>
</tr>
<tr>
<td><strong>5 EA 9: We respond to planning consultations within 21 days</strong>&lt;br&gt;Performance 95.6%; Actual 17,853 enquiries responded to within 21 days out of 18,675 enquiries received;</td>
<td>Areas remain focused on maintaining performance at or above target. Improved performance has been maintained throughout Q4 and the cumulative performance in 2016/17 is 95.6%, therefore above the 95% annual target. There are 3 Areas below target, two at amber and one at red.</td>
</tr>
<tr>
<td><strong>5 EA 10: We reduce the regulatory burden on business</strong>&lt;br&gt;No target set. Actual achieved £1m</td>
<td>Government has introduced the Business Impact Target (BIT) in respect of the economic impact of regulation on business, and has extended the scope of the BIT to include statutory regulators. BIT requires us to assess the economic impacts of qualifying changes to our regulatory approaches. These can have both positive and negative financial impacts on the businesses we regulate. All assessments have to be validated by the Regulatory Policy Committee (RPC); and are based on the Equivalent Annual Net Cost to Business (EANDCB).</td>
</tr>
<tr>
<td><strong>6 EA 11: We use and share the right data to deliver outcomes</strong>&lt;br&gt;Performance 150%; Actual 2,256; Target 1,500</td>
<td>The Environment Agency has released 2,256 datasets as part of our contribution to #OpenDefra challenge since June 2015. Open Data is free to use by anyone without charge or restriction. Our open data includes information on flood risk, the environment, our business and also data for which we would have previously charged customers. Prior to this we had only 92 Open datasets.</td>
</tr>
<tr>
<td><strong>6 EA 12: We reduce our carbon footprint</strong>&lt;br&gt;Performance 99%; Actual 34,435, ceiling target 34,865</td>
<td>In 2016/17 our carbon emissions were 42% less than our 2006/07 baseline (target - 41%). We achieved a 13% (5,045 tonnes) reduction compared to last year. Carbon dioxide emissions from our operational activities (including pumping) accounted for 41% of our overall emissions. Two of our biggest water resource pumping stations, Kennett and Wixoe (part of the Ely Ouse to Essex water transfer scheme) operated for many months and contributed 31% of our operational carbon this year. The carbon from our operational activities reduced by 17% (2,891 tonnes) compared to last year (a period of high use because of winter flooding).</td>
</tr>
</tbody>
</table>
We have achieved an 18% (1,344 tonnes) reduction in emissions from energy use in our buildings compared to last year. This improvement demonstrates the positive effects site specific projects are having on our energy use. These include replacing boilers, improvements to building fabric and building management system upgrades.

<table>
<thead>
<tr>
<th>Measure</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>6 EA 13: We work in partnership with others</td>
<td>£87.6m of secured contributions has been spent in 2016/17. Together with the £75.2m spent in 2015/16, this brings the total expenditure since April 2015 to £162.7m. This target will be amended during 2017/18 to record progress towards the total contributions needed to deliver the 300,000 household target rather than the lower HMT/Defra settlement condition of 15% in contributions towards the government funding of 2.3 billion over the period to 2021.</td>
</tr>
<tr>
<td>Performance 146%; Actual £87.6m, target £60.0m</td>
<td></td>
</tr>
<tr>
<td>7 EA 15: We provide a safe place to work</td>
<td>3 LTIs were reported in January, 1 in February and none in March. The LTI frequency trend remains below the ceiling, which is partly due to our Safe and Well initiative to further engage colleagues in improving our Health Safety and Wellbeing (HSW) culture and performance.</td>
</tr>
<tr>
<td>Actual 0.11; ceiling target 0.16 Lost Time Frequency Incident Rate per 100,000 hours worked</td>
<td></td>
</tr>
</tbody>
</table>

Bob Branson
Director of Finance

June 2017
## Appendix 2 – 2017 to 2018 Corporate Scorecard and Targets

<table>
<thead>
<tr>
<th>Measure</th>
<th>Metric</th>
<th>Targets 2017/18</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Defra strategic objective 1: A cleaner, healthier environment benefitting people and the economy</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rivers, lakes and coastal waters are healthier</td>
<td>Measure the kilometres of waters enhanced each year in England. The enhancements include investments in water bodies to improve chemical and/or physical quality, for example, reducing pollution, restoring habitats</td>
<td>1,000km (this is an increase of approximately 40% on the 2016/17 target and will help to drive us closer to improving 5,000km by 2021).</td>
</tr>
<tr>
<td>We protect people, the environment and wildlife by reducing serious pollution incidents</td>
<td>To reduce the number of Category 1 &amp; 2 pollution incidents in England. A breakdown of the top 5 sectors will be shown.</td>
<td>Reduce the ceiling target by using an average of the previous 2 financial year’s total number of category 1 &amp; 2 pollution incidents. This is expected to reduce the ceiling target by around 10%.</td>
</tr>
<tr>
<td>We create new habitats</td>
<td>Hectares of new priority habitat created, for example, coastal saltmarsh, lowland fens and many others</td>
<td>530 hectares (this is an increase of approximately a third on the 2016/17 target).</td>
</tr>
<tr>
<td><strong>Defra strategic objective 4: A nation better protected against floods, animal and plant diseases and other hazards, with strong response and recovery</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>We reduce the risk of flooding for more households</td>
<td>Number of homes benefitting from reduced flood risk due to improvement schemes</td>
<td>140,000 homes better protected since April 2015, to be achieved by March 2018</td>
</tr>
<tr>
<td>We maintain our flood and coastal risk management assets at or above the target condition</td>
<td>Percentage of EA maintained high risk assets that are meeting the required target condition</td>
<td>97.5% (this is an increase of 0.5% on 2016/17 target).</td>
</tr>
<tr>
<td>We have a first-class incident response capability; we have sufficient numbers of responders; an increasing proportion of these responders feel confident to undertake their incident role</td>
<td>Monitoring the delivery of the “6,500 trained staff” target Monitoring the confidence of EA trained staff, using the result of the statement in the Internal Quarterly Survey “I feel confident to do my incident role”</td>
<td>6,500 staff trained and ready to respond. Currently at 73% for staff confidence in role, our target is that 80% of staff will feel confident to undertake their incident role</td>
</tr>
<tr>
<td>Measure</td>
<td>Metric</td>
<td>Targets 2017/18</td>
</tr>
<tr>
<td>------------------------------------------------------------------------</td>
<td>------------------------------------------------------------------------</td>
<td>--------------------------------------------------------------------------------</td>
</tr>
<tr>
<td><strong>Defra strategic objective 5: Excellent delivery, on time and to budget and with outstanding value for money</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>We manage our money efficiently</td>
<td>Measures actual spend against budget limits expressed as a percentage</td>
<td>100% budget utilisation</td>
</tr>
<tr>
<td>We respond to planning application consultations within 21 days</td>
<td>Our performance against the statutory duty to respond to planning applications and pre-application enquiries within 21 days</td>
<td>95%</td>
</tr>
<tr>
<td><strong>Defra strategic objective 6: An organisation continually striving to be the best, focused on outcomes and constantly challenging itself</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>We reduce our carbon footprint</td>
<td>Tonnes of CO₂ emitted from a wide range of our activities (e.g. transport, buildings, pumping and etc.)</td>
<td>For 2017-18 carbon emissions should be reduced by 43% from our 2006/07 baseline, which equates to a ceiling target of 33,630 tonnes of CO₂</td>
</tr>
<tr>
<td><strong>Defra strategic objective 7: An inclusive, professional workforce where leaders recognise the contribution of people, and build capability to deliver better outcomes</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>We have a diverse workforce</td>
<td>This measure shows the BAME and female Executive workforce %. The targets are based on the economically active population in the UK – figures from the ONS Labour Force Survey for the UK</td>
<td>% of workforce - 14% population target for BAME staff and a 50% population target for female executive managers employed in the Environment Agency</td>
</tr>
<tr>
<td>We provide a safe place to work</td>
<td>Lost time incident frequency rate per 100,000 hours worked</td>
<td>Our 2016/17 year end LTI frequency rate will be used as the target ceiling rate for 2017/18</td>
</tr>
</tbody>
</table>
5.0 Appendix 3 - Message from the Chief Executive to all staff (13/06/17)

Every three months the Executive Directors Team review our Corporate Scorecard. We’ve just been over our end of year performance for 2016/17. Headline: fantastic.

We (you) managed to meet or beat almost all our targets. The figures show that we:

- made our rivers, lakes and coastal waters healthier. The 16/17 target was to improve 717 km of waterway. We managed nearly double that: 1,231 km.

- protected people, wildlife and the environment by reducing serious pollution incidents (again). Target for the year: no more than 553 incidents. Result: 477.

- made our country a better place, creating 424 hectares of new habitat (target 400 hectares). That’s more than 1,000 football pitches-worth of beauty.

- cut the number of high risk illegal waste sites that blight lives, communities and the legitimate economy: down to 253, as we continue to bring the numbers down year on year.

- reduced the risk of flooding, with nearly 100,000 households now better protected than they were in 2015, keeping us on track to hit our 300,000 target by 2021.

- repaired and maintained our flood defence assets so that they continue to protect people well, beating our 16/17 asset condition target.

- further improved our incident response, with over 6,700 of our staff now trained and available. The January 2017 East Coast storm surge saw our biggest and best response ever.

- invested our money efficiently for the people and places we serve, coming in with a 100% budget spend for the year.

- promoted the sustainable growth our country needs by beating our 95% target for responding to planning applications within 21 days.

- reduced (again) our own carbon footprint. As the Environment Agency we have to set a good example to others: we did.
• further improved our safety record, with the lowest rate of incidents for several years: a tribute to the strong health, safety and welfare culture we have.

Not every indicator is green. We remain red on our diversity targets for the percentage of staff who are black or minority ethnic, and for female Executive Managers. That’s because we have deliberately set ourselves very ambitious targets, which we know will take a long time to hit. But we are making progress.

What now? We have a new government and a new Secretary of State. They will want to consider their own priorities: we’ll keep you posted. Meanwhile our job is to carry on doing all the great things we do and to keep improving. We’ve set ourselves some stretching targets for 2017/18. We’re confident you can do this.

But there is one very important thing that I and EDT want you to know. This is that – while we’d love to hit every target this year – the targets are not the point. The point is to create a better place for people and wildlife. So we want you to focus on the things that make the biggest difference to them, not chase a target for its own sake.

Example: I would much rather fail to hit a target because we were all out handling a major incident brilliantly than hit every one of our Key Performance Indicators but fail to deal properly with a big incident. So please keep on making the choices we want you to make: people and wildlife first, 80/20, local priorities.

Bottom line: 2016/17 was a great performance from all of you, across the whole country and on every issue with which we deal. Thank you. Be proud. And please do it again this year!

James
Ref: B/1707-Info3

Board meeting
Meeting date: 18 July 2017
Information item no. Info 3

Sponsor: Executive Director Flood and Coastal Risk Management

Title: WaterAid update

Please clearly state what decision you are seeking from the meeting

The Board is asked to note:

1. Progress on the Environment Agency’s and WaterAid’s partnership arrangements.

Governance
What meetings/groups have already reviewed this item?
N/A

What meetings/groups need to review this item next?
N/A

Are there any risks associated with the evidence and analysis in the paper?
N/A

How will the key messages be communicated?

Key content is communicated to the WaterAid Committee members.

Legal Services have been consulted and [a legal annex is attached] / [confirm no legal annex is required].
Legal advice provided by: N/A

Form completed by: Kathryn McDonald
Date: 7 July 2017

1.0 Introduction
1.1 The Audit and Risk Committee reaffirmed the Environment Agency’s support for WaterAid at its meeting on 23 June 2011 and agreed to changes in the way we support staff taking part in WaterAid activities.

1.2 The purpose of this paper is to update the Board on WaterAid activities from April 2016.

2.0 Background

2.1 WaterAid was established in 1981 by the UK Water Industry. The Environment Agency agreed to support WaterAid as its charity and over the last twenty years staff have raised funds for and increased awareness of WaterAid’s work in developing countries. This ongoing commitment with the Environment Agency and the wider water industry is integral to WaterAid achieving its vision of a world where everyone has access to safe water and sanitation. Our partnership with WaterAid is entirely staff driven and all funds are a result of personal efforts and donations by staff. The partnership adds real value to the Environment Agency from developing and inspiring staff to enhancing relationships internally and in partnerships across the water industry sector.

2.2 John Curtin has recently replaced David Rooke as the senior sponsor for WaterAid. Ian Moxon from the London Team is the voluntary national coordinator with support from voluntary area representatives. Ian will be hand ing over to Emily Gordon in September 2017.

3.0 WaterAid Fundraising

3.1 Environment Agency staff have raised over £2.7 million for WaterAid. In 2016/17 our staff raised £209,986, this is sufficient to provide safe water to 14,000 people.

3.2 Our WaterAid lottery is the biggest staff lottery in the UK Water Industry. In 2016/17 our lottery raised over £166,300. This money could help provide 11,086 people with access to clean water. Our lottery is currently played by 3,254 Environment Agency staff, together with over 270 staff from Natural Resources Wales and 127 pensioners.

3.3 We undertake an annual promotion of our lottery in September. In 2016 this promotion prompted 78 responses from staff and secured another £287 contribution to the lottery per month or £3,444 per year.

3.4 VERS in September 2016 resulted in a monthly reduction from our lottery of £307 or £3684 pa.

3.5 Environment Agency staff donated £14,000 last year through payroll giving schemes. The 2016 ‘Give an Hour of your Salary’ campaign brought in an additional £385 from 16 new or existing increased donations.

3.6 Our staff were very active and supportive of WaterAid’s Deliver Life appeal and raised over £11,000 for the appeal which has been matched by the UK government to a total of £22,000.
3.7 Our staff are the biggest group of supporters taking part in WaterAid’s national events such as mountain challenges.

3.8 We have continued to develop the ‘EA National event’ in which a national committee member manages and delivers a fundraising challenge which is open to staff across the organisation, as well as Defra and NRW. In the summer of 2016 we held a cross region event called “Phil the bucket” and this raised around £2,000. In September and October 2017 Emily Gordon is organising two coast to coast cycle tours. The first tour in the South goes from Ilfracombe to Plymouth, the second in the North goes from Whitehaven to Tynemouth.

4.0 Partnership Arrangements

4.1 All fundraising and participation in WaterAid national events by Environment Agency staff members is done within their own time and all expenses are covered by the individuals involved. The Environment Agency will continue to support the promotion of WaterAid national events.

4.2 John Curtin had a successful initial meeting with WaterAid CEO Barbara Frost. John offered to come into the WaterAid offices and give a lunchtime presentation about flood events and WaterAid reciprocated the offer to do the same with the EA London office relocation in mind. WaterAid are keen to be involved in Flood and Coast and they will work with us on a new leaflet for EA starters. WaterAid have a development programme for the Water Industry where teams from different organisations can learn generic skills on project/programme management. Tim Wainwright replaced Barbara Frost as Chief Executive in May 2017. Tim joins WaterAid UK following six years as CEO of Action on Disability and Development. John Curtin will be meeting Tim later this year.

4.3 The National Environment Agency WaterAid committee consists of twelve representatives. This includes Area coordinators, a National Coordinator, a Treasurer/Lottery coordinator, a Secretary and a Communications and Social Media coordinator. The committee meets twice a year in London with WaterAid staff to plan events and discuss fundraising and communications.

4.4 These meetings are key to maintaining the strong relationship between WaterAid and the Environment Agency. This level of involvement is recognised as valuable training and development. At a local level there are many more staff members who act as volunteer office WaterAid representatives.

4.4 Environment Agency staff payroll donations are administered through the Government’s Payroll Giving scheme. Donations can also be paid via personal debit card directly to WaterAid.

4.5 There were some minimal annual support costs to the Environment Agency associated with staff time to undertake lottery payroll deductions and payments. Since November 2013 these have been transferred to Shared Services Connected Limited (SSCL).

4.6 The WaterAid Speaker Training Network programme has been identified as a development opportunity for Environment Agency staff. The network provides free public speaking training to our staff. Speaking to other
organisations on WaterAid’s work provides opportunities to engage with and put across Environment Agency messages to local communities, schools, rotary clubs etc. 17 talks were delivered by staff in 2016/17 We have over twelve speakers in the network and plan to promote and increase this.

4.7 We are developing better partnership fundraising events with UK Water Companies and where possible help WaterAid to develop other UK public sector partnerships. Ofwat continues to support WaterAid. WaterAid’s relationships with Northern Ireland Water and Scottish Water also remain strong. Through our close work with the Centre for Ecology and Hydrology (CEH) in Wallingford, CEH now formally support WaterAid as their corporate charity.

4.8 The Environment Agency continues to support the WaterAid overseas visits to developing countries. In November 2016 WaterAid covered the cost of Environment Agency staff member, Emily Gordon who visited Mozambique with WaterAid and a number of their industry volunteers. Emily has been busy promoting the trip and delivering talks across the business. John Curtin is working to get a date in the diary for Emily to talk to EDT. The next trip will be 2018 and WaterAid are likely to continue to cover the costs of a place for an Environment Agency volunteer as recognition and thanks for all the hard work the representatives do on behalf of WaterAid.

4.9 WaterAid will be running an executive managers trip later this year. The trip is designed specifically for a small group of senior representatives from a few of WaterAid’s key partnerships. An invitation to attend is to be extended to the Environment Agency.

5.0 WaterAid Funding and Performance

5.1 The Environment Agency does not fund WaterAid. Our partnership is staff driven. WaterAid’s main institutional funding is from UK Water Companies and the UK government’s Department for International Development (DFID).

5.2 WaterAid’s Programme Partnership Agreement (PPA) with DFID remains a top source of institutional funding. In 2013 WaterAid received an A+ rating in DFID’s PPA Annual Report, and a subsequent two year extension at the same funding level of £4.2 million per year. WaterAid developed its partnership with DFID at both UK and country level programme level and secured additional grants totalling £2.3 million in 2014/15. DFID also supported WaterAid’s most recent match funded campaign, Deliver Life which ran November 2015 – March 2016. £4.5 million was matched by DFID from this appeal. WaterAid is currently applying for new match funded opportunities.

5.3 In 2016/17 WaterAid and its local partners reached 1.9 million people with safe water, 3 million people with sanitation and 4.7 million people with hygiene promotion. £48 million was spent on supporting partners to deliver water, sanitation and hygiene, £13 million was spent on influencing policy on water, sanitation and hygiene, £16 million was spent on raising funds and £2 million was spent on supporting the growth of WaterAid globally.

5.4 The Lancet recently reported that annual deaths of children under-five die from diarrhoeal diseases caused by dirty water and poor sanitation has dropped by 26,000. The new stat is 289,000 children under-five die every
Ref: B/1707-Info3

year from diarrhoeal diseases caused by dirty water and poor sanitation. That's almost 800 children a day, or one child every two minutes.

5.5 For each £1 WaterAid spent on fundraising in 2016/17, £4.30 was raised in income.

6.0 Recommendation

6.1 The Board is asked to note:


Ian Moxon
National WaterAid Co-ordinator

July 2017
**Sponsor:** Chief of Staff  

**Subject:** Communications update  

<table>
<thead>
<tr>
<th><strong>Recommendations:</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>The Board is asked to note and comment on (if applicable):</td>
</tr>
<tr>
<td>- Communications activity from Q1 (April to June 2017)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Key points for information</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>N/A</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Governance</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Reviewed and approved by:</td>
</tr>
<tr>
<td>- John Leyland, Chief of Staff – 6 July 2017</td>
</tr>
<tr>
<td>- Mark Funnell, Deputy Director of Communications – 6 July 2017</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Are there any risks associated with the evidence and analysis in the paper?</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>N/A</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>How will the key messages/decisions be communicated?</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Via a ‘For Information’ paper</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>No legal annex is required</strong></th>
</tr>
</thead>
</table>
Ref: B/1707-Info4

1.0 Background

1.1 This paper provides a review of communications activities from April 2017 to the end of June 2017, with more detailed evaluation set out in Appendix 1.

2.0 Review of communications from April 2017 to June 2017

- A significant amount of the last quarter was covered by pre-election periods, which restricted much of our planned communications, other than essential operational activity, such as warning and informing the public. Many of this quarter’s statistics will therefore have been impacted.

- Due to our closer working with Defra colleagues, we are seeing even better results from our communications.

- Our top items of coverage across media and social media this quarter included the potential impact of dry weather across the country (294 items); the illegal smuggling of baby eels (55 items with a potential reach of 10 million) and ‘Winning the war against Waste Crime’ - James Bevan gave an exclusive interview to ITV News at Six and News at Ten, with around 2m viewers, and significant coverage across other media and trade titles.

- During April and May, we secured 3,806 items of broadcast, print and online coverage across local, regional and national media. 99% of coverage was positive or neutral. At time of writing the stats for June were not yet available.

- During Q1, we gained 6,600 new Twitter followers across our national and regional Twitter accounts, and our Facebook page collected 982 Likes. We sent 877 messages on Twitter and Facebook, gaining 3,178 retweets. The national @EnvAgency Twitter account has 499,907 followers, as of 30 June.

- We gained 1,368 new Instagram followers and the account, launched last October, now has 3,407 followers.
Examples of Environment Agency communications include:

Corporate / Our culture ‘How we do things’
- Q1 highlights included the awards scheme ceremony to recognise staff. 135 out of 140 invitees attended and there were 5,000 views of the ceremony highlight on easinet.
- Our Health, Safety and Wellbeing Campaign used powerful stories from colleagues to promote good wellbeing and encourage our people to “Look out for others & thank those who challenge you”, combined with 6 Steps to Office Safety. We used case studies and audio stories, and a monthly slide pack is now averaging 1,200 monthly downloads. As a result, there has been a marked increase in positive “challenge” behaviours logged on SHERMS.
- The top #TeamEA articles were: EA Awards 2017 ceremony (5591 views); the story of enforcement and outcomes (3596 views); working together gets record £20 million fine for river pollution (3126 views).

A nation better protected against natural threats and hazards, with strong response and recovery capabilities:

Flood and coastal risk management
- Flood and Coast 2017 was promoted through media, blogs and social media, including a blog by Clare Dinnis and Emma Howard Boyd’s Guardian interview. 21 tweets were generated, 238,345 impressions and 254 retweets.
- We supported Defra’s launch of a £1m natural flood management competition and worked on a joint media opportunity at the Leicester Flood Scheme.
- The locally-led Anniversary of 2007 summer floods campaign secured coverage on the significant progress the Environment Agency has made since 2007. We used infographics, blogs and have already gained positive coverage, including positive TV and radio interviews with Minister Coffey in Lincs & Yorkshire. Work will continue into August.
- We partnered with the ICE to promote International Women in Engineering Day. Alison Baptiste’s blog for gov.uk and profiles of women engineers in the Environment Agency were promoted extensively across social media. Louise Hall was featured in the Telegraphs ‘Top 50 Women in Engineering under 35’.
- We launched Northwich Flood Risk Management Scheme in Cheshire at the end of Q1 with coverage from ITV Granada, the Northwich Guardian and Dee Radio. The installation of new flood sensor equipment in Dorset and sea defence repairs after storms in Devon, also resulted in positive coverage in local media and on social media.
- Emma Howard Boyd and James Bevan accompanied new SoS Michael Gove on a trip to the Thames Barrier, which was promoted on social media.

A cleaner, healthier environment which benefits people and the economy:

Water, land and biodiversity
- This year’s fishing licence campaign got underway at the start of April, using learning from the 2016-2017 Evaluation Report showing our marketing activity
continues to have a positive impact on influencing behaviour. This includes increasing numbers of anglers purchasing their fishing licence online, an impressive 36:1 Return On Marketing Investment (ROMI) for 2016-2017 and generating £1,227,738 more income than predicted (6.3%).

- During the pre-election period we were unable to engage with anglers via social media, however the Angling Trust continued to provide our customers with information such as around enforcement, the Voluntary Bailiff Service and Catch & Release for salmon. We continued to work on strategies aimed at: Junior anglers, lapsed anglers and encouraging a move to Direct Debit.

- We supported the GMMC Fisheries Enforcement team with their close season boat patrol on the River Mersey for coarse fishing. We posted nine tweets, seen over 25,000 times with over 2,000 views of the videos posted.

- We celebrated the EA winning a River Restoration Award for work on the River Avon. We shared a video on our Wessex Facebook page, which was watched by over 540 and promoted the Water Space study looking at options for improving the local watercourse in Bath.

**Regulated industry**

- This year, we have had significant online coverage in both Materials Recycling World MRW) who receive over 27,000 unique users each month, and in the CIWM Journal, with a readership of over 18,000 per month. This included a comprehensive trade interview with Nicky Cunningham about the importance of road hauliers being aware of their waste duty of care.

- Through ‘Meet a colleague’, on the easinet we promoted a flourishing partnership between our National Disruption and Prevention Team and HMRC, who have been looking at how we can work more closely together to stop waste crime.

- We successfully gained local coverage of various prosecutions, demonstrating our role as a strong and effective regulator. These included MWM Recycling Ltd, Patricia Hills, South West Water and Trade Effluent Services, plus the owner of a Cornish waste business being ordered to pay nearly £80,000 in fines and costs for illegally storing and treating waste.

**Incident management**

- This quarter we focused on improving the resilience of key incident communications roles and we worked with the ConOps team on preparations for the new structure.

- We continued to progress work for integrating incident work with our colleagues from across Defra Group communications to create greater capability and capacity for effectively managing incidents, including running various exercises and training sessions.

- Over three days in April in Somerset, Exercise Wessex Flare tested our ability to deploy temporary flood defences from Bradney depot to North Drain Pumping Station. We supported the exercise with internal and external communications and invited the media along to join us on the day with resulting coverage on the BBC (radio and online), illustrating how we prepare for managing incidents.
3.0 Conclusion and recommendations

The Board is asked to note and comment on (if applicable):

- the Communications activity from Q1 (April to June 2017)

John Leyland
Chief of Staff

18 July 2017
Communications

Q1 Highlights: April-June 2017

Mark Funnell
Deputy Director, Communications
Most prominent coverage in **April**: *illegal smuggling of baby eels* (55 items with a potential reach of 10 million).

Other key media topics included the *dawn raids on waste crime activity* in Midlands and North West regions.

Most prominent coverage in **May**: reports about the *potential impact of drought/dry weather* across the country (294 items).

Statistics aren’t yet available from Kantar (supplier) for **June**, but the main item was on the **Tesco prosecution**.

**APRIL…**

1,939 items of broadcast, print and online coverage secured across local, regional & national media. Over 99% of coverage was positive or neutral. 85% of media stories contained a key message.

**Most prominent spokesperson: Chris Bainger**, Fisheries Technical Specialist, on the baby eels.

**MAY…**

1,867 items of broadcast, print and online coverage secured across local, regional & national media. Over 98% of coverage was positive or neutral. 84% of media stories contained a key message.

**Most prominent spokesperson: Russell Robson**, Waterways Team leader, commenting on a broadcast piece urging people to stay safe around rivers in Berkshire during the bank holiday.
We worked on a range of proactive media opportunities to highlight our work to tackle waste crime. James Bevan gave an exclusive interview to ITV News at Six and News at Ten about the EA winning the war on waste crime. (The bulletins usually get around 2m viewers).

We also secured two regular columns with key trade titles, CIWM and Materials Recycling World (MRW) to highlight important issues for the sector; Nicky Cunningham gave a positive, in-depth interview to MRW about how regulation can drive innovation.
May Media: Spotlight On... Dry Weather

- All national media reported on drought potential and asked whether a hosepipe ban was imminent or over the summer.
- Since then, broadsheets have looked at potential impact on wildlife and water company leakage, and practical advice for homeowners.
- Coverage has been balanced, carrying our briefing and no EA criticism.

- We took a reactive approach, using clear briefings to ensure coverage was balanced and didn’t overstate the current risk, although we proactively and successfully changed national broadcast headlines to remove use of the d-word.
- We liaised with partner press contacts on the National Drought Communications Group to coordinate responses to media enquiries.
- ‘Dry weather’ and potential for ‘drought’ was the top story for the EA in April and May (June TBC), both by volume and reach.

Almost 300 News items in national and local press in May on dry weather
66m+ Potential audience reached
The national media and area Comms teams worked together on this announcement, briefing national journalists on the successful result of the prosecution: Tesco had been fined £8m for a petrol pollution incident.

We secured coverage in Sky, BBC, ITV, Guardian, Mirror, Independent and Mail Online. All coverage was factual, positive, using key messages and the EA comment.

- BBC Look North and ITV Granada ran interviews with EA Area Director Lee Rawlinson on the regional evening news.
- There was local coverage including The Boston Post, Western Mail, Western Daily Press, Manchester Evening News and Yorkshire Post.
Social Media

APRIL…
2,344 new followers gained across our national and regional Twitter accounts.

Our national Facebook page collected 378 likes and our Instagram account added 526 followers.

We sent 476 messages on Twitter and Facebook, and our Twitter accounts were retweeted 2,104 times.

Social media led to 1.7M impressions (number of people who saw our posts/tweets), 36,061 engagements (number of people who interacted with our posts/tweets) and 3,743 link clicks.

MAY…
2,129 new followers gained across our national and regional Twitter accounts.

Our national Facebook page collected 337 likes and our Instagram account added 474 followers.

We sent 156 messages on Twitter and Facebook, and our Twitter accounts were retweeted 173 times.

Social media led to 448,177 impressions, 5963 engagements and 497 link clicks.

JUNE…
2,137 new followers across our national and regional Twitter accounts.

Our national Facebook page collected 267 likes and our Instagram account added 368 followers.

We sent 245 messages on Twitter and Facebook, and our Twitter accounts were retweeted 901 times.

Social media led to 874,844 impressions, 16,965 engagements and 1,547 link clicks.

New national & regional Twitter Followers gained during Q1: 6,520
People who saw our posts & tweets during Q1: 2.9m
Q1 highlights included the awards scheme to recognise staff, incident response readiness, cyber attacks and apprenticeships. The top 3 easinet highlights generated 8000+ views alone.

Top Easinet Highlights for Q1

Condeco is now live – 3471 views

Response to NHS cyber attack – 3449 views

Bank holidays are coming – are you on incident duty? – 1278 views

Top #TeamEAs for Q1

The EA Awards 2017 ceremony – 5591 views

Are you sitting comfortably? Then we’ll begin…. the story of enforcement and outcomes – 3596 views

Working together gets record £20 million fine for river pollution – 3126 views

Health, Safety and Wellbeing Campaign

Objectives:
- Showcase what we already have in place & use powerful stories from colleagues to promote good wellbeing
- Encourage our people to “Look out for others & thank those who challenge you”, combined with 6 Steps to Office Safety

Outputs/Outcomes:
- Case studies, audio stories & multi-channel comms. - Monthly slide pack now averaging 1,200 monthly downloads.
- Internal comms attended Health, Safety & Wellbeing all-service meeting in May, presenting on “engaging our customers” to help inform on our approach to comms & the importance of knowing your audience.
- Marked increase in positive “challenge” behaviours logged on SHERMS. Audio stories from senior managers downloaded 1,500+ times.
Corporate Services Transformation

**Objective:** To give our people transferring to Defra the chance to understand, engage with & shape the transfer process.

**Outputs:** Targeted staff communications building awareness + ability to interact/engage; includes comms of the transfer date.

**Outcomes:** 314 respondents, 98% said they were aware of the announcement, 91% were satisfied with the way the message was communicated, 90% said they were given the opportunity to provide feedback, 89% said they knew where to go for more information.

Easinet and Feedback

- Page visits have been consistently high throughout April, May & June since we began promoting the new pages. Peaks in visits correspond with the 1st and 2nd rolling briefs being issued, John Leyland’s easinet highlight on Corporate Services communications and just after the updated pensions information was published.
- Below feedback was gathered via Slido, with change implementation team/senior leaders providing answers as part of a ‘you said, we did’ approach.
Internal Comms: Spotlight on EA Awards Ceremony

A brand new awards scheme was created to recognise staff & strengthen our culture. The promotions through Easinet, Buzz, direct email, senior management and other internal comms channels. The event itself in April drew in people from across every directorate to Birmingham. Outputs included Videos of nominees, Cascade, easinet highlights and Weekly Buzz articles.

5000+ Number of views of the ceremony highlight on easinet

406 Total award nominations, with nominations received from every Area and every Directorate

1,600 Staff votes for #TeamEA winner and 7000 Easinet article views

135 Staff attended the awards event out of 140 invited, many with positive feedback

"What a great event yesterday was at the EA Awards. It was so good and went so smoothly and I know how much work must have gone in to make it look that good."

"Everyone was really impressed and the VIPs (the nominees) left feeling recognised and celebrated."

"Thanks for organising a great first EA Awards, my team had a brilliant time in Birmingham celebrating such a range of successes."
**FCRM: Stats & Highlights**

**Anniversary of 2007 summer floods:** A task & finish group developed a bank of materials to support a locally-led campaign to secure coverage about EA progress since 2007. Materials included infographics, blogs, and a core narrative. Reactive county briefings & an extensive Q&A ensure we’re prepared for reactive queries. Positive coverage had already been secured at the time of writing, including positive TV & radio interviews with Minister Coffey in Lincs & Yorkshire. Work will continue into August.

- **Flood and Coast 2017:** Promoted through media, blogs & social media – including a blog by Clare Dinnis and briefing Emma Howard Boyd ahead of a Guardian interview. 21 tweets generated 238,345 impressions and 254 retweets.
- **Supported Defra** in launch of £1m natural flood management competition and worked on a joint media opportunity at the Leicester Flood Scheme.

- **International Women in Engineering Day:** We partnered with the ICE. Alison Baptiste penned a blog for gov.uk which was promoted internally & externally via social media. Profiles of women engineers in the EA were promoted across social media. Louise Hall was featured in the Telegraph’s Top 50 Women in Engineering under 35s. We jointly hosted a webinar with the ICE and Brunel University on getting women into engineering. Social media generated 16187 impressions and 354 engagements, including click-throughs, retweets and likes.

- **Northwich Flood Risk Management Scheme in Cheshire:** Launched at the end of Q1 with ITV Granada, the Northwich Guardian and Dee Radio all attending the event.
- Emma Howard Boyd and James Bevan accompanied new SoS Michael Gove on a trip the Thames Barrier.
- **The installation of new flood sensor equipment** in Dorset & sea defence repairs after storms in Devon resulted in positive coverage in local media & on social media.
- Positive local coverage was also achieved on Revealing the Roch being rated as ‘exceptional’ and winning Gold at the Considerate Constructors awards; Residents being invited to have their say on flood risk at community events in Bury and Rochdale; EA Grant in Aid to reduce flood risks in Wigan.
This year’s fishing licence campaign began in April, incorporating actionable insights from the 16/17 Evaluation Report showing our marketing activity continues to have a positive impact on influencing behaviour. Notably, increasing numbers of anglers are purchasing their licence online. Our efforts continue to slow the declining trend in income & sales, delivering an impressive 36:1 Return On Marketing Investment for 16/17 & generating £1,227,738 more income than predicted (6.3%).

We received specific permission from Defra to continue with most of our planned rod licence marketing tactics during the pre-election period as they related to income generation. We were unable to engage with anglers via social media, however the Angling Trust continued to provide our customers with information around enforcement, the Voluntary Bailiff Service and Catch & Release for salmon, etc. We continued to work on strategies specifically aimed at: Junior anglers, Lapsed anglers & encouraging a move to Direct Debit.

- After the binit4beaches campaign concluded in March, we began background work on the Bathing Waters campaign, including updates to the BWDe.

- Close Season Boat Patrol: A Comms team member went out with GMMC Fisheries Enforcement team on the River Mersey during close-season for coarse fishing, with the objective of pushing messages around the close-season & getting a licence, plus shining a light on a part of the business the public might not know much about. We posted nine tweets over the week. These were seen over 25,000 times with over 2,000 views of the videos posted.

- We celebrated the EA winning a River Restoration Award for work on the River Avon. A video produced & shared on our Wessex Facebook page was watched by 540+. We also promoted the Water Space study looking at options for improving the local watercourse in Bath.
**Regulated Industry: Stats & Highlights**

**Waste Crime...**
- We delivered content for both MRW (over 27,000 unique users each month) & CIWM (Journal goes to circa 6,000 resources professionals each month & has a readership of circa 18,000 per month) in regular columns this year, including a comprehensive trade interview with Nicky Cunningham in the former.
- We’ve also talked about the importance of road hauliers being aware of their waste duty of care, to ensure they aren’t carrying illegal waste on behalf of waste criminals.
- We’ve profiled internally, through ‘Meet a colleague’, a flourishing partnership between our National Disruption & Prevention Team and HMRC, who’ve been looking at how our organisations can work more closely together to stop waste crime. The pages had 1014 views since publication (5 June to 22 June).

**Operation Cesium...**
- **Objectives:** GMMC comms has been working with West Mids & National comms colleagues to raise awareness of waste crime. To maintain & increase confidence in our regulatory role, & raise awareness of our work as deterrents, comms achieved widespread local/national positive coverage for EA.
- **Inputs/Outputs** Stories sold in to press to give advance notice of raid & court case; Footage (of illegal waste disposal) & other media shared; Comms Specialist attended sentencing; Partnerships formed created higher profile, including Liverpool City Council, +additional influential retweets; A proactive approach resulted in broader media coverage on ITV & BBC. Social media reached more than 114,000 seeing the work we are doing to tackle illegal waste being dumped & 189 people interacting with the messages. National & NW coverage reached approx 5m.
- **Outcomes:** Target audiences reached & EA reputation protected/enhanced.

**Prosecutions...**
Regional press were successfully reached to show our role as a strong and effective regulator on MWM Recycling Ltd, Patricia Hills, South West Water & Trade Effluent Services, plus the owner of a Cornish waste business being ordered to pay nearly £80,000 in fines and costs for illegally storing and treating waste.
This quarter we focused on improving the resilience of key communications roles during an incident, working with the ConOps team on preparations for the new structure, and driving our strategy for integrated incident work with our Defra comms colleagues.

In June, our team organised a workshop to give people who carry out a comms & engagement role during an incident and the day followed on from an exercise we organised as part of a Defra comms away-day in May. Both exercises received very positive feedback.

Other successes included:
- 36 people receiving spokespeople training,
- two workshops to boost confidence & effectiveness of the NCM community,
- a recruitment drive for Incident Support Officers for communications, and
- co-developing/delivering ConOps training for national cells to 80 people.

Training & Exercises…
- The Wessex and DCIS comms team have delivered training to comms & engagement incident volunteers in Wessex, focusing on media handling & MP briefings (tone, language, style), VIP visits + other essential skills.
- Over three days in Somerset (starting 4 April), Exercise Wessex Flare tested our ability to deploy temporary flood defences from Bradney depot to North Drain Pumping Station.
  We supported this exercise with internal and external comms support & invited the media along to join us on the day with resulting coverage on the BBC (radio and online).

A forward look for quarter 2…
- will be the work we are doing with the APHA to help familiarise communications staff with our incident work.
- This culminates in two days of workshops at the end of July, aimed at boosting the number of staff who can help in an incident from across the Defra comms family.
Awards

In June, we submitted six strong entries into two awards competitions across categories including Crisis Management, Public Sector Comms and Employee Engagement. The entries reflect some of our excellent and impactful work over the last year. We now await the shortlisting announcements.

The feedback from those who worked on these – having exposure to the specifics and high-standard Comms being looked for – was of a great learning process which will be used in future Comms work, including benchmarking, planning and evaluation best practice.

Chartered Institute of Public Relations: Regional Awards
- Flood recovery communications – Yorkshire
- Flood recovery communications – Cumbria & Lancashire
- East Coast Surge communications – Anglia
- Waste Crime communications – GMMC

Public Relations and Communications Association: National Awards
- New EA Staff Awards Scheme
- Flood recovery communications