

Board Meeting

Minutes of the Board meeting held on 20 November 2023 at 2 Marsham Street and via MS Teams

Present

Alan Lovell	Chair
Judith Batchelar	Deputy Chair
Robert Gould	Board Member
Stewart Davies	Board Member
John Lelliott	Board Member
Mark Suthern	Board Member
Lilli Matson	Board Member
Ines Faden Da Silva	Board Member
Sarah Mukherjee	Board Member
Caroline Mason	Board Member

In attendance

Philip Duffy	Chief Executive
Sarah Chare	Executive Director, Local Operations
Caroline Douglass	Executive Director, Flood and Coastal Risk Management
John Leyland	Executive Director, Environment and Business
Nicky Lawton	Chief Operating Officer
Pat Bolster	Director, Finance
Laura Milton	Director, Legal and Audit Service
Ilana Conn	Deputy Director, Operational and Local Communications
Sebastian Catovsky	Defra Co-Director, Floods and Water
Corry McDiarmid	Board Governance Manager
Alex Hole	Board Governance Senior Advisor
Beth Lamb	Board Governance Advisor

Item 3

Julie Foley	Director, Flood Strategy and Adaptation
Ben Plummer	Deputy Director, Strategy
Estelle Palin	Deputy Director, Legal Services

Item 4

Neil Davies	Director, Sustainability, Funding and Service Operations
Van Griffiths	Deputy Director, Sustainable Business (job share)
Becky Hibbert	Deputy Director, Sustainable Business (job share)
Simon Dawes	Manager, Sustainable Business
John Russon	Director, Portfolio Management and Assurance
Owen Tarrant	Programme Manager, Net Zero Carbon for Infrastructure Programme
Dale Eynon	Deputy Director, Defra Group Fleet Services

Luke Farrington
Martin Whitworth
Harry Walton

Deputy Director, Estates
Deputy Director, Data, Digital and IT
Chief Economist

Item 5

Rowan Sunflower

Deputy Director, Finance Business Partnering

Item 1 Welcome & Introductions

1.1 The Chair welcomed attendees to the meeting.

1.2 The Board noted that Sebastian Catovsky was attending the meeting on behalf of David Hill, and that Nicky Lawton and Sarah Chare were attending in their new roles as Chief Operating Officer and Executive Director of Local Operations respectively.

Apologies

1.3 Apologies were noted from David Hill, Defra Director General, Environment Group and Anna Burns, Deputy Director, Governance and Engagement.

Declarations of Interest

1.4 The Board noted the ongoing Environment Agency compliance activity with regard to Transport for London (TfL) and that Lilli Matson would excuse herself from any relevant conversations should this matter come to the Board.

Matters Arising

1.5 The Board reviewed the action log and noted the progress made against the open actions.

Item 2 Board Updates

Chair's Update

2.1 The Chair updated the Board on his recent speaking engagements at the Anthropy National Summit and a River Action Panel event.

2.2 The Board noted that the Chair would be speaking at the Association of Drainage Authorities (ADA) Flood and Water Conference the following day.

Chief Executive's Update

2.3 The Chief Executive updated the Board on the recent approval of the pay case. The Board noted the recent changes to senior staffing, and

progress on recruitment of the following roles; Executive Director of Strategy, Transformation and Assurance, Executive Director of Local Operations, and Director of Finance.

2.4 The Board discussed where the oversight of health and safety should sit within the organisation, noting that this would stay in the Chief Operating Officer's directorate once it becomes the Strategy, Transformation and Assurance directorate.

2.5 The Board noted the recent appointment of the new Secretary of State (SoS) for the Environment, Stephen Barclay and noted that early engagement was underway.

2.6 The Board thanked the Chief Executive, the Chief Operating Officer (COO) and all those involved for their recent hard work on pay.

Executive Director Hot Topics Updates

Chief Operating Officer

2.7 There were no further updates from COO for Board awareness.

Environment and Business

2.8 The Executive Director of Environment and Business (E&B) provided an update on an upcoming BBC Panorama documentary on water pollution that was expected to be airing the following week. The Board noted how the Environment Agency is responding as well as the planned media handling.

2.9 The Executive Director of E&B also provided an update on the Costa Beck Judicial Review. The Board noted that the Environment Agency was working with Defra on the future management of river basin management plans (RBMPs).

Local Operations

2.10 The Board noted the update on Walley's Quarry.

2.11 The Board thanked Local Operations staff for their hard work on this matter.

Flood and Coastal Risk Management

2.12 The Executive Director of Flood and Coastal Risk Management (FCRM) provided an update on recent incident work in response to Storms Babet and Ciaran, including ongoing asset inspections. The Board noted that David Dangerfield had been appointed 'Recovery Lead'.

- 2.13 The Board noted that it was currently Flood Action Week and that events would be scaled back this year due to ongoing incident recovery.
- 2.14 The Executive Director of FCRM told the Board that the National Audit Office (NAO) report on resilience to flooding had been published the previous week and updated them on the upcoming Public Accounts Committee hearing on flood defences that she, the Chief Executive, Defra Director General, Environment Group and Defra Permanent Secretary would be giving evidence at.
- 2.15 The Board discussed the capital programme and the likely impacts following the appointment of the new SoS.

Item 3 Biodiversity Net Gain – update to Board

- 3.1 The Board welcomed Julie Foley, Ben Plummer and Estelle Palin to the meeting. The Executive Director of FCRM introduced the item and Julie Foley gave an overview of the context of the item as well as the delivery of biodiversity net gain (BNG) for FCERM projects within government partnership funding rules agreed with Defra.
- 3.2 The Board discussed how statutory BNG requirements will be applied to FCERM projects as a condition of planning permission and the implications of these and the implications of these requirements for the FCERM capital programme. The Board noted that the revenue costs associated with the 30-year maintenance requirements of BNG are still uncertain and will require further assessment and discussion with Defra.
- 3.3 The Board noted that BNG becomes mandatory in January 2024 and that guidance was needed for local operational staff and our suppliers. The Board endorsed operational guidance being produced as soon as possible.
- 3.4 The Board considered how BNG linked to wider discussions around Environment Agency net zero and eMission and noted that there were a number of workstreams ongoing in this space which should be better aligned. The Board noted that this would be discussed further at the December Board meeting.

Item 4 Net Zero – further discussion and Q&A session

- 4.1 The Board welcomed Neil Davies, Van Griffiths, Becky Hibbert, Simon Dawes, John Russon, Owen Tarrant, Dale Eynon, Luke Farrington and Harry Walton to the meeting. Neil Davies provided an overview of the

discussion at the October Board meeting on this topic and set out the next steps.

- 4.2 Simon Dawes set out the Environment Agency's baseline gross carbon emissions and Harry Walton gave an overview of the feasibility of the different carbon reduction interventions.
- 4.3 The Board encouraged the team to consider how the Environment Agency can be a top performer in terms of carbon savings. The Board noted that the potential net zero reset provides an opportunity to be a leader and innovator in the relevant sectors.
- 4.4 The Board discussed the benefits of resetting the net zero target to 2050, namely, to align with the Government's net zero target.
- 4.5 The Board considered the potential reputational impacts of changing the Environment Agency's net zero targets.
- 4.6 The Board encouraged the team to move away from modelling carbon emissions and towards implementation of the net zero reset and carbon reduction interventions, focusing on scopes 1 and 2, as laid out in the paper. It was noted that work would need to be reviewed regularly going forward to consider how new technologies can be utilised.
- 4.7 The Board discussed the plans to reduce the Environment Agency's office estate as well as the potential for the Environment Agency to utilise soil as a carbon store.
- 4.8 **Action:** The Board asked Neil Davies to consider the communications plan as part of the paper and presentation to the Board at the December meeting.
- 4.9 **Action:** The Board asked Neil Davies and his team to incorporate potential for soil as a carbon store into their paper and presentation to the Board at the December meeting.

Item 5 Update on Financial Position

- 5.1 The Board welcomed Rowan Sunflower to the meeting. The Director of Finance laid out the mid-year financial review. He gave an update on the Environment Agency's Annual Report and Accounts (ARA) and the Board noted that a detailed review of the audit opinion as set out by the Comptroller and Auditor General to the Houses of Parliament would be presented to the Audit and Risk Assurance Committee (ARAC) at their 12 December meeting.

- 5.2 The Board noted the plans to review charges which will address some of the resource pressure, as well as the plans to reduce forecast spend, presented by Executive Director budget, by 1% to address the residual resource pressure.
- 5.3 The Board discussed the potential for digital transformation to deliver savings through efficiencies and the associated benefits and drawbacks.

Item 6 AOB, date of next meeting and review of meeting

AOB

- 6.1 No other business was raised.
- Date of next meeting**
- 6.2 The Board noted that the next meeting would take place on 6 December.
- Review of meeting**
- 6.3 The Board did not review the meeting.

The meeting closed at 14:45.