

Natural England Board



Title: **Confirmed minutes of the twenty first Natural England Board Meeting on 28th July 2010**

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

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

- Advocacy Programme Update
- Working with the new Administration
- Offsets – an analysis of the issues
- Future Designation Strategies
- Common Agricultural Policy (CAP) Reform Update
- Boundary Review and Designation Criteria

Welcome from the Chair

Peter Allen sent his apologies.

There were no additions to the Register of Interests.

The Board noted Defra attendance was not expected.

Andy Wilson raised a potential conflict of interest to Item 2, Annex 4 in relation to National Trails.

1 Chair's Engagements (NEB PU21 01)

- 1.1 The Board noted the engagements conducted by Chair in the period between the May and July 2010 Board meetings and the appointments scheduled before the September 2010 Board meeting.
- 1.2 The Board noted Chair had recently met the Opposition spokesman on the environment, in keeping with our practice under the last Government, and noted both Chair and the Chief Executive received NFU's support and understanding of the difficult financial position Natural England was currently in through a regular catch up meeting.

2 Chief Executive's Report (NEB PU21 02)

- 2.1 The Board noted the updates on Natural England's current strategic issues.

In discussion, the Board:
 - 2.1.1 noted the Chief Executive's verbal update on the Secretary of State's recent meeting with Francis Maude and their discussion revolving around the delivery landscape in Defra. Following their initial SR2010 submission in July, Defra had been informed by HM Treasury that their initial submission was inadequate and they are likely to look at a 40% cut scenario, to be submitted by 11 August. Consequently, we anticipate that Defra are likely to request a further 40% submission.
 - 2.1.2 noted that this was the first time the established in-year cuts had been placed in the public domain, and that all those external stakeholders affected had been informed on how the cuts impacted upon them.
 - 2.1.3 The Board approved the "new look" performance report and scorecard and considered it provided greater clarity.
- 2.2 The Board considered delivery performance against Corporate Plan targets for 2010/11, and in discussion:
 - 2.2.1 noted that the Corporate Plan indicators were not where we would wish them to be, but acknowledged that this was not a reflection of where they would be at year end, but rather a reflection of the current financial situation and the consequences of the in-year cuts and restrictions. The Board noted the slow process of letting contracts due to Government introduced expenditure controls, was now risking progress against targets.
 - 2.2.2 noted the long lead in time on Farmland Bird work, had affected the Quarter 1 indicator. The Board noted staff continued to stress the importance of these initiatives to farmers, and were keeping the work moving forward.
 - 2.2.3 noted the time lag on AONB Partnership agreements being signed, was due to the level of in-year cuts taking effect, but that these were progressing.
 - 2.2.4 noted the need to improve retrospective order performance with aim of being in single figures.
 - 2.2.5 supported the Chief Executive and Executive Board in the decision to revise

performance targets in some areas, and agreed that a readjusted budget required readjusted expectations. The Board asked that the revised targets were relevant to the current financial situation but also recorded against indicators at the point where they were revised.

- 2.3 The Board noted the financial position as at 30 June.
- 2.4 The Board noted the impact of the £7.4 million in-year cuts on our 2010/11 Corporate Plan.

3 Boundary Review Guidance (NEB PU21 03)

- 3.1 The Board reviewed the Boundary Review Guidance and in discussion:
 - 3.1.1 acknowledged the Guidance was unchanged in substance and format from the version seen at the September 2009 Board, but had improved clarity in response to feedback from the Lakes to Dales Consultation.
 - 3.1.2 noted that there would be a final round of consultation with statutory consultees or their representative bodies to ensure that bodies who had not responded to the Lakes/Dales consultation had an opportunity to comment; and that the guidance was likely to become operational from December.

Action: Boundary Review Guidance to be submitted for further consultation with statutory consultees and their representative bodies

- 3.2 The Board endorsed the Boundary Review Guidance and thanked staff for their efforts in the process so far.

Action: Chair to sign off Boundary Review Guidance on behalf of the Board

4 Natural England's Science Advisory Committee Update (NEB PU21 04)

- 4.1 Tom Tew introduced the paper. David Macdonald, Chair of Natural England's Science Advisory Committee (NESAC), updated the Board on the Committee's last two meetings in February and July 2010. The Board noted:
 - 4.1.1 David Macdonald expressed his gratitude to NESAC members for their continued input, and supported the role of 'sounding board' for the Committee.
 - 4.1.2 noted the breadth of material that NESAC covered and the importance of the critical role of NESAC going forward. With Natural England's evidence base coming under greater scrutiny, the Board noted NESAC would carry out an independent review of the quality of Natural England's existing evidence base.

Action: NESAC to carry out independent review of Natural England's evidence base

- 4.1.3 noted Natural England's ability to gather 'good' evidence was increasingly important and suggested NESAC could be used to engage better with

Research Councils, including an example where NESAC's intervention had caused £8M to go to biodiversity and ecosystem services research funding.

Action: Tom Tew to discuss NCA objectives with Christopher Pennell

- 4.2 Chair thanked David Macdonald for his continued chairmanship of NESAC and extended his thanks to all NESAC members for their continued input. He also expressed an interest in attending a future NESAC meeting in order to be able to participate and express his gratitude personally.

Action: Chair to be invited to a future NESAC meeting

5 Audit and Risk Committee Update (NEB PU21 05)

- 5.1 The Board noted the unconfirmed minutes of the Audit and Risk Committee's (ARC) meeting on 14 June 2010 and the verbal update on the meeting from Christopher Pennell the Chair of the Audit and Risk Committee. The Board:

5.1.1 noted the ARC approved the Annual Report and Accounts for 2009/10.

5.1.2 noted the updated Governance Framework and agreed the Board would retain authority for its annual review and approval.

Action: Natural England's Governance Framework to return annually to Board for review and approval

5.1.3 noted ARC's concerns for internal control risks given the 5% in-year budget cut, and have commissioned a report from the Head of Internal Audit to come to the September Audit and Risk Committee.

5.1.4 noted the Corporate Governance manual was to be produced on disk and requested a copy.

Action: Corporate Governance manual to be circulated to Board

- 5.2 Chair expressed his thanks on behalf of the Board to Christopher Pennell for chairing ARC, and to Dave Webster and his team for delivery of unqualified accounts which were laid in Parliament before recess.

6 Confirmation of the notes of the twentieth Natural England Board meeting on 25 May 2010 (NEB M21 03)

- 6.1 The Board confirmed the minutes of the twentieth Natural England Board meeting held on 25 May 2010.