Board Meeting
Minutes of the Board meeting held on Thursday 12 December 2019 in London.

Present
Emma Howard Boyd Chair
James Bevan Chief Executive
Richard Macdonald Deputy Chair
Gill Weeks Board Members
Robert Gould
John Lelliott
Caroline Mason
Judith Batchelor
Lynne Frostick
Maria Adebowale-Schwarte

In attendance
Toby Willison Executive Director, Operations
Harvey Bradshaw Executive Director, Environment & Business
Chief of Staff
John Leyland Director of Legal Services
Peter Kellett Director of Finance
Pat Bolster Director, Flood Strategy & National Adaptation
Julie Foley Deputy Director, Governance and
(Items 1-13)
Anna Burns Engagement
Deputy Director, Communications
Mark Funnell Governance and Engagement Manager
Ed Telford Senior Board Governance Adviser
Senior Government Relations Adviser
Kathryn McDonald Director, Sustainable Business & Development
Beth de Gatacre Acting Director General, Environment, Rural

Items 4-5
Tony Grayling and Marine, Defra
Deputy Director
Item 5
David Hill Senior Adviser
Director, Future Funding

Items 9-10
Anne Dacey Environment & Business Manager
Richard Hatch Environment & Business Manager
Nic Parr
Deputy Director
Kath Tanner
Mark Scott

Item 1 Apologies for absence
1.1 The Board noted apologies from John Varley and John Curtin. It was noted that Julie Foley would deputise for John Curtin, and that she would need to leave the meeting early.
1.2 Emma Howard Boyd noted her thanks to Toby Willison for his work as Acting Chief Executive, and the Executive team that had supported and covered during James Bevan’s recent absence, including response to incidents, and welcomed James back.

Item 2 Declarations of Interest
2.1 Richard Macdonald declared that he had been appointed as a strategic adviser to Devenish Nutrition, headquartered in Northern Ireland.

2.2 There were no further declarations of interest raised.

**Item 3** Minutes of the Board Meeting on 9 October 2019 and matters arising

3.1 The Board approved the minutes of the meeting held on 9 October 2019 and noted the action updates.

3.2 Harvey Bradshaw highlighted that conversations were ongoing regarding the integration of research into strategies. Lynne Frostick noted she would be pleased to assist these discussions.

**Item 4** EU Exit

4.1 Tony Grayling gave the Board an overview of scenario analysis and planning regarding possible outcomes to the general election and the impact to EU Exit preparations.

4.2 The Board noted that the Environment Agency remained prepared for all scenarios and exiting the EU with, or without a deal.

4.3 The Board expressed their thanks for a comprehensive overview of the possibilities.

**Item 5** Discussion with David Hill

5.1 Emma Howard Boyd welcomed David Hill to the meeting. It was noted David would become Defra’s Acting Director General for Environment, Rural and Marine from 14 December 2019.

5.2 The Board discussed with David ways in which Defra and the Environment Agency could work collaboratively to deliver a busy agenda for 2020. Key points of discussion were;

- The Environment Agency Flood Strategy
- Working together to deliver the priorities of the next Government
- Place shaping
- Joint engagement opportunities.

5.3 The Board thanked David for joining the meeting and noted they looked forward to working together in the new year. The Board agreed to extend a standing invitation to the Director General to a session at future Board meetings.

*Action: Emma Howard Boyd / Board Governance Team*
Item 6  Chair and Chief Executive's Updates

Chair’s Update

6.1 Emma noted that her focus of recent months had been on incident response and she had been on a number of visits to Areas impacted by flooding. She had also visited areas that had previously experienced flooding, such as the Calder Valley. She drew the Board’s attention to the full list of commitments set out in the paper.

6.2 Emma noted her attendance at the United Nations Conference of the Parties (COP25) where she had attended a number of events. She advised the Board that she had taken the opportunity to highlight the importance of adaptation and resilience, and the role of the Environment Agency at a global, national and local level.

6.3 The Board noted the approval of the Environment Agency Discretionary Policy Statements had taken place under section of 4.1 of the Board standing orders.

6.4 The Board approved the appointment of John Lelliott to the Pensions Committee.

6.5 Emma advised the Board of a new organisation that she and a number of other Board members had joined, Chapter Zero. The organisation aims to support non-executive directors to increase their knowledge of potential risks and opportunities for businesses as a consequence of climate change. Emma encouraged the Board to consider joining the organisation and agreed to circulate full details.

Action: Emma Howard Boyd

Chief Executive’s Update

6.6 The Board noted the items in the paper.

6.7 James Bevan noted to the Board that the key issue since the last meeting had been flooding incidents, a full update was scheduled later in the agenda.

6.8 John Leyland advised the Board that the majority of trade unions had accepted the 2019 pay award offer, after balloting their members, one union had rejected the offer. It had been agreed with unions not to reopen negotiations, this would enable employees to receive the pay award in January 2020.

6.9 The Board were advised that work had commenced on the 2020 pay award.

6.10 The Board expressed their thanks to the team for the work to finalise the 2019 pay award.

Item 7  Winter flooding response & recovery
7.1 Toby Willison briefed the Board on the scale of recent flooding, and noted that whilst around 1300 properties had flooded, over 22,000 had been protected. He noted that many more properties had been protected in this event as a result of investment in defences.

7.2 The Board noted that this had been the first large scale incident to demonstrate the use of upstream storage as mitigation against flooding. This had been demonstrated in both Lincolnshire and the Lower Don catchment.

7.3 Julie Foley advised the Board it had been estimated that flood defences had reduced damages by £2.1bn, with only £80m in economic damages actually incurred. The economic damage would have been significantly higher without the benefit of flood defences.

7.4 The Board discussed and acknowledged the potential risks to social infrastructure, such as schools, hospitals and care homes, where they exist in vulnerable locations. This is risk that had been observed by Emma Howard Boyd during recent visits to the Calder Valley and Whaley Bridge.

7.5 Toby advised the Board that as part of recovery work all Mechanical, Electrical, Instrumentation, Control and Automation (MEICA) assets in the York, Lincolnshire & Northamptonshire, East Midlands and West Midlands areas had been inspected. Area teams had been working to repair defences and to engage with affected communities.

7.6 The Board discussed the need to ensure that a full set of metrics is used in future to describe the scale of floods incidents, encompassing economic damage as well as properties flooded.

7.7 The Board noted that a lessons learned review was underway.

7.8 The Board noted their thanks to all colleagues across the Environment Agency and Defra Group that had been involved in the response, and agreed that a note of thanks on behalf of the Board would be issued before the Christmas period.

Action: Emma Howard Boyd

Item 8  Strategic communications & engagement

8.1 Harvey Bradshaw introduced the item and advised Board members of work to develop a strategic communications programme, which would build on work started during the November 2019 flooding. An element of this programme would bring together different existing strands of engagement across the organisation.

8.2 The Board welcomed and noted the ongoing work, and Board members offered their support by reaching out to their own networks.
Item 9  
Water story

9.1 Harvey Bradshaw welcomed the teams to the meeting. He noted that the item would update the Board on progress since their initial discussions in October.

9.2 Anne Dacey advised the Board of the aims of the Water Story, an umbrella concept devised of three parts; a ‘Rethinking water’ working group; a Water Strategy for England; and sector plans. She noted that Environment Agency Research teams had been involved in conversations to ensure there was a firm evidence base to future work.

9.3 The Board welcomed the progress since October and supported the ongoing work. The Board noted that it would be important for any future strategy to be aligned with other Environment Agency strategies, such as the FCRM Strategy.

9.4 Anne Dacey asked the Board for recommendations of individuals to sit on the ‘Rethinking Water’ working group and agreed to consider and share the desired skills mix to assist.

Action: Harvey Bradshaw

9.5 The Board agreed that it would input via the next meeting of the Environment and Business Committee, and supported the Environment Agency and Defra collaborating on a new Water Strategy for England.

Item 10  
Water Resources Strategic Review of Charges

10.1 Neil Davies introduced the item and advised the Board that there had been a delay to the consultation on the proposed water abstraction charges as a result of the general election. The revised expectation is to consult in spring 2020, subject to ministerial agreement.

10.2 The Board agreed to delegate approval of charging proposals for Kielder, and fluorinated gases and ozone-depleting substances to the Chair and Chief Executive, under section 4.1 of the Board standing orders. Approval would be sought once consultation had been undertaken and Ministerial approval had been received.

10.3 The Board discussed the proposals for water abstraction licenses. The Board noted that the narrative would be key to the communication of any agreed changes. It was agreed that the Board would review the proposed charges in full at a future meeting.

Item 11  
Committee Meetings – oral updates

Committee Updates

11.1 The Board noted the paper on recent Committee meetings.
11.2 Richard Macdonald updated the Board on the recent People and Pay Committee meeting, which had reviewed the 2019 Pay Award and the EAPF employer contribution rates.

11.3 Emma Howard Boyd advised the Board that the recent Investment Sub Committee had discussed the relationship between the Environment Agency Pension Fund and Brunel Pensions Partnership, with a focus on the service received on behalf of the fund’s beneficiaries. Another key discussion had focussed on remaining a leader in responsible investment.

11.4 John Lelliott highlighted to the Board key discussions from the Audit and Risk Assurance Committee (ARAC), which had included the National Audit Office’s audit planning report and value for money update. John advised the Board that plans were underway to hold the annual Risk Workshop in February 2020, all Board members would be invited to attend.

FCRM Committee Annual review

11.5 Lynne Frostick presented to the Board the FCRM Committee annual review. She noted that a key function of the committee was to scrutinise progress against targets and ensure risks to delivery were considered and mitigated.

11.6 The scrutiny role of the Committee had been enhanced this year with representation from the ARAC as part of the membership. This year the Committee had continued to monitor the organisation’s progress towards the 300,000 homes better protected target of the 6 year programme; reviewed the process for de-maining; and continued to monitor financial targets.

11.7 The Board also noted that a significant amount of Committee time this year had been spent discussing the development of the FCRM Strategy.

11.8 Lynne advised the Board that the FCRM Committee was planning a programme of stakeholder engagement, which supported the engagement of the Chair and Board.

11.9 Emma Howard Boyd thanked Lynne for the update, and the Committee for its work and support to the FCRM directorate. This statement was endorsed by Julie Foley on behalf of the executive.

EAPF Employer Contribution rate

11.10 The Board welcomed the current funding position of the Environment Agency Pension Funds (EAPF). The Board agreed the recommendation of the EAPF actuary to increase the Environment Agency’s employer contribution rate to 19% from 1 April 2020. It was noted that this recommendation had been reviewed and endorsed by the Pensions Committee.
**Item 12  People Strategy**

12.1 John Leyland introduced the item and welcomed Mark Scott to the meeting. He noted the aim of strategy was to create a vision for the organisation the Environment Agency needs to be in order to achieve the objectives of its 5 Year Action Plan.

12.2 Mark Scott advised the Board of the work to date in developing the strategy, which had included conversations with colleagues across all levels of the organisations. He noted that common themes of these discussions had led to the eight themes set out in the paper (draft strategy).

12.3 The Board discussed the draft strategy and noted:

- There should be reference to the Environment Agency Pension Fund within the reward section;
- Recruitment processes should be tested to ensure that the organisation is in a position to continue to improve its diversity;
- The strategy, and organisational culture, should drive more inclusive language such as reference to ‘colleagues’ rather than ‘staff’;
- Any quotes used within the strategy should show a diversity balance;
- The strategy should include reference to social mobility.

12.4 The Board thanked Mark for the work to date to develop the strategy and noted that the item would return to the Board in February alongside the 5 Year Action Plan.

**Item 13  Q2 Corporate Scorecard**

13.1 The Board discussed and noted the Environment Agency Quarter 2 Corporate Scorecard, July to September 2019. The Board recognised and noted that this version did not reflect the current status of metrics, following recent incidents – and that this would be reflected in the Quarter 3 Corporate Scorecard (October to December 2019).

13.2 The Board discussed how they would input into the creation of new measures as part of the 5 Year Action Plan, and the importance of this involving a clear target on progress towards net zero.

**Item 14  Schemes of Delegation and Finance Update**

Finance Update

14.1 The Board noted the financial position as at the end of September 2019.

14.2 Pat Bolster advised the Board that the Environment Agency would be seeking emergency funding from Her Majesty’s Treasury (HMT) to support urgent repairs to assets damaged during recent floods.
14.2 The Board noted the items listed in the paper.

**Item 15 AOB and Date of Next Meeting**

**General Drainage Charges**
15.1 The Board authorised the affixing of the Environment Agency seal to the charge.

**SharePoint**
15.2 Ed Telford updated the Board on progress towards a new online collaboration site for Board member use. He noted that Robert Gould had kindly agreed to user test the site and it was the ambition of the team for this site to be in use before the next meeting.

**2020 Board dates**
15.3 The Board noted the revised sequencing of Board visits and meetings for 2020.

**Board member recruitment**
15.4 Emma Howard Boyd updated the Board on the Board member recruitment process. The advert is due to go live in January and run for four weeks, subject to the approval of ministers. Board members were asked to share details of the advert, once live, with their networks.

15.5 The next meeting will be held on 12 February 2020.

**Item 16 Meeting Review**

16.1 The Board reviewed the meeting. Thanks of the Board were expressed to Judith Batchelar, Karen Bellamy and the Sainsbury’s team for their support in hosting the meeting.

The meeting closed at 14.05.