

Board Meeting



Minutes of the **Natural England** Board meeting held on 10 May at the Roots and Shoots, Lambeth, London

Attending

Dr Tony Juniper (Chair)
Professor Mel Austen
Rosamund Blomfield-Smith
Dr Lynn Dicks
Catherine Dugmore
Dr Clare Fitzsimmons
Kerry ten Kate
Henry Robinson
Kim Shillinglaw
Dame Caroline Spelman

Executive Team

Marian Spain	Chief Executive (and ex-officio Board Member)
Kirsty Carter-Brown	Chief Officer, Business Management
Oliver Harmar	Chief Officer Operations
Tim Hill	Chief Scientist
Navroza Ladha	Chief Officer, Legal, Governance and External Affairs
Alan Law	Chief Officer, Strategy

Guests

Edward Barker	Defra, Director, Natural Environment, Trees and Landscapes
Claudia Chambers	Director, National Operations
Sean Cornall	Director, Corporate Governance
Ilana Conn	Defra, Deputy Director, Group Communications
Matt Heard	Director, Strategy and Government Advice
Abdul Razaq	Defra, Group Director of Finance
Adelle Rowe	Director, External Affairs

Apologies

Lord Blencathra
Peter Unwin
David Hill
Kirsten Newble

Item 1 Welcome from the Chair and declarations of interest

- 1.1 The Chair welcomed the Board, Executive and guests to the 115th Board meeting.
- 1.2 Henry Robinson declared that he had applied to be part of a pilot for the Tier 3 Landscape Recovery section of the Environmental Land Management Scheme (ELMS).

Action: Governance Team

Item 2 Review of February 2023 minutes and matters arising

- 2.1 The Board approved the minutes, without any amendments.

Item 3 Board sub-group updates

3.1. Audit, Risk and Assurance Committee (ARAC)

Catherine Dugmore gave an update on the ARAC report and the two accounting solutions, which were being prepared by DDTS and were due to go live in June and Autumn of the current year. Interim measures would need to be clarified before the solutions could be finalised.

3.2. Natural England Science Advisory Committee (NESAC)

Clare Fitzsimmons provided an update which included the work on the technical measures in relation to the 159 Character Areas, which was progressing. The evidence on Avian Flu was sporadic and there were ongoing restrictions on wildlife.

The Board were made aware of the England Scientific Conference that took place on the 29 and 30 March 2023 and that the NESAC Members were all being encouraged to attend.

3.3. Remuneration Committee (REMCOM)

Kim Shillinglaw gave a verbal update on behalf of Peter Unwin Chair of RemCom. She explained that RemCom had supported a pay flexibility case proposal, and that the next steps were for NE Executives to agree this prior to submission to Defra Secretary of State and then Cabinet Office and HM Treasury for approval.

3.4. Joint Nature Conservation Committee (JNCC)

Clare Fitzsimmons provided a verbal update on recent JNCC activities.

3.5. Natural England Landscape Advisory Panel (NELAP)

Rosamund Blomfield–Smith advised the last scheduled meeting had been cancelled due to a rail strike. The next meeting was planned for June. Rosamund requested a pre-meet with Tony and Caroline Cotterell before the June meeting.

Action: Caroline Cotterell

Item 4 Quarterly health and safety update and report

- 4.1. The Board reviewed the incident statistics and analysis for quarter four, particularly noting the progress that had been made and steps still required. The Board was informed that the mandatory H&S training for senior staff had taken place. The Board were encouraged to continue to role model the importance of H&S by asking questions on site visits and feedback observations.

Item 5 Chief Executive's report

Marian Spain presented an overview of the significant and timely issues that had arisen since the last meeting, and provided an update on:

- 5.1 **The Uplands Burning Regulation** – Marian noted the work NE was undertaking, including advising Defra on implementation and enforcement.
- 5.2 **Air Quality** – Marian highlighted that NE was working closely with Defra, on the joint Statutory Nature Conservation Bodies (SNCB) project. [The Nitrogen Decision Framework \(NDF\)](#) highlighted the effects of air quality on SSSI sites and the impact on the [Environmental Improvement Plan targets](#). Further discussions were expected between Marian Spain and the Defra Director General to consider next steps for testing the NDF evidence, to review stakeholder risks and to agree further joint working.
- 5.3 **Site of Special Scientific Interest (SSSI) Condition** - Ilana Conn stressed the importance of the tone and language in any communications, the need to be more joined up and the ability to highlight any issues in advance. Dame Caroline Spelman, agreed with the significance of communications to everyone involved in the designation work but particularly those at the grass roots level, so that they can understand the different issues and were able to progress the work efficiently.
- 5.4 **Q4 Performance**
- Claudia Chambers outlined that although it had been a challenging year, the overall picture was good without any significant surprises. The outturn for the majority of Performance Indicators (PIs) in Q4 was Green and Amber Green, with fewer Amber-Red outturns than in the previous year. Highlights had

included the outturn in relation to the terrestrial SSSI condition assessment target, which had continued to follow a pattern of year-on-year improvement.

- 5.5 Claudia explained that a new performance framework was in development for 2023/24, which would help NE to deliver on the Government's Environmental Improvement Plan targets and provide a more compelling outcome and place-based narrative in delivering nature's recovery. Claudia reported that strong progress had been made in building NE's capacity in 22/23, with continued leadership focus on building our capability, engagement around our ambition and people's wellbeing. NE's FTE and budget has grown considerably this year.
- 5.6 Year on year financial performance has improved, however with some budget handed back to Defra, there have been missed opportunities to deliver outcomes. The discussion with the Board centred on actions required to improve financial performance, including around capability and where there had been issues with recruitment. Board noted that NE's budget would be higher still in 23/24.
- 5.7 **Q4 finance report**
- Abdul Razaq introduced the Finance Report and outlined that although the organisation had achieved a very good outturn (within 1.2% of forecast subject to audit) that it had been a challenging year due to having to plan for significant increases in funding. Overall, capital expenditure had increased by £49m and revenue expenditure had increased by £27m He outlined that there had been challenges, such as the lost opportunity to spend £20 million of the budget, some of which, related to an underspend but also to funds that had been handed back. Abdul recommended that there be a lessons learnt exercise to ascertain the most effective approach to forecasting, because this had been the second year that the organisation had had an underspend.
- 5.8 The comments from the Board centred on the need to have senior management involved in the forecasting and to update the financial and management processes.
- 5.9 The Board also commented on the possible five year wait for a new Defra financial reporting and whether it was possible for NE to obtain a new financial system earlier. Kirsty Carter-Brown would review how best to report financial information in the meantime.
- 5.10 For future meetings, given the increased size and complexity of Natural England's funding it was recommended that a Finance review is included within each meeting with sufficient time for Board discussion.

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Item 6 **2022/23 – Q4 corporate risk register review**

- 6.1 Kirsty Carter-Brown outlined the details of the paper and sought initial comments. She advised the Board that the risk refresh would be initially discussed at the Executive meeting, before going to ARAC with the appetite session coming to Board in July and new reporting from September.

Item 7 **2023/24 Action Plan**

- 7.1 Alan Law led the Board through the detail of the paper. The plan remained in working draft and Alan invited the Board to feedback directly to him any thoughts or comments on content and tone on both the plan and indicative 2023-24 budget proposals.
- 7.2 The Board felt that the tone and language of the Action Plan should be more challenging and include the work on committees, such as NELAP, and Natural England's successes and partnership working.
- 7.3 The Board also requested improved clarity on how the figures were calculated; and that the narrative regarding the KPIs should set out the required resources and how the KPIs were aligned to Natural England's budgets. Perhaps a footnote at the end of the report, to explain the finance and performance indicators would be helpful.
- 7.4 It was agreed the Board and Executives would hold a webinar to progress the 2023-24 budget proposals.

Action: Governance Team

Item 8 **Forward look**

- 8.1 Sean Cornall led the Board through the forward look of meetings and arrangements for the following year.