Board Meeting

Minutes of the Board meeting held on 16 May 2019 in Nobel House, London.

Present

Emma Howard Boyd Chair
James Bevan Chief Executive
Richard Macdonald Deputy Chair
Gill Weeks Board Members
Robert Gould
Caroline Mason
Lynne Frostick
Judith Batchelar
John Varley

In attendance

John Curtin Executive Director Flood and Coastal Risk Management
Tony Grayling Director Sustainable Business and Development
Toby Willison Executive Director Operations
John Leyland Chief of Staff
Peter Kellett Director of Legal Services
Pat Bolster Director of Finance
Rob Creed Governance and Engagement Manager
James Carruthers Board Governance Advisor

Cath Tomlin Item 5
Minister Goodwill Item 6
Rachel Fletcher Item 8
Paul Hickey Item 8
Crystal Moore Item 8

Apologies

John Lelliott
Maria Adebowale-Schwarte
Harvey Bradshaw
Sarah Cook

1.0 Apologies

1.1 The Board noted apologies from John Lelliott, Maria Adebowale-Schwarte, Harvey Bradshaw and Sarah Cook. The Board noted that Tony Grayling and Rob Creed would deputise for Harvey and Sarah respectively.

2.0 Declarations of Interest

2.1 No Declarations of Interest were raised.
3.0 Minutes of the Board meeting held on 7 February and matters arising

3.1 The minutes were tabled at the meeting. The Board approved the minutes subject to no comments being received by the Secretariat by 22 May 2019.

3.2 The Board noted the completed actions and updates to ongoing actions.

4.0 Board Updates

4.1 Chair’s update

4.1.1 The Board noted the Chair’s recent engagements, which had focussed on inter-departmental cooperation on climate change. The Board noted that there is an opportunity for the Environment Agency to be a leading voice on climate change in Government and engage with the national strategy and cross-governmental working group is important.

4.1.2 The Board noted the success of the Flood Strategy launch and thanked the teams involved. The Board asked for details on press coverage to be shared.

Action: Mark Funnell

4.2 Chief Executive’s update

4.2.1 The Board noted the items in the paper.

4.2.2 The Board discussed the importance of research and innovation in order to feed into discussions about climate change and other environmental sustainability issues such as soil management. The Board agreed that it would be good to consider coordinating research at the Board planning day on 10 July 2019.

Action: Chair / Board Governance team

5.0 EU Exit update

5.1 Tony Grayling updated the Board on developments with EU Exit, detailing the political context and the relevant pieces of legislation currently going through Parliament.

5.2 The Board noted that the plan within the Environment Agency was for a period of rest for staff to recuperate following intense no-deal EU Exit preparations.

5.3 The Board noted that there was a lessons learnt exercise underway to capture the ways of working developed during the preparations. The Board agreed that this would be beneficial and outputs should be used in the build up to the new EU Exit date of 31 October 2019.
6.0 Minister Goodwill guest session

6.1 Minister Goodwill joined the Board to discuss water management, climate change, agriculture, fisheries and flood management.

6.2 The Board thanked Minister Goodwill for his time and agreed to keep up engagement between the Environment Agency and his office.

7.0 Reflections following session with Minister Goodwill

7.1 The Board discussed the session with the Minister, agreeing that it had been a helpful meeting.

8.0 Water Resilience

8.1 Rachel Fletcher (Ofwat CEO) and Paul Hickey joined the Board and Crystal Moore dialled in for the water resilience item.

8.2 Tony Grayling and Toby Willison introduced the item by detailing the current water resources situation and the current understanding of potential future impacts of climate change, emphasising the risk of extreme drought will increase but increased rainfall, in some areas at certain times of the year, is also more likely.

8.3 Paul Hickey outlined plans to develop the Environment Agency’s approach to water management through national oversight and regional planning, catchment partnership and evidence and system changes. The Board noted the ongoing Abstraction Plan to address legacy damage, modernise the service through digitisation and a stronger catchment focus.

8.4 The Board noted future plans for transformation detailed in a joint letter from Defra, Environment Agency and Ofwat, highlighting a multi-sector national framework which considers wider societal needs.

8.5 Rachel Fletcher outlined ongoing work in Ofwat to improve water regulation, focussing on the public value that water companies can provide. The Board agreed that there is a need for a long term national plan in order to address geographical variances and the potentially serious effects of climate change.

8.6 Rachel Fletcher and the Board discussed attempts to reduce water consumption, including through reforming abstraction and efficiency from water companies. The Board noted the Love Water campaign, led by the Environment Agency, which is a collaboration of partners and is aiming to connect people better with water. The Board asked to be kept up to the date on the launch of this campaign.

Action: Mark Funnell
8.7 Rachel and the Board discussed housing and planning, agreeing that better standards for water efficiency are needed. The Board agreed that this is a cross government and industry issue and requires a joint voice from the Environment Agency and Ofwat.

8.8 The Board thanked Rachel Fletcher for her time and agreed that the Environment Agency and Ofwat will be working closely together in the future.

9.0 Spending Review

9.1 Pat Bolster updated the Board on Spending Review 19, introducing the item by outlining what spending reviews are and the current public spending context.

9.2 The Board discussed the priorities for funding, agreeing that they should match with aims set out in the 25 Year Environment Plan and with relevant priorities brought forward by other departments. The Board noted that the Chancellor recently signed up to the Helsinki agreement on embedding the Paris agreement into macro-economic policy, raising the environment up the agenda.

10.0 Environment and Business Committee annual review

10.1 Gill Weeks introduced the item by informing the Board that Maria Adebowale-Schwarte will be taking over as Chair of the Environment & Business Committee. Gill thanked the Board Governance Team for their support.

10.2 The Board noted the items covered by the Committee over the past year, focussing on plastics, engagement on the 25 Year Environment Plan, agriculture and water quality.

10.3 The Board thanked Gill for her contribution as Chair of Environment & Business Committee and agreed that going forward, all Committees should aim to work collaboratively together on cross cutting issues such as climate change.

10.4 The Board formally approved that the Chair of the Environment and Business Committee will now be Maria Adebowale-Schwarte.

11.0 Pay Package Review

11.1 John Leyland updated the Board on progress on an improved pay package for staff. He explained that the Treasury was yet to circulate guidance on special business cases and the Environment Agency cannot submit until the document is released.

11.2 The Board noted that HR are preparing a special business case of a 10% rise in order to rectify “real terms” pay reduction since the freeze on public sector pay. John explained that the main rationale in the business case will be the Environment Agency’s status as a Category one responder.
11.3 The Board noted that the team is engaging with the unions on their demands and are considering options such as allowing pay scales within grades to reward skills and experience.

12.0 Corporate Services Update

12.1 John Leyland updated the Board on Corporate Services, stating that the senior team in Defra responsible for Corporate Services has changed substantially recently.

12.2 The Board noted that delivery had largely been unaffected since transfer with the exception of IT services and HR, which had suffered from significant pressures from EU Exit preparations. The Board requested an approximate figure of how many employees had left HR since transformation but stressed that this should not be provided if it causes disproportionate amounts of work.

   **Action:** John Leyland

12.3 The Board noted that transformation is not complete yet and that it is important to keep up engagement with corporate services colleagues. The Board agreed to invite Sarah Homer (Defra Chief Operating Officer) to a future Board meeting.

   **Action:** Board Governance team

13.0 Delegation of approval of the annual report and accounts

13.1 Pat Bolster introduced the item, providing an update on the year-end financial position.

13.2 The Board discussed the report, welcoming the inclusion of sustainable development goals and agreeing that the section on Board responsibilities should be in more depth.

13.3 The Board agreed the delegation of approval of the annual report and accounts to the Audit and Risk Assurance Committee. The Board also agreed that the approval of the Pension Funds annual reports and accounts be delegated to the Audit and Risk Assurance Committee.

14.0 Finance Items

14.1 **Arun Internal Drainage District Financial Statements**

14.1.1 Pat Bolster explained that the Board is responsible for the River Arun Internal Drainage District. The Board discussed the item and approved the annual governance statements and accounting statements for 2019.

14.2 **Financial Schemes of Delegation**

14.2.1 The Board noted the items listed in the paper.
14.2.2 The Board discussed the narrative around FCRM capital projects.

14.3 Partnership grants Non-Financial Scheme of Delegation

14.3.1 The Board noted the amendment to the NFSoD in order to change partnership grants delegations.

15.0 Recent Committee Updates

15.1 Committee Updates

15.1.1 The Board noted the items listed in the paper.

15.1.2 The Board approved the appointment of Veronica James, Greg Black and Colin Chiverton to the Environment Agency Pension Committee.

15.1.3 Lynne Frostick explained that the FCRM Committee had discussed changes to certain Regional Flood and Coastal Committees (RFCCs) and asked that final approval be delegated. The Board approved the delegation of the approval of changes to Anglian Central, Anglian Northern and Thames RFCCs compositions to the Chair of FCRM Committee working in consultation with the Executive Director of FCRM. The approval will be reported to the next Board meeting.

Action: Lynne Frostick / John Curtin.

15.1.4 The Board noted Richard Macdonald’s new role as ethics lead for the Board and noted that an update will be provided at the annual planning meeting in July.

15.2 Remuneration Committee Annual Review

15.2.1 Rob Creed introduced the paper and explained that it is proposed that Gill Weeks join the Committee. He also explained that subsequent to the review, it has been proposed to change the name of the Committee to the ‘People and Pay Committee’.

15.2.2 The Board discussed the review and approved the renaming of Remuneration Committee to the People and Pay Committee.

15.2.3 The Board approved the appointment of Gill Weeks to the People and Pay Committee.

16.0 AOB

16.1 It was noted that dates for 2019 meetings would be circulated after the meeting.
17.0 Date of the next meeting

17.1 The Board noted the dates of the upcoming 10 June 2019 telecom, 10 July 2019 planning meeting and 8/9 October 2019 Board meeting in Bristol.

18.0 Review of meeting

18.1 The Board agreed that the meeting had been productive and the guest sessions had been a good use of time. The Board thanked the Secretariat and encouraged them to continue searching for a suitable room for Board meetings.