

# Board Meeting

## Minutes of the **Natural England** Board meeting held on 15 May in York

### Attending

Dr Tony Juniper	Chair
Lord Blencathra	Deputy Chair
Prof Mel Austen	
Prof Lynn Dicks	
Prof Clare Fitzsimmons	
Henry Robinson	
Kim Shillinglaw	
Dame Caroline Spelman	
Peter Unwin	
Lizzy Campbell (Apprentice)	

### Executive Team

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

### Guests

Claudia Chambers	Director, National Operations
Sean Cornall	Director, Corporate Governance
Amanda Craig	Director, Resilient Landscapes and Seas
Mike Cuthbert	Director, Planning and Performance
Jen Garrett	Defra Group, Director Human Resources
Edward Barker	Defra Director, Natural Environment
Abdul Razaq	Defra Group, Director of Finance
Adelle Rowe	Director, External Affairs
Brad Tooze	Director, Greener Farming and Fisheries
Ruth Waters	Director, Evidence

### Apologies

Catherine Dugmore	Board Member
Kim Shillinglaw	Board Member
David Hill	Defra, Director General, Environment Rural and Marine

## **Item 1 Welcome from the Chair and Declarations of Interest**

- 1.1 The Chair welcomed the Board, Executive and guests to the 122<sup>nd</sup> Board meeting.
- 1.2 Apologies were received from Catherine Dugmore, Kim Shillinglaw and David Hill.
- 1.3 There were no changes to the Register of Interests and no Declaration of Interests, reported.
- 1.4 The minutes of the meetings, held on Wednesday 21st February and 17 April, were accepted as a true record.

## **Item 2 Chief Executive's Report**

### **Hot Topics**

- 2.1 Marian Spain presented an overview of the significant and timely issues that had arisen since the last meeting and gave updates on the following topics.
- 2.2 **Badger Licences:** The situation regarding Supplementary Badger culling licences was noted together with the latest advice that Natural England had provided on the evidence for vaccination as an alternative to culling.
- 2.3 **Nutrient Neutrality:** On 10 May at Lyscombe Farm, Dorset, a Nutrient Mitigation Scheme (NMS) was announced for Poole Harbour to enable the building of 3,700 new homes. In addition, Natural England is partnering with Dorset Wildlife Trust using a combination of National Nature Reserve (NNR) and NMS budgets and private finance to create a new nature reserve. Acquisition by Natural England and Tees Rivers Trust of 160ha of habitat at Galley Law in the Tees catchment will provide credits for approximately 4,600 homes. Other estimated credit sales milestones are expected for: Somerset (September); Norfolk Broads; (September), Tees (October). Natural England will continue to work with Local Planning Authorities (LPAs) to complement their schemes, e.g. reverse osmosis systems to generate significant temporary mitigation for Norfolk (Broads and Wensum catchments).
- 2.4 **Spending Review**

Natural England continues to engage with Defra on priorities for investment in the next Spending Review. It is not yet clear whether this will be a one-year rollover or a full 3-year process. In either case, a possible squeeze in public sector finances with cuts for non-protected departments like Defra is likely to create tensions in ability to meet the statutory targets.
- 2.5 **People**

It was noted that the staff full-time equivalent (FTE) numbers would be managed down by attrition and an internal assignment process established in consultation with the Trades Unions. This would enable people to move from work areas which need to shrink, to new opportunities in growth areas. The organisation is recruiting externally only where there are no suitably skilled individuals available internally.

## 2.6 **Equality Diversity and Inclusion (EDI)**

Natural England is exempt from guidance on EDI expenditure as we are public servants and NE staff are not affected. The organisation is working to better understand the implications on how we do things, as the guidance applies to those we work closely with to deliver EDI, such as core Defra.

The EDI Expenditure guidance places a focus on value for money - Natural England has always sought to ensure its EDI activity is both impactful and cost-effective, and the organisation will be undertaking a further review to ensure that we maximise the benefits of this work to both staff and the organisation as a whole.

## 2.7 **Beaver wild releases**

Natural England are expecting an announcement from Defra to allow a small number of beaver releases and to allow management of existing populations. The organisation has live applications for a) release of a small number of beavers to reinforce the genetic health of the existing River Otter population in Devon; and b) release of up to six family groups into catchments at Purbeck in Dorset.

## 2.8 **Biodiversity Net Gain (BNG)**

It was noted that Natural England were working with Defra to prepare for the National Audit Office's report on the implementation of statutory BNG, due 17 May. Natural England largely welcomes the fair overview of BNG's successes, and the work required to address some outstanding challenges such as a slow update of the site register.

## **Item 3 Quarter four Performance Reports**

### Performance Report

3.1 Oliver Harmor summarised the key headlines from the report, which were that the organisation:

- Has had a generally successful performance year with a few exceptions. Across the year Natural England has actively tracked performance, making choices on how to use resources and what mitigations to put forward. Success has been underpinned by the hard work and professionalism of staff though, at times, the pace and required agility has impacted upon wellbeing.
- At Q3 it was reported the potential for a significant revenue pressure. Following intense work by teams across the business, supported by Defra Finance, the pressure was down from £12.7m at Q3 to £3.2m at year end. This was achieved by a concerted cross-business approach which considered all opportunities to reduce or defer revenue spend.
- Whilst 23/24 delivery has been good, the outlook is more challenging. In the near-term Natural England faces a significant challenge to balance finances, resources and outcome performance. Ability to deliver reform at pace will be critical to get on track. In the longer term, good progress has

been made against many of in year performance metrics, there are still major issues impacting nature. Five of the six Key Performance Indicators (KPIs) have outlooks that are Amber Red.

3.2 In discussion the Board reflected on the report and noted the following:

- The Board felt that the organisations 2023/24 delivery was good and noted the challenges that were managed in-year.
- The Board asked when the next tranche for Nature Recovery Projects (NRPS) would start, and Alan Law confirmed that it would commence from March 2025.
- The Board asked for an update on the Marine monitoring work area. Claudia Chambers outlined the need to improve the data that underpins marine condition assessments to reform how this work is done. But marine skills were a limiting factor as it is a difficult area to recruit staff into, as the market is highly competitive.
- In regard to the People metrics, the Board noted the turnover in the 0-2 year category and stressed that it would be important for the organisation to adapt to match the changing jobs market.
- Jen Garrett outlined that some staff may only stay in the organisation for two years and in addition, the Staff Framework team are ensuring that the job descriptions are correct for all roles – this should help applicants understand the role they are applying for.

### 3.3 **Actions from the Quarter Four Performance Report**

- The Board requested an update on the Change Programme. **Kirsty Carter-Brown, Matt Heard and David Lowe**.
- The Board asked that the team explain which organisations staff are leaving to, for the next update on the People performance Report. **(Jen Garrett and James Diamond)**.
- The Chief Officer Operations report – Natural England to consider running an event with the Local Government Association (LGA) at end of year (Dec) on Local Nature Recovery Strategies **(Amanda Craig)**.
- The People survey results and actions should be shared with the Remuneration Committee (REMCOM). **(Corporate Governance)**.
- REMCOM to discuss how to adapt to a more dynamic workforce (reflecting the staff turnover).

#### Finance Report

Abdul Razaq introduced the session and outlined the following:

- The final outturn (subject to audit) is £281.0m, this represents a £3.2m underspend against the adjusted year end budget position of £284.2m.
- The revenue outturn was £3.2m overspend - lower than our agreed tolerance of £3.5 - 4.0m overspend.
- The capital outturn was £6.4m underspend – due to low grant scheme take up on Coastal Path, Peat Grant Scheme and a land purchase falling through.

- The year end FTEs (fixed-term equivalents) exceeded the 2023/24 P9 revised target (3,009.2) by 51 FTEs. Adjusting for Fixed-Term Appointments/Short-Term Appointments leaving, 1 April 2024 position was 3,040.6, this is 31.4 FTE over.
- A risk of year end overspend was reported at the half year point resulting in a Q3 revenue pressure of c£11.7m and the actions agreed to mitigate the overspend by year end were supported by outturn being below forecasts.
- The lessons learned from the in-year BNG (Biodiversity Net Gain) issue have been actioned in the 2024/25 Business Planning.
- All Defra GiA funding included in the 2024/25 Business Plan was signed off by Defra Policy and Defra Business Planning and Sponsorship Teams.

3.3 In discussion the Board reflected on the report and noted the following:

- The Board felt that the information in the report provided a useful update on the financial position in the organisation but the Board wanted to know how much of the detail, had been disseminated to all the staff.
- Kirsty Carter-Brown stated that everyone in the organisation should have had a good awareness on the financial position. The budget holders and the leadership team have played an important role in this. A communication note, explaining the financial position and its implications will be sent to all staff in due course.

## **Item 4 Quarter Four Health and Safety (H&S) Report**

4.1 Claudia Chambers introduced the session and highlighted that the purpose of the paper was to provide the Board with incident reporting for quarter four (Q4), and the Board were asked to note that:

- Continued trend of high level of leadership engagement on H&S as demonstrated by the roll out of the H&S strategy and anecdotal feedback on the quality of conversations people are having with the H&S team.
- Work related stress continues to be the highest risk and there is a significant increase in incidents this quarter. It is encouraging to see an improvement in near hit reporting for work-related ill health (WRIH), but there is also an increase in stress incidents. Trends relate to pressure, workload, recruitment, and IT rather than the anecdotal feedback of business planning.
- Natural England needs to improve performance on near hit reporting and the timeliness of investigations.

4.2 In discussion the Board reflected on the report and noted the following:

- The Board reflected on the number of stress incidents and queried what triggers a report. Claudia Chambers outlined that the information on stress incidents and near hits is based on self-reporting. Root causes of stress incidents can be complex to identify. They often relate to issues that happen at work and outside of work. In addition, bullying and harassment incidents are sometimes reported as causing stress. Individual staff have different tolerance levels, in relation to stress.

- The Board reflected on data which highlighted that staff suffered bullying and harassment, both internally and externally and they felt that it would be important to ensure staff are trained to deal with these incidents.

#### 4.3 **Actions from the Quarter Four Health and Safety Report**

- Natural England to consider how to distinguish between bullying and harassment statistics from internal sources versus external sources for future people reports (**Jen Garrett**).

### **Item 5 Quarter Four Risk update**

5.1 Sean Cornall outlined the Q4 risk position and asked the Board to note the updates to individual corporate risks and how our corporate risks have changed from Q1 to Q4 2023-24, and to review the findings generated from an analysis of the three strategic risk themes brought to Board in February, to ensure we are responding to them appropriately.

5.2 In discussion the Board reflected on the report and noted the following:

- The Board felt that the organisations' ability to address opportunities and to communicate externally was limited by the lack of an individual website. Adelle Rowe outlined that there was an action from the previous Board meeting to consider this and the Board will be updated in due course.
- The Board liked the heat map, as it highlighted the increases and decreases in key areas of the business such as keeping people safe but they felt that it would be good to use the heat map to explain these differences and to outline future risks.

#### 5.3 **Actions from the Quarter Four Risk Report**

- Natural England to include in reputational risk a component about Natural England having limited capability to communicate adequately through external constraints (for example no funding or support for a website) (**Sean Cornall**).
- Natural England to consider how to include forward assessment/ prediction of risks on heatmap (currently only past and present). (**Sean Cornall**)

### **Item 6 Business Planning and 2024/25 Reporting Framework**

6.1 Alan Law introduced the session and the Board were asked to approve the Natural England 2024/25 budget, Business Plan, and Performance Framework. The Board were asked to note:

- the residual risks/issues to the 2024/25 budget and be assured that any significant developments will be brought back to the Board.
- that updates on 2024/25 Business Plan delivery will come to the Board via the quarterly performance reports in-year.

6.2 The Board discussed when Natural England would receive the letter from the Secretary of State, which outlines the organisation's future work and it was

confirmed by Edward Barker, that this would be received by Thursday 16th May.

- 6.3 The Board noted and agreed the 2024/25 budget, the deliverability of the Business Plan, noting there will be residual risks to delivery in some areas even after mitigating actions taken, and that the Action Plan will be written after the Board meeting and can have delegated sign-off to the Natural England Executive Committee.

## **Item 7 Annual Report and Accounts 2023-24 Version 1 draft of Chair and CEO statement**

- 7.1 Sean Cornall took the Board through this year's Annual Report and Accounts (ARA) which is running to a tight deadline to enable Natural England to lay the closing year's accounts in September/October this year; and which will subsequently allow the accounts to be laid each July as is common practice.
- 7.2 The Board was invited to comment on the tone and key messages contained within the Chair's foreword and Chief Executive statement and to note that the ARA v1 is being finalised and will be completed ready to submit to Auditors on the 20 May 2024 and the ARA v1 will return to Board and be delegated to Audit, Risk and Assurance Committee (ARAC) 31<sup>st</sup> July 2024.
- 7.3 The feedback from Board members will be incorporated into an updated version of the ARA.

## **Item 8 Landscape Recovery**

- 8.1 Brad Tooze introduced the session and outlined that the ask from the Board was to approve the following:
- To act as sole Accounting Officer (AO) for the Project Implementation Phase of Landscape Recovery (LRPIP) for the pilot period of the Outline Business Case 3 (OBC3) (July 2024-26).
  - To continue as joint AO with the Environment Agency for Round 3 of Landscape recovery Development grants.
  - To confirm that Marian Spain can sign off the Memorandum of Understanding (MOU) with Defra, with support from the ARAC Chair once arrangements have been approved by Defra's Investment Committee and by His Majesty's Treasury (HMT).
- 8.2 In discussion the Board reflected on the report and noted the following:
- The Board commended the paper for its clarity and noted the risks and the work that is ongoing to manage these and to establish fit-for-purpose governance processes. The Landscape Recovery team confirmed that they are continuing to work closely with the organisation and Defra group partners in these areas and also noted that there will be a monitoring and evaluation plan for each project.
  - The Board asked how the funds would be spent. Alan Law confirmed that the funds would be spent by the third parties, in accordance with the project plans that they develop and which Natural England approve. The organisation would be a facilitator of the project, rather than a deliverer.

Alan also confirmed that third parties would be responsible for sourcing match funding, not Natural England.

- The Board felt that more clarity was needed on how the funds would be spent. Alan Law confirmed that the funds would be spent by the third parties and the organisation would be a facilitator of the project, rather than a deliverer.
- The Board also felt that it would be important to outline the connection between landscape recovery and green finance.
- The Board approved the business case and that Marian Spain can sign off the MOU with Defra.

## **Item 9 Possible options for National Park designation in Summer 2024**

9.3 Amanda Craig introduced the session and summarised the options in the paper. She asked the Board to

- Consider and advise upon their aspirations for designating a new National Park in England, in context of current opportunities, constraints and risks.
- Provide a steer on the proposed next steps.

9.4 The Board endorsed the following approach:

- Natural England to draft a reply letter to the Secretary of State based on 'Option 1: National Parks in new types of location (under amendment or new legislation)', alongside 'Option 2: A new National Park in a traditional type of location', seeking legal advice as needed.
- There should be new legislation (preferred), as set out in Option 1.
- The traditional National Park, which is included under the current legislation (was not preferred) using the 1949 Act.
- Include information on finance implications and timeframes involved in naming and establishing a new national park.

## **Item 10 KPI E Deep Dive**

10.1 Ruth Waters introduced a deep dive into KPI E (Marine and Sites of Special Scientific Interest SSSI Monitoring targets). The Board was asked to consider how to ensure that Natural England has the evidence needed to accelerate nature recovery, ensuring that its evidence and advice is of high quality, the evidence infrastructure and systems are fit for purpose and that data are available and useful for staff and partners.

10.2 In the introduction Ruth outlined that KPI E is supported by Natural England's Science, Evidence and Evaluation Strategy ([SEE Strategy](#)) which is in the final year of its five-year term. This strategy set out the ambition to be an evidence-led organisation and describes the key areas of focus. These include the use of best available evidence, using evaluation to understand what works, building technical capability across the organisation and using science and evidence to identify opportunities and innovation for better nature outcomes. Whilst there has been progress across these four areas to become evidence-led, there is still a lot more to do.

10.3 In discussion the Board reflected on the report and noted the following:



- There is a need to communicate and maximise the impact of our science, evidence and analysis to best effect for nature recovery, while avoiding being seen as a blocker.
- Natural England has a track-record of technological innovation and operationalising new technologies, such as environmental DNA. The Board noted the growth in technologies such as Artificial Intelligence and acoustic monitoring, and the need for the Science and Evidence Portfolio to be resourced adequately to exploit these opportunities. There was also a need to more rapidly deploy these on the front-line.
- Being evidence-led remains vitally important to Natural England's reputation and impact, and this should be reflected in Natural England's new Strategy.
- The Board discussed whether enough was being achieved through partnership, with academia and also with other sectors.
- Recognising that this year's Business Planning had led to a minimum core scientific capacity being commissioned, the Board advised that there is a need to balance those areas of advice and expertise currently required by Portfolios with the maintenance of a core science, evidence and analytical capability that can respond and flex to in-year needs. There is also a need for capacity to build the evidence to underpin nature recovery into the future.

10.4 The Board welcomed and congratulated the team on a detailed and informative paper.

## **Item 11 Governance update**

11.1 Sean Cornall introduced the session and outlined that the next Board meeting will be on Wednesday 31 July, with the agenda focusing on the quarterly updates and a KPI deep dive. He explained that the new Board members induction session will take place on Thursday 30 May.