

Board Meeting

Minutes of the Board meeting held on Wednesday 12 July 2023
at Alchemy, Welwyn Garden City and via video conference

Present

Alan Lovell
Judith Batchelar
Robert Gould
Stewart Davies (items 1-11)
John Lelliott
Mark Suthern
Lilli Matson
Ines Faden Da Silva
Caroline Mason

Chair
Deputy Chair
Board member
Board member
Board member
Board member
Board member
Board member
Board member

In attendance

Philip Duffy
John Curtin
Lucy Hunt
Caroline Douglass

Sarah Chare
John Leyland

Pat Bolster
Ilana Conn

Laura Milton
Anna Burns

Emma Bourne
Sarah Homer (items 1-10)
Iain King (items 7-8)
Corry McDiarmid
Alex Hole
Derry Gallagher
Beth Lamb

Chief Executive
Executive Director
Chief Operating Officer
Executive Director, Flood and Coastal Risk
Management
Executive Director, Local Operations
Executive Director, Environment and
Business
Director, Finance
Defra Deputy Director, Operational and
Local Communications
Director, Legal and Audit Services
Deputy Director, Governance and
Engagement
Defra Director, Resources and Waste
Defra Chief Operating Officer
Defra Chief Financial Officer
Board Governance Manager
Senior Board Governance Advisor
Board Governance Advisor
Board Governance Advisor

Celebrating our Successes

Emma Baker

Area Director, Wessex

Item 5

Rachel Jones

Deputy Director, Strategic Risk
Management

Item 7

Kavita Prajapati

Senior Advisor, Equality, Diversity, and
Inclusion

Rob Sutton

Deputy Director, People and Change

Gio Pisano

Business Manager, Equality, Diversity and
Inclusion

Item 10

Sarah Cook

Deputy Director, Corporate Management,
Assurance and Security

Item 11

David Dangerfield

Director, Water, Land and Biodiversity

Richard Thompson

Deputy Director, Water Management and
Investment

Richard Hatch

Manager, Water, Land and Biodiversity
Water Resources

Item 12

Georgina Collins

Director, Regulated Industry

Steve Molyneux

Deputy Director, Waste Regulation

Alison Matthews

Deputy Director, Operations Regulatory
Services

Catherine Saxon-Wilkinson

Area Director, North East

Phil Davies

Manager, Joint Unit for Waste

Item 1 **Apologies for absence**

- 1.1 The Chair welcomed all attendees to the meeting.
- 1.2 Apologies were noted for Sarah Mukherjee, Board member and David Hill, Director General, Environment Group, Defra.
- 1.3 The Board noted that Emma Bourne, Defra Director Resources and Waste, was deputising for David Hill.

Item 2 Celebrating our Successes – Poole Harbour

- 2.1 The Board welcomed Emma Baker, Area Director Wessex, who provided background on the collaborative efforts in place across the agricultural, water and local stakeholder sectors to reduce the damaging nutrient loads entering Poole Harbour.
- 2.2 The Board reflected on the importance of relationship building with all concerned, bringing about agreed levels of standardisation, and where farm inspections could play a role to bring about further improvement and collaboration alongside the nutrient leaching calculation tools for farmers.
- 2.3 The Board thanked Emma and her team for sharing their story, supported their efforts in this vital work and encouraged the take up of similar schemes around the country. She was advised to connect with the Future Funding team and NFU on financing such initiatives.

Item 3 Declarations of Interest, minutes of the Board meeting held 25 May 2023 and matters arising

Declarations of Interest

- 3.1 Judith Batchelar declared that she had been asked to take up Chairmanship of MicroSalt Inc with effect from end of August 2023.
- 3.2 Judith Batchelar declared that she was undertaking a short term paid consultancy role with Natural Capital Research.
- 3.3 There were no further declarations raised.

Approval of minutes of the Board Meeting held 25 May 2023

- 3.4 **The Board approved** the minutes of Board Meeting held 25 May 2023 noting that the revision to paragraph 5.3 was to be agreed by the Chair.
- 3.5 **Action:** The Board requested that the Board secretariat simplify paragraph 5.3 and submit the new wording to the Chair for review.

Matters Arising

- 3.6 The Board noted the progress made against all actions on the action tracker.

Item 4 Welcome to the new Chief Executive

- 4.1 The Board welcomed Philip Duffy to his first Environment Agency Board meeting since taking up the post of Chief Executive Officer in July 2023.

- 4.2 The Board thanked John Curtin for taking on the role of Chief Executive Officer during the interim period.

Item 5 Updates to the Board

Chair's Update

- 5.1 The Chair updated the Board on the recent Chair to Chair meetings with each of the water and sewerage companies (WASCs) as part of the WASCs annual performance review.

Public Safety Update

- 5.2 The Executive Director of Local Operations updated the Board on recent water-related fatalities at or near Environment Agency assets.
- 5.3 The Board noted the tragic loss of life and measures underway to continue to assess and ensure public safety at Environment Agency assets.
- 5.4 The Board discussed the continued communications and education with the public around the safety risks associated with Environment Agency assets and water related activities generally.
- 5.5 **Action:** Executive Director Local Operations to circulate a briefing note on the situation regarding deaths at or near Environment Agency assets to Board members.

Employee Relations and Industrial Action

- 5.6 The Board welcomed Rachel Jones, Deputy Director, Strategic Risk Management to the meeting. The Chief Operating Officer updated the Board about how the organisation would pay the addendum to the pay remit, negotiations with the Trade Unions on the same, and that the Pay Flexibility Business Case (PFBC) had been submitted to His Majesty's Treasury (HMT).
- 5.7 The Board was updated on Environment Agency performance in relation to Freedom of Information (FOI) requests and noted the action plan to improve performance.
- 5.8 **Action:** Chief Executive to give a progress update and compliance action plan at the next Board meeting in October 2023.

Item 6 Committee and Area Updates

- 6.1 The Board noted the topics of focus from each committee meeting as set out in the paper.

Flood & Coastal Risk Management Committee

- 6.2 The Board noted the update provided by the FCRM Committee Chair. Areas of concerns for the Committee were the strengthening of the Capital Programme and how the provision of data was a pressure across most areas and functions.

Pensions Committee

- 6.3 The Chair of the Pensions Committee updated the Board on issues of focus, namely the Capita cyber-attack, and the governance regarding the Brunel Pooling.
- 6.4 **The Board approved** the recommended replacement of an active member representative for the Investment Sub Committee (with immediate effect) and the non-Environment Agency executive employer representative for Natural Resources Wales (NRW) on the Pensions Committee from 8 October 2023.

ARAC Annual Review

- 6.5 The Board noted the update provided by the Chair of the Audit and Risk Committee (ARAC) on ARAC's work for the period June 2022-present.
- 6.6 The Board noted the feedback gathered from key stakeholders of the Committee.

Area Updates

- 6.7 Board members updated on various area visits they had undertaken and the issues observed.
- 6.8 Board members reported that recruitment, retention, internal churn and the loss of experience and expertise, both internally and externally, were pressures that many areas were experiencing.
- 6.9 The Board noted that some depots around the country were in need of improvement.
- 6.10 **Action:** Chief Operating Officer to share a briefing with the Board on Depot Strategy following the meeting.
- 6.11 **Action:** Board Secretariat to add an item on Depot Strategy to the Board Forward Look for later in the year.
- 6.12 The Board discussed funding for a land use choices tool which would be useful for the organisation as well as businesses and asked that this be considered as a potential future discussion item for the Board.
- 6.13 **Action:** Board Secretariat to add an item on funding for a land use choices tool to the Board Forward Look.

Item 7 Equality, Diversity and Inclusion Report

Iain King joined the meeting at this point.

- 7.1 The Board welcomed Rob Sutton, Deputy Director, People and Change, Gio Pisano, Business Manager, Equality, Diversity and Inclusion, and Kavita Prajapati, Senior Advisor, Equality, Diversity, and Inclusion to the meeting.
- 7.2 The Equality Diversity and Inclusivity (EDI) Annual Report 2022-23 set out the EDI activity, progress and achievements during the year, including on Black, Asian and Minority Ethnic (B.A.M.E) representation within the organisation, reducing the pay gap, greater understanding on race issues and progress on integrating EDI more deeply into the organisation.
- 7.3 The Board noted the report and the efforts that were being made to shift the culture within the organisation to make it a more welcoming and inclusive workplace for those from minority or diverse backgrounds.
- 7.4 The Board noted the scale of the challenges faced on racial representation and how the indicator for B.A.M.E. representation metric on the corporate scorecard did not represent the wide-ranging differences across the country. The Board agreed that the 18% metric should remain but the underlying leading indicators should include such nuances.
- 7.5 The Board noted the external consultants and advisors that had provided guidance and advised.
- 7.6 **Action:** Deputy Director, People & Change to forward further details of the consultancy they had worked with and how to engage and work with them in a more focussed way.
- 7.7 The Board noted that only half the respondents in the all-staff survey from a B.A.M.E. background believed the organisation would deal effectively with a racism issue if it were raised.
- 7.8 **Action:** Chief Operating Officer to check the technical details behind the Big Conversation on Race analysis response figure for assurance.
- 7.9 The Board noted that core training for managers was key in handling racism issues when they were raised.
- 7.10 **Action:** Chief Operating Officer to share the action plan for manager development training.
- 7.11 The Board thanked the team for their work on the report.

Item 8 Finance Update

Balanced Scorecard Development Update

- 8.1 The Director of Finance provided the Board with an overview of the progress made so far on the development of the Balanced Scorecard as well as the next steps. The Board noted the update.
- 8.2 The Board noted the progress on development of the new Arm's Length Bodies (ALB) dashboard for the Secretary of State (SoS) in partnership with the Defra Delivery Unit.

Annual report and accounts 2022-2023

- 8.3 The Board noted the first draft of the Annual Report and Accounts 2022-23.
- 8.4 Board members were asked to provide any comments on the draft document to the Director of Finance by 25 July 2023.
- 8.5 The Board noted that the Chair foreword would be updated in the coming weeks.
- 8.6 **Action:** The Board asked that the Director of Finance produce an infographic of annual report and accounts suitable for the public.

Financial Scheme of Delegation items approved by the Chair

- 8.7 The Board noted the items which had been approved by the Chair under Standing Order 4.1, noting where relevant Board members had reviewed each project.
- 8.8 The Board acknowledged the benefits of Board member reviews for the project teams.
- 8.9 **Action:** Director of Finance was asked to share with Board members the recording of the ARAC discussion with John Russon and Steve Moore on how we manage the FCRM capital programme and its risks.
- 8.10 It was proposed that a discussion on the capital programme would be scheduled for a future Board meeting to test the Board's level of risk appetite.
- 8.11 **Action:** Board Secretariat to add a discussion on capital programme risk appetite to the Forward Look.

Ian King left the meeting at the end of this item.

Item 9 Staff Engagement: Feedback and Reflections

- 9.1 The Board reflected on their informal engagement session with Hertfordshire and North London Area staff. Board members noted that staff were concerned about the lack of London weighting impacting their ability to recruit and retain staff. Staff also reported they believed this to be a blocker to recruiting more staff from B.A.M.E backgrounds. Board members were also asked about progress towards the Environment Agency's Net Zero targets, and what can be done to encourage more integrated working between teams.

Item 10 Corporate Services Update & Discussion

- 10.1 The Chief Operating Officer introduced the item and the Board welcomed Sarah Cook, Deputy Director Corporate Management, Assurance and Security to the meeting. The Board noted the joint Defra and Environment Agency paper outlining the agreed approach to the implementing of the Action Plan recommendations and progress to date.
- 10.2 The Chief Operating Officer and Defra Chief Operating Officer provided updates on the progress achieved in Human Resources (HR), and Digital, Data and Technology Services (DDTS) as well as the areas where there was still work to be done. The Chief Operating Officer emphasised that the agreed joint action plan needed to stay at the heart of all future work in this space. The Board noted that both Chief Operating Officers would shortly be moving on from their respective roles but were encouraging their replacements to continue this joint work.
- 10.3 The Board praised the collaborative effort and encouraged the teams to keep going to see continuous progress in this space.

Item 11 2024 Water and Sewerage Companies Price Review (PR24)

- 11.1 The Board welcomed Richard Thompson, Deputy Director, Water Management and Investment, Richard Hatch, Manager, Water, Land and Biodiversity Water Resources, and David Dangerfield, Director, Water, Land and Biodiversity to the meeting. The Executive Director of Environment and Business introduced the item and emphasised the scale of the PR24 investment programme.
- 11.2 The Board noted the information included in the paper. The Board discussed the modelling of water bill increases, possible regulatory challenges, as well as the different water companies' capacities for investment. The Chair highlighted the importance of balancing the

need to improve water quality now with the imminent issue of water resource, and the investment needed for this in the next phase.

- 11.3 The Board thanked Richard, Richard and David for their hard work.

John Curtin left the meeting at this point.

Item 12 Waste

- 12.1 The Board welcomed Georgina Collins, Director, Regulated Industry, Steve Molyneux, Deputy Director, Waste Regulation, Alison Matthews, Deputy Director, Operations Regulatory Services, Catherine Saxon-Wilkinson, Area Director, North East, and Phil Davies, Manager, Joint Unit for Waste to the meeting. Georgina Collins set the context for the Board's visit the following day which was to be focussed around Waste Regulation and Waste Crime. Georgina gave an overview of the range of businesses and individuals involved in the waste industry as well as the range of regulatory challenges and opportunities this industry poses.
- 12.2 The Board discussed the drivers of waste crime, including landfill tax evasion and the mis-description of waste, and how these provide opportunity for organised crime groups to exploit these for profit.
- 12.3 The Board discussed the support provided to enforcement staff dealing with this criminal activity, the challenges on the landfill sector, and abandonment risk and the need to ensure that funding was available to maintain enforcement and waste regulatory activities through the Spending Review process.
- 12.4 The Board supported a further discussion on waste in 2024 and agreed it should be added to the list of potential future agenda items.
- 12.5 **Action:** Board Secretariat to add a waste discussion to the Board Forward Look for 2024.
- 12.6 The Board thanked Georgina Collins, Steve Molyneux, Alison Matthews, Catherine Saxon-Wilkinson and Phil Davies for their continued hard work on these issues.

Item 13 Governance Matters

2024 Board and Committee Dates

- 13.1 Committee Chairs were asked to respond to the Board Secretariat to agree the 2024 dates for their committees.

Forward Look

- 13.2 The Forward Look was not discussed.

Item 14 AOB, Date of Next Meeting, and Meeting Review

AOB

- 14.1 No items of AOB were raised.

Date of next meeting

- 14.2 The date of the next meeting was noted as 10 and 11 October 2023.

Meeting Review

- 14.3 The Board reviewed the meeting.
- 14.4 The Board reflected that the Deep Dive items would have benefited from being split up, with one session taking place in the morning and the other in the afternoon. The Board noted that both items would need to be revisited in the future.
- 14.5 The Board reflected on the staff engagement session and advised that in future such sessions focus discussion around three priorities plus opening remarks from Chair and Chief Executive.
- 14.6 The Board thanked Lucy Hunt at her final Board Meeting and wished her well for the future.

The meeting closed at 17.25