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</table>
| 1 | Apologies | Emma Howard 10.30
Boyd 10 mins |
| 2 | Declarations of Interest | Emma Howard Boyd |
| 3 | Minutes of the Board meeting held on 13 December and matters arising (for approval) | Emma Howard Boyd |
| 4 | Board Updates | Harvey Bradshaw 11.00
45 mins |
| 4.1 | Chair’s update (for information) | Emma Howard Boyd 10.40
20 mins |
| 4.2 | Chief Executive’s update (for information) | James Bevan |
| 5 | EU Exit Preparedness (update) | |
| 6 | Guests – Minister Rutley and Tamara Finkelstein | |
| 7 | Reflections following session with guests | Emma Howard Boyd 12.30
15 mins |
| 8 | Time to Talk | Toby Willison 12.45
10 mins |
|   | Mental health and wellbeing initiative |   |
|   | Lunch | 12.55
45 mins |

Venue: Room 806, Nobel House

Board Breakfast: 08.45 – 10.15

Session with Secretary of State 09.00 – 10.00

Board meeting: 10.30 – 15.10

Quorum: 8 non-executive Board members
9. **FCRM**  
9.1 GiA Allocation  
9.2 Local Levy and IDB precepts  
<table>
<thead>
<tr>
<th>Time</th>
<th>Speaker</th>
</tr>
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<tbody>
<tr>
<td>13.40</td>
<td>John Curtin</td>
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<tr>
<td>30 mins</td>
<td>Pat Bolster</td>
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10. **Sustainable growth**  
<table>
<thead>
<tr>
<th>Time</th>
<th>Speaker</th>
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<tbody>
<tr>
<td>14.10</td>
<td>Harvey Bradshaw</td>
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<tr>
<td>30 mins</td>
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11. **Regular finance items**  
11.1 January Finance Report *(for update)*  
11.2 Schemes of Delegation *(for approval)*  
11.3 Non-Financial Scheme of Delegation *(for approval)*  
<table>
<thead>
<tr>
<th>Time</th>
<th>Speaker</th>
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<tbody>
<tr>
<td>14.40</td>
<td>Pat Bolster/Peter Kellett</td>
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<tr>
<td>15 mins</td>
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12. **Recent committee meeting updates**  
12.1 Committee updates  
<table>
<thead>
<tr>
<th>Time</th>
<th>Speaker</th>
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<tbody>
<tr>
<td>14.55</td>
<td>Emma Howard Boyd</td>
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<td>5 mins</td>
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13. **AOB and date of next meeting**  
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<th>Time</th>
<th>Speaker</th>
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<tbody>
<tr>
<td>15.00</td>
<td>Emma Howard Boyd</td>
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<td>5 mins</td>
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14. **Review of meeting**  
<table>
<thead>
<tr>
<th>Time</th>
<th>Speaker</th>
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<tr>
<td>15.05</td>
<td>Emma Howard Boyd</td>
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<td>5 mins</td>
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Board Meeting

Thursday 7th February 2019

Item no. 4.1

Sponsor: Emma Howard Boyd, Chair
Title: Chair’s Update Report

Please clearly state what decision you are seeking from the meeting

The Board is asked to:
1. Note recent Chair engagements
2. The Board are asked to approve on the recommendation of the Pensions Committee, Will Lidbetter, who is already a member of the Pensions Committee, to the Pension Investment Sub-Committee, so that it has more capacity to manage the Brunel transition period.

Key points for discussion

This paper is intended to update the Board on the Chair’s key engagement since the last Board meeting in addition to Board and Committee meetings.

Governance

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

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

Are there any risks associated with the evidence and analysis in the paper?
N/A
1.0 Emma Howard Boyd engagements 12 December 2018 to the 6 February 2019

1.1 Please note this paper details key engagement events, a full detailed itinerary is sent out via email weekly.

**Key Speaking and panel events**

**8 January**- Speech at the Senior Civil Service Women Event hosted by Permanent Secretary for the Department for Business, Energy & Industrial Strategy (BEIS) Alex Chisholm.

**10 January**- Speech at the Environment Agency Executive Managers Meeting.

**11 January**- Speech at the Year of the Environment event in Liverpool alongside the mayor of Liverpool.

**16 January**- Panellist at the London Stock Exchange roundtable on green finance in Africa event with Lord Boateng and Emma Wade-Smith (PM’s UK Trade Commissioner for South Africa).

**16 January**- Panellist at the Foundation for Science & Technology Debate: ‘Can the Paris Agreement on the response to climate change be delivered?’


**22-25 January**- Attendance at the World Economic Forum in Davos. Highlights included:
- attending and speaking at the Global Commission on Adaptation meeting hosted by Ban Ki-moon, Bill Gates, Kristalina Georgieva, PM Rutte (Netherlands), UK Development Secretary, alongside a number of the Commissioners;
- meeting Greta Thunberg, the 16 year Swedish activist and Prof. Gail Whiteman of Lancaster University at the Arctic Base Camp;
- speaking at an event on Sustainable Banking;
- attending the British Leaders lunch which the Chancellor addressed;
- attending the launch event of a New Deal for Nature with Andre Hoffmann, Paul Polman, Christiana Pasca Palmer (Exec Sec of Convention on Biological Diversity), Al Gore.

**30 January**- Speech at Greater Manchester's Natural Capital Group Annual Conference.
31 January- Environment Agency Executive Director Roadshow - Marsham Street

5 February- Environment Agency Town Hall Event - Cumbria.

**E&B focused activity**

11 January- European Metal Recycling (EMR) Site visit- looking at the joint working between the Environment Agency and EMR waste site.


**FCRM focused activity**

7 January- Introductory meeting with Sally Randall, Director Floods and Water, Defra Group.

29 January- Site visit to Nine Elms and Dinner with Japanese Delegation.

**Key Green Finance/Resilience activity**

9 January- Meeting with Nick Mabey, E3G

21 January- Pre Davos meeting hosted by HRH Prince of Wales with senior members of the finance industry (Accounting for Sustainability)


**Key Stakeholder Engagements**

8 January- Meeting with Julia King, Baroness Brown of Cambridge, the meeting focussed on the GCA and the Adaptation Committee.

17 January - Meeting with Graham Wynne, discussing the Global Commission on Adaptation.

31 January- Meeting with Tim Wainwright, Chair WaterAid.

6 February- Meeting with Secretary of State, Penny Mordaunt.

**Other business: Recommendation for Approval at Board Meeting**

The Board are asked to appoint on the recommendation of the Pensions Committee Will Lidbetter, who is already a member of the Pensions Committee, to the Pension Investment Sub-Committee, so that it has more capacity to manage the Brunel transition period.
Board meeting

Thursday 7th February 2019

Sponsor: James Bevan, Chief Executive

Title: Chief Executive’s Update

Please clearly state what decision you are seeking from the meeting
The Board is asked to note the update on key topics since the last meeting.

Governance

What meetings/groups have already reviewed this item?
NA

What meetings/groups need to review this item next?
NA

Are there any risks associated with the evidence and analysis in the paper?
None

How will the key messages/decisions be communicated?

Legal Services have been consulted and [confirm no legal annex is required].
Legal advice provided by: NA
1.0 Environment Bill

1.1 The draft Environment (Principles and Governance) Bill was published on 20 December. This will put environmental principles, such as polluter pays, on a statutory footing and set up the Office for Environmental Protection (OEP). The OEP will complement, not compete with the role of the Environment Agency.

1.2 The OEP will provide independent and impartial scrutiny, assessments and advice on environmental legislation and policy. The Environment Agency welcomes the tiered approach to dealing with complaints through to enforcement, and believe this will enable a good approach to hold government and public bodies to account. The Environment Agency have worked closely with Defra to develop the enforcement proposals. The intention is for the OEP to be functional from 1 January 2021, with a Chair and Chief Executive to be in place from 1 March 2020.

1.3 The draft Bill places the 25 Year Environment Plan (25YEP) on a statutory footing. This commits government to driving forward its environmental agenda both now and in years to come.

1.4 The final Bill is expected to come to Parliament in the second session (June 2019 onwards) and will be broader to include measures on air quality, nature recovery, waste and resource efficiency and water management. This will bring in key policies from: the Air Quality Strategy (published January 2019); the Resources and Waste Strategy (published in December 2018); mandating Net Gain (consultation launched in December 2018); and Floods and Water (consultation published in January 2019). The Environment Agency is working closely with Defra colleagues to develop the policies and legal instruments under all of these areas to ensure that the provisions are clear and fit for purpose and so that the Bill translates into meaningful action.

2.0 25 Year Environment plan

2.1 The 25 Year Environment Plan Indicator Framework will be published alongside the Environment Bill, following the publication of the draft indicator framework for the 25 Year Environment Plan alongside the draft Environment Bill in December 2018. There has been a substantial team effort to get the indicators to the current position with the Environment Agency taking a lead on Clean and Plentiful Water, Natural Hazards, Resources and Waste and Managing Exposure to Chemicals. This is a consultation and it is open until 25 January 2019, although we had already received and addressed about 500 comments from discussions held between Defra and stakeholders.

3.0 Defra Resources and Waste Strategy

3.1 The Resources and Waste Strategy was launched on 18 December 2018 (https://www.gov.uk/government/publications/resources-and-waste-strategy-...
The strategy takes a “circular economy” approach where materials are kept in use for longer. This is achieved through better design and production, consumption behaviour and more re-use and recycling before final disposal of unavoidable waste. The changes, both now and in the longer term, mean we should expect significant changes to waste regulation over the next few years.

3.2 The strategy includes the EU Circular Economy Package requirements and commitments to implement the Waste Crime review recommendations. Other features are actions to reduce food waste (new food waste guidance has been published alongside the strategy), tackle plastic waste, and improve Government’s own environmental performance.

3.3 Many policies will require further consultation and development. Extending and increasing the plastic bag charge to all retailers consultation has already been released (https://www.gov.uk/government/consultations/single-use-carrier-bags-extending-and-increasing-the-charge). We expect further public consultations on the Deposit Return Scheme, Producer Responsibility and Packaging, and improving the consistency of household waste collection very soon.

4.0 Net gain

4.1 The Environment Agency is developing its response to the Defra led consultation proposing to mandate biodiversity net gain in the planning system, which closes on 10 February 2019. The response will broadly welcome the proposals and emphasise the desirability of extending from biodiversity to a broader environmental net gain approach. Alongside seeking clarification on the transitional arrangements for implementing this policy, it will highlight some practical considerations relating to applying net gain to the Environment Agency’s Flood and Coastal Erosion Risk Management investment programme.

5.0 Clean air strategy

5.1 The Environment Agency welcomes Defra’s ambitious new strategy to clean up our air, published on 14 January. The Clean Air Strategy aims to deliver the UK’s commitments to meeting internationally agreed targets for 5 key air pollutants. It looks at how air quality affects public health and the environment, and the actions needed further to reduce emissions from industry, farming, transport and homes. It also targets previously lower priority, but still important, substances such as ammonia (mostly from farming) and volatile organic compounds, which are found in a wide variety of products including household chemicals.
5.2 The actions outlined in the Strategy could cut the costs of air pollution to society by £1.7 billion every year by 2020, rising to £5.3 billion every year from 2030.

5.3 The strategy potentially gives us some new duties which will require careful consideration before we accept them and new resources to fully fund the work.

6.0 Dame Glenys Stacey's Farm Inspection and Regulation Review (FIRR) and potential implications for the Environment Agency

6.1 Dame Glenys Stacey was appointed by the Secretary of State in February 2018 to undertake an independent review of farm inspections and regulation to inform post EU Exit policy. On 13 December 2018 Dame Glenys Stacey published her final report containing 10 key recommendations (Appendix 1) aimed at reducing the burdens on farmers, maintaining and enhancing our animal and environmental and plant health, and facilitating agricultural trade. It:

- Underlines the importance of good risk-based regulation, especially for farming.
- Praises the work of the Environment Agency and its own regulatory expertise.
- Recommends the establishment of a new, independent regulator for farming and land management, that if established:
  - will need to work closely with the Environment Agency on its retained national remit for air pollutants, water quality and resources and in setting (with government) overarching strategies and standards for these.
  - could be managed through the creation of a shadow body to allow for the careful transition of responsibilities between organisations.

6.2 The Environment Agency supported this review throughout. The Defra-group aim to consult on the future of agriculture regulation and enforcement in England in due course subject to EU Exit priorities allowing. Government’s policy response is unlikely to be made in time to inform the Agriculture Bill so the relevant powers and duties may be included in the Environment Bill, expected to be laid in Parliament in June 2019.

7.0 Resilient water resources: update on current plans and progress with national framework

7.1 Water companies are finalising their water resource management plans which set out how they will balance supply and demand over the next 25 years. The Environment Agency provided advice to government on these plans which are now more ambitious on leakage and demand management than the original drafts. Most include 15% less leakage by 2025, and significantly reduced demand over the 25 years. The plans include water transfers and supply options, however some of these have been removed or delayed as lower demand reduces the need. Thames Water and Affinity Water are re-consulting
on their plans which are important for the strategic supply of South East England.

7.2 The Environment Agency is developing the water resources national framework. This will articulate national and regional water resources need by December 2019 and use this to set clear expectations of water companies and other water users. They are also working with regional water resources planning groups to improve coordination and deliver strategic regional plans. This cross sector work is governed by a steering group including senior representatives from the water industry and those representing other sectors. The group is focusing on how to build resilience and improve the environment.

8.0 Grenfell Tower environmental checks

8.1 In October 2018, the Government announced that additional environmental checks were to be carried out in and around the Grenfell Tower site. This was in the response to media reports regarding high concentrations of toxins being found in dust & soil within a mile of the Tower. While this is a local authority responsibility, Ministers decided that Central Government should lead the response. This is being co-ordinated by the Ministry of Housing, Communities and Local Government (MHCLG) and involves Defra, Department for Health and Social Care (DHSC) and the Government Chief Scientific Adviser.

8.2 The Environment Agency agreed to join a multi-agency partnership to provide specialist technical and project management advice on contaminated land. This partnership includes Public Health England, Food Standards Agency, the Royal Borough of Kensington and Chelsea (RBKC), NHS England and the Grenfell site management team. The Environment Agency took the lead to design the phased investigation strategy and support RBKC to appoint consultants to carry out the first phase of the work. The Environment Agency is also supporting MHCLG to develop a comprehensive community engagement strategy which will include community workshops, weekly drop-ins, newsletters etc. Work on the initial phase has started with the main phase of site investigation and risk assessment to follow later this year.

9.0 Onshore oil and gas – Cuadrilla, Preston New Road, Lancashire

9.1 On Friday 11 January the High Court upheld the Environment Agency’s decision, made in December 2017, to approve changes to the environmental permit for the hydraulic fracturing operations at Preston New Road. This was the first judicial review regarding environmental permitting for hydraulic fracturing operations. The judge dismissed the claim made by Friends of the Earth, affirming that the Environment Agency were neither required to review the waste management plan nor carry out a fresh assessment of best available techniques for the on-site treatment of fluids that return to the surface following hydraulic fracturing. Friends of the Earth is not appealing the judgment.
9.2 Cuadrilla has completed hydraulic fracturing of the first well at the Preston New Road site. Over 50 minor seismic events were detected during the two months. We are satisfied that there were no well integrity issues and that fractures did not propagate beyond the permitted zone. The operator has since removed the hydraulic fracturing equipment from the site and is testing the flow of shale gas from this first well. Further hydraulic fracturing is expected later this year for the second well, subject to approval of a hydraulic fracture plan.

10.0 FCRM Asset Management – ISO55001 Certification

10.1 We have successfully achieved ISO55001 certification, the international industry standard for Asset Management. This is a great achievement for us as an organisation and demonstrates to Government and local communities we manage our FCRM assets well to help protect people and the environment.

10.2 ISO certification is a key milestone in our Modernising Asset Management strategy which puts effective asset management at the heart of what we do.

11.0 FCERM Strategy

11.1 Delivering – and then implementing – the new Flood and Coastal Erosion Risk Management Strategy for England is a critical element of our collective work to manage flooding and coastal change. Consulting others is an important part of ensuring it meets everyone’s needs. We want to be confident that it will land at a time when people, businesses and organisations have the time and capacity to fully consider and respond to the proposed future direction of FCERM. EU exit and related preparations are rightly a priority for government, local authorities and business at the moment. As a result, we’ve decided that these preparations mean that now is not the best time to consult.

11.2 Instead we will reschedule the consultation for as soon as possible after March 2019. We are continuing to progress our thinking in the meantime with those who have already provided support and helped to shape our thinking.

Compiled by James Carruthers
24th January 2019
Board Meeting

Thursday 7th February 2019

Item no. 12.1

Sponsor: Board Governance Team
Title: Board Committee Meetings update

Please clearly state what decision you are seeking from the meeting
The Board is asked to:

1. Note the substantive agenda items discussed at Flood and Coastal Risk Management Committee, Remuneration Committee and Pensions Committee since December 2018.

Key points for discussion
Committee Chairs will be asked to highlight particular areas of note for the Board.

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?
No

How will the key messages/decisions be communicated?
Through an oral update during the Board meeting.

No legal annex is required.
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 13th December 2018.

2.0 Flood and Coastal Risk Management (FCRM) Committee

2.1 The FCRM Committee spoke via telecom on 23rd January 2019. Substantive items discussed were:
- Final GiA Allocation 2019/2020
- FCERM Strategy and Spending Review

3.0 Environment and Business Committee

3.1 The Environment and Business Committee has not met since the 13th December 2018.

4.0 Remuneration Committee

4.1 The Remuneration Committee met on 13th December 2018. Substantive items discussed were:
- Pay Award
- 2018/2019 Senior Pay Guidance

5.0 Pensions Committee and Pensions Board

5.1 The Pensions Committee met on the 18th December 2018. Substantive items discussed were:
- Investment Sub Committee report
- Brunel Pension Partnership update
- 2019 Actuarial Valuation
- Discretionary Policy Statements
- Benefits administration, communication and change management
- Corporate Services Bulk Transfer
- Business Plan, Risk Management and Forward Look Updates
- Audit Strategy

6.0 Audit and Risk Assurance Committee

6.1 The Audit and Risk Assurance Committee (ARAC) has not met since 13th December 2018.

James Carruthers
Board Governance Advisor

24th January 2019