

# Natural England Board



## Minutes of the eighth Natural England Board meeting -12 December 2007

<u>Members attending</u>	<u>Executives:</u>
Martin Doughty (Chair)	Adrian Belton
Peter Allen	Andrew Wood
Melinda Appleby	Dave Webster
Sarah Burton	David Young
Poul Christensen (Deputy Chair)	Guy Thompson
Roger Clarke	Tom Tew
Lynn Crowe	
Merrick Denton-Thompson	<u>Secretariat:</u>
Michael Depledge	
Tony Hams	Roy Hymas
David Hill	Emily Finnie
David Macdonald	
Christopher Pennell	
Helen Phillips (CEO)	
Pam Warhurst	

Prior to the Board meeting, a Board briefing session was held at which Board members were updated on Natural England's work in the following areas:

- Strategic Direction Refresh;
- Hard Choices 2008/09;
- Transition Programme;
- Discovering Lost Ways;
- Areas of Outstanding Natural Beauty (AONB);
- SSSI Designation Process.

1) Welcome from the Chair

- a) Apologies from Doug Hulyer.

- b) There were no additions to the Register of Interests.

2) Stakeholder Engagements

The Board noted:

- a) steps being taken to secure stakeholder engagement in the delivery of Natural England's Strategic Direction;
- b) engagements carried out by Chair and Deputy Chair between 9 October and 12 December 2007.

3) Chief Executive's Report

The Board:

- a) noted the summary of the current strategic issues:
  - i) the pay remit, for which there is good support from the Unions, will enable staff to receive their pay award before Christmas. The pay remit has enabled us to make substantial progress towards harmonisation;
  - ii) we are pleased that the RDPE budget has been approved. However, we are concerned that the approval will impact upon provisional agreements entered into since January and we are actively working with affected agreement holders;
  - iii) we have agreed with Defra not to implement our planned promotion of ELS given their concerns about value for money in advance of securing amendments to the schemes through the ES review. We will of course consider all applications in the usual way.
- b) reviewed performance of delivery against our Strategic Direction, and discussed:
  - i) the resource implications of sustaining our efforts to work with Defra Shared Services to improve service levels.
- c) noted the financial position for Natural England as at the end of October and the forecast for the remainder of 2007/08.
- d) noted the approval was given by the Chair on the 31 October, under delegation from the Board, to further amendments to the Defra Part 8 Agreement.

4) Hard Choices 2008/09

The Board:

- a) noted the hard choices facing Natural England in response to the indicative budget for 2008/09 proposed by Defra;
- b) noted a supplementary briefing note outlining:

- i) increased indicative capital allocation from Defra;
  - ii) promotion of ELS in 2008/09 and likely financial implications, and;
  - iii) a request from Defra to outline the consequences of a further 5% reduction of our indicative flat cash settlement.
- c) welcomed the additional capital allocation from Defra;
- d) discussed options for dealing with the indicative budget in 2008/09 and beyond, and how to respond to Defra's further request for our views on the potential impact of a further 5% reduction in our budget.

The Board made the following points:

- i) we have established a modern, fit for purpose organisation and have already delivered significant efficiency savings. Concern was expressed that this had not yet been properly taken into consideration by Defra;
- ii) it is critical that we remain resourced to deliver on the full breadth of our remit to safeguard the long-term conservation and enhancement of the natural environment;
- iii) any further reduction in our budget allocation from Defra would be unacceptable as it would further fundamentally compromise our capacity to deliver on our statutory remit;
- iv) this discussion is part of a much wider debate about the importance of the natural environment and its contribution to people's quality of life. Any discussion of funding for England's natural environment should take place within a broader environmental, political, social and economic context, at a National, European and Global level;
- v) whilst there is an urgent need to consider the hard choices facing us in the immediate future, we must also consider the big picture in the longer term. This is likely to involve developing new business models, working in partnership with others, exploring new ways of securing resources for the natural environment, optimising our intellectual capital and further developing our profile and position as the lead organisation with a strategic view of England's natural environment;
- vi) we need to develop our thinking within the parameters of the current political reality, and work with the Government to balance the needs of the natural environment with the need for sustainable economic development;
- vii) option 1 was not favoured by the Board although it was recognised that we should explore further opportunities to work in partnership with others to achieve our vision for the natural environment;

- viii) option 2 was considered to be the least damaging. However, the Board will consider carefully where there is practical room to optimise savings, achieve the right balance between activity spend and staff resources, and seek additional process efficiencies across the organisation;
  - ix) option 2 will provide the best opportunity for us to mobilise and strengthen wider support for the natural environment;
  - x) option 3 would be so damaging to the organisation that it should not be contemplated;
  - xi) there is significant potential under Option 4 but we need to work with Defra to make efficiency savings on RDPE delivery whilst ensuring that the funding continues to be delivered efficiently and effectively, and is targeted to help us meet our objectives for the natural environment. We should also explore how this option might help to mitigate the impacts of Option 2 in the medium to longer term;
- e) agreed reluctantly to the implementation of Option 2, and further exploration of Option 4, in a timely manner so as to minimise disruption and impacts on our staff, partners and stakeholders.

**ACTION:** Executive Board

- f) agreed that the Board's views should be represented by Chair to the Secretary of State at a meeting due to take place on 17 December.

**ACTION:** Chair

5) The transfer of Genesis to Natural England's ownership

The Board:

- a) noted preparations for the transfer of the Genesis IT system to Natural England and the role of the Audit Committee in assessing the provisions of the transfer;
- b) considered the approach to negotiations with Defra over the transfer, in particular the need for a firm guarantee from Defra for a 5 year funding agreement;
- c) agreed the proposed minimum acceptance criteria for the ownership of Genesis.

6) Natural England's Draft policy on Landscape

The Board:

- a) considered and discussed Natural England's Draft Landscape Policy in readiness for external consultation, and made the following points:

- i) the draft policy should reflect more the interaction between man and landscapes, particularly the role of landscape in providing quiet enjoyment and a sense of local identity;
  - ii) the draft policy should include estuaries, lakes and coastline as landscape forms;
  - iii) the publication of all Natural England policies in the future will include a reference list of the evidence which informed the policy.
- b) agreed that the draft policy should go to external consultation and the final Landscape Policy should be considered by the Board at a future meeting.

7) Natural England's Draft policy on Bioenergy

The Board:

- a) considered Natural England's Draft Bioenergy Policy as the first in a series of energy related policies to be presented to the Board over the next 12 months;
- b) agreed that the draft policy should go to external consultation and subsequently signed off by Chair.

**Action:** Board Services to circulate the Bioenergy Literature Review to all Board members.

8) Draft Policy on Marine Protected Areas

The Board:

- a) noted the forthcoming Marine Bill and the need for a consolidated statement to guide our discussions;
- b) considered and discussed Natural England's Draft Policy Marine Protected Areas (MPAs) and made the following points:
  - i) a network of Marine Protected Areas is essential for maintaining healthy ecosystems, supporting the sustainable use of marine resources and protecting biological communities and habitats from exploitation;
  - ii) approved policies will be accompanied by a statement to communicate why the policy is important and what we will do to advocate and deliver on it.
- c) agreed the draft policy.

9) Partnership Agreement

The Board:

- a) considered the Partnership Agreement between Natural England and Defra to provide guidance to staff on how we aim to work together;

- b) noted that the document has no legal standing;
- c) agreed to approve the Partnership Agreement subject to the following amendments:
  - i) the document should reflect that we provide independent advice to Government on policy;
  - ii) our relationship and working arrangements with the JNCC requires clarification.

10) Audit Committee Terms of Reference and Report on the Meeting on 26 November 2007

The Board:

- a) noted the three areas of change proposed to the Audit Committee's Terms of Reference;
- b) noted the following key issues:
  - i) there are some positive effects of the 06/07 External Audit process including a significantly improved relationship with the National Audit Office;
  - ii) we should continue to explore alternative arrangements to Defra Shared Services although the Committee has noted improvements to the service level as a result of increased efforts on both sides;
  - iii) the Internal Audit team has been strengthened and is performing very well;
  - iv) the risk register has been reviewed and new items have been added including Defra GIA and responding to the staff survey. The Executive Board will complete a refresh of the register in the new year and a request was made that the Board consider the risk register at a future workshop;
  - v) health and Safety is now firmly embedded in Natural England's policies and procedures.
- c) noted the unconfirmed minutes of the Audit Committee meeting on 26 November 2007;
- d) agreed to approve the revised Terms of Reference for the Committee.

11) Confirmation of minutes

The minutes of the seventh Natural England Board meeting held on 12 October 2007, were confirmed.