

Board Meeting

Minutes of the Natural England Board meeting held on 26 July 2023, Crewe



Board Members

Dr Tony Juniper	Chair
Lord Blencathra	Deputy Chair
Prof Mel Austen	
Rosamund Blomfield-Smith	
Catherine Dugmore	
Kerry ten Kate	
Henry Robinson	
Kim Shillinglaw	
Dame Caroline Spelman	
Peter Unwin	
Kirsten Newble (Board Apprentice)	

Executive Team

Marian Spain	Chief Executive (and ex-officio Board Member)
Kirsty Carter-Brown	Chief Officer, Business Management
Oliver Harmar	Chief Operations Officer
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
Ilana Conn	Defra Group communications
Sean Cornall	Director, Corporate Governance
Caroline Cotterell	Director, Resilient Landscape and Seas
Claire Eadington	Director, National Operations
John Holmes	Director, Strategy
Jo Lewis	Team leader, Avon and Wiltshire
Jane Piccaver	Defra Group finance
David Renwick	Regional Director North
Louise Trenaman	Senior Reserve Manager for Mendip and Avon
Rachel Williams	Acting Area Manager, Wessex

Apologies

Dr Clare Fitzsimmons
Dr Lynn Dicks

Item 1 Welcome from the Chair and Declarations of Interest

- 1.1 The Chair welcomed the Board, Executive and guests to the 117th Board meeting.
- 1.2 Catherine Dugmore declared an interest as Board Member of Housing 21.

Item 2 Review of 10 May 2023 Minutes and Matters Arising

- 2.1 The Board approved the minutes, subject to the change requested:
 - Amend section 3.3 NESAC to reflect that two items referenced were separate items.

Action: Governance Team

Item 3 Board sub-group updates

Audit, Risk and Assurance Committee (ARAC)

- 3.1. Catherine Dugmore provided an update following the meeting on 24 July regarding the Annual Report and Accounts (ARA) and noted that it was nearing completion. She explained that the ARA was expected to be laid in October 2023.
- 3.2. Catherine stressed the need for Board to review the full report and asked that particular attention be paid to the Chair and Chief Executive statements and the forward look of meeting dates to review the report.

Natural England Science Advisory Committee (NESAC)

- 3.3. Tim Hill provided the update on behalf of the NESAC Chairs, Lynn Dicks and Clare Fitzsimmons. He reminded the Board of NESAC's role and scope to accept commissions from Board to assist in decision-making. He appraised the Board on papers brought to NESAC on Natural England's monitoring strategy and on farmland, agricultural systems and nature recovery, noting that the methodologies employed had been warmly endorsed by NESAC.
- 3.4. Tim advised the Board that there would be a review of the NESAC Terms of Reference later in the year.

Remuneration Committee (REMCOM)

- 3.5. No meeting was scheduled to have taken place since the Board last met. The next meeting of the sub-committee would be on 30 August.

Joint Nature Conservation Committee (JNCC)

- 3.6. JNCC met on 7-8 June and discussions focussed on the [UK Global Biodiversity Framework Response](#). Tony Juniper acknowledged the importance of this work by JNCC on behalf of the four UK countries.

Natural England Landscape Advisory Panel (NELAP)

- 3.7. NELAP met on 12 and 13 June. Rosamund Blomfield-Smith reflected on the quality of the NELAP discussions and outcomes. She particularly noted the role of Natural England to map out the contribution of other public bodies (e.g. Ministry of Justice, Ministry of Defence) to the [Nature Recovery Network](#), Environmental Improvement Plan (EIP) and 30 by 30 targets.
- 3.8. It was noted that NELAP would consider its Terms of Reference in the wider context of the new National Landscape Partnership (NLP) arrangements, with a view to sighting Board on any issues/overlap at November 2023 Board meeting.

Action: Caroline Cotterell

Item 4 Chief Executive's report

- 4.1. *Biodiversity Net Gain (BNG)*: Marian Spain explained that a Defra announcement was expected imminently, which would be supported by a Natural England blog. Ilana Conn agreed to ensure that Natural England's actions were included in the communications handling plan. It was noted that ARAC had expressed concern regarding the resources required to operate the BNG register. Alan Law explained that Board will need to formally approve the fee arrangements in due course and the accounting treatment impact on the NE balance sheet would be included in the Board briefing on 1 August.
Action: Alan Law/Mike Burke
- 4.2. *Landscape Recovery Scheme*: Alan Law and Ilana Conn were asked to confirm when there would be more clarity from Defra on what would be included in this scheme.
Action: Ilana Conn/Alan Law
- 4.3. *Hen Harriers*: Navroza Ladha noted a potential legal challenge. Tony Juniper reflected on a recent visit to see progress against the Hen Harrier Action Plan; and Marian Spain explained that further consideration by the Board would be required in the next 12 months.
- 4.4. *Penwith Moors SSSI*: Oliver Harmor explained that a lessons learnt exercise would be conducted and overseen by him and Kirsty Carter-Brown.
- 4.5. **The Board requested** the report from the lessons learnt exercise and the action plan be presented to the Board in late 2023.
Action: Oliver Harmor / Kirsty Carter-Brown
- 4.6. **The Board requested** a follow up meeting with stakeholders in June 2024 (i.e. one year on from the SSSI confirmation decision).
Action: Oliver Harmor
- 4.7. *Media coverage*: The Board noted recent negative media coverage and the need for clear, strong lines to take and close working with stakeholders was stressed. **The Board requested** real-time updates on hot topics, including media rebuttals and briefings.
Action: Adelle Rowe

Item 5 2023/24 Quarter 1 Performance: Chief Operating Officer's report

- 5.1 Oliver Harmar introduced Claire Eadington and David Renwick to lead the item; and explained that a new, simpler performance reporting framework had been developed. He noted that there was more work to be done to enable the pack to better describe the bigger picture outcomes. He summarised that performance had been steady; there had been skills challenges; and the number one risk related to reputation.
- 5.2 Claire Eadington explained that the new action plan had a smaller list of priorities and that teams had been given flexibility on how to use their resource. She noted that while the initial outlook was cautiously positive, deep dives would be necessary to better understand some cross-cutting issues. She described the partnership working which was driving forward some significant areas of delivery; and the surge response which was needed for general licensing.
- 5.3 The Board congratulated the team on the progress made with the new performance reporting format, noting the importance of the golden thread to enable staff to meet targets without micro-management. Questions and concerns were raised about: specialist skills required for some roles (e.g. data analysis); increases in absences; capital budget profile; how underspend was being managed; and the lack of references to National Nature Reserves (NNRs) in the reporting.
- 5.4 Oliver Harmar was asked to consider how to present NNR partnership delivery to better reflect the important role NNRs play as a key national asset and part of NE delivery.
Action: Oliver Harmar
- 5.5 Kirsty Carter-Brown explained that the People Committee was examining the skills and capabilities issues and the management information around this. This would include the specific issues regarding data and digital analysis.
- 5.6 Ilana Conn was asked to provide an update to the Board on the proposals and investigate the possibility of expanding this concept to include NNRs. Ilana was also asked to consider providing an update on the National Trails website.
Action: Ilana Conn

Item 6 2023/24 Quarter One Performance: finance report

- 6.1 Oliver Harmar summarised the state of play regarding the Revenue (RDEL) and Capital (CDEL) budgets. He explained that RDEL budget was divided into 70 percent pay and 30 percent programme. In previous years Natural England had had an underspend due to lower than anticipated headcount. Currently Natural England was closer to the target headcount and the challenge was to make better use of the available resource.
- 6.2 For the CDEL budget, Oliver explained that 80 percent was judged as amber or amber-red on the capital forecast, with a potential £13.4m underspend. He explained the actions which were being taken to address the underspend issues including: appointment of an interim Director (David Drake) to look for innovative approaches and flexibility with Defra; possible alternative opportunities for investment and agility; and better understanding of risks with Defra Group Commercial. He explained that David Drake would work closely with other Directors to address any optimism bias in their financial forecasting.

- 6.3 **The Board requested** that proposals should be developed for a more strategic and agile approach to financial management, including a longer-term approach (rather than year-by-year); for a financial management risk to be added; and that a sub-set of the Board Members would be engaged potentially via the Strengthening Delivery Steering Group.
- Action: Oliver Harmar / Kirsty Carter-Brown**

Item 7 2023/24 Quarter One Performance: health and safety report

- 7.1 Claire Eadington reported on the positive progress made on Health and Safety management. She specifically noted: the audit outcomes that indicated ‘green shoots’ of culture change; recent workshops on tree and visitor safety; the launch of the health and safety strategy and benchmarking which had been positively received by teams. Claire also agreed to add safeguarding information to the report going forward.

Item 8 Mendip Hills NNR proposal and approved body recommendation

- 8.1 Rachel Williams outlined the proposal to declare the Mendip Hills NNR (National Nature Reserve). She explained that this would bring together two existing NNRs with additional land owned and managed by partners.

- 8.2 In accordance with s35(1) of the Wildlife and Countryside Act 1981 and the non-financial schemes of delegation **the Board: unanimously approved** the declaration of the [Mendip National Nature Reserve \(NNR\)](#); and **agreed** Avon Wildlife Trust, The Longleat Estate and South West Heritage as the Approved Bodies for management of the NNR.

- 8.3 The Chair summarised the work as an exemplar of “excellent partnership” and noted how it would fit into the larger landscape.

- 8.4 **The Board requested** that:

- Regarding this specific NNR, the Area Team should add in Key Performance Indicators such as numbers of visitors to the site to measure the success of the project.
- In future, the declaration paper should include information on any prior stakeholder engagement with major NNR landowners.

Actions: Oliver Harmar (Claudia Chambers/Claire Eadington)

- 8.5 **The Board requested** further that Natural England should:

- Consider a long-term strategic plan for how to make NNRs more financially viable, including those that are privately owned.
- Consider the evidence regarding ‘super’ NNRs, including whether they are achieving the desired collective outcomes.
- Consider whether there is scope for any formal evaluation of effectiveness of NNRs.
- Add an item on the forward look to review the approach and strategy of NNRs.

Actions: Alan Law/Caroline Cotterell

- 8.5 Tony outlined plans to align the announcement of the NNR declaration as a second in the series with the [HM King Charles III coronation NNRs](#).

Item 9 KPI A Deep Dive

- 9.1 Caroline Cotterell introduced the first of a series of strategic examinations of Natural England's Key Performance Indicators (KPIs). This first deep dive was on KPI A – 'Restoring and enhancing the health of our ecosystems and the natural beauty of our landscapes'. Caroline reported that this work had been given a recent boost by the new Nature Recovery Projects. She explained that generating further nature recovery initiatives, at scale, would be crucial to meeting ambitious Government targets to tackle the nature and climate crises.
- 9.2 After walking the Board through the current state of play, Caroline Cotterell ran an interactive session in which the Board was asked to consider the role of protected sites in driving ecosystem recovery. The discussions focussed on Sites of Special Scientific Interest (SSSIs)
- 9.3 The Board was asked what changes in the short term (three years), medium term (five years) and long term (ten years) they felt would be most important to maximise protected sites' contribution to ecosystem recovery.
- 9.4 In response **the Board requested** that NE should look at the wider landscape context and how these sites sit within the Nature Recovery Network. It was stressed that although NE had to be mindful of underpinning legislation, progress needed to be made quickly with some shorter-term fixes being put in place. The Board stressed SSSIs should be used to build connectivity and enable dynamic systems that support nature to positively adapt to the challenges of climate change. Understanding the state of ecosystems, as well as sites, would be important for this.
- 9.5 **The Board requested** new ideas and incentives to change perceptions of a SSSI as a liability to that of an asset. The Board stressed the importance of green finance and the need for clarity on all the different nature protection and recovery tools (not just SSSIs) and how these could be used in different scenarios and geographical priority areas.
- 9.6 It was noted that creating trust and joint leadership with stakeholders around the future direction of protected sites work would be key.
- 9.7 The requests from the Board would be considered in SSSI strategy development.

Action: Alan Law

Item 10 Board risk appetite

- 10.1 Sean Cornall introduced the paper, recognising the significant work which Rob Caschetto had carried out. He described the concept of 'risk appetite' and the exercises which had been carried out with the Executive and the Board and presented the results which was under-pinned by and compliant with the approach set out in the HMT Orange Book on risk management.
- 10.2 Many of the Board members commented that they felt that they had a greater risk appetite on several specific issues than these results showed, but they reflected that the exercise had been difficult because the categories had been too aggregated and generic to enable meaningful responses. It was noted that therefore the 'middle ground' had often been selected. Some of the reticence for risk was also explained as due to the need for caution because Natural England was a public sector body.

- 10.3 **The Board did not agree** to setting a risk appetite at this time against the risk centres. The Board requested that Sean Cornall scrutinise the risk data more fully and re-consider how best to aggregate them. In the meantime, the Board would continue to receive its existing risk performance reporting.

Action: Sean Cornall

Item 11 Board governance - champion and ambassador roles

- 11.1 Sean Cornall summarised the proposals for Board members to take on Board ambassador roles and national champion roles linked to Chief Officer Groups within Natural England along the same model as Board Members are linked to area teams. **The Board agreed** to take on the role of ambassadors as required and to be matched to Chief Officer Groups as national champions.
- 11.2 In general, there was positivity about the concept of ambassadors provided the Board members were appropriately briefed in advance of any engagement events with consideration being given to the call on Board Members' time. On National Champions the Board recognised that some flexibility might be needed when appropriate.

Item 12 Board forward look

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