

NATURAL ENGLAND BOARD



Meeting # 1
17 October 2006

Item [M4]

Title: Corporate Governance

Purpose

The purpose of this paper is to seek the Board's approval to Natural England's initial set of Corporate Governance documents.

Recommendations

It is recommended that the Board:

1. Confirms the final amended governance documents which were reviewed and approved, subject to final changes, at the September meeting of the Skeleton Board.
2. Approves the remainder of the governance documentation, as detailed in Annex A.
3. Notes in particular and approves Natural England's Health & Safety Policy.
4. Notes the progress made by the Board task group.

Background

Natural England's corporate governance comprises two parts; Board Governance and Executive Governance. The Board Governance proposals set out here for approval have been drawn up to follow the National School of Government 's (NSG) model of good practice. With the assistance of the NSG and a working group of Board members, governance documents for each part of the governance model have been developed.

Attached at Annex A1 is the index and status of each of the documents which comprise Natural England's Board Governance. For completeness, the corresponding list of Executive Governance documentation is also included at Annex A2. Some documentation is already accessible via the Intranet (eg Health & Safety) with the rest to follow in due course.

There are some areas where further work is required. It is anticipated the remaining work will be completed in time for the Board to review at its December meeting. All governance documentation will be reviewed by October 2007.

Final Amended Governance Documents

Management Statement The one amendment made corrects the timing of the review of the Chief Executive's ex officio membership of the Board from May 2007 to May 2008.

The point raised at the September Board about members being appointed for a period of up to three years (para 40) is covered in that existing members were appointed on their individual terms prior to the date of the Management Statement, and that in future it is expected that appointments will indeed be for a period of three years.

Financial Memorandum (FM) The version approved at the September Board has been amended to incorporate the three areas identified then for further work. These were:

- **Accounting for ERDP Grants.** Board Members will recall that it is Defra's view that these grants should be accounted for by either themselves or the Rural Payments Agency; Natural England's view is that we should not only administer but also account for these funds. In order to agree the FM in time for vesting, we reserved our position by agreeing that the budgetary arrangements would be detailed in a separate schedule. Defra have added the existing arrangements in Schedule 10 of the FM for 2006/07 only. For the new seven year RDPE programme, due to commence in 2007, we have agreed with Defra that Natural England will negotiate a new set of budget arrangements.
- **Building Projects.** Defra Estates had previously requested that all building projects should receive their prior approval. A more practical level of expenditure (£0.5m) has now been agreed above which approval will be sought
- **Timeliness of monitoring information to Defra.** A more realistic timescale for submission of financial information has now been agreed, with a review by September 2007. Information will not be submitted to Defra until it has been reviewed by the Board at its bi-monthly meetings.

Part 8 Agreement This has now been signed off by the Chief Executive and Defra, having gained the necessary assurances that delegated functions will be discharged in accordance with the provisions of the NERC Act.

Other Board Governance documents for approval

Strategic Statement of Role of Board (Annex B) This sets out the purpose, responsibilities and way in which the Board discharges its responsibilities. It has been developed by the Board working group to take account of the Management Statement and the NERC Act. The Board is requested to approve it.

Board Standing Orders (Annex C) The original Skeleton Board standing orders are being updated and expanded now that the Board is fully operational. The Board is requested to approve them. Annex C will be tabled at the Board meeting.

Science Committee Terms of Reference (Annex D) The draft ToR approved by the Board at its September meeting have been adjusted to clarify executive and non-executive roles, and that support will be provided by Board Services. The Board is requested to note the changes.

Freedom of Information (Annex E) As the FoI Act covers all information including that of the Board, the Board is requested to approve the Policy (E1) and Statement (E2) which have been modeled on best practice of all three predecessor bodies.

Health & Safety (Annex F) Although already agreed by the Chair and Chief Executive, and communicated to all staff, the Board is requested to note and approve the Policy in full.