



Title of Meeting: Board Meeting (Business)

NRW Office, Maes Y Ffynnon, Bangor

Date of Meeting: 12 May 2016

Board Members: Diane McCrea (Chair)
Madeleine Havard (Deputy Chair)
Emyr Roberts (Chief Executive)
Elizabeth Haywood
Ruth Hall
Andy Middleton
Paul Williams
Karen Balmer
Chris Blake
Howard Davies
Nigel Reader
Zoe Henderson

Executive Team in attendance: Clive Thomas, Director of Governance
Gareth O'Shea, Executive Director, Operations South
Tim Jones, Executive Director, Operations North and Mid
Ceri Davies, Executive Director, Knowledge, Strategy and Planning
Ashleigh Dunn, Executive Director, Organisational Development and People Management
Catherine Smith, Director for External Relations and Communication
Rob Bell, Head of Business Finance (para 1 to 17 only)

Secretariat: Geri Mills
Leah Edge

Standard Board Business

1. The Chair welcomed the public attendees, Board members and Executive Team to the meeting.

Apologies

2. Apologies were received from Kevin Ingram, Executive Director for Finance and Corporate Services, and Rob Bell, Head of Business Finance deputised for part of the meeting

Declarations of Interest

3. Nigel Reader noted a change to his interests as the JNCC Audit Chair has asked him to become an independent member of the JNCC Audit Committee, following the end of his term as an NRW nominee to the same Committee.

Minutes, Matters arising and Update from Committees

4. The minutes for the March 2016 Board meeting were ratified with no amendments proposed.
5. The Action log for the previous Board Meetings was reviewed and noted.
6. The Chair of the Remuneration and Transformation Committee (RemCom) confirmed that the Committee had not met following the last update provided at the March Board meeting. The minutes of the March meeting were presented and ratified by the Board, with a review of formatting required by the Secretariat. It was noted that the next meeting was on the 10 June 2016.
7. The Chair of the Audit and Risk Assurance Committee (ARAC) confirmed that the Committee had not met following the last update provided at the March Board meeting. The ARAC Chair said that following the March meeting which was attended by Mike Palmer from the Wales Audit Office, the Auditor General had launched the formal consultation on options to deliver his responsibilities under the Well Being of Future Generations Act. NRW will formally respond by the deadline of the 23 May and the Director of Governance confirmed that the draft response would be circulated to the Committee in the next few days. The minutes of the March 2016 ARAC meeting were noted and formally ratified by the Board.
8. The Chair of ARAC noted that ARAC was providing oversight for the development of the Annual Report and Accounts. The Chair of ARAC noted that he was very satisfied with the development of the accounts and that he had been working closely with the Executive Director for Finance and Corporate Services and Head of Business Finance.
9. Dorota Lee, the newly appointed Internal Audit and Risk Assurance Manager for NRW who was observing the Board meeting, was introduced to the Board.

10. The Chair of the Flood Risk Management Wales Committee reported that the last meeting of the FRMW would take place on the 20 May 2016 in St Asaph. It was noted that this was the day before the Environment Act comes into force, following Royal Assent in March. The Board noted that under the Act, the management and requirement for a Committee moves to Welsh Government with NRW representation. The Committee has developed a report to celebrate the work over the last 10 years and also highlighted the priorities for the future. This report will be finalised towards the end of May and then circulated to the Board members.

Action Point: Chair of the Flood Risk Management Committee Wales to circulate final report to Board members

11. It was noted that there was some concern about the gap between the commencement order for the Environment Act and the establishment of the new Committee by the Welsh Government and that the elected members to FRMW terms cease at the end of June 2016.
12. The Protected Area Committee is scheduled to meet on 7 June and the Chair of the Committee extended an invitation to the newer Board members to observe the meeting.

Interim End of Year Finance Report 2015/16 (NRW B 25.16)

13. The Head of Business Finance introduced the draft end of year Finance report to the Board. The WAO will report back at the June ARAC meeting with final reports to the Board via ARAC in July. Following review, the Auditor General will sign off the accounts, enabling publication. The Chair of ARAC confirmed that a session to scrutinise the accounts will be held with the Head of Business Finance on 27 May and an invitation was extended to other ARAC members to attend this session.
14. It was noted that the final carry forward from the last financial year had been higher than forecast and this was attributed to higher income, the focus on financial management by Directorates in order to contribute to the budget deficit for 2016/17, and a 'one off' final 'project Grant-in-aid' allocation from Welsh Government of £12.3 million.
15. The Head of Business Finance confirmed that 98% of invoices were paid within 30 days during March and that the additional pension fund payment would register in the 2015/16 accounts.

16. An error was noted in Table 2 of the paper as the column heading should read 2016/17 rather than 2015/16.

17. The Chair thanked the Finance team on behalf of the Board for the diligent financial management for NRW.

Performance Report 2015/16 – Report for Year End (1 April 2015 – 31 March 2016) (NRW B 26.16)

18. The Chief Executive introduced the report to the Board and asked individual Executive Directors to provide additional comments on a number of the performance measures. It was noted that the performance was assessed against the corporate plan and the remit letter from Welsh Government.

19. The overall summary indicated that performance against the 42 measures at 28 had been fully achieved (Green) and a further 9 measures were within 10% of their target so had been assessed as Amber at year end. The Board noted that three measures were presented as red and one was unpopulated pending the results of the People Survey 2016.

Good for Knowledge

20. The Good for Knowledge performance reported 4 green measures and 2 amber measures relating to the SoNNaR Report and Evidence Enabling Plan. The report noted the progress made in the following areas:

- the publishing of 96 data report on the Welsh Government Lle portal, under open data
- 11 projects with partner organisations, including area trials information to be published shortly, demonstrating partnership working
- continued work with Welsh Government to develop a Marine plan.

ACTION POINT: Executive Director of Knowledge, Strategy and Planning to circulate a briefing note detailing the 11 partnership projects to Board members

Good for Environment

21. The Good for Environment theme noted that the Water Framework measure was still red, as it is below the 50% measure for water bodies recorded as good ecological status. NRW continues to work with a range of partners to achieve the improvements required and the need for partnership working was reiterated, as NRW on its own will not be able to achieve the required changes.

22. The Bathing water measure was agreed as an example of excellent progress and it was noted that all 102 bathing waters have met the new stricter regulations for 2016.

ACTION POINT: Executive Director for Knowledge, Strategy and Planning to provide a briefing note for the Board regarding the improvements made for bathing water quality.

23. In considering the red measure for the condition of sites, the Deputy Chair noted that these were challenging measures but important ones to strive for. Although some measures were Red, it was important to maintain progress in these areas and that it was not just NRW who contributes to this but work needs to be done by NRW partners to help achieve the measures.

24. The green target for biodiversity was discussed and although this measure was agreed as met, Board members expressed their concern regarding the wider context of continued biodiversity decline.

Good for People

25. The Good for People theme reported 6 green measures and 3 amber. Some of the details reported included:

- Adverse weather had affected the maintenance of flood risk assets and we are now working on priority areas to catch up. Over £20 million had been invested in new flood risk schemes over the last year, with notable schemes at Dolgellau and Newton, Porthcawl.
- The volunteering scheme Cyfle has had a slight setback due to the increased work on the Business Area Reviews (BARs). It was noted that although NRW already works extensively with volunteers, more promotion and development work could be done to increase the number of volunteers for NRW. .
- The excellent work on the River Levels online service was noted, including the addition of 20 minute updates to the websites. This was a significant piece of work by the team and had been successful in raising awareness in those communities that may be at flood risk.
- Gold Awards from Visit Wales for the Coed Y Brenin and Nant Yr Arian visitor sites.

Good for Business

26. The Good for Business theme reported 7 green measures and 2 amber.

27. The improvement in our responses to planning consultations that had begun in the second half of 2014/15 continued throughout 2015/16, with 95% responded to within

the target time. In addition, timber sales for the year had exceeded targets, despite variable market conditions.

Good for Organisation

28. It was reported that the health and safety measure to minimise lost time incidents, has not been achieved, with 10 lost time incidents across the year. The staff engagement index measure will be reported in the annual report, due to the timings of the People Survey 2016.
29. There has been good progress throughout the year on reducing dependency on legacy organisations and therefore to deliver the benefits identified in the original business case for NRW.
30. The Chief Executive summarised the Board discussion by stating that NRW has performed strongly in a difficult environment but remains focused on the challenge to move forward, maintaining high delivery performance across the organisation balanced against internal change and review with the Business Area Review work ongoing.

Welsh Language Annual Monitoring Report 2015/16 (NRW B 27.16)

31. Lyn Williams, Welsh Language Policy Advisor, was introduced to the Board and provided a summary of the key points from the Annual Report. It was confirmed that good progress had been made with Welsh language training and that 25% of staff at NRW were fluent Welsh speakers. The positive influence achieved by the 'champions' within the organisation was noted and the Deputy Chair as Board Champion for the Welsh Language commended the progress that is being made.
32. The Welsh Language Policy Advisor then introduced NRW's proposed response to the standards that have been proposed for NRW by the Welsh Language Commissioner. The proposed standards are in line with NRW's current Welsh Language Scheme, with the exception of Standard 36 which would require the bilingual publication of a much higher proportion of technical documentation than is currently the case. The Board supported the need to challenge this proposal based on low demand and high costs based on the significant technical content produced by NRW annually. The Chief Executive clarified that where there is evidence of demand, then the relevant technical reports will be translated.
33. The Chair thanked the Welsh Language Policy Advisor on behalf of the Board for the clarity of the presentation and the ongoing work to help NRW achieve its ambitions

for the Welsh language. The Board approved the Annual Report and the proposed response to the Welsh Language Commissioner on the draft standards for NRW.

Development of the Corporate Plan 2017-22 (NRW B 28.16)

34. Howard Davies, Head of Corporate Planning, and Sue Ginley, Planning Performance Manager, were welcomed to the meeting. The outputs from the Board workshop to consider potential Well Being objectives was introduced to the Board, as well as the detailed plans for internal and external engagement to develop the Corporate Plan 2017-22
35. The Board welcomed the draft output from the Board workshop in April that had begun to scope potential Well Being objectives. The scale of the issues where NRW needs to make a major contribution is evident in the objectives that are proposed.
36. The engagement plans were noted and the Board emphasised how critical collaborative working and meaningful engagement will be in taking forward our new responsibilities and adopting new ways of working. The one off engagement is less important than the ongoing engagement, as plans are implemented and updated. Board members welcomed the suggestion for their involvement as some of the specific internal and external sessions.
37. The Chair summarised the discussion by highlighting the ambitious deadline of March 2017 and whether this was realistic given the timings for the availability of the State of Natural Resources Report, the National Natural Resources Policy, and the WG Programme for Government following the election. The emphasis should be on corporate planning that fully implements the principles and considers all the relevant requirements, rather than delivering a plan by a deadline. The Board agreed that it will need to revisit this issue in the coming months.

Second Cycle River Basin Management Plans: Priorities for Delivering Water Framework Directive Requirements (NRW B 29.16) and Metal Mines Strategy (NRW B 30.16)

38. Ruth Jenkins, Head of Natural Resources Planning, and Bob Vaughan, Strategic Environmental Planning Manager, made a joint presentation to the Board providing a general update on the implementation of the Water Framework Directive in Wales and the specific challenges presented to water quality from the legacy of metal mining throughout the country. The presentation illustrated the importance of metal mine restoration as a key priority to make further progress on WFD targets and how

integrated natural resource management solutions will be most effective, given the wider biodiversity and cultural interests of many of the sites.

39. The Board recognised that the problems arising from metal mining is a worldwide problem and that Wales, based on experience to date, is in a good position to take a lead on this internationally. The challenges of funding the restoration work was explored and the Board agreed that core funding can provide good leverage for other funding, and that innovative solutions such as the use of abstraction licence fees could be explored.
40. The Chair summarised the discussion by encouraging the executive to ‘think big’ on how to make further progress on this key issue for water quality in Wales.

Climate Change & Carbon Positive project update (NRW B 31.16) and Peatlands for the Future (NRW B 32.16)

41. Peter Jones, Peatland Ecologist, Anna Jones, Carbon Management and Climate Risk Advisor, and Jennifer Kelly, Carbon Positive Project Manager, were introduced to the Board and provided an update on the Carbon Positive project and Peatlands for the Future.
42. The Carbon Positive team outlined the challenges and opportunities for NRW to become an exemplar organisation in this area. The Board noted the progress and discussed the role that procurement can play in helping to leverage best practice in terms of reduced emissions etc. The team advised that they are meeting with Welsh Government later in the month and procurement links were part of the agenda. The Board also noted the opportunities for the project arising from NRW’s Accommodation Strategy
43. The Board reflected on the site visit to the Cors Erddreiniog the previous evening, in the context of the Peatlands for the Future paper. The Chair noted that the visit had provided an invaluable opportunity to meet with relevant stakeholders and view peatland management and monitoring on site.
44. The Board noted the opportunity for NRW to take forward best practice peatland restoration and management on the 11,000 hectares of peat, in varying degrees of condition, on the NRW estate. Restoration is prioritised based on feasibility and potential multiple benefits, and the Board highlighted the potential relationship with the Land Management Business Area Review which should be further explored.
45. In summary, the Board agreed that the issues and challenges around peatland restoration are best tackled through good partnership and stakeholder engagement, as the management understanding of restoration best practice is well understood.

Update on the progress to deliver the Better Regulation Delivery Office (BRDO) Recommendations (NRW 33.16)

46. Isobel Moore, Head of Business, Regulation and Economics, joined the meeting and presented the report to the Board. The report updates the Board on the progress being made to deliver the recommendations detailed in the Better Regulation Delivery Office's (BRDO) document "A Review of Natural Resources Wales against the Principles of Good Regulation".
47. The three main areas to concentrate on over the next 12 months were highlighted as: improved digital services via NRW's website; earlier regulatory interventions to avoid non-compliance; and general better business engagement.
48. The Chair of ARAC made the offer for the Committee to continue to exercise oversight over the implementation of all the recommendations ahead of periodic reports to the Board.
49. The Chair summarised that the Board was content with progress and that ARAC should continue to monitor the detailed implementation plan.

Action Point: Secretariat to update the ARAC forward look

Chair's Report (NRW B 34.16)

50. The Chair had provided a written summary that outlined the meetings and events that had been attended. In addition, there are the regular meetings with the Minister and Welsh Government.

Chief Executive Report (NRW B 35.16)

51. The Chief Executive highlighted a number of items from his written report, including the Memorandum of Understanding with Welsh Universities and the relevance of this development for NRW.

ACTION POINT: The Chief Executive to bring an item to the September meeting to update on the network with the Welsh Universities

52. The Chief Executive, Chair and Deputy Chair had all spent time with NRW staff at the Coastal Practitioners Conference in Llandudno, which focused on a number of projects which are helping to solve the problems of coastal flooding.

53. The Deputy Chair highlighted the Defra-led JNCC review, which is due to conclude shortly. NRW's position on the value of JNCC is clear, however there are a number of wider UK political pressures for change, as well as financial challenges for the current arrangements. The Chair of ARAC offered to discuss the insights he has gained to the review, through his role on the JNCC ARAC.

ACTION POINT: Deputy Chair and Chair of ARAC to discuss JNCC review

Well-being, Health & Safety Report (NRW B 35.16)

54. The Executive Director for Organisational Development and People Management presented the Wellbeing, Health & Safety report to the Board. The report contains the end of year figures for accident and near misses reporting and it was noted that the more comprehensive systems appeared to be establishing a positive culture of reporting. The sickness absence percentage for the year was reported to be 2.2% compared to an average of 2.5% within the public sector.

55. The Local Issues paper was presented by the Executive Director, Operations North and Mid Wales, focusing on the development of several renewable energy schemes in North Wales.

Any Other Business from the Board

56. It was noted that the next meeting of the Board in public will be held in Aberystwyth on 7 July.

57. The Deputy Chair welcomed the new Board paper template and asked that consideration be given to a further development so that contribution to Well Being goals is highlighted.

ACTION POINT: The Director of Governance to consider the suggestion and to report back to the Board

58. The Chair closed the meeting by thanking the Executive Team, Secretariat and others who had supported the arrangements for the Board meeting.

59. After the close of the formal Board meeting the Chair invited observations, comments and questions from the public attendees. A number of attendees confirmed how useful it had been to attend the meeting and several specific questions were asked. These questions, along with the responses are shown in Annex 1.

Annex 1

Public Questions

1. An attendee -

From the Corporate Performance update I was struck by how difficult it was to get understandable information across Wales that benefits the people and the environment of Wales. Another example of this was the RSPB project. If there are similar projects happening by organisations can there not be some sharing of information? This would enable organisations to share good practice, create collaborative working and enable all to learn lessons.

Chair -

We will raise this at the Public Service Boards which will be looking at delivering the wellbeing goals. We will also take this forward and discuss with the Future Generations Commissioner, Sophie Howe to work together to reduce the duplication of work.

2. An attendee -

Second point, I would like to congratulate NRW on the Welsh Language paper and the work that NRW do to promote the Welsh language. It is good to see the commitment of staff and Board members to learn Welsh. In relation to the Standard 36 section challenge, I would urge you to reconsider. We are educating young people in technical subjects and I think it's important that these documents are translated. Could you not find a more creative solution than to refuse?

Chief Executive-

Thank you for the question. I'm supportive of your suggestion and I would like to discuss this further with our Welsh Language Policy Advisor and with the Welsh Language Commissioner.

3. Martin Bishop, Confederation of Forest Industries (Confor)

In light of the many discussions on priorities will you review your obligations and how you fulfil, in particular with restocking? Is this budget going to be ring-fenced?

Chair -

Thank you for your question, we will take this away and consider it.

Chief Executive-

There is a balance between felling and restocking and at the moment I agree that we are behind with restocking due in the main to the exceptional circumstances of larch disease in Wales.

4. Martin Bishop, (Confor) -

I would like to offer on behalf of the forest sector the use of a building to host a Board meeting.

Chair -

Thank you for the offer but we try to use our own offices for Board meetings, or a suitable public facing venue.

5. An attendee -

Included in the Brecon Beacons National Park Authority's Corporate Plan for 2016-2017 is the delivery of a geocaching project for 300 young people and 30 coaches. What steps, if any, have been taken by this Board to align itself with this objective of the BBNPA, through promoting geocaching on Welsh Government owned or leased land, which could generate greater interest in geocaching, including that on land adjacent to NRW's Garwnant Visitor Centre, on which there is a current planning application by Forest Holidays for 40 log cabins

Executive Director, Operations South

We do support the activity Geocaching on NRW land and do not expect people to inform us when they are undertaking this activity on our land, however we ask all members of the public to respect the wildlife and natural habitat.

Chair -

We will also provide a fuller written response as well.

Written response –

NRW response to Board question on geo-caching in BBNP area

NRW supports geocaching activity and encourages geo-cachers to act responsibly and safely whilst pursuing their activity on NRW managed land. We have overarching master agreement with umbrella organisation for geo caching in the UK (Geo-caching Association of GB) that sets out criteria and guidelines for geo-cachers.

We do not expect people placing caches, or following a geo cache trail, to inform us of their activity, unless it's a formal or organised group/event – in these cases, we expect them to use our Mynediad framework in same way as other event organisers.

We ask people placing geo caches on land that we manage to do so sensitively and with the understanding that they may be moved and/or removed during harvesting or other land management operations. We ask that people observe all safety signage and act accordingly. We also ask that no geocaches are placed on sensitive sites and if people are in doubt as to the status of a site then they should contact NRW.

At several sites that we manage we have installed specific geo cache trails with accompanying leaflets. These are aimed at people new to the activity, or who have small children who want a taster session – as by its very nature geo caching does not lend itself to a standardised trail.

So we do support the geocaching objectives of BBNP and others and if you search via the web for geo-caches in Wales you will see that there are literally hundreds all around land that we manage, including sites in and around the Garwnant site. However, NRW **does not and will not take on the management responsibilities** for the activities and trails (including inspection and maintenance) or promotion of these activity ourselves but they are utilised regularly and are publicised by individuals and bodies such as Geo-Caching Association of GB.

6. Kate Gibbs, North Wales Wildlife Trust-

I would like to take this opportunity to ask you to reconsider the withdrawal of funding of Natur Cymru magazine. The subscribers are supporters of NRW and it would be a real shame if this decision was upheld.

Director of External Relations and Communications-

You will have heard during this Board meeting that we have had to make some hard decisions regarding allocation of funding. This decision is not about the commitment of NRW to biodiversity and nature conservation and we are still very committed to supporting the magazine through the provision of content and articles.

Chair of NRW-

I understand your concerns and note your question. This is under scrutiny and we will consider your question but I cannot guarantee that we will reconsider the decision.

7. An attendee -

This is a comment on your annual report. In respect of the WGWE, insufficient information on the income and costs in relation to the WGWE should be addressed seriously. Main way we can assess that NRW is delivering value for money.

Chair of NRW-

We will take away your question and respond in due course.

Executive Director for Knowledge Strategy and Planning-

We had a meeting with the forestry sector this week and we are trying to understand better the information needs that would be useful and helpful, and to be as transparent as we can be whilst gathering all the interests together.