

# Natural England Board



## Confirmed minutes of the 103<sup>rd</sup> Natural England Board meeting 30<sup>th</sup> June 2021

<b>Board Members Attending</b>	
Dr Tony Juniper, Chairman	Kerry ten Kate
Lord Blencathra, Deputy Chairman	Henry Robinson
Rosamund Blomfield-Smith	Kim Shillinglaw
Dr Andy Clements	Peter Unwin
Catherine Dugmore	
Professor Sue Hartley	
<b>Executive Team</b>	
Marian Spain, Chief Executive (and ex-officio Board Member)	Navroza Ladha, Chief Officer Legal and Governance
Alan Law, Deputy Chief Executive	Gleny Lovell, Chief Officer Planning and Performance
Dr Tim Hill, Chief Scientist	
<b>Guests</b>	
David Hill, Director-General Environment Rural and Marine Defra	Ken Roy, Director, Legal & Governance, Natural England
Abdul Razaq, Finance Director	Mick Oliver, Chief of Staff, Legal & Governance (secretariat)
Karen Hetherington, Head of External Communications for Natural England, Defra	Graham Tibbetts, Legal & Governance
Edel McGurk, Director Legislative Reform	

## **Welcome from the Chairman and Declarations of Interest**

The Chairman welcomed the Board to the 103<sup>rd</sup> meeting. He noted apologies from Professor Michael Winter.

With reference to declarations of interest:

- Rosamund Bloomfield-Smith highlighted some changes required to the entry on her Register of Interest (ROI).
- There were no declarations of interest (additional to the ROI) that specifically related to the meeting's agenda.

### **ACTION: Legal and Governance Team to update the Register of Interests details of Rosamund Blomfield-Smith.**

#### **1. Review of May 2021 Minutes and Matters Arising (NEB 102)**

- 1.1 No comments were received, and minutes approved as seen.
- 1.2 On outstanding Matters Arising, the Board noted that following the publication of Natural England's 21/22 Action Plan, the Secretary of State may write to the Chair with any specific steers re priorities.

#### **2. Board Sub-Group Updates**

##### **2.1 NESAC (NEB 103 01)**

- 2.1.1 Dr Andy Clements highlighted the main points covered in his NESAC paper, reporting:
  - A good discussion on the "right tree and right place" policy to support the Government's Tree Target.
  - The advice from NESAC on the importance of the Natural Capital and Ecosystem Assessment (NCEA) programme being more focused – to ensure that the specific deliverables meet user needs.
  - Finally, Dr Clements confirmed that Gideon Henderson, Defra Chief Scientific Advisor, would be attending the next NESAC. The intention was to outline each other's work and have a discussion on how wider Science Advisory Committees can work together.
- 2.1.2 In discussion, the Board noted:
  - The increased current interest in investment in timber production and the need to reflect that in the implementation of the Tree Strategy.
  - The need to reflect on where wildlife management may be needed to achieve the full desired outcomes for woodland in England.

### **ACTION: Liz Newton to engage with the Forestry Commission on current and future work in this space to ensure that our work is well aligned**

### **ACTION: Tim Hill to review where NESAC might advise on the relevant evidence (wrt wildlife management) to support effective implementation of the Tree Strategy.**

## 2.2 Audit and Risk Assurance Committee (ARAC) NEB 102 01

2.2.1 Catherine Dugmore provided a verbal update on the business of the committee, highlighting:

- The good progress in developing the 20/21 Annual Report and Accounts – the bulk of this work had progressed well with the National Audit Office pleased with the overall process. Catherine noted the one remaining technical issue of materiality which is covered by the separate paper on the agenda.
- The continued good progress in developing the approach to risk management in Natural England.
- The specific consideration that ARAC had given in their most recent meeting to the questions of governance and assurance raised by the increasing number of new areas of work that Natural England are being asked to consider delivering. ARAC endorsed the broad approach proposed by the Executive to ensure that Board delivers their role (as required by the Framework Document) in agreeing major areas of new work and ARAC take on an assurance role thereafter.
- The increasing levels of risk and concern about security and specifically cyber security. ARAC received a paper on Natural England's Security priorities including clarifying that we have the necessary oversight of the full suite of ICT systems in use and a clear view of their support and resilience.

2.2.2 The Chairman thanked Catherine and Abdul for their work on the Annual Report.

2.2.3 In discussion, the Board highlighted:

- The positive underlying drivers for the current position – both in terms of the increased profile and priority of work on the natural environment and the increased confidence in, and commitment to, Natural England.
- The need for Board to maintain an overview of the portfolio of potential and agreed new work.
- The need for the Executive and the Board to remain conscious of the cumulative impacts of taking on new commitments and funding as well as the case by case risks.
- The need to take account of the implications of new work for staff – and to ensure that they have the capacity, capability, and skills to deliver the new priorities as well as the existing commitments.

2.2.4 In response Marian Spain and Alan Law summarised the current position:

- Some new work is already included in the agreed 21/22 Action Plan and work is under way to ensure delivery.
- There remain discussions with Defra about additional commissions and the Board will be kept sighted (noting the subsequent paper on Biodiversity Gain).
- The assumption is that many of the more ambitious new initiatives and asks will be covered in the forthcoming Spending Review process (SR21).
- In managing Natural England's evolving portfolio, the aim remains to focus on outcomes and on deliverability.
- Th Executive acknowledge the need to invest in staff to ensure that skills and culture align to the future needs – this is in part why the 'Shifts' programme has been commissioned.

**ACTION: Gleny Lovell to update Board on Risk Management, as part of the Q1 review in July**

**ACTION: Marian Spain / Alan Law to provide an ongoing horizon scan (as part of the CE Report) for Board on new areas of work (implications, opportunities, risks)**

**ACTION: Gleny Lovell to provide a further update on the people / staff position, as part of**

## the planned Autumn Strategy meeting

### **ACTION: Legal and Governance to organise three further Board Briefing Sessions on Area Team Delivery Plans, the Shifts Programme and on Security**

#### 2.3 Joint Nature Conservation Committee (JNCC)

2.3.1 Professor Michael Winter had provided the Board with a paper on JNCC business.

### **3. Chief Executive's Report (NEB 103 02)**

3.1 Marian Spain provided a verbal update to the Board on the key issues covered in the Chief Executive's report.

3.1.1 The Board noted:

- The importance of securing a wider review of the progress of the Hen Harrier Action Plan.
- The significant amount of work going into developing strategic solutions re nutrients and local planning decisions, noting the need for longer term investment in this area of work via the Spending Review.
- The work proactively being undertaken to address capacity and other challenges to delivering the bat licensing service.

3.1.2 The Board welcomed:

- The recent success in securing 3 further LIFE bids (securing £11m of funding for local nature recovery projects), recognising the long-term need for successors to this route to specific investments in nature recovery.
- The Written Ministerial Statement on the landscape review following the Glover report.

4.1.3 The Board endorsed:

- The proposal for the creation of a Board sub-group on Landscapes, with the intention that, like NESAC, this would secure external expertise to assist the consideration of the future work on new designations and on landscape/nature recovery inside and outside designations.

### **ACTION: Alan Law to develop a formal proposal for the Terms of Reference for the new landscape sub-group, consulting with key Board Members.**

### **4. Biodiversity Gain Sites Register Operator – new role (NEB 103 03)**

4.1 Alan Law outlined the context for Board, setting out the proposals on Biodiversity Net Gain in the Environment Bill and the necessary roles to implement these proposals (subject to Parliamentary passage and royal assent).

4.2 Net Gain will be a key tool to deliver the recovery of nature and the required register will play an active role in co-ordinating the use of this mechanism and in steering local delivery. Recognising the importance of this new work, Defra has asked Natural England for a decision in principle as to the roles that it would be able to offer in relation to operating the new register.

4.3 Alan set out a range of options for the Board to consider in terms of the specific role that Natural England might play.

- 4.4 The Board noted:
- Uncertainties about the volume of activity.
  - The need for a robust IT platform to help manage the service, noting the frequent risks associated with developments of this nature.
  - The delivery and reputational risks that would need to be managed in taking on any elements of this new work.
  - The wider risks that need to be managed for this new mechanism to be successful, including the reliance on environment / ecological capacity at the Local Authority level.
  - The need to maintain a clear high-level view of the way that this new mechanism will work alongside other government / public sector interventions (notably ELM).
- 4.5 Following discussion, the Board endorsed the option of Natural England agreeing, in principle, to be the operator of the new register and to owning the development of the platform.

**ACTION: Alan Law to bring a further update on both the wider context (how Biodiversity Net Gain supports the Nature Recovery Network) and on the next phase plan for Biodiversity Net Gain (timeline, risk management and future governance).**

## **5. Species Re-introduction Task Force –Terms of Reference (NEB 103 04)**

- 5.1 Alan Law provided some context for the government's decision to create a Species Re-introduction Task Force and reviewed the different ways in which Natural England could best support this work.
- 5.2 Noting Natural England's existing roles, notably the licensing functions in relation to re-introductions, Alan set out the recommendation to the Board from the Executive which was that:
- Defra appoints the Chair and members with the Task Force reporting to Ministers.
  - Natural England provides secretariat and expert advice to the Task Force.
- 5.3 In discussion, the Board noted:
- The need for re-introductions to be seen within the wider context of the full toolset of nature recovery.
  - The importance of Natural England continuing to discharge its statutory role as a licensing authority and to provide independent advice to Ministers.
- 5.4 The Board endorsed the proposal for the way in which Natural England will support the new Task Force.

## **6. Annual Report and Accounts – Update on progress (NEB 103 05)**

- 6.1 Catherine Dugmore provided a brief introduction, noting the progress of the work on the Annual Report and Accounts and acknowledging the leadership from Abdul Razaq and the strong support from colleagues in Defra group Finance and in Natural England.
- 6.2 Abdul Razaq summarised the specific technical issue related to the valuation of Natural England's heritage assets. In part related to deferred work on asset valuation as a result of Covid, we are now in the position where the current costs valuation of the assets is felt by our auditors to be insufficiently robust.

- 6.3 Abdul summarised the options that had been reviewed to address this issue and set out a recommended amendment to Natural England's core policy for asset valuation, specifically to move to a historic costs valuation.
- 6.4 In discussion the Board noted:
- The implications on the balance sheet that would result from this change in policy.
  - The need for clear presentation noting that the accounting value of these assets is entirely different to the natural capital value.
- 6.5 In conclusion the Board agreed with the policy recommendation and with the proposed timetable for reviewing this potential change (including consulting further with the National Audit Office) and for approving the 20/21 Annual Report and accounts and thanked ARAC for their time and consideration.

**ACTION: Abdul Razaq to consult with NAO on the proposed change in accounting policy**

**ACTION: Abdul Razaq to work with Legal and Governance to agree the scheduling of a Board Meeting in the autumn to review the amended Annual Report and Accounts.**

## **7. Spending Review update (NEB 103 06)**

- 7.1 Alan Law and Gleny Lovell introduced the session, setting out current expectations of the process for the Spending Review. The current expectation is that work will be commissioned from the end of July onwards.
- 7.2 Alan confirmed the preparatory work within Natural England, including the appointment of a Director to oversee our joint work with Defra on this exercise.
- 7.3 The Board provided steers for the forthcoming work, including:
- The opportunity that this SR process needs to provide, noting the scale of the environmental challenge and the current and welcome high profile of nature.
  - The need to conclude with an agreed position on Natural England's financial baseline.
  - The need to be proactive in identifying further potential efficiencies (including automation and digital solutions).
  - The need to continue to make the case for cost-recovery in key areas of work.

**ACTION: Alan Law to provide regular updates to the Board on the progress of this work**

## **8. Future Policy**

- 8.1 Alan Law and Edel McGurk summarised some of the current policy landscape, noting the current Environment Bill and the wider drivers of future policy.
- 8.2 In discussion the Board noted:
- The focus on the natural environment and the need and opportunity for Natural England to advise government and to provide appropriate evidence to steer thinking and action.
  - The need for Natural England to inform the conversation about the way that the different (current and future) delivery levers will best interact in delivering real

change for the natural environment at the local level.

**9. Board Forward Look (NEB 103 07)**

9.1 Ken Roy introduced the Board Forward Look which sets out the plan for future business.

9.2 The Board commended the Forward Look, noting:

- The planned trajectory for further face to face meetings and the future balance with continuing virtual meetings (in particular for briefing sessions).
- The value of exploring future meetings with partner organisations.
- The positive experience of holding the Board at a third-party venue with social and environmental attributes.

9.3 Chair noted that the July meeting would be Professor Sue Hartley's final board. He also confirmed that Ministers had appointed Dr Clare Fitzsimmons, Senior Lecturer, Marine Science, Newcastle University to the Board. Clare will join the Board in September.