

NATURAL ENGLAND BOARD

Meeting 2
5 December 2006



Paper No. **NEB P06 10**

Title: **Board Remuneration**
Sponsoring Director: **Adrian Belton – Executive Director, Operations**

1. Purpose

1.1 The purpose of this paper is to set out the findings and recommendations of the Board Governance Task Group on remuneration in respect of:

- Board Committee work
- Other work over and above the normal responsibilities of a Board Member
- The basis on which an aggregate level of remuneration is agreed with Defra.

2. Recommendation

1. That the Board accepts the criteria and process for agreeing when extra remuneration is appropriate
2. That the Board agrees that initial extra remuneration payments are retrospective to May when the Skeleton Board was established, to reflect extra time inputs already made by relevant Board Members
3. The Board agrees the proposed basis for the aggregate level of Board remuneration.

3. Background

3.1 Board Members ordinarily receive £9,215 for 30 days work per annum. The time input covers all aspects of Members' appointment to the Board, including attendance at meetings, travel, representational duties and preparation. Board Members have already discussed and accepted the suggested broad split of time of 18 days per annum for core governance, including Board meetings and workshops, and 12 days for advocacy, strategy and policy related work. The current aggregate level of remuneration that has been agreed by Defra is determined by the fact that the Board currently comprises a full complement of 16 Members, including the Chief Executive (who is remunerated separately). The implication of this is that for existing Board Members to be remunerated for any additional work we need the agreement of Defra for additional monies. It is preferred that this be done as part of a considered one off case rather than as a series of ad hoc requests.

3.2 The Governance Task Group therefore considered options for the remuneration of :

- Board Members who serve on Board Committees, and
- Exceptionally, increased time inputs by Members for specific tasks or events.

4. Board Committees

- 4.1 Natural England has established an Audit and Risk Management Committee and a Science Advisory Committee. Defra has agreed that the Members of these Committees should be recompensed for their additional time spent.
- 4.2 The Board Governance Task Group recommends that the pro rata day rate for Board Members is applied for a set number of days agreed for each Committee, and applied to all its Members in agreement with the Chair of Natural England. The Chair of the Committee would be eligible for payment for twice the number of days. This approach will be transparent and simple to operate.

5. Specific extra tasks or events

- 5.1 Exceptionally Board Members may become involved in areas of work, at the request of the Chair, that require significant additional time. It is considered appropriate that Members are also remunerated for such additional work.
- 5.2 As with remuneration for Natural England Board Committee work, Members would be paid per day and pro-rata to the existing rate.

6. Authorising extra remuneration

- 6.1 The regular programme of Board business and Committees should inform how Members allocate their time in order to discharge their responsibilities within the agreed number of days.
- 6.2 For exceptional work over and above this, once identified, the Chair and the relevant Board Member will agree the time input required, together with a review date. The arrangements will be noted in the minutes of the next Board Meeting.
- 6.3 It is recommended that Board Members receive retrospective remuneration for all qualifying time inputs so far made.

7. Aggregate level of Board remuneration

- 7.1 It is proposed that a case be made to Defra for the equivalent of three extra Board members worth of time (ie 90 days). 50 - 60 days of this is likely to be required for committee activity and the remainder will be available for extra work as described above. Natural England will provide in its annual report a summary of the remuneration paid to each Board Member.