



Title of Meeting: **Board Meeting (Business)**

The Morlan Centre, Aberystwyth

Date of Meeting: 7 July 2016

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

Executive Team in attendance: Clive Thomas, Director, Governance
Tim Jones, Executive Director, Operations North and Mid
Ashleigh Dunn, Executive Director, Organisational Development and People Management
Catherine Smith, Director, External Relations and Communication
Kevin Ingram, Executive Director for Finance and Corporate Services

Additional Attendees: Mike Evans, Head of Evidence Knowledge and Advice – Agenda item 7
Andrew Johnson, Head of People Planning and Business Change – Agenda item 4
Catrin Hornung, Head of Communications Agenda item 5
Ruth Jenkins, Head of Natural Resources Planning – Agenda item 6
Bob Vaughan, Manager Sustainable Land Farming and Forest Management – Agenda item 8
Phil Morgan, Senior Environment Officer – Agenda item 8

Secretariat: Leah Edge

Standard Board Business

1. The Chair welcomed the Board members and the Executive team to the meeting, as well as acknowledging a number of public attendees

2. Apologies for absence were noted from Board members Karen Balmer and Elizabeth Haywood and from Executive Team members Ceri Davies, Niall Reynolds and Gareth O'Shea
3. There were no new Declarations of Interest.

Minutes & Matters arising, Committees, Minutes & Matters arising

4. The minutes from the May Board meeting were reviewed and ratified with a number of minor corrections:
 - Para. 15 – payment performance was for March, not the full year and the additional pension fund payment would register in the 2015/16 accounts, not in 2016/17 as recorded
 - Paras. 58 and 59 – paragraphs to be reversed
 - Question 6, page 13 - Kate Gibbs not Gribbs as recorded
5. The Action Point Log was reviewed and the following points clarified:
 - Item 4 was discharged with circulation of hardcopy updates to the meeting
 - Item 7 was clarified as Deputy Chair and Chair of ARAC to discuss JNCC review. Confirmed as discharged
6. The Chair of the Remuneration and Transformation Committee (REMCOM) had provided to the Board prior to the meeting the minutes of the last Committee meeting. These were ratified by the Board.
7. The Chair of REMCOM presented proposals for revised Terms of Responsibility for the Committee, with a recommendation for a change in the Committees name. It was agreed that the revised terms of responsibility better matched the required role and that the change of name to the People & Remuneration Committee, was appropriate in recognising the increased focus on strategic people issues, whilst continuing to acknowledge the important governance role of the Committee.
8. The Chair of the Audit and Risk Assurance Committee (ARAC) presented ARAC's Annual Report 2015-16 to the Board, drawing particular attention to the overall statement of a high level of assurance in the report. The Board discussed the report and proposed a number of small changes before the report was finalised.

ACTION POINT: The Director of Governance to finalise the ARAC Annual Report in line with the Board discussion and to circulate to the Board in due course

9. The Forward Look for the Committee was highlighted, including the intention for ARAC's overview of the transformational changes in pursuit of BAR

recommendations and the continuing close relationship with the Wales Audit Office (WAO) in taking forward the implementation of the integrated reporting requirements of the Well Being of Future Generations Act.

10. NRW's response to WAO's enquiries of those 'responsible for governance in respect of fraud risk' was presented and it was noted that although the WAO were satisfied that this responsibility rested with ARAC, the Chair of ARAC was keen that the full Board has visibility on the response.
11. The minutes of the ARAC meeting held on the 10 June were ratified by the Board and the ARAC Chair outlined the proposal to ensure that the full Board has visibility on the development of the Annual Report and Accounts for the current financial year. The Annual Report & Accounts 2015/16 (the last financial year), overseen by ARAC, will be tabled for the full Board in September

ACTION POINT: The Secretariat to include the final Annual Report & Accounts 2015/16 on the agenda for the September Board meeting

12. The Chair of the ARAC advised the Board that he had attended the JNCC ARAC meeting in June and been asked to provide scrutiny oversight of the JNCC Annual Report & Accounts 2015-16. The Chair of ARAC will continue to attend JNCC ARAC meetings but as an external independent member, rather than as a NRW nominee
13. The Deputy Chair, as Chair of the Flood Risk Management Wales Committee, provided a verbal update to the Board and reported that the 20 May meeting was the last formal engagement for the committee. It was reported that the Legacy Statement report required amendment, following input from the Committee and that it would be circulated to the full Board as soon as it was finalised.

ACTION POINT: The Chair of the Flood Risk Management Wales Committee to circulate the Legacy Statement Report when finalised.

14. With the cessation of the Committee, arrangements for the future handling of the formal role undertaken on behalf of the NRW Board by the Committee, would need to be agreed.
15. The Chair of the Protected Area's Committee reported to the Board that the Committee had met on 7 June to consider objections to the designation of a new SSSI in South Wales. A number of Board members received training in the role of the Committee prior to the meeting and then went on to sit on the Committee, which confirmed the SSSI designation, later in the day.

16. Committee members expressed their appreciation of the professional officer input to the meeting and suggested that wider work to support SSSI designation and management should be more widely promoted

ACTION POINT: The Chair of the Flood Risk Management Wales Committee, Chair of ARAC and Executive Director for Finance and Corporate Services to agree how best to involve the Board in the financial governance of Flood Risk Capital projects

End of Year Finance Report 2015/16

17. The interim End of Year Finance Report was presented to the Board at the last Board meeting and the Executive Director for Finance and Corporate Services reported that there had been no significant changes, although a few minor updates had been made.
18. The Board discussed the high-level of carryover (£23M) from FY 2015-16 to 2016-17. It was outlined how this carryover has been used to achieve a balanced budget, however due to the one-off nature of the funding it has been necessary to ensure this is directed more at project work rather than ongoing liabilities. The Revised Budget for the financial year 2016-17 was approved by the Board and will be used from the end of Quarter 1.
19. The Board requested that consideration be given to how financial reporting of Flood income and expenditure, can be incorporated into the Finance Report from September. Additional detail was also requested on the breakdown of budget performance, ideally at Directorate level.
20. It was noted by the Chair of ARAC that the financial control exercised by NRW was very good and that ARAC could offer full assurance to the Board on this control

Wellbeing, Health & Safety - Board Report and Annual Report 2015/16

21. The Executive Director, Organisational Development and People Management introduced Andrew Johnson, Head of People Planning and Business Change.
22. The good progress on H&S management was noted in the annual report, including the integration of three legacy systems into one NRW system. The improvements and trends now reported in MyNRW were discussed and it was noted that sick absence reporting levels were now more realistic, although it was agreed that there is probably still some under-reporting

23. The progress around the management of staff wellbeing was discussed and the initiative for the training of staff in Mental Health First Aid was welcomed by the Board.
24. The Head of People Planning and Business Change responded to a number of detailed questions from the Board, before the Chair summarised by welcoming the progress reported in the Annual Report and asked the Head of People Planning and Business Change and the Executive Director, Organisational Development and People Management to thank all those involved with helping to manage this important issue.

Marketing & Communications Plan

25. The Director, External Relations and Communication introduced Catrin Hornung, Head of Communications, who outlined the draft Marketing and Communication Plan to the Board.
26. The outline of the campaigns that the Communications team were planning for the upcoming year was presented and the Board were asked to approve the timescale for the plan. The ambitiousness of the campaigns and the plan in general, was noted by the Board.
27. The Board approved the Plan and it was agreed that the Director, External Relations and Communication would report back to the Board on progress on a quarterly basis.

Position Statement Conservation Translocations Paper

28. Ruth Jenkins, Head of Natural Resources Planning, introduced the Paper to the Board and briefly described the Position statement. The level of expertise apparent in the detail in the report was noted and commended.
29. The Board asked about charges for the necessary licences for translocations, especially given the detailed assessment that might be required in considering some applications. It was agreed that in the final Position Statement, there should be more clarity about this aspect of NRW's role in licensing translocations.
30. The translocation of Beaver in Wales was discussed and it was clarified that NRW is currently considering a number of licence applications, at various locations.
31. The Board approved the Position Statement on Conservation Translocations with the minor amendments that had been proposed.

ACTION POINT: Head of Natural Resources Planning to finalise the Position Statement and to arrange for publication on NRW's website and circulation to the Board

State of Natural Resources Report - Status Update

32. Mike Evans, Head of Evidence Knowledge and Advice informed the Board of the progress to produce Wales' first State of Natural Resources Report and provided a brief overview of the structure of the report, drafts of which had been previously discussed by the Board. The proposed next steps and challenging timeline was outlined as follows:

- Complete the final draft of all chapters by **15 July 2016**
- Undertake an edit of the complete document **15-22 July 2016**
- Final draft of content to Board members for endorsement **30 July 2016**
- External review of whole document **30 July to 15 August 2016**
- Final version to Board for awareness, prior to publication **30 August 2016**.
- Publication at **end of September**

33. The Board discussed the progress and content of the report and highlighted the links to human wellbeing of many of the issues that will be reported. The importance of using natural resources in a way and at a rate that maintains and enhances the resilience of ecosystems and the benefits they provide is the basis for the report and the links to the likely key challenges with the Welsh Government's National Natural Resources policy, were acknowledged.

34. The Board considered the likely impacts of climate change and the impact on the expansion or contraction of some species ranges. This helped to demonstrate the complexity of understanding the information in the report and the potential policy or management responses.

35. The Board noted the challenging timeline and the Head of Evidence, Knowledge and Advice confirmed that the Environment Act states that NRW must publish a first version of the report within 4 months of enactment of the Act. The Chair summarised by recognising the huge amount of work that is currently going into producing the report and reiterated that the report will continually be developed and updated over time, to inform future delivery and priorities for NRW, Welsh Government and Wales as a whole.

Agricultural Pollution Issues

36. The Chair welcomed Bob Vaughan, Manager Sustainable Land Management, Farming and Forestry and Phil Morgan, Senior Environment Officer to the meeting who jointly updated the Board on the impact of agricultural pollution in relation to the challenges of meeting Water Framework Directive targets and other related issues, such as biodiversity decline.
37. The Board agreed that the presentation highlighted some alarming issues and the impact on pollution from adverse weather conditions and the increased intensification of the dairy industry was discussed. The Board supported the proposals for a wide range of interventions, alongside regulation, to help drive improvements.
38. It was agreed that there needed to be a shift from a reactive way of working to working with agricultural sector in order to drive forward improvements in natural resource management. The Board also encouraged innovative and integrated solutions, such as the production of renewable energy from anaerobic digesters, to reduce the need for slurry spreading on land.
39. The Chair summarised by reminding the Board that the same presentation had been made to the previous Minister and that it will be important for NRW to maintain its focus on supporting transformational change in slurry management, as the benefits could be significant.

Chair's Report

40. 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 Cabinet Secretary and the Welsh Government.

Chief Executive Report

41. 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 to the development of NRW's evidence base.
42. The Director of Governance clarified that NRW's linked charities are currently Size of Wales, Water Aid and Tree Aid, continuing predecessor arrangements for these charities to be promoted to staff on an entirely voluntary giving basis. There is no direct sponsorship of the linked, or any other, charities by NRW.

Local Issues briefing

43. The Executive Director, Operations North and Mid outlined a number of local issues for the Board and the public attendees. Although all bathing waters in Ceredigion meet EU standards, there are a few hotspots with ongoing issues in times of high rainfall.
44. The ongoing community engagement regarding a permit for a shellfish fishery in New Quay was discussed, as was the proposal, which will require a licence from NRW for a bronze tree statue to be located on Borth beach, to help showcase the fossilised ice age tree stumps that are apparent at low tide.

Any other Business from the Board and from attendees

45. It was noted that the next meeting of the Board in public will be held in Cardiff on 29 September
46. The Chair closed the meeting by thanking the Executive Team, Secretariat and others who had supported the arrangements for the Board meeting.
47. 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. Kerry Lewis, University of Aberystwyth -

Kerry highlighted that the linkages and integration of the Well being of Future Generations and Environment Acts will be critical. Also NRW was asked if the State of Natural Resources Report will be published separately?

Response: The Head of Evidence confirmed that the State of Natural Resources Report will be a standalone document, published by Natural Resources Wales

2. Local Councillor (name unknown)

The councillor expressed his interest in the agriculture pollution presentation and asked if the map of hotspots indicated that there were issues in the Ystwyth valley.

Response: The Chair agreed that this question would be taken back and that a written response will be provided in due course

Written Response: Between 2010 and 2016 there were 13 incidents involving slurry and silage pollution reported to NRW in the Ystwyth catchment. The majority of these were minor incidents involving beef and dairy farms in the valley. The local NRM team have worked with the farms involved to put improvement plans in place and appropriate enforcement measures were taken. Following this work there has been no reported incidents since 2012. It is considered that agricultural pollution is not currently impacting on the WFD status of the Ystwyth.

3. Helen Johnston- Salmon and Trout Conservation

Helen confirmed that she had submitted a detailed set of written questions but summarised by highlighting the habitat improvement work undertaken by her own organisation and welcomed the proactive approach to tackling agricultural pollution by NRW and thanked NRW for the good work to date. However, Helen said that the paper today shows how big this problem is, so asked whether the board agreed that the current approach is fully effective and what plans do NRW have for increasing staff resources for this work?

Response: Tim Jones, Executive Director Operations Mid and North Wales answered that there has been a big increase in the reporting of incidents, which has made it difficult to move all the resources away from reactive work to more proactive measures. Madeleine

Havard identified the dilemma of sufficient resources to make the move from reactive to proactive working, due to the potential lag in response

In addition, full written responses (available on request) have been provided in relation to the following questions submitted in writing to NRW

Questions submitted via email for the NRW Board meeting on 7 July 2015 from Salmon & Trout Conservation Cymru and Afonydd Cymru:

- 1) Do you agree that Regulation is currently ineffective at tackling the problem of wide spread agricultural pollution and what are your views on our suggested approach to a workable solution?
- 2) Given that the paper presented to the Board at today's meeting (Paper Ref: NRW B B 46.16) clearly illustrates that the situation with agricultural pollution is out of control, how can a reduction in the number of staff engaged on farm inspections, and even the stopping of farm visits in some areas, with responses only being made to reported pollution incidents, be justified?
- 3) S&TC Cymru are concerned to hear recent anecdotal evidence and media reports about poaching pressure on sea trout - what are your views on this issue and what are NRW's plans for achieving greater levels of enforcement to tackle poaching?
- 4) Tidal lagoons – what is the current status of the applications that have been submitted for the proposed tidal lagoon at Swansea Bay?