

Natural England Board



Title: **Confirmed minutes of the seventy fourth Natural England Board meeting on 17 January 2018**

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	Guy Thompson, Chief Operating Officer
Teresa Dent	Julie Lunt, Chief Officer Legal and Governance
Joe Horwood	Guests
Simon Lyster	Rob Cooke, Director EU Exit (Item 2)
Nigel Reader (Items 1-8 and 10.1 and 10.2)	Caroline Cotterell, Director Strategy Implementation (Items 3 and 4)
Michael Winter	Kirsty Shaw, Director for Countryside Stewardship Transactional Services (Item 6)
James Cross, Chief Executive and ex-officio Board member	Abdul Razaq, NE Director Finance and Business Partner (Items 7 and 8)
Apologies	Graham Tibbetts, Principal Adviser Engagement
None	Secretariat
	Emily Finnie. Board and Executive Services Team

Welcome from the Chairman and Declarations of Interest

The Chairman welcomed everyone to the meeting. In addition to the usual declarations of interest, declarations were received from:

- Michael Winter for the Access and Recreation item with respect to his wife's role as secretary to the Local Access Forum.
- Julia Aglionby for the Chief Executive's report in relation to Birkbeck Common.
- Teresa Dent for the Chief Executive's report in relation to the Game and Wildlife Trust's involvement in the Hen Harrier Brood Management Programme and the organisation's advice to the Secretary of State on post-Brexit agriculture.
- Caroline Cotterell for the Protected Landscapes item in relation to a perceived conflict of interest due to her partner being Deputy Chair of Cotswolds AONB which is exploring a designation proposal, and also being a Board Member of the National Association of AONBs.

1. Confirmation of the December Minutes and Matters Arising (NEB M75 01)

1.1 The minutes of the December Board meeting were confirmed without amendment.

Action: Legal and Governance Team to produce confirmed December Board minutes.

1.2 The Board noted actions from the last meeting were completed or in progress with any updates to the Board to be given at the appropriate agenda item.

2. EU Exit Update (NEB 76 01)

2.1 Rob Cooke reported on Natural England's activities in support of EU Exit. The Board noted updates on: the status of the Withdrawal Bill; proposals for consultation over a new environmental body; the Fisheries and Agriculture Command papers; Tranche 3 funding; the Transition Agreement; and Defra's preparations for the negotiations. The Board welcomed the exemplary update and in response to questions and in discussion:

2.1.1 Noted the polluter pays principle may be enshrined in policy in line with the principle of public money for public benefits, but that enforcement of minimum standards was still to be determined.

2.1.2 Received confirmation for the commitment to the overall gross amount of agricultural support until 2024, noted the phasing of reductions in Basic Farm Payments, and noted that post 2020 the UK would have freedom to develop new schemes.

2.1.3 Explored the piloting of the new schemes and raised issues in relation to:

- Capacity in Natural England and Defra which it was suggested could be addressed by delegation to local players.
- Policing with assurance being provided that the need for this would be reduced by payments based on what landowners had been contracted to deliver.

2.1.4 Expressed concerns over introducing a government food quality assurance scheme, and was reassured that this was not being advocated.

2.1.5 Acknowledged that ARAC had been assured at its December meeting about Natural England's preparations for Day 1 readiness.

2.1.6 Highlighted the issues arising for managing the Natural England budget with additional resources secured for EU Exit at the same time as the baseline Grant in Aid budget was decreasing. The Board identified a need for a strategic discussion on priorities for which the 25 Year Environment Plan (25 YEP) now provided the framework, and supported Natural England continuing to bid as required for tranches of EU Exit funding.

2.1.8 Noted Natural England's advice to Defra on sustainable fisheries.

2.1.9 Noted advice to Defra on draft Statutory Instruments concerning European designations

2.1.10 Noted the likely timescale for consultation on the new environmental body and confirmed that it would wish to comment on the options for the scope and remit of the new body.

Action: Rob Cooke to bring a paper to the February Board meeting to provide the Board with the opportunity to respond to the consultation on the new environmental body.

3. Protected Landscapes Expert Panel Sub-Group update (NEB 76 02)

- 3.1 Alan Law was joined by Caroline Cotterell and introduced the update on the Landscape Designation Review. The Chairman reported that the Landscape sub-group had met the previous day and had agreed its Terms of Reference and objectives. The Board noted the goals for the review which were to streamline the current process, establish a system for prioritising cases and, investigate alternative strategies to statutory designation. Together these measures would enable accelerated delivery of the landscapes designation programme. In discussion the Board:
- 3.1.1 Advised that it would be important to manage the expectations of stakeholders and to test the proposals with them, noting that the paper to the next Board meeting would report on the extent and outcome of conversations to date. Costings were also requested since it was recognised that simplification might entail additional resource.
- 3.1.2 Recognised the pros and cons of Natural England charging for collecting evidence. It would not wish the less resourced to be at a disadvantage when making an application, but at the same time could see the benefits for Natural England not being responsible for collecting the evidence for designation and the opportunities presented for income generation.
- 3.1.3 Recognised that it should be possible to prioritise applications by setting strategic criteria and that it would be important to demonstrate transparency in the decisions made.
- 3.2 The Board agreed that Alan Law should bring a paper to the February Board meeting with a proposition for the landscape designation process.

Action: Alan Law to bring a paper to the February meeting with a proposition for the landscape designation process

4. Access and Recreation (NEB 76 03)

- 4.1 Alan Law introduced the item describing current access activity and outlining options for Natural England's future direction. In response to the invitation to comment the Board:
- 4.1.1 Welcomed the opportunity presented by a review of Natural England's strategy to consider the legacy of allocation of resources and priorities and advised that this work should be done in partnership with Local Authorities who were in a similar position. Local Access Forums could play an important role here.
- 4.1.2 Supported the proposed shifts to bring a greater focus for access and recreation to urban areas and to provide leadership in terms of evidence. While our statutory duty remained unchanged the Board recognised the need to challenge historic priorities and was keen that Natural England should support greater diversity.
- 4.1.3 Advised that the evidence base demonstrating financial benefits from access should be used to support the future direction, and noted that the evaluation of the Coastal Path project would provide such information.
- 4.1.4 Advised that Natural England's social scientists had a strong stake in determining the direction of travel in the context of 'Putting People at the Heart'.
- 4.1.5 While recognising stakeholders' views, advised that the CRoW Act open access map review was not a priority, and noted that this should be factored in as part of the resource analysis.
- 4.1.6 Explored Natural England's scale of ambition for access and recreation in relation both to

other priorities in the context of the 25 Year Environment Plan and the potential impact on public health and education.

4.2 In conclusion the Board supported the proposed future direction and Michael Winter and Julia Aglionby volunteered to help Alan Law and his team take this work forward.

5. Revised process for advising Defra on the designation of Marine Conservation Zones (NEB 76 04)

5.1 Alan Law introduced the paper. In discussion the Board:

5.1.1 Noted, and considered sound, the revised procedures for analysis and advice in the final stage of MCZ designation which had been worked and agreed in principle with Defra, and noted Julie Lunt's assessment that the risk of legal challenge was low.

5.1.2 Approved minor changes to the process for Board involvement in finalised advice to Defra,

5.1.3 Noted Jonathan Burney was lead Director for this work, and accepted Andy Clements' offer to be the Board member standing over this work after Joe Horwood's departure from the Board.

6. Countryside Stewardship Update (NEB 76 05)

6.1 Kirsty Shaw provided an update on scheme delivery and structural options to assist with the scheme delivery.

6.2 On scheme delivery, the Board noted:

- Natural England was on track to deliver 80% of CS advance payments by the end of March, and a move to make these final payments was under consideration to save more time.
- Approval had been sought for prior effective start dates of 1 January 2018 for 2018 agreements. A potential conflict of interest was noted with Julia Aglionby expressing concern about the implications of this for agreement holders having to be compliant without having an agreement in place, but it was noted that this was not Natural England's decision to take.
- Plans to issue 80% of 2018 agreements by the end of March 2018 which was an improvement on the August date reported at the last Board meeting.
- The 2019 scheme would be launched on 22 January 2018, and there was good feedback on the simplification of packages.

6.3 The Board noted the structural options to assist with scheme delivery.

6.4 As Chair of ARAC, Nigel Reader sought and received confirmation from Kirsty Shaw that:

- The remedial actions arising from the sharing of licenses and passwords had been followed up and there was a good audit trail of the actions taken.
- The outstanding internal audit actions from CS reviews had been reviewed and identified as superseded. She offered to provide the information to ARAC as a basis for closing down these outstanding actions.

Action: Kirsty Shaw to provide ARAC with the conclusions from the review of outstanding internal audit actions on CS.

7. Chief Executive's Report (NEB 76 06)

7.1 James Cross introduced his Chief Executive's report.

7.2 Julie Lunt gave an update on Hammer Pond and invited the Board to consider the options in respect of further works that need to be undertaken to protect the downstream owners from future risk of flooding. The Board reviewed the full analysis of the options including the relative costs.

Action: Julie Lunt to action the Board's steer on Hammer Pond.

7.3 The Board noted the report on financial performance at **Annex 1** and Abdul Razaq's update. The Board welcomed Defra's confidence in Natural England's position reflected by funding of the budget to the forecast £132m and anticipation of a full out-turn. The Board noted the update on the overall Defra group financial position and the implications for Natural England with the introduction of additional monitoring of risks which the Chairman and ARAC Chair would wish to see picked up by the Defra Board and Defra ARAC.

7.4 The Board noted the end of November Key Performance Indicator Performance Report at **Annex 2** and in discussion:

7.4.1 Noted the status of the KPI for near hits and advised the Executive that if it wished to meet this target a different approach would be needed. It was noted a review of KPIs was planned in the context of the 25 Year Environment Plan and it would have an opportunity to contribute to the development of new KPIs as part of 2018 business planning.

Action: Julie Lunt/SLT to develop new KPIs as part of 2018 business planning.

7.4.2 Noted the red status for the CS and ES customer service KPI recognising that Defra and stakeholders were fully aware of the current performance issues and were well briefed.

7.5 The Board noted the updates on issues in **Annexes 3 and 4**, and:

7.5.1 Welcomed the launch of the 25 Year Environment Plan and the opportunities it presented for the Board to analyse its priorities for its 2018/19 Business Plan.

Action: Julie Lunt to provide the 2018/19 Business Plan as context for the strategic discussions at the March Board.

7.5.2 Noted a licence permitting a brood management scheme trial for hen harriers had been issued accompanied by a press release on 16 January 2018.

7.5.3 Welcomed the proposal to establish a Conservation Board for Shropshire Hills AONB

7.5.4 Acknowledged that to deliver the Upland plans to the agreed timescale Natural England was proceeding on the basis of a resourcing risk but that further discussions were underway with Defra.

7.5.5 Noted Natural England had received formal confirmation that manual payments could be made for the final claims for 2016 Countryside Stewardship agreements.

7.5.6 Noted that a paper on beaver licensing would be brought to the Board to take into account treatment of licence applications in the light of recent policy changes.

Action: Alan Law to bring a paper on beaver licensing to the Board.

7.5.7 Noted Alan Law would bring proposals for the March strategy meeting to the February Board meeting.

Action: Alan Law to bring proposals for the March strategy meeting to the February Board meeting.

7.5.8 Noted Nigel Reader's report on ARAC's oversight of progress with actions from the Safe Payments Lessons Learned review with a final report coming to the March ARAC meeting.

7.5.9 Raised the need to clarify the wording in relation to the Southern Water Public Inquiry where the Environment Agency and Natural England although working together were each focussing on areas of their own expertise.

7.6 The Board was pleased to see the Chief Scientist's report at **Annex 5** and complimented its presentation noting that the next report would include details of Natural England led conferences and workshops that would raise our external profile.

Action: Tim Hill to include details of Natural England led conferences and workshops that would raise our external profile in his next Chief Scientist's report to the Board.

7.7 The Board noted notification and confirmation of Sites of Special Scientific Interest under the Non-financial Scheme of Delegation during Quarter 3 at **Annex 6**.

8. 2018/18 Business Planning (NEB 76 07)

8.1 Julie Lunt introduced the fast moving developments in the 2018/19 business planning round. In discussion the Board:

8.1.1 Thanked the Executive for progress to date noting that the 2018/19 business plan would need to be brought back to the Board in the light of potential requests from Defra for further budget reductions.

8.1.2 Welcomed collaborative working with Defra using the outcomes systems to address the further budget reductions and, noted how we were responding to the SoS's expectation for savings from efficiencies and continued benefits.

8.1.3 Acknowledged how these funding pressures focussed attention on the need to rebalance priorities and hard decisions on what we do and do not do. It was noted that the Board would have the opportunity to define Natural England's mission as a result of the 25 Year Environment Plan and to use this to guide its determination of priorities at its strategy meeting In March.

Action: Alan Law to use the 2018/19 Business Plan as one focus for discussion at the March Board strategy meeting.

8.1.4 Expressed concern about the implications for the environment, but recognised how we were growing other sources of funding to address the risks from the reducing component from Defra. Officers' advice that Natural England ought to reset its Grant in Aid baseline with Defra in light of the 25 Year Environment Plan was noted.

9. Health, Safety and Wellbeing Update (NEB 76 08)

9.1 Guy Thompson introduced the health, safety and wellbeing report. In discussion the Board:

9.1.1 Noted the incidents recorded in Quarter 3.

- 9.1.2 Considered the proposals for a new cycle of reporting and concluded that no changes should be made which could infer that the Board was taking health, safety and wellbeing less seriously. The Board agreed health, safety and wellbeing should remain a standard item on its agendas to demonstrate leadership, best practice and good governance. The Board's role in relation to health, safety and wellbeing should be subject to review as part of its strategic discussion in March.

Action: The Board to review its role relation to health, safety and wellbeing as part of its strategic discussion in March and to decide on future reporting arrangements.

10. Board Sub-Group Updates

10.1 Audit and Risk Assurance Committee (NEB 76 09)

- 10.1.1 Nigel Reader introduced his highlight note summarising the outcomes from the ARAC meeting held on 12 December 2017.

- 10.1.2 In discussion the Board:

- Reviewed the position on the Board Effectiveness Review in the context of delivery of management actions to follow up the Lessons Learned from Safe Payments and that there was always a need for a review of Board effectiveness.
- Recognised the value ARAC gained from the process of reviewing management actions and from Area Manager attendance, and the benefit derived by the Accounting Officer from ARAC's constructive scrutiny.

10.2 Remuneration Committee

- 10.2.1 Nigel Reader reported on the RemCom meeting held the previous day; formal minutes to follow.

10.3 Natural England Science Advisory Committee Update (NEB 76 10)

- 10.3.1 Andy Clements reported on activity led by NESAC which at its December meeting had discussed species recovery, valuing nature, social science work in Natural England and, Science and evidence to develop objectives and actions for 'Putting People at the Heart'. The Board:

- Welcomed the benefits demonstrated from the decision to invest in social science specialists.
- Noted Alan Law would bring a paper on species extinction to the February Board meeting.

Action: Alan Law to bring a paper on species extinction to the February Board meeting.

10.4 Uplands Working Group

- 10.4.1 Julia Aglionby gave an update the EU Infraction case.

- 10.4.2 The Board thanked Julia Aglionby for attending the forthcoming round table meeting with the Secretary of State and key stakeholders and offered its advice on the outcomes it would wish to see for Natural England.

10.5 Engagement Group

10.5.1 Andy Clements gave an update on:

- The group's work on stakeholder management with production of an engagement log.
- Clearer Countryside Stewardship communications both internally and externally and with Natural England and RPA speaking with one voice.
- Engagement to be included on the March Board strategy agenda.
- The task and finish group now having a life beyond 2018 in response to the 25 Year Environment Plan.

Action: Graham Tibbetts to contact Board members for input to the Board engagement log.

Action: Alan Law to include engagement on the March Board strategy agenda.

10.6 Board Innovation Group (BIG) (NEB 76 11)

11.6.1 Simon Lyster introduced the unconfirmed minutes of the BIG meetings on 9 October and December 2017. The Board noted:

- It had been established that Natural England could benefit from facilitation funding.
- The special BIG meeting in December where the granting of a licence in response to the NatureSpace Partnership application was considered.

11.6.2 Simon Lyster reported on the BIG meeting held on 15 January which had reviewed progress with the NatureSpace partnership licence, considered proposals for the Bat Advice Service, and discussed net gain, the Farmland Change Conservation Programme and, long term agreements with wildfowling trusts. In discussion the Board advised of the need for greater Board visibility around some of these issues and asked that the Bat Advice Service and wildfowling agreement issues to be brought back to the Board.

Action: Alan Law to bring papers on issues which require Board consideration: Bat Advice Service and long term agreements with wildfowling trusts.

11.6.3 The Board noted BIG was overseeing the development of non-Grant in Aid income which was on target for 2017/18 at £4m, but recognised that consideration needed to be given to the next plan.

12. Board Diary (NEB 76 12)

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

13. Any Other Business

13.1 The Chairman consulted the Board over the HoL Committee's invitation for amendments to the NERC Act. The Board approved a proposal that any two members of the Board (whether or not they were the Chair or Deputy Chair) could be members of the JNCC.

13.2 On behalf of the Board, the Chairman recorded his thanks to Guy Thompson for being a great servant to Natural England.

Actions log

No	Agenda Item/Paper	Ref	Action	Owner
1	Confirmation of the December Minutes and Matters Arising (NEB M75 01)	1.1	Produce confirmed December Board minutes.	Legal and Governance Team
2	EU Exit Update (NEB 76 01)	2.1.10	Bring a paper to the February Board meeting to provide the Board with the opportunity to respond to the consultation on the new environmental body.	Rob Cooke
3	Protected Landscapes Expert Panel Sub-Group update (NEB 76 02)	3.2	Bring a paper to the February meeting with a proposition for the landscape designation process	Alan Law
4	Countryside Stewardship Update (NEB 76 05)	6.4	Provide ARAC with the conclusions from the review of outstanding internal audit actions on CS.	Kirsty Shaw
5	Chief Executive's Report (NEB 76 06)	7.2.2	Action the Board's steer on Hammer Pond.	Julie Lunt
6	Chief Executive's Report (NEB 76 06)	7.4.1	Develop new KPIs as part of 2018 business planning.	Julie Lunt/SLT
7	Chief Executive's Report (NEB 76 06)	7.5.1	Provide the 2018/19 Business Plan as context for the strategic discussions at the March Board.	Julie Lunt
8	Chief Executive's Report (NEB 76 06)	7.5.6	Bring a paper on beaver licensing to the Board.	Alan Law
9	Chief Executive's Report (NEB 76 06)	7.5.7	Bring proposals for the March strategy meeting to the February Board meeting.	Alan Law
10	Chief Executive's Report (NEB 76 06)	7.6	Include details of NE led conferences and workshops that would raise our external profile in his next Chief Scientist's report to the Board.	Tim Hill
11	2018/18 Business Planning (NEB 76 07)	8.1.3	Use the 2018/18 Business Plan as one focus for discussion at the March Board strategy meeting.	Alan Law
12	Health, Safety and Wellbeing Update (NEB 76 08)	9.1.2	Review its role relation to health, safety and wellbeing as part of its strategic discussion in March and to decide on future reporting arrangements.	The Board
13	NESAC Update (NEB 76 10)	10.3.1	Bring a paper on species extinction to the February Board meeting.	Alan Law
14	Engagement Group	10.5.1	Contact Board members for input to the Board engagement log.	Graham Tibbetts
15	Engagement Group	10.5.1	Include engagement on the March Board strategy agenda.	Alan Law
16	Board Innovation Group (BIG) (NEB 76 11)	11.6.2	Bring issues from BIG which now merit Board consideration: Bat Advice Service and long term agreements with wildfowling trusts.	Alan Law