

Natural England

Annual Report and Accounts

1 April 2024 to 31 March 2025

HC 1792

Natural England

Annual Report and Accounts
1 April 2024 to 31 March 2025

Presented to Parliament pursuant to Paragraph 25 of Schedule 1 to the
Natural Environment and Rural Communities Act 2006.

Ordered by the House of Commons to be printed on 15 April 2026.

HC 1792



© Crown copyright **2026**

This publication is licensed under the terms of the Open Government Licence v3.0 except where otherwise stated. To view this licence, visit nationalarchives.gov.uk/doc/open-government-licence/version/3.

Where we have identified any third party copyright information you will need to obtain permission from the copyright holders concerned.

This publication is available at www.gov.uk/official-documents.

Any enquiries regarding this publication should be sent to us at enquiries@naturalengland.org.uk

ISBN 978-1-5286-5932-1

E03420127

04/26

Printed on paper containing 40% recycled fibre content minimum.

Printed in the UK by HH Associates Ltd. on behalf of the Controller of His Majesty's Stationery Office.

Contents

Chair's foreword	4
Chief Executive's statement	6
Performance report	9
Performance summary	13
Performance analysis	14
Risk analysis	20
Sustainability report	24
Taskforce on Climate-related Financial Disclosures	29
Financial performance	32
Accountability report	34
Corporate governance report	35
Governance statement	37
Remuneration and staff report	45
Parliamentary accountability and audit report	61
Financial statements	68
Statement of Comprehensive Net Expenditure for the year ended 31 March 2025	69
Statement of Financial Position as at 31 March 2025	70
Statement of Cash Flows for the year ended 31 March 2025	71
Statement of Changes in Taxpayers' Equity for the year ended 31 March 2025	72
Notes to the financial statements	73

More information on our work, including statistics on subjects in this review, can be found on our website [gov.uk/natural-england](https://www.gov.uk/natural-england).

Chair's foreword

Reflection on the year and challenges

This year has seen a renewed focus on the importance of growth – growing both nature and the economy. It reflects the arrival in July 2024 of a new government which has been clear that economic growth and building more homes are national priorities that must be delivered together with nature recovery. Much of Natural England's work over the year has been to support the new administration by ensuring that restoring the natural world is at the heart of plans for a more prosperous country, driving them forward and not holding them back.

Our reliance on nature for all our life support systems, from water, food and air to the regulation of our climate and the provision of places for people to enjoy, is becoming increasingly understood and evaluated, not least through the work of Natural England's scientists who published the [State of Natural Capital Report for England 2024](#) in October 2024. This groundbreaking research brought together the best evidence about the condition of our ecosystems, from mountain to sea, the implications for the benefits provided and the measures needed to secure these benefits. It is exactly the kind of practical, robust guide needed to help decision-makers bring nature into the heart of their planning.

Restoring these national assets which underpin our economy and our way of life requires strategic thinking and an ability to make the most of the synergies that exist between many of the country's most pressing priorities, including more places to live and work, food security, energy sustainability, healthier rivers, and resilience to flooding, drought and extreme heat. This will be particularly important in the context of tightening public finances and Spending Review 2025, which reflects the growing global headwinds.

We have been working with government to help develop that high-level thinking in a number of policies during 2024-25, particularly in the Planning and Infrastructure

Act 2025, which aims to ensure that we have more housing and more nature through better



strategic planning and better ways for developers to compensate for unavoidable damage to protected sites and species.

Restoring nature to underpin sustainable economic growth, a healthy population and food security in the face of a changing climate is one of the biggest challenges of our age. At Natural England we have been gearing up to meet this by implementing a new strategy to ensure that we and our partners can work together to recover nature. Entitled "[Recovering Nature for Growth, Health and Security](#)", it has been produced with extensive input from stakeholders to guide our evidence-driven work over the coming years. The support from government in this reprioritisation has been very welcome.

Our Board have been instrumental in setting the new course for Natural England, helped by the fresh perspective brought by four new board members who were appointed during the year.

The new strategy, launched in autumn 2025, focuses our work at a more strategic level where our positive influence on nature recovery will have impact at a greater scale. At the same time, we are removing barriers to allow partners delivering on land and sea to increase the pace of restoring nature.

As the government's statutory adviser and guardian of the natural environment, we recognise the need for regulation to move beyond protection to driving recovery at scale across land and sea – one of the key points

to emerge from [an independent review of Department for Environment, Food and Rural Affairs \(Defra's\) regulatory landscape](#) conducted by Dan Corry.

Even with all this change it was important for Natural England to continue delivering for nature through our partnerships. A personal highlight of the year was the much-anticipated policy allowing the return of beavers to our wetland after an absence of more than 400 years. This was built on our work with a number of government agencies and partners to establish the science, evidence and regulatory framework needed to enable wild living beavers to be reintroduced and begin driving forward nature recovery in their distinctive way.

History was also made in the farming sector where the Oxford Farming Conference and its younger sibling, the Oxford Real Farming Conference - which focuses on regenerative farming - were brought together for the first time in 15 years. At a joint dinner I was reassured to see first-hand how different approaches to farming are increasingly aware of the common ground they share, not least in relation to the pressing need to address nature decline and climate change to improve food security and farm profitability.

2024 also saw the launch of the first Local Nature Recovery Strategy (LNRS) in Bristol, which is bringing together the local government, farmers and other businesses, and people and organisations with the ambition and ideas to make nature recovery happen in a way which meets the needs of those living and working there. I hope the West of England Nature Partnership can inspire the other 47 LNRS being completed in 2026.

At the same time, Natural England kept pace with the ambition of declaring five new or extended National Nature Reserves (NNRs) each year as part of the King's Series. These include Bradgate Park and Swithland Wood NNR which showcases wonderful geology, woodland, heathland and insects just a short

distance from Leicester. It illustrates the people-orientated approach of many of our new NNRs, with its partners dedicated to making nature and its wonders accessible to people from all backgrounds, helping them to enjoy the health and wellbeing benefits of the natural world. And we continue at pace to completing the King Charles III England Coast Path which will be the longest continuous coastal trail in the world, bringing much needed tourist income to our coastal communities.

In the marine environment, some of the country's most important seabed sites have been helped through Natural England's support for the five-year LIFE¹ Recreation ReMEDIES² project. The research and partnerships it has yielded will put our seagrass and maerl bed habitats on a more secure footing in the future.

On 17 March 2026, Marian Spain announced her intention to retire from her role as Chief Executive and Accounting Officer for Natural England. Marian has been an exceptional leader for Natural England during a period of vital transition and unprecedented ambition for our natural environment. Her unwavering commitment, strategic vision and deep understanding of both the ecological and administrative complexities of nature recovery have been invaluable. We owe her a great debt of gratitude for her tireless service and the robust foundation she leaves behind

The skill and dedication of Natural England staff in bringing about these achievements through the many fruitful partnerships they have built always inspires me. I would like to finish by thanking them and looking forward to the great strides we can make with our partners over the next 12 months towards ensuring that sustainable growth and a healthy society have thriving nature at the core.

Tony Juniper
Chair
Natural England

¹ LIFE (L'Instrument Financier pour l'Environnement)

² ReMEDIES (Reducing and Mitigating Erosion and Disturbance Impacts affecting the Seabed)

Chief Executive's statement

With the launch of [Recovering Nature for Growth, Health and Security](#), Natural England's new strategy this is an opportunity to take stock of the shift in our focus over the last four years - acting at scale and working in partnership with a wider range of stakeholders to achieve our shared objectives – as well as what we have achieved during 2024-25.

We are building on these principles as we look to the future and develop even more strategic, collaborative ways of working, being shaped also by the policies of a new government and its mission-led approach and the priorities of (Defra) Ministers.

We continue to support that collective effort through our work across our six portfolios: Resilient Landscapes and Seas, Connecting People with Nature, Greener Farming and Fisheries, Sustainable Development, Science and Evidence and Managing the Organisation. You will read more on our achievements below.

Our people and organisation

We have continued to rely on the expertise and dedication of our staff, as we seek to create a workforce focused on delivery, empowering our people to work in an agile, outcome-focused way and embrace change. Entering the last year of the Spending Review settlement, our budget remained stable but along with other parts of the public sector, we continued to see the impact of inflation on our available resources and have had to make ongoing efficiencies at the same time as needing new skills and working in different ways.

We focussed on providing opportunities for our staff to move roles and grow their skills within Natural England and we recruited externally only by exception. This ensures that our staffing levels remain affordable and aligned with our priorities. At the same time, we continue to focus on staff wellbeing with the implementation of a Stress Reduction Action Plan and remain committed to being an inclusive place to work which respects and welcomes everybody.



Alongside making improvements to our internal planning and reporting processes, we have built stronger relationships with customers and partners, leading to better communication and more proactive engagement with a wider range of stakeholders.

We have also established a Change Management Hub to strengthen our organisational change capability: as we deliver our new strategy and focus on implementing government reviews.

We continue to work on how we will reshape the organisation to deliver our new strategy and government's ambitions of driving both economic growth and nature recovery.

On 17 March 2026, I announced my intention to retire as Chief Executive and Accounting Officer for Natural England, with an anticipated transition in leadership in autumn 2026. It has been the privilege of my career to serve as Chief Executive of Natural England. I am immensely proud of what our dedicated teams have achieved together, from designating Sites of Special Scientific Interest, National Landscapes and Marine Protected Areas; to embedding access to nature into the health service; from supporting new green infrastructure in our towns and cities, to enabling growth in offshore wind whilst restoring marine wildlife; from helping build new homes rich in nature, to advising farmers on how to harness nature to secure sustainable food production.

As we reach significant milestones for the Landscape Recovery Scheme, the Nature Restoration Fund, our National Nature Reserves and our National Trails, I step down knowing that the organisation is in a strong position to continue leading the change for

nature's recovery and increasing access to nature for all. I want to thank all my colleagues and partners for their passion and support.

Our achievements

We have worked closely with the government as it advances planning reform, bringing our experience in sustainable development and the provision of 'strategic solutions' which seek to leverage actions for nature recovery at a larger scale rather than small scale targeted mitigation. This has included advice on proposals for a Nature Restoration Fund and Marine Recovery Fund.

Across the development and planning sector, accessing the right skills and capacity continues to be a challenge with growing demands for our services. To target our planning advice most effectively we have a refreshed offer to Local Planning Authorities which better targets our planning advice towards high impact cases and enables more customer self-service.

We have also expanded the cost recovery for Nationally Significant Infrastructure Projects (NSIP) for planning advice and licensing, ensuring we can improve our service to our customers and provide a more sustainable level of resourcing.

We provided advice to Defra that enabled the Secretary of State to approve three strategic compensation measures for offshore wind development, unleashing low-carbon, high-nature investment. We also completed over 100 condition assessments for marine protected areas, enabling us to unlock development with better and faster advice.

Working closely with local authorities and other partners we launched the joint Nature Towns and Cities programme with the National Trust and National Lottery Heritage Fund, to help deliver greener, healthier and more connected towns and cities so millions more people can benefit from nature close to home.

Our advice and scientific expertise had considerable impact in 2024-25 with the publication of the State of Natural Capital report in October, securing new conversations on how nature underpins

growth. Our scientific work underpins England's biodiversity metric which has been recognised as world leading and is being adapted in a growing number of countries including China and the USA.

The Nature Returns project has continued to build the evidence base of how Nature-based Solutions (NbS) can be delivered in real-world situations along with new evidence on the role of a wider range of habitats including grasslands and hedgerows in carbon sequestration. Through the Natural Capital and Ecosystem Assessment we updated Living England a national scale habitat map freely available to everyone, and a green infrastructure Map for England – ensuring quality information and analysis is available to local and national decision makers.

In line with our ambition to deliver nature recovery at scale we took a significant step forward in the delivery of the Landscape Recovery Scheme (LR). In this public/private sector partnership we have worked with projects as they design detailed, long-term plans for restoring nature across large areas of land. A major milestone was achieved when the first landscape recovery agreement was signed in March 2025.

We also completed the assurance steps needed to take on the role of Accountable Officer for the LR scheme during its next phase.

We supported Defra in the ongoing development of the Countryside Stewardship Higher Tier Scheme which supports farm businesses with nature recovery alongside food production. We began providing pre-application advice to future customers from January 2025 in readiness for the scheme opening in 2025-26.

In 2024-25, we continued to implement improvements including to our protected sites casework statutory service that has resulted in improved efficiency and the customer experience, on which we will build on in 2025-26.

We also continued to make good progress on the King Charles III England Coast Path with the highest annual completion rate of any year since work on the creation of the path began in 2010, working towards its official

opening in 2026. We declared five National Nature Reserves and added nine new Approved Bodies to the growing list of organisations managing NNRs.

We completed the HM Treasury funded Green Social Prescribing (GSP) Test and Learn Programme, focussing on how connecting people with nature can improve mental ill-health and provide opportunities for communities to get involved with the natural environment. Seven test and learn sites were chosen to evaluate how best to embed social prescribing across the National Health Service (NHS). Over 8,500 people were referred to a GSP activity during the programme with an uptake rate of 85%, helping to build a convincing case for the widespread adoption of GSP.

Our grant schemes have supported an additional 7,000 hectares of peat restoration and, working collaboratively with 80 partners, we have supported over 60 species recovery projects. We also successfully exceeded our monitoring targets for terrestrial and marine protected sites to inform management to improve their condition.

Looking ahead

Having launched our new strategy, the next financial year will continue to be significant for Natural England.

A programme of critical reforms will transform how we work, boost productivity and customer service, deliver more for nature and improve the working lives of our people.

These are being delivered under 4 headings:

1) Statutory casework reform - is reshaping our key statutory services and how we deliver planning, licensing, and protected sites casework, with a focus on self-service and earned recognition.

2) Reshape the organisation – is equipping Natural England to build the foundations on which we will deliver Natural England's strategy, including, improving customer service and investing on training and development.

3) Planning policy reform – as well as continuing our shift to a focus on local plans, rather than individual planning casework, and working on the highest opportunity/highest risk cases, this is implementing government legislative and planning policy reforms, including preparing to deliver new duties in the Planning and Infrastructure Act 2025.

4) Optimise Synergy – we are modernising and standardising our human resources, finance and commercial processes through a new government wide digital transformation initiative that will simplify the way things are done to free up time to deliver some of our most crucial public services.

Our mission remains clear: to be a trusted, expert body that enables nature recovery at scale, supports sustainable growth, and improves lives. I am proud of what we have achieved together and confident in our ability to meet the challenges and opportunities ahead.

Marian Spain
Chief Executive
Natural England

Performance report

This section should help you understand Natural England, its purpose and objectives, the key risks to the achievement of its objectives, and how it has performed during the year.

Performance overview

Natural England is the government's statutory adviser for the natural environment. We are a Non-Departmental Public Body (NDPB), established by the Natural Environment and Rural Communities Act 2006, and we are accountable to the Secretary of State for the Environment, Food, and Rural Affairs. Our principal office address is Natural England, Foss House, Kings Pool, 1-2 Peasholme Green, York, YO1 7PX.

Our vision is 'Thriving Nature for people and planet'.

We aim to achieve this through our mission 'Building partnerships for Nature's recovery'.

Our purpose is to help conserve, enhance and manage the natural environment for the benefit of present and future generations, thereby contributing to sustainable development. Our mission to build partnerships for Nature's recovery reflects the need for us to work with a wide range of people to take the rapid action needed to rebuild ecosystems; protect and restore habitats, species and landscapes; and to help nature thrive. Delivering our mission is vital to finding solutions to the twin emergencies of wildlife loss and climate change.

We have been working closely with government, using our scientific and legal expertise to help shape policies that deliver on the national priority of securing sustainable growth. Nature is essential if we are to have a thriving economy and a healthy population. Increasing the quantity and quality of nature must go together with economic development. Green and blue space and wildlife, with their many benefits, should be at the heart of new communities and workplaces.

Our highly knowledgeable and committed staff provide practical advice, grounded in science, on how best to restore nature on land and at sea for the benefit of us all.

Delivering the government's priorities

In 2024-25, the Secretary of State for the Environment, Food and Rural Affairs set out five priorities to deliver against the missions agreed by government: to clean up rivers,

lakes and seas; create a roadmap to move Britain to a zero waste economy; to boost food security; to ensure nature's recovery; and protect communities from the dangers of flooding. These priorities drive Defra's outcomes framework, which enshrines the targets set out within the Environmental Improvement Plan 2023 (EIP23) and describes how Natural England's work contributes to the EIP23, the Secretary of State's priorities and the government's missions.

The [Environmental Improvement Plan 2023 \(EIP23\)](#) was launched in January 2023 and built on the earlier vision set out in the [25-year Environment Plan](#). EIP23 introduced new powers and duties from the Environment Act, Agriculture Act, and the Fisheries Act, and set out the government's ambition for the next five years and beyond.

The EIP23 provides a comprehensive plan for halting and reversing the decline in Nature and sets out a long-term approach to protecting and enhancing natural landscapes and habitats in England for the next generation. Its goals are simple: cleaner air and water, plants and animals which are thriving, and a cleaner, greener country for us all.

The EIP23 sets out the progress made against 10 overarching goals (set out in the EIP23 document linked above), the specific targets and commitments set in relation to each goal, and the plan to continue to deliver these targets.

Natural England has an important role in contributing to delivery of the government's missions and the Secretary of State's priorities, particularly around climate change mitigation and adaptation, thriving marine and terrestrial wildlife, and enhanced beauty, heritage, and engagement with the natural environment.

During 2024, a rapid review of EIP23 took place. The findings informed a revised EIP that government introduced in 2025. This plan will be streamlined and prioritised to drive the actions needed to protect and restore our natural environment and will provide important strategic direction for our ongoing work.

Natural England's operating structure

Natural England is a body corporate and NDPB sponsored by Defra. Our staff are public servants, not civil servants, and we are expected to operate at arms' length from government. The Natural England Board is responsible for ensuring that Natural England fulfils its statutory purpose and functions and responsibilities under the [Framework Document](#) agreed between Defra and Natural England.

We deliver our broad remit in places via our 12 area teams, with national staff providing oversight, co-ordination and expertise.

We organise the delivery of our work through our six portfolios:

Resilient Landscapes and Seas: Create thriving, resilient, functioning landscapes and seas rich in plants, wildlife and character that provide wide-ranging benefits for nature, climate and people.

Connecting People with Nature: Work to tackle the barriers to enjoyment, engagement, and connection with the natural environment, and access to green and blue spaces in a way that supports socio-economic and health benefits for local communities.

Greener Farming and Fisheries: Sustainable farming and fisheries rely on a healthy natural environment. Food production and supply depend on healthy fish stocks, soils, water, air and natural processes. Addressing the causes of climate change and environmental degradation is now paramount; how we manage our land and seas is a major factor.

Sustainable Development: Leverage and add value to the planning and licensing systems to get the greatest possible outcomes for nature, not just mitigating the impacts but actively recovering nature across all our work, playing a part in restoration of our natural environment while delivering the infrastructure that England needs.

Science and Evidence: Realise our ambition to be an evidence-led organisation. To be recognised, respected and trusted for our expertise and the provision and use of

evidence-based advice on the natural environment locally and nationally.

Managing the Organisation: Ensure we are a values-led organisation, delivering excellent service standards to partners, organisations and communities engaged in achieving nature's recovery.

Natural England's Strategy

Our strategy, Recovering Nature for Growth, Health and Security sets out the role Natural England will play in order to achieve our vision of thriving nature for people and planet. Our [Natural England Action Plan 2024 to 2025](#) for 2024-25 highlighted the need for strengthening current partnerships, and building new ones, in order to deliver and enabling others to deliver, for nature. This continues to be critical as we work to:

- Shift from isolated interventions to nature recovery happening at scale, ensuring our efforts deliver lasting improvement across whole landscapes and seascapes
- Achieve more by increasingly enabling and trusting others to deliver for nature
- Raise our risk appetite and stay focused on outcomes rather than processes
- Prioritise resources and investment in areas that deliver the greatest benefits for communities and nature
- Move from treating symptoms to tackling root causes: our work will be more strategic, and more ambitious, to create resilient and dynamic nature

Recovering nature means restoring and enhancing the ecosystems that enable wildlife and people to thrive in a growing population. This is not about going back to a historical fixed state. It is about taking the actions needed for nature to adapt and be more resilient to pressures like climate change.

Strategic recovery of nature, integrated with land and sea use planning, will help deliver the homes and infrastructure we need, strengthen national security and reduce environmental risks and costs. Abundant and diverse nature, restored at scale across our

landscapes and seas, will provide greater benefits to everyone, wherever they live. While we, our children and future generations, will experience a different nature, we will all experience more nature that will be wilder, richer and more accessible than today.

Our strategy is framed through four strategic outcomes. Each of these outcomes reinforces and amplifies the others, and together they address environmental, social and economic actions critical to thriving nature.

Outcome 1 – Recovering Nature

Increased scale and quality of places where nature thrives.

- Natural systems like rivers, forests, wetlands and seas are restored with action focused on reversing the root causes of their decline
- Wildlife is thriving in protected areas, which are connected to and enriching the wider environment
- Ecosystems are stronger and healthier, supporting abundant and diverse species

Outcome 2 – Building Better Places

Greener homes and infrastructure create healthier, more investible places, recognising we live better where nature thrives around us.

- Nature is designed into development and investment plans from the outset to strengthen communities and benefit growth
- Regulators, businesses, investors and government understand the value of nature as an asset and integrate it into their work
- Reduced bureaucracy and streamlined regulation, with strategic solutions unlocking low carbon and high nature development

Outcome 3 – Improving Health and Wellbeing

Build nature into everyday life so people can support, access and benefit from nature, wherever they live.

- More nature closer to where people live and easily accessible from home
- People's health, wellbeing and quality of life are improved as a result of living in and engaging with a healthier natural environment
- People form lifelong connections to nature with greater opportunities to shape and look after nature in their communities

Outcome 4 – Delivering Security through Nature

Nature helps us adapt to the threats of a changing climate and improves our national security, supporting more resilient food production, healthy soils, clean and plentiful water and clean air.

- Nature is embedded in plans and policies as a cost-effective long-term solution to climate change and resource security
- Nature-friendly farming, forestry and fishing improves and supports food production while providing wider societal benefits
- Public and private funding supports nature recovery on land and sea

These outcomes are underpinned by foundations of success which are essential to delivering our strategic outcomes and are embedded into our changing approach.

Our people and organisation

To shape our future, we need to continue to be inclusive, collaborative, ambitious and to act with integrity, so that we can deliver the greatest value to society.

Partnerships and collaboration

Nature recovery demands bold, joined-up action across government, businesses and communities.

Science, data and technology

Our delivery is powered by science, enabling us to act effectively, remain trustworthy and deliver with impact.

We will combine our actions to maximise impact across our outcomes, and as we develop and review strategy implementation and organisational performance, we shall do so through the framing of our strategy.

Performance summary

Natural England’s performance framework

Natural England’s performance framework for 2024–25 builds on our five-year strategic aims and aligns directly with [Defra’s Outcome Delivery Plan](#) and EIP23 targets.

Green
KPI delivery is on schedule

Amber-Green
KPI delivery is mostly on schedule

Amber-Red
KPI delivery is mostly off schedule with significant risks

Red
KPI delivery is significantly off schedule with significant risks

Our performance framework is agreed by the Natural England Board at the start of each

Performance highlights

- **21 of 29** progress metrics rated green or amber-green.
- **7** rated amber-red or red.
- **1** agreed with Defra to reschedule to 2025–26 due to circumstances outside of our joint control

Performance across our 29 progress metrics reflects a more successful performance year than was indicated by the deliverability assessments that we undertook at the start of the year. Across the year we have actively tracked performance, making choices on where we utilise our resources and the level of risk that we are willing to tolerate. Our success has been underpinned by the continued dedication of our staff.

financial year, and reflects our priorities as agreed with Defra.

How we measure success

- Key Performance Indicators (KPIs): Long-term, cross-cutting outcomes and output measures.
- Measures of Success: Track adjacent environmental impacts.
- Progress Metrics: We set an ambitious [Action Plan for 2024-25](#) and have 29 in-year delivery targets monitored quarterly.

We assess progress metrics using a four-tier system:

Governance & reporting

We report quarterly to our board and meet regularly with Defra Ministers, including six-monthly Ministerial Performance Reviews with the Minister for Nature and Natural England sponsor, and Regulator Performance Reviews with the Secretary of State. We report quarterly to our Defra Sponsorship Team, ensuring transparency and accountability.



Performance analysis

Our 2024-25 progress metrics performance outturn

KPI A: We restore and enhance the health of our ecosystems and the natural beauty of our landscapes by increasing the area and improving the character, quality, resilience & connectivity of wildlife-rich places

2024-25 In-year Progress Metric	Year-end Outturn	Performance Narrative
01) The area of land and sea that is protected will increase by 900 hectares (ha).	Green	An additional 2,560 ha of previously unprotected land was conserved in 2024-25. This was achieved through the continued declaration of partnership NNRs as part of the King's Series.
02) 21% of Site of Special Scientific Interest (SSSI) features will have actions underway and on track to achieve favourable condition.	Green	At the end of March 2025, 23.1% of SSSI features had actions underway and on track, an increase of 6.8% since last year. We have used a variety of tools to achieve these gains including funding and incentives, advocacy and partnership, and regulatory processes.
03) Complete 80 Marine Protected Area condition assessments.	Green	We completed and published 106 condition assessments this year. A significant programme of condition assessments is still required by the 2027 interim Environmental Improvement Plan target date. This will build on the 21% of the 1,044 designated features that have been assessed since April 2017.
04) Triage and manage input to 800 new and expiring agreements for Countryside Stewardship Higher Tier.	Not Applicable - rescheduled	Defra could not launch the Countryside Stewardship Higher Tier scheme in the timescale initially planned. This meant that it was not possible to achieve this target. Pre-application advice visits started in early 2025.
05) 3.2 mega tonnes of carbon secured through 27,000 ha of peat restoration under the Nature for Climate Peatland Grant Scheme.	Green	We have met our annual target on carbon secured, with restoration equating to an estimated carbon abatement of 3.2 mega tonnes CO ₂ e* by 2050. 23,400 hectares of land have been brought under restoration which, although a smaller area than planned, included more heavily degraded and lowland peatland than anticipated. *CO ₂ e is Carbon Dioxide Equivalent. Greenhouse gases other than carbon dioxide can be converted to an equivalent amount of CO ₂ , based on their relative contribution to global warming.
06) Provide timely advice on embedding 'right tree right place' on 10,000 ha to increase carbon secured through woodland creation and support biodiversity targets.	Amber - Green	9,450 ha of advice has been delivered towards a target of 10,000 ha. Changes to processes to use Forestry Commission ecologist resource resulted in lower delivery figures by us, but without risk to overall outcomes.

07) Lead the apportionment of targets and complete the collation/distribution of data to inform the Protected Landscapes Targets and Outcomes Framework.	Green	Working closely with Defra and partners, we have led the apportionment of targets and collated and distributed data to inform the Protected Landscapes Targets and Outcomes Framework. The Framework embeds key Government Environmental Improvement Plan Targets into Protected Landscape Management Plans and delivery in those places.
08) Update the published interim (baseline 2015-19) reporting on EIP Outcome Indicator Framework G1: 'Changes to landscape and waterscape character'.	Amber - Green	We have completed analysis and reporting of the G1b indicator component (monitoring of the impacts of Agri-Environment Schemes on landscape character and quality across England's National Character Areas).

KPI B: We increase the abundance of species that are indicative of the wider health of the natural environment and reduce the number under threat of extinction.

2024-25 in-year Progress Metric	Year-end outturn	Performance narrative
09) 400 rare and threatened species benefit from Natural England's species & nature recovery projects (including conservation translocations).	Amber - Green	385 species have benefitted from projects delivered with partners and funded through our Species Recovery Programme (SRP). Our SRP Capital Grants Scheme has almost reached completion, improving on last year's delivery. Our new reporting framework has provided the first quantifiable results for SRP, and our external evaluation contract will report on the impact and value for money the programme has achieved.
10) Increase the proportion of licences issued that benefit species conservation by 5%.	Green	The proportion of licences issued that benefit species conservation increased by 8.7% to 62.7%. Key successes include Bat Earned Recognition moving to business-as-usual; implementation of automation robots to speed up processing and route more complex cases for further checks; and the launch of a licensing regime for beaver reintroduction.
11) Support the creation or restoration of 3,200 ha of a range of wildlife-rich habitat outside of protected sites via our advice and funding, ultimately contributing to species abundance.	Green	We supported the creation and restoration of 3,683 ha of wildlife-rich habitat outside of protected sites. This area has been achieved using delivery mechanisms such as the Nature for Climate Programme.

KPI C: We increase the number and representation of people engaged with nature and nature recovery in a way that supports socio-economic and health benefits for local communities.

2024-25 in-year Progress Metric	Year-end outturn	Performance narrative
12) Maintain the proportion of people with access to green and blue space within 15 minutes from home at present level of 62%.	Green	Just over 62% of people continue to have access to green and blue space within 15 minutes from home. We are the main delivery partner for the 15-minute commitment and provide advice and evidence on the quantity and quality of green infrastructure to inform the commitment. Stakeholders have praised our Green Infrastructure Framework for its clear principles, reliable data, and policy support.
13) 20 new Local Authorities to have embedded the Green Infrastructure Framework in their policies.	Green	We are working with 20 new Local Authorities to embed Green Infrastructure (GI) in policies or strategies. Working with local authorities to embed GI has been shown to deliver multiple benefits, including economic growth, nature recovery, improvements to health and wellbeing and community cohesion.
14) Maintain an upward trend on a 3-year rolling average the proportion of adults in England using a green and natural space in the last 14 days at 64% (as measured against the People and Nature Survey).	Green	During the last year, 66% of the population of England reported visiting nature in the previous 14 days. However, more work needs to be done to evenly distribute visits across the population, as currently disadvantaged groups are less likely to visit nature.
15) All Nature Recovery Projects are designed, delivered and monitored to ensure delivery of strategic partnerships and embed the recording of the number and representation of people connecting with nature as part of the project.	Green	11 out of 12 projects have developed their stakeholder partnerships in a strategic way, with the other project being delivered by partner organisations. The data we have provides insight into the diversity of partners engaged in nature recovery, and includes local/national conservation organisations, landowners and managers, forestry interests, local and devolved government, the health sector, and smaller grassroots community groups.

KPI D: We work with a wider range of local partners and diverse communities to create wildlife-rich, accessible, characterful places for people to live and work underpinning economic sustainability.

2024-25 in-year Progress Metric	Year-end outturn	Performance narrative
16) Ensure preparation of 48 high quality Local Nature Recovery Strategies.	Red	Three Local Nature Recovery Strategies (West of England, North Northamptonshire, Cornwall) have been prepared and published at the end of the 2024-25 reporting year. Responsible Authorities (RAs) have faced challenges including resource issues which have slowed progress. We are confident that effective working with the Environment Agency and the Forestry Commission is helping to ensure that high quality LNRs are being prepared.
17) Develop and deliver a pipeline of collaborative landscape scale delivery of at least 100 projects driven through Landscape Recovery, Nature Recovery Projects and through our priority places.	Amber - Green	Nature Recovery Projects across England have delivered 63 sub-projects including declaration of three National Nature Reserves, expanding the area of land protected for nature, and improving access to nature. As of 31 March 2025, Landscape Recovery had 21 Round 1 projects in the latter stages of their development phases, with several entering the assurance process. One R1 project had commenced implementation. 34 Round 2 projects continue in the Project Development Phase. Of these, we estimate 25 will be offered implementation agreements, with the first of these beginning later in 2026.
18) Develop and test mechanisms to support the increase/flow of investment and funding into Nature Recovery Projects.	Amber - Green	In an evolving green finance landscape considerable progress has been made. We have a lead role in the implementation of two nature markets: Biodiversity Net Gain and Nutrient Neutrality. We have also supported Round 1 Landscape Recovery projects to develop their blended finance plans. And we have supported implementation and evaluation of a Defra-led public-private partnership pilot: Projects for Nature, securing over £700,000 and three founding business partners. Ministers have approved the continuation of the initiative, and we are working with Defra to focus on delivery priorities.
19) Implement the Nutrient Mitigation Scheme to include generating at least 6,500 nutrient credits to enable new homes to be built.	Green	In the 2024-25 financial year, 1,625 nitrogen credits and 80 phosphorus credits were generated through land management agreements with Bawdswell and Foxley Wood in the Norfolk catchment. In previous years, 2,951 nitrogen credits generated with Lyscombe Farm in the Poole catchment and 3,451 nitrogen credits generated with Galley Law and Ormsby Hall in the Tees catchment. In total, 8,107 credits have been generated.

20) Complete 6 Diffuse Water Pollution Plans.	Amber - Green	We have worked with the Environment Agency to identify and agree actions for 4 Diffuse Water Pollution Plans (DWPPs) and 2 individual site reports (led by Natural England), and 13 DWPPs (led by the Environment Agency). This is the biggest single sign-off of DWPPs since 2015 and demonstrates significant progress in this work area. These strategic plans outline the evidence and actions that will support restoration of water quality and nature recovery on protected sites.
--	---------------	---

KPI E: We are an evidence-led organisation, using evidence to inform our advice and leadership to drive positive changes in the natural environment.

2024-25 in-year Progress Metric	Year-end outturn	Performance narrative
21) 40% of SSSI features have an up-to-date condition assessment with at least 650 new assessments completed.	Amber - Red	Feature assessments on SSSIs are used to help understand the condition of biological and geological features. A feature in good condition will contribute to nature's recovery. 31.6% of features now have an up-to-date condition assessment and 524 new assessments have been completed this year, including some large and complex sites. Data has been collected for a further 255 features, and these will be prioritised for completion in the coming
22) Complete a combined total of 1,000 landscape/vegetation and soil surveys in sample monads (a monad is a 1 km grid square) as part of the Natural Capital and Ecosystem Assessment (NCEA) Programme.	Amber – Red	885 Vegetation and Landscape Surveys and Soil Sampling Surveys were completed during 2024-25. This was the second season of field data collection for the England Ecosystem Survey (EES) project, and many improvements to management of surveys were made during the year, including our relationships with external contractors, and coordination of surveys. Further improvements to processes, and management of landowner access permissions, have been made to support the third season of EES data collection in 2025-26.
23) Increase Data Maturity Assessment scores from 1-2 to 2-3 on a 5-point scale.	Amber - Green	Direct comparison across years is difficult, but our 2024-25 Data Maturity Assessment (DMA) reports an overall, aggregated maturity score of Level 2 – Emerging. Amber-Green reflects progress in more consistently achieving level 2 across themes. We have made modest progress in foundational areas such as strategic direction, learning, data cataloguing, and system improvements. DMA scoring is subjective by design and interpreted within the Defra group benchmarking framework. While we are moving in the right direction, resource constraints and persistent structural challenges continue to limit progress across several areas of the framework.

KPI F: We invest in the wellbeing, development, and diversity of our staff so that Natural England remains a great place to work.

2024-25 in-year Progress Metric	Year-end outturn	Performance narrative
24) Employee engagement index rises to 64% to exceed 2023-24 benchmark.	Amber - Red	The Employee Engagement Index measures the feelings of pride, advocacy, attachment, inspiration, and motivation held by our staff, and is calculated from a standard set of questions used across public sector organisations. Our Pulse Survey in February reported an Employee Engagement score of 61%. The survey insight tells us that most of our staff are proud to work for Natural England and would recommend us a great place to work, but scores are lower for inspiration and motivation.
25) Investigate 95% of reported incidents within the required 10 working day period.	Amber - Red	81.5% of reported health and safety incidents were investigated within 10 working days this year. We are continuing to support teams to carry out quality investigations within the timeframe whilst recognising that, for a variety of reasons, some incidents may take longer than the 10 days to investigate. Teams now have access to live data on incident investigations, and we are simplifying the process wherever possible to improve our performance.
26) Increase the percentage of staff declaring minority ethnicity to 5%.	Red	The percentage of Natural England workforce declaring as of minority ethnicity is 3.9% against a target of 5%. We have a range of plans and measures in place to continue action on this long-term challenge, aimed at recruitment, progression and retention. With external recruitment by exception, we are focussing on internal inclusion.
27) Staff undertake 10 Learning & Development days per year on average.	Red	On average each of our staff undertook 7 days of training and personal development in the last year, and we saw a record number of staff enrolled on apprenticeships. The demand to support the learning needs of new staff has reduced and going forward we will be focusing on supporting existing staff to develop the capabilities to deliver our new strategy.
28) Deliver 85% of statutory casework within published timescales.	Green	Across our planning, licensing and protected sites casework, we delivered 90% of responses within published timescales. Casework levels are still increasing against a backdrop of resource reduction, and we will continue to implement reforms to ensure we maintain our casework delivery targets.
29) Achieve a 'good' assessment rating in 5 priority areas of the cross government 'Digital and Data – Continuous Improvement Assessment Framework'.	Amber - Green	The KPI achieved an amber-green outturn because the organisation met the "good" assessment across selected criteria within Governance and Strategy, Assurance, and Capability themes. Digital strategy alignment, governance arrangements, senior accountability, and a resourced digital assurance function were all in place and assessed as good. Not all Senior Civil Servants had completed the required digital and data essentials training, preventing a full green rating.

Risk analysis

Throughout 2024-25, Natural England oversaw a variety of corporate risks - both threats and opportunities - that could influence the implementation of the 2024-25 Action Plan and, consequently, our ability to achieve our strategic objectives. These corporate risks, managed at the board level, have the most significant potential to impact our delivery outcomes. Below is a summary of these risks, accompanied by an overview of the key mitigating actions taken to address each one.

1. Operating Context

Due to several external factors, including a declining fiscal context, greater public sector debt and a strong demand for growth including building and infrastructure development, Natural England recorded a risk that environmental commitments could become secondary to other government priorities. The potential impact of this risk was being less able to deliver nature recovery and associated degradation of our reputation as a delivery body.

To manage this risk, we have continued to emphasise the vital role of a thriving natural environment in supporting economic growth and delivering broader societal benefits. The State of Natural Capital report, published in October 2024, reinforces the case for increased investment in nature recovery.

We have collaborated with Defra on the measures for the Planning and Infrastructure Act 2025, which provides an opportunity to deliver more for nature whilst securing economic growth. We have also worked closely with Defra to ensure we are well positioned and resourced to maintain our delivery targets under the EIP23 and the Environment Act.

2. Arm's Length Body (ALB) Reform

Due to significant change programmes being introduced by Defra, a risk was recorded that we may understand these programmes poorly and have limited opportunities to influence them. By continuously seeking improvements amid broader change initiatives, we can enhance our effectiveness and strengthen partnerships, creating valuable opportunities

to drive meaningful progress in nature recovery.

To maximise these opportunities, we have actively engaged with Defra in shaping future delivery models that foster collaboration across ALBs. This year, we have worked closely with Defra on ongoing nature reforms and the Retained EU Law (REUL), ensuring a coordinated approach to prevent any loss of environmental protections while building a stronger, outcome-focused system.

The outcomes of the Corry, Cunliffe, and Hancock reviews highlight the importance of strengthening collaboration among Defra ALBs and improving integrated services for customers. Moving forward, we will actively seek opportunities to enhance cooperation further so we can maximise the benefits of more joined-up working.

3. External Influence, Partnership Working and Customers

Failure to effectively prioritise and engage key national and local stakeholders, coupled with poor-quality customer interactions in a politically sensitive climate, could lead to a loss of trust in Natural England, impacting our ability to achieve nature recovery with key partners.

In 2024, we have worked hard to ensure we are agile in responding to change and are able to deliver scalable solutions that align to the new government's priorities. We have worked with Ministers, Members of Parliament and stakeholders, and provided communications that focus on nature and economic growth going hand in hand.

Throughout 2024-25, we have improved skills to enhance the effectiveness of our communications and engagement. For example, we are expanding our baseline training to include stakeholder engagement skills, which will be rolled out to all staff. Additionally, we have launched the Engagement Hub within Natural England - a centralised resource designed to support staff in fostering effective partnerships for nature recovery.

As we progress in 2025-26, we will continue to advance our expertise in stakeholder management and customer service, ensuring we can effectively deliver the Government's ambitions for nature recovery and EIP23.

4. Natural England Evidence Base

To enable Natural England to make informed decisions and achieve the best outcomes for nature recovery, we must ensure our evidence is accessible, practical, and clearly understood.

Throughout 2024-25, we have advanced several initiatives to enhance the quality and accessibility of the evidence we collect and generate. Some initiatives focus on evidence generation, ensuring that the best available data is accessible when needed, while others aim to improve research repositories and evidence catalogues, making information readily available to support decision-making and advisory processes.

To support staff, our 'Science Evidence and Evaluation' (SEE) strategy includes a programme of activity to support awareness and appropriate use of evidence through strengthening an 'evidence-led culture.' Finally, we are working to develop efficiencies via opportunities offered by new technologies, including Artificial Intelligence (AI).

5. Digital Security

Ongoing and evolving cyber threats pose a persistent risk to the organisation's secure operations, particularly as global tensions heighten the likelihood of attacks on government systems. These threats could lead to operational disruptions, risks to staff safety, and exposure of sensitive information.

To mitigate these risks, Natural England remains alert, continuously implementing measures to strengthen cyber security. We regularly assess our legacy digital and data systems to ensure secure and reliable operations while minimising vulnerabilities to potential cyber-attacks.

To safeguard our delivery capability, we are mapping our most critical systems and developing business continuity plans to ensure resilience in the face of cyber threats. Additionally, we maintain a close working relationship with Defra, enabling us to collaboratively manage current and emerging cyber risks.

All staff receive regular briefings on cyber-security protocols and must complete mandatory Security and Data Protection training. This ensures we are well-equipped

to recognise digital threats such as malware and phishing and can handle sensitive data safely and securely.

6. People Capability & Capacity

Natural England requires a highly skilled, diverse, resilient, and agile workforce to effectively deliver both current and long-term strategic priorities.

Our staff are at the core of our success. We continuously monitor for wellbeing and emerging pressures and take proactive steps to provide the necessary support.

To strengthen our workforce capability, we track and assess skills at the team level, ensuring all staff have personal development plans and receive appropriate learning and development opportunities. We actively engage with the Defra group Learning and Development Expert Service Function to ensure we are represented in broader Learning and Capability initiatives.

To optimise staff deployment and ensure we are delivering effectively for nature, we have implemented a 'Strategic Assignment' process, which transitions staff from reducing work areas into priority work areas, ensuring skills and expertise are utilised where they are most needed. Coupled with this, we continue to monitor recruitment metrics and leaver data to inform future workforce strategies, ensuring we remain agile and responsive to evolving needs.

To support staff and ensure actions are representative of their needs, we maintain strong engagement with Trade Unions, holding regular meetings, engagement, and consultations to foster a collaborative and productive relationship.

7. Financial Management

Natural England must have robust financial controls, management capacity and expertise to effectively justify spending decisions, demonstrate value for money, and maximise our delivery impact. This ensures we operate efficiently while maintaining our reputation as a responsible and cost-effective organisation.

To manage this risk, we have promoted the importance of strong financial management throughout the organisation by ensuring budget holders must have a licence to operate and undertake mandatory learning on Fraud, Bribery and Corruption. We have

maintained the requirement for thorough business case reviews to ensure all expenditure delivers expected benefits and provides good value for money.

We have strengthened the focus on accurate forecasting through our monthly Financial Monitoring Report, which provides a detailed breakdown of total spend for each budget. This has been further reinforced by targeted training for accountable directors and budget holders, ensuring effective financial oversight and decision-making.

8. Keeping People Safe

To safeguard the health, safety, and wellbeing of our staff, volunteers, contractors, and visitors involved in our nature recovery efforts, it is essential we effectively manage health and safety risks.

To improve Health and Safety (H&S) culture, our H&S Strategy is in place with a network of H&S Leads and Committees to support and coordinate delivery of Team Action Plans.

Our H&S Team provide professional support and guidance via dedicated Business Partners and a project team. H&S incident reporting is available to all staff via a custom platform.

Throughout the year, development programmes have been rolled out for all people leaders, ensuring they understand their responsibilities and can support their teams in working safely. Key topics, such as Stress Awareness and Active Monitoring, have been covered to reinforce a proactive approach to H&S.

To manage stress and build resilience across the organisation, we continued to operate a dedicated Stress Reduction Working Group, composed of senior leaders. This group focuses on identifying and addressing the root causes of stress, ensuring meaningful action is taken to support the wellbeing of our people. In the autumn we rolled out our stress reduction toolkit, supported by training for line managers.

Finally, our H&S team have continued to provide communications, newsletters and safety alerts to ensure staff are able to maintain their health, safety and wellbeing.

9. Managing the Organisation (MTO) and Corporate Services Pressures

Effective management of our internal enabling services alongside the corporate services provided by Defra (including Finance, Human Resources, Digital, Data, Technology and Security (DDTS), Communications, Property, and Commercial Services) is essential to delivering our nature recovery objectives.

We continue to work closely with Defra to ensure that our needs are met, enabling us to maintain effective delivery. To strengthen this partnership, we have worked to define the Defra group Corporate Services interface and underpin it with end-to-end service reviews and more robust performance reporting. This approach provides a clearer understanding of the overall corporate services offering and escalation pathways, moving beyond isolated service management to a more integrated and strategic framework.

10. Natural England's Delivery of Targets and Outcomes

To achieve meaningful environmental outcomes, we must meet in-year delivery targets and demonstrate progress. Falling short on these targets directly impacts nature recovery, limiting our ability to drive positive change.

In 2024-25, we agreed a set of stretching metrics with the Board, designed to keep track with the longer-term EIP23 targets. We carried out a deliverability assessment at the start of the year to assess areas of strength and challenge. We forecasted and tracked performance across KPIs and progress metrics to help identify challenges, opportunities and ensure timely action. This approach provides clarity on areas where we anticipate performance improvements, as well as those where challenges remain more complex.

We undertook robust business planning to prioritise resources, allowing us to focus on key deliverables and achieve our goals efficiently. To further strengthen our ability to deliver, we have enhanced our change management capability and leadership, providing expert guidance and support for critical, high-impact projects.

Looking ahead, we recognise that to realise our strategy, we will need to change. We are launching a set of Critical Reform programmes to deliver greater impact for

nature, enhance productivity, and improve customer experience.

11. Natural England Board Diversity

To ensure Natural England effectively serves a diverse society and addresses the challenges we face, it is vital that board decision-making is enriched by a wide range of perspectives, experiences, and ways of thinking.

During 2024-25 we welcomed four new board members, strengthening our leadership.

However, we continue to face challenges in achieving greater board diversity in terms of ethnicity, socio-economic background, age, and lived experience of disability.

We will continue to work with the Defra Public Appointments Team for future Board appointments. We will endeavour to maximise visibility of the opportunities to a diverse audience to ensure an inclusive and representative leadership.

Sustainability report

Summary

This section sets out Natural England's performance against the significant sustainability objectives of its estate and operations. In 2024-25, the greenhouse gas emissions from Natural England's portion of the Defra office estate (not including NNRs) and its business travel were 1,382 t/CO₂e.

(1) Responding to the climate emergency

This year we have continued enacting the Climate Change Strategic Plan, to accelerate action to tackle the joint crises of climate change and nature loss across all our work, including setting out actions for the year to reduce our organisational carbon footprint. The Defra group sustainability strategy, rooted in the [UN Sustainable Development Goals](#), continues to drive sustainability actions across the Defra group. Natural England are committed to:

- responding to the climate emergency
- halt and reverse nature decline and loss of biodiversity
- stop the depletion and pollution of natural resources
- tackle social inequality for a fair, just and inclusive society

About our data

This data is reported following the guidance set out in the [HM Treasury's Sustainability Reporting Guidance 2024-25](#). Carbon

footprint data is aligned with the requirements set out in the [Greenhouse Gas protocol](#).

Note that the energy, waste, and water data are still based only on those buildings where data is available, as provided by Defra. The utilities cost data also includes notional recharges for buildings where Natural England shares space with other bodies.

Overview of carbon footprint

As an environmental organisational and public body, Natural England recognises the importance in practical and reputational terms of ensuring that, in addition to our direct work contributing to the improvement of the environment, we confirm that our ways of working also make a positive contribution in any way possible.

The [Greening Government Commitments](#), (GGC) relaunched in 2021, set key environmental sustainability targets for central government departments. We have also set new interim milestone targets, and these include:

- A reduction in emissions by 45% by 2030 (a recommitment to the existing 2019 target)
 - A reduction in Scope 1 and 2 emissions of at least 80% by 2030
 - A zero-carbon emitting fleet of cars and vans by 2027
 - A zero-carbon emitting four-wheel drive fleet no later than 2030

A summary of Natural England's 2024-25 performance against some of these targets is as follows:

	2017/2018 Baseline*	2024-2025 Achievement	RAG to 2025 target (%)	Target April 2025
Total greenhouse gas t/CO ₂ e	2,035	1,382	32% reduction	50% reduction
Landfill waste reduction	2.5%	0%	0%	Less than 5% sent to landfill
Total waste reduction (t)	58	65	12% increase	15% reduction
Water reduction*m ³	3,426	3,547	3.5% increase	8% reduction

Domestic flights emission reduction t/CO ₂ e	7	0.5	93% reduction	30% reduction
Paper use reduction (reams)	7,115	52	99% reduction	50% reduction
Conversion of NNR fleet / lease vehicles to Ultra-Low or Zero Emission Vehicles	n/a	20%	20% of fleet are Ultra Low or Zero Emission vehicles	100% by end 2027 for cars and vans. Limited by four-wheel drive market developments

*Not including NNRs as not included in the original baseline

For further commentary, context and detail on our sustainability performance, see below.

Details of performance

Energy breakdown (use and generation)

Scope 1 emissions occur from sources owned or controlled by us, such as combustion boilers in offices. Office gas (and electricity) data is provided to us by Defra group Facilities Management Energy Management team apportioned by occupying agencies and this has fallen by a small amount this year. Five NNR buildings use gas, liquid petroleum gas (LPG) or oil and data gathered and analysed by our estates and procurement teams has shown this to have increased this year. This category also includes emissions from organisation-owned fleet vehicles (including vehicles on lease). At the end of March 2025, the NNR team managed 131 vehicles in total.

Scope 2 emissions result from that energy consumed which is supplied by another party, mainly electricity supply in buildings. In our offices, our carbon footprint has fallen. Electricity use on our NNRs has also fallen to 512,235 kWh. Work with the Carbon Trust has provided us with a valuable baseline of energy use across all our NNRs and highlighted areas of future energy efficiencies and management.

Electricity generation on NNRs from photovoltaics totalled almost 7,648 kWh, in 2024-25.

Business travel and employee commuting

Scope 3 emissions from official business travel directly paid for by us accounted for 830 t/CO₂e in total. Just 8t/CO₂e in FY 2024/25 was from international travel. With the continuation of our hybrid working policy,

employee commuting for 2024-25 is estimated to be 483 t/CO₂e.

Fleet vehicles

The percentage of NNR long-lease fleet vehicles categorised as ultra-low or zero emission for the 2027 target this year was 20%. The NNR estates and procurement team have a vehicle replacement strategy where all future purchases will reflect the GGC 2027 target date and the need to remove traditional fuelled vehicles with ultra-low emission vehicles.

Waste and resource consumption minimisation

The table above shows the absolute values in tonnes for waste for Natural England's share of the Defra estate from its administrative and operational actions. The sub-targets around total Information and Communications Technology (ICT) waste recycled, reused, and recovered (externally), paper use and single use plastic elimination are reported at the Defra group level.

Water use (finite resource consumption)

Our share of water use on the Defra office estate has remained steady, however water use includes that of our NNRs where water use varies greatly across the estate, depending upon livestock responsibilities etc. Total NNR water consumption in 2024-25 was 14,317m³.

The rest of our sustainability data is included in Appendix A. This appendix gives an overview of our key sustainability measures

including greenhouse gas emissions, water and waste. This reporting is required to be 'fair, balanced and understandable' therefore it includes data for the past three years, to give a transparent view of our performance.

(2) Contributing to an equitable society

Natural England has an obligation to ensure all their actions respect the human rights of those who work for them and for whom they provide services. Natural England is also a signatory to the [Defra group modern slavery statement](#).

B. Section on additional sustainability information

(1) Sustainable procurement

We are committed to making our commercial activity more sustainable. To do this we ensure that Natural England's sustainable procurement approach is consistent with UK government policy, Defra group aims and complies with current UK legislation and laws.

Defra group Commercial, who provide a procurement service to Natural England as part of the Defra group Corporate Services model, continue to promote sustainable procurement through standing instructions within their policies and processes. They also have an ambition to better understand not only our direct resource consumption, but also upstream and downstream supply chain impacts.

In line with Defra group priority outcome areas and work with the Defra Sustainability Centre of Excellence, Natural England will focus on the following areas throughout procurement lifecycles:

- a. Responding to Climate Change
- b. Optimising Natural Capital
- c. Resource and Water Optimisation
- d. Positive Social Impact

The 'MyBuy' platform in Natural England allows staff access to key commercial guidance information (including sustainability requirements) from a single commercial platform.

(2) Sustainable construction

Natural England's Property and Sustainability team continue to support the aims of the Defra group Workplace Design Guide. The guide allows us to create spaces that drive operational effectiveness, support our teams and new ways of working, while helping us deliver on our sustainability goals and provide an inclusive estate.

Our work this year with the Carbon Trust on our NNRs assembled a valuable baseline of energy use and highlighted the very different individual energy efficiency and management requirements for each site. The five case studies have been instrumental in helping us develop a measured approach to the identification of replicable costed carbon reduction interventions on the NNR estate as part of our wider push to decarbonisation.

In 2024-25, we started eight new capital builds on the NNR estate, of which we have completed the new build at Lindisfarne, alongside significant works at other sites, including Shapwick Heath, Lower Derwent Valley, Parsonage Down and Ingleborough. The latter's new design is to a more sustainable BREEAM (Building Research Establishment Environmental Assessment Method) certified upgrade of the building. This is critical as it is one of our biggest carbon producing sites as identified by our work with the Carbon Trust. All new builds are being led by experienced Defra project managers who follow the Defra guidelines on sustainable development, following relevant BREEAM standards.

Additionally, we have moved both Scolt Head Hut and the Pewsey Pump over to renewable energy.

(3) ICT and Greener technology

As a part of the Defra group, we have adopted the [Greening government: ICT and digital services strategy \(2020-2025\)](#). Natural England's ICT and digital services are provided by Defra group Corporate Services through DDTS. The environmental impacts from ICT and digital are reported at the Defra group level and adhere to their ethical and environmental standards. More information can be found in the [Greening Government: ICT and Digital Services annual reports](#).

(4) Climate change adaptation, resilience and risk

Natural England reports under the [Adaptation Reporting Power \(ARP\)](#) of the Climate Change Act 2008, which requires Natural England to assess the current and future predicted effects of climate change on our organisational aims and objectives. We produce a risk assessment and adaptation plan following guidance provided by Defra.

We have produced a report in all four rounds of the Adaption Reporting Power, with our most recent report published in January 2025. Our fourth-round report ([NE790](#)) updates our overarching climate change risk assessment, alongside an outline of adaptation plans. A key action within the ARP4 report is to develop an overarching KPI for Natural England's work on adaptation.

Natural England has specific actions within the [Third National Adaptation Programme \(NAP3\)](#). For example, the delivery of the Nature Recovery Network (NRN) and providing guidance on adaptation in advice for LNRS. The SSSI Future Reform Programme to adapt the designation and management of protected sites is also a key action.

(5) Supporting Nature recovery and biodiversity action planning

This [Greening government commitments \(2021 to 2025\)](#) requires organisations with the greatest potential to improve biodiversity to develop and deliver Nature Recovery Plans for their land, estates, development and operations. Natural England is in an advantageous position in that nature recovery is a core part of our purpose.

Defra are leading the way in ensuring environmental impacts are considered in decision making and reporting. Natural England has used natural capital accounting to report outside of the Accounts on the value of the NNRs that it owns or manages. Details can be found in the report [Accounting for National Nature Reserves: A Natural Capital Account of the National Nature Reserves managed by Natural England](#).

On 9 October 2024, Natural England published the [State of Natural Capital Report for England 2024: risks to nature and why it matters](#); providing evidence demonstrating that society and the economy are critically dependent on nature.

Appendix A: Sustainability data table: details of performance

Emissions	Unit	2022-23	2023-24	2024-25
Energy consumption as part of Scope 1	kWh	1,255,690	1,312,630 Office 77,934 NNR	1,194,392 Office 125,685 NNR
Direct emissions as part of Scope 1	tCO ₂ e	392**	385 Office 23 NNR	367 Office 39 NNR
Energy consumption as part of Scope 2	kWh	1,852,688	1,635,590 Office 588,448 NNR	889,371 Office 512,235 NNR
Indirect emissions from purchased energy (Scope 2)	tCO ₂ e	232**	339 Office 122 NNR	184 Office 106 NNR
Total Gross Scope 1&2 GHG emissions (incl. NNRs)	tCO ₂ e	759	724** Office 869 incl. NNRs	551**Office 696 incl. NNRs
Indirect emissions from all business travel (Scope 3)	tCO ₂ e	1,025	1,077	830
Total gross emissions	tCO ₂ e	1,784	1,801**/1946	1,381**/1526
Business travel (including NNRs)	Unit			
Car	tCO ₂ e	858	877	619
% of Natural England NNR fleet classed as ULEV	-	-	8	20
Rail	tCO ₂ e	136	169	198
Air ¹	tCO ₂ e	5	7	8
Domestic air travel	km	3,918	11,864	3,102
International air travel - short haul	km	-	63,720	64,093
International air-travel- long haul	km	-	0	17,687
Total business travel	tCO ₂ e	1,025	1,077	830
	£ 000s	3,280	3,315*	3,089*
Office waste (just offices)	Unit			
Landfill	Tonnes	2	<1	<1
Reused or recycled	Tonnes	27	54	50
Of which is total food waste composted from offices	Tonnes	-	-	-
Of which is food waste sent externally for composting	Tonnes	1	15	6
Incinerated to produce energy	Tonnes	7	16	15
Incinerated without energy recovery	Tonnes	5	-	-
Reused, recycled electronic or electrical equipment	Tonnes	-	-	-
Total office waste	Tonnes	42	70	65
Resource consumption (NNR and Offices combined)	Unit			
Purchased gas	kWh	1,255,690	1,390,564	1,320,077
Purchased renewable electricity	kWh	1,852,688	2,224,038	1,401,606
Total	£ '000	660***	778***	432***
Self-generated renewable energy (NNRs only)	kWh	33,770	27,942	35,514****

Water supplied	cubic metres	10,795	3,588 Offices	3,547 Offices
			6,588 NNRS	14,317 NNRS
			Total: 10,176	Total: 17,864
	£	60,000	59,342***	20,822***
Paper from renewable or recycled sources	Reams	117	39	52

*Data from GGCs ** not including NNRS *** Office recharge data FY 2024/2025 **** This figure has been estimated using meter readings and averaged over a year

¹ International travel is primarily undertaken to attend international conferences. These engagements provide opportunities to contribute to the global exchange of information and expertise, and we consistently return having gained valuable insights and adopted relevant best practice from international peers.

Domestic air travel is generally not permitted but may be authorised by a Chief Officer where extraordinary circumstances arise.

Taskforce on Climate-related Financial Disclosures

Introduction

The UK government recognised the recommendations of the [Task Force on Climate-Related Financial Disclosures \(TCFD\)](#) as one of the most effective frameworks for organisations to analyse, understand, and ultimately disclose climate-related financial information against. While the TCFD recommendations were designed for the private sector, the public sector similarly requires climate-related information for decision-making and accountability, and the government has decided to follow international good practice by following the [TCFD framework](#).

A. TCFD compliance statement

In terms of the board's oversight of climate-related issues and management's role in assessing and managing climate-related issues, we have reviewed our internal processes and set out below where we believe we have complied with the TCFD's recommended disclosures and where we intend to do further work in 2025-26.

B. Governance on Natural England's Board's oversight

Natural England's Board considered a paper on the ambition and direction of Natural England's climate change work in February 2023, subsequently adopted as Natural England's Climate Change Strategic Plan. This internal plan sets out how we will achieve its 'high-nature, low-carbon' ambitions and the governance arrangements for this work.

Because of the strong dependencies between nature recovery and climate, climate risks and action to address them is integral to our work for nature recovery and should be an integral but explicit part of reporting progress with this work.

This is particularly the case for climate adaptation. For example, we are currently undertaking climate vulnerability assessments for all SSSIs and developing Adaptive Delivery Plans as a tool to address climate pressures as part of our wider protected sites work. We are also exploring wider measures of success and KPIs for climate change adaptation across our work. Our reporting of specific actions within our climate change adaptation plan is carried out in response to the requirements under the Adaptation Reporting Power (currently ARP4 – see below).

For climate change mitigation we currently have a KPI for 'carbon secured through grants and advice'. This represents our operational contribution toward emissions reductions, achieving carbon budget reductions and reaching net zero. As part of the Defra group, Natural England participates in a wider set of governance arrangements for climate-related issues and some metrics – particularly where our staff work alongside those from other organisations across the Defra Estate – are reported at a Defra group level. More information about these arrangements and metrics can be found in the Defra group annual report and accounts.

Governance on Management's role in assessing and managing climate-related issues

Natural England Executive Committee (NExCo) is responsible for the overall leadership of our climate change work, confirming the level of ambition and priority given to our climate change work, reviewing progress and providing overall decision making on resourcing. The Portfolio Committee is accountable for tracking progress on how climate action is implemented and ensuring the required resource allocations to embed climate action across the organisation.

Work is coordinated and commissioned through six portfolios, which are each responsible for embedding action on climate change mitigation and adaptation as outlined in the Strategic Plan through their various portfolio workstreams.

The Climate Action Project Board acts as an oversight group to manage the direction of the project. The project board reports to the Portfolio Committee and provides an integrated view of whether the action across the Portfolios matches our climate change ambitions. The Climate Action Project Team is the main delivery group through which the organisation seeks to achieve its ambitions to embed climate change mitigation and adaptation across all its work, including the objectives set out in the Strategic Plan. A representative from all six corporate portfolios is included within the Team.

The risks of climate change to Natural England's aims and objectives are assessed through the Adaptation Reporting Power (see Sustainability Report). In Natural England's fourth-round report ([NE790](#)), adaptation plans are provided for work areas across our six corporate portfolios over a five-year period. The fourth-round report was approved through our Portfolio Committee and Executive Committee following consultation with the six portfolios as outlined above.

C. Risk Management recommended disclosures

Processes for identifying and assessing climate-related risks

As referred to above, Natural England reports under the Adaptation Reporting Power (ARP) of the Climate Change Act 2008, which requires Natural England to assess the current and future predicted effects of climate change on our organisational aims and objectives. We produce a risk assessment and adaptation plan following guidance provided by Defra. The risk assessment uses impact and likelihood ratings to consider the severity and urgency of the climate related risks to our organisational aims and objectives. Details of the methodology, including the definitions of risk terminology and risk matrix used for this assessment are provided in Appendix 2 of [NE790](#).

In addition, Natural England has a well-established methodology for assessing climate vulnerability on our NNRs. These assessments cover the NNR estate, which comprises the sites that Natural England manage for people and nature.

The need for 'deep dives' into each portfolio's climate change work was identified during the reporting period, with sessions scheduled by the Climate Action Project Board. These will review progress against Strategic Plan objectives and identify risks and opportunities to delivery, with the intention of accelerating joint climate and nature work and prioritising the activities that will have the biggest impact.

Existing regulatory requirements related to climate change

Natural England has specific actions within the National Adaptation Programme (NAP3). For example, the delivery of the NRN and providing guidance on adaptation in advice for LNRS. The SSSI Future Reform Programme to adapt the designation and management of protected sites is also a key action. NAP actions are mainly to be delivered through existing or planned policy instruments. NAP actions will therefore reaffirm existing policy instruments and deliverables Natural England are committed to, ensuring climate change adaptation is embedded.

Processes for managing climate-related risks

The risk assessment and adaptation provided under ARP4 ([NE790](#)) sets out a range of actions to address climate risks to the organisation up until the end of 2029. These actions encompass different work areas across Natural England's remit and are separated by the organisation's six corporate portfolios. The portfolios are responsible for implementing the actions outlined in the plan. Following Defra guidance provided for ARP4, the adaptation plan also includes indicators of success for all adaptation actions within the plan. Natural England will monitor progress in implementing these actions on a periodic basis over the 5-year period of the plan.

Integrating climate change into the organisation's strategy

Most of the climate change risks facing Natural England's organisational aims are interrelated due to the systemic ways in which climate change is, and increasingly will, affect the natural environment. The causes of nature's decline are increasingly intertwined with the acute and chronic impacts of climate change, which are exacerbating wider pressures and accelerating biodiversity loss (for example, the additional impacts of drought conditions on wetland species pressured by pollution and habitat loss). This demands novel, innovative and adaptive approaches which Natural England have developed further during 2025-26 under the new organisational strategy.

D. Metrics and Targets

(a) disclose the metrics used by the organisation to assess climate related risks and opportunities in line with its strategy and risk management process

See section (c) for information on metrics used under the ARP process and for assessing climate vulnerability on National Nature Reserves.

(b) on Emissions reporting

The greenhouse gas emissions for Natural England for 2024-25 are laid out in the Sustainability Report. Here, Scope 1, 2 and Scope 3 (business travel) emissions are stated and our actions to mitigate any risks rising from these. Natural England's greenhouse gas emission for offices, NNRs, homeworking, commuting, and business travel are calculated in line with the Greenhouse Gas Protocol methodology and are presented in such a way that they can be aggregated and compared. Emissions and other metrics are provided for the last three years and against the 2017-18 baseline for this phase of Greening Government Commitment reporting. Where novel techniques for estimation have been used, these have been explained.

(c) describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets

Targets for managing climate-related risks are based on the actions within the ARP4 report. We have provided indicators of success for all adaptation actions within our adaptation plan. Most of these indicators relate to whether planned actions have been undertaken and implemented. We do not yet have bespoke indicators to monitor reduction in climate vulnerability. A key action within the ARP4 report is to develop an overarching KPI for our work on adaptation. Our overall progress on embedding climate change action is monitored through the Climate Action Project governance.

Financial performance

Our funding

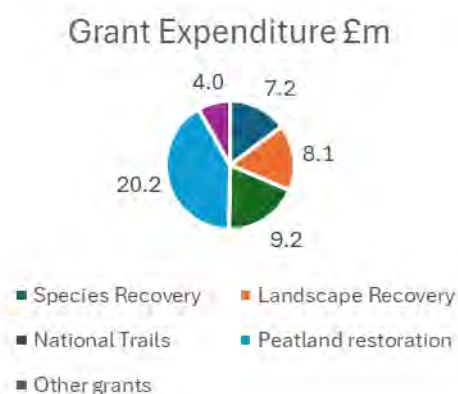
Most of our activities are funded with Grant-in-Aid (GiA) from Defra, and the proportion of our overall income that comes from GiA is stable at 91% (2023-24: 91%). This was the last of the three years covered by Spending Review 2021, over which period our GiA increased by 94%, from £149 million in 2021-22 to £289 million in 2024-25.

We also fund some of our activities by charging for services like the Discretionary Advice Service, delivering habitat mitigation solutions for developers through the District Level Scheme and the Nutrient Mitigation Scheme, and by seeking external funding for projects through organisations like the Heritage Lottery Fund and The Crown Estate. Income from non-GiA sources increased by £2.6 million, or 9%, to £30.0 million from £27.5 million in 2023-24.

Analysis of the Statement of Comprehensive Net Expenditure

Grants

Our settlement from Defra enabled us to increase the amount we disbursed as grants, which increased by 45% from £33.5 million in 2023-24 to £48.7 million throughout 2024-25. Our grant schemes provide funding for nature-based outcomes such as species introduction, peatland restoration, and access to nature.



Through our **Species Recovery Programme**, which contributes to the legally binding targets for halting species decline set out in the Environment Act 2021, we made grants of £7.2 million (2023-24: £6.4 million)

to deliver targeted action for 150 of England's most threatened species.

Landscape Recovery supports large-scale, long-term projects to restore nature and improve biodiversity across whole landscapes – and funding for projects in their development phase received £8.1 million of grants during 2024-25 (2023-24: £5.2 million).

Connecting people to the natural environment is part of our long-term vision, so we made £9.2 million of grants to support the creation of new **National Trails** (2023-24: £3.1 million). This was key in achieving the highest completion rate for the King Charles III England Coast Path since the creation of the path began.

Our largest area of grant expenditure is for peatland restoration and in 2024-25 we disbursed grants of £20.2 million (2023-24: £12.7 million) through our **Peatland Grant Scheme**, which aims to restore 35,000 hectares of degraded peatland.

Research and development

In line with our ambition to be an evidence-led organisation, we have increased our investment in research and development, which has increased by 32% from £23.6 million in 2023-24 to £31.1 million in 2024-25. Natural Capital Ecosystem Assessment (NCEA) is our largest R&D programme, in which we spent £10.7 million through the year, contributing to our understanding of the extent, condition, and change over time of England's ecosystems and natural capital.

A further £3.7 million of research and development was invested into our work on protected sites, and £3.4 million on future farming.

Staff

This continues to be our largest area of expenditure, increasing by 1% from £151.4 million in 2023-24 to £153.6 million in 2024-25. Our average number of full-time equivalent staff fell throughout the year (more information can be found in the staff report) but this is offset by increases to salaries following the pay award, the cost of providing pension benefits and social security payments.

Income from our customers

Income from the fees and charges we make on the services we provide, including our habitat mitigation schemes, has increased from £19.1 million to £24.2 million. This largely comes from our Nutrient Mitigation Scheme which concluded its first full year of operation and sold £6.3 million of nutrient credits, enabling the development of many homes.

Income from our partners

As well as receiving income for providing services to customers, we also receive grants and contributions from other organisations who share our ambitions for nature. This fell by 30% from £8.3 million in 2023-24 to £5.8 million in 2024-25 as some of the projects with external funding came to a close. This has been offset somewhat by new agreements with partners including The Crown Estate, with whom we collaborate on the Offshore Wind Evidence and Change (OWEC) programme.

Analysis of the Statement of Financial Position

Net assets increased by 26% to £193.9m from £154.4m, which comprises an increase in total assets of £20.4m and a reduction in liabilities of £19.1m.

Heritage assets

The value of our heritage asset portfolio, which comprises the National Nature Reserves grew modestly to £112.4 million (2023-24: £110.3 million), due to our acquisitions in Cumbria, Oxfordshire, Somerset, North Yorkshire, and Suffolk.

Property, plant, and equipment

The value of our property, plant, and equipment (PPE) grew as we continued to invest in our operational buildings, including new agricultural buildings at Ainsdale and a new laboratory at Lindisfarne. Along with additions to our plant and machinery and vehicle fleet, this contributed to a 14% increase in the value of PPE, increasing from £52.8 million to £60.1 million.

Inventories

Our inventory comprises primarily of nutrient credits sold under the Nutrient Mitigation Scheme, and a small amount of livestock. Inventory fell by 14% from £15.3 million to £13.2 million as we sold those credits to developers.

Trade and other payables

There was a significant fall in trade and other payables, reducing by 22% from £76.2 million to £59.8 million. This reflects our work in ensuring our partners and suppliers are paid promptly for the work they do for us.

Going concern

We assess that we have sufficient resources for the expenditure which we expect to incur for at least twelve months from the date the financial statements included in this annual report and accounts are signed. As such, we consider it appropriate to adopt the going concern basis of preparation for the financial statements, as is consistent with the Government's Financial Reporting Manual (FReM).

Marian Spain

Chief Executive and Accounting Officer
Natural England

09 April 2026

Accountability report

This section provides the key accountability requirements to Parliament, including a report on corporate governance, the remuneration and staff reports, the parliamentary accountability report, and the report and certificate of the Comptroller and Auditor General.

Corporate governance report

The following section explains the composition and organisation of Natural England's governance structures and how they support the achievement of its objectives.

Director's report

Leadership

Marian Spain assumed the post of Natural England's interim Chief Executive and Accounting Officer on 3 December 2018 and was then appointed to the post on a substantive basis on 29 April 2020.

Tony Juniper was appointed as Chair on 23 April 2019 for a three-year period, then reappointed for a further three-year term. On 23 April 2025 he commenced a third term, scheduled to run for two-years.

On 17 March 2026, Marian Spain announced her intention to retire as Chief Executive and Accounting Officer for Natural England, with an anticipated leadership transition in autumn 2026, allowing a period of continuity before Tony Juniper's term of office ends in April 2027. Marian will remain in post until a successor is formally appointed.

Governance: composition of management board

The Natural Environment and Rural Communities (NERC) Act 2006 specifies that Natural England's Non-Executive Board must comprise a chair and no fewer than eight and no more than 15 other members.

As of 1 April 2024, the Board was made up of 10 non-executive Board members (including the chair), and the Chief Executive as an *ex officio* member. In May 2024, four new board members were appointed. In December 2024, three board members' terms ended.

As of 31 March 2025, the board comprised 11 non-executive board members, including the chair, and the Chief Executive as an *ex officio* member. Full details can be found in the Remuneration and Staff report.

Details of membership attendance for the year 2024-25 is provided in the Governance Statement below. The relevant Defra Director General and Defra group Corporate Services business partners are invited to attend board meetings as appropriate, as non-voting attendees.

Any significant interests held by board members which may conflict with their stewardship responsibilities are recorded and published in the [Natural England register of board members' interests](#).

Personal data related incidents

During 2024-25 we continued activities to ensure compliance with data protection legislation and Information Commissioner's Office (ICO) guidance including the completion of the ICO recommended Accountability Framework, demonstrating that compliance is improving.

The Data Protection Officer, data protection team and legal advisers continued to provide advice and guidance and raise awareness around data protection and privacy issues across the Natural England portfolios. In all cases where personal data breaches occurred or risks were identified, Natural England worked with staff effectively address issues and revise our processes.

Most personal security breaches over the past year have involved information sent over email in error. Fortunately, there have been no personal data breaches that have met the threshold for reporting to the ICO during this period. For further details of all Natural England's Security Incidents see page 43.

Statement of Accounting Officer's responsibilities

Under Schedule 1, Section 24(2) of the Natural Environment and Rural Communities Act 2006, Natural England is required to prepare for each financial year a Statement of Accounts in the form and on the basis set out in the Accounts Direction.

The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of Natural England and of its net expenditure, financial position, changes in taxpayers' equity and cash flows for the financial year.

In preparing the accounts, the Accounting Officer is required to comply with the requirements of the Government Financial Reporting Manual (FReM) and in particular to:

- observe the Accounts Direction issued by the Secretary of State, including the relevant accounting and disclosure requirements and apply suitable accounting policies on a consistent basis,
- make judgments and estimates on a reasonable basis,
- state whether applicable accounting standards as set out in the FReM have been followed and disclose and explain any material departures in the financial statements,
- prepare the financial statements on a going concern basis, and
- confirm that the Annual Report and Accounts as a whole is fair, balanced, and understandable and take personal responsibility for the Annual Report and Accounts and the judgements required for determining that it is fair, balanced, and understandable.

The Principal Accounting Officer of Defra has designated the Chief Executive as Accounting Officer for Natural England. The Accounting Officer is responsible for ensuring that appropriate systems and controls are in place to ensure the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding Natural England's assets, as set out in Managing Public Money, published by HM Treasury. The Accounting Officer is also responsible for ensuring that any grants offered by Natural England to other organisations are monitored robustly and that agreed deliverables are achieved in return for the grant.

Disclosure of audit information to auditors

As the Accounting Officer, I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that Natural England's auditors are aware of that information. As far as I am aware, there is no relevant audit information of which the auditors are unaware.

Governance statement

Introduction

This statement evaluates the effectiveness of Natural England’s governance arrangements, risk management and the system of internal control and stewardship of resources for the financial year 2024-25.

It will report on any specific control issues identified in 2024-25 and on the overall assurance work carried out in the year including the overall opinion from our Head of Internal Audit.

It will conclude with a statement from the Chair of the Natural England Audit Risk and Assurance Committee (ARAC) and with my own personal statement regarding the assurance I take around Natural England’s arrangements and will set out any specific areas of current and future focus.

Overall governance arrangements

Non-Executive Governance

The requirements for Natural England’s governance arrangements are set out in the [Natural England Framework Document](#).

The Non-Executive Board has a number of functions including to:

- agree the strategic direction of Natural England within the policy and resources framework determined by the Secretary of State.
- provide effective leadership of Natural England within a framework of prudent and effective controls which enables risk to be assessed and managed.
- set the long-term direction for the Executive team and the tone and pace needed to deliver the agreed strategies and plans.
- ensure the financial and human resources are in place for Natural England to meet its objectives.
- agree annual action plan to set out Natural England’s specific delivery commitments and approve the appropriate allocation of resources.
- ensure that the board receives and reviews regular financial and management information concerning

- the management of Natural England.
- approve all matters not delegated to the Chief Executive under the Natural England Schemes of Delegation.

To assist in the delivery of these functions, the Natural England Board has established the following standing sub-committees:

The Audit Risk and Assurance Committee (ARAC): To support the board in their responsibilities for issues of risk, control and governance by reviewing the comprehensiveness of assurances in meeting the board and Accounting Officer’s assurance needs and reviewing the reliability and integrity of these assurances.

ARAC members
Catherine Dugmore (Chair until Dec 2024)
Cynthia Alers (Board member from June 2024, Chair from Dec 2024 – 30 Nov 2025)
Lord Blencathra (Board member until Dec 2024)
Mark Tufnell (Board member from May 2024, Acting Chair from Jul 2025, Chair from Nov 2025)
Lynn Dicks (Board member from Mar 2025)
Mel Austin (Board member from Mar 2025)
Peter Unwin (Board member from June 2020)

The People and Remuneration Committee (PRemCom): To support Natural England’s Chief Executive in: (i) exercising Natural England’s delegated pay authority for Natural England senior leadership and staff; (ii) advising the Chief Executive in exercising their wider responsibilities regarding people; (iii) strategic approaches to and policies on people-related issues that impact Natural England’s performance and success.

The National Nature Reserves Declarations Committee (NNRDC): To support Natural England in fulfilling its statutory role in relation to NNR declarations and to enable Natural England to deliver the EIP23 target for 25 new NNRs by the end of 2027-28.

The Natural England Board is also supported by these advisory sub-groups:

The Natural England Science Advisory Committee (NESAC): To provide independent advice, challenge and review to Natural England's science and evidence functions and to work to strengthen its relationship with the wider scientific community.

The Natural England Landscape Advisory Panel (NELAP): To advise and support the organisation to deliver strong landscape leadership and achieve transformative change for England's landscapes and people. In addition, other temporary board sub-groups are periodically established to provide advice specific topics.

Executive Governance

Following a review of the executive governance structure and processes, changes were made to strengthen executive governance by simplifying structures and improving clarity. The key changes were:

- The number of executive sub-committees was reduced from five to three.
- Terms of Reference were rescoped to reflect the new structure. These changes aim to provide greater clarity on governance arrangements and support the implementation of portfolio management structures.

The revised structure improves overall governance by making roles and responsibilities clearer; it supports better decision-making and alignment across the organisation. This work is being phased and the changes made in 2024-25 will lay the foundation for further improvements in governance.

The remaining three sub-committees are:

Portfolio Committee

Underpins NE Planning. Its aim is to oversee long-term strategic planning and annual business planning and to

ensure we have an integrated business plan that enables the delivery of our strategic aims and objectives.

Delivery Committee

Underpins delivery. Its aim is to determine the portfolios' delivery plan targets for the annual NE action plan; ensure that NE delivers against the action plan commitments by implementing and monitoring business as usual and change activities and enable and support issue and risk resolution across the portfolios.

People Committee

Gives executive leadership to NE's people related priorities as set out in the Strategic Workforce Plan, and to ensure NE meets its regulatory and legal responsibilities as an employer, providing issue and risk resolution as required.

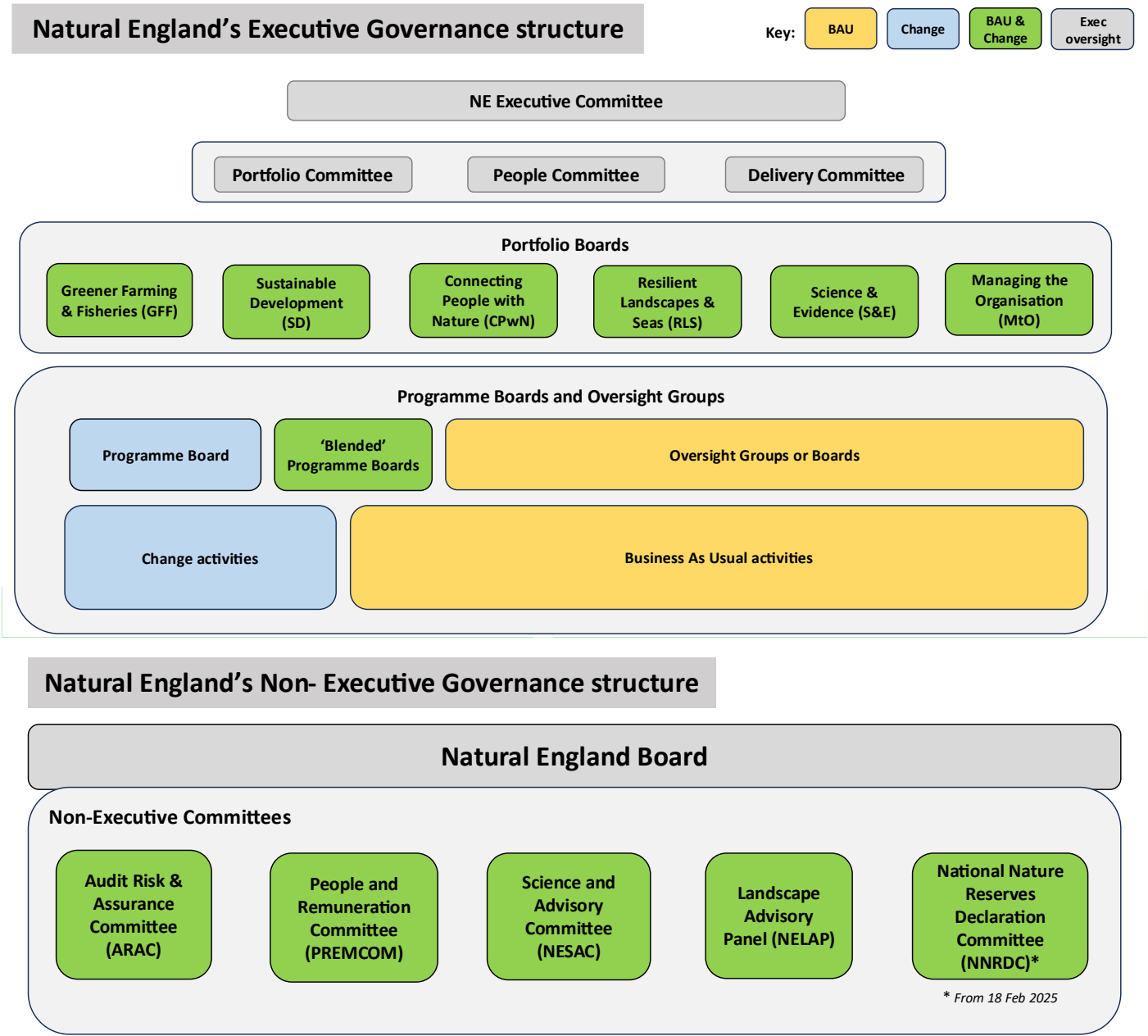
Portfolio Boards

A portfolio management approach was introduced across Natural England, with the introduction of six portfolio boards sitting below the executive sub-committees.

The Communications and Engagement Committee was stood down as a formal decision-making sub-committee; strategic communications duties delivered through Communications and Engagement Strategic Working Group.

The Natural England Investment Committee began a process towards being stood down as part of shift to Portfolio Approach, with investment scrutiny to be provided by Portfolio Boards supported by additional business case assurance expertise, and Portfolio Committee.

Natural England governance structure – Executive and Non-Executive



Delivery and assurances

During 2024-25, six formal meetings of the Natural England Board were held and attendance was as follows:

Board member	Attendance
Tony Juniper (Chair)	6/6
Marian Spain (Chief Executive, ex-officio)	6/6
Kim Shillinglaw	4/6
Peter Unwin	6/6
Claire Fitzsimmons	6/6
Dame Caroline Spelman	6/6
Lynn Dicks	6/6
Mel Austen	6/6
Cynthia Alers ¹	4/4
Alastair Leake ¹	3/4
James Scott ¹	2/4
Mark Tufnell ¹	4/4
Lord Blencathra ²	4/5
Henry Robinson ²	4/5
Catherine Dugmore ²	4/5

¹ Cynthia Alers, Alastair Leake, James Scott and Mark Tufnell joined the Board on 30 May 2024.

² Lord Blencathra, Henry Robinson, and Catherine Dugmore completed their appointments on 11 December 2024.

Board subcommittees met as follows:

Subcommittee	No. of meetings
Board	6
ARAC ¹	8
PRemCom	6
NNRDC	1
NESAC	3
NELAP	4

¹ This was a higher number of meetings than typically would be the case, due to accounting matters as presented in the 2023-24 accounts.

Board Effectiveness Review

An externally conducted Board Effectiveness Review was procured in January 2025 from KPMG. As of 31 March 2025, the data gathering phase was well progressed. Previous board meetings' documentation had been reviewed; a series of interviews had been conducted with board members (current and some previous), the Chief Executive, chief officers and a selection of Natural England directors; and some emerging themes had been identified. Preparations were in hand for KPMG observance of the May 2025 board meeting, before completion of final report.

Risk management

Natural England manages risk in alignment with best practice guidelines, adhering to the Defra Risk strategy and framework, alongside the principles outlined in HM Treasury's [The Orange Book – Management of Risk – Principles and Concepts](#)

A structured route for management and escalation of risk is provided through Natural England's utilisation of two risk registers. Risk management processes are integrated into both risk registers with functionality to document risk assessment levels, risk owners and required actions.

All staff in Natural England have a role to play in risk management. Risk identification takes place across the organisation through front line staff, with identified risks escalated through line management routes to ensure they are captured within the risk management system. Risk owners are allocated based on the level and nature of the risk, with those on the Strategic Risk Register being owned at director level. Natural England fosters a supportive risk culture that encourages openness.

The Natural England Board Retained Authority requires the board to assure itself that effective risk management arrangements are in place and sets out that the Audit and Risk Assurance Committee provide oversight

of the organisational risk and internal control framework on behalf of the board. Natural England Executive Committee have responsibility to provide leadership and oversight for the management of systems to identify and control risk.

While Natural England adheres to established risk management principles, we recognise the need to further enhance our risk maturity and culture to drive truly effective risk management practices. In 2024, a 'limited assurance' internal audit report provided recommendations for improvement, highlighting areas where we could strengthen our approach.

In response, we have taken proactive steps, including progressing the development of a risk appetite statement for Natural England. This initiative is particularly timely as we launched our new strategy in autumn 2025. The risk appetite statement will serve as a decision-making framework, guiding how we balance risk-taking and risk aversion to effectively deliver our nature recovery objectives.

As part of our ongoing improvements to the risk framework, we are simplifying our risk management processes to enhance clarity and efficiency. A key focus is clarifying and refining our governance around risk escalation, ensuring clear guidance on when and where risks should be escalated within the organisation. This will enable risks to be managed at the lowest safe level, while empowering staff with greater autonomy in risk management.

These improvements will be implemented over 2025-26, and to bring staff along on this journey, we plan to provide guidance and training to strengthen risk management capability across the organisation.

Internal control

The internal control environment within Natural England is comprised of a set of processes, guidance and verification checks that provide assurance of adequate risk control across the organisation. Our internal control environment is structured in line with the "three lines of defence" model.

First line controls: Risk controls embedded in business-as-usual activities.

Second line controls: Cross-organisational processes, effectiveness monitoring and post-activity control checks performed by a dedicated assurance team.

Third line controls: Independent process checks performed via an internal audit programme.

Our first line controls are embedded into operational processes and managed by the front-line owners of those processes. The Assurance team provide advice and support to process owners regarding control implementation. An annual return exercise is undertaken by operational staff in which they provide self-assessment data related to their assurance activities over the year.

The second line controls within the organisation are managed by the Assurance team and involve both issuing processes and guidance to build the control environment, and monitoring and reporting on the effectiveness of that control environment. Routine measures demonstrating the effectiveness of the control environment are reported to ARAC on a quarterly basis. Key areas of focus within the Assurance team over the course of 2024-25 have been:

- Improved management of internal audit actions.
- Alignment of counter fraud reporting, with other Defra group organisations.
- Strengthening of post-spend financial control monitoring.

Third line assurance is provided through our internal audit programme, which is planned and delivered by the Government Internal Audit Agency (GIAA). The programme is developed in discussion with Natural England Executive Committee, directors and the Assurance team to understand current and upcoming risk priorities for the organisation and approved by ARAC.

Natural England continues to work with GIAA improve its internal audit processes and ensure that they lead to organisational improvement. We have refined our action tracking and sought to derive greater value from audits already undertaken through identifying common themes between audits

and where improvements can be made at scale in the organisation, all in partnership with the Head of Internal Audit for Natural England.

During the 2024-25 audit programme a total of five assurance audits and three advisory audits were completed. The outcomes are listed in the table below. Completion of audit

Audit Type	Total	Audit Opinion- Limited	Audit Opinion- Moderate	Audit Opinion- Substantial
Assurance	5	1	4	0
Advisory	3	N/A	N/A	N/A
Follow up of previous limited outcomes	2	N/A	N/A	N/A

Whistleblowing and counter-fraud

During the reporting period four concerns were raised under the ‘raising a concern’ Whistleblowing policy. One of these concerns was deferred to be managed through our dispute resolution policy as an HR matter. With the remaining three being investigated as whistleblowing concerns.

Two of the concerns are related and subject to ongoing investigations, with the support of an external investigator.

The remaining concern raised has completed its investigation, grounds for the case was unsubstantiated and the case closed; however, the need for greater awareness over existing policies and procedures was recognised and actioned.

One concern raised in 2023–24 remains open and under investigation because of delays in instigating an investigation. Natural England has whistleblowing policies and procedures in place that are consistent with the Public Disclosure Act 1998, however we recognise that the processes, roles and responsibilities for completing timely investigations requires improvement. Natural England has commissioned GIAA to audit our whistleblowing policy and procedures in 2025-26.

Defra provide support for counter-fraud activities in Natural England through maintenance of a Defra group wide counter-

actions is tracked by the Natural England Assurance team and compliance with action target dates is monitored and reported regularly to ARAC. The overall annual opinion reported by the Head of Internal Audit for GIAA was moderate.

fraud strategy, which was updated in January 2024 to focus on three key objectives:

- Build a culture of fraud awareness and the capability to address issues.
- Prevention of fraud and error through effective governance and oversight of risk management
- Improve reporting and drive-up detection through better interrogation of data and insights.

Alongside publication of the strategy, Defra Counter Fraud provide support for arm's length bodies by supporting self-assessment against the Government Counter Fraud Functional Standard GovS 013, sharing knowledge through the Defra group Counter Fraud Community and facilitating discussion and returns to the Public Sector Fraud Authority.

All staff across Natural England have responsibilities to identify and report cases of fraud, bribery, corruption and financial error. To enable this, all staff are required to undertake a mandatory counter fraud training package annually. Standardised processes and reporting forms are available to staff to ensure that they can report any concerns. Natural England can use the Defra Investigation Service, to support investigation of complex and criminal cases.

Natural England’s approach to counter fraud currently maintains a strong focus on fraud measurement. Allegations of fraud are

quantified where possible and reported, alongside routine measures of error, to the Public Sector Fraud Authority as part of a consolidated return with other agencies in Defra group. Throughout 2024-25 Natural England have improved standardisation of the data reported in this return through increased engagement with other Defra group bodies

Over the financial year 2024-25 Natural England's total reported losses through fraud and error were £218,493.25 of which £74,611.76 was recovered in year. A total of four allegations of fraud were reported by staff over the year, of which two prompted further investigation.

Security and information management

Natural England, like other public bodies, maintains various responsibilities for ensuring the security of our staff, our public assets, and the citizen data we hold, held or process in the organisation.

Natural England remains committed to fostering strong security and information practices by actively engaging with teams focused on digital and data initiatives, and by addressing issues comprehensively through the Digital & Data Steering Group. Additionally, we continue to enhance the [Information Commissioner's Accountability Framework](#) with a maintained emphasis on delivering Security, Data Protection and Records and Information Management Training across the breadth of the organisation.

As part of the Defra group's effort to phase out legacy applications, we have continued to migrate all records from our old network shared drives to the new SharePoint Online Records Hub. Once migrations are complete, old drives are decommissioned. Progress also continues in bolstering security and cyber security measures across other legacy applications.

In 2024-25 the following incidents were referred to the Natural England Security Team:

Incident type	2024-25	2023-24
Leaks	-	-
Losses	73	21
Complaints	-	1
Personal data	17	27
Unauthorised disclosure	53	50
Physical security	6	41

All reported incidents are promptly reviewed to confirm that appropriate measures have been implemented to address the issues, with guidance provided to affected parties on suggested remedial actions. While none of the recorded incidents met the criteria for reporting to the ICO, some matters have been referred to the Defra Data Protection Officer for further clarification to ensure that the most appropriate steps are consistently taken.

Natural England has taken part in the Defra group survey of staff awareness and behaviours regarding security (both physical and information). The survey demonstrated some gains but showed we need to improve awareness of staff and ensure that staff are better able to understand how to obtain support and access to guidance. Security and Data Protection training is mandatory for all staff.

Business Critical Models

Business Critical Models (BCMs) have one or more of the following characteristics:

- The modelling drives essential financial and funding decisions.
- The model is essential to the achievement of business plan actions and priorities.
- Errors could engender serious financial, legal, reputational damages or penalties.

Natural England has registered 11 BCMs for 2024-25.

Complaints to the Parliamentary and Health Service Ombudsman (PHSO) and Office for Environmental Protection (OEP)

In the Financial Year 2024-2025, Natural England received 188 complaints in total of which 131 were resolved internally at Tier 1 stage, 51 at Tier 2 stage, 4 through the OEP and 2 through the PHSO.

None of the four OEP complaints were upheld.

In two complaints referred to the PHSO, at Primary Investigation the PHSO found no evidence to show Natural England had made a mistake and took no further action. All cases were not upheld and there were no recommendations made.

Parliamentary correspondence

- **105** letters or emails received from Members of Parliament (MPs)
- **82.1%** responded within the target of **10 working days**.
- **43** Parliamentary Questions (PQs) received
- **95%** completed by the required deadlines

Concluding statements

From the Chief Executive

This statement covers the period of 2024-25 over which I was Chief Executive of Natural England. My review of assurances for this year has been informed by the work of the Natural England Audit and Risk Assurance Committee, the GIAA, assurances from senior managers with delegated responsibilities within the organisation, and the comments and recommendations made by the external auditors in various other reports. As with last year, this year has again demonstrated that the context in which Natural England operates grows in complexity as both our organisation and ambitions for nature recovery continue to grow. I am confident that our controls will continue to evolve to match that. Overall, I am satisfied that Natural England has effective governance, risk management, and internal controls in place.

From the Chair of ARAC (Mark Tufnell)

As Chair of the Audit and Risk Assurance Committee, I have made relevant inquiries and received sufficient assurances that ARAC has had sufficient opportunity to review the comprehensiveness, reliability, and integrity of assurances, and has supported the Natural England Board in their responsibilities for risk management, control, and governance. In providing this assurance, I have referred to governance guidelines issued by HM Treasury in the Financial Reporting Manual, the Audit and Risk Assurance Committee Handbook for Arm's Length Bodies, and the Corporate Governance Code for Central Government Bodies.

Responding to Public Correspondence

Our Customer Engagement Team and Correspondence unit dealt with:

- **5,347** letters and emails received from the public.
- **89.7%** of email enquiries were resolved within the target of **10 working days**.
- **6,076** telephone enquiries handled.
- **96.4%** responded within the target of **10 working days**.

Freedom of Information

In the 2024-25 financial year, Natural England received 758 formal requests for information under the Freedom of Information (FOI), Environmental Information Regulations (EIR), and Data Protection regulations. This represented an increase of 12% on the previous financial year.

These figures include 31 Internal Review Requests and 4 ICO Referrals. 58% of the requests were responded to within the regulation 20 days. 31% of requests were handled within 20-40 days with an agreed extension, and 9% were outside the regulations and considered late.

Remuneration and staff report

This report provides details about Natural England's remuneration and staff that Parliament and others see as important to accountability.

Remuneration report

Appointments

Appointments to Natural England's Board are made by the Secretary of State for Environment, Food, and Rural Affairs and in accordance with the Code of Practice for Ministerial Appointments to Public Bodies issued by the Office of the Commissioner for Public Appointments. Appointments are typically made for three years.

Information about Natural England's Board members is available at [Our governance - Natural England](#).

Directors are appointed on merit through fair and open competition in accordance with the Constitutional Reform and Governance Act 2010. The Civil Service Commission Recruitment Principles specify the circumstances in which appointments may be otherwise made.

Natural England's Chief Executive is appointed for a three-year term, which was renewed in 2023 until April 2026. All Chief Officers are employed through permanent contracts which are open-ended. Early termination, other than for misconduct, would result in the individual receiving compensation as set out in the Civil Service Compensation Scheme.

Remuneration policy

The remuneration for the Senior Civil Service (SCS) is set by the Prime Minister following independent advice from the Senior Salaries Review Body (SSRB). Defra receives guidance from the Cabinet Office and formulates the reward strategy for staff equivalent to the SCS in Natural England for the purposes of pay. Board members' remuneration is determined by Defra.

Salary

Salary refers to gross salary and any other allowances to the extent that they are subject

to UK taxation. This report is based on accrued payments made by Natural England and thus recorded in these accounts.

Non-consolidated performance related payments

Natural England's Leadership Group, which includes the Chief Executive, Chief Officers, and directors are eligible for non-consolidated performance related payments based on their performance rating as agreed with their line manager at the end of each performance year. The amount payable to the Chief Executive is determined by the Chair, and the amounts payable to the Chief Officers are determined by the Chief Executive, all supported by PRemCom.

Payments are made in arrears, so payments made in 2024-25 relate to performance ratings for 2023-24. Awards can also be made before the end of the performance year, subject to a maximum of £3,500 per award, and individuals can receive more than one award in-year. The total payable to all eligible staff should not exceed 3.3% of the SCS-equivalent collective pay bill.

Benefits in kind

Staff receive certain minor benefits in kind. Natural England accounts for income tax on such benefits on an aggregate basis, as it is not possible to disclose individual amounts.

Fair pay - audited

Natural England discloses the relationship between both total pay and benefits and the salary component of total pay and benefits of the highest paid director in their organisation and in respect of employees of the organisation taken as a whole, and the relationship between the remuneration of the highest paid director in their organisation and the lower quartile, median and upper quartile of the organisation's workforce.

Total remuneration includes salary and non-consolidated payments including performance-related pay. It does not include severance payments, employer pension contributions, and the cash equivalent transfer value of pensions.

	2024-25	2023-24
Band of highest paid director's total remuneration (£'000s)	155-160	145-150
Of which: salary component (£'000s)	150-155	140-145
Median total remuneration (£)	38,167	36,182
Of which: salary component (£)	38,083	36,098
Ratio of median to highest paid director's total remuneration	4.1	4.1
25 th percentile total remuneration (£)	31,090	30,955
Of which: salary component (£)	31,070	29,455
Ratio of 25 th percentile to highest paid director's total remuneration	5.1	4.8
75 th percentile total remuneration (£)	40,474	38,308
Of which: salary component (£)	40,402	36,739
Ratio of 75 th percentile to highest paid director's total remuneration	3.9	3.9

Natural England considers the 2024–25 median pay ratio to be consistent with our pay and reward policies, alongside the broader Civil Service Pay Guidance regime Natural England operates within. It shows that senior remuneration remains proportionate to the wider workforce, with pay structures and reviews applied consistently across all employees.

Change in total remuneration and performance payments

	2024-25 Salary and allowances	2024-25 Performance pay	2023-24 Salary and allowances	2023-24 Performance pay
Highest paid director	7.0%	0.0%	7.5%	0.0%
Workforce as a whole	8.7%	-91.8%	2.8%	307.2%

During 2023-24, most of our staff received a non-consolidated, pro-rated payment of £1,500. This has a significant effect on the percentage change for the workforce as a whole for that period. The banded remuneration of our staff ranged from £20-25k to £155-160k (2023-24: £10-15k to £145-150k). The banded remuneration in the prior year included non-executive directors in the £10-15k banding, and if these are excluded, the prior year comparative is £20-25k to £145-150k. The average percentage change in total remuneration from the previous financial year was 5.0% (2023-24: 5.8%).

Non-executive board remuneration (£'000s) - audited

Director	2024-25	2023-24	Director	2024-25	2023-24
Dr Tony Juniper CBE Chair	85-90	85-90	Mark Tufnell¹	5-10	-
Peter Unwin	10-15	10-15	Alastair Leake¹	5-10	-
Cynthia Alers¹	5-10	-	James Scott¹	5-10	-
Dame Caroline Spelman	10-15	10-15	Catherine Dugmore²	10-15	10-15
Kim Shillinglaw⁴	10-15	10-15	Henry Robinson²	5-10	10-15
Professor Clare Fitzsimmons	10-15	10-15	Lord Blencathra²	20-25	25-30
Professor Lynn Dicks	10-15	10-15	Rosamund Blomfield-Smith³	-	10-15
Professor Mel Austen	10-15	10-15	Kerry ten Kate³	-	10-15

¹ Cynthia Alers, Mark Tufnell, Alastair Leake, and James Scott joined the board on 30 May 2024. The full-year equivalent banding in 2024-25 was £10-15k.

² Lord Blencathra, Catherine Dugmore, and Henry Robinson left the board on 11 December 2024. An administrative error led to these board members continuing to be remunerated until January 2025. The payments were repaid during 2025-26 and did not affect the bandings presented above. The full-year equivalent banding in 2024-25 was £25-30k for Lord Blencathra as the Deputy Chair and £10-15k for other board members.

³ Rosamund Blomfield-Smith and Kerry ten Kate left the board on 29 February 2024. The full-year equivalent banding in 2023-24 was £10-15k.

⁴ Kim Shillinglaw was erroneously enrolled into the Civil Service and Other Pension Scheme (CSOPS) when she joined the Board in June 2020 and was still a member of the scheme on 31 March 2025. This was rectified during 2025-26, when the member and Natural England were reimbursed for their contributions. In addition to her remuneration above, the member accrued pension benefits during 2024-25 of £5k (2023-24: £6k), leading to a single total figure of remuneration of £15-20k (2023-24: £15-20k). The accrued pension benefits were given up when the contributions were refunded during 2025-26.

Executive Committee remuneration (£'000s) – audited

Director	Year	Salary	Bonuses	Pension	Total
Marian Spain Chief Executive	2024-25	145-150	5-10	58	210-215
	2023-24	140-145	5-10	55	200-205
Alan Law Chief Officer, Operations	2024-25	110-115	0-5	76	190-195
	2023-24	105-110	5-10	(17)	95-100
Oliver Harmar Chief Officer, Strategy	2024-25	105-110	0-5	42	150-155
	2023-24	100-105	0-5	40	140-145
Kirsty Carter-Brown Chief Officer, Business Management	2024-25	105-110	5-10	85	200-205
	2023-24	100-105	0-5	118	220-225

Director	Year	Salary	Bonuses	Pension	Total
Navroza Ladha					
Chief Officer, Legal, Governance and External Affairs	2024-25	110-115	0-5	62	175-180
	2023-24	105-110	5-10	61	170-175
Sallie Bailey¹	2024-25	80-85	-	136	215-220
Chief Scientist	2023-24	-	-	-	-
Tim Hill²	2024-25	25-30	0-5	22	50-55
Chief Scientist	2023-24	100-105	-	39	140-145

¹ Professor Sallie Bailey joined Natural England on 27 June 2024. The full-year equivalent banding for salary during 2024-25 was £105-110k.

² Dr Tim Hill left Natural England on 8 July 2024. The full-year equivalent banding for salary during 2024-25 was £105-110k.

Executive Committee pension benefits (£'000s) – audited

Director	Total accrued pension at pension age and related lump sum at 31 March 2025	Real increase in pension and related lump sum at pension age	CETV at 31 March 2025	CETV at 1 April 2024	Real increase in CETV
Marian Spain	20-25	2.5-5	378	295	47
Alan Law	45-50 plus a lump sum of 120-125	2.5-5 plus a lump sum of 2.5-5	1,191	1,093	69
Oliver Harmar	5-10	2.5-5	113	76	23
Kirsty Carter-Brown	50-55	2.5-5	951	844	69
Navroza Ladha	55-60	2.5-5	1,021	921	48
Sallie Bailey	30-35 plus a lump sum of 70-75	5-7.5 plus a lump sum of 10-12.5	678	526	130
Tim Hill	50-55 plus a lump sum of 130-135	0-2.5 plus a lump sum of 0-2.5	1,165	1,131	19
Kim Shillinglaw¹	0-5	0-2.5	24	18	5

¹Kim Shillinglaw is a non-executive board member who was erroneously enrolled into the CSOPS. Further information can be found in the footnotes to the non-executive remuneration table on the previous page.

The value of pension benefits accrued during the year is calculated as (the real increase in pension multiplied by 20) plus (the real increase in any lump sum) less (the contributions made by the individual). The real increases exclude increases due to inflation or any increase or decreases due to a transfer of pension rights. The pension benefits of any members affected by the public service pensions remedy which were reported in 2022-23 on the basis of alpha membership for the period between 1 April 2015 and 31 March 2022 are reported in 2023-24 on the basis of Principal Civil Service Pension Scheme (PCSPS) membership for the same period.

Public Service Pensions Remedy (audited)

Accrued pension benefits included in these tables for any individual affected by the Public Service Pensions Remedy have been calculated based on their inclusion in the legacy scheme for the period between 1 April 2015 and 31 March 2022, following the McCloud judgement. The Public Service Pensions Remedy applies to individuals that were members or eligible to be members of a public service pension scheme between 1 April 2015 and 31 March 2022. The basis for the calculation reflects the legal position that impacted members have been rolled back into the relevant legacy scheme for the remedy period and that this will apply unless the member actively exercises their entitlement on retirement to decide instead to receive benefits calculated under the terms of the Alpha scheme for the period from 1 April 2015 to 31 March 2022.

Civil Service Pensions

Pension benefits are provided through the Civil Service pension arrangements. Before 1 April 2015, the only scheme was the Principal Civil Service Pension Scheme (PCSPS), which is divided into a few different sections - classic, premium, and classic plus which provide benefits on a final salary basis, whilst nuvos provides benefits on a career average basis. From 1 April 2015 a new pension scheme for civil servants was introduced – the Civil Servants and Others Pension Scheme or alpha, which provides benefits on a career average basis. All newly appointed civil servants, and the majority of those already in service, joined the new scheme.

The PCSPS and alpha are unfunded statutory schemes. Employees and employers make contributions (employee contributions range between 4.6% and 8.05%, depending on salary). The balance of the cost of benefits in payment is met by monies voted by Parliament each year. Pensions in payment are increased annually in line with the Pensions Increase legislation. Instead of the defined benefit arrangements, employees may opt for a defined contribution pension with an employer contribution, the partnership pension account.

In alpha, pension builds up at a rate of 2.32% of pensionable earnings each year, and the total amount accrued is adjusted annually in

line with a rate set by HM Treasury. Members may opt to give up (commute) pension for a lump sum up to the limits set by the Finance Act 2004.

All members who switched to alpha from the PCSPS had their PCSPS benefits 'banked', with those with earlier benefits in one of the final salary sections of the PCSPS having those benefits based on their final salary when they leave alpha.

The accrued pensions shown in this report are the pension the member is entitled to receive when they reach normal pension age, or immediately on ceasing to be an active member of the scheme if they are already at or over normal pension age. Normal pension age is 60 for members of classic, premium, and classic plus, 65 for members of nuvos, and the higher of 65 or State Pension Age for members of alpha. The pension figures in this report show pension earned in PCSPS or alpha – as appropriate. Where a member has benefits in both the PCSPS and alpha, the figures show the combined value of their benefits in the two schemes but note that the constituent parts of that pension may be payable from different ages.

When the government introduced new public service pension schemes in 2015, there were transitional arrangements which treated existing scheme members differently based on their age. Older members of the PCSPS remained in that scheme, rather than moving to alpha. In 2018, the Court of Appeal found that the transitional arrangements in the public service pension schemes unlawfully discriminated against younger members (the "McCloud judgment").

As a result, steps are being taken to remedy those 2015 reforms, making the pension scheme provisions fair to all members. The Public Service Pensions Remedy is made up of two parts. The first part closed the PCSPS on 31 March 2022, with all active members becoming members of alpha from 1 April 2022. The second part removes the age discrimination for the remedy period, between 1 April 2015 and 31 March 2022, by moving the membership of eligible members during this period back into the PCSPS on 1 October 2023.

The accrued pension benefits, Cash Equivalent Transfer Value and single total figure of remuneration reported for any individual affected by the Public Service Pensions Remedy have been calculated based on their inclusion in the PCSPS for the period between 1 April 2015 and 31 March 2022, following the McCloud judgment. The Public Service Pensions Remedy applies to individuals that were members, or eligible to be members, of a public service pension scheme on 31 March 2012 and were members of a public service pension scheme between 1 April 2015 and 31 March 2022. The basis for the calculation reflects the legal position that impacted members have been rolled back into the PCSPS for the remedy period and that this will apply unless the member actively exercises their entitlement on retirement to decide instead to receive benefits calculated under the terms of the alpha scheme for the period from 1 April 2015 to 31 March 2022.

The partnership pension account is an occupational defined contribution pension arrangement which is part of the Legal & General Master trust. The employer makes a basic contribution of between 8% and 14.75% (depending on the age of the member). The employee does not have to contribute but, where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.5% of pensionable salary to cover the cost of centrally provided risk benefit cover (death in service and ill health retirement).

Further details about the Civil Service pension arrangements can be found at the website www.civilservicepensionscheme.org.uk.

Cash Equivalent Transfer Values

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement

when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies.

The figures include the value of any pension benefit in another scheme or arrangement which the member has transferred to the Civil Service pension arrangements. They also include any additional pension benefit accrued to the member as a result of their buying additional pension benefits at their own cost.

CETVs are worked out in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

Real increase in CETV

This reflects the increase in CETV that is funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

Civil Service and other compensation schemes – audited

Cost band	Year	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages agreed
£10,000 - £25,000	2024-25	-	-	-
	2023-24	-	2	2
£25,001 - £50,000	2024-25	-	-	-
	2023-24	-	1	1
£50,001 - £100,000	2024-25	-	-	-
	2023-24	-	1	1
Total resource cost (£'000s)	2024-25	-	-	-
	2023-24	-	148	148

Redundancy and other departure costs are either paid in accordance with the provisions of the Civil Service Compensation Scheme, a statutory scheme made under the Superannuation Act 1972, or ex-gratia. Exit costs are accounted for in full in the year of departure. Where we have agreed early retirements, the additional costs are met by Natural England and not the Civil Service pension scheme. Ill-health retirement costs are met by the pension scheme and are not included in the table. £106k of exit packages disclosed in 2023-24 relate to two exit packages that were committed to in previous years. Note 19 includes information about a voluntary exit scheme announced by Natural England during 2024-25, with departures taking place during 2025-26.

Staff report

Staff costs (£'000s) - audited

Description	2024-25	2023-24
Permanent staff salaries and allowances	108,116	109,768
Employer superannuation	31,173	27,546
Partnership pension contributions	124	137
Permanent staff social security	11,709	10,966
Apprenticeship levy	538	531
Agency and temporary staff	2,032	2,450
Inward secondees	899	816
Temporary staff social security	108	136
Temporary staff superannuation	360	447
Other staff costs	189	154
Recoveries in respect of outward secondments	(1,608)	(1,519)
Total	153,640	151,432

Average number of full-time equivalent persons employed – audited

Permanent staff	2024-25	2023-24
SCS-equivalent	29	27
L5 & L6 – Principal and Deputy Director	398	363
L4 – Senior	1,145	1,086
L3 – Higher	911	928
L1 & L2 – Assistant and Officer	321	430
Sub-total	2,804	2,834
Temporary staff	2024-25	2023-24
SCS-equivalent	1	2
L5 & L6 – Principal and Deputy Director	7	6
L4 – Senior	26	30
L3 – Higher	88	78
L1 & L2 – Assistant and Officer	48	84
Total	2,974	3,034

In July 2024, we launched our new staff framework which updated the descriptors used in our structure.

Senior Civil Service headcount

The actual number (headcount) of senior civil servant (SCS)-equivalent substantive staff on 31 March was:

Pay band	2024-25	2023-24
SCS Pay Band 3	1	1
SCS Pay Band 2	5	5
SCS Pay Band 1	22	22
Total	28	28

Staff turnover

We disclose the proportion of employees leaving the organisation in line with cabinet office guidance on Civil Service turnover calculations.

	2024-25	2023-24
Permanent and fixed-term appointees leaving before their end date	6.33%	8.54%

Workforce and diversity profile

In line with the Equality Act 2010, we, like all public bodies, are subject to the Public Sector Equality Duty and must have due regard to the need to eliminate discrimination, advance equality of opportunity, and foster good relations between people who share a protected characteristic and those who do not.

The duty covers the nine protected characteristics. We ensure that the terms, policies, procedures, programmes, services, and systems we offer our employees and customers are fair and equitable. Oversight of the development, improvement, and maintenance of Equality, Diversity, and Inclusion (EDI), and well-being in Natural England is owned by our People Committee.

The following tables summarise our workforce and diversity profile as of 31 March 2025, extracted from our corporate human resources management system.

Gender split by headcount

	Year	Male	Female
Board members	2024-25	5	6
	2023-24	4	6
SCS-equivalent	2024-25	14	14
	2023-24	15	13
All other employees	2024-25	1,210	1,859
	2023-24	1,282	1,953

Gender pay gap – ordinary pay

We published our Gender Pay Gap Report 2024 on 28 March 2025. This shows that the mean gender pay gap has decreased 2 percentage points from 3.0% in 2023 to 1.0% in 2024, maintaining a continuous downward trend since 2017.

Year	Mean %	Median %
2021	5.0	1.0
2022	3.8	0.3
2023	3.0	0.0
2024	1.0	(1.0)
+/(-) from 2023	(2.0)	(1.0)

Gender pay gap – bonus pay

Year	Mean %	Median %
2021	0.6	0.0
2022	10.0	0.0
2023	10.8	0.0
2024	(3.2)	0.0
+/(-) from 2023	(14.0)	0.0

Gender pay gap – proportion of employees paid a bonus

Year	Male %	Female %
2021	41	44
2022	74	73
2023	81	82
2024	13	14
+/(-) from 2023	(68)	(68)

Note: change of performance pay system in 2024 led to reduction in bonus payments.

Gender Pay Gap Report 2024

In the report, we have set out on-going actions to reduce the pay gap by delivering several initiatives through the Defra group EDI Roadmap, our EDI Action Plan, and through the established Defra group Gender Board.

The Defra group Gender Board is chaired by a Defra Executive Committee Champion and feeds into an overall Inclusion Leadership Group of senior leaders, which has oversight of ongoing work to improve equality, promote collaborative working, and remove barriers to progress.

We have created an increased focus on implementing, monitoring and measuring progress against actions that help to close the pay gap. We work in collaboration with our staff networks and our colleagues in Defra group (including Pay, Reward, and EDI teams) to ensure we have the right focus on this work. We continue with programmes and initiatives that are making a difference.

We have embedded inclusive practices into our outreach, application, recruitment, and selection processes. We continue to anonymise the application process, ensure all interviewers complete our interview training and the mandatory 'Inclusion in the Civil Service' training and use diverse panels where possible. We monitor recruitment data throughout the attraction, recruitment, and selection processes to identify areas for further improvement in achieving greater diversity in our workforce. We have invested in specialist resource to help make our recruitment processes as inclusive and accessible as possible.

We have reviewed workplace policies and guidance to support workplace equality. These include maternity, adoption, and shared parental leave, and parental bereavement leave. We have created breastfeeding, fertility, pregnancy loss, neonatal loss, and parents' guidance, and are working to ensure support for menopause. We promote flexible working arrangements from the first day of employment including job sharing, part-time working and blended working for all employees.

In addition to our gender equality network and pregnancy and parenting network, we also have Defra group job share, solo parents, and work/life balance networks. Our networks are championed by Natural England directors, with support from our EDI team. They offer peer-support and networking opportunities for our staff, act as consultative support to the organisation, and help raise awareness of diversity and inclusion through the sharing of lived experiences.

We are supporting career development of women through learning opportunities, such as mentoring and talent schemes, apprenticeships, and facilitating discussions on career aspirations through our career conversations guide.

Key issues are escalated through our EDI team, our People Committee, or the Defra group Gender Board.

We obtained White Ribbon accreditation in May 2023. The accreditation ensures organisations are taking a strategic approach to ending harm to women by men, by strengthening systems, engaging with men, and seeking to change culture and raise awareness. We have developed a specific White Ribbon action plan covering 4 key areas on: strategic leadership, engaging men and boys, changing culture and raising awareness to ensure progress.

We monitor pay (including in year reward and recognition) to identify any pay differences and take targeted action to ensure all processes are fair and transparent. An analysis of the bonus gap with a focus on an hourly gap, which considers pro-rata employees, will give a different perspective on the bonus gender gap.

We are improving inclusion in the organisation through our EDI Learning and Capability offer to foster inclusion among all employees.

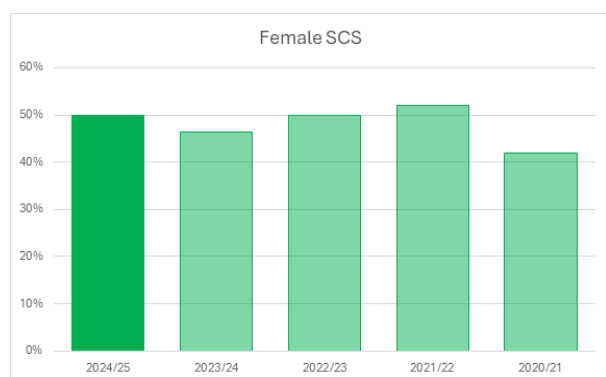
Staff age by headcount

Our workforce, excluding non-executive directors, is made up of the following age ranges:

Age range	Number of employees
16-19	2
20-29	428
30-39	787
40-49	766
50-59	798
60+	322
Total	3,103

Gender balance in the Senior Civil Service

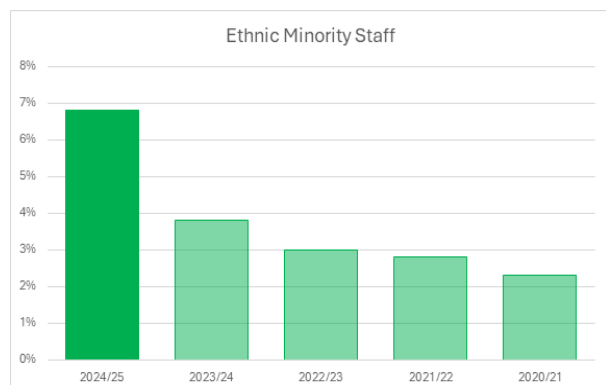
Year	Female SCS %
2024-25	50.0
2023-24	46.4



This has increased in recent years and has reached the parity of 50.0% for 2024-25 against an overall female representation rate of 60.5%.

Ethnic minority

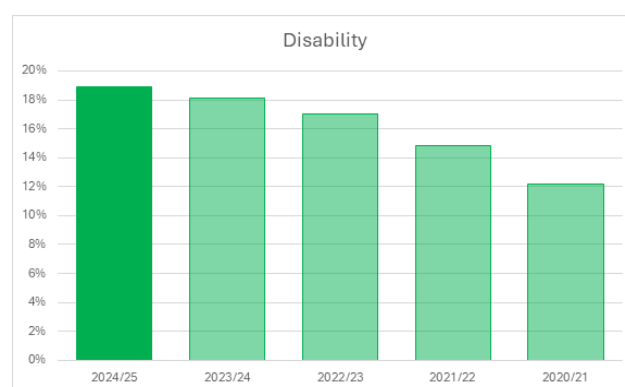
Year	Ethnic minority %
2024-25	6.8
2023-24	3.8



There has been a significant increase compared to previous years. This is primarily due to including colleagues who have selected 'White' with the addition of 'Irish', 'Irish Traveller, Gypsy, or Roma' or 'Any Other background' in line with Cabinet Office methodology [Writing about ethnicity](#). With these new additions removed, the figure would instead be a modest increase to 3.90%.

Disability

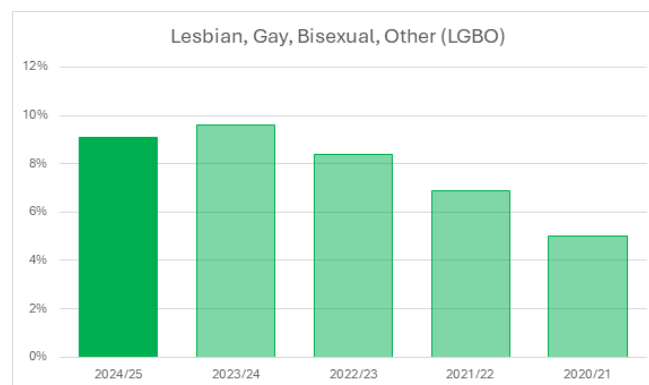
Year	Disability %
2024-25	18.9
2023-24	18.6



Rates have now plateaued due to reduced external recruitment. We continue to support staff through improvements to our learning and capability offer on disability awareness and our disability network which offers peer-peer support.

LGBO

Year	LGBO %
2024-25	9.1
2023-24	9.6



The Natural England Pride in Nature Network for LGBO staff continues to provide peer-peer support.

Disabled, ethnic minority, and LGBO representation by pay band (%)

Pay band	Disabled	Ethnic minority	LGBO
SCS-equivalent	5.3	5.9	0.0
L6 – Deputy Director	12.7	7.5	5.9
L5 – Principal	13.9	5.6	5.8
L4 – Senior	18.0	7.1	8.4
L3 – Higher	20.1	6.0	9.9
L2 – Officer	26.6	9.0	13.8
L1 – Assistant	18.8	6.0	11.6
Average	16.49	6.73	7.91

EDI is a key priority for Natural England. By ensuring we have a workforce that is equitable, diverse and inclusive, we will improve our decision making and better represent the communities we serve. In 2024-25, the EDI team has taken a more strategic approach to the delivery of EDI across Natural England. The EDI Action Plan (2024-2027) was developed using evidence from Defra's EDI roadmap 2024 to 2026, the People Survey, the Organisational Readiness to Change survey, the [Changing the world from within report 2021](#), People Analytics representation data and through engagement with people engaged with EDI across the organisation. The EDI Action Plan was agreed by People Committee in September 2024 and aligns with Natural England's Strategic Workforce Plan.

The EDI Action Plan focuses on five key strategic objectives:

- Improve accountability, governance, resilience, communication and engagement.
- Attract and retain diverse talent.
- Invest in people.
- Foster an inclusive culture.

- Improve our understanding and the ways we work with the communities we serve.

To date the internal inclusion work has been led through the EDI and wider People team and Natural England's external facing inclusion work through the Connecting People with Nature (CPwN) portfolio. In autumn 2022, the Changing the World from Within report (looking at ethnic diversity across the environment sector) was published, alongside the State of Sector route map towards greater ethnic diversity in the environment sector which we supported the creation of and signed up to deliver the recommendations. The EDI team and the CPwN portfolio continue to work closely together to deliver the actions set out within the route map for Natural England.

Recruitment practice

Natural England is accredited with the Civil Service Commissioners as a fair and open recruiter. This enables Natural England, as a NDPB, to use the Civil Service website to advertise a vacancy and for our people to apply for Civil Service-wide jobs.

We are committed to recruit, develop, and retain a diverse workforce supported by a culture of respect and inclusion, embodying our vision that nature is for all. Building diversity and inclusive behaviours into our workforce at all levels, from our board down, will bring breadth of experience and views to our organisation and create a workforce that the entire environmental sector can benefit from. To help attract a more diverse workforce, we have reviewed the wording in our role descriptions. We advertise on a wide range of platforms, including those targeted at diverse communities as well as Indeed and Google Ads. We have recently started a programme of Outreach work to promote our brand and values and attended the Skills London Event aimed at students aged between 16 and 24 years.

We adopt anonymous sifting and selection process up to interview stage. Interview panel members are required to undertake Civil Service Expectations training, and we

endeavour to avoid single gender selection panels which are allowed by exception only.

Natural England operates a guaranteed interview scheme, which guarantees an interview to anyone with a disability whose application meets the minimum criteria for the post. We offer reasonable adjustments for interviews and to successful candidates once in post. This supports individuals in carrying out their role and can be captured and agreed with the line manager in an employee passport.

Staff survey

At Natural England, being recognised as an inclusive and engaging organisation, a great place to work, has always been a top priority. To achieve this, we regularly ask our people for feedback through staff surveys, giving everyone a voice and helping us understand what mattered most.

In February 2025, we carried out our latest Pulse Survey, a shorter version of the full People Survey. It acted as a quick “temperature check” on key issues and used the same questions as the full survey so we could track progress over time. The results helped us see what was working well, where

improvements were needed, and shaped our future priorities.

Feedback from the 2024 People Survey guided significant changes. We focused on three areas: purpose, wellbeing and leadership. Actions included:

- **Leadership visibility and inclusivity**
Senior leaders held open-door sessions, visited offices more often, took part in reverse mentoring, and led conversations on inclusivity. 2025-26 then saw the introduction of Minimum Standards for leadership.
- **Clearer direction and priorities**
We strengthened awareness of Natural England’s Strategic Direction and gave teams clearer guidance on what work to prioritise.
- **Better collaboration and support**
More face-to-face meetings and cross-team working groups helped people connect and share ideas. Peer-led workshops supported managers with performance management.

The engagement score for Natural England is 61% compared to the 2024 Civil Service value of 64%.

Strategic Workforce Plan

Natural England's Strategic Workforce Plan (approved by NExCo in summer 2024) replaces the People Strategy which ended in March 2024. The Strategic Workforce Plan has supported the organisation address workforce implications across three themes of shape, capacity and capability. Within these themes there are six workforce priorities:

1. Roles and Responsibilities
2. Agility and Prioritisation
3. Skills and Professional Standards
4. Leadership Capability
5. Attraction and Retention
6. EDI Representation

Agreed actions within these priorities make up the body of the Strategic Workforce Plan. Progress against these actions has been reported to People Committee and NExCo with key highlights captured below.

Note: Since January 2025 Natural England is in the process of reviewing and refreshing its Strategic Workforce Plan to align with the new organisational strategy

Progress against Strategic Workforce Plan priorities

Priority	Progress
Roles and responsibilities	The new staff framework removes job family restrictions for line management, promoting broader career growth and leadership flexibility.
Agility and prioritisation	In June 2024 the Strategic Assignment Process was launched and is now embedded to enable flexible resourcing and career development. Alongside Strategic Assignment there is now a refreshed Resourcing Framework. We have launched the Career Development Framework to help staff with their professional growth, offering tailored resources, opportunities, and support for individual career goals.
Skills and professional standards	Progress includes forming the Learning and Capability Steering group, undertaking a Skills Taxonomy review, and developing a reporting tool to capture skills and identify gaps. Environmental Collaborative Leadership Programme launched for Natural England staff and accredited by the Leadership Institute to build our leadership and collaboration capability at every level. The Engagement Hub has now launched to support Engagement and Communications Learning. A Stakeholder Insights Database has been developed to capture stakeholder interactions and support evidence-based engagement. There has been alignment with Civil Service and Defra Professional Communities, supporting Natural England's work in implementing Professional Standards.

Priority	Progress
Leadership capability	<p>Good progress has been made within the Leadership Capability priority over 2024-25. Civil Service line manager standards launched in September 2024 and over 300 Natural England staff have attended Future Engage Deliver (FED) workshops, which is our key senior leadership capability programme. Training sessions were completed for People Casework Training in 2024, and a coaching framework is in place to provide coaching support across Natural England; the internal coaching network currently has around 20 active coaches.</p>
Attraction and retention	<p>JML (Joiners, Movers and Leavers) questionnaires went live, with leaver insights added to regular reporting to support retention.</p> <p>The People Management Information Pack is shared with Senior Leaders each quarter for strategic discussion and action.</p> <p>A Career Entry Review was completed, covering various entry schemes for Natural England.</p> <p>Work has continued regarding Attraction Strategies and Outreach. Job descriptions were reviewed using ONGIG (job description software) to remove language that could unintentionally exclude potential candidates. External analytics helped gain insights into the job market, informing and shaping the advertising strategies. The Natural England Careers website was refreshed.</p>
EDI representation	<p>EDI Representation rates for the organisation continue to be updated quarterly. Interview questions are now provided in advance to support a more inclusive experience for all candidates.</p> <p>Six courses on race and racism awareness were delivered, plus two bespoke pilot sessions took place for directors and deputy directors.</p> <p>Reverse mentoring training and guidance materials were finalised. The first year of the programme began, with 12 senior leaders participating.</p>

Health and safety

In addition to the rollout of the Health and Safety Strategy this year, we have continued to focus on our high-risk activities, such as chainsaw use. Some of these activities have included subject specific audits completed on our NNRs and other teams that undertake high risk work. Bespoke training continues to be delivered to identified cohorts within Natural England, for example tree and visitor safety to NNR colleagues. Our input to Natural England induction packages for new colleagues continues, with bespoke induction training for team leaders, legislation specific courses such as construction and personal safety courses for all staff.

Policies and guidance specific to work-related stress were reviewed and updated. We also launched suicide prevention guidance. We continue to provide a variety of tools and services to maintain health and wellbeing including occupational health assessments, an employee assistance program which includes counselling amongst other services, eye care provision and a meditation and mindfulness app. We also launched an updated version of the workplace/desk assessment tool to ensure staff are working safely.

H&S remains a top priority for Natural England. Our performance metric on investigations is better than in 2023-24 but it has not yet reached our desired level.

Managing attendance

During the year ending 31 March 2025, Natural England lost an average of 5.34 days per employee to sickness absence, compared to 4.33 days in the year ending 31 March 2024.

Absence due to 'mental and behavioural disorders' was the main cause of absence (33.6%) and is higher than 2023-24 (29.8%). The five main reasons for sickness absence were:

Absence type	Working days	% of sick days lost
Mental and behavioural disorders	5,303	33.6%

Diseases of the respiratory system	4,138	26.2%
Diseases of the musculoskeletal system and connective tissue	1,283	8.1%
Diseases of the digestive system	1,228	7.8%
Diseases of the nervous system	1,098	7.0%

We ended 2024-25 with an overall improvement in incident reporting with a positive increase in the number of near miss reports received compared to 2023-24. 182 safety-related accidents were reported, of which 127 involved some form of injury whether minor or major. Work-related stress and mental ill-health incidents account for over 40% of all health-related incident reports. Work-related stress continues to be one of our highest risks and therefore remains one of our priorities as well as improving assurance on the management of our high-risk activities.

Trade Union facility time

No. of employees who were relevant union officials during the year	Full-time equivalent
29	27
Proportion of trade union time spent on facility time	No. of employees
0%	2
1-50%	27
51-99%	-
100%	-
Total cost of facility time £000	104.4
Total pay bill £m	153.8
Proportion of total pay bill spent on trade union facility time	0.07%
Proportion of trade union activity time spent on facility time	82.8%

In accordance with The Trade Union (Facility Time Publication Requirements) Regulations 2017, Natural England is required to collate

and publish information about Trade Union facility time.

Facility time is paid time for union representatives to carry out trade union activities and is expressed as a percentage of their union duty time, not their work hours.

Consultancy expenditure

Natural England is required to report spending on consultancy as defined in the FReM Annex 4. Expenditure on consultancy in the year-ending 31 March 2025 was £2,151k (£249k in 2023-24).

Off-payroll engagements

Natural England is required to assure itself that all staff, including public-sector appointees are meeting their tax obligations and disclose information about off-payroll engagements.

Existing engagements as of 31 March 2025, of which existed for:	No. of engagements
Less than one year	19
Between one and two years	-
Between two and three years	-
Between three and four years	-
For four or more years	-
Highly paid off-payroll workers engaged at any point between 1 April 2024 and 31 March 2025 earning £245 or more per day, of which:	No. of engagements
Not subject to off-payroll legislation	19
Subject to off-payroll legislation and determined as in-scope of IR35	-

Subject to off-payroll legislation and determined as out-of-scope of IR35	-
Number of engagements reassessed for compliance or assurance purposes during the year	-
Number of engagements that saw a change of IR35 status following review	-

Off-payroll engagements of board members and/or senior officials with significant financial responsibility between 1 April 2024 and 31 March 2025	No. of engagements
Number of off-payroll engagements of board members, and/or senior officials with significant financial responsibility, during the financial year.	-
Total number of individuals on payroll and off payroll that have been deemed "board members, and/or senior officials with significant financial responsibility," during the financial year.	23

During the period, two individuals fulfilled the role of Natural England Finance Director and were remunerated by the sponsoring department as part of the Defra group Corporate Services model. Abdul Razaq was in post until November 2024, and upon his departure, Rachel Fraser took on the responsibilities of Natural England's Finance Director from this date. They are treated as on-payroll for the purposes of these disclosures.

Parliamentary accountability and audit report

Regularity of expenditure (audited)

Natural England’s Accounting Officer, our Chief Executive, is the person on whom Parliament calls to account for stewardship of its resources. The standards the Accounting Officer is expected to deliver cover governance, decision-making, and financial management.

Natural England complies with the HM Treasury guidance ‘Managing Public Money’, which in short covers the principles as to how government bodies handle public funds with probity and in the public interest. The Framework Document sets out the specific financial framework, within which Natural England is required to operate. This is complemented by the Scheme of Delegation which is the means by which a statutory body authorises its employees to carry out certain of its functions. Natural England has separated its Scheme of Delegation into two parts for ease of reference:

- A financial scheme of delegations (“FSoD”) which covers all financial functions or functions which have monetary implications e.g. loans, scheme payments etc.; and
- A non-financial schedule of delegations (“NFSoD”) which covers all non-monetary functions e.g. licenses, enforcement action etc.

In addition to the above, under the government’s transparency agenda expenditure is published monthly on all transactions over £25k and GPC spend over £500.

The Government Internal Audit Agency (GIAA) also provides assurance through an ongoing internal audit programme. Natural England has its own Head of Internal Audit who works closely with the Head of Internal Audit for Defra group, and this ensures consistency across the whole of the Defra group when looking at the effectiveness of risk management, controls, and governance, and ensures best practice is shared.

Losses, special payments, and gifts (audited)

The Statement of Comprehensive Net Expenditure includes losses, and special payments. The aggregate values of such payments are shown in the table below, along with details of cases over £300,000. There is nothing to report in respect of gifts.

Type of loss	No.	£’000s
Fruitless payments	125	137
Constructive losses	3	9,489
Cash losses	7	8
Stores loss	2	1
Total losses	137	9,635
Special payments	38	1,186
Total losses and special payments	175	10,821

Special payments

Equal pay claims: During 2024-25, Natural England made 38 ex-gratia payments, without admission of liability, to settle the 38 equal pay claims lodged against Natural England, relating to historic pay differences from 2016 to 2022. The total resource cost was £1.186 million. More information can be found in Note 14 to the financial statements.

Constructive losses

Sustainable Development Digital Services: The SDDS programme envisaged a customer-facing application route for statutory service casework. This was not completed, at a cost of £4,254k. The impact on the financial statements is described in Note 6.2.1.

Nature Recovery Management System: The project was brought to a close as there was no realistic way to deliver the intended version of NRMS within the time and budget available. The total resource cost was £5,233k. These costs were previously expensed, not capitalised, and therefore no impairment has been recognised.

Remote contingent liabilities (audited)

We have considered the possible future liabilities that relate to past events. As of 31 March 2025, there are remote contingent liabilities which arise in the ordinary course of the business in respect of our statutory and

regulatory functions. We have assessed that no material losses are expected to arise from these remote liabilities, should they crystallise.

Auditors

Our accounts are audited by the Comptroller and Auditor General in accordance with the Natural Environment and Rural Communities Act 2006. The audit fee for 2024-25 is £394k (2023-24: £464k) and is paid by Defra and included within the notional recharges. No payments have been made to the auditors for non-audit services.

Government functional standards

Natural England has continued to work with Defra to align with the 14 [Government Functional Standards](#), as mandated by government in September 2021.

Natural England receives corporate services from Defra in several areas (covering 11 out of 14 Functional Standards). As part of the services delivery model, Defra and its Heads of Profession conduct regular benchmarking and assessments against cross-government standards. These are used to determine future development areas and investment bids and requirements. Assessments have shown that for services received, over half are rated as “Good” or above (“Better”, or “Best”). The Communications services provision is jointly provided by Natural England and Defra and the rating for the

Communications Functional Standard is “Better”. Natural England is solely accountable for the application of three Functional Standards (GOVS002: Project Delivery, GovS013 Counter Fraud and GovS010 Analysis). Natural England continue to assess where alignment with these standards requires further investment. We have identified several areas that are in development (project delivery and counter-fraud), while analysis was rated as “good” with some key areas identified for improvement.

Fees and charges (audited)

We are able to charge customers for some of our services, including the Discretionary Advice Service, wildlife licensing, and administration costs for District Level Licensing and the Nutrient Mitigation Scheme. All our fees and charges are set in accordance with Managing Public Money, and we aim to achieve full cost recovery. We are reviewing our fees and charges to ensure that they are set at an appropriate level to recover our costs and provide value to our customers.

Analysis of fees and charges (audited)	2024-25 £000	2023-24 £000
Income	7,194	5,459
Expenditure	(7,507)	(5,724)
Surplus/(Deficit)	(313)	(265)

Marian Spain
Chief Executive and Accounting Officer
Natural England
09 April 2026

The certificate and report of the Comptroller and Auditor General to the Houses of Parliament

Opinion on financial statements

I certify that I have audited the financial statements of Natural England for the year ended 31 March 2025 under the Natural Environment and Rural Communities Act 2006.

The financial statements comprise Natural England's:

- Statement of Financial Position as at 31 March 2025,
- Statement of Comprehensive Net Expenditure, Statement of Cash Flows and Statement of Changes in Taxpayers' Equity for the year then ended; and
- the related notes including the significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and UK adopted international accounting standards.

In my opinion, the financial statements:

- give a true and fair view of the state of Natural England's affairs as at 31 March 2025 and its net expenditure for the year then ended; and
- have been properly prepared in accordance with the Natural Environment and Rural Communities Act 2006 and Secretary of State directions issued thereunder.

Opinion on regularity

In my opinion, in all material respects, the income and expenditure recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Basis for opinions

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs UK), applicable law and Practice Note 10 *Audit of Financial Statements and*

Regularity of Public Sector Bodies in the United Kingdom (2024). My responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of my certificate.

Those standards require me and my staff to comply with the Financial Reporting Council's Revised Ethical Standard 2019. I am independent of Natural England in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

In auditing the financial statements, I have concluded that Natural England's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on Natural England's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the Accounting Officer with respect to going concern are described in the relevant sections of this certificate.

The going concern basis of accounting for Natural England is adopted in consideration of the requirements set out in HM Treasury's Government Financial Reporting Manual, which requires entities to adopt the going concern basis of accounting in the preparation of the financial statements where it is anticipated that the services which they provide will continue into the future.

Other Information

The other information comprises information included in the Annual Report but does not include the financial statements and my auditor's certificate and report thereon. The Accounting Officer is responsible for the other information.

My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my certificate, I do not express any form of assurance conclusion thereon.

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Opinion on other matters

In my opinion the part of the Remuneration and Staff Report to be audited has been properly prepared in accordance with Secretary of State directions issued under the Natural Environment and Rural Communities Act 2006.

In my opinion, based on the work undertaken in the course of the audit:

- the parts of the Accountability Report subject to audit have been properly prepared in accordance with Secretary of State directions made under the Natural Environment and Rural Communities Act 2006; and
- the information given in the Performance and Accountability Reports for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the applicable

legal requirements.

Matters on which I report by exception

In the light of the knowledge and understanding of Natural England and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance and Accountability Reports.

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept by Natural England or returns adequate for our audit have not been received from branches not visited by us; or
- we have not received all of the information and explanations we require for our audit; or
- the financial statements and the parts of the Accountability Report subject to audit are not in agreement with the accounting records and returns; or
- certain disclosures of remuneration specified by HM Treasury's Government Financial Reporting Manual have not been made or parts of the Remuneration and Staff Report to be audited is not in agreement with the accounting records and returns; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

Responsibilities of the Accounting Officer for the financial statements

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Accounting Officer is responsible for:

- maintaining proper accounting records;
- providing the C&AG with access to all information of which management is aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
- providing the C&AG with additional information and explanations needed

- for his audit;
- providing the C&AG with unrestricted access to persons within Natural England from whom the auditor determines it necessary to obtain audit evidence;
- ensuring such internal controls are in place as deemed necessary to enable the preparation of financial statements to be free from material misstatement, whether due to fraud or error;
- preparing financial statements which give a true and fair view in accordance with Secretary of State directions issued under the Natural Environment and Rural Communities Act 2006;
- preparing the annual report, which includes the Remuneration and Staff Report, in accordance with Secretary of State directions issued under the Natural Environment and Rural Communities Act 2006; and
- assessing Natural England's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Accounting Officer anticipates that the services provided by Natural England will not continue to be provided in the future.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit, certify and report on the financial statements in accordance with the Natural Environment and Rural Communities Act 2006.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a certificate that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the

economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was considered capable of detecting non-compliance with laws and regulations including fraud

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulations, including fraud. The extent to which my procedures are capable of detecting non-compliance with laws and regulations, including fraud is detailed below.

Identifying and assessing potential risks related to non-compliance with laws and regulations, including fraud

In identifying and assessing risks of material misstatement in respect of non-compliance with laws and regulations, including fraud, I:

- considered the nature of the sector, control environment and operational performance including the design of Natural England's accounting policies;
- inquired of management, Natural England's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to Natural England's policies and procedures on:
 - o identifying, evaluating and complying with laws and regulations,
 - o detecting and responding to the risks of fraud, and
 - o the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including Natural England's controls relating to Natural England's compliance with the Natural Environment and Rural Communities Act 2006, Managing Public Money and the relevant employment and pensions legislation that Natural England operates under;
- inquired of management, Natural

England's head of internal audit and those charged with governance whether:

- o they were aware of any instances of non-compliance with laws and regulations; or
 - o they had knowledge of any actual, suspected, or alleged fraud;
- discussed with the engagement team and the relevant internal and external specialists, including legal and valuation specialists, regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, I considered the opportunities and incentives that may exist within Natural England for fraud and identified the greatest potential for fraud in the following areas: revenue recognition, posting of unusual journals, complex transactions, bias in management estimates and the completeness and valuation of litigation provisions. In common with all audits under ISAs (UK), I am required to perform specific procedures to respond to the risk of management override.

I obtained an understanding of Natural England's framework of authority and other legal and regulatory frameworks in which Natural England operates. I focused on those laws and regulations that had a direct effect on material amounts and disclosures in the financial statements or that had a fundamental effect on the operations of Natural England. The key laws and regulations I considered in this context included the Natural Environment and Rural Communities Act 2006, Managing Public Money, and the relevant employment and pensions legislation that Natural England operates under.

Audit response to identified risk

To respond to the identified risks resulting from the above procedures:

- I reviewed the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations

described above as having direct effect on the financial statements;

- I enquired of management, the Audit and Risk Assurance Committee and in-house legal counsel concerning actual and potential litigation and claims;
- I reviewed minutes of meetings of those charged with governance and the Board, and internal audit reports;
- I addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and other adjustments; assessing whether the judgements on estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business;
- I addressed the risk of fraud in revenue recognition through substantive testing of revenue tailored to the specific nature of material revenue streams; and
- I addressed the risk of fraud in respect of the completeness and valuation of litigation provisions by assessing the judgements made in relation to the recognition and measurement of provisions, including for consistency with the legal advice obtained by Natural England and in particular with regards to the provisions for equal pay claims, reviewed the appropriateness and completeness of financial statement disclosures and obtained additional representations from those charged with governance and the management of the Department for Environment, Food and Rural Affairs as Natural England's sponsoring department over the completeness of provisions.

I communicated relevant identified laws and regulations and potential risks of fraud to all engagement team members including internal specialists and remained alert to any

indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of my certificate.

Other Auditor's responsibilities

I am required to obtain sufficient appropriate audit evidence to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control I identify during my audit.

Report

I have no observations to make on these financial statements.

Gareth Davies
Comptroller and Auditor General

Date: 14 April 2026

National Audit Office
157-197 Buckingham Palace Road
Victoria
London
SW1W 9SP

Financial statements

Statement of Comprehensive Net Expenditure for the year ended 31 March 2025

		2024-25	2023-24
	Note	£000	£000
Revenue from contracts with customers	5.1	(24,231)	(19,130)
Other operating income	5.2	(5,799)	(8,339)
Total income		(30,030)	(27,469)
Staff costs	4	153,640	151,432
Other costs	4	13,501	19,238
Depreciation, amortisation and impairment	4	8,611	6,243
Other non-cash items	4	43,408	44,221
Grants and subsidies	4	48,668	33,509
Programme expenditure	4	59,642	60,726
Total operating costs		327,470	315,369
Net operating costs		297,440	287,900
Corporation tax expense		80	369
Interest receivable		(592)	(438)
Interest payable	15.3	61	52
Net expenditure		296,989	287,883
Other comprehensive net expenditure			
Items that will not be reclassified to net operating costs			
Net (gain)/loss on			
Revaluation of PPE	8	72	(905)
Revaluation of heritage assets	8	(879)	(2,594)
Pension actuarial movements	SOCTE	-	15
Revaluation of right of use assets	8	(23)	14
Total comprehensive net expenditure for the year		296,159	284,413

The Notes on pages 73 to 99 form part of these financial statements.

Statement of Financial Position as at 31 March 2025

	Note	31 March 2025 £000	31 March 2024 £000
Non-current assets			
Property, plant and equipment	6.1	60,126	52,777
Right of use assets	15.1	5,162	4,566
Heritage assets	7	112,435	110,339
Agricultural assets		115	113
Intangible assets	6.2	23,645	23,774
Inventories	10	8,040	-
Trade, other receivables and contract assets	11	4,706	3,433
Total non-current assets		214,229	195,002
Current assets			
Inventories	10	5,176	15,337
Trade, other receivables and contract assets	11	25,089	21,198
Cash and cash equivalents	12	29,276	21,870
Total current assets		59,541	58,405
Total assets		273,770	253,407
Current liabilities			
Trade, other payables and contract liabilities	13	(59,776)	(76,224)
Provisions	14	(1,203)	(2,305)
Corporation tax expense ¹		-	(369)
Pension provision	14	-	(10)
Lease liability	13/15.2	(1,155)	(471)
Total current liabilities		(62,134)	(79,379)
Non-current assets plus/less net current assets/liabilities		211,636	174,028
Non-current liabilities			
Provisions	14	(13,969)	(15,708)
Pension provision	14	-	(97)
Lease liability	13/15.2	(3,802)	(3,845)
Total non-current liabilities		(17,771)	(19,650)
Assets less liabilities		193,865	154,378
Taxpayers' equity and other reserves			
General fund	SOCTE	105,939	67,111
Revaluation reserve	SOCTE	87,926	87,267
Total equity		193,865	154,378

¹Corporation tax expense is now included in Trade, other payables and contract liabilities. Prior year has not been restated.

The Notes on pages 73 to 99 form part of these financial statements.

Marian Spain
Chief Executive of Natural England and Accounting Officer

09 April 2026

Statement of Cash Flows for the year ended 31 March 2025

	Note	2024-25 £000	2023-24 £000
Cash flows from operating activities			
Net operating cost	SOCNE	(297,440)	(287,900)
Adjustments for non-cash transactions		7,584	5,943
Notional corporate services recharge		44,435	46,859
(Increase)/decrease in trade and other receivables	11	(5,164)	(2,026)
(Increase)/decrease in inventories	10	2,121	(12,023)
Increase/(decrease) in trade payables		(10,923)	13,734
Utilisation of provisions ¹	14	(2,116)	(2,338)
Net cash outflow from operating activities		(261,503)	(237,751)
Cash flows from investing activities			
Purchase of property, plant and equipment		(10,258)	(13,964)
Purchase of intangible assets		(9,033)	(16,042)
Purchase of non-current heritage assets		(1,187)	(1,791)
Proceeds of disposal of property, plant and equipment		303	(9)
Net cash outflow from investing activities		(20,175)	(31,806)
Cash flows from financing activities			
Capital payment of lease liabilities	15	(447)	(467)
Grant in Aid income	SOC TE	289,000	275,700
Interest received		592	438
Interest paid (IFRS 16)		(61)	(52)
Net financing		289,084	275,619
Net increase/(decrease) in cash in the period		7,406	6,062
Cash and cash equivalents at the beginning of the year	12	21,870	15,808
Cash and cash equivalents at the end of the year	12	29,276	21,870

¹Utilisation of provisions was previously reported in the adjustments for non-cash transactions line.

The Notes on pages 73 to 99 form part of these financial statements.

Statement of Changes in Taxpayers' Equity for the year ended 31 March 2025

	Note	General Fund £000	Revaluation Reserve £000	Total Reserves £000
Balance at 31 March 2024		67,111	87,267	154,378
Grant in Aid income		289,000	-	289,000
Net expenditure after interest	SOCNE	(296,989)	-	(296,989)
Non-cash adjustments				
Notional corporate services recharge	4	44,435	-	44,435
Movements in reserves				
Other revaluation of tangible assets	8	-	830	830
Transfers between reserves		171	(171)	-
Transfer of assets from Defra	6.2	2,211	-	2,211
Balance at 31 March 2025		105,939	87,926	193,865

Statement of Changes in Taxpayers' Equity for the year ended 31 March 2024

	Note	General Fund £000	Revaluation Reserve £000	Total Reserves £000
Balance at 31 March 2023 (restated)		32,296	83,938	116,234
Grant in Aid income		275,700	-	275,700
Net expenditure after interest	SOCNE	(287,883)	-	(287,883)
Non-cash adjustments				
Notional corporate services recharge	4	46,859	-	46,859
Movement in reserves				
Other revaluation of tangible assets	8	-	3,485	3,485
Pension actuarial (gain)/loss	SOCNE	(15)	-	(15)
Transfers between reserves		154	(154)	-
Other movements		-	(2)	(2)
Balance at 31 March 2024		67,111	87,267	154,378

The General Fund reflects Natural England's cumulative position of net expenditure and funding from Defra, the sponsor body of Natural England, with the historical cost of the non-current assets transferred on the creation of Natural England. The revaluation reserve is a non-cash reserve which reflects the increase in current value of non-current assets over the amount they were originally recorded at.

The Notes on pages 73 to 99 form part of these financial statements.

Notes to the financial statements

1. Statement of accounting policies

1.1. Basis of preparation

These financial statements have been prepared in accordance with 2024-25 Government Financial Reporting Manual (FReM) issued by His Majesty's Treasury, and the Accounts Direction given by the Secretary of State for the Environment, Food and Rural Affairs in accordance with the Natural Environment and Rural Communities Act 2006.

The accounting policies contained in the FReM apply the International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of Natural England for the purpose of giving a true and fair view has been selected.

The particular policies adopted by Natural England are explained in this section. They have been applied consistently to items considered material to the financial statements.

1.2. Basis of accounting

These financial statements have been prepared on an accruals basis, under the historical cost convention modified to account for the revaluation of property, plant and equipment, heritage assets, and intangible assets.

1.2.1. Going concern

These financial statements are prepared on a going concern basis, interpreted by the FReM 2024-25 to mean the expected continuation of services for at least twelve months from the date these accounts are authorised for issue.

Spending Review (SR) 2025 sets out departmental allocations for the three years up to 2028-29 for resource expenditure and 2029-30 for capital expenditure. Following the Spending Review, Natural England has

agreed financial provisions with Defra to cover the Spending Review period.

Additionally, a significant proportion of Natural England's activities are statutory in nature and would require primary legislation to stop. No such legislation is currently proposed.

On this basis, Natural England considers that it has sufficient resources and expected future funding to continue to meet its future expenditure until at least 30 April 2027, and consequently it has adopted the going concern basis for preparation of its financial statements for the year ending 31 March 2025 as at the date they are signed.

1.2.2. Standards issued but not yet effective

IFRS 17 Insurance Contracts

IFRS 17 Insurance Contracts replaces IFRS 4 Insurance Contracts and is to be included in the FReM for mandatory implementation from 2025-26. It establishes the principles for the recognition, measurement, presentation, and disclosure of insurance contracts within the scope of this Standard.

IFRS 17 requires insurance contracts, including reinsurance contracts, to be recognised on the statement of financial position as the total of the fulfilment cashflows and the contractual service margin (CSM).

The fulfilment cashflows consist of the present value of future cashflows calculated using best estimate assumptions with an explicit risk adjustment for non-financial risk.

The risk adjustment is released to the SoCNE as risk expires. The CSM is the unearned profit on insurance contracts and is released to the SoCNE over the insurance contract period as insurance services are provided. Where an insurance contract is onerous, it will have no CSM and the onerous element of the insurance contract will be recognised immediately in the SoCNE.

The financial impact of applying IFRS 17 is still being assessed but we do not expect there to be a material impact.

Non-investment asset valuations

In December 2023, HM Treasury released an exposure draft on potential changes to make to valuing and accounting for non-investment assets (e.g. property, plant and equipment, intangible assets). The following changes to the valuation and accounting of non-investment assets is to be included in the 2025-26 FReM for mandatory implementation:

References to operational PPE assets being held for their 'service potential' and the terms 'specialised/non-specialised' are being removed from the FReM. Operational PPE are instead described as assets held for their 'operational capacity'. This change has no impact on the valuation basis, which remains current value in existing use - Existing Use Value (EUV).

An adaptation to IAS 16 will be introduced to withdraw the requirement to revalue an asset where its fair value differs materially from its carrying value. PPE assets will be valued using one of the following processes:

- a quinquennial revaluation supplemented by annual indexation;
- a rolling programme of valuations over a 5-year cycle, with annual indexation applied to assets during the four intervening years;
- for non-property assets only, appropriate indices; or
- in rare circumstances where an index is not available, a quinquennial revaluation supplemented by a desktop revaluation in year three.

The option to measure intangible assets using the revaluation model is to be withdrawn. The carrying values of intangible assets at 31 March 2025 are deemed the historical cost at 1 April 2025.

Social benefits

The 2025-26 FReM will include new guidance on accounting for social benefits. The 2025-26 FReM will define social benefits as 'current transfers received by households (including

individuals) intended to provide for the needs that arise from certain events or circumstances, for example, sickness, unemployment, retirement, housing, education, or family circumstances. This is not anticipated to have a material impact on Natural England's financial statements.

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 Presentation and Disclosure in Financial Statements will replace IAS 1 Presentation of Financial Statements and is effective for reporting periods beginning on or after 1 January 2027 in the private sector. The public sector implementation date is not yet confirmed, and the impact of IFRS 18 on the public sector is still being assessed.

1.2.3. Foreign exchange

Transactions denominated in a foreign currency are translated into sterling at the Bank of England spot rate. The spot exchange rate is the exchange rate on the date of the transaction. Gains or losses on exchange are taken to the SoCNE in the year in which they are incurred.

1.3. Non-current assets

1.3.1. Property, plant, and equipment

Natural England applies IAS 16 Property, Plant, and Equipment as interpreted and adapted by the FReM 2024-25 for the public sector.

Recognition

Natural England applies a capitalisation threshold of £10k for all assets except land which is capitalised regardless of the cost. Subsequent expenditure on assets is capitalised to the extent that IAS 16 allows. Individual items that cost less than £10k are recognised as an expense in the Statement of Comprehensive Net Expenditure. The acquisition of separate but identical items costing less than £10k each may be eligible for capitalisation subject to the Defra group's capitalisation guidance for grouping assets.

Valuation

Operational land and buildings are reported in the Statement of Financial Position at their current value in existing use – Existing Use Value (EUV).

Depreciated Replacement Cost (DRC) is applied where it is deemed the most appropriate measure of current value in existing use.

Surplus assets are valued at fair value.

Operational land and buildings are revalued every five years in accordance with Royal Institution of Chartered Surveyors (RICS) guidance and are subject to annual desktop valuations.

Revaluation surpluses are recognised through the revaluation reserve. Deficits are recognised through the revaluation reserve, limited to the amount previously recognised as surpluses. If there are no previous surpluses against which to allocate the deficit, the deficit is recognised as an expense in the Statement of Comprehensive Expenditure.

The value of all other assets is the depreciated historic cost where this is deemed a proxy for current value in existing use. Where the value of a component of an asset is material to the total value of the asset, and it has a different useful life, the component is capitalised and depreciated separately.

The quinquennial and annual desktop valuations are conducted by external valuers and reviewed by Natural England's management.

Depreciation

All property, plant, and equipment are depreciated except land. Natural England makes the following assumptions about the life of different asset classifications:

- Freehold buildings: assessed on a case-by-case basis where there is reliable information about the expected life of the building, and if no such information is available, a 50 year useful economic life is applied
- Improvements to leasehold buildings: 10 years
- Computer equipment: 3 to 5 years
- Plant and other equipment: 5 to 15 years
- Vehicles: 10 years

If more reliable information about the expected life of an asset is available, Natural

England will recalculate the rate at which the asset depreciates. Depreciation is not charged on assets under construction.

1.3.2. Intangible assets

Recognition

In accordance with IAS 38, Natural England recognises identifiable non-monetary assets without physical substance as intangible assets

Valuation

Software licenses are initially recognised at their purchase cost.

Internally developed software is initially recognised at cost, which includes direct costs attributable to the development of the software such as staffing costs and payments to contractors.

Natural England applies the FReM adaptation of IAS 38 for subsequent measurement of intangible assets and values those with an active market at their current value in existing use as at the reporting date, and for those with no active market, uses appropriate indices to measure the value at the lower of value in use and depreciated replacement cost.

Amortisation

Natural England makes the following assumptions about the life of different intangible asset classifications:

- Software licenses: 5 years
- Internally developed software: up to 15 years

If more reliable information about the expected life of an intangible asset is available, Natural England will re-calculate the amortisation of the asset based on the period over which Natural England will receive the economic benefits or service potential of the intangible asset.

Internally developed software that has not yet been brought into service is not amortised.

1.3.3. Heritage assets

Natural England applies IAS 16 as adapted and interpreted by the FReM 2024-25 for heritage assets.

Recognition

Natural England recognises tangible assets with historic, artistic, scientific, technological, geophysical, or environmental qualities that are held and maintained principally for their contribution to knowledge and culture, as heritage assets.

Natural England has one operational heritage asset which is used to deliver services as well as being held for its contribution to knowledge and culture.

All other heritage assets owned by Natural England are non-operational. Non-operational heritage assets include the National Nature Reserves (NNRs), which are lands held in support of Natural England's strategic objective to support a healthy and natural environment, continue to ensure that rich biodiversity can thrive across the landscape, and that ecosystems and habitats are resilient to climate change.

Natural England fulfils a stewardship in respect of the NNRs, which whilst being open to the public, are held principally for their contribution to knowledge and culture and thus recognised as heritage assets. NNRs may include buildings which are used as offices for staff or facilities for visitors, including the public. These are treated as separate components and reported as operational assets in property, plant, and equipment.

Donations of heritage assets made to Natural England is recognised as income through the Statement of Comprehensive Net Expenditure, providing no conditions about the use of the asset have been imposed by the donor.

Valuation

Operational heritage assets are reported in the Statement of Financial Position at their current value in existing use – Existing Use Value (EUV).

Non-operational heritage assets are reported in the Statement of Financial Position at their fair value.

Heritage assets are subject to professional valuation every five years and annual desktop valuations. The quinquennial and annual desktop valuations are conducted by external

valuers and reviewed by Natural England's management.

There is valuation uncertainty affecting Natural England's heritage assets because there is limited market evidence of comparable assets being bought and sold. Revaluation surpluses are recognised through the revaluation reserve. Deficits are recognised through the revaluation reserve, limited to the amount previously recognised as surpluses. If there are no previous surpluses against which to allocate the deficit, the deficit is recognised as an expense in the Statement of Comprehensive Expenditure.

1.3.4. Impairment

Natural England reviews all assets annually to identify those where the recoverable amount falls below the carrying amount. Impairment losses attributable to an over-consumption of the economic benefits arising from the asset, or a reduction in its service potential, are recognised as an expense in the Statement of Comprehensive Net Expenditure. Impairment losses attributable to a change in market value are first offset against available surpluses previously reported and when exhausted, recognised as an expense in the Statement of Comprehensive Net Expenditure.

1.4. Taxation

Natural England's activities largely sit outside the scope of Value-Added Tax (VAT). Input VAT paid on purchases which cannot be recovered is included in the relevant category of expenditure or capitalised cost of a non-current asset.

Where output VAT on sales is charged or input VAT is recoverable, transactions are accounted for net of VAT. Natural England has partially exempt status because it makes exempt supplies and is able to reclaim some input VAT each quarter. Some of the irrecoverable VAT is accounted for as 'other programme expenditure' in Note 4.

Natural England is a 'body corporate' and consequently liable to pay Corporation Tax. The majority of Natural England's activities do not constitute trading activities and are therefore out of scope.

1.5. Income

1.5.1. Grant in Aid

Natural England receives funding from the Department for Environment, Food, and Rural Affairs as Grant in Aid (GiA). In accordance with FReM 2024-25, GiA received by Natural England, as an ALB, is accounted for as financing through the General Fund.

1.5.2. Grants receivable

Natural England receives grant funding from organisations including the European Union and the Heritage Lottery Fund. This income is recognised immediately in the Statement of Comprehensive Net Expenditure unless there are conditions associated with the funding that require Natural England to satisfy obligations in future years or return the income to the funder, in which case the income is deferred until such conditions have been satisfied

Part of the income we receive is to pass on to other organisations when they meet their performance conditions agreed with the principal funding organisation. These amounts are excluded from income as they are not proper to Natural England.

1.5.3. Operating income

Natural England conducts operating activities from which we derive income from customers. These include income from the District Level Licensing scheme for Great-Crested Newts, the Nutrient Mitigation Scheme, the Discretionary Advice Service, and income generated by the National Nature Reserves.

Natural England applies IFRS 15 Revenue from Contracts with Customers as interpreted and adapted for the public sector by the FReM 2024-25 to such income, and more information about the assessment of performance conditions is available in Note 5.

1.6. Expenditure

1.6.1. Employee costs

As is consistent with the basis for accounting for Natural England, employee benefits are accounted for on an accruals basis with expenses and liabilities recognised in the period to which the services rendered by the employee are received.

1.6.1.1. Pensions

Natural England employees and former employees receive pension benefits through the provisions of the Principal Civil Service Pension Scheme (PCSPS) or the Civil Service and Others Pension Scheme (CSOPS).

Further details about Natural England's pension arrangements are available in the Remuneration and Staff Reports. PCSPS and CSOPS are unfunded defined benefit schemes. However, in accordance with the Government Financial Reporting Manual's interpretation of IAS 19 Employee Benefits as adapted for the public sector, Natural England accounts for both schemes as if they are defined contribution schemes.

Natural England recognises the expected cost of employer pension contributions on a systematic and rational basis over the period in which it benefits from the employee's services. Liability for payment of future benefits is a charge on the schemes.

1.6.2. Notional Corporate Services recharge

Defra group Corporate Services provide Natural England with services including Digital, Data, Technology and Security, Property, Shared Services, Commercial, Communications, Human Resources and Finance.

Natural England accounts for the cost of these services through a non-cash recharge in the General Fund, which ensures the financial statements reflect the cost of these services.

1.6.3. Grant expenditure

Natural England may give financial assistance by way of grants to any persons or organisations to undertake any activity which Natural England is empowered to undertake, including the purchase of land.

Grant expenditure is recognised when the obligation on Natural England to pay the crystallises. The offer of a grant payment is usually tied to a specific year of account, and it is solely at the discretion of Natural England whether an unclaimed grant is carried forward into the following financial year. Offers of grants contributing towards the ongoing

employment of staff may be made on a diminishing basis over a three- or four-year period.

Natural England also has responsibility for administering and issuing grants for several specific schemes and projects, such as the Shared Outcome Fund's Nature Based Solutions scheme and the Nature for Climate Peatland Grant Scheme. These grants are recognised when Natural England has a present obligation to the grantee because of them meeting their performance obligations as set out in the grant agreement, and Natural England being able to form a reliable estimate of the expenditure.

Natural England receives and disburses some grant funding from to other organisations when they meet their performance conditions agreed with the principal funding organisation. These amounts are excluded from expenditure as they are not proper to Natural England.

1.6.4. Research and development

All research and development expenditure is expensed in-year to the SoCNE.

1.7. Leases

1.7.1. Natural England as a lessee

Liabilities have been calculated using the present value of outstanding payments due at the start of the lease and the right of use assets are calculated as the lease liability but may require further adjustment for initial direct costs, prepayments or incentives, and costs related to restoration at the end of a lease.

The Statement of Comprehensive Net Expenditure (SoCNE) reflects related charges for the depreciation on the right of use asset and interest on the lease liability in place of rental expenses. It continues to reflect irrecoverable VAT where applicable on any leases in line with HM Treasury guidance on the application of IFRS 16 which states that VAT should not form part of the measurement of the right of use asset. This treatment has been applied to all leases except those which are short-term (less than 12 months). These continue to be treated as expenses on a straight-line basis in the SoCNE for the duration of the lease term.

The definition of a contract is expanded in the FReM to include intra-UK government agreements such as Memorandum of Terms of Occupation. The FReM also expands the definition of a lease to those with nil consideration, or significantly below market value, such as those known as peppercorn leases. For peppercorn leases, we have obtained a professional valuation of the asset from an appropriately qualified professional.

For leases where we are still in occupation after the end of the lease and are "holding over," professional judgement has been applied to estimate a reasonable length for the term when calculating lease liabilities and right of use asset valuations. There are 21 leases where the end date relies on professional judgement, with 17 of these being a term of 5 years or less. The remaining ones are where we expect to remain in occupation in the longer term but are not expecting to negotiate a revised arrangement. The leases with longer assumptions all have a low annual rent below £6k per annum.

Where the interest rate cannot be readily determined within a lease, Natural England has calculated the lease liability using the discount rates set out in the latest HM Treasury Public Expenditure System paper as the incremental borrowing rate which is 4.81% for 2025 and 4.72% for 2024.

The subsequent measurement of right of use assets is at fair value or current value in existing use where assets are held for their service potential unless cost represents a reasonable proxy. This year, 60 land and building valuations have been determined by appropriately qualified professionals in accordance with RICS Guidance.

1.7.2 Natural England as a lessor

All leases where Natural England are the Lessor have been classed as operating leases as they do not transfer substantially all the risks and economic benefits of the underlying asset.

Occupation of the corporate estate by Defra group bodies is on a flexible shared basis with very few formal occupancy agreements in place between the leaseholder and the occupant. Corporate estate leases will therefore be recognised in full by the legal

leaseholder unless there is a formal arrangement in place.

1.8. Provisions and contingent liabilities

Natural England applies IAS 37 Provisions, Contingent Liabilities and Contingent Assets as adapted and interpreted for the public sector by the FReM 2024-25.

Consequently, Natural England provides for obligations arising from past events where it is probable that an economic outflow will be required to settle the obligation, and the outflow can be reliably estimated. Provisions are discounted to reflect the present value of the estimated cost to settle the obligation.

Natural England also discloses contingent liabilities within the scope of IAS 37 where the likelihood of a transfer of economic benefits is considered too remote.

1.9. Cash and cash equivalents

Natural England uses the Government Banking Service for all banking services and manages them in accordance with HM Treasury's Banking Stewardship Guidance. Natural England holds no commercial bank accounts. Cash and cash equivalents include cash in hand and deposits with any qualifying institution, repayable on demand or maturing within three months of the date of acquisition and which are subject to an insignificant risk of change in value.

1.10. Financial instruments

Natural England holds few types of financial instruments, and those it does are held in the ordinary course of business such as receivables and payables.

Natural England uses the simplified approach of IFRS 9 to account for lifetime expected credit losses from initial recognition.

1.11. Inventory

Natural England's inventory primarily consists of Nutrient Credits. These are accounted for under IAS 2, valued at the lower of cost and net realisable value. Credits are subject to an assessment at year-end to demonstrate that the balance is recoverable. Natural England also has some livestock which are reported as agricultural assets. These are accounted

for under IAS 41, which requires such assets to be valued at fair value less costs to sell.

2. Significant judgments and estimation uncertainty

The Accounting Officer is required by the FReM to make judgements and estimates on a reasonable basis.

2.1. Non-current land, building, and heritage asset valuation

Land, building, and heritage assets are professionally valued by independent qualified surveyors in accordance with RICS guidance.

Valuations take place every five years, supported by annual desktop revaluations.

The most recent five-yearly valuation took place with a valuation date of 31 March 2022. Desktop revaluations consider additions, disposals, and other factors which have a significant impact on the current value in existing use or fair value, such as damage, change in use, or market forces.

It considers what a market participant would recognise as the characteristics of an asset including the condition and location of the asset. It also, through its external valuers, considers the sale prices of comparable assets to the extent that an active market exists for these assets.

The valuation of non-operational heritage assets is a matter of judgement on the part of Natural England's management, because of the absence of regularly transacted comparable assets and the unique features and qualities of these assets. This includes SSSIs and National Landscapes. The value of heritage assets assessed as being subject to increased valuation uncertainty is £11.4m (2023-24: £11.2m).

There are no heritage assets that have not been recognised or are held at cost due to the inability to attribute a fair value.

2.2. Provision for pond monitoring and maintenance

Natural England is obliged to monitor and maintain habitats for great-crested newts created under the District Level Licensing scheme, for 25 years.

The estimated future liability for this activity is recognised as a provision. The cost estimate used when calculating the value of the provision is also considered when setting the fees for customers participating in the scheme. Forecasting the long-term future costs of maintaining these ponds is therefore a source of estimation uncertainty.

The liability is deemed to arise at the point a counter-signed Impact Assessment and Conservation Payment Certificate is returned to the customer. The provision is measured at present value based on the HM Treasury discount rates applicable at the time. The rates are shown in the table below:

	Nominal discount rate %	Implied inflation rate %
Year 1	4.03	2.60
Year 2	4.03	2.30
Years 3 to 5	4.03	2.00
Years 6 to 10	4.07	2.00
Year 11 onwards	4.81	2.00

2.3. Nutrient Credits

Natural England acquires nutrient credits for sale to customers through land management agreements. The credits are recognised on the SoFP as inventory.

In determining the number of credits that arise from each agreement, an assessment is made of the pollution that will be mitigated through conditions in the agreements that prevent a landowner from engaging in prohibited activities that would otherwise cause pollutants to enter the watercourse. This assessment is conducted using a scientific model developed by Natural England in conjunction with an environmental consultancy firm. Where the geology of the site covered by an agreement is such that the model may not produce a reliable outcome, an external hydrogeological assessment may be commissioned to accurately identify the timing and scale of the pollution that will be mitigated. There were no such assessments conducted in 2024-25 (2023-24: 1).

Notwithstanding the scientific basis for the model and the hydrogeological assessments, this remains a matter of judgement that may have a material impact on the financial statements. The number of credits for sale that arise from each agreement affects total

future revenue, as having more or fewer credits available to sell may result in more or less revenue, and it will also affect the cost of sale per credit, since each credit is initially valued at the total cost of the agreement divided by the number of credits arising from the agreement, plus directly attributable overheads.

2.4. Equal pay claims

The FReM 2024-25 requires Natural England to apply IAS 37 Provisions, Contingent Liabilities, and Contingent Assets as applied and interpreted for the public sector.

Probable outflow of resources embodying economic benefits

In determining the probability of the outflow of resources embodying economic benefits to settle the equal pay claim, Natural England engaged with professional advisers. Natural England considers that there has been an outflow of resources in relation to the ex-gratia settlement of 38 equal pay cases, which were settled without admission of liability. Therefore, Natural England considers that the outflow of resources is probable as there have already been cases submitted. In accordance with IAS 37, an outflow of resources or other event is regarded as probable if the event is more likely than not to occur, i.e. the probability that the event will occur is greater than the probability that it will not. Further information is given in Note 14.

Reliable estimate of the obligation

In calculating a reliable estimate of the potential future obligation in relation to any future equal pay claims, there is substantial material uncertainty, including whether claims will be made, whether Natural England assesses that we have obligations in relation to potential future claims and the potential outflow required to settle an obligation. The most significant source of material uncertainty relates to the potential number of future claims, if any. Payroll data has been applied and the worst-case scenario calculated. Natural England has considered several factors, including publicly available information and professional advice to assess a range for the likelihood of potential future claims. Subsequently, based on accounting standards, Natural England has assumed that

each point in that range is as likely as any other, and there is an inherent lack of data, and therefore the mid-point of the range has been used. Another source of material uncertainty is the outflow required to settle any potential future obligation. Given the uncertainties, Natural England has estimated our exposure to be between £0 million and

3. Analysis of net expenditure by segment

Natural England is required to report financial and descriptive information about its operating segments. These are components about which separate financial information is available. Generally, financial information is

£45.5 million at 31 March 2025. A five per cent increase/decrease in the potential outflow to settle the obligation increases/decreases the estimate by £0.228 million. A five per cent increase/decrease in the potential population of successful claimants increases/decreases the estimate by £1.479 million.

required to be reported on the same basis as is used internally.

Natural England’s Executive Committee, supported by the Delivery Committee and Portfolio Committee, evaluate performance regularly at and below operating segment level and decide how to allocate resources and monitor outcomes.

Table 1: Natural England’s operating segments

Operating segment	Responsibilities
Strategy and Government Advice (SGA)	Greener Farming & Fisheries
	Government Advice
	Strategy, Government Advice – Marine
	Sustainable Development
	Connecting People with Nature
	Strategy
	Resilient Landscapes and Seas
	Legislative Reform
Operations	National Operations
	National Delivery
	Area Teams
Chief Scientist	Evidence Service
	Analysis
	Science
Legal, Governance & External Affairs	Governance
	Information Security
	Legal Services
	Assurance
	External Affairs
Business Management	Change
	Planning and Performance
	People

3.1. Statement of Comprehensive Net Expenditure for the year ended 31 March 2025 by operating segment:

	Legal, Governance & External Affairs £000	Defra Recharges £000	Operations £000	Chief Scientist £000	Strategy & Government Advice £000	Business Management £000	Total £000
Revenue from contracts with customers	(83)	-	(16,364)	(751)	(6,665)	(368)	(24,231)
Other operating income	(249)	-	(2,763)	(793)	(1,816)	(178)	(5,799)
Total operating income	(332)	-	(19,127)	(1,544)	(8,481)	(546)	(30,030)
Staff costs	6,124	-	84,375	29,608	26,080	7,453	153,640
Other operating costs	(772)	-	5,261	1,547	6,491	974	13,501
Other non-cash items	(5,103)	44,435	4,076	-	-	-	43,408
Impairment	(223)	-	312	-	4,193	-	4,282
Depreciation and amortisation	875	-	1,827	6	1,075	-	3,783
Depreciation on right of use assets	546	-	-	-	-	-	546
Programme and grant expenditure	1,212	-	30,573	26,090	50,470	(35)	108,310
Total expenditure	2,659	44,435	126,424	57,251	88,309	8,392	327,470
Corporation tax expenditure	80	-	-	-	-	-	80
Interest receivable	(592)	-	-	-	-	-	(592)
Interest payable (IFRS 16)	-	-	61	-	-	-	61
Net expenditure	1,815	44,435	107,358	55,707	79,828	7,846	296,989

3.2. Statement of Comprehensive Net Expenditure for the year ended 31 March 2024 by operating segment:

	Legal, Governance & External Affairs £000	Defra Recharges £000	Operations £000	Chief Scientist £000	Strategy & Government Advice £000	Business Management £000	Total £000
Revenue from contracts with customers	(623)	-	(6,452)	(361)	(11,694)	-	(19,130)
Other operating income	(274)	-	(3,005)	(170)	(4,890)	-	(8,339)
Total operating income	(897)	-	(9,457)	(531)	(16,584)	-	(27,469)
Staff costs	13,507	-	84,255	27,376	24,764	1,530	151,432
Other operating costs	4,444	-	6,378	3,385	4,255	776	19,238
Other non-cash items	25	46,859	(7)	-	(2656)	-	44,221
Impairment	2,363	-	1,509	-	461	-	4,333
Depreciations and Amortisation	908	-	178	6	267	-	1,359
Depreciation on right of use assets	276	-	275	-	-	-	551
Programme and grant expenditure	2,864	-	25,101	19,613	46,655	2	94,235
Total expenditure	24,387	46,859	117,689	50,380	73,746	2,308	315,369
Corporation tax expense	369	-	-	-	-	-	369
Interest receivable	(438)	-	-	-	-	-	(438)
Interest payable (IFRS 16)	-	-	52	-	-	-	52
Net expenditure	23,421	46,859	108,284	49,849	57,162	2,308	287,883

4. Expenditure

	31 March 2025 £000	31 March 2024 £000
Staff Costs		
Wages and salaries	111,236	113,188
Social security costs	12,355	11,633
Other pension costs	31,657	28,130
Less recoveries in respect of outward secondments	(1,608)	(1,519)
Staff costs	153,640	151,432
Other Costs		
Travel, subsistence and hospitality	4,135	6,345
Estate management	1,206	1,406
Stationery and printing	52	73
Internal audit fees	375	256
Transport and plant costs	1,011	866
Credit losses	(196)	316
SSCL shared service charges	23	12
Other professional services	366	768
IT costs	730	4,450
Training and development	1,733	1,726
Professional memberships	145	113
Protective clothing, lab and safety equipment ¹	-	44
Cost of inventories sold ³	5,248	1,352
Other operating costs	(1,327)	1,511
Non-cash items		
Depreciation	1,146	1,018
Depreciation on right of use assets	546	551
Amortisation	2,637	341
Revaluation/impairment on non-current assets	4,343	3,872
Impairment of inventories	(61)	461
Provisions provided for in year/(written back) ²	(834)	(309)
Provisions utilised in the year	-	(2,338)
Notional corporate services recharges	44,435	46,859
Loss on the disposal of property, plant and equipment	-	91
Profit on the disposal of property, plant and equipment	(193)	(82)
Programme		
Grant expenditure	48,668	33,509
Short term and low value leases and NNR agreements	679	543
Science and evidence monitoring surveillance	7,528	10,106
Research and development	31,053	23,588
Legal	1,038	2,324
District Level Licensing	3,247	3,718
Professional services	1,148	1,406
Other programme expenditure	14,949	19,041
Total	327,470	315,369

¹Amounts that were previously reported as protective clothing, lab and safety equipment are now included in other programme expenditure (2024-25: £252k). Prior year comparatives have not been restated.

²Amounts that were previously reported as provisions utilised in the year are now included in the relevant expenditure line. Prior year comparatives have not been restated.

³The cost of inventories sold relates to the cost of nutrient credits sold through the Nutrient Mitigation Scheme.

5. Income

5.1. Revenue from contracts with customers

	31 March 2025 £000	31 March 2024 £000
Discretionary advice (inc. PSS and undefined scope)	2,974	3,396
Nationally Significant Infrastructure Projects	2,385	-
Partnership agreements ¹	982	1,025
National Nature Reserves (NNR) income ²	956	721
Contributions and grants from partners and private sector companies ³	-	341
Miscellaneous income	369	607
Great Crested Newt District Level Licensing income	8,818	9,997
Nutrient Mitigation Scheme income	6,253	1,443
Wildlife licencing	1,494	1,600
Total revenue from contracts with customers	24,231	19,130

¹ Partnership Agreements includes amounts previously reported separately as Wildlife Incident Investigation Service (WIIS) (2024-25: £387k and 2023-24: £363k) and Strategic Access Management and Monitoring (SAMM) agreement (2024-25: £595k and 2023-24: £662k).

² Amounts that were previously reported as donations under other operating income are now included as income from the National Nature Reserves (2024-25: £71k and 2023-24: £245k).

³ Amounts that were previously reported as contributions and grants from partners and private sector companies are now reported under other operating income as other grants and contributions. Prior year comparatives have not been restated.

5.1.1. Significant judgements applied

For some groups of contracts revenue is recognised at a point in time and for others it is more appropriate to recognise it over time as the service is delivered.

Natural England recognises expected credit losses using the simplified approach in IFRS 9 recognised lifetime credit losses on inception.

5.1.2. Performance obligations (PO)

Performance obligations are promises to transfer goods or services to a customer, and these form part of the contract with the customer. Our contracts largely contain a single performance obligation and the transaction price allocated to each obligation is therefore determined by the agreed price in the contract with the customer.

Natural England has chosen to show revenue from contracts with customers broken down by the type of goods and services sold as this most accurately represents the income earned. The following table show the different categories of contact that Natural England has with customers and when the associated performance obligations are typically satisfied.

Natural England's income recognition points

Performance obligations typically satisfied at a point in time	
Description of income	Income recognition point
Discretionary Advice Service (including PSS)	When the advice is given to the customer.
NNR Income – NNR usage licences, wayleaves, rents etc.	When the right of use is granted to the customer.
NNR Income – timber sales, filming rights, livestock sales etc.	When the goods or services are delivered to the customer.

Legal receipts (fines and penalties recorded under miscellaneous income)	When Natural England becomes entitled to the funds (e.g. following a court proceeding).
District Level Licencing for Great Crested Newts – enquiry fee	When Natural England completes an impact assessment, on application by a developer, determining the cost of mitigation for a proposed development.
District Level Licencing for Great Crested Newts – conservation payment	When the Impact Assessment and Conservation Payment Certificate (IACPC), which forms the basis of the contract between Natural England and the Developer, is signed by both parties, transferring the obligation to mitigate the harm caused by the proposed development to Natural England.
District Level Licencing for Great Crested Newts – licence fee	When a licence application has been duly assessed in line with the Habitat Regulations and the licence issued by Natural England to a customer.
Nutrient Mitigation Scheme – Administration Fee	When Natural England issues a Provisional Nutrient Credit Certificate to a developer.
Nutrient Mitigation Scheme – Mitigation Payment	When Natural England issues a Final Nutrient Credit Certificate to a developer.
Biodiversity Net Gain – Registration of Gain Sites	When Natural England processes an application to register, amend, remove, allocate or deallocate a gain site from the Biodiversity Net Gain Register.
Performance obligations typically satisfied over time	
Description of income	Income recognition point
Discretionary Advice Service – undefined scope contracts	When the advice is delivered and so this revenue is recognised over time using the input method evidenced by timesheet data.
Catchment Sensitive Farming – Water Company contracts	When the advice is delivered, using the output method evidenced by the passage of time, with invoices raised quarterly.
High Speed 2 (HS2) contract	When the advice is delivered and so this revenue is recognised over time using the input method evidenced by timesheet data.
Wildlife Incident Investigation Service (WIIS) contract	When the advice is delivered and so this revenue is recognised over time using the input method evidenced by timesheet data.
Strategic Access Management and Monitoring (SAMM) agreement	When services are delivered using the input method evidenced by costs incurred to date.
Contributions from lead partners for EU LIFE, HLF, EU Horizon 2020, UKRI and the Crown Estate	When project deliverables are delivered using the input method evidenced by costs incurred to date.

5.1.3. Transaction price allocated to remaining performance obligations

Natural England has several multi-year contracts in place with customers that not yet completed as of 31 March 2025, including:

- i. **Strategic Access Management and Monitoring (SAMM)** agreement contract, which is billable quarterly in arrears. Natural England accounts for the income due under the SAMM agreement based on how much of the performance obligation has been completed by 31 March.
- ii. **Discretionary Advice Service (DAS)** contracts with customers in which Natural England provides advice on planning applications. Natural England accounts for the income due under these contracts using the input method evidenced by timesheet data.

As a practical expedient, Natural England does not report the transaction price allocated to remaining performance obligations for any contracts that had an original expected contract duration of less than one year.

5.1.4. District Level Licensing for Great Crested Newts

Great Crested Newts (GCN) are designated and protected as European protected species under the Conservation of Habitats and Species Regulations 2017. GCN are also listed as a rare and most threatened species under S41 of the Natural Environment and Rural Communities Act 2006. S41 species need to be taken account of as part of any planning decision, and any development needs to comply with the legal protection of GCN. There are two approaches to comply with the legal protection of GCN:

- the traditional mitigation licences; and
- the District Level Licencing (DLL) approach which is an alternative route aimed at increasing the number of GCNs by providing new or better habitats in targeted areas to benefit their wider population, whilst being a simpler and quicker process for developers compared to the traditional mitigation licence.

The DLL approach operates in certain parts of England, and Natural England are one of several bodies that operate such a scheme. The income that Natural England reports as conservation payments are the developer's contributions which Natural England use to create and maintain ponds for 25 years. Natural England recognises a provision to represent the cost of future maintenance for the ponds, discounted at the appropriate rate.

5.1.5. The Nutrient Mitigation Scheme

There are 62 Local Planning Authorities (LPAs) in England where Natural England has determined that pollution of nitrogen and phosphorus from wastewater is a significant environmental issue, leading to *unfavourable conservation status* for designated water-dependent habitat sites. In these LPAs, near the affected water-dependent sites, new dwellings should achieve Nutrient Neutrality to comply with the Habitat Regulations, meaning for every kilogram of nitrogen or phosphorus added to the catchment, one kilogram must be removed. Developers can achieve this is through buying Nutrient Credits from Natural England.

Natural England secures nutrient reductions by, for example, making agreements with landowners to cease the use of nitrogen-rich fertiliser on their land. The kilograms of nutrient pollution then avoided are sold to developers as Credits, unlocking housebuilding. Natural England monitors these agreements for up to 125 years using funds generated from the sale of credits. See note 2.3 for further information.

5.2. Other operating income

	31 March 2025 £000	31 March 2024 £000
Basic Payment Scheme	355	525
Apprenticeship Levy	225	273
EU LIFE Grants	1,784	3,054
Heritage Lottery funding	240	1,455
The Crown Estate	2,081	2,654
Other grants and contributions ¹	1,114	133
Donations	-	245
Total other operating income	5,799	8,339

1. Amounts that were previously reported as grants from local government are now included as income from other grants and contributions. This line also includes amounts previously reported as contributions and grants from partners and private sector companies. Prior year comparatives have not been restated.

Natural England accounts for income that does not fall within the scope of IFRS 15 Revenue from Contracts with Customers as other operating income. Grants received are accounted for using IAS 20 Accounting for Government Grants and Disclosure of Government Assistance. The two largest sources of income accounted for under IAS 20 are:

- I. European Union grants received from EU LIFE and other EU grant programmes for delivering specific environmental projects. Natural England is no longer able to apply for European Union funding following the UK's withdrawal from the European Union, however existing projects will continue to be funded until the end of the project.
- II. Funding from the Crown Estate as part of the OWEC programme.

6. Non-current assets

6.1. Property, plant and equipment

6.1.1 Property, plant, and equipment at 31 March 2025

	Land £000	Buildings owned £000	Leasehold Improvements £000	IT £000	Infrastructure, Furniture and Fittings £000	Plant and Machinery £000	Vehicles £000	Assets under construction £000	Total £000
Cost or valuation									
At 1 April 2024	20,586	11,590	346	396	4,014	9,442	3,913	16,291	66,578
Additions	830	-	-	-	55	776	567	6,392	8,620
Disposals	-	-	-	-	(46)	(740)	(530)	-	(1,316)
Impairment (note 8)	101	170	-	-	-	-	-	(168)	103
Reclassifications	-	4,849	-	-	2,677	804	-	(8,330)	-
Revaluation	(393)	1,088	-	-	-	-	-	-	695
At 31 March 2025	21,124	17,697	346	396	6,700	10,282	3,950	14,185	74,680
Depreciation									
At 1 April 2024	-	2,916	-	393	2,410	5,753	2,329	-	13,801
Charges in year	-	315	-	2	42	551	236	-	1,146
Disposals	-	-	-	-	(46)	(634)	(526)	-	(1,206)
Impairment (note 8)	-	46	-	-	-	-	-	-	46
Revaluation	-	767	-	-	-	-	-	-	767
At 31 March 2025	-	4,044	-	395	2,406	5,670	2,039	-	14,554
Net book value 31 March 2025	21,124	13,653	346	1	4,294	4,612	1,911	14,185	60,126
Net book value 31 March 2024	20,586	8,674	346	3	1,604	3,689	1,584	16,291	52,777
Assets financing									
Owned	21,124	13,653	346	1	4,294	4,612	1,911	14,185	60,126
Net book value 31 March 2025	21,124	13,653	346	1	4,294	4,612	1,911	14,185	60,126

6.1.2 Property, plant, and equipment at 31 March 2024

	Land £000	Buildings owned £000	Leasehold Improvements £000	IT £000	Infrastructure, Furniture and Fittings £000	Plant and Machinery £000	Vehicles £000	Assets under construction £000	Total £000
Cost or valuation									
At 1 April 2023	17,816	9,633	-	718	2,696	8,628	4,066	10,448	54,005
Additions	3,001	750	-	-	-	1,051	7	8,194	13,003
Disposals	-	(97)	-	(322)	(18)	(237)	(160)	-	(834)
Impairment (note 8)	(1,273)	-	-	-	-	-	-	(105)	(1,378)
Reclassifications	669	564	346	-	1,336	-	-	(2,246)	669
Revaluation	373	740	-	-	-	-	-	-	1,113
At 31 March 2024	20,586	11,590	346	396	4,014	9,442	3,913	16,291	66,578
Depreciation									
At 1 April 2023	-	2,476	-	714	2,381	5,457	2,235	-	13,263
Charges in year	-	273	-	2	45	452	246	-	1,018
Disposals	-	(60)	-	(323)	(16)	(156)	(152)	-	(707)
Impairment (note 8)	-	19	-	-	-	-	-	-	19
Reclassifications	-	-	-	-	-	-	-	-	-
Revaluation	-	208	-	-	-	-	-	-	208
At 31 March 2024	-	2,916	-	393	2,410	5,753	2,329	-	13,801
Net book value 31 March 2024	20,586	8,674	346	3	1,604	3,689	1,584	16,291	52,777
Net book value 31 March 2023	17,816	7,157	-	4	315	3,171	1,831	10,448	40,742
Assets financing									
Owned	20,586	8,674	346	3	1,604	3,689	1,584	16,291	52,777
Net book value 31 March 2024	20,586	8,674	346	3	1,604	3,689	1,584	16,291	52,777

6.2. Intangible assets

6.2.1. Intangible assets at 31 March 2025

	Assets under construction £000	Purchased software £000	Internally generated software £000	Total £000
Cost or valuation				
At 1 April 2024	11,235	4,552	12,800	28,587
Additions	4,436	-	115	4,551
Impairments	(4,254)	-	-	(4,254)
Transfers	-	-	2,211	2,211
Reclassifications	(10,525)	(1,279)	11,804	-
At 31 March 2025	892	3,273	26,930	31,095
Amortisation and impairment				
At 1 April 2024	-	4,549	264	4,813
Charged in year	-	-	2,637	2,637
Reclassifications	-	(1,279)	1,279	-
At 31 March 2025	-	3,270	4,180	7,450
Net book value 31 March 2025	892	3	22,750	23,645
Net book value 31 March 2024	11,235	3	12,536	23,774
Assets financing				
Owned	892	3	22,750	23,645
Net book value 31 March 2025	892	3	22,750	23,645

6.2.2. Intangible assets at 31 March 2024

	Assets under construction £000	Purchased software £000	Internally generated software £000	Total £000
Cost or valuation				
At 1 April 2023	12,411	9,548	-	21,959
Additions	13,617	-	-	13,617
Disposals	-	(4,709)	-	(4,709)
Impairments	(1,993)	(287)	-	(2,280)
Reclassifications	(12,800)	-	12,800	-
At 31 March 2024	11,235	4,552	12,800	28,587
Amortisation and impairment				
At 1 April 2023	-	9,268	-	9,268
Charged in year	-	77	264	341
Disposals	-	(4,709)	-	(4,709)
Impairments	-	(87)	-	(87)
At 31 March 2024	-	4,549	264	4,813
Net book value 31 March 2024	11,235	3	12,536	23,774
Net book value 31 March 2023	-	280	12,411	12,691
Assets financing				
Owned	11,235	3	12,536	23,774
Net book value 31 March 2024	11,235	3	12,536	23,774

7. Non-current heritage assets

Natural England is the body empowered (under the National Parks and Access to the Countryside Act 1949 and Wildlife and Countryside Act 1981) to declare NNRs in England. Natural England manages approximately two thirds of these on its own or jointly with others, and the remainder are managed by Approved Bodies. Only the value of the NNRs owned or leased by Natural England are reflected in the non-current heritage assets within these accounts. Leased heritage assets are shown separately in Note 15.

The current net book value of donated heritage assets is £3.5m. Valuation of non-operational heritage assets is complex because applying a market value involves a number of judgemental assessments due to the specific features of the site and for some sites with particular features such as peatlands, heathland, coastal sand dunes, and foreshores, there is limited comparable market evidence. See Note 2.1 for further information about the valuation uncertainty.

	Operational £000	Non- operational £000	Total £000
At 1 April 2024	2,434	107,905	110,339
Additions	-	1,352	1,352
Impairment	-	(135)	(135)
Revaluation	-	879	879
Net book value 31 March 2025	2,434	110,001	112,435
At 1 April 2023	2,320	104,540	106,860
Additions	-	1,791	1,791
Impairment	-	(239)	(239)
Reclassifications	-	(667)	(667)
Revaluation	114	2,480	2,594
Net book value 31 March 2024	2,434	107,905	110,339
At 1 April 2022	2,320	92,439	94,759
Additions	-	6,653	6,653
Impairment	-	(577)	(577)
Revaluation	-	6,025	6,025
Net book value 31 March 2023	2,320	104,540	106,860
At 1 April 2021	3,361	71,348	74,709
Additions	-	1,745	1,745
Impairment	-	297	297
Reclassifications	-	742	742
Revaluation	(1,041)	18,307	17,266
Net book value 31 March 2022	2,320	92,439	94,759
At 1 April 2020	3,251	63,835	67,086
Prior year adjustments	-	15	15
Additions	-	2,900	2,900
Impairment	-	(205)	(205)
Reclassifications	-	561	561
Revaluation	110	4,242	4,352
Net book value 31 March 2021	3,361	71,348	74,709

8. Impairments

	2024-25 £000	2023-24 £000
Impairment to Statement of Comprehensive Net Expenditure		
(Charge)/Credit to Statement of Comprehensive Net Expenditure	(4,343)	(3,872)
(Charge)/Credit to Revaluation Reserve	830	3,485
	(3,513)	(387)

	Upward revaluation £000	Downward revaluation £000	Total RR Movement £000	Impairment to SOCNE £000
Land	158	(450)	(393)	101
Building	661	(216)	321	124
Assets under construction	-	(168)	-	(168)
Heritage	3,315	(2,571)	879	(135)
Intangible	-	(4,254)	-	(4,254)
Right of use assets	27	(15)	23	(11)
Balance at 31 March 2025	4,161	(7,674)	830	(4,343)

9. Financial instruments

As the cash requirements of Natural England are met through GiA provided by Defra, financial instruments play a more limited role in creating risk than would apply to a non-public sector body. The financial instruments held relate to contracts for non-financial items in line with Natural England's expected purchase and usage requirements and Natural England is therefore exposed to little credit, liquidity, or market risk.

These financial instruments (trade receivables being the most significant) are held to collect contractual cash flows only and are measured at the initial recognition amount less lifetime expected credit losses.

10. Inventory

Natural England reports livestock held for sale, consumables, and Nutrient Credits as inventory. Livestock held for breeding purposes are recognised as a non-current agricultural asset. Inventory comprises:

	31 March 2025 £000	31 March 2024 £000
Nutrient credits	13,101	15,222
Livestock/consumables	115	115
Total	13,216	15,337

	31 March 2025 £000	31 March 2024 £000
Current	5,176	15,337
Non-current	8,040	-
Total	13,216	15,337

11. Trade and Other Receivables

	31 March 2025 £000	31 March 2024 £000
Amounts falling due within one year		
Trade receivables	1,790	3,570
VAT	4,402	2,122
Prepayments	231	74
Accrued income – DLL newts	15,131	13,174
Accrued income – other	4,707	2,873
Less expected credit loss for receivables and contract assets	(1,172)	(615)
Total receivables due within one year	25,089	21,198
Amounts falling due after more than one year		
Accrued income – DLL newts	5,044	3,502
Less expected credit loss for receivables and contract assets	(338)	(69)
Total receivables due after more than one year	4,706	3,433
Total receivables	29,795	24,631

12. Cash and cash equivalents

	31 March 2025 £000	31 March 2024 £000
Balance at 1 April	21,870	15,808
Net change in cash and cash equivalent balances	7,406	6,062
Balance at 31 March	29,276	21,870
The following balances at 31 March are held at:		
Government Banking Services	29,276	21,870
Balance at 31 March	29,276	21,870

13. Trade and other payables

	31 March 2025 £000	31 March 2024 £000
Amounts falling due within one year		
Other taxation and social security	3,706	2,945
Trade and other payables	16,071	23,965
Accruals	35,271	46,551
Deferred income	4,728	3,132
Obligations under leases (current)	1,155	471
Trade and other payables due within one year	60,931	77,064
Amounts falling due after more than one year		
Obligations under leases	3,802	3,845
Other payables due after more than one year	3,802	3,845
Total trade and other payables	64,733	80,909

14. Provisions for liabilities and charges

	Balance at 1 April 2024 £000	Provided in the year £000	Provisions utilised in the year £000	Provisions not required written back £000	Balance at 31 March 2025 £000
Pension provision	107	-	2	(109)	-
Litigation	10,027	87	(1,173)	(5,857)	3,084
DLL Newts	7,986	5,047	(945)	-	12,088
	18,120	5,134	(2,116)	(5,966)	15,172

Please see note 2.2 for information about the estimation uncertainty in calculating the DLL Newts provision.

Included in the litigation line above is £2.958 million (2023-24: £9.380 million) relating to the potential for future further equal pay claims. The balance represents an allowance for Natural England's potential obligations in relation to potential future claims that may be lodged. The remainder of the Litigation balance relates to HR and compensation cases. Provisions utilised in the year relate to the settlement of the 38 equal pay claims in existence at 31 March 2024. The majority of the provisions not required written back line relates to a reduction in the equal pay claim provision as a result of changes in the assumptions underlying the calculation of the estimate.

The ex-gratia settled claims were historic, relating to pay from 2016 to 2022, and Natural England has taken steps to reduce the percentage pay disparity levels. The cases arose because when the organisation was formed in 2006, pay ranges of the three founding bodies were combined, not reformed, and so pay for an individual was determined by prior employment, not the equivalence in the job they were now doing. Public sector pay restraint meant this could not be addressed for some time.

Natural England has, however, taken a number of steps to reduce the incidence of unequal pay: i.e., when a woman is paid less than a man for doing the equivalent work. This includes submitting a pay flex case in July 2025, which was subsequently accepted by Trade Unions in February 2026 and ensuring women can progress their careers (including a pay scale restructure and proportionate application of annual pay awards), such that the mean gender pay gap in Natural England is now 0.6% (2024: 1%). The Equal Pay Audit 2024-25 shows a decrease in the mean pay gap across all pay groups to below the difference levels the Equality and Human Rights Commission considers that further investigation may be appropriate. Pay gaps in 2025 range from -0.07% to 1.47% (2024: 0.19% and 1.87%).

Some historical residual risks remain which are difficult to quantify but Natural England is taking proactive and meaningful steps around further pay reform.

Given the residual risk but noting that there is significant uncertainty and no benchmarks, Natural England has recognised a provision of £2.958 million. This provision valuation has been determined in the context of the significant uncertainties which exist over both the potential for further claims to occur and any potential obligations arising from those claims and is significantly higher than Natural England consider to be the most likely scenario. Natural England consider there is a reasonable probability that outflow on future claims will be significantly lower than this and may be £nil if no claims are made and will in any case diminish in future years as the pay gap has reduced. See Note 2.4 for further information.

The pay offer, accepted in February 2026, is a two-year structure and represents a significant step forward in delivering the ambitions set out in its Strategic Pay Plan (2025–2029) including narrowing pay ranges and ensuring staff are more equitably distributed on the ranges. The offer is designed to reward its workforce fairly and competitively and to support the delivery of its

organisational Strategy: Recovering Nature for Growth, Health and Security. The offer reflects Natural England's commitment to recognising the vital contribution of its workforce in achieving Natural England's Strategy, and to ensuring its pay arrangements are transparent, equitable, and better aligned with the wider Defra group. Natural England considers that the overall improvement in pay and pay equality may allow the equal pay claim provision to be removed in 2025–26.

Analysis of expected timings of discounted flows

	Not later than one year £000	Later than one year and not later than five years £000	Later than five years £000	Balance at 31 March 2025 £000
Litigation	128	2,956	-	3,084
DLL Newts	1,075	3,493	7,520	12,088
	1,203	6,449	7,520	15,172

15. Commitments under leases

Further information about Natural England's leases and right of use assets is available in the accounting policies.

15.1. Quantitative disclosures around right of use assets

	Heritage land £000	Buildings £000	Vehicles £000	Total £000
Right of use assets				
Opening balance at 1 April 2024	3,587	979	-	4,566
Additions	371	105	654	1,130
Depreciation expense	(358)	(170)	(18)	(546)
Revaluations	7	5	-	12
Closing balance at 31 March 2025	3,607	919	636	5,162
	Heritage land £000	Buildings £000	Total £000	
Right of use assets				
Opening balance at 1 April 2023		3,960	931	4,891
Additions		102	219	321
Depreciation expense		(385)	(166)	(551)
Revaluations		(90)	(5)	(95)
Closing balance at 31 March 2024		3,587	979	4,566

15.2. Quantitative disclosures around lease liabilities - Maturity analysis

	31 March 2025 £000	31 March 2024 £000
Obligations under leases for the following periods comprise:		
Land and buildings		
Not later than one year	504	476
Later than one year and not later than five years	1,607	1,591
Later than five years	3,199	3,238
	5,310	5,305
Less interest element	(1,008)	(989)
Present value of obligations	4,302	4,316
Other - Vehicles		
Not later than one year	655	-
Later than one year and not later than five years	-	-
Later than five years	-	-
	655	-

	31 March 2025 £000	31 March 2024 £000
Total present value of obligations	4,957	4,316
Current portion	1,155	471
Non-current portion	3,802	3,845

15.3. Lease liability movement in year

	2024-25 £000	2023-24 £000
Opening liability at 1 April 2024	4,316	4,462
Additions	1,088	321
Payments	(508)	(519)
Interest	61	52
Closing liability at 31 March 2025	4,957	4,316

15.4. Quantitative disclosures around elements in the Statement of Comprehensive Net Expenditure

	31 March 2025 £000	31 March 2024 £000
Sub-leasing income	(56)	(54)
Expense related to short-term leases	8	14

15.5. Quantitative disclosures around cash outflow for leases

	31 March 2025 £000	31 March 2024 £000
Capital lease liability payment	447	519

15.6. Qualitative disclosure around utilisation of right-of-use assets held for use within the group

The corporate office estate occupied by Natural England staff (and others in the Defra group) are managed by Defra group property services within core Defra. Where there is a formal sub-lease between entities, these sub leases will be assessed and treated accordingly as finance or operating sub leases. For Natural England there are no formal sub-leases, and this is the case for the majority of occupation across the group. Therefore, the right-of-use assets for the Defra corporate estate are reflected in the accounts of the legal leaseholder, either the core department or the Environment Agency.

Within the Statement of Comprehensive Net Expenditure, the full cost of occupation of the corporate office estate is reflected within the Notional Corporate Service Recharge in Other expenditure. The costs recharged are proportionate to occupation and include rates, utilities, management overheads, facilities management and associated capital charges.

16. Other financial commitments

Natural England has entered into non-cancellable contracts. The total payments to which Natural England is committed are as follows:

	31 March 2025 £000	31 March 2024 £000
Not later than one year	19,278	13,375
Later than one year and not later than five years	771	4,426
Later than five years	298	382
Total	20,347	18,183

17. Contingent liabilities disclosed (under IAS 37) and claims against Natural England

At 31 March 2025, Natural England had contingent liabilities incurred in the ordinary course of its business in respect of its statutory and regulatory functions. Natural England have assessed no material losses are expected to arise from these contingent liabilities, should these crystallise.

Natural England may have a potential liability relating to historic hazardous waste from a previous owner at one of its NNR sites, formerly used for cordite production and later industrial tipping. The potential obligation depends on future events outside Natural England's control (e.g., climate change impacts or regulatory intervention). Given these uncertainties, a reliable value cannot be attributed however current estimates give a potential remediation cost range of £5m-£14m. Natural England is carrying out further investigations to better understand the risks and potential liabilities, including determining who may be liable.

18. Related party disclosures

Natural England is an executive non-departmental public body sponsored by the Department for Environment, Food, and Rural Affairs (Defra), which is therefore regarded as a related party. Natural England has carried out a significant number of material transactions with Defra in the normal course of business, and with other entities for which Defra is regarded as the parent department including the Environment Agency, and the Animal and Plant Health Agency.

Prior year disclosures included a summary of transactions between Natural England and other entities with whom Natural England shared an executive director or non-executive board member. As these relationships do not meet the definition of related parties, they are no longer included.

19. Events after the reporting date

In accordance with the requirements of IAS 10, events after the reporting period are considered up to the date of which the accounts are authorised for issue by the Accounting Officer.

On 10 February 2025, we launched a voluntary exit scheme for employees, in which we agreed exit packages for 212 employees at a resource cost of £9.5 million. Payments under this scheme were made during 2025-26 (last year's disclosure erroneously noted that this would have been 2024-25). Our assessment is that there was no present obligation at the 31 March 2025.

In January 2026, the government published its Water White Paper in response to the Independent Water Commission, led by Sir Jon Cunliffe, following a review on the water sector and how it is regulated. The recommendation for the creation of a new water regulator includes merging the relevant water-related functions of the Environment Agency and Natural England, alongside Ofwat and the Drinking Water Inspectorate. Natural England is currently working through the implications of this with Defra. Natural England is also working on the transition plan closely alongside Defra on how our role will be undertaken before legislative changes are made via the Bill. The impact of these changes on the financial statements has not yet been assessed.

The Planning and Infrastructure Act 2025 received Royal Assent on 18 December 2025. The Act grants Natural England new powers to prepare draft Environment Delivery Plans, which can be made by the Secretary of State. Natural England is responsible for administering, implementing and monitoring the Environmental Delivery Plans. The impact of this on the financial statements is still being assessed, however the most likely impact is on the recoverability of the remaining nutrient credits held as inventory in Note 10. Taking into account credit sales since 31 March 2025, the inventory balance as at 31 December 2025 was £13.0 million.

Natural England is here to secure a healthy natural environment for people to enjoy, where wildlife is protected and England's traditional landscapes are safeguarded for future generations.

Natural England publications are available from
www.gov.uk/natural-england.

Should an alternative format of this publication be required, please contact our enquiries line for more information: 0300 060 3900 or email
enquiries@naturalengland.org.uk.

ISBN 978-1-5286-5932-1

Catalogue code: E03420127

This publication is published by Natural England under the Open Government Licence v3.0 for public sector information.

You are encouraged to use, and reuse, information subject to certain conditions. For details of the licence visit
www.nationalarchives.gov.uk/doc/open-government-licence/version/3.

Please note: Natural England photographs are only available for non-commercial purposes. For information regarding the use of maps or data visit
www.gov.uk/how-to-access-natural-englands-maps-and-data.

© Natural England 2026