Minutes of the Board meeting held on 1 February 2018 in 2 Marsham Street, London.

Present
Emma Howard Boyd Chair
James Bevan Chief Executive
Peter Ainsworth Board Members
John Varley
Gill Weeks

Item 1-9.1 Joanne Segars
Item 1-9.3 Maria Adebowale-Schwarte
Lynne Frostick
Robert Gould
John Lelliott

In attendance
Harvey Bradshaw Executive Director Environment and Business
Toby Willison Executive Director Operations
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 and Executive Secretariat Adviser

Item 4
Tony Grayling Director Sustainable Business and Development
Andy Croxford Deputy Director, Europe Unit
Charlie Corbishley Manager, Europe Unit

Item 5
Toby Mortby Board and Executive Secretariat Adviser
Item 7
Ian Randall Director, Defra group HR
Jac Broughton Group Director of HR for the Defra Group

John Seglias Group Director of DDTS for the Defra Group

Item 8
John Russon Deputy Director, Allocation and National Programme Management
Ken Allison Director Allocation & Asset Management

Item 9.2
Neil Davies Director, Regulatory Change
Item 9.3
Liz Parkes Deputy Director, Climate Change
Andrew Sissons Deputy Director, Economics and Social Sciences

Item 10
Richard Stockdale Area Director, Devon and Cornwall
**Item 1**  
**Apologies for absence**

1.2 Richard Macdonald, Karen Burrows and John Leyland sent apologies for absence. Maria Adebowale-Schwarte and Joanne Segars gave apologies as they would need to leave early.

**Item 2**  
**Declarations of Interest**

2.1 No declarations of interest were received.

**Item 3**  
**Minutes of the Board Meeting on 5 December 2017 and matters arising**

3.1 The Board approved the minutes of the 5 December meeting.

3.2 The Board noted the action list and completed actions. It was explained that arrangements for the Chairs of Committees meeting (item 8.4 on the action list circulated at this February Board meeting) were under way.

**Item 4.1**  
**Chief Executive’s Update**

4.1.1 In addition to the items in the paper James Bevan updated the Board on:
- Future of Navigation
- Assurance work has been done on major Environment Agency contracts following Carillion going into administration.
- The preparation of Multi Agency Flood plans

4.1.2 The Board requested that Multi Agency Flood Plan updates be shared with the Regional Flood and Coastal Committee Chairs.

**Action: John Curtin**

4.1.3 The Board thanked the staff and stakeholders who have been working on Navigation for their time and effort.

4.1.4 Toby Willison gave an update to the Board on Next Generation Supplier Agreements, informing the Board that the current Water and Environmental Management Framework expires on 19 March and work is underway to develop the next version. 200 expressions of interest had been received and Toby agreed to update the Board at a future meeting.

**Action: Toby Willison**

**Item 4.2**  
**25 Year Environment Plan and EU Exit**

4.2.1 Tony Grayling introduced Charlie Corbishley and Andy Croxford and gave the Board a summary of the launch, content and next steps of the 25 Year Environment Plan (25 YEP) and updated the Board on the key recent developments on EU Exit.

4.2.3 The Board discussed the position of the Environment Agency and priorities with regard to EU Exit and commented that publication of the 25 YEP was a major environmental landmark.
4.2.4 The Board noted that an important next step is to review the Area integrated plans and how we enable Areas to deliver them.

4.2.5 John Curtin informed the Board of an article he had written for the Chartered Institute of Water and Environmental Management entitled ‘Engineers and the Environment – natural allies in our fight for a more flood resilient nation’, and offered to share this with the Board.

**Action: John Curtin**

**Item 5 Committee meetings – oral updates and forward look**

**Pensions**

5.1 Joanne Segars informed the Board that progress had been made on the creation of the Brunel Pension Partnership and that she had written to the Chief Executive of Brunel requesting more detail in the draft Business plan.

5.2 Joanne informed the Board that Craig Martin had written to all fund managers regarding plastics in the environment. Joanne thanked Craig and his team for their work ensuring that the Environment Agency Pension Fund remains a global leader in responsible investment.

**Flood and Coastal Risk Management Committee**

5.3 Lynne Frostick informed the Board that the meeting on 23 January had not been quorate.

5.4 Lynne informed the Board that the hot topics had focused on the number of Amber Flood Warnings this winter and the impact of maintaining preparedness on personnel, and gave thanks on behalf of the Committee to incident staff.

5.5 Lynne outlined other items discussed:
- The commissioning of infographics for the 50 largest flood schemes.
- Alignment of the Long Term Flood Strategy and mitigation cross review with the 25 YEP.
- The requirement of £700 million of partnership funding, in order to deliver the planned 300,000 and an additional 50,000 homes better protected as part of the 6 year programme.
- A discussion about a potential Committee site visit.

**Environment and Business Committee annual review**

5.6 Gill Weeks gave a presentation to the Board outlining the Committee’s achievements over the last 12 months.

5.7 Gill informed the Board that the standing hot topics item had proven to be very helpful and informative to the Committee in setting out the current topics for regulated industry and water land and biodiversity. More time may be given to this item in future to allow all the issues to be covered.
5.8 Gill informed the Board that the welfare of regulated industry staff (in particular those working on waste sites) has been a topic of particular interest along with staff retention in the nuclear sector. Other topics of major interest included:
  - Air Quality
  - Medium Combustion plant
  - Salmon
  - Fracking
  - Grant in Aid

5.9 Gill gave the Board an insight into the items on the Committee forward look which included:
  - Inviting the Director of Environmental Quality from the Defra group to return on a regular basis
  - Local and National priorities
  - Revisiting Air Quality
  - Devolution and opportunities in the North of England

5.10 Gill expressed her thanks to Richard Macdonald on behalf of the Committee for attending the Committee meetings when Agriculture is on the agenda.

Audit and Risk Assurance Committee

5.11 Gill Weeks provided a report on behalf of the Committee’s chair, Karen Burrows.

5.12 Gill reported on the National Audit Office’s Committee effectiveness review, advising the Board that only two areas had been identified as areas where the Committee needs additional skills:
  - Financial management skills (that has since been rectified through the appointment of John Lelliott to the Board)
  - Knowledge of Cyber issues (which the Committee has advised be managed at a Defra group level)

5.13 Gill advised the Board that in addition to the items listed in the paper the Committee had also discussed whether the Committee could be more challenging of the Executive, they had also discussed the resilience of Corporate Service staff.

5.14 Gill asked the Board to approve the Audit and Risk Assurance Committee’s Terms of Reference that had been updated to explicitly reflect how outsourced services and those delivered by others are overseen.

5.15 The Board approved these amendments and minor amendments to the Committees Standing Orders.

Item 6.1 Pension Fund Scheme of Delegation

6.1.1 Joanne Segars introduced this paper. The Board discussed and noted the items in the Pension Fund Scheme of Delegation paper and approved:
  - The appointment of Peter Kellett, Director of Legal Services, as a new Executive Member on the Pensions Committee.
  - The change of appointment for Hywel Tudor to a Pensioner Member representative for a further 3 year period.
The appointment of Danielle Ashton for a 3 year period as the new Active Member Representative.

The minor updates to the Pensions Committee and Pension Board Terms of Reference and Standing Orders.

**Item 6.2 Finance Report**

6.2.1 Bob Branson presented the Finance Report. The Board noted the report.

**Item 7 Guests John Seglias and Jac Broughton, Defra Heads of Functions**

7.1 Emma Howard Boyd welcomed Ian Randall, John Seglias and Jac Broughton to the meeting as part of the Board’s programme to meet with all the Defra Heads of Functions following the transfer of functions to Defra Corporate Services.

7.2 Both Jac and John presented to the Board individually on their aspirations post transformation to become more effective, efficient, user focused and insight led.

7.3 John highlighted that IT efficiency will not be delivered through loss of people but through contract and process efficiency.

7.4 The Board reflected on the presentations and requested that the Heads of Function consult with staff on future models. The Board also discussed resilience indicators and pulse surveys as tools for monitoring staff morale.

7.5 James Bevan thanked Jac and John for understanding the differences that matter about the Environment Agency and echoed the need for a sharing partnership approach.

**Item 8 FCRM GiA final Indicative allocation for 2018/19**

8.1 John Curtin informed the Board that all regional Committees had endorsed the draft principles for the 2018/19 FCRM GiA capital allocation.

8.2 The Board discussed and approved:

- The draft principles for the 2018/19 FCRM GiA capital allocation
- The draft final indicative FCRM GiA capital allocations
- The draft final indicative FCRM GiA revenue maintenance allocations

8.3 The Board thanked all involved, observing that this is testament to the positive working relationships with Local Authorities.

**Item 9.1 Levies and Charges**

9.1.1 The Board noted the paper and authorised the affixing of the seal of charges, including the general drainage charge and special levy, for the current year ending 31 March 2018 and the forthcoming year ending 31 March 2019.
9.1.2 The Board thanked the RFCC Chairs and Area staff for their work on the levies and charges.

Item 9.2 Strategic Review of Charges

9.2.1 Neil Davies introduced the paper and updated the Board on the consultation launched on 30 November 2017.

9.2.2 The Board were informed of the correspondence with 22,000 customers who could be impacted by the main proposals due to come into effect on 1 April and the plans to engage with navigation users.

9.2.3 The Board noted the feedback from the consultation and progress made. The Board delegated final approval to the Chair and Chief Executive.

Item 9.3 Mobilising More Money

9.3.1 Harvey Bradshaw introduced this item with Liz Parkes and Andrew Sissons.

9.3.2 Liz Parkes and Andrew Sissons summarised the approach to Mobilising More Money and attracting more investment in environmental outcomes, aligned to the 25 YEP.

9.3.3 The Board discussed the possibilities, risks, approaches and constraints of alternative funding models.

9.3.4 The Board felt that this is a concept that should be investigated further, they requested the possibilities be mapped and be bought back to the Board at a future date.

Item 10 AOB and date of next meeting

10.1 The Board noted that the next meeting would be a short formal meeting followed by a visit to Thames Area on 14 and 15 March 2018.

10.2 Emma Howard Boyd invited Richard Stockdale to join the Board and share with them his recent work on reducing plastic pollution.

Item 11 Review of the meeting

11.1 The Board reviewed the meeting.