

Minutes of the board meeting held on Wednesday 11 June 2025 at 2 Marsham Street, London and via MS Teams

Present

Alan Lovell	Chair
Ines Faden Da Silva (virtual) (Items 1-10 and 12-13)	Deputy Chair
Stewart Davies	Board Member
Brittany Harris	Board Member
Maya Leibman	Board Member
Lilli Matson (virtual) (Items 2 and 8-12)	Board Member
Sarah Mukherjee	Board Member
Mark Suthern	Board Member
Jon Watts	Board Member

In attendance

Philip Duffy	Chief Executive
Tamara Bruck	Executive Director, Strategy, Transformation and Assurance
Anna Caffyn	Director, Finance
Sarah Chare	Executive Director, Local Operations
Matt Cornford	Director, Strategy
Chris Davis	Deputy Director, Communications
Caroline Douglass	Executive Director, Flood and Coastal Risk Management
David Hill (Items 1-4, 8-13)	Defra Director General, Strategy and Water
John Leyland	Executive Director, Environment and Business
Laura Milton	Director, Legal and Audit Services
Alex Hole	Board Governance Senior Advisor
Corry McDiarmid	Board Governance Manager
Beth Lamb	Board Governance Advisor

Item 2

Dan Hutley	Deputy Director, Health, Safety and Wellbeing
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Item 6

Lucy Ward (virtual)	Performance Manager
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Items 7 and 8

Malcolm Lythgo	Director of Operations, National Regulation and Monitoring
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Item 8

Alan Cansdale (virtual)

Deputy Director, Enforcement

Item 9

Georgina Collins

Director, Energy and Resources

Chris Jenkins (virtual)

Deputy Director, Energy, Radioactive Substances
and Process Industry

Sue Longstone (virtual)

Director of Operations, North

Item 10

George Leigh (virtual)

Senior Advisor, Strategy

Alice Mayne (virtual)

Deputy Director, Strategy

Item 11

Germaine Faulkner

Director, Service Transformation

Item 12

Richard Thompson

Deputy Director, Water Resources

Helen Wakeham

Director, Water

Item 1: Apologies, declarations of interest, minutes of previous meeting and matters arising**Apologies**

- 1.1 Apologies were noted from Verity Zurita.

Declarations of interest

- 1.2 Jon Watts declared that he had been appointed as Chair of the Foreign and Commonwealth Development Office (FCDO) Audit and Risk Assurance Committee (ARAC).

Minutes of the meeting held on 7 May 2025

- 1.3 **Decision: The board approved** the minutes of the 7 May 2025 board meeting.

Matters arising

- 1.4 The board noted the progress of all actions on the action log.

Item 2: People Matters**Health, safety and wellbeing update**

- 2.1 The board welcomed Dan Hutley to the meeting.
- 2.2 The board noted the health, safety and wellbeing performance update for Q4.

Health, safety and wellbeing strategy approval

- 2.3 The Executive Director of Strategy, Transformation and Assurance (STA) introduced the item and Dan Hutley explained the context for, and process of developing the new strategy.
- 2.4 The board queried the timeframe for implementation, and asked to hear more about the data underpinning the strategy.
- 2.5 The board encouraged the health, safety and wellbeing (HSW) team to be cautious about how the strategy is communicated in order to minimise the risk of 'strategy fatigue', instead to implement simply as a way of working.
- 2.6 The board were concerned that the staff survey indicated that more staff are taking risks at work, and discussed ways of further ingraining health, safety and wellbeing into all part of Environment Agency culture, including through incentivising active monitoring and reporting.
- 2.7 **Decision: The board approved** the commitment and ambitions set out in the health, safety and wellbeing strategy 2025 and beyond, in readiness for the proposed launch in Q2.

Employee relations

- 2.8 The Executive Director of Strategy, Transformation and Assurance (STA) updated the board on the latest developments regarding pay, ongoing conversations with trade unions as well as the Chief Executive's letter to the Prime Minister regarding growth.
- 2.9 The board noted the current level of risk of potential industrial action. The board noted the progress of the change programme which would reduce reliance on the volunteer model for incident response going forward.

Item 3: Board updates

Chair's update

- 3.1 This item was not taken.

Chief Executive's update

- 3.2 The Chief Executive updated the board on the spending review outcome. The board noted that the next stage would be conversations with Defra on the Environment Agency allocation. The Chief Executive also updated the board on drought planning progress and delivery of the Bridgewater Barrier project.

- 3.3 The board noted the publication of the London surface water strategy and discussed what more could be done to clarify the Environment Agency's role with regard to surface water flooding.
- 3.4 The board noted the ongoing work on drought and discussed the levers for behavioural changes towards water use, including communications more clearly linking water conservation to environmental protection, and water company implementation of temporary use bans (TUBs).

Item 4: Committee and area updates

Committee updates

- 4.1 The board noted the topics of focus at all Committee meetings since the last quarterly board meeting.

Board member updates, risks and issues

- 4.2 The board flagged relevant risks and issues, including those around security.

FCRM Committee annual review

- 4.3 The board noted the review of the FCRM Committee for 2024/25 as well as the agreed priorities for 2025/26.
- 4.4 **Decision: The board approved** the proposed changes to the Committee terms of reference.

Item 5: Finance

Financial performance

- 5.1 The Director of Finance introduced the item and provided an overview of the Environment Agency's indicative financial outturn for 2024/25 and the steps being taken to enable improved financial performance and reporting in 2025/26.
- 5.2 The Director of Finance also updated the board on the ongoing work on accounting judgements which would be taken in more focus at the next ARAC meeting.
- 5.3 The board discussed charge balances and work done to address historical balances. The board noted that the Environment Agency should soon be in a position to set future fees based on costs incurred.
- 5.4 The Defra Director General for Strategy and Water gave a brief verbal overview of the overall Defra Group financial position at year end.

- 5.5 The board commended the Director of Finance on the positive progress achieved by her team over the last year.

Arun IDB annual governance and accountability return

- 5.6 The Director of Finance provided an overview of the approval requested with regard to the River Arun Internal Drainage Board's (IDB) governance and accountability return for 2024/25.
- 5.7 **Decision:** The Environment Agency Board, acting pursuant to the legal functions of the River Arun IDB Board:
- **approved** the Annual Governance Statements for the year ended 31 March 2025 and **authorised** the Chair to sign the annual governance statement on behalf of the River Arun Internal Drainage Board.
 - **approved** the Accounting Statements for the year ended 31 March 2025, certified by the Responsible Financial Officer, and **authorised** the Chair to sign the accounting statements on behalf of the River Arun Internal Drainage Board.

Financial scheme of delegation (FSoD)

- 5.8 The board noted the items which had received approval.

FSoD improvements: review of effectiveness

- 5.9 The Director of Finance introduced the item and gave an overview of the impacts of the previously approved changes to the FSoD schedules and further planned improvements.
- 5.10 The board noted that the FSoD was to be reviewed and redrafted to make it more fit for purpose.

Non-financial scheme of delegation (NFSoD)

- 5.11 **Decision:** The board **approved** the proposed amendments to the Non-Financial Scheme of Delegation (NFSOD) (version 60, January 2025) to add a new delegation to allow Environment Agency Senior Surveyors within the Estates team to sign specified agreements provided as set out in Appendix 1 of the paper.

Item 6: Q4 performance – corporate and balanced scorecard review

- 6.1 The Director of Local Operations introduced the item and highlighted the strong performance across multiple areas in Q4, in particular on agriculture, water company inspections and hazardous waste management. The board noted that the public safety risk assessment (PSRA) forecast target had been narrowly missed and acknowledged the actions in place to address this in Q1.

- 6.2 The board discussed the metric relating to the percentage of Black, Asian and Minority Ethnic staff. The board asked for reassurance on the measures in place to address underperformance in this area and regain an upward trajectory on recruitment of staff from Black, Asian and Minority Ethnic backgrounds. The board were reassured that although levels of recruitment had dropped across the Environment Agency, retention of Black, Asian and Minority Ethnic staff was good due to an increase in centralised engagement.
- 6.3 The board raised concerns around how Black, Asian and Minority Ethnic staff may be being impacted by reports in the media on equality, diversity and inclusion (EDI) as well as central government changes in approach to EDI.
- 6.4 **Action:** Chief Executive to discuss EDI with the Permanent Secretary and bring an update on this, and engagement with EA networks to the Board in due course.
- 6.5 The board noted improvements on carbon emissions performance in Q4 and queried what actions were in place to achieve green status in 2025/26. The board noted that options were still being assessed to address this issue, including options on fleet and staff travel.
- 6.6 The board noted that previous quarterly performance papers had included a graph showing red, amber and green (RAG) performance scores at each quarter during the previous year, compared with the current year. They asked that this be reinstated in future papers as a useful comparison.
- 6.7 **Action:** Director of Finance to include a graph comparing scorecard measures at each RAG status compared to previous year in the Quarterly performance paper summary going forward.
- 6.8 **Decision: The board approved** the quarter 4 Corporate Scorecard, as set out in Appendix 1 of the paper.
- 6.9 **Decision: The board approved** the quarter 4 Balanced Scorecard, as set out in Appendix 2 of the paper.

Item 7: Update on progress of permitting transformation

The board noted the Chair's declaration of interest regarding the Hynet Project.

- 7.1 The board welcomed Malcolm Lythgo to the meeting. The Director of Local Operations introduced the item and took the board through the progress to date on transforming permitting to realise the Government's growth ambition whilst also maintaining environmental standards.

- 7.2 The board raised the issue of environmental capacity with regard to proposed large infrastructure and housing projects. The board noted that consideration of environmental capacity was a key factor in Environment Agency's decision-making in relation to new development.
- 7.3 **Action:** Executive Director, E&B to have a conversation with the Deputy Chair regarding the Environment Agency's role in Environmental Capacity linked to new housing developments.
- 7.4 The board discussed the key performance indicator (KPI) linked to permitting performance which is measured by percentage of applications completed within target times across all industry sectors. The board considered whether a new target was needed for accelerated permitting performance which was both stretching but achievable.
- 7.5 **Action:** Executive Director of E&B to work with EDT to consider a meaningful target for Permitting Performance.
- 7.6 The board discussed steps towards producing an external communications plan as well as progress on the old permit review process. The board noted the complexity of updating old permits.
- 7.7 The board discussed blockers to progress on permitting including limitations of IT infrastructure.

Item 8: Update on progress of delivery of water enforcement

- 8.1 The board welcomed Alan Cansdale to the meeting. The Executive Director of Environment and Business introduced the item. The board noted the progress made on reducing old cases of serious incidents since the last update in September 2024, as well as the progress and future timeline for resourcing of water enforcement.
- 8.2 The board noted factors limiting the Environment Agency's capacity to prosecute quickly including a backlog of cases being dealt with by the Courts. The board also noted the challenges around the recruitment of lawyers and other key enforcement roles into the Environment Agency.
- 8.3 The board discussed the approach to communications regarding the Environment Agency's enforcement actions.
- 8.4 The board encouraged the team to continue utilising all available powers under the Water (Special Measures) Act 2025 (when in force) and to ensure the new enforcement cases are being progressed expeditiously. The board wished to continue to keep water enforcement in focus.

- 8.5 **Action:** The Board to take a progress update on Water Enforcement in 6 months' time.
- 8.6 **Action:** E&B Committee to take an update on Water Enforcement progress at each meeting.

Item 9: Update on progress of control of major accident hazards (COMAH) work

- 9.1 The board welcomed Sue Longstone, Georgina Collins and Chris Jenkins to the meeting. The Executive Director of Local Operations introduced the item and set out the proposal to scale up COMAH work to reflect the risks and emerging issues discussed at the March 2025 Board meeting.
- 9.2 The board noted that a policy conversation was still needed in order to begin removing some of the main blockers to delivering the required improvements in COMAH regulation. The board also took an update on the development of a programme to support staff becoming COMAH officers so as to increase programme resilience in the future.
- 9.3 The board were supportive of the scale and pace of the plan set out by the team.

Item 10: EA 2030: final draft

- 10.1 The board welcomed George Leigh and Alice Mayne to the meeting. The Director of Strategy provided an overview of the final draft of EA 2030 following board comments given at the May 2025 meeting.
- 10.2 The board discussed the culture section of the strategy and whether a separate piece on culture was needed to map the strategy on to. The board also felt the strategy should further bring out how the organisations was striving for efficient and effective delivery, and that it included a 'strategy map'.
- 10.3 The board praised the accessibility of the strategy as well as the level of positive board engagement throughout the process. The board acknowledged how the outcomes of the Cunliffe review of water could impact the content.
- 10.4 **Decision: The board approved** the draft of EA2030 on the basis that it provides sufficient clarity on the overall direction the Board would like to take the organisation in over the next 5 years.
- 10.5 **Decision: The board agreed** that the Chair and Chief Executive would have final sign off of the strategy.

Item 11: Transformation and IT deep dive

- 11.1 The board welcomed Germaine Faulkner to the meeting. Germaine introduced the item and gave an overview of the scale of the transformation challenge, the change landscape, funding and opportunities to leverage artificial intelligence (AI).
- 11.2 The board noted that any transformation requires the support of digital, data, technology and security (DDTS). They discussed how this working relationship can be improved to help DDTS better understand the Environment Agency's nuanced IT requirements.
- 11.3 The board discussed the governance of the transformation programme, in particular what plans were in place to keep control of all change elements. The board also raised questions around prioritisation of work and where the "quick wins" would be to generate the greatest impact at this early stage.
- 11.4 The board discussed regaining control of unsupported systems. The board also encouraged the utilisation of cross-government knowledge and lessons learned.
- 11.5 The board thanked Germaine and her team for the work done so far and noted that continued board and executive steer would be needed to enable strategic prioritisation within the project.
- 11.6 **Action:** Executive Director of STA to bring back an update on Transformation Progress to the board in due course.

Item 12: Water resources risk deep dive

- 12.1 The board welcomed Helen Wakeham and Richard Thompson to the meeting. Richard Thompson introduced the item and gave an overview of the current water resource landscape and noted the publication of the National Framework for Water Resources which was due the following week. The board considered the paper and presentation in the context of the prolonged dry weather observed so far in 2025.
- 12.2 The board discussed the Environment Agency's influence on price reviews carried out by Ofwat.
- 12.3 The board discussed how the Environment Agency might be able to influence cultural change with regard to water use in England. They noted that collaboration would be needed with external stakeholders to ensure consistent messaging on water resources in order to facilitate the meaningful changes in behaviour needed to combat water resource shortfalls.

- 12.4 The board considered the changing use of water, such as use in data centres. The board encouraged the team to consider if the Environment Agency is being entrepreneurial enough and utilising new technologies and ideas.
- 12.5 The board acknowledged the pressure new government development projects may have on existing water resource and how this issue could be mitigated. The board considered the impacts the water special measures bill and water resource licensing moving into Environmental Permitting Regulations (EPR) would have on the Environment Agency's scope of control in this space.
- 12.6 The board noted that the water resources conversations in future were likely to be heavily influenced by the outcomes of the Cunliffe review on water, due to be published in July.
- 12.7 The board emphasised the importance of a proactive communications approach for water resources, anticipating there may be heightened public interest in this issue in the near future.

Item 13: Any other business, date of next meeting, forward look and review of meeting

Any other business

- 13.1 The board noted the strategic funding approaches for charges and cost recovery outlined in the charges and income strategy plans information paper.
- 13.2 The board noted the compliance, fleet and mental health issues raised in the health of the organisation information paper.

Date of next meeting

- 13.3 The date of the next Board call was noted as 12 August 2025.
- 13.4 The date of the next Board meeting and visit was noted as 16 and 17 September 2025.

Forward look

- 13.5 The board noted the upcoming items on the forward look.

Review of meeting

- 13.6 The board reviewed the meeting.

- 13.7 The board reflected on the discussions around communications during the meeting and asked that a board discussion be scheduled to discuss this further.
- 13.8 **Action:** Executive Director STA and Deputy Director of Communications to bring an item on Communication Strategy to the October Board meeting, inviting the Defra Group Director of Communications.

The meeting closed at 4:30pm

Appendix 1 – Private Discussions

Item 4: Committee and area updates

Board member updates, risks and issues

- 4A.1 Jon Watts raised questions around cyber security. The board sought assurance that the Environment Agency had sufficiently robust plans in place to manage and recover from a cyber-attack incident.
- 4A.2 **Action:** Executive Director, STA to provide assurance around the Environment Agency's cyber security and planned response in the event of a cyber-attack.
- 4A.3 The board noted that physical security was varied across the Environment Agency's asset portfolio, and asked for further detail on appropriateness of levels of physical security.
- 4A.4 **Action:** Executive Director of STA and Executive Director of FCRM to provide assurance to the Board around physical security at critical Environment Agency assets.