

Natural England Board



Title: **Confirmed minutes of the seventieth Natural England Board meeting on 3 May 2017**

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
Teresa Dent	Guy Thompson, Chief Operating Officer
Joe Horwood	Graham Tibbetts, Principal Adviser, Engagement
Simon Lyster	Guests
Nigel Reader	Rob Cooke, Director EU Exit (Item 3)
Michael Winter	Greg Smith, EU Transition Manager (Item 3)
James Cross, Chief Executive and ex-officio Board member	Mel Hughes, Director Change and Reform (Item 4)
Apologies	Robbie Fisher, Head of Reform (Item 4)
Will Cockbain	Nick White, Senior Adviser Change and Reform (Item 4)
Julie Lunt, Chief Officer Legal and Governance	Ben Fraser, Senior Adviser SSSI Designations (Item 5)
	Christina Cork, SRO Favourable Conservation Project (Item 6)
	Rob Menzies, Area Manager East Midlands, (Item 8)
	Abdul Razaq, NE Director Finance and Business Partner (Item 8)
	Jonathan Burney, Director Government Advice (Items 8 and 9)
	Secretariat
	Emily Finnie. Board and Executive Services Team

Welcome from the Chairman and Declarations of Interest

The Chairman welcomed all to the meeting. Apologies had been received from Will Cockbain who had submitted written comments for consideration during the meeting.

Since the last meeting the Secretary of State had reappointed Julia Aglionby, Teresa Dent and Simon Lyster for second terms to the Board for two years from 14 July 2017, and Andy Clements for three years from the same date. Also Nigel Reader's second term had been

extended by 12 months from 1 June 2017.

In addition to the usual declarations of interest, declarations were received from:

- Nigel Reader who reminded the Board of his Non Natural England portfolio but confirmed there were no conflicts with the agenda
- Andy Clements in relation to item 8: the British Trust for Ornithology has a contract for monitoring on Bowland.
- Teresa Dent in relation to items 3 and 8: the Game and Wildlife Conservation Trust had post Brexit policy proposals and was a consultee on the lethal control internal guidance note.
- Julia Aglionby in relation to item 8: she acted for the Commoners Association on Birkbeck Common.
- Andrew Sells in relation to ownership of land in one of the potential badger culling areas.

1. Confirmation of the March Minutes and Matters Arising (NEB M69 01)

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

- Removal of Michael Winter's declaration of interest;
- Expansion of the minute at item 3 to give further details on interim Environmental Stewardship payments in 2015/16.

Action: Nigel Reader to provide BES with additional wording to include under item 3 in the March Board confirmed minutes.

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

1.2 The Board noted actions from the last meeting were completed or in progress.

2. Natural England's Role: Our Key Services (NEB 70 01)

2.1 Alan Law introduced the paper. In discussing Natural England's role the Board:

- 2.1.1 Welcomed the key themes of environmental leader, local convenor, and independent authority and accreditor but advised that the style of the underlying narrative should be revised to keep language simple, and in relation to how it might be perceived by partners.
- 2.1.2 Recommended the context should be set in terms of our statutory purpose under the NERC Act and should make the distinction between our roles under statute and those as an agent for Defra. Reference to helping Government achieve its ambitions was not considered necessary in the context of this narrative.
- 2.1.3 Cautioned against the emphasis on Favourable Conservation Status (FCS) as a cornerstone for describing our role, links to European legislation, and as a technical term. While an important point of principle for the organisation it would be better to refer to our ambition for resilient and healthy landscapes and that we knew how to describe and evaluate the natural world.
- 2.1.4 Recognised the challenge of scaling the document, but considered Natural England's role to be defined too narrowly and would welcome a wider description to include access, recreation and geology which would bring in further links too for the importance of engaging with people.

2.2 In conclusion it was agreed that Alan Law would bring a revised narrative back to the Board after consideration by the Board Engagement Task and Finish Group.

Action: Alan Law to bring a revised narrative back to the Board after consideration by the Board Engagement Task and Finish Group.

3. EU Exit and Design of a Future Environmental Land Management Scheme (NEB 70 02)

3.1 Rob Cooke, joined by Greg Smith, gave an update on latest developments with EU Exit to set the context for the paper which had been revised in the light of Board members' comments since discussion at the February Board Strategy Workshop.

3.2 In discussing EU Exit the Board:

3.2.1 Noted progress with Defra policy about the likely transition arrangements for 2019;

3.2.2 Suggested that delivery of ecosystem services could be considered in the context of any land management and not limited to agricultural policy, and recommended alternatives to the status quo could be designed given our environmental leadership role.

3.3 The Board was pleased with progress on further development of Natural England's thinking on the design of a future environmental land management scheme and in discussion:

3.3.1 Endorsed the view that there was evidence for a long track record of scheme delivery but our first-hand experience and detailed monitoring evidence should be used to ensure any further schemes were designed to maximise outcomes and simplify administration.

3.3.2 Supported a future scheme including both 'higher level' and 'broad and shallow' components and considered Natural England had a key role to advise on environmental outcomes for both. There should be scope for innovation and flexibility to deliver desired outcomes. It was recognised there were options for which organisation/s were charged to run the schemes.

3.3.3 Noted the 2009 Land Use Policy Group study had identified c£2 billion was needed to reverse the trend in biodiversity loss, and that there was a case to be made for Pillar 1 funds.

3.3.4 Queried how funding priority areas tied in with Conservation 21's ambition to support people who wanted to support nature conservation, and advised of the need to accommodate regional variations.

3.3.5 With environmental outcomes acknowledged as long-term, recognised that agreement on interim measures for the basis of payment would be needed and advised that a land manager who was doing good things should not be penalised if specified outcomes were not delivered in the short-term. It was noted that pilots were underway to address payments by results and it was recommended that scalability should be part of the pilot to test if the approach could be rolled out nationally.

3.3.6 Advised that ensuring a scheme delivered outcomes in perpetuity was a potential barrier to entry and that consideration in terms of longevity might be better.

3.3.7 Advised any schemes to provide payments for ecosystem services for third parties would need careful design to avoid conflict with natural capital cases and potential double funding. It was noted that it was proposed that those bringing in funding from more than one source should be incentivised.

3.3.8 Explored the pros and cons of introducing a penalty regime for not paying on time.

3.4 In conclusion the Board noted James Cross's reflections on the need to track carefully future scheme design with the critical driver being future scheme structure and our role. The Board noted Natural England's participation in the Defra EU Exit Project and that this paper would be used to feed into discussions with both Defra and as a basis for a staff engagement activity.

3.5 Alan Law thanked the Board for its advice on further refining the design of a future environmental land management scheme. Rob Cooke offered to keep the Board updated on EU Exit and at the appropriate time to bring a further paper on future schemes to the Board

Action: Rob Cooke to keep the Board updated on EU Exit and, and at the appropriate time to bring a further paper on future schemes to the Board.

4. Enabling Conservation 21 – Natural England's Change and Reform Programme 2017-2022. (NEB 70 03)

4.1 Simon Lyster introduced the item on the scope and content of Natural England's developing Conservation 21 (C21) change and reform programme in the context of the Board and Innovation Sub-Group's (BIG's) involvement. Alan Law described the programme's contribution to Defra's Transformation Programme. Mel Hughes, Robbie Fisher and Nick White joined the Board.

4.2 The Board noted and agreed the direction for Natural England's C21 change and reform programme and the associated benefits assessment, and agreed the proposals for the structure and priorities for funding, having in discussion:

4.2.1 Acknowledged that while the ambition of C21 was supported by staff, the staff survey results showed further staff engagement was needed to address staff's concerns about how the strategy would be implemented in terms of day to day working. Leadership was key and Board members recognised they had a role in their conversations with teams.

4.2.2 Assessed the balance between enabling and empowering staff and giving direction, and noted its inclusion in the Performance Management System.

4.2.3 Considered while landscape scale delivery, farmland conservation and planning for the environment plans provided the basis for staff taking this work further, advised that people at the heart needed further work which it was noted would be discussed at BIG in July.

Action: Alan Law to bring a paper on the 'People at the heart' theme to a future Board meeting after consideration by BIG in July.

4.2.4 Advised that an analysis should be prepared of the risks to the programme.

Action: Alan Law to arrange for BIG to assess the risks to delivery of our change and reform programme and for this to be recorded on the risk register.

4.3 The Board noted the update on the District Level Licensing programme, and in discussion:

4.3.1 Reported on NESAC's overview and welcomed the involvement, and traction with, different sectors.

4.3.2 Recommended BIG should consider further our expertise to use this approach in relation to being innovative and creative in other areas such as farmland conservation.

4.4 Board members noted there was no set definition for achieving net gain. It was recognised there were different approaches to achieving net gain and that support was being provided to Area Teams to embed this work. The Board agreed Natural England should pursue and gain support for the Net Gain concept.

5. Designations Pipeline (NEB 70 04)

5.1 Alan Law and Ben Fraser presented the paper. The Board endorsed the updated designations pipeline and revised strategic approach to designations and in discussion:

5.1.1 While recognising how designations delivered outcomes for C21, stressed that this was within the context of Natural England discharging its statutory duty and in support of the SSSI series review. It was noted that the SSSI series review would be published as a research report after consideration by NESAC and the Board.

5.1.2 Welcomed the inclusion of landscape, access, marine and biodiversity designations in the pipeline.

6. Favourable Conservation Status Project update (NEB 70 05)

6.1 Alan Law introduced the update on the Favourable Conservation Status (FCS) project and was joined by Christina Cork.

6.2 In discussion the Board:

6.2.1 Noted progress made with testing FCS methodology and the proposed next steps for evaluation and Natural England demonstrating leadership in the plans for engagement with stakeholders.

6.2.2 Noted NESAC's opinion that this was impressive work in providing an ecological assessment for a healthy natural environment.

6.2.3 Expressed concerns about resource implications and the practicalities of monitoring requirements to assess FCS and noted this would be addressed in the pilot studies where different approaches, including use of new technology and trends, were being adopted.

6.2.4 Explored how FCS could be applied at a local level to help describe what good looks like, and the strategic shift in terms of enabling assessment of the relative contribution of a site's contribution to FCS allowing for transparent decisions on restoration or maintenance.

6.3 Board members supported the approach of contextualising objectives for a site in a national context, but sought further information on how it would work in practice based on specific examples. The Board noted Alan Law and Christina Cork would provide an update on feedback from the FCS pilot studies to a Board meeting in the autumn.

Action: Alan Law and Christina Cork to provide an update on the Favourable Conservation Status (FCS) pilots to a Board meeting in the autumn.

Action: Christina Cork to provide Board members with details about the FCS workshop to be held on 5 July to which they were invited to attend.

7. Area Plans Update

7.1 Guy Thompson reported on progress with Area Team plans for 2017/18. Board members noted the substantive plans for the new financial year were rolled over largely unchanged

but with more proactive work included in the focus areas. Alignment with the Forestry Commission and Environment Agency was maintained.

Action: Guy Thompson to bring revised Area Team Plans to the June Board meeting.

8. Chief Executive Report (NEB 70 06)

- 8.1 James Cross introduced the report and welcomed Abdul Razaq, Jonathan Burney and Rob Menzies.
- 8.2 The Board reviewed the 2016/17 end of year 'Towards 2020' Strategic Objective Score Card and performance report on Key Performance Indicator (KPI) delivery and the status of strategic and operational risks. The Board considered the overall status of year end performance as 'amber green' to be very good. In response to their challenge about the impact of the 'red' status of the agri-environment agreement administration KPI, Board members noted the Senior Leadership Team did not wish to detract from the achievements of the organisation in the overall performance rating.

- 8.3 Abdul Razaq presented the 2016/17 end of year financial performance and the Board:

8.3.1 Considered excellent the final out-turns of less than 0.01% variance for Grant in Aid and 1.17% behind forecast for Rural Development Programme for England (RDPE).

8.3.2 Noted Natural England had been notified of its budget for 2017/18 but that a number of outstanding funding issues remained to be resolved and that we proceeded at risk until a revised delegated Budget Accounting Officer letter was received from Defra.

Action: Abdul Razaq to provide Board members with information on changes on Natural England's Grant in Aid since 2010 adjusted to give comparable figures.

8.3.3 Noted Nigel Reader had completed his scrutiny of the draft accounts on behalf of the Audit and Risk Assurance Committee and his report that the accounts were in a good place at this stage in the process.

8.4 The Board considered the issues outlined in Annex 3. The following actions were identified from discussion:

Action: Alan Law to arrange circulation of the WISER (Water Industry Strategic Environmental Requirements) document to Board members.

Action: Julie Lunt to advise on the legal requirement for Board involvement in Secretary of State Appointments to National Park Authorities and Conservation Boards, and to advise on whether the proposed process constituted the necessary consultation.

8.5 The Board noted the update on legal issues.

8.6 The Board received a verbal update from Guy Thompson on progress with Environmental Stewardship and Countryside Stewardship payments and new agreements, and noted the 'safe payments' timeline. ARAC's involvement in reviewing both the ES/CS Delivery Improvement Plan, and the outcome of lessons learned from the safe payment reviews at its next meeting in June was noted.

8.7 The Board noted the Chief Scientist's report which was presented for the first time following

agreement at the Board strategy meeting and welcomed the examples included which demonstrated Natural England's role in leading on science and evidence across the Defra group.

- 8.8 The Board noted the analysis of March 2017 Staff Survey results.
- 8.9 The Board noted the Quarter 4 update on delegated SSSI designation decisions.
- 8.10 The Board noted the external communications dash-board for March 2017.
- 8.11 The Board welcomed Rob Menzies' update on the delivery of work in the East Midlands which highlighted: progress with a C21 staff engagement programme and staff survey results; completion of the Wash SPA consultation; more robust health and safety management; appointment of an Uplands Adviser; budget performance and income generation; and community engagement in focus areas. Board members raised the issue from the staff survey of gender diversity and a glass ceiling for women and welcomed the offer of a report action being taken on inclusivity to the June Board.

Action: Julie Lunt to bring a report on the action being taken on inclusivity to the June Board.

9. Environmental Audit Committee report on Marine Protected Areas (NEB 70 07)

- 9.1 Jonathan Burney introduced the findings of the Environmental Audit Committee (EAC) report on Marine Protected Areas (MPAs). While the report was critical of progress with designations and about the evidence bar, the Board was pleased to note that none of the criticisms were directed at Natural England. The Board acknowledged monitoring and enforcement implications for Natural England along with issues around resourcing, and confirmation of our ongoing role as an adviser to Government.

10. bTB Update (NEB 70 08)

- 10.1 The Board noted Tim Hill's Bovine TB update on:
- The situation regarding Defra's progress on supplementary badger culling for areas which have completed 4 years of culling.
 - Progress with stage one of applications for licences in the 2017 season.
 - Preparations for 2018 and beyond.
- 10.2 The Board asked Tim Hill to set out to Defra the potential resource implications of the continued delay in the decision on supplementary badger control (SBC), and for Natural England to undertake any increase in biosecurity monitoring visits.

Action: Tim Hill to outline to Defra the potential resource implications of the continued delay in the decision on supplementary badger control (SBC), and for Natural England to undertake any increase in biosecurity monitoring visits.

11. Health, Safety and Wellbeing Update (NEB 70 09)

- 11.1 Nigel Reader reported that ARAC had reviewed the Health, Safety and Wellbeing Annual Report for 2016/17 as recorded in the minutes at item 12. The Board acknowledged as members they had a continuing role in providing leadership and in demonstrating behaviours to support the cultural shift for health, safety and wellbeing in the organisation.

12. Audit and Risk Assurance Committee (ARAC) Update (NEB 70 10)

12.1 Nigel Reader introduced the ARAC update and the Board noted:

- The unconfirmed minutes of the March 2017 ARAC meeting, and the compliments paid by both NAO and Defra's Group Head of Internal Audit and Assurance on ARAC's effectiveness.
- The role of ARAC and the ARAC Chair in giving advice on the evolving Framework Document.
- The need for a third member, and for succession arrangements to be put in place for the next ARAC Chair.

13. Natural England Science Advisory Committee (NESAC) Update

13.1 Joe Horwood who had chaired the last NESAC meeting on Andy Clement's behalf gave an oral report on topics covered: biodiversity indicators post 2020; FCS; net gain; use of evidence by NESAC members and a demonstration of Pantheon. Thanks were recorded for the contributions made by retiring NESAC members: Mike Acreman, Jim Rose and Steve Hawkins.

14. Engagement Task and Finish Sub Group Update (NEB 70 11)

14.1 Andy Clements introduced the report from the Engagement Task and Finish Sub-Group with suggested changes to the paper's priorities for 2017/18 following its meeting the previous week to update the agri-environment priority to recognise Natural England was contrite about recent performance, was an expert body on the ground for delivery of outcomes and how we were making the scheme work and would set out what was wanted for the future. In response to an invitation for questions and comments the Board:

14.1.1 Welcomed the opportunity for a structured discussion on Natural England's engagement priorities.

14.1.2 Advised that MPs and EFRA and EAC Select Committees should be included as key stakeholders.

14.1.3 Recognised good progress but considered opportunities around strategic issues had been missed in the past.

14.1.4 Advised on the approach for Countryside Stewardship which should acknowledge the issues but focus on positive stories on outcomes from agri-environment schemes.

14.1.5 Acknowledged the group's work was to provide universal messages for the Board to use with stakeholders but recognised that it would have wider use by the rest of the organisation.

14.2 The Board agreed the Task and Finish Group's next steps were to craft the priority messages more clearly and to decide who should convey the messages to particular partners, with a particular importance to be put on putting across the Countryside Stewardship message.

15. Uplands Working Group (UWG) Update

15.1 Julia Aglionby gave a verbal report on Uplands Working Group issues which had not been covered already earlier on the agenda which included the recent EU communication on blanket bog conservation.

16. Board Diary

16.1 The Board noted the dates and locations of future Board meetings.

17. Any Other Business

17.1 The Board noted Forestry Commission proposals for replanting of trees on a blanket bog in Northumberland and asked NESAC to review the science and evidence around impacts and to provide written advice for consideration by the Board.

Action: Andy Clements and Tim Hill to arrange for NESAC to review the evidence of the impacts of tree (re) planting on blanket bog and to provide written advice for consideration by the Board

Actions log

No	Agenda Item/Paper	Ref	Action	Owner
1	Confirmation of the March 2017 Minutes and Matters Arising (NEB M69 01)	1.1	Provide BES with additional wording to include under item 3 in the March Board confirmed minutes.	Nigel Reader
2	Confirmation of the March 2017 Minutes and Matters Arising (NEB M69 01)	1.1	Produce confirmed March Board minutes	Board and Executive Services (BES)
3	England's Role: Our Key Services (NEB 70 01)	2.2	Bring a revised narrative back to the Board after consideration by the Board Engagement Task and Finish Group.	Alan Law
4	EU Exit and Design of a Future Environmental Land Management Scheme (NEB 70 02)	3.5	Keep the Board updated on EU Exit and, and at the appropriate time to bring a further paper on future schemes to the Board.	Rob Cooke
5	Enabling Conservation 21 – Natural England's Change and Reform Programme 2017-2022. (NEB 70 03)	4.2.3	Bring a paper on the 'People at the heart' theme to a future Board meeting after consideration by BIG in July.	Alan Law
6	Enabling Conservation 21 – Natural England's Change and Reform Programme 2017-2022. (NEB 70 03)	4.2.4	Arrange for BIG to assess the risks to delivery of our change and reform programme and for this to be recorded on the risk register.	Alan Law
7	Favourable Conservation Status Project update (NEB 70 05)	6.3	Provide an update on the Favourable Conservation Status (FCS) pilots to a Board meeting in the autumn.	Alan Law and Christina Cork
8	Favourable Conservation Status Project update (NEB 70	6.3	Provide Board members with details about the FCS workshop to be held on 5 July to which they were invited	Christina Cork

	05)		to attend.	
9	Area Plans Update	7.1	Bring revised Area Team Plans to the June Board meeting.	Guy Thompson
10	Chief Executive Report (NEB 70 06)	8.3.2	Provide Board members with information on changes on Natural England's Grant in Aid since 2010 adjusted to give comparable figures	Abdul Razaq
11	Chief Executive Report (NEB 70 06)	8.4	Arrange circulation of the WISER (Water Industry Strategic Environmental Requirements) document to Board members.	Alan Law
12	Chief Executive Report (NEB 70 06)	8.4	Advise on the legal requirement for Board involvement in Secretary of State Appointments to National Park Authorities and Conservation Boards, and to advise on whether the proposed process constituted the necessary consultation.	Julie Lunt
13	Chief Executive Report (NEB 70 06)	8.12	Bring a report on the action being taken on inclusivity to the June Board.	Julie Lunt
14	bTB Update (NEB 70 08)	10.2	Outline to Defra the potential resource implications of the continued delay in the decision on supplementary badger control (SBC), and for Natural England to undertake any increase in biosecurity monitoring visits.	Tim Hill
15	Any Other Business	17.1	Arrange for NESAC to review the evidence of the impacts of tree (re) planting on blanket bog and to provide written advice for consideration by the Board.	Andy Clements and Tim Hill