

Natural England Board



Title: **Confirmed minutes of the fifty third Natural England Board meeting on 20 May 2015**

Members attending	Senior Leadership Team
Andrew Sells (Chairman)	James Cross, Chief Executive
Julia Aglionby	Tim Hill, Chief Scientist
Andy Clements	Paul Lambert, Chief Finance and Governance Officer
Teresa Dent	Alan Law, Chief Strategy and Reform Officer
David Hill	Julie Lunt, Chief Legal Adviser
Joe Horwood	Guy Thompson, Chief Operating Officer
Simon Lyster	Invited speakers
Nigel Reader	Amanda Craig, Director Operations (item 3)
	Tim Sunderland, Principal Specialist, Economics (item 4)
	Mel Hughes, Director Innovation and Reform (item 5)
	Neil Clark, Principal Adviser, National Nature Reserves (item 5)
	Tim De-Keyzer, Manager, Biodiversity (item 6)
	Nigel Heaton, Human Applications (item 8)
	Matthew Trigg, Human Applications (item 8)
Apologies	Secretariat
Will Cockbain	Gill Hunt
John Varley	

Welcome from the Chairman

The Chairman extended his welcome and asked for declarations of interest. Declarations were received from:

- Nigel Reader for item 3 - Spending Review 2015 due to being a Board Member for the Marine Management Organisation (MMO).
- David Hill for item 4 – Conservation Strategy sub group with particular reference to Natural Capital Accounting.

The Chairman was satisfied there were no conflicts of interest.

1. Confirmation of the April 2015 Minutes and Matters Arising (NEB M52 01)

1.1 The minutes of the April Board meeting were confirmed subject to changes:

- 6.1.1 - Delete the words 'and the JNCC Board'.
- 5.2.8 – Amend second sentence to read 'Natural England's role as a strategic leader, delivery body and adviser providing the basis for the Strategy was explored.'
- 7.3.1 – delete repetition of future in first sentence.
- 10.2.2 – amend first sentence to 'would inform the EU'

Action: Board and Executive Services to amend and produce confirmed April minutes.

1.2 The Board noted the following updates under Matters Arising:

- Action 2 –provision of briefing on key messages was underway and feedback from Board members on visits undertaken should be sent to the Senior Leadership Team.
- Action 10 – Board members had received the information requested and had endorsed the JNCC advice on recommendations to Defra on two possible Special Areas of Conservation for Harbour Porpoise.
- Action 11 – Arrangements were being made for Board members to receive briefing on marine issues.
- Action 14 – A contingency plan was being undertaken.
- Action 20 – current Board members' specialism and responsibilities were being refined and would be sent to Board Members.

2. Chief Executive Report (NEB 53 01)

2.1 James Cross introduced his report and welcomed Amanda Craig, Director of Operations to give a drill down on Area Team activity in the last 12 months. In discussion the Board:

2.1.1 Noted the improved performance levels from September 2014 and the reasons for Red and Amber Red status in spatial planning; recognising this was spread across all Area Teams and work was in the pipeline to improve processes and systems.

2.1.2 Acknowledged the numbers in relation to staff working in excess of conditioned hours and requested more details be brought on this to the Health, Safety and Wellbeing item at the June Board.

Action: Paul Lambert to ensure the Health, Safety and Wellbeing update at the June Board includes details of staff working in excess of conditioned hours.

2.2 James Cross gave verbal updates to the Board on three new issues including the issue of livestock records on pre-2013 agreements. The Board agreed that Natural England should write again to agreement holders and issue a media statement in relation to the postponement of the deadline.

Action: Guy Thompson to draft a letter to agreement holders about livestock records on pre-2013 agreements and work with James Cross to draft a media statement.

2.3 The Board noted issues outlined at Annex 2 of the paper and identified the following actions:

Action: Alan Law to produce a thought paper on the Natural England position in relation to the Regulatory Fitness Check (REFIT) of the EU Nature Directives (the Wild Birds Directive and the Habitats Directive) to be submitted to the June Board.

2.4 Amanda Craig gave a breakdown of activity over the last 12 months in Area Teams. In discussion the Board:

2.4.1 Welcomed the decision to bring Area Managers to each Board meeting to undertake a drill down of each Area Team activity.

2.4.2 Noted the positive and interesting range of work within Area Teams and acknowledged that the poor morale results in the staff survey were for a number of reasons including constant change, genuine passion for the areas people work in and concerns about workloads and what this meant for areas outside of focus or targets.

2.4.3 Advised there was a need to look at succession planning and career progression throughout Natural England to help address resourcing issues particularly at Manager level within Area Teams.

2.4.4 Noted and welcomed the recent appointments to 4 of the 7 vacant Area Manager posts and supported a further trawl within Natural England to fill the remaining 3 vacancies. The Board advised that recently appointed Directors should seek to get 'out and about' as much as possible to engage quickly with staff.

2.5 The Board noted Julie Lunt's update on the legal issues at Annex 3.

2.6 Board members noted the Senior Leadership Team's agreement to notify Bolton Fell and Walton Mosses SSSI for the reasons outlined at Annex 4.

3. Spending Review 2015 (NEB 53 02)

3.1 James Cross gave an update on recent activity in relation to the Spending Review 2015 (SR2015). The Board noted the relevant priorities set out in the Conservative Manifesto and advised that Board member input into the Spending Review case document would be of benefit.

Action: David Hill and Alan Law to review the wording of the Spending Review case for Natural England.

4. Conservation Strategy sub group with a presentation on Natural Capital Accounting (NEB 53 03)

4.1 Alan Law updated the Board on activity surrounding the Conservation Strategy and confirmed resource was available for work to continue. The Board noted the draft Terms of Reference and proposed membership which it noted would be agreed at the first meeting of the Conservation Strategy sub-group.

Action: Alan Law to produce final Terms of Reference for the Conservation

Strategy sub-group.

- 4.2 Tim Sunderland, Principal Specialist, Economics was invited to give a presentation to the Board on Natural Capital Accounting (NCA). David Hill declared an interest in this item and Chairman was satisfied there was no conflict. In discussion the Board:
 - 4.2.1 Thanked Tim for his clear and helpful presentation and noted the differences between NCA and Environmental Impact Accounting.
 - 4.2.2 Recognised there was potential for Natural England to lead in NCA and welcomed the position outlined in the presentation with regard to next steps.
 - 4.2.3 Acknowledged the difficulties in moving NCA from a theoretical basis to delivery on the ground and the need to manage expectations of how and when the work could begin.
 - 4.2.4 Noted it would be helpful to have support from the Secretary of State (SoS) to develop NCA further within Natural England.

Action: Tim Sunderland, James Cross and Andrew Sells to draft a letter to send to the SoS outlining the case for Natural England to lead work on NCA.

5. Products from the Board Innovation Group: Developing a Strategic Framework for the National Nature Reserve Series (NEB 53 04), Update on Charging Work (NEB 53 05) and European Protected Species and Development (NEB 53 06)

- 5.1 David Hill introduced the items with the caveat that these papers were all works in progress and were not yet in the right place for decisions to be made. The papers would require further work by the Board Innovation Group (BIG).
- 5.2 Alan Law welcomed Mel Hughes as the new Director for Innovation and Reform and Neil Clark, Manager in National Nature Reserves (NNRs) and gave background and context to discussions at BIG in relation to NNRs (NEB 53 04). The Board noted the paper had also been viewed by the Natural England Science Advisory Committee (NESAC) and concerns had been expressed at the level of NNRs in Favourable Condition Status. In discussion the Board:
 - 5.2.1 Explored the purpose of NNRs and their importance as exemplars of good environmental condition and practice.
 - 5.2.2 Recognised the importance of the brand and the value of sites and how they were viewed by stakeholders, staff and the general public.
 - 5.2.3 Noted the constraints for funding options given that sites were not eligible to apply for CAP funds due to domestic policy, and noted Natural England had previously attempted to get a change in policy.

Action: Julie Lunt to prepare a short note for Andrew Sells on domestic policy for CAP payments to NNRs.

- 5.3 In conclusion to the consideration of NEB 53 04, the Board agreed as a key principle that Natural England should retain exemplar NNRs and set up an NNR

steering group for all England's NNRs. The Board reflected that more thought and advice was required in respect of future alternative financial structures and requested this be carried out through BIG.

Action: David Hill to ensure the next BIG agenda includes an item to revisit the NNR Strategy and consider future alternative financial structures.

5.4 Alan Law gave an update on recent activity in relation to Charging Work (NEB 53 05). The Board were supportive of the trajectory approach outlined in the paper and advised that Natural England must be clear as to the reasons behind charging for work i.e. moving the cost from the tax payer to the end beneficiary. The Board considered the rates for charging and were in agreement with the paper.

5.4.1 Mel Hughes cited feedback from Energy UK who have recently received Discretionary Advice and the Board were encouraged to hear that they consider Natural England to be trail blazing and providing a good service.

Action: Mel Hughes to send a copy of the feedback from Energy UK to Andrew Sells.

5.5 David Hill introduced the paper on European Protected Species (NEB 53 06) and outlined his expectation that this needed to return too BIG for more work. Alan Law gave additional context and cited an example of how the licensing system would work in practice. In discussion the Board:

5.5.1 Noted the potential for a pilot to begin shortly with results being available in the Autumn of 2015 and supported this approach to allow lessons to be learned to influence future models.

5.5.2 Sought clarification on the involvement of the Great Crested Newt (GCN) Taskforce and were reassured the Taskforce were aware of the thinking.

5.5.3 Recognised the potential for landowners and farmers to become involved in future schemes and the potential for income generation as well as outcomes for the natural environment.

5.5.4 Noted the need to ensure Non-Governmental Organisations (NGOs) were informed and supportive of the approach.

5.6 In conclusion the Board were supportive of the general approach outlined but recognised Ministerial support was key to ensuring the pilot could go ahead. The Board requested an over-arching strategy paper to include the legal positioning to be presented to the June Board.

Action: David Hill to ensure the next BIG agenda revisits the European Protected Species paper and work with Julie Lunt to produce an overarching Strategy paper for the June Board.

Action: David Hill and Alan Law to draft a letter for Chairman to send to the Minister setting out the proposals for the licensing pilot study.

6. Countryside Stewardship Update (NEB 53 07)

6.1 Guy Thompson gave background to the paper and welcomed Tim De-Keyzer. In

discussion the Board:

- 6.1.1 Noted the latest situation in relation to IT capability to deliver Countryside Stewardship (CS) and considered the options available to Natural England in terms of scheme delivery if the IT was not available.
- 6.1.2 Noted a decision was pending by Defra and the RPA with regard to the availability of the Siti Agri functionality shortly and this decision would impact the ability of Natural England to deliver a whole scheme of CS.
- 6.1.3 Sought clarification that previous discussions with Defra had ruled out the use of GENESIS to deliver any parts of CS.
- 6.1.4 Noted the pressure on staff to date and that these staff would be needed to deliver any alternative options.
- 6.1.5 Recognised upland farmers might not be as financially dependent on CS due to an uplift in Basic Scheme Payment (BPS).
- 6.1.6 Considered the impact on applications already received for the Water and Woodland Grants and the Facilitation Fund and advised it might be worth engaging further with the Forestry Commission to explain the options available to Natural England for delivery of CS.
- 6.1.7 Noted any money not allocated this year to CS agreements could be rolled over into the next financial year but there might be a potential impact on modulation levels.

7. Bovine TB Update including preparation for the 2015 Cull (NEB 53 08)

- 7.1 The Board noted Tim Hill's update and requested a further update at the next Board meeting.

Action: Tim Hill to submit an update on Bovine TB to the June Board meeting.

8. Health, Safety and Wellbeing including presentation by Human Applications (NEB 53 09)

- 8.1 Paul Lambert introduced the item and welcomed Nigel Heaton and Matthew Trigg from Human Applications who had undertaken the recent Health and Safety Audit.
- 8.2 The Board noted and welcomed the recommendations of the report and thanked Nigel and Matthew for their work.
- 8.3 In conclusion Board Members noted that the Audit and Risk Assurance Committee (ARAC) would stand over the recommendations and actions identified.

9. Upland Working Group Update

- 9.1 Julia Aglionby gave a verbal update on the recent activity of the Upland Working Group (UWG). The Board noted the recent workshop attended by 37 Natural England staff and feedback received.

- 9.2 Board Members noted the need to support Area Teams in delivery of upland outcomes and to move staff from a reliance on strict guidance to a framework they can operate within.
- 9.3 The Board also noted the membership and TOR of the group were to be reviewed and a paper submitted to the July Board meeting covering where the group have got to so far and where it will go to.

Action: Julia Aglionby and Alan Law to review the membership and TOR for the UWG and submit a paper to the July Board reviewing UWG's work to date and plans for the future.

10. Audit and Risk Assurance Committee Update including 2014/15 Annual report and Accounts (NEB 53 10)

- 10.1 Nigel Reader gave a verbal update on activity within ARAC and confirmed ARAC had been standing over the production of the Annual Report and Accounts and would continue to stand over until completion.
- 10.2 The Board noted the draft Annual Report and Accounts and approved delegation of the clearance of the accounts to the Audit and Risk Assurance Committee (ARAC) at its meeting on 15 June, with any further changes to be approved by Chair of ARAC, Natural England Chair and Chief Executive as Accounting Officer before the accounts were laid in Parliament on 30 June.

Action: Nigel Reader to ensure the final Annual Report and Accounts are approved at the June ARAC meeting.

11. Board Innovation Group Update (NEB 53 11)

- 11.1 The Board noted the minutes of the last BIG meeting and were reassured that actions from item 5 would be addressed at the next BIG meeting.

12. Natural England Science Advisory Committee Update including an update on Climate Change Adaptation Report (NEB 53 12)

- 12.1 Andy Clements gave a verbal update on latest activity and drew the Board's attention to the summary of the last meeting.
- 12.2 The Board noted work undertaken by NESAC on the Climate Change Risk Assessment and Adaptation Plan and noted the draft report would be submitted to the June Board.

Action: Andy Clements to ensure the Climate Change Risk Assessment and Adaptation Plan be submitted to the June Board meeting.

13. Board Diary (NEB 53 13)

- 13.1 The Board noted the remaining dates for 2015 and delegated approval for the number, date and location of 2016 meetings to the Chairman.

Action: Andrew Sells to review the 2016 Board meeting numbers, dates and locations.

14. Any Other Business

14.1 No other business was raised.

Actions log

No	Agenda Item/Paper	Ref	Action	Owner
1	Confirmation of the April 2015 Board Briefing Minutes and matters Arising (NEB M52 01)	1.1	Amend and confirm the April 2015 Board minutes.	BES
2	Chief Executive Report (NEB 53 01)	2.1.2	Ensure the Health, Safety and Wellbeing update at the June Board includes details of staff working in excess of conditioned hours.	Paul Lambert
3	Chief Executive Report (NEB 53 01)	2.2	Draft a letter to agreement holders about livestock records on pre-2013 agreements and work to draft a media statement.	Guy Thompson and James Cross
4	Chief Executive Report (NEB 53 01)	2.3	Produce a thought paper on the Natural England position in relation to the Regulatory Fitness Check (REFIT) of the EU Nature Directives (the Wild Birds Directive and the Habitats Directive) to be submitted to the June Board.	Alan Law
5	Spending Review 2015 (NEB 53 02)	3.1	Review the wording of the Spending Review case for Natural England.	David Hill and Alan Law
6	Conservation Strategy sub group with a presentation on Natural Capital Accounting (NEB 53 03)	4.1	Produce final Terms of Reference for the Conservation Strategy sub-group.	Alan Law
7	Conservation Strategy sub group with a presentation on Natural Capital Accounting (NEB 53 03)	4.2.4	Draft a letter to send to the SoS outlining the case for Natural England to lead work on Natural Capital Accounting.	Tim Sunderland, James Cross and Andrew Sells.
8	Products from the Board Innovation Group: (NEB 53 04), (NEB 53 05) (NEB 53 06)	5.2.3	Prepare a short note for Andrew Sells on domestic policy for CAP payments to NNRs.	Julie Lunt
9	Products from the Board Innovation	5.3	Ensure the next BIG agenda includes an item to revisit the NNR Strategy and consider advice on	David Hill

	Group (NEB 53 04), (NEB53 05), NEB		alternative financial structures.	
10	Products from the Board Innovation Group: (NEB 53 04), (NEB 53 05) (NEB 53 06)	5.4.1	Send a copy of the feedback from Energy UK to Andrew Sells.	Mel Hughes
11	Products from the Board Innovation Group: (NEB 53 04), (NEB 53 05) (NEB 53 06)	5.6	Ensure the next BIG agenda revisits the European Protected Species paper and produce an overarching Strategy paper for the June Board.	David Hill and Julie Lunt
12	Products from the Board Innovation Group: (NEB 53 04), (NEB 53 05) (NEB 53 06)	5.6	Draft a letter setting out the concept and send to Andrew Sells.	David Hill and Alan Law
13	Bovine TB Update including preparation for the 2015 Cull (NEB 53 08)	7.1	Submit an update on Bovine TB to the June Board meeting.	Tim Hill
14	Upland Working Group Update	9.3	Review the membership and TOR for the UWG and submit a paper to the July Board reviewing UWG's work to date and plans for the future.	Julia Aglionby and Alan Law
15	Audit and Risk Assurance Committee Update including 2014/15 Annual report and Accounts (NEB 53 10)	10.2	Ensure the final Annual Report and Accounts are approved at the June ARAC meeting.	Nigel Reader
16	Natural England Science Advisory Committee Update including an update on Climate Change Adaptation Report (NEB 53 12)	12.2	Ensure the Climate Change Risk Assessment and Adaptation Plan be submitted to the June Board meeting.	Andy Clements
17	Board Diary (NEB 53 13)	13.1	Review the 2016 Board meeting numbers, dates and locations.	Andrew Sells

