

# Natural England Board



## Confirmed minutes of the twenty second Natural England Board Meeting on 30 September 2010

<b>Members attending</b>	<b>Executives</b>
Poul Christensen (Chair)	Tom Tew
Helen Phillips (Chief Executive)	Guy Thompson
Peter Allen	Robin Tucker
Lynn Crowe	Jim Smyllie
Catherine Graham-Harrison	Dave Webster
Tony Hams	Andrew Wood
David Hill	
Joe Horwood	<b>Secretariat</b>
Doug Hulyer	
Christopher Pennell	David Slater
Andy Wilson	Emily Finnie
<b>Apologies</b>	
David Macdonald	

Prior to the Board meeting, the Board was briefed on Natural England's work in the following areas:

- Partnership Working and Engagement Programme
- Spending Review 2010 and Efficiency programme Update
- Control of Bovine TB
- Implications of Common Agricultural Policy reform for natural England's work with farmers
- Evidence Review and Evidence Achievements
- Convention on Biological Diversity – Implications of the expected new targets for Natural England

### Welcome from the Chair

David Macdonald sent his apologies.

The Chair wished to reiterate the sentiments he had expressed at the Board dinner the previous evening in thanking Lynn Crowe and Christopher Pennell for all they had contributed during their time as Board members. He thanked them for everything they had done for Natural England.

There were no additions to the Register of Interests.

The Board noted Defra attendance was not expected.

Tony Hams raised a potential conflict of interest in relation to item 5 as Chair of a Wildlife Trust that might be in receipt of an NNR.

Poul Christensen requested guidance on his role as Chair in future discussions on bovine TB given his role as a farmer.

**Action: Seek and provide guidance to Chair on his role vv Bovine TB and his farming interests**

## **1 Chair's Engagements (NEB PU22 01)**

- 1.1 The Board noted the stakeholder engagements conducted by Chair in the period between the July and September 2010 Board meetings and the appointments scheduled before the February Board meeting.

## **2. Chief Executive's Report (NEB PU22 02)**

- 2.1 Helen Phillips introduced her Chief Executive's report on current strategic issues, delivery against corporate plan targets and financial performance.
- 2.2 The Board had advised on current strategic issues in the briefing session but in addition:
  - 2.2.1 advised that Natural England would benefit from working with other organisations on the Arms Length Bodies Review and noted Helen Phillips' acknowledgement that this work needed to be escalated. The Board looked forward to a report on progress with areas for joined up working between environment bodies.

**Action: Escalate and seek more join up on ALBR with other agencies/NDPBs.**

**Action: Update the Board on the 8 areas identified for joint working with environment bodies when there news is to report.**

- 2.2.2 noted that Natural England had been asked to prepare an SR2010 submission for a further scenario based on a 40% reduction in grant in aid baseline. This had been delivered in accordance with Defra' tight deadline but had neither been considered formally nor endorsed by the Board. The submission had subsequently been circulated to the Board who wished to record its grave concern of the implications for Natural England and the Government of such a cut on delivery for the natural environment.
- 2.3 The Board considered the mid-quarter delivery performance report against corporate plan targets for 2010/11 and in discussion:
  - 2.3.1 noted that while Natural England had caught up on the 6-year cycle for SSSI condition assessments a gap had opened up over the summer that could not be filled now that the field season was almost over, but it was not so large as to undermine confidence in our overall assessment
  - 2.3.2 noted the reasons why Natural England might not achieve the 50% carbon reduction target by end of December 2010, but nevertheless welcomed the significant achievements. The Audit and Risk Committee had received the internal audit report endorsing the methodology for measuring the carbon target.

- 2.3.3 sought clarification on the report on the number of people leaders completing the IOSH Managing Safely programme.

**Action: Seek and reflect clarification of 3.6 (IOSH Managing Safely Programme) in the minutes**

- 2.4 The Board noted Natural England's financial position as at 31 August 2010 and in discussion:

2.4.1 noted the impact of Government spending controls effected delivery initially but following receipt of guidance was now back on track with a sensible modus Vivendi arising;

2.4.2 noted the continued reporting on retrospective orders and asked for more clarity on whether this was a real issue or not.

**Action: Take a view on retrospective orders before the next Board meeting.**

2.4.3 noted refocusing resourcing of priorities in the light of the outcomes from the spending review would be reflected in the Corporate Plan.

2.5 The Chair concluded that there were still risks around delivery that were outside Natural England's control. A clearer picture would be provided in the full Quarter 2 report that would be presented to the next Board meeting.

**Action: Present full Quarter 2 report to the November Board meeting**

### **3. Consultation on Natural Environment White Paper Discussion Document (NEB PU22 03)**

3.1 The Board was invited to consider the framework for Natural England's proposed response to Defra's Natural Environment White Paper discussion document and in offering a strategic context for the response the Board:

3.1.1 provided a perspective from involvement on the Ministerial Advisory Group and the need for support from other Government Departments;

3.1.2 supported the key themes of ambitious vision, green economy and the Big Society as the focus for Natural England's response; the impact of the green economy could not be ignored;

3.1.3 advised caution on placing business at the centre of protecting our natural capital;

3.1.4 advised that more could be made in linking the need to reduce environmental deficit with tackling the economic deficit';

3.1.5 emphasised the continuing need for green infrastructure to include urban as well as rural;

3.1.6 advised that HM Treasury recognised that environmental degradation undermined long term prosperity and that the evidence base demonstrated that economic prosperity depended on a healthy natural environment;

3.1.7 asked for references to 'paying for' be replaced with 'attract investment in' as returns were sought;

- 3.1.8 noted that the paper did not tackle potential inequity in relation to the Big Society, where communities less able to take the opportunities presented are disadvantaged.
- 3.1.9 highlighted the training and skills aspect of addressing transgenerational equity and the opportunities presented by the review of the National Curriculum.
- 3.2 In conclusion the Board agreed Natural England's outline response to the Natural Environment White Paper discussion document and the three key themes being developed. The Chair reminded the Board that this was the first stage and was invited to submit any further input on Natural Environment White Paper to Andrew Wood.

**Action: Submit any further input on Natural Environment White Paper to Andrew Wood.**

#### **4. Making Space for Nature: A review of England's wildlife sites and ecological network (NEB PU22 04)**

- 4.1 The Board was provided with an overview of the conclusions and recommendations arising from the recently published 'Making Space for Nature: a review of England's wildlife sites and ecological network. Copies of the report were available for members at the meeting. In giving advice on how Natural England should respond to the report at a strategic level the Board:
  - 4.1.1 welcomed the Lawton report and advised that Natural England's response should be made in the context of its conclusions then feeding into the White Paper;
  - 4.1.2 advised that the potential tension between IBDA's and Ecological Restoration Zones should be resolved;
  - 4.1.4 identified a tension between using an expert advisory panel's recommendation compared with the Big Society approach, and the recognition for a bottom up locally owned process;
  - 4.1.5 suggested Natural England's knowledge and expertise could be an important source of advice for Ecological Restoration Zones;
  - 4.1.6 questioned whether a too rigid application of the continuation of the existing UK site safeguard system could lead to a reduction in wildlife in future;
  - 4.1.7 considered the Lawton report's recommendations to be naive in terms of the funding implications.
- 4.2 The Chair thanked the Board for its steer and invited members to send any further comments to Andrew Wood.

**Action: Submit any further comments on Making Space for Nature to Andrew Wood.**

#### **5. Transferring management of Natural England's National Nature Reserves- update on current activity (NEB PU22 05)**

- 5.1 In response to the Board's request at its last meeting, the paper updated the Board in current activity and thinking regarding the options for the transfer of ownership and management of Natural England's National Nature Reserve estate.

- 5.2 In discussing the risks and opportunities in what would be a highly public and political negotiation the Board:
- 5.2.1 repeated the message from the NNR session in the workshop the previous day that whatever happened, maintaining the quality and resilience of NNRs was of utmost importance, and Natural England had a responsibility to maintain or improve that through any transfer;
  - 5.2.2 advised that some form of interim arrangement, via another body who would be responsible for the final transfer, might be necessary, and a better way of divesting NNRs than directly to another organisation that may not be fit or ready to receive an NNR;
  - 5.2.3 advised an interim body could also provide consistency on terms of how NNRs were managed and monitored in future, although the view was also expressed that there could be no benefits in passing the problem to a third party and there would be many technical issues to resolve;
  - 5.2.4 requested more explicit reference to public enjoyment and access in the list of risks and opportunities;
  - 5.2.5 considered that handling the issue was made more difficult because it had been made public and advised that the principle of ensuring continuing stewardship was paramount and could perhaps be achieved by bespoke divestment; a few NNRs transferred quickly to enhance confidence in Natural England's ability to manage any transfer;
  - 5.2.6 advised that since Natural England would not be the only organisation divesting attractive land, receiving organisations would be able to pick and choose: TUPE was also an issue to address;
  - 5.2.7 advised of a comparable process with the heritage estate and suggested that join up could be helpful.
- 5.3 Helen Phillips offered the following observations to sum up the risks that had been identified: Something must be done and quickly. The NGOs response was that they could not act quickly with the consequence that Natural England might be seen to be dragging its feet. In these circumstances creating another body became attractive but would need to be set against a firm set of principles and with sufficient safeguards for it to be reversible if needs be.
- 5.4 The Chair summed up the discussion that had recognised that Natural England had received direction from the Secretary of State but at the same time it would have to manage the perspectives and ambitions of the NGO approved bodies as it developed new models. Jim Smyllie was asked to keep the Board up to date with any developments.

**Action: Jim Smyllie to keep Board members up to date on any NNR developments**

## **6. Natural England's role in the IUCN UK Protected Areas review (NEB PU22 06)**

- 6.1 As requested the paper provided an update to the Board on Natural England's engagement on the Review of UK Protected Areas being undertaken by the International Union for the Conservation of Nature (IUCN). The Board recalled that this was one of a number of initiatives being delivered by IUCN UK.

- 6.2 The Board was delighted that Andy Wilson was on the Steering Group and noted that he sought support for following the principles he advocated as delivering the best for nature conservation. Advice was needed on the presentation of a protected areas system that recognised the impact of human activity on the environment and moved away from the wilderness mind set. Opportunities to do this would be provided in the one year review process in which Andy Wilson would play an invaluable role.
- 6.3 The Board concluded that to provide the steer requested it needed a paper setting out the grounds and rational from which it could form a view to inform the negotiations.

## **7. Audit and Risk Committee Update (NEB PU22 07)**

- 7.1 Christopher Pennell introduced the Audit and Risk Committee's fourth annual report to the Board and reminded members that they could put forward issues that they would like the Committee to investigate on the Board's behalf.

### **Action: Advise Tony Hams of any issues of internal control or risk that it would like ARC to investigate on behalf of the Board**

- 7.2 The Board noted that at the Audit and Risk Committee meeting held on 28 September 2010 the Committee had:
- 7.2.1 benefitted from a training session on the role of the Executive Leadership Group and its Governance sub-group in particular;
  - 7.2.2 welcomed the Board's decision that it would retain authority for its annual review of governance;
  - 7.2.3 welcomed, for the second year running, the Head of Internal Audit's had given a moderate level of assurance that the control framework for Natural England was operating effectively;
  - 7.2.4 given strong advice to officers that in this time of change continuity was important and there would be benefits in extending the contract for the provision of internal audit services for a further year;
  - 7.2.5 suggested that the Board should receive the latest version of the Strategic Risk Register in a future Board roundup;

### **Action: Circulate Strategic Risk Register to the Board in a future Board round up**

- 7.2.6 expressed concern that Defra management had signed off the SSD fraud incident that had entailed significant losses for Natural England, which although covered by Defra, potentially left Helen Phillips as Accounting Officer exposed until Defra Internal Audit investigated later in the year.
- 7.3 At the end of his appointment as Chair of the Audit and Risk Committee, Christopher Pennell offered some personal reflections. The challenges for the Committee remained but its respect for the Executive continued to grow. For the future he saw a wider role for the Committee as an Arms Length Body and with value for money as an issue. His final thought summing up his time as Chair was 'I learn therefore I am'.
- 7.4 Helen Phillips recorded her thanks to Christopher Pennell. His support as Chair of the Audit and Risk Committee had been tremendous and a great source of comfort in her role as Accounting Officer. His reputation amongst other NDPBs had gone far and wide.

- 7.5 The Board recorded its thanks to Tony Hams who would be taking up the role as Audit and Risk Committee Chair from 1 October 2010.
- 8. Confirmation of the minutes from 28 July 2010 Board meeting (NEB M21 03)**
- 8.1 The Board confirmed the minutes of the twenty first Natural England Board meeting held on 28 July 2010.