

Natural England Board



Meeting: 19
Date: 24 February 2010

Paper No: **NEB PU19 02**

Title: **Chief Executive's Report**

Sponsor: **Helen Phillips, Chief Executive**

1. Purpose

1.1. The purpose of this paper is to report on our current strategic issues, delivery against our Corporate Plan, our financial performance and retained Board approvals.

2. Recommendations

2.1. It is recommended that the Board:

- advises on our current strategic issues;
- considers our delivery performance against our Corporate Plan targets in Quarter 3 2009/10;
- considers our financial position as at 31 December and forecast for 2009/10;
- approves the development of, and charging for, commercial training products.

3. Report

3.1. Strategic Issues

3.1.1. Annex 1 provides a summary of the strategic issues listed below:

- Public Value Programme (PVP) –Review of Rural Development Programme for England (RDPE) and Arms Length Bodies Review
- Operational Efficiency Programme
- Floods and Water Management Bill
- NAO VFM Audit of Organic Entry Level Scheme
- Rural Land Register
- Uplands Entry Level Scheme

- Feedback from mid-year performance review with Secretary of State on 22 February
- Environmental Leadership Delivery Plan
- Review of England's Wildlife and Ecological Network
- Review of the Rural Payments Agency
- HM Treasury Review of the effectiveness of Internal Audit arrangements
- NAO Review of Information from NDPBs

The Chief Executive will provide a verbal update on current strategic issues.

3.2. Delivery on our Corporate Plan

3.2.1. A summary of our performance for the third quarter of 2009/10 is provided in the balanced scorecard attached in **Annex 2**. This report is supported by our use of the Corporate Performance Management System to evidence our performance.

3.2.2 By the end of the third quarter, 1 of our 34 targets was red, 3 were amber red, 19 were amber green and 11 were green. 88% of our targets are green or amber green in quarter 3 compared to 91% in quarter 2. The table below details the results by strategic outcome and for Distinctive Public Body (DPB).

	Red	Amber/Red	Amber/ Green	Green
Outcome 1	1	1	3	2
Outcome 2	-	-	3	2
Outcome 3	-	1	3	2
Outcome 4	-	-	1	4
DPB Creating Environmental Leadership	-	-	1	3
DPB Delivering our Business	-	1	2	-
DPB Building Capability	-		4	-
Q3 Totals	1	3	17	13
Q3 %	3%	9%	50%	38%
Q2 Totals	1	2	21	10
Q2 %	3%	6%	62%	29%

3.2.3 Following our quarterly review process our Sites of Special Scientific Interest (SSSI), Agri-Environment Delivery and Sustainability targets will remain on monthly exception reporting as a result of performance to date and challenges they face in the remainder of the year.

3.3 Delivery on Outcome 1

3.3.1 Our landscape work is progressing well, with all programmes on track to meet targets at year end. We now have a solution to the outstanding issue blocking progress with the Memoranda of Understanding with Area of Outstanding Natural Beauty (AONB)

partnerships and work is now progressing urgently to finalise and formally agree the MoUs; most should be in place by end-March. The South Downs National Park confirmation order was signed on the 12th November. Our landscape positions were confirmed at the turn of the year. The wide coverage of the stunning images from the Landscape Photographer of the Year Competition was a highlight, significantly boosting our work to connect people with the 'landscapes on their doorstep'.

- 3.3.2 Progress on the SSSI target continues to be challenging and in large measure success will be determined by our ability to agree new Higher Level Stewardship agreements with many targeted to come into force in January and February. We are also actively managing the transition of expiring Classic Scheme agreements into Environmental Stewardship, to ensure that SSSI land and Biodiversity Action Plan (BAP) habitats, remains under effective management. In addition, all regions now have detailed plans in place to use our regulatory powers to require the implementation of management plans to bring about favourable condition. We will be close to the target of 93% of SSSI area in favourable condition where necessary but the final fraction of a percentage gain may be hard to secure, especially as 1 March is the final date for Higher Level Stewardship (HLS) agreements to start in the current financial year. We have made continuing good progress with our BAP targets, against species recovery programme and farmland bird targets in particular.
- 3.3.3 Turning to our Marine targets, the Marine and Coastal Access Act received Royal assent on 12 November, representing a major milestone for Natural England. As a result, our attention turns now to its implementation with a number of threads of activity in train. We remain on track to deliver to both of our major Marine Protected Area projects (Natura 2000 and Marine Conservation Zones (MCZ) projects. The formal consultation process for our package of Natura 2000 sites began in November and runs until February. Our communications programme is working well, with active and often challenging engagement at all levels with the fishing industry and other stakeholder groups, and positive media coverage highlighting our aims for MCZs, to specialist audiences and the wider public.

3.4 Delivery on Outcome 2

- 3.4.1 We are on track and have demonstrated good progress across all Outcome 2 targets. 226,000 children have now participated in the Million Children Outdoors programme during the year, 59,000 in the quarter, which is 90% of the 250,000 target. 150,000 of these visits have been enabled through Educational Access funding for farm visits that comes from our Rural Development Programme for England (RDPE) funding. 14,000 children from over 450 schools have joined our website to participate in our Big Wildlife Garden 'school of the year' competition. Funding for Walking for Health has been confirmed for 2010/11 by the Department of Health and there are now 62,961 participants recorded against a Quarter 3 target of 40,838.
- 3.4.2 Access to Nature is meeting most of its targets although the target for the number and value of awards made this year is at some risk. To date £6.2m of an anticipated commitment of £11m has been awarded to 32 projects. This is a result of the grants panel ensuring the quality of the bids without putting the funding, which can be carried forward into 2010/11, at risk. Our volunteer numbers increased in the quarter which means we have registered a growth of 13% in the year to date. We have had a strong and significant quarter for our coastal access scheme, following the successful passage of the Marine Bill through Parliament. We are now finalising and consulting on our statutory coastal access scheme and putting in place working arrangements with lead access authorities. Planning is underway for the Weymouth stretch to be ready for the Olympics. We are largely on

track with the development of three 'Champion National Nature Reserves' (NNRs) but efforts need to continue to secure external funding.

3.5 Delivery on Outcome 3

- 3.5.1 Our engagement with Government on the 8 national Policy Statements has been largely successful, highlights include flood and Water Management Bill, Green Infrastructure and the State of the Green belt. We are on track with our targets to integrate the natural environment into all 9 Regional Strategies and the results of our customer survey (150 individuals from Local authorities) this quarter showed 78% agree Natural England is advising on the integration of the natural environment into local strategies and 68% that Natural England is co-operating fully with local authorities and their partnerships. We made 96% of consultation responses delivered by the agreed deadline, just ahead of our 95% target.
- 3.5.2 We are above profile on RDPE spend for 2009/10. We have also seen significant progress with scheme coverage of agricultural area but we are still at significant risk of a shortfall at year end. The current estimates would see us exceed 67.5% coverage against a target of 68%. We have seen significant progress with Indicators of Success assessments and in signing up new HLS agreements this quarter, although meeting our end of year targets for these measures will remain challenging. The overall classic scheme to HLS conversion rate has increased and we continue to achieve more than the 80% target helping us to retain SSSIs and BAP habitat in sustainable management.
- 3.5.3 Our main advisory focus has been on Entry Level Stewardship (ELS), Uplands ELS and the launch of the Campaign for the Farmed Environment. We have exceeded our target for the delivery of 12,500 land management advice contacts to ensure our schemes maximise the benefits for the natural environment. However, progress with the delivery of sub contracted cross compliance advice is slow. Delivery plans are in place but the bulk of advice is now scheduled for quarter four. Our Land Management Performance Programme is on track and there will be a concentration of effort during quarter four to ensure Regional Teams are fully prepared to implement planned changes to improve efficiency in delivery and customer service. Delivery of Catchment Sensitive Farming and Aggregates Levy schemes is on track. The topic leaflets jointly produced for the Campaign for the Farmed Environment launch events were very well received. The launch of Upland ELS is planned for February and scheme Handbooks and communications are ready. Progress with the launch of new options in Environmental Stewardship has been good. The European Union has approved the revisions and we have made the necessary changes to the supporting systems.

3.6 Delivery on Outcome 4

- 3.6.1 There has been good progress on delivery across a range of key targets within Outcome 4 over the last quarter. Highlights included the successful launch of our integrated vision for uplands - "Vital Uplands" - attended by a large range of key stakeholders where we were also able to introduce our three Ecosystem Services pilot projects (located in the North West, South West and Yorkshire and Humber regions). We also published our report on the Value of the Natural Environment – "No Charge" which has been very well received and is proving a very valuable advocacy tool for both national regional teams in promoting the importance of the ecosystem services approach. Finally, the scenario reports were also successfully launched in London in December which included a supportive speech from John Beddington, the Government's Chief Scientist.

3.6.2 The focus in this quarter will be on developing Vision 2060 and scoping a new approach to Horizon Scanning with the Environment Agency as well as developing an Environmental Leadership activity around the importance of peat and carbon in the context of Climate Change mitigation and adaptation. We will also be looking to plan for and appropriately resource the integration of the activity on outcome 4 in our core business activities and across our teams.

3.7 Delivery on Distinctive Public Body

3.7.1 Our overall position on Environmental Leadership remains strong. Our media coverage has increased over 50% with a much higher volume of positive mentions around issues including the Campaign for the Farmed Environment and the Landscape Photographer of the Year competition. This has been the best quarter since vesting. We have maintained our activities to build on the improvements recorded in the reputation tracker last quarter. This includes activities to keep MPs informed and familiar with our work. We have also demonstrated ways of working with stakeholders to engage them more in reaching shared approaches and positions. Examples include our partnership with British Waterways which includes close collaboration around health, access for all and one million children and the dinner to engage the Aviation sector stakeholders to review our position on aviation prior to consultation. The Parliamentary reception to launch the Agri-environment Report also ensured key stakeholders were aware of the benefits the scheme delivered. We held the 'GRAFTAs' to reward significant contributions by staff, including contributions to environmental leadership and stakeholder support. We have also delivered products such as "Natural England – the movie" to help staff remain confident advocates of our work.

3.7.2 We are on track to achieve our building capability targets mainly due to positive progress in the latest staff survey. The importance of people leadership is recognised with the start of the Value Leadership Programme this quarter which includes Executive Board, Executive Leadership Group together with external and internal stakeholders. We ran an induction event for more than 40 marine new starters and 109 new land management advisers. New programmes which have run for the first time in Quarter 3 include introductions to Environmental Stewardship, Agricultural Business, SSSIs, Environmental Leadership and training in Land Management influencing, Influencing and Advocacy, Selling Skills, Instructional Coaching and Green Infrastructure. We are continuing to develop our key training products for Climate Change, Access, Marine and Planning amongst others. Our evaluation methodology is now giving us a more accurate picture of the impact of specific programmes. For example, 96% of people on ELS and HLS training say it has enabled them to operate more effectively, but they still need more opportunity to put their learning in to practice.

3.7.3 Progress with our 'Delivering our Business' targets is on track. We have successfully implemented the first phase of system changes to improve Higher Level Scheme delivery. To date we have delivered cash efficiency savings of £4 million against a quarter 3 target of £2.5 million. Predicted end of year revenue growth is currently £6.9m against a target of £5m. We have seen further strengthening of our relationship with three of our main suppliers (IBM, Atos and Global Crossing). We look unlikely to meet this year's target for overall carbon reductions despite continued progress in reducing carbon from business travel as there has been slippage on the negotiations of four key office moves which will now take place later in 2010. We are still on track to meet the 50% target by the end of the year. The Carbon Trust have accredited our approach to carbon management reinforcing the leadership potential and reputation benefits our carbon targets offer. This year, after Defra's approval, our survey of customers included farmers. The results remained largely consistent with last year: Familiarity with us both overall and with the farming customers

fell slightly from 71% positive in 2008 to 69%. Customer satisfaction has not changed, remaining at 71% positive. However, when farming customers are excluded, the positive score shows a rise to 73% in 2009. Whilst both of the above are respectable scores for this stage in Natural England's development and by comparison with other public sector bodies, we missed our stretching Corporate Plan target for 3% year on year increases. We are developing an action plan to address the issues raised by our customers.

3.8 Financial Position as at 31 December 2009

- 3.8.1 Annex 3 provides summary financial information and commentary to the end of December. Overall we are reporting a net revenue spend of £156.1 million against a profiled budget of £157.6 million, resulting in an underspend of £1.5m (1%) which is an excellent performance. At this stage of the year we have spent 68% of our net revenue budget compared with 75% that could be expected if the budget was evenly profiled. We have challenged every team on their underspend in the Quarter 3 reviews and have secured handbacks where it is clear plans are not in place to achieve budgeted spend by the year end. We have fully committed the budget and will achieve the planned outturn spend based on the current performance.
- 3.8.2 Our cumulative capital spend amounts to £0.4m against a profiled budget of £0.7m. This underspend is a slight cause for concern and will require careful management as it is related to the delivery of estates projects where we are dependant on a number of external partners.

3.9 RDPE performance as at 31 December 2009

- 3.9.1 The UK 2009/10 budget of £158m has been fully delegated to regions and all regions have a clear understanding of their individual spend targets. At the end of December we are within £0.1m of the profile required to achieve this target as we have already spent £138m (87%) of the budget. The budget is now 100% committed and teams have in-year capital targets that are designed to increase this to allow for under-spend on existing scheme commitments.
- 3.9.2 The UK 2010/11 budget is £169.2m, of which £155.2m (92%) is committed across all schemes at the end of December. This is £2.7m (16%) behind the profile required to achieve the target which remains achievable but challenging. Progress is reported to the Board weekly.

3.10 Commercial training products

- 3.10.1 Annex 4 sets out an opportunity for Natural England to develop and provide commercial training products, initially the areas of Wildlife Licensing and Species Protection. According to the Scheme of Delegation, implementation of charges for services should be approved by the Board and Defra.

Annex 1

1 Strategic Issues Briefing

- 1.1 These updates represent the position as at 3 February. A verbal update will be given to the Board at the meeting.

2 Public Value Programme (PVP) –Review of Rural Development Programme for England (RDPE) and Arms length body (ALB) Review

- 2.1 The Government announced in Budget 2009 that it was to undertake an enhanced Public Value Programme (PVP) by March 2010. The PVP is a series of reviews looking at each Department's delivery budget, with an emphasis on shared or cross-cutting activities. The expectation is that the reviews will identify options for transformational change in the value for money of how each Department delivers its policy objectives.
- 2.2 In mid December, Defra requested Natural England's involvement with PVP's review of the RDPE programme. There is no target figure for savings to be achieved yet identified. The assumption is the £25m from the Pre Budget Report which cannot be delivered solely by exchange rate opportunities.
- 2.3 A number of Options were identified with Defra which suggested potential savings within RDPE and were considered by the PVP Programme Board on 27th January for presentation to the Secretary of State in early February. Once his decision has been made, we will draw up the relevant plans for implementation once the necessary announcements have been made in the, anticipated, March Budget.
- 2.4 Additional delivery efficiencies, which would impact on our GIA budget, are not within the scope of PVP. However, there is general understanding that this will be further examined over a longer timescale once PVP has concluded. In anticipation of this, Natural England has already supplied evidence, to Defra, of its successful history in delivering such efficiencies e.g. from MRD to the successful operation of ISS to the early wins of the LMPP etc. We have pointed out that Natural England is increasing the target number of HLS agreements (from 1,000 to 3,000) with no corresponding increase in GIA received from Defra.
- 2.5 The review of Arms Length Bodies (ALBs) is looking across all ALBs to consider whether some can be reformed to achieve improvements in service delivery and greater value for money through rationalisation. In December we were contacted by Defra with a request to provide outline ideas and suggestions about how improvements and greater value for money might be achieved. We submitted our response to Defra and we are awaiting further information on the short list of options that Defra intend to put to the Secretary of State in early February.

3 Operational Efficiency Programme (OEP)

- 3.1 Under OEP, public bodies are committed to delivering £15bn in cost reduction savings by 2013/14 compared to 2007/08. Given increased pressures on public spending, HM Treasury's delivery profile is for all but £1bn of the savings to be achieved by 2012/13. Defra's OEP baseline is £510m (excl Communications & Legal functions) and cost reduction target is £110m.
- 3.2 Natural England is participating in Defra's OEP programme which covers finance, Organisational Development, Estates, procurement and Information Technology. Because of the efficiency programme we have undertaken we have already achieved savings of at

least 20% on the 2007/08 baseline on the costs we control. However a significant proportion of our back office costs are provided to us through Defra. We have seen cost increases since 2007/08 in some instances and we will be seeking to reduce these costs through collaborative working with our Defra.

4 Floods and Water Management Bill

4.1 The Flood and Water Management Bill had its First Reading in the Commons on 19 November, 2009, and in recent weeks has been making its passage through the Lords. The intention was for the Bill to enshrine in legislation a risk-based approach to flood and coastal risk management (FCRM) and to implement a number of the recommendations made by the Pitt Review of the 2007 floods. Among its main elements are:

- A new framework for flood risk management delivery, including a national flood and coastal risk management strategy, to be produced by the Environment Agency, and complementary local flood strategies;
- New roles, duties and powers for flood authorities with a notably enhanced role for unitary or county-level authorities as lead local flood authorities;
- Procedures for a more risk-based approach to reservoir management;
- Amended arrangements for water companies going into administration;
- Provisions for water company bans on non-essential uses of water, such as the use of hosepipes;
- A requirement for the use of sustainable drainage systems (SUDS) in new developments.

4.2 Natural England initially welcomed the Bill, which we believed would provide a significant opportunity to ensure that the natural environment plays a pivotal role in flood and coastal risk management. In particular, we were seeking:

- The new duty for Internal Drainage Boards and local authorities to aim to contribute to sustainable development through their flood risk management activities (matching the Environment Agency's existing duty in the Environment Act 1995).
- The requirement that the national flood and coastal erosion risk management strategy must set out how FCRM will achieve wider environmental objectives and accommodate the impacts of climate change.
- The requirement for local flood authorities to produce local FCRM strategies that are consistent with the national strategy and similarly cover the achievement of wider environmental objectives.
- Recognition on the face of the Bill that maintaining or restoring natural processes are a legitimate component of FCRM.
- The provision of new and explicit powers to enable flood authorities to undertake work in the interests of nature conservation (including conservation of the landscape), cultural heritage and people's enjoyment of the environment or of cultural heritage.
- The new framework that will promote adoption of sustainable drainage systems and require SUDS schemes to meet new national standards.

4.3 The time constraints of a Parliamentary fifth session mean that the Bill has been necessarily truncated with the result that it will not now legislate in a number of areas:

- Creation of a single, unifying flood management Act;
- Reform of Internal Drainage Boards;

- Time-limiting of abstraction licences;
- Water efficiency;
- The Cave Review on competition in water markets, and the Walker Review of charging and metering for household water.

5 National Audit Office Value for Money Audit into Organic Entry Level Stewardship scheme.

- 5.1 The National Audit Office (NAO) is continuing its Value for Money Audit into the Organic Entry Level Stewardship (OELS) scheme. The Audit is examining the success in utilising and managing European Union plus Exchequer funding in delivering an organic agri-environment scheme, the efficiency by which Natural England is delivering the scheme and the environmental benefits that the scheme is delivering.
- 5.2 NAO's original timeline stated that the Audit would be published in November 2009, However, the Clearance stages have now been considerably extended. NAO produced an improved version of their draft report in mid-January with more accurate references to our efficient, administrative processes, our financial management controls and to evidence that our customers are satisfied with the quality of our services. There are still some points/areas that require further conversation and agreement and we continue to work closely and positively with the NAO to achieve this. We (NAO, Defra and ourselves) remain committed to reaching agreement on a final Audit report.
- 5.3 The NAO has not yet been able to suggest an amended timeline re publication of this report nor an expected Public Affairs Committee hearing date. It is anticipated, given the expected, forthcoming General Election, that this hearing is unlikely to be held until June at the earliest.

6 Rural Land Register

- 6.1 We successfully completed a major updating of the Rural Land Register (RLR) last month. All 2.2 million land parcels in the RLR have been re-digitised by the Rural Payments Agency (RPA) and we needed to prepare our systems, Genesis in particular, to receive and handle the new data and manage the consequent change to agri-environment agreements.
- 6.2 This is the first time that the RLR has been updated in this way since it became operational in 2004 and Defra and stakeholders have been acutely aware of the implications for our delivery, and that of RPA, if this update was not handled correctly. In the event, we witnessed a highly effective collaborative effort between our staff, Atos Origin (the external supplier of Genesis) and RPA together with its suppliers; Genesis was returned to normal operations on 19 January and we issued a number of application packs the same day. No system defects have been experienced and we are back in 'business as usual'. This is a great achievement.
- 6.3 Updating the RLR has however given rise to a significant additional workload for our teams. Virtually every agreement will have had some level of adjustment to its area, as the digitisation process fine-tunes the location of boundaries. We have, through Genesis upgrades, provided a high level of automation for these changes but some level of user involvement will be required for problem cases. In addition, the update will reveal changes such as the construction of buildings or roads on land previously eligible for support. Agreement holders have a duty to inform us of such changes but many do not. We will be working through these on a case by case basis and in some cases seek to recover monies paid on ineligible areas.

7 Uplands ELS

- 7.1 Defra launched Uplands Entry Level Stewardship (ELS) on Tuesday 9th February, at an event on a farm in the Peak District hosted by Huw Irranca - Davies. This marks the culmination of several years work to create the successor to the Hill Farming Allowance (which was delivered by RPA) and in particular to secure an environmental return from a continued investment in the uplands. The Upland strand of ELS will achieve this with a set of new tailored options. First agreements with these options will come into force on 1 July 2010.
- 7.2 We have undertaken significant pre-launch preparations, with well attended workshops for upland farmers and other forms of advice and guidance. As a result, around 1,500 farmers registered an interest in joining Uplands ELS or adding Uplands options to an existing Environmental Stewardship agreement before the launch. Our teams are distributing application packs with a view to ensuring that all applicants can secure a 1 July start date if they wish.

8 Feedback from mid-year performance review with Secretary of State on 22 February

- 8.1 Chair and Chief Executive will attend a six monthly Performance Review with the Secretary of State and the Defra ministerial team on 22 February. The Chief Executive will give a verbal update to the Board on the outcomes from the meeting. The topics for discussion are the performance of Natural England against Corporate Plan targets to date, Operational Efficiencies Programme, Public Value Programme and Arms Length Body Review; Environmental Stewardship Renewals in 2010 and our Environmental Leadership Delivery Plan activities.

9 Environmental Leadership Delivery Plan

- 9.1 On 28 January we launched the first major survey of the environmental state of Green Belt land and the benefits it provides. The report 'Green Belts: a Greener Future' (published jointly with the Campaign to Protect Rural England) brings together fresh evidence and ideas to inform the debate on the future of England's Green Belt for the first time
- 9.2 There are two further ELDP interventions planned in the period to mid March. These are 'Peatlands Report the Climate Challenge' (a report outlining the State of England's Peatland's and their potential for carbon sequestration) and 'Species Lost Report' (a report which will present info on what species have already been lost in England, what species are at risk and what society needs to do now to stop further losses). Both of these provide an opportunity for Ministerial engagement which we will discuss with the Secretary of State at the review meeting on 22 February.
- 9.3 Until the general election is called, it is business as usual for us. Once the election has been formally announced we will comply fully with the relevant Cabinet Office guidance on political neutrality in our activities. Following the election we will return to business as usual and deliver what the elected government wants delivered.
- 9.4 The Coastal Access methodology report which is scheduled for 23 April. Although the methodology would have to be signed off by the Minister before the election is formally announced we will only be able to publish towards the end of April. Any delays could mean that the Weymouth stretch of the path might not be open in time for the 2012 Olympics. We will be seeking guidance and clarification from the Cabinet office on how best to proceed

10 Review of England's Wildlife Sites and Ecological Network

- 10.1 On 28 September 2009, Hilary Benn announced a review of England's wildlife sites and ecological network. The terms of reference of the review are to:
- examine evidence on the extent to which the collection of sites represents a coherent and resilient ecological network capable of adapting to the challenge of climate change and other pressures;
 - examine the evidence base to assess whether a more inter-connected network would be more effective today and in the future and, if so, how this could be delivered;
 - taking account of the ecological, economic and social costs and benefits, make costed and prioritised recommendations on any measures that should be taken including how Government and other organisations can work together to deliver the recommended model.
- 10.2 The review will report to the Secretary of State for Environment, Food and Rural Affairs by June 2010. The review panel is chaired by Professor Sir John Lawton and includes representatives from the voluntary conservation sector, National Parks and AONBs, academia, the farming and water sectors and local government. Natural England is represented on the panel by Dr Tom Tew and is providing the secretariat, led by our Head of Biodiversity, Dr Peter Brotherton.
- 10.3 The panel met twice in Quarter 3 and expects to issue a call for evidence in Q4 to engage a wide range of stakeholders. The review has been welcomed by the Conservative Party, and so currently has broad political support.

11 Review of the Rural Payments Agency

- 11.1 In September 2009 Defra announced a formal review of the Rural Payments Agency. The Review will consider the health of RPA's financial and operational systems and processes (including those that support RDPE delivery) and its management capability, with a view to assessing how well RPA is placed to handle further CAP Reform in 2013/14, including changes to the Single Payment Scheme and the anticipated further shift to the co-called 'Pillar 2' of the Common Agricultural Policy and therefore the successor Programme to RDPE. The Review is expected to report in late March 2010.
- 11.2 The Chief Executive along with Robin Tucker and other senior members of staff have met David Lane, the external consultant leading the Review, to share information on the ways in which Natural England works with and relates to RPA, and how well current arrangements support the delivery of our objectives. There is synergy between the issues under consideration and the options for change being explored under the Public Value Programme (referred to above).

12 HM Treasury Review of the effectiveness of Internal Audit arrangements

- 12.1 HM Treasury (HMT) currently proposes a Strategic Improvement Plan for Internal Audit Services across central government. They have conducted a wide review and our Accounting Officer and Director of Corporate Services were interviewed as part of this review. Accounting Officers, Audit Committees, Directors of Finance, other significant stakeholders and Heads of Internal Audit have been invited to comment on the proposals.
- 12.2 HMT's review concludes that the current strategy, people and resourcing model and structure of internal audit are not well aligned to deliver cost effective assurance to Accounting Officers, Audit Committee Chairs and other senior stakeholders. They believe risks to public service delivery are becoming increasingly complex and interdependent and the current fiscal climate gives rise to new challenges for organisations.

12.3 The Strategic Improvement Plan proposes:

- an internal audit strategy that is driven by strategic objectives, both within and across organisations, and delivers greater integration of assurance providers;
- a group structure that enables the strategy and a new people and resourcing model to operate more effectively;
- more effective engagement with key stakeholders on risk management and assurance to enable internal audit to operate with optimal effect, making a positive and tangible contribution to an organisation's success and delivery imperatives;
- management taking full responsibility for its risk management and assurance need;
- The Head of the Government Internal Audit Profession (HIAP) supporting the implementation of their proposals, which are designed to spread best practice, drive up standards, promote consistency and deliver substantial improvements in internal audit's capability, efficiency and effectiveness.

12.4 A review of Governance in Central Government is currently being undertaken which is actually a precursor to this exercise. If the governance over the methods by which central government policy delivery is changed, then it would be appropriate to ensure internal audit is changed to match that model. The HMT Strategic Improvement Plan consultation does not propose any timescale or next steps for the consultation process.

12.5 We are currently preparing our response and the Chief Executive will give a verbal update at the Board meeting.

13 NAO Review of Information from NDPB

13.1 We were asked by the NAO to participate in a study on the information Core Departments ask from Non Departmental Public Bodies (NDPBs). We were selected along with the Environment Agency as being representative of the relationship with Defra. The questions looked at the governance of the relationship and the co-operation and information we provide the department to enable the department to conduct their business. The study will not be naming Natural England or Defra and is intended to be generic in its conclusions as it is a cross government report. We will not be consulted further on the report beyond the interviews but we will provide a link to the published report in a future Board Round Up.

Natural England Scorecard – December 2009

	Q3	Outlook		Q2	Outlook
One Organisation, One Purpose	AR	AR	Environmental Leadership	G	AG
Outcome 1 Healthy Natural Environment	AR	AR	Authoritative Champion	G	G
Outcome 2 People Value and Conserve	G	G	Strong Stakeholder Relationship	G	G
Outcome 3 Sustainable use	AG	AG	Advocating Natural Environment	G	AG
Outcome 4 Secure Environmental Future	G	G	Stakeholders Trust Evidence and Knowledge	AG	AG
Delivering our Business	AR	AR	Building Capability	AG	AG
Business Processes	AG	AG	People Leadership	AG	AG
Sustainability	AR	R	Strengthening Capability	AG	AG
Customer Services	AG	AR	Organisational Contract	AG	AG
			Health and Safety	AG	AG

G	<p>1.1.1 Landscape and Geodiversity</p> <p>The 22 projects being taken forward by the landscape and geodiversity partnerships are now established and all regions are ensuring landscape and geodiversity are reflected in local plans and their implementation. We have held stakeholder events across the country to develop and raise our profile to influence regional agendas. The launch and press coverage of 'London's Foundations' marked a significant moment in securing action for the Capital's geodiversity. Work to develop National Character Area Objectives for England has been commissioned and the major Condition and Quality of England's Landscapes (CQuEL) project initiated. Together these projects will result in a significant new resource to underpin decisions about landscape change in 2010. The translation of policy positions underpinning our work into full implementation plans has been successfully initiated, the focus in Quarter 4 will be to produce guidance and plan training to raise awareness and facilitate delivery. All programmes are in a positive position and the outlook is good. The recent exhibition at the National Theatre of the stunning images from the Times Landscape Photographer of the Year Competition, sponsored by Natural England, cemented an important and successful quarter for our work to engage people with 'landscapes on their doorstep' and to drive delivery of commitments in the European Landscape Convention.</p>
AR	<p>1.1.2 Protected landscapes</p> <p>We have now finalised the text of the Memorandum of Understanding with AONB partnerships incorporating a legally acceptable redundancy clause. We intend to write to all AONB partnerships in early January seeking their agreement. There will inevitably be some slippage to signing due to Local Authority meeting timetables and the complexity of some agreements with multiple Local Authorities, although we will be doing everything we can to mitigate against this. We will also seek the support of the National Association of AONBs in securing individual partnership agreements. Other statutory protected landscapes work continues to be on track. We have met with the key national bodies to discuss funding and reporting arrangements for next year (the National Association of AONBs is scheduled for January). In December the Board approved the Lakes-Dales Gap designation methodology and we launched the statutory/public consultation. The South Downs National Park confirmation order was signed on the 12th November.</p>
AG	<p>1.2.1 Biodiversity</p> <p>We continue to make progress against most of the measures in this target area with some indicators well ahead of profile. We expect to deliver 890 ha of new BAP habitat against a target of 560ha. We are making good progress in achieving the Species Recovery Target with all major partnerships agreements now confirmed and 90% of projects meeting objectives against target of 75%. All regions are ahead of profile to deliver key arable farmland bird options through Environmental Stewardship. Overall we have secured 5,398 ha of options to date exceeding the end of year 4 target of 4,147 ha. Work on licensing protected species and engaging local authorities over NI 197 is on target.</p> <p>However, work to maintain BAP habitat in favourable management through HLS is 5,000ha behind the Quarter 3 profile of 54,000ha. Remedial action is in hand but the current estimate is for a possible 5,000ha shortfall at year end against the 95,000 ha target and with current adverse weather preventing HLS negotiations we could see this slippage estimate rise.</p>

R	<p>1.2.2 SSSI</p> <p>The area of SSSI in favourable or recovering condition has slipped further behind profile. We are now at 89.7% against a profile of 90.7% due to delays in signing HLS agreements, a larger than anticipated slippage of sites out of condition and a delay to our use of regulatory powers to secure some HLS agreements. The expected signing of the 9,000ha Wallasea flood management agreement will make up some of this shortfall but all regions will be taking contingency actions. The outlook for us hitting the 93% target remains very challenging.</p> <p>Currently we are 1,000 Condition Assessments short of the end December target of having 5,396 recorded as complete. We are taking steps to address the backlog but the poor winter weather is likely to affect delivery of the remaining condition assessments and the scale of the impact will not be clear until the end of January.</p> <p>Achievement of the Regulation and Enforcement target is fundamental to the success in delivering the main SSSI target. In particular, the appropriate reference to the use of management schemes has proved to be very effective in securing timely HLS agreements. All regions now have detailed regulatory plans in place but so far only 9,349 ha of regulatory remedies have been delivered with a further 11,000ha likely to require some form of regulatory intervention.</p>
G	<p>1.3.1 Marine Protected Areas</p> <p>Marine Bill received Royal Assent on 12 November 2009. Of Natural England's 8 key Bill issues, 6 were resolved in whole or in part – a successful overall outcome. We have scoped the project to ensure that the Marine Bill is implemented Project scoped and interim project manager identified.</p> <p>Our Marine Conservations Zone (MCZ) work is experiencing delays while we wait for a policy steer from Defra. We have identified the key risks and are taking mitigating action. Our engagement with members of the public on marine conservation through events and the media is well on track. We have established four regional MCZ projects, teams are in place and we are organising regional stakeholder groups. Apart from 'Finding Sanctuary' the regional projects will now run their first stakeholder workshops by March 2010. Formal consultation on Special Areas of Conservation and Special Protection Areas began in November 2009 after finally resolving the issues raised by DECC and securing Cabinet Committee clearance. We expect the bulk of activity in next six months.</p> <p>Work on <i>State of England's Seas</i> Report progressing well but we have put back publication to Autumn 2010 at Defra's request to follow their <i>Charting Progress 2</i> publication. The international Sea Change conference held last December proved to be a high profile, influential and very successful event with 85% of external delegates rating it as very good or excellent. We have also secured Defra's agreement to contract the Partnership for Interdisciplinary Studies of Coastal Oceans (PISCO) to produce an EU version of the 'Science of Marine Reserves' publication and related web-based advocacy materials and will aim to publish their report later this year.</p>
AG	<p>1.3.2 Marine Biodiversity</p> <p>We have agreed our approach to marine Habitat Action Plans and Species Action Plans and let the contract for data collection on marine BAP habitats. But progress remains slow as we have focussed on more urgent Natura 2000 work. We will commission the planned feasibility study of marine species suitable for recovery actions in the next quarter but most of the activity will now happen next year.</p>

AG	<p>1.3.3 Sustainable Marine Environment</p> <p>We have made good progress on developing of a national marine monitoring plan and on the delivery of risk and condition reviews for existing European Marine Sites. We completed 94.5 % of our marine planning casework within deadline (target 95%). Casework is expected to become more challenging and high volumes of offshore windfarm casework (e.g. in the Greater Wash) will increase further following the announcement of Round 3 licence zones by the Crown Estate on 8 January.</p>
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One Organisation, One Purpose Performance - Outcome Two Quarter 3

GREEN

G	<p>2.1.1 Understanding and Appreciation</p> <p>Another quarter of strong delivery with more than 59,000 children participating in the Million Children Outdoors programme. This exceeded our quarterly target and took the total this year to 226,000 children. This is 90% of the annual target of 250,000, including more than 150,000 children visiting farms with an Educational Access option. An estimated 6,000 school children joined our Big Wildlife Garden School of the Year competition over the quarter, taking the total since Sept to 14,000 children, from more than 450 schools. 6,700 children visited our NNRs over past 3 months participating in a range of 'hands-on' outdoor learning activities, taking the total so far this year to more than 23,000. All eight green exercise pilots continue to deliver, particularly to young people and families. The evaluation is helping us to understand how green exercise can be best delivered. Walking for Health programme is ahead of schedule with 62,961 participants recorded against a Quarter 3 target of 40,838. The evaluation database continues to grow with 54,464 walkers now entered, 9% of these walkers from the 20% most deprived areas in England. The Department of Health (DH) confirmed in writing that funding for 2010/11 is now secured, the contract between DH and NE can now be finalised. Work continues with a Delivery Programme across the four Outcomes to enhance our provision for diversity and equality, and to work with external partners to drive up standards as part of our leadership of Outdoors for All.</p>
AG	<p>2.1.2 Access to Nature</p> <p>Access to Nature is meeting all of it's scheme processing targets although the target for the number and value of awards made this year is at some risk. To date £6.2m of an anticipated commitment of £11m has been awarded to 32 projects. There is however, some flexibility to move the award of money of this externally funded scheme and into next year - which is the final year for granting awards. 'BIG' has shown support to the project by inviting us to bid for further funds. Highlights for the quarter include the decisions to support ten projects with a value of £1.6m. Our target groups benefitting from the scheme include 121,838 children under 16. Other groups targeted by the scheme include faith group members, of which 226,857 are identified as potential beneficiaries of the projects. Natural Assets has had its first application window. It received 12 applications and made awards to 6, which include projects that benefit children, unemployed people and volunteers.</p>

G	<p>2.2.1 People Actively Engaged</p> <p>The number of Natural England's volunteers increased again this quarter. This represents a 13% increase on baseline when the number of new volunteers is adjusted for leavers, well in excess of our target. The start of the Capacity Building Programme has been delayed by procurement although the full tendering process will commence in January. We have agreed a contingency with Defra that will allow us to develop and design seven training modules by March and phase the delivery of the training throughout 2010.</p>
AG	<p>2.3.1 Access Infrastructure</p> <p>A strong and significant quarter for our coastal access scheme, following the successful passage of the Marine and Coastal Access Bill through Parliament. We are now finalising and consulting on our statutory coastal access scheme and putting in place working arrangements with lead access authorities. This is on target for scheme approval by April 2010. Planning is also underway for the Weymouth stretch. We continue to be on track to maintain at least 99% of open access land open for use by walkers through statutory and other management activities and are putting in place plans for our imminent expansion of statutory access work (Coastal Access; Countryside and Rights of Way mapping review; and National Trails Delivery Review) as well as ongoing regional statutory work on open access. Delays with completion of Section 15 assessments in some regions lead to the 'amber green' status but outlook for delivery is good.</p>
AG	<p>2.3.2 Champion NNRs</p> <p>The key challenge remains securing external funding to enable at least three of the five current Champion NNR projects to be completed in 2011. Significant progress has been made in the last quarter on our two most ambitious projects (Shapwick and Humberhead), with options being progressed which reduce the remaining funding gap to below 20%. Nevertheless it looks unlikely that this gap can be closed quickly enough to enable completion of these two in 2011. We have therefore now included Sherwood NNR in the programme as an additional option. Business cases and plans for all five options will be completed by the end of Quarter 4 to enable decisions to be taken in Quarter 1 2010/11 on which projects to implement. We are on track to achieve our target of meeting essential visitor service standards on fifteen Destination NNRs by the end of 2009/10. We plan to invest in development of a further ten Destination NNRs in 2010/11, which on completion will mean that there will be a consistent standard of visitor infrastructure on the 25 most visited NNRs under our management.</p>

One Organisation, One Purpose Performance - Outcome Three Quarter 3

AMBER GREEN

G	<p>3.1.1 Strategic Influence</p> <p>Targets are largely in track. Our work with government to ensure legislation and planning policy recognises the value of the natural environment has been good. The Flood and Water Management Bill, published in November, contains much of what we'd want to see for the Natural Environment. We briefed around 40 key stakeholders and trained over 150 staff on our Wind Energy Guidance. We are on track with our targets to integrate the natural environment into all 9 Regional Strategies. We ran a successful workshop with partners to look at integrating the natural environment into local authority and local partnership working and from this have a good baseline understanding from which we can plan how we can plan our work with local partners next year. Our survey of 150 individuals from Local authorities this quarter showed 78% agree we are advising on the integration of the natural environment into local strategies and 68% that we are co-operating fully with local authorities and their partnerships.</p>
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	<p>We successfully launched the 'Natural Development' project in November, through which we will work directly with developers to secure natural environment within development. The launch attracted good media coverage achieved (especially in trade publications) which will help raise awareness. We have raised the understanding of Green Infrastructure (GI) at the highest level by contributing evidence on GI to the Environmental Audit Committee's examination of climate change adaptation/mitigation. We are helping 64 local authorities to develop GI strategies and 98 local authorities to ensure delivery of GI in areas of major housing growth and regeneration. Our GI Guidance continues to be the most frequently accessed information on the web-site. We are planning further seminars at EcoBuild and with CIRIA and the initiative has generated over 50 enquiries, including from some major developers since November. We are on track to seeing plans for GI being in place for 70% of areas implementing major regeneration and growth setting us up for delivery of that green space in future years.</p> <p>This quarter we have finalised our evidence report on the State of the Green Belt and consultation with key stakeholders on our findings. The report will be published jointly with CPRE on 28th January.</p>
AG	<p>3.1.2 Land Use Planning</p> <p>Performance on casework handling has improved slightly over the last quarter. Overall, 96% of cases are being handled within agreed timescales, and continued improvements in the use of the current casework tracker means we can establish our performance quicker and take action as a result. Seven regional teams are meeting or exceeding the corporate target, a strong improvement by two of these teams. We are now making good progress with work on developing new tools to streamline delivery systems. Progress with the new casework tracker has remained slow but we have now agreement to undertake the development work. Finally, during the last quarter we have established a new national Land Use Planning team. This team will underpin development and delivery work for our land use work and enable us to further improve both productivity and levels of delivery.</p>
AG	<p>3.2.1 Agri environment Development</p> <p>This quarter saw the successful update of Genesis and publication of updated handbooks to support delivery of the new Environmental Stewardship (ES) options whilst we continued to work with Defra on the launch of the Uplands ELS. This represents a significant achievement in delivering a package of complex improvements essential to future delivery and service. We also managed the planned temporary suspension of ES application services with minimal disruption to customers and to our delivery. We produced the report on "Agri-environment Schemes in England 2009" to time and was well received following its launch at a Parliamentary reception. The Campaign for the Farmed Environment was launched including some topic leaflets that were very well received. We fully prepared to provide Defra with advice on the Mid Term Evaluation of the RDPE as soon as requested. Good progress has been made in setting up the programme of essential work on planning for the successor to the Common Agricultural Policy (CAP). We are working in partnership with the National Farmers Union and Environment Agency in drafting the "State of the Farmed Environment" report for planned publication in June 2010. All Agri-environment monitoring projects are proceeding as planned</p>

AR	<p>3.2.2 Agri environment Delivery</p> <p>Overall scheme coverage of agricultural area at the end of quarter three is at 6,224,431 ha or 67% although there is still at significant risk of a shortfall on the 68% end of year target, But there has been good progress (we are now within 80% of profile up from 61 % in quarter two) and we expect overall coverage of agricultural area to exceed 67.5% overall. Success relies primarily on the volume of Entry Level Scheme applications coming forward as, once we have them, we can process them in a matter of days. We have made significant progress with new Higher Level Scheme agreements and we expect to be very close (98%) to achieving our end of year target. . We are now £5m ahead of the targeted spend to date. Current predictions would lead to an end-year spend of over 99%. We have improved our performance in assessing Higher Level Stewardship agreements in the field to determine progress against the agreements' indicators of success to 680 of the 940 target. We are continuing to secure good conversion rates from Classic Schemes into Environmental Stewardship (86.5% against an 80% target). We continue to process scheme applications and claims well within agreed deadlines. Other work in this target area is on track and we continue to process claims and applications within deadlines.</p>
G	<p>3.2.3 Land Management Advice</p> <p>Overall the target is well on track. To date we have delivered a total of 12,763 advice contacts meeting our annual target of 12,500 and helping us secure good quality agreements that maximise benefit to the natural environment. Our focus has been on Entry Level and Uplands Entry Level Stewardship and links to the Campaign for the Farmed Environment launch events. The measure of overall advice quality is high at 96.45%. The prospect for full budget commitment and outturn by the end of the year is very good. There have been delays with the national contract for Cross Compliance advice. All regions now have plans in place and activity is starting to pick up but there is a risk to the end of year target as the bulk of delivery is now in quarter four. Catchment Sensitive Farming (ECSFDI) is also on track with advice now offered to farmers responsible for over 350,000 ha of land in priority catchments helping to address diffuse water pollution from agriculture. All deadlines for processing ECSFDI Capital Grants agreements and claims have been met. The final agreement total is now 722 with a value of £5.3m. Claims are ahead of profile and spend prospects are good. We have now offered almost all Aggregates Levy funds for 2009-10 to date 92 projects have been offered just under £7.1m of grant aid.</p>
AG	<p>3.3.1 Sustainable use of the Sea</p> <p>Following the September launch of the “<i>Sea fisheries - steps to sustainability</i>” report our essential – but often challenging – dialogue with the fishing community has continued. We have generated a very active programme of engagement with the fishing industry, through a combination of our work on MPAs and our programme of Net to Plate visits. Articles about our marine work appear in Fishing News pretty much weekly. We are also helping Defra to develop its ‘SAIF’ project and align it with other relevant initiatives, particularly through the presence of our staff on the ground. Our Fisheries position has been reviewed, and will go to public consultation in the next quarter. We have now agreed a common position with other UK agencies on the European Commission’s Common Fisheries Policy reform Green Paper, and we will not now be submitting a separate response from an England perspective. We have developed contacts with relevant MEPs and the European Parliament’s Fisheries Committee.</p>

G	<p>4.1.1 Integrated Vision for the Natural Environment</p> <p>During this quarter we have continued to develop the draft Vision 2060 by completing the largest stakeholder engagement yet undertaken by Natural England. We are planning to build on this success through ongoing engagement in order to build a shared vision. Staff have already being involved through webinars with the next step to seek staff views through a series of 10 workshops planned for January. By the end of the year we will have sought and considered staff views on the vision 2060. We launched a vision for the uplands - <i>Vital Uplands</i> - on the 14th November at an event for approximately 60 stakeholders where the CEO showcased 18 months work in building an integrated vision for our uplands. <i>Vital Uplands</i> also introduced “Eco System Services” to a wider audience. As a vision should do, it is starting to stimulate significant interest from within and outside the organisation.</p>
G	<p>4.2.1 Long-term Challenges for the Natural Environment</p> <p>Following the successful launch of the Scenarios on the 3rd December, we are focusing efforts on embedding these scenarios as part of our wider futures work. These tools will aid our strategic thinking. Although we have scoped our own <i>England Environmental Outlook</i>, we have decided not to publish a there a wide range of similar products aimed at similar audiences. However, we are pursuing partnerships in our futures work e.g. Strategic challenges, to ensure better cooperation between ourselves and stakeholders. We are scoping a new approach to “Horizon Scanning” with the Environment Agency which will continue into next year. This pilot has the potential to give us the information we need whilst enhancing our working with partners.</p>
G	<p>4.2.2 Better Responses</p> <p>This has been a very successful quarter for this area of work. Our report on the Value of the Natural Environment (<i>No Charge</i>) was published on time and to a very positive response. The report is proving to be one of the most popular of Natural England's recent publications (in terms of downloads from our website). Our introduction of the Delivering Nature's Services Programme (covering our three regionally-based ecosystem services pilots) had a successful launch and generated widespread interest. The pilots themselves are progressing well with the partnerships coming together in each of the three regions (Yorkshire and the Humber, North West and South West) to map the ecosystem service provision.</p>
G	<p>4.3.1 UK Legislation</p> <p>The Reporting Power and Statutory Guidance published this quarter fully reflects Natural England’s recommendations and we have been invited to report under that reporting power as agreed. We are working closer working with Defra and other Government Departments on adaptation and this is ensuring that environmental messages are being circulated to non-environmental departments. Evidence we provided to two select committees has promoted the functional value of the natural environment in mitigating and adapting to climate change, and helped demonstrate our contribution in this field. It is noticeable that DECC and OfGem are being more receptive to the value of Natural environment in their planning. We are also strengthening our national/regional network to inform our regional/local policy influencing.</p>

4.3.2 Evidence Base

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Overall there has been improved progress this quarter after some reprogramming to ensure effective and quality delivery. Good progress is continuing on the development of a national greenhouse gas evidence base and monitoring programme with one highlight being the publication of the Coastal Carbon Sinks Report with the International Union for Conservation of Nature. This received high profile, international coverage. The minor delays to work on Character Area Climate Change pilots have been resolved by reprogramming the final production of all reports to coincide with one single climate change ELDP package next Summer. A national vulnerability assessment map will not be produced this year due to the unexpected unavailability of UKCP 2009 climate change data. However this will be done next year and meanwhile other products such as Adaptive Capacity Analysis data, have been developed and distributed to support regional and sub regional work. We will now focus ELDP activity on peat and carbon. During the next quarter we will work to ensure that we have the necessary resources and activities to embed climate change issues in our work.

Environmental Leadership - Quarter 3

GREEN

A1.1 Authoritative Champion

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We continue to build on successes in earlier quarters. References to Natural England in all media have increased by 28% compared to Quarter 3 in 2008. Measures of article size and reach (or Advertising Value Equivalence (AVE)) have also increased by 52%, continuing the trend for articles to be larger and more prominent. In both total volume and AVE terms this is the best quarter since vesting. Volume growth has been strong across all media categories, especially broadcast. Favourability of media coverage continues to be high, with 94% of mentions rated as positive or neutral. The higher volume of positive mentions (14.9% – double the normal for a quarter) on issues such as ocean acidification, Campaign for the Farmed Environment and the Landscape Photographer of the Year competition are balancing the level of negative coverage (10.3%), driven largely by “government quango stories”. The increase in positive coverage, demonstrates that we are getting our messages across.

A1.2 Strong Stakeholder Relationships

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We have delivered 14 of our 37 advocacy objectives, equating to 38% against a Quarter 3 target of 30%. Examples include recognition in the draft Floods and Water Bill of the role of natural environment solutions in the approach to flood risk management, and the inclusion in Ofwat’s final PR09 determination of 106 catchment schemes, more than three times the 35 we had initially aimed for. We remain on track with our programme of national and regional joint goals with stakeholders. Our work with British Waterways for example, has developed into a series of exciting planned collaborations around health, access for all and One Million Children out of doors. Engagement events included the launch the Agri-Environment report, attended by over 100 parliamentarians and stakeholders; a Renewable Energy workshop attended by over 40 industry, local government and NGO stakeholders; a site visit in South East Region on priority themes for 40 stakeholders hosted by CEO; a meeting with food retailers on linking high quality food production to a high quality landscape; a meeting with the aviation sector prior to consultation on our position, and a meeting with a group of key academics on future scenarios.

G	<p>A1.3 Advocating Natural Environment</p> <p>This quarter we supported this work by showcasing examples of our work to support the natural environment through an organisation-wide awards event and through 'Natural England: The Movie' – a narrative by and for staff which 1,000 people have viewed so far. Intranet news readership also increased by 25% this quarter. The second stage of our award-winning advocacy, influencing and negotiating training is under way. Feedback is 100% positive. We're building on the success of our internal awareness campaign and local briefings to make our positions on different issues as real and practical as possible. We've started communications training for managers. Overall we remain on track to meet our targets to increase from 78% to 90%, the number of staff confident talking about our purpose and from 76% to 80%, the number of staff who can talk confidently about our delivery priorities. We will measure this again in Q4 with the pulse survey.</p>
AG	<p>A1.4 Stakeholders Trust our Evidence and Knowledge</p> <p>This quarter has seen an increase in complex Freedom of Information (FOI) requests but we have made all responses within statutory deadlines exceeding our target. We also conducted a comprehensive consultation on the Corporate Collection and ensured that 99.5% of the organisation successfully completed level 1 of the online security training. The remaining staff should pass level 1 by the end of January 2010. We are on track with actions to improve our stakeholders' recognition that we take evidence based decisions after narrowly missing our target by 2% in the annual stakeholder survey. We have exceeded our target for staff having the knowledge to undertake their roles.</p>

Building Capability - Quarter 3

AMBER GREEN

AG	<p>B1.1 People Leadership</p> <p>This quarter has seen further progress with leadership development at all levels within the organisation to ensure we maintain the strong performance indicated by the last staff survey (68% of People Leaders having active Personal Development Plans (target 70%) and we are meeting our target to have 50% of leaders receiving coaching to improve their leadership). For example, we have already established the Value Leadership Programme (VLP) which has the participation of Directors plus internal and external stakeholders. In addition, we have run a number of pilot projects including an Inspirational Leadership programme, Positive People Management, Dispersed Leadership training, leadership development programmes, tailored individual coaching and wider use of 360 degree feedback. In November Executive Board agreed to reschedule the introduction of the Leadership Talent Programme to ensure that we made most benefit out of the learning from the Value Leadership Programme. Executive Board are signing off the nomination criteria and process for the Leadership Talent Programme in January and we are on track to have 25% of people identified in the programme having made a move this year to develop their leadership capability.</p>
AG	<p>B1.2 Developing Capability</p> <p>We continue to expand our range of training products, working with operational and technical specialists in the business. We ran an induction event for more than 40 marine new starters and 109 new land management advisers have been on the new starter programme in Quarter 2. 90% of new land management advisers currently rate it "good" or "excellent" 91% of new starters are completing their corporate induction programme within 120</p>

	<p>days. New programmes which have run for the first time in Quarter 3 include introductions to ES, ELS, HLS, Agricultural Business, SSSIs, Environmental Leadership and training in Land Management influencing, Influencing and Advocacy, Selling Skills, Instructional Coaching and Green Infrastructure. We are continuing to develop our key training products for Climate Change, Access, Marine and Planning amongst others. % of the themes in the development Framework are now underpinned by a training product (21 out of 27 themes) 871 people have now attended Framework events (up from 641 in quarter two). Our evaluation methodology is now giving us a more accurate picture of the impact of specific programmes. For example, 96% of people on ELS and HLS training say it has enabled them to operate more effectively, but they still need more opportunity to put their learning in to practice.</p>
<p>AG</p>	<p>B1.3 Organisational Contract</p> <p>The staff survey results in quarter two showed a strong overall picture across the indicators which make up this target 91% of staff have a clear understanding of how their work aligns with our Corporate Plan, 62% say Natural England is a good place to work. The disappointment has been improving the diversity of the workforce through recruitment. There are good results for Lesbian, Gay, Bisexual and Transgender (LGBT), age and gender but figures for recruits from ethnic minorities in particular have not improved. We will continue to target future recruitment but the 5% improvement in this area will not be achieved.</p> <p>In support of other aspects of this target we published videos of the first Natural England Diversity Conference for Managers and promoted days such as International Day of the Disabled Person in December. We have indentified nine teams to support the pilot work experience scheme. We and our union partners have revised and signed a partnership agreement which recognises the value of employee involvement through the recognised trade unions and that we will work together to achieve shared aims.</p>
<p>AG</p>	<p>B1.4 Health & Safety</p> <p>To date 54 people leaders (22%) have been on the certificated Institution of Occupational Safety and Health (IOSH) Managing Safely course. We expect to train a further 16 by the end of the year (28%). A further 82 people have now enrolled for future courses and we are rolling out an e-learning package that should allow greater access to the course.</p> <p>Teams are now more consistently applying risk assessment and management principles and we have trained 567 people in risk assessment using the HSE approach. We have identified the strategic risks in Team Health and Safety Action Plans and will be measuring our performance with reviewing these against our 95% target in quarter four.</p> <p>Our reporting of near misses has improved and we are currently meeting our 50% improvement target. To date we have recorded 13% fewer reportable and non reportable incidents than we did during the whole of last year</p> <p>93% of staff have received and understood our Health and Safety Policy and we are now including the policy in the induction of new starters to help ensure we meet the ambitious 100% end of year target.</p>

<p>AG</p>	<p>C1.1 Business Process</p> <p>The Partnership Index in Quarter 3 for IBM, Atos Origin and Global Crossing was Silver/Silver/Bronze, respectively and work is progressing, after some delay, to establish a Partnership Index with Defra Shared Services. As part of the Land Management Performance Programme (LMPP) we implemented a simplified Farm Environment Plan (FEP) for HLS, a FEP agent allocation process, a pipeline approach to HLS application management, sales training to secure more HLS agreements and improved Genesis systems training for advisors. To date we have delivered cash efficiency savings of £4 million against a target to quarter three of £2.5 million. Predicted end of year revenue growth is currently £6.9m, exceeding our target of £5m year on year growth.</p> <p>During Quarter 3 we delivered another major release of new software into Genesis allowing us to fully support the ES Review of Progress changes and Uplands ELS. Work to develop a refreshed ICT Strategy is almost complete, with sign-off expected early in January. Work on the Emergency Response Plan is similarly well placed,</p>
<p>AR</p>	<p>C1.2 Sustainability</p> <p>Overall we have achieved a 26% carbon reduction against a target of Quarter three target of 32%. The adoption of new ways of working are delivering significant reductions in travel carbon but reductions from our estate remain challenging. Protracted discussions with landlords and partners are affecting a number of important office moves. It is unlikely that the target for this year will be met although the target for the end of December 2010 remains achievable but challenging. There is growing evidence that our achievements are being recognised externally. We have now achieved accreditation from the Carbon Trust. We have been working with partners including East of England Development Agency, BT, Sustainable Development Commission and the RSPB. Durham County Council have recently set their own 40% reduction target. A comprehensive review of our progress towards achieving level 3 of the Sustainable Procurement Flexible Framework has indicated good progress. Interaction with the Prospect Union has allowed us to develop a “flyer” that will be sent to union members and published in 4 Weeks in Natural England to highlight the good progress we have made on sustainability. Prospect are also providing two training courses in Q4 to procurement staff on sustainable issues. This type of approach appears to be novel.</p>
<p>AG</p>	<p>C1.3 Customer Services</p> <p>Performance this quarter is amber green. We recorded 236 general customer enquiries with 93% success rate in responding within 10 working days, short of our 95% target. The Enquiries team had a 100% response rate to the 4,393 enquiries and we dealt with 97.5% of complex Freedom of Information Requests within deadline. However, only 93% of the 236 enquiries recorded on the newly launched Feedback and Enquiry Monitoring System (NEFEMS) met our published service standards in key areas (target 95%). The annual Customer Survey undertaken this quarter included farming customers for the first time. There was a fall of 2% in Familiarity and no change on Satisfaction against targets of 3% increases in each. However, comparing results for our non farming customers (i.e. comparing like for like) shows a rise to 73% satisfaction in 2009. We will present an analysis of the results to the February Board and develop an action plan to address this in 2010.</p>

90% of contracts over £25,000 awarded during the quarter had a contract strategy, well in excess of our 60% target. Work is also continuing on initiatives such as ELS Online and simplification of the Farm Environmental Plan process to help deliver savings of c£5m on customer burden associated with Environmental Stewardship regulations. The new account management proposals and customer segmentation analysis under the Land Management Performance Programme (LMPP) is already underway.

Corporate Highlights in Quarter Three

Outcome One

In the North East region in October we helped to launch our co-produced management plan for Northumberland Coast Area of Outstanding Natural Beauty (AONB) and Berwickshire and North Northumberland Coast European Marine Site (EMS). This pioneering integrated management plan is the first of its kind to take into account the future management of both the area's coastline and inshore waters. The plan encompasses ecosystems services, informed conservation and sustainable development approaches.

In the London region we launched our work on the London Landscape Framework to our stakeholders at an evening reception at City Hall. Board member Pam Warhurst spoke on our plans for use of the framework and the GLA spoke in support of the work. The event was also a celebration of London's landscape with winners of this year's photo competition being awarded their Nikon sponsored prizes.

In the South East region, we have been leading the undersea landscape campaign and encouraging debates about the need to protect our marine environment (MPAs, MCZs). At the Kent Coastal Week during the last week in October 'Fishing and Eating for a Healthy Sea' was our key message. Our Marine Campaign stall at the event was very popular due to our undersea landscape banners and our large make-and-do tables. Overall we directly interacted with approximately 900 people.

In the North West, we responded swiftly to the severe flooding in Cumbria by providing leadership, co-ordination, advice and support to over 1,000 affected farmers along the Rivers Derwent and Cocker. We have processed 80 applications for amending classic schemes and are likely to commit a further £3 million on additional capital works. In addition we have developed a fast track HLS process involving a 5 day turnaround time with consultees and offering a `river restoration` package of measures to encourage farmers to enhance the new river systems that have been created through the flooding. We are working closely with the Environment Agency, Cumbria CC, Government Office and others to ensure that our response is well coordinated and consistent with the principles we have agreed to guide recovery and restoration work along the river corridors.

In the South West, we organised a workshop event on 11th November in partnership with Farming and Countryside Education (FACE) and Linking Farming and the Environment (LEAF) at Deer Park Farm near Callington in Cornwall. This event showcased best practice in educational access for farmers from across Devon and Cornwall Speakers and covered topics including new funding opportunities for improving educational access facilities, accreditation schemes and E-coli issues. A workshop followed with farmers sharing their ideas on the wide range of educational activities they have delivered on their farms, such as pond dipping, hand digging potatoes and running farm walks. 123 farms in Devon and Cornwall already offer a wide variety of Educational Access opportunities to all ages and abilities.

Following a public consultation, the Regulatory Services and Advice team launched the 2010 series of wildlife General Licences. This light touch regulatory mechanism was praised in the Hampton Review conducted by Dept for Business, Innovation & Skills (BIS) for the balance it strikes between reducing burdens and managing risks to species conservation. In a transparent step widely welcomed by stakeholders, drafts of the licences were published 3 months before launch.

The Government Relations team organised a successful reception in the House of Commons Terrace to launch our ELDP Agri-Environment Schemes in England report. Minister for Food, Farming and Environment Secretary, Jim Fitzpatrick MP delivered a keynote speech on the importance of agri-environment and Meurig Raymond, Vice President of NFU also spoke at the event hosted by Chair of the Environment, Food and Rural Affairs Committee, Rt Hon Michael Jack MP. Our sponsoring Minister, Huw Irranca-Davies MP (Minister for Marine and the Natural Environment) attended as well as the Conservative and Liberal Democrat Shadow Environment Front Bench teams and over 100 stakeholders.

In the Yorkshire and Humber region, Skipwith Common in York was declared a National Nature Reserve on the 16th December. Over the years Skipwith Common has benefited from the careful management of its owner, the Escrick Park Estate and this is the first time NNR management has been funded through HLS. It also expands the existing National Nature Reserve status within the Lower Derwent Valley. Occupying 274 hectares, Skipwith Common is of international importance for its wet and dry heathland, and is home to a wide variety of rare heathland plants and a rich collection of dragonflies, other invertebrates and over 70 species of breeding birds including nightjars and woodlarks.

Outcome Two

In London region, Mayesbrook Park was the venue for a community tree planting of 400 new native trees as part of our regeneration work with the local community and scouts. Under our one million children target we funded young farmers clubs from Hackney, Islington, Camden and Tower Hamlets on a visit to a farm in Offley Hoo in Hertfordshire. The visits were well received by these inner city children and more visits are planned.

This quarter saw the North West region pass the 16000 walker milestone. External promotion of Natural England's health work continued with presentations being given to health professionals for example at the NWHPAF Conference on 5th November and the NHS North West Public Health Conference on 9-10 November.

The Regulatory Services and Advice team published the consultation version of our Coastal Access Scheme, setting out our approach to implementing our coastal access duty, the day after the Marine and Coastal Access Act received Royal Assent. This is the third and most detailed version, its development reflecting 18 months of discussion with stakeholders and extensive field testing around the English coast. We held a workshop with our national stakeholder group to discuss the main changes before launching a 3 month public consultation exercise. We will submit the final Scheme to the Secretary of State in March.

In all of our regions we supported MP visits to schools in their local constituencies to encourage pupils to learn about and make the most of the outdoors. OS maps were provided to Year 7 pupils as part of their nationwide Free Maps for 11 Year Olds scheme and we provided teachers with 'The Language of Landscape' education guide which features lesson ideas, inventive games and tips on how to incorporate map learning into the school curriculum. These were produced in conjunction with the Geographical Association. MPs taking part in the visits included, in Yorks and Humber Region Hilary Benn, Angela Smith, Richard Caborn, Kevin Barron and Ian Cawsey; and in South East Region Peter Ainsworth, Fiona McTaggart, Greg Barker, Roger Gale, Mark Oaten and Richard Benyon.

The launch of the Natural Health Service in the East of England region was held in Great Yarmouth. Key note speeches were given by Board member Tony Hams and Director of Public Health for Great Yarmouth and Waveney, Dr Alistair Lipp. The launch was well attended by our partner organisations, physical activity and health professionals and received good local press coverage.

On the NNRs in The East of England, the innovative approach to recruiting and supporting our volunteers is helping to achieve some long-term targets, including the completion of a way-marked trail system. Volunteers have created and installed way-marker posts, oak-routed way-marker signs and carry out regular vegetation clearance along the footpaths.

The new Natural Assets scheme has been taken from concept to launch by our Incentives Delivery and Advice team and has now been through its first application cycle, with 12 applications presented to the panel for decision and 6 awards made. Natural Assets is a £2.2million project in the West Midlands region, financed by the Regional Development Agency, Advantage West Midlands. The scheme aims to support projects that build on the link between the natural environment and the local economy, with an emphasis on connecting people.

In the South West region, we joined forces with local AONB partner representatives to run a stand at the second bi-annual Cranborne Chase Woodfair in the grounds of the Larmer Tree gardens, part of the Rushmore Estate. The event was a huge success, with around 6000 visitors over two days.

Kinder Scout in the East Midlands is an internationally important upland moor and iconic area for open access. We have worked in partnership with the landowners, the National Trust, to have this site declared a National Nature Reserve which was achieved this quarter. The successful declaration was covered in 14 national and regional newspapers.

Outcome Three

In the East of England, we hosted a regional Green Infrastructure (GI) summit, chaired by Board member Tony Hams. We demonstrated to a wide ranging audience the benefits of green infrastructure and the opportunities to link GI to other agendas through our partnership with a major developer in Peterborough.

Eastern Region also secured a significant mitigational deal in respect of the Highways Agency A11 dualling (Thetford-Barton Mills) project consisting of 180 hectares of new stone curlew habitat, which we are confident will bring environmental sustainability into this project.

The Environmental Advice and Analysis team authored the “Nature of Food report” which was launched in conjunction with celebrity chef and writer, Prue Leith, to raise awareness of where our food comes from and encourage people to buy, grow and prepare food in ways that benefit the natural environment. Stakeholders and journalists from across the farming, food production and environment sectors attended the launch event.

The Incentive Schemes Services team enabled £80m of payments on classics schemes to be ready for the first payment date in mid October. This covered 99% of all payable claims benefiting over 14000 agreement holders through their agri-environment schemes. Monthly targets for all ES claims continue to grow but once again 96.15% or more of all payable claims were paid within a month of their due date. This represents over £50m in this quarter.

In the North East region, the contribution made by the natural environment to the North East economy came under the spotlight with the ‘moor to shore’ tour in November attended by Alan Clarke CEO and Alan Welby Director of Strategy at the Regional Development Agency ONE. The visit followed the course of the River Coquet from Harbottle to Amble. They saw at first-hand how our ecosystem services can provide efficient and cost-effective ways of tackling some of our current economic, social and environmental issues. Joint areas identified for further work included Carbon Capture, sharing “Futures” work and Nature Based Tourism.

In the North West region, Pam Warhurst gave the opening address at the launch of the Lancashire Green Infrastructure Strategy on 30th November in Preston to around 40 regional delegates from local authority planning, regeneration and economic development officers, NGOs (CPRE, LWT), and the private sector. Other speakers were, Mid Pennine Arts, Morecambe Bay Partnership and Groundwork.

In the South West region, we are working in partnership with Wiltshire Council to deliver the Higher Level Stewardship scheme across the County. Wiltshire Council has seconded a member of its staff to work full time with us to help develop, negotiate and arrange contracts with farmers and land-owners to deliver significant environmental benefits in high priority areas.

Also in the South West region, a new Countryside Stewardship agreement at Landkey, near Barnstaple in north Devon is returning farmed landscape to its former glory. The original mosaic of Devon hedgebanks (historic field boundaries) has been reinstated creating wildlife corridors into the adjacent Shebbear wood with the planting of 3200 hedgerow shrubs and trees recreating the landscape as shown in the original 1847 Landkey Tithe Map. Five new ponds have been created

together with the restoration of traditional orchards by planting 180 fruit trees, thus providing demonstration sites where we have already held twelve courses

In the Yorkshire and Humber region, 500 farmers and landowners attended 10 workshops across the region to hear about the benefits of the new Uplands ELS scheme. The feedback indicated that upland farmers now feel equipped to apply for the scheme when it opens. More workshops, with a farm walk have been organised for January and February in

response to requests for more information. Similar workshops, demonstration events and farm walks have been held in all our Uplands regions.

Outcome Four

In the North East, we hosted an event in November attended by 50 participants to look at the implications of UKCIP09 scenarios on the natural environment. Case studies were presented on sustainable adaptation through the Cheviot Future's initiative and the findings of a new study commissioned by the Regional Climate Change Partnership on the implications of climate change on the region's biodiversity.

In the North West region we have been piloting the regional implementation of the national Natural England Vital Uplands vision for 2060 through our Bassenthwaite Vital Uplands project in the Lake District. This is one of three upland ecosystem services pilots across the country where we have agreed a set of land management principles with partners on how a specific upland area's environment can be managed to benefit people, through environmental stewardship. A series of engagement workshops are planned for the next quarter with our partners including from the economy, tourism, health and education sectors.

The inaugural meeting of the London Natural Environment Leadership Group met in our London region in October. This group, which we lead, draws the RSPB, Environment Agency, National Trust, Royal Parks, Woodland Trust, Forestry Commission and London Wildlife Trust together to focus on key issues for the natural environment in London. The group will provide a powerful voice for the natural environment in supporting key work and ensuring the natural environment remains central to the GLA and others key stakeholders.

'Vital Uplands - a 2060 Vision for England's uplands', was launched in November, examining how the uplands could be sustainably managed over the next fifty years. This work was project managed by the Environmental Advice and Analysis team and drew on the work from across the organisation and from upland partners and stakeholders. The Vision is supported by the document 'Mapping Values: the vital nature of our uplands – an atlas linking environment and people.' which describes, through maps, many of the benefits people derive from the upland environment and how we might secure these for the future.

This quarter, Yorkshire and Humber region organised the successful launch of a regional ecosystem services pilot in the South Pennines attended by 80 delegates from key organisations. The day was designed to kick-start the debate about prosperous and healthy upland areas. A number of stakeholders including Tenant Farmers Association and the North Pennines AONB and Moorland Association also took part in a guided walk on Ilkley Moor to see and debate some of the upland issues.

Also, in the Yorkshire and Humber region, 80 people attended a one day event in York in November entitled "60 years on: how can we maintain our distinctive landscapes in times of change?" The event was chaired by Board member Professor Lynne Crowe and included lively and interesting presentations and debate from leading landscape experts including, Professor Adrian Phillips and another Board member Andy Wilson (CEO North York Moors NP). Attendees included regional agencies, local authorities, consultancies, universities and voluntary organisations.

Finally, in the Yorkshire and Humber region, our work with Sheffield City Council enabled them to declare the country's first Local Nature Reserve on a green roof of a school in Sheffield. Sharrow school was completed two years ago and includes a number of energy saving initiatives. This green roof, which will be used as a learning resource by the school, is the latest of 120 in Sheffield and has been designed to complement the network of surrounding habitats and landscape. There was significant national and regional coverage of this story.