

Natural England Board



Confirmed minutes of the 100th Natural England Board meeting 24th February 2021

Board Members Attending	
Dr Tony Juniper, Chairman	Kerry ten Kate
Lord Blencathra, Deputy Chairman	Henry Robinson
Rosamund Blomfield-Smith	Kim Shillinglaw
Dr Andy Clements	Peter Unwin
Catherine Dugmore	Professor Michael Winter
Professor Sue Hartley	
Executive Team	
Marian Spain, Chief Executive (and ex-officio Board Member)	Navroza Ladha, Chief Officer Legal and Governance
Alan Law, Deputy Chief Executive	Gleny Lovell, Chief Officer Planning and Performance
Dr Tim Hill, Chief Scientist	Richard Cornish, Chief Operating Officer
Guests	
Rt Hon George Eustice MP (Cons, Camborne and Redruth), Secretary of State for the Department of the Environment, Food and Rural Affairs	Rob Cooke, Director
David Hill, Director-General Environment Rural and Marine Defra	Sarah Dawkins, Head of Spending Review Programme
Abdul Razaq, Finance Director	Mick Oliver, Chief of Staff, Legal & Governance
Ken Roy, Director Corporate Governance	Dawn Metcalfe, Legal & Governance (secretariat)

Welcome from the Chairman and Declarations of Interest

The Chairman welcomed the Board to the 100th Natural England Board meeting.

With reference to Declarations of Interest:

- Tony Juniper flagged that he no longer sits on the MOD Net Zero group; and asked that it be noted that he is a member of Butterfly Conservation.
- Henry Robinson flagged up that he chairs the Hawk and Owl Trust
- Rosamund Blomfield-Smith asked that her business interest in game-bird shooting be recorded with reference to any future business related to new regulations

Action: Legal and Governance Team to update the Register of Interests (to reflect Board Member updates).

1. Confirmation of November Minutes and Matters Arising (NEB 99)

- 1.1 Tony Juniper highlighted the need for an amendment to the minutes regarding Beaver reintroduction, to provide additional clarity on the decision.

Action: Legal and Governance Team to update the minutes for the November Board to include the proposed amendment and then publish as normal on GOV.UK.

- 1.2 The following actions were noted in respect of previous matters arising:

Action: Alan Law to advise Board Members on the position re Defra publication of material on General Licensing

Action: Gleny Lovell to update Board on Natural England's engagement with the Shared Outcomes Fund (What re the specific areas of current focus, what is in the pipeline).

Action: Legal and Governance to schedule and deliver a Board Briefing Session on the NE shifts and the governance arrangements being put into place for implementing them.

2. Board Sub-Group Updates

2.1 NESAC

- 2.1.1 Dr Clements referred the Board to Board Paper NEB 100 01a, the report of NESAC's telecall of 9th December 2020; and NEB 100 01b the report of NESAC's telecall of 4th February 2021.

- 2.1.2 In the meeting of 8 October NESAC had considered:
- DNA work in Natural England: the future
 - Health Wellbeing Nature decision-support tool for Local Authorities
 - Delivery of the Science and Evidence Strategy

- 2.1.3 In the meeting of 8 October NESAC had considered:
- Climate Change and SSSI's: Is Statutory Reform required?
 - Set- up of a new NESAC Sub-committee for social science
 - Implementation of science evidence and evaluation strategy

- 2.1.4 With regards to the Social Science sub-committee, Michael Winter noted that this should be a sub-panel not a sub-group. The importance of fully integrating social science work into NE was flagged up and a new post was to be advertised.
- 2.1.5 Commenting on the Health Wealth Nature decision support tool, Kim Shillinglaw said she was keen to look at possible tools for partners and align pilots around local nature recovery funding. She stressed the need for science and evidence to be part of a change monitoring package. Marian Spain noted that 'Embedding Science' was one of the five organisational shifts.
- 2.1.6 Members were attracted to the idea of a one-pager on AONBs and SSSIs, to summarise five things which would transform them. Marian suggested a Board webinar to talk this through.

Action: Legal and Governance to schedule a Board Briefing Session on the proposed evolution of work related to SSSIs.

2.2 ARAC

- 2.2.1 Catherine Dugmore referred the Board to Board Paper NEB 100 02 and reported to the Board that ARAC last met on 2 December 2020.
- 2.2.2 At that meeting ARAC had reviewed the Corporate Risk Register and had looked in more detail at the risks related to the current Corporate Services model (and its ability to deliver against Natural England's needs). The governance arrangements for the Peat Grant Scheme had also been reviewed.
- 2.2.3 Catherine Dugmore noted that since the meeting there had been some internal audit activity, which would be reviewed at the next ARAC.
- 2.2.4 The clarity of the report was commended, and the breadth and importance of ARAC activity recognised as central to the safe running of the organisation.

2.3 Remuneration Committee (RemCom)

- 2.3.1 Peter Unwin referred the Board to Board Paper NEB 100 03 and reported to the Board that RemCom last met on 23 November 2020.
- 2.3.2 Peter highlighted the complexity of the pay flexibility case. Marian Spain provided a verbal update on the latest developments and issues, and the current work in hand in conjunction with Defra HR to attempt to resolve these. The need to be transparent with TUS and staff was noted. The need for work in this area to be appropriately resourced was flagged.

Action: Gleny Lovell to update the next RemCom regarding the resourcing of the Pay Flexibility case.

2.4 JNCC

- 2.4.1 Michael Winter reported that after the retirement of Prof Chris Gilligan, Deputy then Acting chair, Colin Galbraith has been appointed as new JNCC chair. Charlie Banner QC had been appointed Deputy chair; and Interim Chief Executive was Dr Gemma Harper from Spring (currently Deputy Director for Marine policy in Defra).
- 2.4.2 Key issues discussed at JNCC 125th Meeting 3rd were: Staff wellbeing re COVID; future

accommodation plans; SSSI selection guidelines; Business plan for 2021/22.

3. Chief Executive's Report (NEB 100 04)

- 3.1 Marian Spain introduced her report and provided updates on topical items, highlighting three points at the outset:
- NE Pride in Nature Event 3rd March – encouraged Board member to promote and get involved
 - Covid-19 – noted latest developments following Prime Minister's roadmap this week
 - SSSI designations – noting the forward plan and confirming the role of the Board in reviewing cases where objections were lodged

3.2 Gamebird releases

- 3.2.1 Alan Law summarised Defra's latest proposals for an interim licensing system to prevent damage to European Protected Sites (EPS). A three-week consultation was underway on the proposed interim approach.
- 3.2.2 It was noted that under the General Licence proposal, people would still have to operate within the terms of any extant consents from Natural England which would help inform our ongoing work. It was highlighted that in the proposals two sites would still require individual licences.

3.3 Marine Protected Areas

- 3.3.1 Members enquired about the situation with regards to Marine Designated Areas and engagement with the Marine Management Organisation (MMO) regarding bottom trawling. It was noted that this was part of an ongoing discussion between Natural England, MMO and JNCC.

3.4 River Lugg

- 3.4.1 Members enquired about the latest update with regards to the River Lugg SSSI. It was noted that this was subject to ongoing investigations by Natural England and the Environment Agency.

3.5 Q3 Quarterly Performance Review: overall summary

- 3.5.1 Richard Cornish presented the summary position as at Quarter 3.
- 3.5.2 The Board discussed the value of a further iteration of the presentation of the performance material to more clearly link the short-term PIs to the longer term KPIs.

Action: Gleny Lovell, Richard Cornish and Alan Law to review the presentation of the performance information (confirming links between PIs and KPIs)

- 3.5.3 With regards to in-year performance in Q3 Richard Cornish highlighted the impact of Covid-19 on Natural England's delivery up to Q3. This impact had mainly been seen through reduced capacity - mostly due to school closures and caring responsibilities – and constraints on some areas of non-home based work over the different Lockdowns. Hence there had been a need for ongoing re-prioritisation.
- 3.5.4 Richard highlighted areas of where work had needed to be slowed or stopped, e.g. net gain, evidence work (either due to NE capacity or unavailability of partners). He noted

that:

- SSSI monitoring had been challenging where site visits were required
- High risk case work still had challenges
- Since the Q3 report had been produced, the outlook had improved in relation to the PIs for District Level Licensing and Environmental Land Management
- Programme spend had been backloaded to Q4, but a high level of confidence remained for meeting targets around NNRs and contractual work

3.6 Q3 Quarterly Performance Review: Finance

3.6.1 Abdul Razaq described the current financial situation, noting that with only five weeks left a small overspend of £0.4m was forecast for year-end which the Finance team were trying to manage down. The risk of optimism bias was recognised and was being taken into account.

3.6.2 It was noted that whilst an underspend in RDPE was expected, this was not lost money as it would be recycled for future years.

3.6.3 For Programme spend the forecast was 95% of the original programme budget. The remaining 5% relate to Externally Funded projects where discussions are ongoing with EU Life on project extensions. A number of lessons learnt were being taken forward for future years.

3.6.4 Tony Juniper thanked Abdul and his team for their continued excellent management of the budgets.

3.7 Q3 Quarterly Performance Review: People

3.7.1 Gleny Lovell outlined the steady growth in recruitment both of permanent and FTA staff, many joining in the second half of the year. The low attrition rate was also noted. The positive situation on apprenticeships was highlighted, with good progress being made towards the target.

3.8 Members queried how expected budgets for 2021/22 would impact on recruitment. They were reassured to hear that the current position was manageable and that, currently, no cuts in staffing were anticipated.

3.9 Gleny explained that the recruitment had focussed on attracting people across many more diverse channels and that the analytics were looking positive so far.

Action: Gleny Lovell to report to the Board on the outcome of our analysis of the diversity of recent recruitments (have new approaches succeeded in increasing diversity?).

3.10 Q3 Quarterly Performance Review: High Complex Casework

3.10.1 Navroza Ladha summarised the current cases which were being managed.

3.11 Perceptions of Natural England's impact

3.12 Members recommended that further work should be done to disentangle how Natural England describe its impact from the way it describes activities – to assist both ongoing performance reporting and communications.

3.13 It was thought that Natural England could learn from how others have approached this issue, e.g. the university sector or NGOs. It may be beneficial to employ an external expertise to assist and identify quick wins. This potentially linked into current work being done to assess the value and impact of local partnerships.

Action: Marian Span and Alan Law to review the longer term approach to capturing and presenting the impact of Natural England's activities

4. Q3 Risk Review (NEB 100 05)

4.1 Gleny Lovell introduced the review of the corporate risk register.

4.2 Risk 6: Corporate Services operating model constrains NE's ability to deliver its remit

4.2.1 Ken Roy presented the deep dive analysis on this risk. He explained that the likelihood score had increased as a result of uncertainties about the scale and distribution of funding for Defra group Corporate Services in 21/22, noting that these decisions were outside of Natural England's direct control.

4.2.2 Ken referenced the excellent service the Natural England received on many Corporate Services work areas, but flagged up that many actions from the 2020 Corporate Services Transformation audit had not yet been completed due to more pressing priorities because of Covid-19. These actions include the need for further and settled clarity on the respective accountabilities of Defra group Corporate Services and individual organisations – with the aim that the final statement is tested by Defra ARAC.

4.2.3 The Board discussed the areas where Natural England may need to invest in specific areas to complement the work of Defra group Corporate Services. Where this was being done, it was with full engagement and transparency with the relevant Corporate Services functions.

Action: Marian to write to Sarah Homer to flag current concerns re the Corporate Services Risk (services, resources and accountabilities)

4.2.4 The issue of cyber security was considered, specifically in respect of unsupported legacy systems. A paper would be submitted to the next ARAC meeting.

4.3 Risk heat map

4.3.1 Members questioned the target aspiration for some of the risks. It was explained that individual judgements of risk owners were seeking to reflect the extent to which Natural England can manage specific risks – for some we can't change the likelihood, but possibly could influence the impact. It was noted that the key question was whether all possible mitigations had been identified.

4.3.2 Members offered further steers on the format of the risk heat map and requested a sight redesign to improve presentational clarity.

4.3.3 Members questioned the state of play with regards to centralising the communications functions across Government and whether there were sufficient in-house skills in Area Teams (for example to support use of social media). It was explained that the proposed changes in Government Communications were still progressing and Defra were considering what it would mean for the Department.

Action: Gleny to review how we add more of a narrative to accompany the heat map and to continue to review the map presentation.

4.3.4 Members raised questions around the level of ambition for driving down specific risks, specifically:

- risk #9 (NE not seen as evidence led in how it uses science and evidence in its operations) - target needs to be reassessed bearing in mind the strategic shifts;

- and
 - risk #8 (Five-year aims cannot be delivered because insufficient resources secured through spending review) - this should be reviewed this after the 21/22 business planning round had concluded. It was noted that risk #8 was also captured on Defra's ExCo risk register as this issue was wider than just Natural England.

Action: Gleny Lovell to continue to challenge our level of ambition for the scale of the shifts in the Corporate Risks (current to target).

Action: Gleny Lovell to review prompts for future Board risk conversation - refine the specific questions we are asking the Board to address

5. Civil Service Commendation for Marian Spain

- 5.1 Tony Juniper invited Marian Spain to open an envelope that had been delivered to her home. This contained a Civil Service Commendation which Marian had been nominated for by Natural England staff for her leadership during the early days of the Covid-19 pandemic.
- 5.2 The Award had been made in recognition of the exceptional handling by Marian and the Senior Leadership Team in which they had put staff front and centre in everything they did; focussed on staff wellbeing; supported the move to homeworking for all staff; shown appreciation for all teams.
- 5.3 All members enthusiastically supported the recognition and warmly congratulated Marian. Marian noted that recognition should go to the whole NExCo for all of their efforts.

6. Business Plan 21/22 (NEB 100 06)

- 6.1 Gleny Lovell set out the wider context to the Business Plan paper which asked the Board to:
 - Note the updated indicative budget allocation for 2021/22;
 - Provide any steers to NExCo on mitigation measures; and
 - Advise on any further assurance Board requires through our business planning
- 6.2 Sarah Dawkins took the Board through the details in terms of numbers and potential implications. She noted that significant progress has been made over the past month in refining the understanding of the budget and the support from Defra colleagues had been excellent.
- 6.3 Sarah noted that few Natural England bids in the CSR process had been fully successful – although funding has been secured for the reform of our regulatory function associated with Project Speed.
- 6.4 Sarah summarised that the total indicative budget for 2021/22 was likely to be c£174.7m an increase of c£53.7m (£29.1m RDEL, 24.6m CDEL) on 2020/21. However, the cut to our baseline, for our current and statutory activities of £4.7m (42% of the 2020/21 uplift), posed a number of risks.
- 6.5 The scope for flexibility was discussed. There had been agreement from Defra that ring fencing could be removed in most areas, which could provide opportunities to think smartly across Programmes about how to make best use of the available funding.

- 6.6 Alan stressed the importance of the Board understanding the challenges. Whilst there was a net rise (including more programme and capital spending), the complexity was the Natural England was also facing cuts in a number of core areas of work.
- 6.7 David Hill reiterated that the most important number was the overall envelope, with flexibility within this. He stressed the need to focus on an agreed set of priorities.
- 6.8 Members thought on balance the indicative budget should be seen as a vote of confidence in Natural England; the flexibility was positive; and the increase in programme spend would facilitate more partnership working.
- 6.9 Tony Juniper noted that it would be helpful to get more of a sense of the areas of growth and the areas of constraint (including statutory activity), once the Programme flexibility has been applied.
- 6.10 Marian Spain stressed the importance of being able to clearly communicate the key areas of risk, including: What are we not able to do? What areas of shortfall / risk are we in agreement with the department about? Can we demonstrate that we have prioritised even further (to take account of the window of opportunity)?

Action: Gleny Lovell and Alan Law to consider ways of making the consequences of the cuts (and the increases) real for Board members - areas expanded, areas maintained, areas cut etc. (include in March 2021 Business Planning paper)

7. Flight Plan to E.L.M.; Natural England's role (NEB 100 07)

- 7.1 Alan Law introduced the session and invited Members to reflect on the previous evening's virtual session with farming stakeholders.
- 7.2 All members commented on what a good discussion it had been and how very interesting and useful it was to hear stakeholders' viewpoints. Members were encouraged by the stakeholders' emphasis on multi-stacking and bundling; the enthusiasm for partnership working; and how much stakeholders clearly valued the expert and impartial advice provided by Natural England.
- 7.3 The role of private sector finance had been considered by stakeholders. A discussion on External Funding between James Diamond was planned for in a couple of weeks, three Members agreed to participate in this. It was noted that there were good examples and expertise outside of Natural England which it would be beneficial to investigate. Thereafter, it was noted, it may be useful to follow up with a discussion with David Hill to consider opportunities and the way forwards.

Action: Gleny Lovell to consider external / novel funding in this area of activity

- 7.4 Marian Spain noted the importance of Natural England now setting out its offer to the land management sector – noting that the NE role is wider than just ELMs and that there is more NE can do to support farmers wishing take environmentally beneficial actions.

Action: Alan Law to develop the articulation of the NE offer to the farming / land management sector

- 7.5 Rob Cooke summarised the Board paper (NEB 100 07), which covered:
- The Agricultural Transition – much work currently on existing schemes and renewals to avoid losing long term environmental benefits

- Current work with RPA on Environmental and Countryside Stewardship
- Countryside Stewardship Simplification - Post EU Exit it is the intention has been to make CS agreements look and feel simpler. NE has been advising on a range of actions.
- E.L.M Flightpath – The potential spike in work was noted and the key role NE would have in assessing the suitability for extensions based on agreed policy and SSSI consents.
- Regulatory baseline – NE was likely to be involved but unclear how it will look yet.
- E.L.M Development and Advice - NE had been working closely with Defra on sustainable farming standards.
- Sustainable Farming Incentive (SFI) – Although NE would not have an operational role it would still be involved in an advisory and regulatory capacity.
- Local Nature Recovery (LNR) – Due to the need for technical advice, there was clearly a key role for NE. There was a clear statutory role with for NE regarding the interaction of LNR (and LR) with protected sites (SSSIs) and that would be the minimum input required from NE.
- Landscape Recovery - These would be larger projects (than SFI) with significant land and many farmers involved. NE was seeking a lead role in overseeing the delivery of the Landscape Recovery component.
- Delivery Model Assessment – This assesses the extent to which bundles could be more effectively “outsourced” from 2024, or whether there are overriding requirements for keeping such activities either partially or fully “insourced”.

7.6 The Board were asked whether they agreed with the proposed role for NE in ELMS development and delivery as:

- technical advice/standard setting design to Defra across all three components
- support to the assessment and evaluation of ELMs
- the provision of environmental farm advice to applicants for the Local Nature Recovery Component, to ensure take up contributes to 25YEP and net zero targets, consistent with the wider shifts we are implementing to the provision of our advice
- the lead body to deliver the Landscape Recovery component as a major contribution to the nature recovery network;

7.7 In discussion, the Board thanks Rob for the excellent paper and agreed that NE was correct to focus on Landscape Recovery. Additionally, members felt SFI would need to deliver and include appropriate technical support. Specific concerns were expressed regarding hedgerow management.

7.8 Members requested a macro picture about what the new system would mean overall, i.e. what percentage of land would be in higher level schemes (up or down) compared to 10 or so years ago. What is situation re people coming out of long-term schemes and/or other areas not coming into NE support.

Action: Alan Law to provide the Board with an analysis of what the new system is likely to mean overall – incl the percentage of land in higher level schemes compared to 10 or so years ago

7.9 The need to have a creative vision for NE’s role was noted and to think about mechanisms for providing advice. With regards to Landscape Recovery, the link to local nature recovery strategies was flagged up and the need to think how best to build NE’s capacity.

7.10 Members reflected on the steer from stakeholders the previous evening for NE providing advice and guidance on how to measure outcomes. It was felt that this was currently missing from ELM.

Action: Tim Hill to consider how to respond to the challenge of the measurement / evaluation deficit regarding ELM outcomes.

- 7.11 Tony Juniper summarised to say there was strong backing for the proposals in the paper. He would continue to liaise with Marian Spain to bring this to a clear conclusion. It was noted that a Board webinar on this topic was planned for in a couple of months' time.

8. Forward Look (NEB 99 08)

- 8.1 Tony Juniper walked the Board through the forward look. In discussion they considered what the planned relaxation of Covid-19 restrictions meant in regards to Board activity (e.g. field visits and formal meetings)

Action: Legal and Governance to develop the programme of informal and formal business over coming months

Members felt it would be beneficial to have some simple social media communications immediately after each Board.

Action: Legal and Governance to develop a protocol for post Board communications (internally and externally)

9. Secretary of State session

- 9.1 The Secretary of State attended for a session to discuss the role and the future priorities for the organisation.

10. Feedback and close

- 10.1 The Board and attendees reflected on the SoS session and the preceding meeting. Board Members were positive about the session and the wider business but noted the scale of the task ahead in finalising and delivering the 21/22 Business Plan.