

Natural England Board



Title: **Confirmed minutes of the sixty fifth Natural England Board meeting on 2 November 2016**

Members attending	Senior Leadership Team
Andrew Sells (Chairman)	Tim Hill, Chief Scientist
Julia Aglionby	Paul Lambert, Chief Transformation Officer
Andy Clements	Alan Law, Chief Strategy and Reform Officer
Will Cockbain	Julie Lunt, Chief Legal Adviser
Teresa Dent	Guy Thompson, Chief Operating Officer
Joe Horwood	Ken Roy, Director Executive Office
Simon Lyster	Guests
Nigel Reader	Paul Rew, Defra Board member
John Varley	Andy Smith, Area Manager, Thames Valley (Item 3)
James Cross, Chief Executive and ex-officio Board member	Abdul Razaq, Director Finance and Performance (Items 3 and 4)
	Alison Pritchard, Defra Director Transformational Change (Item 6)
	Christina Cork, Lead Specialist for Protected Areas Regulation (Item 7)
Apologies	Rob Cooke, Director EU Exit (Item 8)
Michael Winter	Secretariat
	Emily Finnie

Welcome from the Chairman and Declarations of Interest

Note: The Chairman was absent for items 1, 3 (part) and 4. James Cross deputised as Chairman and Alan Law deputised as Chief Executive for these items.

The Chairman extended his welcome to everyone, and particularly to Paul Rew.

As well as the usual declarations, declarations were received from:

- Nigel Reader in respect of his position as acting Chair of APHA ARAC.
- Simon Lyster and Joe Horwood in respect of Annex 7 in the Chief Executive's report.
- Andy Clements and Teresa Dent in respect of item 11.

1. Confirmation of the September 2016 Minutes and Matters Arising (NEB M65 01)

- 1.1 The minutes of the September Board meeting were confirmed subject to adding to 6.2.1 that the principles would be used by Board members as a basis for discussions with

stakeholders.

Action: Board and Executive Services (BES) to produce confirmed September Board minutes.

- 1.2 The Board noted actions from the last meeting were completed or would be discharged under later agenda items.
- 2. Board Effectiveness Review 2016 (NEB 66 01)**
- 2.1 Nigel Reader introduced the Board Effectiveness Review (BER). The Board noted:
- The key conclusions were that the Board is effective against an externally recognised benchmark with a score of 8.1/10, and that the average score for enjoyment was 8.5/10.
 - There was broad consensus on the Board's strengths
 - Areas where there was a greater diversity of views were around the Board effectiveness in terms of supporting relationships with stakeholders, in using sub-groups and in managing overall time commitments.
- 2.2 The Chairman thanked Nigel Reader for leading the review and in discussion the Board:
- 2.2.1 Agreed it should periodically, perhaps annually, hold an away-day session to focus on strategy and future direction.
- 2.2.2 Reviewed its role in relation to the Chief Executive's Report to the Board and proposed:
- Further consideration should be given to the balance of attention it devoted to understanding and challenging KPI delivery as opposed to reviewing key reputational issues.
 - Further consideration should be given to the review of Natural England's risks.
- 2.2.3 Supported development of a more co-ordinated approach to engagement with stakeholders, particularly to support increased understanding of the Conservation Strategy and noted the steps underway building on the 10th Anniversary Event.
- 2.2.4 Discussed their non-executive status and their wider corporate responsibilities and agreed there was no evidence of stepping over the mark as non-executives but recognised the need to always be mindful of their non-executive status.
- 2.2.5 Agreed terms of reference and continuing need for Board Sub-Groups should be kept under review – with the general expectation as per the Board Effectiveness Review recommendation of operating with agreed 'sunset' clauses.
- 2.2.6 Supported the proposed principles on housekeeping for Board meetings.
- 2.2.7 Recognised the need for a succession plan but appointments were in the gift of the Secretary of State.
- 2.2.8 Agreed the Board should stand over the development of the Chief Executive and his Chief Officers.
- 2.3 The Board concluded that it would aspire to best in class as an NDPB and welcomed Paul Rew's endorsement of its review. The Board agreed that a plan of actions should be developed to address the main conclusions and recommendations from the BER for agreement with the Chairman and endorsement at the next Board meeting, and noted Nigel Reader would support this work.

Action: Nigel Reader to present a Board Effectiveness Review Action Plan to the December Board meeting

3. Chief Executive Report (NEB 66 02)

- 3.1 Alan Law introduced the report and welcomed Andy Smith and Abdul Razaq. The Board reviewed the quarter one performance report and:
 - 3.1.1 Received explanations on the amber red Key Performance Indicators (KPIs) and the action plans in place for delivering a healthy work place for our staff, HLS agreements, Marine Protected Areas, and reducing the need for individual licences.
 - 3.1.2 Received a tabled full performance drill down on all KPIs as at the end of Quarter 2.
 - 3.1.3 Explored the red status of the strategic risk of not delivering our reform agenda and income/external funding required in the medium term financial plan and the operational risk of the impact of further budget reductions in 2017/18.
- 3.2 Abdul Razaq presented the financial performance as at end of Quarter 2, and the Board:
 - 3.2.1 Welcomed the financial performance and actions in place to ensure a good out-turn at year end for both the grant-in-aid and RDPE budgets.
- 3.3 The Board thanked Andy Smith for his inspirational presentation on Thames Valley Team and in discussion:
 - 3.3.1 Welcomed the good morale in the team compared with six months ago which was the result of resources and people being empowered to make changes and share skills to deliver the Conservation Strategy.
 - 3.3.2 Recognised from the examples given, Heathrow and Didcot Garden Town, how focus areas were providing a rallying point for proactive work and the confidence for adopting ambitious objectives.
 - 3.3.3 Noted that commercial work had taken off and that the team was well ahead of target thanks in part to growth in our Discretionary Advice Service (DAS) charging.
 - 3.3.4 Recognised partnership working was key. For example in facilitating the management of green space in London, and at Thursley NNR where with the help of Scottish and Southern Electricity (SSE) pylons had been buried.
 - 3.3.5 Noted continued and improved joint working with the Environment Agency both through joint approaches to planning cases and through the development of the joint Area Plan for 2017/18.
 - 3.3.6 Explored the ongoing impact of the recent reductions in the NNR budget.
- 3.4 The Board noted the Quarter 2 update on delegated SSSI designation decisions.
- 3.5 The Board received further updates, where requested, and considered the issues outlined in Annex 4. The Board noted as part of the Corporate Services Transformation Programme (which ARAC continued to stand over) the transfer of Natural England's Finance, HR and Communications staff under TUPE was scheduled for mid-February 2017.
- 3.6 The following actions were identified from discussion of Annex 4:

Action: ARAC to take stock of ongoing CAP-D risks at its December meeting.

Action: Guy Thompson to keep Board appraised of Countryside Stewardship scheme performance and risks and, with Alan Law, provide an opportunity to discuss our approach to working with farmers in relation to delivery of our Conservation Strategy.

Action: Alan Law to clarify with Legal Team different ways of defining a mobile coastal boundary..

Action: Board and Executive Services to include a workshop on wildlife licensing (including for raptors) on a future Board meeting agenda (in advance of the 2017 season).

- 3.7 The Board noted Julie Lunt's update on legal issues outlined at Annex6 The Board approved changes to the Non-Financial Scheme of Delegation to allow minor amendments to NNR boundaries to be made at a local level as set out in 1.1.4, subject to adding 'existing' before Approved Body for the last function in the list. The Board noted the position on the outstanding litigation and supported the direction of travel.
- 3.8 The Board noted the September External Communications dashboard.
- 3.9 Julie Lunt introduced the discussion on the restoration scheme for Latchmore Brook in the New Forest.
- 3.9.1 The Board's attention was drawn to the criticism of the scheme by the local action group, the Friends of Latchmore (FoL); to the report produced in May 2016 by the ecologist, Tom Langton which supported the local action group and also criticised the scheme; and the correspondence from the solicitors for the FoL pointing out legal irregularities. The Board were re-assured that all of these matters were given proper consideration by Natural England in so far as it was appropriate to do so in responding to the planning application. It was also drawn to their attention that the Director Operations, James Diamond, the Chief Legal Adviser, Julie Lunt and the Chief Scientist, Tim Hill had all carefully considered the alternative evidence that was being produced by FoL and their supporters and that they were content with the advice that Natural England was providing.
- 3.9.2 The Board were also referred to the assessment by Natural England officers that had been fast-tracked so that it could be provided to the New Forest National Park Authority ahead of their planning decision and the corresponding assurance report prepared by Natural England's Chief Scientist which incorporated an independent peer review.
- 3.9.3 Finally the Board were referred to the fact that the HLS agreement that underpins much of the restoration work in the New Forest had been challenged. The Board were re-assured that the agreement had been reviewed in light of these allegations (on more than one occasion) and that no evidence of impropriety had been found.
- 3.9.4 The Board acknowledged the actions taken by the Executive and officers in the light of the challenges to the Latchmore Brook restoration scheme. The Board discussed Natural England's conclusions and recognised the reviews that had been carried out by the Director Operations, Chief Scientist and Chief Legal Adviser. The Board thanked the Executive and officers for their work on the assurance report and everyone for their time on this case. The consensus view of the Board, although Joe Horwood asked for his dissent to be recorded, was that it stood by Natural England's advice provided to the Planning Authority and backed the handling of the case by the management team.

4. Medium-Term Financial Plan and 2017/18 Business Planning (NEB 66 03)

- 4.1 Alan Law introduced the paper which provided a further update on the revised medium-term financial plan and sighted the Board on current 2017/18 business planning activities across Defra group. He drew the Board's attention to the focus on achieving 2017/18 savings and our approach to and preparation for the Defra group Big Room planning event. The Board:
- 4.1.1 Accepted Nigel Reader's offer to provide a sounding board for the Executive between Board meetings on Natural England options to be fed into the Defra group budget and business planning process.
- 4.1.2 Explored how Natural England might best achieve a good outcome from the Big Room event and supported the Executive's steps to build trust and mutual understanding. The Board offered advice and noted Paul Rew's reflections.

5. Governance (NEB 66 04)

- 5.1 Paul Lambert drew attention to the feedback from the ARAC governance workshop on 12 October, and reported that since then it had been agreed with Defra that Natural England would lead on the revision of the organisation's Framework Document. The Board noted ARAC would review the updated Framework Document at its next meeting on 13 December 2016 and that the full Board would review the Framework Document in January 2017

6. Target Operating Model

- 6.1 The Chairman welcomed Alison Pritchard, Defra's Director for Transformational Change who gave a presentation on Defra's Transformation Programme which has been tasked to create a modern and open integrated delivery group within the framework of a Target Operating Model (TOM).
- 6.2 Nigel Reader set out the challenges and questions previously identified at the October ARAC workshop and received acknowledgment from Alison Pritchard of the importance of clarity on the ongoing role and decision-taking arrangements for NDPB Boards under the proposed governance arrangements arising from implementation of the TOM. Other issues raised at ARAC included:
- The need for clarity and transparency about the TORs for the proposed new cross-group governance structure.
 - The need for governance arrangements to recognise Natural England's statutory role as advisor to government and hence its range of relationships with other Government Departments.
 - The risk of the TOM creating silos which it was noted would be tested in the business planning round.
 - Recognition that the income from high volume and low complexity activities would be of benefit to the charge payer rather than deliver savings to GIA.
- 6.3 In further discussion the Board:
- Noted the principles of the TOM and the complexity of putting it into operation, and recognised that as Board members they had an opportunity to support the ongoing discussions on governance.
 - Received an explanation on how the TOM stood up to the challenges from EU Exit.
 - Noted that while there would be no further Triennial Reviews, the Cabinet Office would continue to have an oversight role on Arm's Length Bodies.
 - Noted the immediate implementation of the TOM was to create a framework for business planning, but encouraged Defra to focus thereafter on how the new model supported the delivery of better environmental outcomes.

- In that focus on outcomes, stressed the need for the TOM to recognise and re-inforce the wider outcomes (benefits to society) being defined within the 25 Year Environment Plan, including the growth of natural capital.

6.4 The Chairman thanked Alison for attending and the Board noted her offer for a further update at a later date.

7. Better Defining Favourable Condition Status (NEB 66 05)

7.1 Alan Law was joined by Christina Cork for this item which, following initial work through NESAC, sought the Board's view on the Defining Favourable Conservation Status Project as a contribution to delivery of our Conservation Strategy. Christina Corke outlined how the project's proposed approach of piloting a methodology and assurance standards would define England's contribution to Favourable Conservation Status.

7.2 The Board recognised the importance of this work which it confirmed continued to be of relevance following the referendum result. The Board welcomed the excellent paper and was excited to see how the project was being taken forward within an ambitious timetable. The Board confirmed that defining Favourable Conservation Status (FCS) was central to delivery of our Conservation Strategy and was fundamental to making the outcomes approach legitimate at a local level by providing a tool to guide conservation action to where it was most needed.

7.3 In commenting on the direction of travel the Board sought further clarification and received assurance on how the methodology would work in practice. It supported setting flexible site based objectives in the wider context of FCS, and welcomed the fact that the proposed approach allowed Natural England to exercise its judgement and adopt a pragmatic approach at a local level.

7.4 The Board supported the approach taken by the project to pilot the development of a methodology, its technical content and its approach to engaging stakeholders. Help was offered with running a pilot with a group of land managers as a way of seeking views on, and engagement with, what FCS looked like in their area.

7.5 In conclusion the Board confirmed that this project allayed historical concerns that achieving an overly process / metric focused approach to securing FCS could often trump doing the best thing for the environment at a wider scale, and welcomed the aim to achieve consensus as part of the process. It was noted that the project has the support of the other Country Agency Chief Scientists.

Action: Alan Law/Christina Cork to bring an update on the FCS project to a Board meeting after the March 2017 workshop.

8. EU Update (NEB 66 06)

8.1 The Chairman welcomed Rob Cooke who gave a verbal briefing on the key public policy announcements for the exit process and transition together with next steps for Natural England in supporting the policy work within the department.

8.2 In discussion Board members:

8.2.1 Offered congratulations on Natural England's submission to the Environmental Audit Committee on the future of the natural environment after the EU Referendum, and noted supplementary evidence was to be provided in response to the Committee's request for an

update on the Land Use Policy Group's 2009 estimates for future environmental land management funding requirements.

- 8.2.2 Advised of the potential risks associated with the impact on the wider Defra group, including Natural England, of staffing EU Exit work to the possible detriment of delivering current commitments and ongoing environmental outcomes.
- 8.2.3 Advised that transition was a key issue, and requested an opportunity for Board input into Natural England's thinking on the design of future schemes. It was suggested that this could be combined with a review of Countryside Stewardship performance risks and issues, and agreed this would be brought to a future meeting.

9. Health, Safety and Wellbeing Update (NEB 66 07)

- 9.1 Paul Lambert introduced his paper. The Board noted the update on the outcomes of the 2015/16 occupational health surveillance carried out on staff and volunteers working on NNRs and the quarterly report on health and safety, and in discussion:
 - 9.1.1 Were pleased to note all the HSE recommendations had been implemented.
 - 9.1.2 Shared the executive's confidence in the handling of the two reported incidents and advised that consideration should be given to promulgating the lessons learned more widely in the organisation.
 - 9.1.3 Requested further information in relation to the quad bike incidents and its implications for quad bike use in Natural England in relation to Personal Protective Equipment, risk assessments for use on steep ground, and annual training.

Action: Paul Lambert to include the information requested in relation to the quad bike incidents in the Health Safety and Wellbeing update to the December Board meeting.

- 9.1.4 Requested further information on the type of gloves being worn in the chain saw incident.

Action: Paul Lambert to provide John Varley with an answer to his questions about the type of glove being worn in the chain saw incident.

10. Bovine TB Update (NEB 66 08)

- 10.1 Tim Hill gave an oral update to his bTB report. Defra would shortly be running a lessons learned exercise the outcome of which would provide the opportunity for the Board to reconfirm Natural England's responsibilities in terms of its licensing authority role and to flag up any future risks. The Board reminded the Executive to be mindful of any changes to Natural England's role and the associated risks from a reputational perspective of "scope creep".

Action: Tim Hill to bring a bTB update to the January Board meeting following the Defra lessons learned exercise.

11. Use of the Natural England Brand (NEB 66 09)

- 11.1 Julie Lunt introduced this paper which, as requested at the last Board, set out principles to be used to determine requests for use the Natural England logo where Natural England has had no prior involvement in a project.

- 11.2 The Board approved the principles to be used to determine whether or not to approve the use of the Natural England logo or an endorsement where Natural England had no prior involvement in a project as set out in Appendix 2 subject to:
- Clarifying the apparent contradiction between principles 7 and 8 by amending 7 to refer to the Executive, if satisfied, making a recommendation to the Board.
 - The Chief Executive signing off extensions to any licensing arrangement. It was not necessary for any requests for extensions to come back to the Board.
 - Alleviating its concerns about dilution of our brand by adding a caveated rider to go alongside the logo. 'Initiative supported by Natural England' was suggested.
- 11.3 The Board approved the request from Red List Revival (RLR) to use the Natural England logo and provide an endorsement subject to a licence agreement being entered into by RLR.

12. Audit and Risk Assurance Committee (ARAC) Update (NEB 66 10)

- 12.1 Nigel Reader thanked Julia Aglionby for agreeing to fill the ARAC vacancy and Joe Horwood for continuing to act as 'super-sub' when needed.
- 12.2 The Board noted the summary of business from the October meeting, and that Nigel Reader had attended recent Defra ARAC Chairs' and Defra ARC meetings.
- 12.3 The Board confirmed the updated ARAC Terms of Reference, subject to one point of clarification (inserting 'normally' in relation to the list of attendees) and one correction (updating a job title), and noted reasons for the addition of the Chief Legal Adviser.

13. Natural England Science Advisory Committee (NESAC) Update (NEB 66 11)

- 13.1 The Chairman congratulated Andy Clements on the successful NESAC science and the law seminar.
- 13.2 Andy Clements introduced his update and Board members:
- 13.2.1 Remarked upon the discussion from the science and the law seminar which had been well attended by Natural England staff who had benefitted from the development opportunities it provided. Board members recommended wider internal communication.

Action: Ken Roy to arrange wider internal communication about the science and the law seminar.

- 13.2.2 Noted the approach to refreshing NESAC membership, recognising a freshwater skill gap, and were invited to suggest any ideas for external scientists to Andy Clements.

Action: Board members to suggest ideas for external scientist NESAC members to Andy Clements.

- 13.2.3 Acknowledged they would be receiving copies of the Chief Scientist's report.

Action: Tim Hill to arrange circulation of his Chief Scientist's report to Board members.

14. Board Innovation Group (BIG) Update

- 14.1 Simon Lyster reported BIG was meeting the next day. Change plans and commercial income generation would be reviewed and an update given to the December Board meeting. Any

Board members who might be interested were invited to a conference on biodiversity gains through the planning process to be held on 15 November 2016.

15. Board Flooding Group Update

- 15.1 James Cross reported that the Board Flooding Sub-Group was concluding its work and would present its final report to the December Board meeting.

Action: Board and Executive Services to include the final report from the Board Flooding Group on the December Board agenda.

16. Board Diary

- 16.1 The Board noted the dates and locations of future Board meetings and agreed the location of the February 2017 meeting should be changed from London to Cambridge.

Action: Board and Executive Services to confirm Cambridge as the venue for the February 2017 Board meeting.

17. Any Other Business

- 17.1 Julia Aglionby asked for the Upland Working Group update item to be reinstated on the December Board agenda and Andy Clements asked for a Board discussion on strategic communications.

Action: Board and Executive Services to include Update on the Upland Working Group on the December agenda.

Action: Ken Roy to arrange a discussion on strategic communications at a future Board meeting.

Actions log

No	Agenda Item/Paper	Ref	Action	Owner
1	Confirmation of the September 2016 Minutes and Matters Arising (NEB M65 01)	1.1	Produce confirmed September Board minutes.	Board and Executive Services
2	Board Effectiveness Review 2016 (NEB 66 01)	2.3	Present a Board Effectiveness Review Action Plan to the December Board meeting	Nigel Reader
3	Chief Executive Report (NEB 66 02)	3.6	Take stock of ongoing CAP-D risks at its December meeting.	ARAC
4	Chief Executive Report (NEB 66 02)	3.6	Keep Board apprised of Countryside Stewardship scheme performance and risks and, with Alan Law, provide an opportunity to discuss our approach to working with farmers in relation to delivery of our Conservation Strategy.	Guy Thompson and Alan Law
5	Chief Executive Report (NEB 66 02)	3.6	Clarify with Legal Team different ways of defining a mobile coastal	Alan Law

			boundary.	
6	Chief Executive Report (NEB 66 02)	3.6	Include a workshop on wildlife licensing (including for raptors) on a future Board meeting agenda (in advance of the 2017 season).	Board and Executive Services
7	Better Defining Favourable Condition Status (NEB 66 05)	7.5	Bring an update on the FCS project to a Board meeting after the March 2017 workshop.	Alan Law/Christina Cork
8	Health, Safety and Wellbeing Update (NEB 66 07)	9.1.3	Include the information requested in relation to the quad bike incidents in the Health Safety and Wellbeing update to the December Board meeting.	Paul Lambert
9	Health, Safety and Wellbeing Update (NEB 66 07)	9.1.4	Provide John Varley with an answer to his questions about the type of glove being worn in the chain saw incident.	Paul Lambert
10	Bovine TB Update (NEB 66 08)	10.1	Bring the next bTB update to the January Board meeting following the Defra lessons learned exercise.	Tim Hill
11	Natural England Science Advisory Committee (NESAC) Update (NEB 66 11)	13.2.1	Arrange wider internal communication about the science and the law seminar.	Ken Roy
12	Natural England Science Advisory Committee (NESAC) Update (NEB 66 11)	13.2.2	Suggest ideas for external scientist NESAC members to Andy Clements.	Board members
13	Natural England Science Advisory Committee (NESAC) Update (NEB 66 11)	13.2.3	Arrange circulation of his Chief Scientist's report to Board members.	Tim Hill
14	Board Flooding Group Update	15.1	Include the final report from the Board Flooding Group on the December Board agenda.	Board and Executive Services
15	Board Diary	16.1	Confirm Cambridge as the venue for the February 2017 Board meeting.	Board and Executive Services
16	Any Other Business	17.1	Include Update on the Upland Working Group on the December agenda.	Board and Executive Services
17	Any Other Business	17.1	Arrange a discussion on strategic communications at a future Board meeting.	Ken Roy