

Natural England Board



Confirmed minutes of the 106th Natural England Board meeting 9 – 10 November 2021

| Board Members Attending | |
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| Dr Tony Juniper, Chairman | Kerry ten Kate |
| Lord Blencathra, Deputy Chairman | Henry Robinson |
| Rosamund Blomfield-Smith | Kim Shillinglaw (with apologies from 17:50 onwards on 9 November) |
| Dr Andy Clements | Peter Unwin |
| Catherine Dugmore (10 November only) | Professor Michael Winter |
| Dr Clare Fitzsimmons | |
| Executive Team | |
| Marian Spain, Chief Executive (and ex-officio Board Member) | Navroza Ladha, Chief Officer Legal, Governance & External Affairs |
| Alan Law, Deputy Chief Executive | James Diamond, Director, Transformation (standing in for Gleny Lovell) |
| Dr Tim Hill, Chief Scientist | Oliver Harmar, Chief Operations Officer |
| Guests | |
| David Hill, Director-General Environment Rural and Marine Defra (10 November only) | Rob Caschetto, Senior Adviser - Risk and Project Management |
| Paul Leat, Defra Communications | Mick Oliver, Chief of Staff, Legal, Governance & External Affairs |
| Abdul Razaq, Director of Finance - Defra Group Finance, Natural England Team | Graham Tibbetts, Legal, Governance & External Affairs |
| Dr Edel McGurk, Director, Legislative Reform | Tom Roberts, Legal, Governance & External Affairs (minutes) |
| Ken Roy, Director, Corporate Governance, Natural England | |
| Laura McDixon, Manager, Health and Safety | |
| Claudia Chambers, Director Spending Review (for item 5 only) | |

Welcome from the Chairman and Declarations of Interest

The Chairman welcomed the Board to the 106th meeting. The connection was checked with those joining remotely via the video feed and attendees confirmed satisfactory connections.

ACTION: LG&EA to update the Register of Interests re further details for Henry Robinson.

1. Review of September 2021 Minutes and Matters Arising (NEB 105)

- 1.1 The minutes of the 105th Natural England Board meeting of 15th September 2021 were confirmed by the Board with no material amendments.
- 1.2 There were no comments on the matters arising or on actions carried forward from previous Board meetings.
- 1.3 The Chairman invited comments from the Board in respect of the transcripts of the Board meetings to consider the confirmation of the Cotswold Water Park Site of Special Scientific Interest

ACTION: LG&EA to finalise CWP transcript for publication alongside the September Board minutes

2. Board Sub-Group Updates

Audit, Risk and Assurance Committee (ARAC) (NEB 106 01)

- 2.1 In Catherine Dugmore's absence, the Board postponed the ARAC update to 10 November.

Natural England Science Advisory Committee (NESAC) (NEB 106 02)

- 2.2 Dr Andy Clements introduced the formal minutes of the NESAC meeting held virtually on 8th July 2021. The Board noted:
 - The main business of the meeting was to discuss NESAC's work with other advisory councils across the Defra group on joint priorities.
 - NESAC heard from Gideon Henderson, Defra's Chief Scientific Adviser, on science and evidence across the Defra group and the ambition from Defra arm's length bodies.
- 2.3 Dr Clements informed the Board that NESAC also had met on 21 October 2021 to discuss the southern reintroduction of hen harriers. The Board noted that the subsequent advice from NESAC will follow in due course.
- 2.4 Professor Michael Winter informed the Board that the Social Science Panel met with a fully quorate meeting on 8 November 2021. Professor Winter reported that Tim Hill and

Ruth Waters also joined this meeting. The Board noted:

- The meeting was an introductory meeting for members to set out issues.
- In future the panel will report to NESAC.

Remuneration Committee (RemCom)

- 2.5 Peter Unwin provided the Board with an update on the pay settlement for senior and delegated staff.
- 2.6 Peter Unwin reported that non-consolidated end-year performance related payments were considered in light of the COVID-19 situation. These payments were equalised so far as possible in response to recommendations from the Trade Unions.
- 2.7 The Board noted:
- The intention for the Natural England pay flexibility pay case to be submitted to HMT in 2022 (subject to HMT pay remit guidance and staff framework review).
 - The intention for the work on staff framework review to consider capability-based progression (for example for specialists) and to look at job families and the range of pay grades within the current staff framework.
 - The intention of the Prospect Trade Union to give Natural England notification of proposed industrial action (short of a strike).
- 2.8 Marian Spain informed the Board that Prospect have now begun balloting its members, PCS are also very likely to do so; Oliver Harmar will lead the Natural England Business Disruption Forum which will stand over the organisation's response to any industrial action. Marian updated the Board of the All Staff call of 9 November in which staff were updated on the staff framework and pay reform work.
- 2.9 The Chairman noted that wider staff discussions seem to be dominated by pay issues and asked NExCo for an overview of the Summer People Survey findings. Tim Hill provided an overview of the results from that survey in respect of pay. Marian Spain reported that the headline points to note in respect of the survey is that overall staff engagement has improved from 54% to 63.4%. The Board noted that a comparison cannot yet be made with the rest of the Defra group as the results of the Civil Service Survey are still to be published. The Board also noted the disparity in Area Team staff's engagement when compared to other directorates.

Joint Nature Conservation Committee (JNCC)

- 2.10 Professor Michael Winter provided the Board with an update on recent JNCC meetings and matters. The Board noted:
- JNCC met 15-16 September with Natural England members giving their apologies for the meeting of 15 September; Professor Winter attended on 16 September.
 - SSSI selection guidelines were discussed by JNCC.
 - JNCC discussed cyber security in the wake of the incident affecting SEPA.
 - JNCC undertook detailed discussions on the Quinquennial Review (QQR); the QQR is now live.
- 2.11 Lord Blencathra reported to the Board that the Environment Bill will shortly gain Royal Assent.

3. Governance Update (NEB 106 03)

3.1 On Natural England's Framework Document, Ken Roy reported that:

- The Natural England Framework Document will now be revised, with Natural England working in partnership with Defra to develop a new draft – with the aim of replacing the version agreed by the Board in 2017.
- Across the public sector, Arm's Length Bodies have been asked to adopt a new HMT template for Framework Documents.
- The Natural England Audit, Risk and Assurance Committee (ARAC) will, as before, stand over the more detailed development work.
- The final 2022 Framework Document will require Board approval (initially scheduled for February 2022 Board) and endorsement from Defra and HMT.

3.2 In respect of the Board Effectiveness Review, the Board agreed that the review would be carried out internally for this year. Rosamund Blomfield-Smith, Kerry ten Kate and Henry Robinson volunteered to undertake the review.

3.3 Ken Roy noted the draft summary of Board Member roles included in the paper – and the need to ensure that this was up to date.

ACTION: Ken Roy co-ordinate the 20/21 Board Effectiveness Review with support from RBS, HR, KTK

ACTION: Ken Roy to review summary of Board Member roles with NExCo and then sense-check with Board Members

4. Health and Safety Report (NEB 106 04)

4.1 Oliver Harmar introduced the Health and Safety Report, and welcomed Laura McDixon, to the Board.

4.2 On COVID-19, Oliver reported: as the impact of the pandemic evolves, the safe working of staff at offices and other locations remains a priority. The Board noted:

- The slow growth of the proportion of staff returning to some level of use of offices.
- The ongoing concerns expressed by some staff about the health implications of working in offices and of using public transport.

4.3 On the Staff Survey, Oliver reported that the most prominent finding was that there were findings of high levels of stress at work – 47% reported stress related to ill-health. The Board noted that this was of great concern to NExCo which had convened a Directors' working group and were speaking openly with staff about root causes.

4.4 Oliver noted the value of learning from others in how we further develop health and safety leadership and culture and the supportive assurance systems.

□ The Board noted:

- The need for continued focus in this area.
- Concern in respect of a recently reported incident and suggested the need for

appropriate action.

- 4.5 Laura McDixon reported to the Board that the direction of travel led by Oliver Harmer had been well received by the organisation and noted that improvements in health and safety culture were being addressed.
- 4.6 Laura reported that while National Nature Reserves had different challenges to offices, in terms of managing COVID-19 risks, measures had been effective and NNR officers had felt empowered to work safely.
- 4.7 The Board discussed the specific issue of stress, noting:
- The need for systematic analysis of root causes.
 - The link between stress and the balance of current resourcing and organisational commitments; although substantial recruitment is underway, real pressures remain.
 - The need for clear leadership signals on priorities.
 - The need for clear analysis on the short and the longer-term influence of the pandemic experience on issues of stress.
- 4.8 The Board acknowledged their full support for this initiative.

ACTION: Oliver Harmer to provide, within the next health and safety update, the Board with an update on the work to better understand the position on wellbeing / stress and the measures in train to address issues.

5. Spending Review Update (NEB 106 05)

- 5.1 Alan Law introduced Claudia Chambers to the meeting. Alan updated the Board on the ways in which Natural England has been working with Defra as part of the Spending Review process.
- 5.2 Alan provided the Board with an overview of the possible uplift in budget and the work areas in which Natural England may be asked to increase its activity – including the nature green paper, species abundance and “30 by 30” protected areas. The Board noted that the outlook may be favourable but will also come with challenges.
- 5.3 The Board noted that there may be a late budget settlement requiring Natural England to provide an early resolution in the new year with regard to the implications for resourcing.
- 5.4 Claudia provided the Board with an update in respect of expected caps on departmental staffing levels and the possible implications for arm’s length bodies. James Diamond expanded on the possible implications in respect of organisational Corporate Services support provided to Natural England by Defra.
- 5.5 Claudia provided the Board with an overview of expected areas of prioritisation which will follow Defra’s business planning process; areas where there will likely be a less favourable settlement were also noted.
- 5.6 Claudia reported to the Board that we were continuing to pursue opportunities for digital and IT investment to improve effectiveness; in addition, opportunities to pursue charging provisions may be open to Natural England.
- 5.7 In discussion, the Board:
- Noted disappointment in respect of the likely lower settlement for access provisions and possible negative reputational impacts which could follow.
 - Noted gaps around landscape initiatives, where further information may need to

- be gathered following the business planning process.
- Acknowledged the possibility for efficiency savings.
- Noted the importance of green finance for nature recovery and establishing Natural England's relationships with the private sector, including clear links with the nature green paper and the need for detailed work on standards and metrics.
- Noted the need for internal resourcing to manage spending review settlements.
- Noted the importance of flexibility across all work areas.
- Noted the importance of ELMS and the need to work closely with Defra in ensuring the success of the new scheme.
- Acknowledged the importance of Nature Based Solutions for climate and the impact of COP 26.

5.8 Abdul Razaq provided the Board with a financial overview of the potential Spending Review position and the three-year settlement.

ACTION: Gleny Lovell to create a strategic green finance plan for Natural England to address the current opportunities and risks.

6. Other business

6.1 Navroza Ladha provided the Board with an update in respect of matters relating to the Swanscombe Peninsula SSSI confirmation decision/process of 10 November 2021.

10 November

7. Board Sub-Group Updates - Continued

ARAC (NEB 106 01)

7.1 Catherine Dugmore reported to the Board that Natural England's Annual Report and Accounts will be laid later in November 2021. Catherine explained that delays had followed technical issues relating to Natural England's historical costs and deemed costs, including heritage assets. Catherine assured the Board that HM Treasury, the National Audit Office and Natural England's external auditors were in agreement with the approach taken but noted that the issue would be revisited in the next year's accounts.

7.2 Catherine provided the Board with an overview of the ARAC meeting of 12 October 2021 including reports on:

- SSSI lessons learnt.
- Defra group Commercial transformation and its links with arm's length bodies.
- Refresh of Natural England's Framework Document.
- Pay and reform discussions.
- Natural England's budget.
- The Biodiversity Net Gain (BNG) Register.

7.3 Abdul Razaq sought the Board's formal agreement for Natural England's accounts to be laid. The Board approved Natural England's accounts for those to be laid.

- 7.4 Marian Spain provided the Board with an overview of the position in respect of the services provided by Defra. The Board noted the need for forward planning, for Natural England to undertake some services itself, and the need for cost recovery.
- 7.5 In respect of BNG developments and stakeholder responses, the Board noted the benefit of proactive social science research. The Board also noted ARAC's concerns in respect of risks arising from potential BNG delivery and associated deadlines. The Board noted that Natural England will not lead on BNG policy but will be working in a supportive capacity. Alan Law provided the Board with an overview of this work area. The Board also noted the upcoming consultation on BNG.

ACTION: Abdul Razaq and Ken Roy to lay the approved 2020/21 Annual Report and Accounts

ACTION: Abdul Razaq and Catherine Dugmore to scope and commission work to agree NE's long-term valuation policy well in advance of the 21/22 ARA

8. CEO Report (NEB 106 06)

- 8.1 Marian Spain provided a number of verbal updates to the Board on:
- Wildlife licensing: noting suspected offences occurred in respect of licence breaches and tagged hen harriers; investigations are ongoing.
 - Hen harriers brood management: Navroza Ladha provided additional updates in respect of the successful outcome from the Court of Appeal challenge brought jointly by the Royal Society for the Protection of Birds and Dr Mark Avery. Navroza thanked Dr Andy Clements for his work supporting this case.
 - Hen harriers, southern reintroduction: Dr Andy Clements provided the Board with an update in respect of NESAC's recent meeting discussing this matter.
 - Quintennial Review (QQR): noting that the QQR consultation was now live; Natural England will work closely with the JNCC and ensure congruence with the nature green paper.
- 8.2 Marian Spain reported to the Board that Natural England's contribution to COP 26 was formally led by Dr Peter Brotherton and that Natural England has been thanked by Defra Ministers in respect of its contribution to 'Nature Day'. Marian provided three learning points for Natural England following the COP:
- The importance of Green Finance.
 - The importance of joint work with other country agencies and the JNCC.
 - The need to enhance net zero even higher on Natural England's own agenda.
- 8.3 The Board recognised the Chairman's input on Nature Based Solutions at the COP and the importance of biodiversity in respect of climate change. The Board acknowledged the need to embed net zero further into Natural England's work to become nature positive by 2030, the need for work on peatlands and woodlands, and the potential to enhance climate change adaptation such as work with the Environment Agency in respect of floods and strategic work to utilise the nature recovery network.
- 8.4 Dr Tim Hill provided additional programme updates with regard to Bovine Tuberculosis, including updates on approaches to vaccination and potential changes to Natural England's role. The Board considered these matters further in discussion. The Board requested Dr Hill to provide a further report to the Board.

- 8.5 Marian Spain reported that the Natural England Landscape Advisory Panel is now open for applications. Rosamund Blomfield-Smith reported that she was very happy to be Co-Chair of the Panel and provided the Board with an overview of the composition of the Panel. The Board noted that Sarah Mukherjee has been invited to be Co-Chair of the Panel. Rosamund also provided the Board with a report of a meeting with National Park Authorities and AONB representatives which took place in Bakewell.
- 8.6 Marian Spain provided the Board with further updates on:
- The results of Natural England's Staff Survey.
 - Natural England organisational changes: The Board were provided with a new organogram setting out the growing senior leadership team at Director level consistent with the growth of the organisation and the increased challenges and opportunities facing the organisation.
- 8.7 The Board noted that the Environment Act had received Royal Assent. The Chairman thanked Natural England officers for their commitment and continued hard work of which they should be proud. The Board noted that Local Nature Recovery Strategies (LNRS) and BNG work would move into a new challenge of implementation. The Board noted the strategic join-up between LNRS, land use planning work and levelling-up. David Hill, on behalf of Defra, echoed the thanks to Natural England Teams.
- 8.8 The Board noted Natural England's work and the cross-governmental cooperation on nutrient neutrality. Defra and Natural England are working closely and DLUHC are similarly closely involved. The Board noted risks and acknowledged Natural England's position as an adviser not a decision maker in this area. The Board discussed whether this matter should be considered further by NESAC.
- 8.9 Marian Spain congratulated Paul Leat for his permanent appointment as Deputy Director for Communications. Paul provided the Board with a report on communications. The Board noted:
- The last quarter had been busy for Natural England communications.
 - There had been an increase in collaboration with other nature conservation bodies within the UK.
 - There had been an impressive use of youth ambassadors in the run-up to COP 26.
 - A video was published covering the Nature Positive Report.
 - Local projects had been promoted such as at the Great Fen and Seagrass in Plymouth.
 - Communications focusing on species reintroduction had taken place.
 - The Countryside Code campaign was launched.
 - A Natural England blog was published in response to interest in BNG.
 - Social media interaction has been good.
 - Internal communications were produced in response of the summer festival and the People Survey engagement.
 - An improvement in communications over the last four to five years; the Board congratulated officers on the progress made.
 - The need for a refresh of Natural England's Communications Strategy.
- 8.10 Navroza Ladha provided the Board with an update on recent legal casework including updates on enforcement, a new potential judicial review challenge in respect of the River Wye SAC Nutrient Management Plan, and ongoing challenges in respect of nutrient management in the Solent SAC area.
- 8.11 Complex Casework: Marian Spain referred the Board to the complex casework update in

the written CEO report; Oliver Harmar provided an additional update.

- 8.12 Key Performance Indicators (KPIs): Oliver Harmar provided the Board with an overview on KPIs reporting that it appears Natural England is in a healthy position in respect of the targets. The Board noted that recruitment is envisaged to bring Natural England's headcount to 2,400-2,500 by the end of February 2022, however such recruitment can bring challenges to delivery in the short-term as the associated administrative work and induction can take time and resources. Oliver provided an overview of challenges facing Natural England in respect of meeting KPIs including those around capability and capacity. Oliver highlighted:
- Challenges relating to Natural England's core statutory work including SSSI consenting, species licensing and outward facing work on nature's recovery.
 - Seven of Natural England's 28 KPIs are currently 'Amber/Red' status; this can be reduced to three by financial year end.
- 8.13 The Board thanked Oliver for successfully coming up-to-speed in his new role and for his leadership. In discussion, the Board noted:
- The possibility of linking assessment of KPIs in a manner closer to the way in which the Board discusses matters, such as by reference to the 2030 targets and SSSI condition.
 - The potential for a positive launch of the England Coast Path, including Board members.
 - The need to link the three-year spending window with resourcing for new projects and delivery.
 - The need for a culture change with respect to planning and KPIs, including external experts to assist with delivery.
 - The possible need for business planning, to deliver more through partnerships with others, and look at future year provisions.
 - The fact that Natural England is still in a process of transition, moving from a single to a three-year settlement.
 - An interest to see reworked objectives set against geography, to provide place-based framing and reassessing lifting reporting burdens from Area Teams.
- 8.14 Marian Spain reported to the Board that there has been initial support from the Board in respect of business plans in that Catherine Dugmore has worked with Liz Newton on development. The Board agreed that Catherine Dugmore, Kerry ten Kate, Peter Unwin and Kim Shillinglaw would review business plans by April 2022. It was suggested that a Board sub-meeting was arranged to review prioritisations. Gleny Lovell and James Diamond will then report back to the Board before the May strategy meeting.
- 8.15 Abdul Razaq provided the Board with a report on in-year finances. The Board noted:
- There has been a £15.9 million (8%) underspend, evenly split across the organisation. Reasons for this include delays in recruitment and capacity with Defra group Commercial to assist in procurement where no framework agreements exist to allow for call-off contracts.
 - Capital underspend mainly falls within National Nature Reserves.
 - The forecast underspend is 8-15%.
 - Work has been undertaken to identify projects to manage.
- 8.16 In its concluding discussion, the Board noted:
- The need to maintain relationships with certain stakeholders in respect of budget underspends.
 - Delays had occurred in receiving funds for some work areas.
 - The need to engage early where budget underspends are identified.
 - The need to recruit staff at the right levels through a strategic approach and to use

the current year to address resource capacities for future years, while recognising the current difficulties in the labour market.

- The need to use external providers and partnerships as and where necessary to meet current aspirations.
- The need for skills development for those currently at junior roles.
- The need for strategic join-up with Defra.

ACTION: Alan Law / Gleny Lovell / Oliver Harmar to review the Natural England KPIs and PIs for the next three years to better capture the outcomes we are working to achieve and the steps we need to take to get there. Secure advice from Board Members (CD, KTK, PU, KS) in advance of bringing a full proposal back to Board.

9. Updated 21/22 Risk Registers (NEB 106 07)

- 9.1 James Diamond welcomed Rob Caschetto to the meeting and invited Rob to present the risk register to the Board.
- 9.2 Rob set out the corporate risks for Natural England; drew attention to the top three risks; explained that for each risk there are sub-risks identified and asked the Board to review and provide feedback on the risks.
- 9.3 In discussion, the Board noted:
- The updated risk register documents had been presented ahead of the meeting.
 - The need to link climate change with long term business planning.
 - That improvements have been made in the ‘unpacking’ of risks to elucidate these clearer.
 - Concern around mental health and stress of officers and senior leaders, including that related to hybrid working and the stresses of the pandemic.
 - The current register is a snapshot of the position at the end of quarter two.

10. Forward Look (NEB 106 08)

- 10.1 Ken Roy introduced paper NEB 104 08 to the Board and asked for comments.
- 10.2 Ken asked the Board to confirm the intention to convene a Board dinner led by Amanda Craig on the diversification of the environmental sector and on wider issues of inclusion.
- 10.3 Dr Andy Clements suggested that as the next Board meeting will be held on 19 January 2022 and NESAC’s advice on the southern reintroduction of hen harriers would be available prior to this, earlier discussion should be undertaken by the Board. The Chairman suggested that such a session could take place through a video conference.
- 10.4 Professor Michael Winter noted the value of a further opportunity for a deep dive on the Environment Act including Natural England’s new functions and challenges posed.

11. Close and feedback of closed session

- 11.1 The Chairman took feedback from the meeting and briefed the Board on the next steps in respect of the open public session for the confirmation of Swanscombe Peninsula SSSI.