

Board Meeting

Thursday 16th May 2019

Venue: Room 806, Nobel House
Board Breakfast: 9.00 – 10.15
Board meeting: 10.30 – 15.40
Quorum: 8 non-executive Board members

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|----|---|------------------------------------|---------------------------------|
| 1. | Apologies | Emma Howard
Boyd | 10.30 – 10.40
<i>10 mins</i> |
| 2. | Declarations of Interest | Emma Howard
Boyd | |
| 3. | Minutes of the Board meeting held on 6 February and matters arising (for approval) | Emma Howard
Boyd | |
| 4. | Board Updates | | 10.40 – 11.00 |
| | 4.1 Chair's update <i>(for information)</i> | Emma Howard
Boyd | <i>20 mins</i> |
| | 4.2 Chief Executive's update <i>(for information)</i> | James Bevan | |
| 5. | Water Resilience with Rachel Fletcher (Ofwat Chief Executive) | Harvey Bradshaw | 11.00 – 11.45
<i>45 mins</i> |
| 6. | EU Exit update | Harvey Bradshaw /
Toby Willison | 11.45 – 12.15
<i>30 mins</i> |
| | Lunch | | 12.15 – 13.00
<i>45 mins</i> |
| 7. | Spending Review (presentation) | Pat Bolster | 13.00 – 13.45
<i>45 mins</i> |
| 8. | Pay Package review (no paper) | John Leyland | 13.45 – 14.30
<i>45 mins</i> |
| 9. | Corporate Services (oral update) | John Leyland | 14.30 – 14.45
<i>15 mins</i> |

10.	Annual reports and accounts 10.1 Delegation of approval of annual reports and accounts	Pat Bolster	14.45 – 15.00 <i>1½ mins</i>
11.	Finance items 11.1 Arun IDD financial statements (<i>for approval</i>) 11.2 Financial Schemes of Delegation (<i>for noting</i>) 11.3 Partnership grants Non-Financial Scheme of Delegation (<i>for approval</i>)	Pat Bolster / Peter Kellett	15.00 – 15.15 <i>15 mins</i>
12.	Recent committee meeting updates 12.1 Committee updates 12.2 E&B Annual Review 12.3 Remcom Annual Review	Emma Howard Boyd	15.15 – 15.25 <i>10 mins</i>
13.	AOB	Emma Howard Boyd	15.25 – 15.30 <i>5 mins</i>
14.	Date of next meeting: 10 th July – Board Planning, London 7/8 th October – Board Meeting, Bristol	Emma Howard Boyd	15.30 – 15.35 <i>5 mins</i>
15.	Review of meeting	Emma Howard Boyd	15.35 – 15.40 <i>5 mins</i>

Board Meeting

Thursday 16th May 2019

Item no. 4.1

Sponsor: Emma Howard Boyd, Chair

Title: Chair's Update

Please clearly state what decision you are seeking from the meeting

The Board is asked to:

1. Note recent Chair engagements

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

How will the key messages/decisions be communicated?

N/A

No legal annex is required

1.0 Emma Howard Boyd engagements 20 February 2019 to 16 May 2019

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

Key Speaking and panel events

20 February- UCL Climate Action Society Talk at Climate Action Workshop

<https://www.gov.uk/government/speeches/i-dont-want-you-to-panic>

28 February- Panellist at the Natural Capital Investment Conference

07 March- Keynote speech at the Futurebuild conference:

www.gov.uk/government/speeches/back-to-the-future

13 March- Keynote speech at GCA Wilton Park dialogue: Transboundary climate risk Day

15 March- Keynote speech at the Women's Engineering Society Annual Conference

<https://www.gov.uk/government/speeches/its-raining-men-gender-diversity-and-climate-change>

18 March- Panellist at the Economics of Soil: Private Asset or Public Good?

19 March- Speech at Central Banking and Sustainability - A Roadmap to 2020

21 March- Speech at the European Bank for Reconstruction and Development event- GCA finance action track: Financing a Climate-Resilient Future reception.

<https://www.gov.uk/government/speeches/steady-investments-in-a-changing-climate>

25 March- Speech at Greater Manchester's Green Summit.

<https://www.gov.uk/government/speeches/local-knowledge-national-action-international-leadership>

28 March- Speech at the Low Carbon Lake District – Celebrating a Decade of Tackling Climate Change.

15 April- Panellist at the Official Monetary and Financial Institutions Forum

24 April- Keynote Speech at the Keep Britain Tidy Roundtable on litter and environmental quality.

<https://www.gov.uk/government/speeches/please-dont-waste-this-moment>

29 April- Keynote address at the PwC Natural Capital Risk Breakfast Briefing

02 May- Keynote address at the Financial Times the Chief Information Officer's responsibility in the future of stewardship event.

09 May- Keynote address at the FCERM Strategy Launch event.

13 May- Panel Event: CFA Institute Annual Conference

E&B focused activity

18 February- London Metal Exchange Trading Ring with the Chair of Water UK, Brian Bender

05 March- Area Visit to Devon, Cornwall and the Isles of Scilly focussed on Plastics, Sustainability and Dry Weather.

06 March- Evidence at Efra Committee-Pre-legislative scrutiny of the Draft Environment (Principles and Governance) Bill

08 March- Area visit to Wessex- focused on 25 Year Plan

09 April- Area Visit to Kent, South London and East Sussex- Manston Site visit and EU Exit discussions

17 April- Area Visit to Kidderminster- focused on Salmon in the Stour/Flood Alleviation Scheme

FCRM focused activity

25 February- Site Visit to Suffolk Coast with Tony Juniper (Natural England, Chair)

03 May- Attendance at the FloodRe Board meeting

Key Green Finance/Resilience activity

6 March- Meeting with Preston Brook, Macquarie

14 March- DfiD's High-level consultation group on UN Secretary General's Climate Summit

18 March- Make My Money Matter Meeting

20 March- Meeting with Stephen Brenninkmeijer, Chair European Climate Foundation's Board.

04 April- Event attendance London Business School Climate related risk: Responsibility of the Boardor not?

04 April- WWF: Our Planet- Netflix premiere

Key Stakeholder Engagements

11 March- Meeting with Tom Delay, Carbon Trust

11 March- Meeting with Tim Wainwright, Chief Executive, WaterAid

20 March- Meeting with David Issac Chair, Equality & Human Rights Commissions

01 April- Meeting with Laura Sandy's, Food Foundation

04 April- Meeting with Dame Lucy Neville- Rolfe, Chair Assured Food Standards

08 April- Meeting with Professor Macrory, No Deal Planning Commissioner

08 April - Meeting with Jonathan White (Chair) and Arlin Rickard(Chief Executive)- Rivers Trust

08 April- Meeting with Arlin Rickard and Mark Lloyd (Chief Executive Angling Trust)- Rivers Trust and Angling Trust

10 April- Meeting with Stewart Basely, Chief Executive House Builders Federation

10 April- Meeting with Malcolm Morley, Chair Radioactive Waste Management

15 April- Ex Government, Non-Executive Conference

30 April- Meeting with Tony Pidgley- Chair, Berkeley Homes

2 May- Meeting with Fiona Ellison, Julia Cleverdon- #Iwill4nature

13 May- National Trust dinner with Tim Parker (Chair) and Hilary McGrady (Director General)

14 May- Meeting with Anthony Hopley, Co-Chair of Advisory Board- Carbon Tracker

Other business: Recommendation for Approval at Board Meeting

The Board are asked to note the approval by Emma Howard Boyd and James Bevan, under Standing Order 4.1, of revised charges for Closed Landfill, Polychlorinated Biphenyls, Radioactive Substance Regulation, Dee and Wye Standard Unit, EU Emissions Trading Scheme and Waste Producer Responsibility.

The Board are asked to note the approval by Emma Howard Boyd and James Bevan, under Standing Order 4.1, of changes to FSoD Section A8 related to advertising and marketing spending restrictions.

Board meeting

Thursday 16 May 2019

Item no. 4.2

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: Peter Kellett

1.0 Environment Bill

- 1.1 The Environment Bill is being developed under five main chapters, these are:
- (1) Governance and Accountability (including Environmental Principles and Governance (EPG) and 25 Year Environment Plan (25 YEP) statutory basis and targets)
 - (2) Air quality (linked to the air quality strategy)
 - (3) Nature (including net gain, habitat mapping and planning, forestry enforcement, urban trees, conservation covenants)
 - (4) Resources and Waste (linked to the Resources and Waste strategy)
 - (5) Water (including abstraction reform, water resources management plans, wastewater management, OFWAT responsibilities, land drainage)
- 1.2 Defra published an early draft of the Environmental Principles and Governance part of the Bill in December along with a policy paper that set out their intentions for the rest of the Bill^[1]. Defra is planning to carry out the formal write round for the Bill towards the end of May and to introduce the Bill into Parliament in June or July 2019.
- 1.3 The Environment Agency submitted written and oral evidence to the Environment, Food and Rural Affairs Committee (EFRA) and the Environmental Audit Committee who conducted pre-legislative scrutiny of the Environment Bill.

2.0 Climate Change

Committee on Climate Change Report on Net Zero

- 2.1 On the 2nd May, the Committee on Climate Change (CCC) published its advice to Government on meeting net zero carbon emissions, which was commissioned on the back of last November's Special (1.5 degrees) Report by the Intergovernmental Panel on Climate Change (IPCC). The CCC recommends setting a target of net-zero greenhouse gas emissions by 2050, ending the UK's contribution to global warming within 30 years.
- 2.2 The report concludes that achieving net-zero by 2050 is:
- Necessary, to deliver on the UK commitment in signing up to the Paris Agreement and to keep global temperature rise to 1.5C;
 - Feasible, as it is achievable with known technologies;
 - Cost Effective, as it is within the cost accepted by Parliament when it legislated the existing 2050 target for an 80% reduction from 1990.
- 2.3 The CCC advises that achieving net zero is only possible if clear, stable and well-designed policies to further reduce emissions are introduced across the economy without delay. Current policy is insufficient for even the existing targets; net zero would require a significant ramp-up. The report also sets out policy recommendations on revising the UK's long-term emissions targets, which impacts on a number of policy areas led by Defra, including on

^[1] <https://www.gov.uk/government/publications/draft-environment-principles-and-governance-bill-2018>

agriculture, forestry and land use, waste and on fluorinated gases as well as on those led by the Department for Business, Energy and Industrial Strategy (BEIS) who will lead the overall Government response.

- 2.4 The Environment Agency welcomes the CCC's recommendations and will work closely with Government to understand the report's recommendations and identify where we can play our full role in delivering any future net-zero target. The Environment Agency is fully committed to being a sustainable business, from having stretching targets to reduce its own carbon footprint to having a leading pension fund championing responsible low-carbon investment. The Environment Agency also has a key role in delivering emissions reductions through its regulation and advice to key sectors, such as the power sector and heavy industry, our regulation of the renewables and low carbon sectors, including nuclear, and as the administrator of the EU Emissions Trading System and fluorinated gases and ozone depleting substances regimes.

Climate Change Strategy

- 2.5 The Environment Agency plays a central role in the country's battle to reduce emissions and adapt to the changing climate. We need to recognise though, that we don't have all the answers and that we too must make a step change in our response. Our Chair, Emma Howard Boyd, and Chief Executive, James Bevan, are leading the way in their conversations with Ministers, businesses and the wider community, showing how we need to
- **think differently** about how climate change impacts on people, the planet and the economy, and the difference that we can make
 - **commit to actions** that bring to life how to design a more resilient, zero carbon future and
 - **be more impactful in how we talk about climate change**, maximising our leadership potential and convening power.
- 2.6 The Environment Agency has agreed a Climate Change Strategy for our whole organisation. This document captures its current ambitions but also commits to developing a stretching long term ambition that responds to the CCC advice to Parliament on net zero, as well as the scale and pace of climate change that we need to adapt to. The Environment Agency is working collaboratively across the leadership community to tap into the energy and passion of our staff and to build on the really great work that they and their partners are already doing, as well as to think innovatively about how to shape a better future.
- 2.7 The strategy will be brought to a future Environment and Business Committee meeting for comment and to the Board as necessary.

3.0 Integrated Regulatory Review Service (IRRS) Mission

- 3.1 From 15-17 April, the Environment Agency participated in the Preparatory Meeting for the IRRS Mission that will be coming to the UK in October this year. IRRS is a peer review service run by the International Atomic Energy

Agency (IAEA) and will bring over 20 experts across the world to the UK to assess our regulation against international standards for the safety of radioactive substances. This will be a “full scope” Mission and will involve the Environment Agency and many other government departments, devolved administrations and regulators covering protection of the environment, worker and public safety, medical uses and transport. The Mission is an opportunity to showcase the Environment Agency’s work in protecting people and the environment from the hazards of ionising radiations and learn from best practice across the world.

4.0 Intensive Beef and Dairy Permitting

- 4.1 In January 2019 Defra published their Clean Air Strategy which contained a series of specific proposals for reducing emissions from agriculture. Agriculture produces 88% of the UK’s ammonia emissions which are predominantly released during storage and spreading of manures and slurries and from the application of inorganic fertilisers. Ammonia damages sensitive natural habitats and contributes to particulate pollution in urban areas; action by farmers can make a big difference to ammonia emissions. The dairy and beef sectors are the major agricultural producers contributing to these emissions. They also emit high levels of greenhouse gases, such as methane and are the number one cause of Category 1 and 2 agricultural incidents.
- 4.2 The Government has made the commitment to introduce permitting to these sectors by 2025. The Environment Agency agreed to lead on this work because of our experience in permitting and regulating similar agricultural sectors, such as pigs and poultry, and the associated activities of manure and slurry storage/spreading. The Environment Agency have agreed funding with Defra to commence a body of work in 2019/20 followed by a project leading up to 2025, which includes securing the legal instruments, designing the technical standards from scratch and developing business tools to support this. The Environment Agency will work in partnership with industry to find the best solutions to help secure and deliver this and other key Government Objectives such as ‘a world class farming industry’.

5.0 Water Company Performance Report

- 5.1 This year’s water company performance report is due to be published in the first week of July. The Environment Agency are now reviewing the data that will inform the Environmental Performance Assessment (EPA) and the associated star performance rating for each water company. Based on a provisional review of available data there is a reported downturn in performance for a number of companies this year.
- 5.2 Key areas of concern relate to serious pollution incidents and sludge treatment and disposal. The Environment Agency are currently reviewing regulatory approaches and improvement initiatives in these areas.

6.0 Judicial Review Challenge to the National Salmon Byelaws

- 6.1 A challenge was made by a south west fisherman to have Byelaw 8 (relating to the south west salmon net fisheries) repealed. This was submitted to the Courts in March and the Environment Agency refuted the challenge. Permission to apply for Judicial Review has now been refused. There is a possibility of an appeal to the Court of Appeal, however, the judge has found the claim to be “totally without merit”. The Environment Agency were awarded costs for the process to date. There have been no other legal challenges to the salmon byelaws.
- 6.2 Compensation claims for the salmon net fisheries that have been shut are being received; the last day to claim is 18 December 2019. Claims are being assessed and a process to consider them and calculate likely compensation developed.

7.0 Update on the Environment Agency’s online auction tool ‘NatureBid’

- 7.1 The Catchment Funding team in Future Funding have developed a tool ‘NatureBid’ that provides a way to deliver environmental outcomes in a catchment much more cheaply by auctioning them. It is part of a market-based approach supporting more sustainable land management.
- 7.2 The Environment Agency has developed and undertaken two trials and is currently finalising a further programme of half a dozen trials to be completed in 2019. Both trials in the summer 2018 and March 2019 ran successfully. The second trial built on the first and saw more bids which resulted in greater competitive pressure between sellers, bringing down the cost of environmental outcomes.
- 7.3 For example, the intervention that received the most bids was maize management; in the first trial the average payment rate for this was 56% of the usual Countryside Stewardship (CS) rate. Provisional results for the second trial suggest this average payment rate has dropped to around **29%** of CS rates. Hedge planting came out at around 70% of the CS rate. Number of farmers bidding for funds in the second trial almost doubled, and total bids increased from 64 to 172.
- 7.4 Looking ahead, the next scheduled auction will be in Dartmoor in June 2019; this will similarly focus on Natural Flood Management actions but also include woodland planting. Future proposed trials include habitat creation (ponds for Great Crested Newts) across Kent and Cheshire, soil health and water quality in the Tamar Valley in Devon and in Northamptonshire. Through the future trials, we will explore using the auction tool with a broader range of revenue streams, including water bills, private food and drink sector organisations, and developer contributions, and across a range of landscapes delivering multiple environmental outcomes.

8.0 Update on Navigation

- 8.1 The Environment Agency currently manages 1010km of the navigable waterways in England consisting of Anglian waterways, Upper Medway, Thames, Wye and Rye Harbour. For some time, now there has been a review led by DEFRA of the future of the Environment Agency managed waterways including potential transfer to the Canal and Rivers Trust. National and Area teams have worked hard over the last year to support this review, whilst continuing to deliver the Navigation Business.
- 8.2 Ministers have now approved the review's recommendation that Environment Agency retain the management of the waterways whilst avoiding managed decline of the assets. This approval now places an expectation on the Environment Agency to develop proposals for innovative financing solutions including commercial activity, to achieve greater income from the navigations over the long term and to invest in asset management and delivery of the navigation service.
- 8.3 The Environment Agency National Navigation team will be working closely with Defra and Area teams to develop a long term funding plan for the business to make it financially viable.

9.0 Green Finance Strategy update

- 9.1 The Green Finance Strategy is being led by BEIS with support from Defra, Treasury and FCO. The Environment Agency Future Funding team are closely involved in writing it, engaging across departments and providing support to Defra in drafting Chapter 2 on Financing Green.
- 9.2 The Strategy is an opportunity to make policy changes which make it easier to fund and finance environmental and climate change projects, including many Environment Agency priorities. This is an important opportunity to be able to influence Government and secure new sources of investment in the environment in future. The launch is expected in July.
- 9.3 The Green Finance strategy is a response to the Green Finance Taskforce recommendations (which Emma Howard Boyd was a leading voice in). It will have three chapters:
- Chapter 1: Greening Finance: How do we ensure that the finance sector is transitioning to support green finance (legislation, metrics & monitoring, transparency & disclosures). BEIS are leading this chapter.
 - Chapter 2: Financing Green (this is the main focus for the Environment Agency): Will focus on how to make green finance work for environmental projects (Supporting strategies, Government-led investment funds, supporting local implementation, governance, and pipeline projects). Defra are leading on this chapter and we are working closely with them.

- Chapter 3: Capturing the opportunities: Will focus on develop UK leadership in the Green finance space (brand, products including data services, supporting innovation, challenges and data availability, building capacity and skills). BEIS are leading this chapter with inputs from FCO/HMT.

10.0 Prolonged dry weather

- 10.1 Prolonged dry weather continues to affect East Anglia, Lincs and North Hants, Thames and Herts and North London Areas. April was dry, particularly in the east where only 19% of the long term average rainfall has been received as at 24 April. A continuation of settled weather in the east of England heightens drought concerns for agriculture and the environment. We have already seen some environmental issues with algal blooms, fish kills and wildfires reported comparatively early in the year.
- 10.2 Our revised flexing abstraction position statement allows the extension of the winter abstraction season beyond March. However, low river flows are constraining the ability to refill winter storage reservoirs, which could result in widespread water availability impacts for the agricultural sector. We are not anticipating any notable improvement to spray irrigation prospects.
- 10.3 The water company position is good; total reservoir stocks for England were 95% of capacity at the end of March. Under a Reasonable Worst Case scenario of 80% of normal rainfall, most water companies are reporting that they don't expect the need for Drought Permits/ Temporary Use Bans this summer.
- 10.4 We continue to work with our partners including water companies, government and non-governmental organisations (NGOs) to coordinate the response; and with farmers, businesses and others to manage water availability and to ensure that, as far as possible, they get the water they need whilst safeguarding the environment.

11.0 European Union Emissions Trading System (EU ETS)

- 11.1 This was a particularly challenging year for The Environment Agency's European Union Emissions Trading System customers as many needed to purchase emissions allowances for the first time as they could not use allowance allocations for 2019 to secure compliance with 2018 emissions. However, with the exception of two installations which entered into administration, all our EU ETS customers achieved compliance with surrenders of emissions allowances against 2018 emissions.

12.0 Update on the Resources and Waste Strategy

- 12.1 The Environment Agency has been working with Defra to establish implementation arrangements and review timescales of the many actions within the strategy.
- 12.2 There are currently 4 public consultations underway:
- Extended Producer Responsibility - consultation on reforming the UK packaging - producer responsibility
 - Plastic packaging tax consultation – consultation on design of the new tax on the production and import of plastic packaging with less than 30% recycled content (HMT consultation)
 - Deposit Return Scheme – introducing a deposit return scheme for plastic bottles
 - Consistency - consultation on consistency in household and business recycling collections
- 12.2 The consultations close this May and we will review findings as appropriate with them. We will provide more detail in due course on this and other aspects of the strategy.

13.0 Serious and Organised Waste Crime (the Noel) Review

- 13.1 Since the publication of the Serious & Organised Waste Crime Review in November 2018 the Environment Agency has been working with partner Enforcement Authorities, such as the Police and HMRC, to develop and establish a Joint Unit for Waste Crime (JUWC) in response to the central recommendation for the Environment Agency. .
- 13.2 The Unit will be led by the Environment Agency and will include secondees from partner organisations. It will use intelligence gathered from across all partner organisations to develop detailed work packages for multi-agency operations which will disrupt and deter the Organised Crime Groups operating within the waste industry. Members of the Unit will present these work packages at Regional Tasking & Coordination groups (Police) or governance groups (non policing partners) to secure commitment for the resources required. Operating the Unit in this way allows it to integrate with existing tasking and resourcing mechanisms across the range of partners.
- 13.3 The JUWC will be overseen by a Board who will agree joint priorities and shared outcomes for the Unit, as well as monitor its progress. Chaired by the Environment Agency's Executive Director of Operations, the Board will include a senior representative from each partner organisation. Engagement is underway with the Police on the development of the JUWC through existing senior leadership meetings and we will be presenting to the National Police Chief Council (NCCP) Crime Operations Committee in June.
- 13.5 Modernising our powers;
Through November and December 2018 the Environment Agency supported Defra in drafting the waste crime measures to be included in primary legislation in the draft Environment Bill. Securing primary legislative changes

is an important first step that allows Defra to deliver the recommended legislative changes through secondary legislation; which will enable the Environment Agency to make the changes needed to update our investigatory and charging powers and modernise producer responsibility and the waste duty of care.

14.0 Publication of the refreshed flood and coastal erosion risk management (FCERM) Capital Investment Programme

- 14.1 We published the refreshed FCERM Capital Investment Programme of schemes on [GOV.UK²](#) on 1 April 2019. The 6 year Capital Investment Programme was first published in December 2014. We have refreshed the Capital Investment Programme for the remaining 2 years to 2020/21, and published our 2019/20 annual allocation of funding to capital projects across England.
- 14.2 We are on track to better protect 300,000 homes by March 2021, and around 600 schemes have contributed to better protecting more than 193,000 homes since 1 April 2015, the start of the 6 year Capital Investment Programme. Over 400 schemes are due to better protect homes during the final 2 years of the programme.
- 14.3 This year we have enhanced the publication of the programme through a new mapping tool which makes it easier for communities to see all the FCRM activity that is taking place in their area. This includes completed schemes and revenue maintenance activity.

15.0 Publication of 5 Year FRCM Asset Maintenance Programme

- 15.1 On 8 April we published our FCRM maintenance programme for the next 5 years on [GOV.UK³](#). Year one (2019/20) is the funded programme approved by RFCCs that we intend to deliver. Future years show the maintenance that we have identified as being needed and this will be prioritised for funding as part of our annual planning process. Publishing the programmes on a user friendly interactive map increases visibility of the important work we do to manage flood risk and will enable improved engagement with our customers and other risk management authorities.

16.0 EFRA Select Committee [inquiry](#): coastal flooding and adaptation to climate change

- 16.1 The EFRA Select Committee have launched an inquiry into coastal flooding and climate change. We will be submitting our written evidence by the end of

² <https://www.gov.uk/government/publications/programme-of-flood-and-coastal-erosion-risk-management-schemes>

³ <https://data.gov.uk/dataset/7ce11c7b-062a-4b1e-9eb6-c121a725f880/5-year-flood-and-coastal-risk-management-fcrm-asset-maintenance-programme>

April which covers funding, progress on climate change and coastal adaptation, working with partners, and the priorities of the draft Flood and Coastal Erosion Risk Management Strategy. There will be an oral evidence session to be confirmed for May.

17.0 FCERM Strategy

17.1 The draft National FCERM strategy consultation will be launched on 9 May 2019 by our Chair Emma Howard Boyd at Brunel University. John Curtin will also be chairing a panel session at the launch. We have invited 100 of our stakeholders including Brunel students. We will be promoting the consultation at the launch and throughout the consultation period. The consultation will run for 8 weeks ending on 4 July 2019. We will be engaging our stakeholders during this period to seek their support and encourage their response to the consultation. Alongside the external consultation we will also be consulting internally across the Environment Agency.

17.2 Our strategy will:

- Put **people at the heart** of place based decision making
- Evolve the ownership of flooding and coastal change – we **all have a role to play**
- Move the nation from the concept of protection to one of **resilience**
- Help places **plan and adapt** to flooding and coastal change across a range of climate futures
- Ensure FCERM **protects and enhances the environment** and contributes to the 25 Year Environment Plan
- Help align strategic planning to improve **resilience to both floods and droughts**
- Ensure we **build back better and in better places**

18.0 Flood and Coast 2019

18.1 The Environment Agency will convene the fourth Flood and Coast Conference from 18–20 June 2019 in collaboration with conference organisers Trio.

18.2 The Advisory Committee, which include representatives from Defra, Risk Management Authorities, National Flood Forum and the Met Office have been influential in inviting presentations and papers which have shaped the conference programme.

18.3 This year's event will support the development and implementation of the new National FCERM Strategy and build on the renewed energy in the public debate around climate change. This will keep the conference fresh and topical and provide opportunities to address the big questions, instigate the right conversations and reach other sectors we need to work with to create the shared action and ownership we need to build a nation resilient to flooding.

- **Conference theme Day 1: A climate resilient nation: a shared vision to 2100**

Plenary speakers: John Curtin (session chair), Sir James Bevan, Julie Foley, Professor Stephen Belcher (Chief Scientist, Met Office), Sonia Roschnik (Director of Sustainable Development Unit, Public Health England), Bart Vonk (Senior Advisor Watersafety, Rijkswaterstaat, Netherlands).

- **Conference theme Day 2: Today's infrastructure resilient in tomorrow's climate**

Plenary speakers: Alison Baptiste CBE (Director Operations, Infrastructure & Projects Authority), Liv Garfield (Chief Executive, Severn Trent Water), Natalia Moudrak (Director, Intact Centre on Climate Adaptation (Canada)), Tom Walker (Executive Director of Strategy, Homes England).

- **Conference theme Day 3: Shaping the future today: a nation of climate champions**

Plenary speakers: Dr Teresa Bridgeman (Chair, West Somerset Flood Group), Rob Davis (National Fire Chiefs Flood Lead), John Englander (Oceanographer & Sea Level Rise Expert), Myra Hunt (Chief Digital Officer, Defra).

18.4 We will be hosting key events within the conference like Women in FCERM, Next Generation and the Project Excellence Awards. In addition there will be a 5 Nations panel, Property Resilience Roundtable and Business Leaders panel.

**Compiled by Board Governance team
7 May 2019**

Board Meeting

Thursday 16th May 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 Environment and Business Committee, Flood and Coastal Risk Management Committee, Remuneration Committee, Pensions Committees and ARAC since February 2019.

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 7th February 2019.

2.0 Flood and Coastal Risk Management (FCRM) Committee

- 2.1 The FCRM Committee met on 30th April 2019. Substantive items discussed were:

- Anglian (Central and Northern) and Thames RFCCs Changes
- FCRM Strategy
- Spending Review

3.0 Environment and Business Committee

- 3.1 The Environment and Business Committee met on 17th April 2019. Substantive items discussed were:

- E&B Annual Review
- Regulation Strategy
- Comah
- EPR Waste
- EPR Installations
- Hazardous Waste Regulations including clinical waste

4.0 Remuneration Committee

- 4.1 The Remuneration Committee met on 25th February and 27th March 2019. Substantive items discussed were:

- Implementation of pay award
- Annual review of Rem Com
- Annual review on Board Expenses
- People report- EDT succession planning
- Propose and agree Executive Directors Performance Ratings
- Propose and Agree Chief Executive's objectives
- Propose and Agree Chief Executive Performance Rating
- 2019 Pay award- Pay remit and options for 2019 Award

5.0 Pensions Committee and Pensions Board

- 5.1 The Investment Sub-Committee met on 26th February 2019. Substantive items discussed were:

- Fund investment manager performance and strategic monitoring
- Responsible investment strategy review
- Brunel Pensions Partnership update
- Training on stock lending and EAPF policy

- Review of business plan, risk register and forward look
- 5.2 The Pensions Committee met on the 27th March 2019. Substantive items discussed were:
- Investment Sub Committee report
 - Brunel Pension Partnership update
 - 2019 Actuarial Valuation update and endorsement
 - Benefits administration, inc. EAPF Communication Strategy and change management
 - Corporate Services Bulk Transfer
 - EAPF Business Plan, Risk Management and Forward Look updates.
- 5.3 The Pensions Board met on 27th March 2019. Substantive items discussed were:
- Review of Pensions Committee meeting
 - Future of EAPF Pensions Board.
- 5.4 Additionally the Pensions Committee held a training day on 26th March 2019, which included sessions on cost transparency, communication strategy, cyber security and liability driven investments.

6.0 Audit and Risk Assurance Committee

- 6.1 The Audit and Risk Assurance Committee (ARAC) met on 6th March 2019. Substantive items discussed were:
- Draft Internal Audit Plan 2019-2020
 - SSCL Contract extension
 - Business Case Update Reports
 - Navigation Assets (deep dive risk topic)
 - Corporate Services Resilience
 - 2018-19 Annual Report & Accounts Process inc. Draft Governance Statement

Board Governance Team

8th May 2019

Board Meeting

Thursday 16th May 2019

Item no. 12.'

Appendix 1 Remuneration Committee Terms of Reference and Standing Orders
including proposed minor amendments

Appendix 2 Agenda items covered in 2018

Sponsor: Board Governance Team

Title: Remuneration Committee Annual Review

Please clearly state what decision you are seeking from the meeting

The Board is asked to approve a change of name and other minor changes to the Terms of Reference and Standing Orders set out in Appendix 1

Key points for discussion

Governance

What meetings/groups have already reviewed this item?

Remuneration Committee 25 February 2019

What meetings/groups need to review this item next?

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

None identified.

How will the key messages/decisions be communicated?

Legal Services have been consulted prior to submission to the Committee (Peter Kellett) and confirm no legal annex is required.

1.0 Introduction

- 1.1 The Remuneration Committee is appointed as a Committee of the Environment Agency Board with its delegated authority to consider any matters relating to the pay or remuneration of Environment Agency employees.
- 1.2 The Committee also considers and advises the Agency Board generally on matters relating to Human Resources.
- 1.3 The full terms of reference and standing orders for the Committee (Appendix 1) were last updated in November 2015 and last reviewed in 2017.

2.0 Progress since the November 2017 Committee Review

- 2.1 As part of the 2017 review the Committee asked that succession planning and an assessment of skills in the organisation following corporate services transfer be added to the Forward Look for 2018. A discussion on Succession Planning was held at the February 2019 meeting; skills, shape and workforce planning was discussed at the May 2018 meeting. A full list of items considered since the last review is in Appendix 2.
- 2.2 Also, following the 2017 evaluation the organisation has embedded a process to ensure that the Committee is sighted on senior and higher cost exit agreements.
- 2.3 As part of the wider Board evaluation outcomes we reduced the number of Committee meetings held in 2018, with some items being taken by correspondence. This has been taken forward for 2019.

3.0 Proposals from this year's review

- 3.1 The Committee discussed its performance and looked forward to the coming year. The conclusions were:
 - That the regular provision of data and trends through 'People Reports' is useful and should continue.
 - That a programme of meetings will be kept, but that flexibility and more use of shorter notice teleconferences should be used, owing to the nature of issues, short length of meetings and small size of the Committee.
 - That the name of the Committee should be changed to 'People and Remuneration Committee' to reflect its wider role.
 - A number of minor changes should be made to the Committee's Terms of Reference and Standing Orders to bring it into line with current practise and those of other Committees (where appropriate)*.
- 3.2 The Board is asked to approve the change of name and other minor changes set out in Appendix 1

Rob Creed
Governance and Engagement Manager

ENVIRONMENT AGENCY

TERMS OF REFERENCE

AND

STANDING ORDERS

OF THE PEOPLE AND REMUNERATION COMMITTEE

Version:	6
Committee approval:	Remuneration Committee – 25 February 2019 – v5 (approved)
Board approval:	

Environment Agency People and Remuneration Committee

Terms of Reference

1. The People and Remuneration Committee is appointed as an Executive Committee of the Environment Agency Board with their delegated authority to consider any matters relating to the pay or remuneration of Environment Agency employees. The Committee must have regard to the provisions of the Framework Document ~~Financial Memorandum~~ and other relevant requirements of the Department of the Environment, Food and Rural Affairs.
2. The People and Remuneration Committee will consider and advise the Agency Board generally on matters relating to Human Resources.
3. The People and Remuneration Committee will:
 - a) Consider and approve the overall remuneration strategy of the Environment Agency from the employer's perspective including the full benefits package;
 - b) Consider and approve periodic pay reviews for Environment Agency employees;
 - c) Consider and approve any significant issues involving terms and conditions other than pay;
 - d) Consider and approve any performance related pay to Executive Directors based upon recommendations from the Chief Executive, approve the broad salary bands for Executive Directors and approve the specific remuneration of any Executive Director proposed to be appointed outside of those bands or with any special conditions;
 - e) Set and review all aspects of the objectives and remuneration of the Chief Executive;
 - f) Review the framework for succession planning for key posts;
 - g) Receive an annual statement of expenses incurred by Board Members and Executive Directors;
 - h) Advise the Board on any matters relating to pay, remuneration package and benefits or general HR matters in normal Board business.
4. The Chair of the People and Remuneration Committee should make a report on People and Remuneration Committee business to the Board Meeting following each People and Remuneration Committee Meeting. The full minutes and papers of the People and Remuneration Committee meeting should be made available to any Board Member on request.

Environment Agency People and Remuneration Committee

Standing orders

1. Responsibilities
2. Membership
3. Quorum
4. Authority
5. Voting Rights
6. Declaration of Interest
7. Expenses and Conduct
8. Meetings
9. Order of Business
10. Committee Papers
11. Minutes
12. Reporting Arrangements
13. Variation on Standing Orders

Standing Orders

1.0 Responsibilities

- 1.1 The Committee can take executive decisions on behalf of the Board with their delegated authority.
- 1.2 The Committee will act on behalf of and with the authority of the Board in accordance with the Terms of Reference above.

2.0 Membership

- 2.1 Membership is a ~~minimum~~ normally 5 non executive members, to include the Chair of the Committee.
- 2.2 The Chair of the Environment Agency Board is the Chair of the People and Remuneration Committee.
- 2.3 The Chair of the Pensions Committee should be a standing member of the People and Remuneration Committee.
- 2.4 Members are appointed by the Board. They are selected from Members of the Board.
- 2.5 Appointments to the Committee will be reviewed annually by the Chair and agreed with the Board as part of the annual Board responsibilities review. The Secretariat will maintain a record of the current membership of the Committee.
- 2.6 All Committee Members must act in accordance with the Declaration of Interest policy detailed at section 6 below.
- 2.7 The Chief Executive, ~~Defra HR Director~~ Defra Deputy Director HR for the EA will be invited to attend all Committee meetings. They may also, with approval from the Chair, invite appropriate officers to assist in the presentation of papers to the Committee. All staff who attend People and Remuneration Committee (including the Chief Executive) will be known as Executive Meeting attendees for the purpose of these standing orders.
- 2.8 All Executive attendees must comply with the staff Code of Conduct, declare direct and indirect interest and act in accordance with the 'guidance for Executive attendees' at annex 1 of this document. This enables Executive attendees to attend appropriate sections of the meeting and provide factual information to the Committee and assist the Committee in its understanding of an issue whilst recognising that they will often be subject to generic direct or indirect conflicts of interest as paid employees of the Environment Agency. Executive attendees must excuse themselves from a meeting when a specific non-generic direct or indirect conflict arises (for example the Chief Executive for an item regarding the Chief Executive's performance related pay). All Executive attendees attend the meeting at the discretion of the Chair.
- 2.9 The Chief Executive, ~~Defra HR Director~~ Defra Deputy Director HR for the EA may, with approval from the Chair, nominate a deputy to attend a Committee meeting in their absence.

3.0 Quorum

- 3.1 Three members constitute a quorum. No business shall be transacted at any Committee meeting which is not quorate.

4.0 Authority

4.1 The Chair of the Committee may nominate another Member to chair the meeting in their absence. The Committee may elect a Member to chair a meeting in the absence of the Chair or any nominated deputy. In either case, the Member who chairs the meeting shall exercise any power or duty of the Chair of the Committee, in relation to the conduct of the meeting.

5.0 Voting Rights

5.1 Subject to Standing Order 6 below, (declaration of interest), each Member shall have the right to vote in any debate and to have their views recorded in the minutes.

5.2 In the event of no majority decision the Chair of the Committee shall have a second or casting vote, whether or not they previously voted on the matter.

6.0 Declaration of Interest

6.1 Each Member shall make a declaration, in accordance with the Board Code of Practice, of pecuniary or non pecuniary interests which shall be held on a Register available for public inspection. The Register shall be updated annually by the Secretariat. The Register shall include the declared interests of all Board Members.

6.2 Members shall declare any direct or indirect interest in any item on the Agenda in advance of the debate to the Chair of the meeting of the Committee.

6.3 A Member who is in any way directly or indirectly interested in any matter that is brought up for consideration at a meeting of the Committee shall disclose the nature of their interest to the meeting and, where such a disclosure is made -

- a) The disclosure shall be recorded in the minutes of the meeting; and
- b) The member shall not take part in any deliberation or decision of the Committee with respect to that matter and if necessary will excuse themselves from the meeting for the duration of that matter.

6.4 For the purposes of paragraph 6.3 above, a general notification given at a meeting of the Environment Agency by a member (in person or by means of a notice which is read and considered at the meeting) to the effect that she/he -

- a) is a member of a specified company or firm, and
- b) is to be regarded as interested in any matter involving that company or firm,

Shall be regarded as a sufficient disclosure of his interest in relation to any such matter.

6.5 Executive attendees must comply with the guidance given at annex 1. The guidance will be reviewed at the discretion of the Chair of the [People and Remuneration Committee](#).

7.0 Expenses and Conduct

7.1 Reimbursement of expenses shall be paid whilst on Committee business, in accordance with prescribed procedures.

7.2 Members of the Committee are expected to comply with the terms of the Board Code of Practice

8.0 Meetings

- 8.1 The Secretariat has formal responsibility for the agenda and arrangement of the meetings. The Secretariat will oversee and minute the meetings. The Secretariat will take responsibility for the oversight of the Committee and preparation for meetings.
- 8.2 A forward meeting schedule will be produced by the Secretariat informed by information provided by HR on the key decision points in the year.
- ~~8.3 Meetings will be scheduled every 2 months. Meetings will not be scheduled on the fringes of other meetings.~~
- ~~8.4 Meetings will be cancelled if there is not sufficient information available for an agenda at that time.~~
- 8.35 If urgent items require a decision between meetings then a quorate telephone conference will be convened or it will be agreed with Members to deal with the matter by correspondence.

9.0 Order of Business

- 9.1 Order of business shall be:
- (a) The election of a Chair if the usual Chair or Deputy Chair is absent and has nominated no deputy;
 - (b) The approval of the Minutes as a correct record to be signed by the Chair;
 - (c) Other business as in the agenda;
 - (d) Any other business as the Chair agrees;
 - (e) The date of the next meeting.

10.0 Committee Papers

- 10.1 Any Board Member can have access to [People and](#) Remuneration papers or minutes. For non Board Members:
- a) access to the Committee papers will be given to people considered by the Secretariat to have a need to see such papers in the course of their work;
 - b) the copying of Committee papers can be authorised by the Secretariat who should ensure that the security protection and confidentiality of all Committee papers is maintained and clearly understood by those receiving copies.
- 10.2 All Committee papers will be protectively marked according to current security guidance.

11.0 Minutes

- 11.1 The Secretariat will minute the meetings.

- 11.2 The Committee Chair, or in their absence the appointed Chair of the meeting, shall sign the previous meeting's minutes and initial each page, once approved by the Committee at the subsequent meeting.
- 11.3 The Secretariat will keep a signed copy of the minutes for a period of ten years. The Minutes will then be stored electronically.
- 11.4 Any revision to approved minutes will be noted on a separate sheet, approved by the Committee and retained with the original minutes.

12.0 Reporting Arrangements

- 12.1 The Chair of the Committee is required to provide a summary of [People and](#) Remuneration Committee business to the subsequent Board meeting for information. Board members are entitled to request the minutes, further information or ask any appropriate questions of the Chair of the [People and](#) Remuneration Committee at that Board meeting.

13.0 Variation of the Terms of Reference or Standing Orders

- 13.1 Any variation of the Terms of Reference or Standing Orders requires the approval of the Board following initial approval by the [People and](#) Remuneration Committee.

Annex 1 – Guidance for Executive attendees

The Environment Agency's Board People and Remuneration Committee (the Committee) may need the support of the Chief Executive and others to assist it in the conduct of its business. The Chief Executive, and ~~Defra HR Director~~ **Defra Deputy Director HR for the EA** are invited to all Committee meetings and may invite others with the Chair's approval. They attend Committee meetings as "attendees" rather than as "members" of the Committee.

As meeting attendees you should take particular care to ensure that actual or potential conflicts of interest are understood and actively managed. You will often have a direct or indirect interest in remuneration issues and so you must comply with this guidance.

- All Executive attendees attend the meeting at the absolute discretion of the Chair.
- All Executive attendees must comply with the staff Code of Conduct section on conflicts of interest.
- At the beginning of each meeting each Executive meeting attendee will be given the opportunity to declare any direct or indirect conflicts of interest for each item. Any Executive attendees who join the meeting for an individual item will be given the chance to declare an indirect or direct interest in that item. These declarations will be minuted.
- Executive attendees are expected to declare an interest and excuse themselves from the meeting when a specific, non-generic personal direct or indirect conflict arises – for example the Chief Executive for an item regarding discussion of the Chief Executive performance related pay.
- In the majority of cases the individual will remain but will only explain the paper, answer questions and contribute in a factual capacity to aid the understanding of the Committee. Remember that:
 - a) your role is limited to introduction of the item and confirming factual accuracy
 - b) you must not lead or appear to lead deliberations or decisions concerning that matter
 - c) you must always consider whether you should excuse yourself from the meeting for the duration of any item or discussion.
- Any member of the People and Remuneration Committee can raise a concern about any relevant direct / indirect conflict of interest from an Executive Meeting attendee and can ask the Chair of the People and Remuneration Committee for the individual to be excused from that item and / or for the Committee to have some private time to discuss the item after the Executive Meeting attendees have presented / introduced the item. The final decision sits with the Chair of the People and Remuneration Committee.

Agenda items covered by the Remuneration Committee in 2018

Since December 2017 (and including this meeting) the Committee has discussed the following topics:

- Voluntary Early Release Scheme payments update
- Pensionable Payments
- Pension Fund Actuarial Valuation and Employee Contribution rates
- Pay implementation

In addition to the above, the following items are considered on a regular basis:

- People Report

Annually

- Propose and approve final performance ratings and PRP for CEO
- Propose and approve final performance ratings and PRP for EDT
- Pay award and remit, including for Executive Managers
- Annual report on Board and Executive Director Expenses
- Committee review and Forward look of agenda items
- Succession Planning