



# Confirmed Board Minutes

**Title of Meeting:** NRW Board Meeting – Public  
**Location:** Angel Hotel, Abergavenny

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**Date of Meeting:** Thursday 24<sup>th</sup> January 2019

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**Board Members present:** Sir David Henshaw, Chair  
Clare Pillman, Chief Executive  
Karen Balmer, Chair of Audit and Risk Assurance Committee(ARAC)  
Chris Blake  
Catherine Brown  
Julia Cherrett  
Geraint Davies  
Howard C Davies  
Dr Elizabeth Haywood  
Zoë Henderson, Chair of People & Remuneration Committee(PaRC).  
Prof Steve Ormerod  
Dr Rosie Plummer  
Sir Peter Rigby

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**Executive Team present:** Kevin Ingram, Executive Director for Finance and Corporate Services  
Gareth O'Shea, Executive Director, Operations South  
Catherine Love, Director, Customer, Communications and Information  
Niall Reynolds, Transformation Portfolio Director  
Ceri Davies, Executive Director of Evidence Policy and Permitting

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**Additional Attendees Present:** Tracey Mayes, Chief Executive Business Manager  
Steve Morgan, Head of Operations South East Wales item 3  
Fenn Turner, Senior Natural Resources Planning Manager item 3  
Jeremy Parr, Head of Flood Risk and Incident Management item 4  
John Hogg, Head of South Central Operations item 4  
Rob Bell, Head of Finance item 5 and 6  
Mike Evans, Head of Evidence item 7  
Julie Boswell SoNaRR Advisor item 7

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**Secretariat:** Jenn Jones

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## 1. Welcome

1.1 The Chair welcomed members of the public to the meeting and confirmed that the meeting would be recorded for the benefit of the production of minutes. The recording

would be deleted when Minutes were confirmed. The Chair explained that there would be an opportunity for questions from the public at the end of the meeting.

## Apologies

1.2 Tim Jones, Executive Director for Operations Mid and North tendered apologies due to a conflicting meeting appointment.

## Declarations of Interest

1.3 No declarations of interest made.

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## 2. Update Reports of Statutory Sub-Committees

### People and Remuneration Committee (PaRC) – Paper NRW B 19.05

2.1 Zoe Henderson, Chair of PaRC, referred Members to the written report as presented from the Meeting on 6<sup>th</sup> December 2018. The Committee Chair confirmed that new Board Members had attended the meeting along with Sir David Henshaw (Chair of NRW Board).

The Board noted the report presented with no issues raised.

### Audit and Risk Assurance Committee (ARAC) - Paper NRW B 19.06

2.2 Karen Balmer (Chair, Audit and Risk Assurance Committee, ARAC) referred Members to the written report as presented from the Meeting on 7<sup>th</sup> December 2018. The Committee Chair confirmed that new Board Members had attended the meeting, the Board noted the report presented with no issues raised.

### Joint Nature Conservation Committee (JNCC) – Paper NRW B 19.07

2.3 Prof Steve Ormerod, Board Member appointed to represent NRW at JNCC, referred Members to the written report presented. Prof Steve Ormerod confirmed that a report from the Marine protected areas subgroup had been discussed and there was a requirement for a Welsh Member. Board approved the request and confirmed that Prof Steve Ormerod will also represent Wales on the JNCC Marine Protected Areas Subgroup.

### Flood Risk Management Advisory Group (FRAMG)–

2.4 Dr Elizabeth Haywood, Group Chair confirmed that no meeting had taken place since the last formal report to the Board. A verbal update was given highlighting the following:

- Internal Drainage Districts – rates and levies will be considered under item 6 on the Board Agenda
- Flood Risk Capital Programme – The Board were asked to note that the programme is underspent by £3 million. The Board were asked to approve the bid for a budget application of £17.6 million for 2019/20 be submitted to Welsh Government for approval. The Chair confirmed the Board approval for the bid as outlined.

2.5 The NRW Chair sought ratification for the appointment of Board Members to NRW Committees and sub groups as follows:

- **PaRC** – Zoe Henderson (Chair), Karen Balmer, Howard C Davies, Julia Cherrett

- **ARAC** – Karen Balmer (Chair), Rosie Plummer, Chris Blake, Peter Rigby, Catherine Brown (Temporary Acting Chair)
- **Protected Areas Committee** – Howard C Davies, Elizabeth Haywood, Steve Ormerod, Rosie Plummer
- **FRMAG** – Elizabeth Haywood (Chair), Chris Blake, Julia Cherrett, Geraint Davies
- **Finance and Planning Sub Group** – Chris Blake (Chair) – committee members yet to be appointed

The Board approved the appointments to NRW Committees and Sub Groups.

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### 3. Local Presentation

3.1 Executive Director for Operations South introduced the Head of Operations South East Wales and the Senior Natural Resources Planning Officer welcoming them to give the local presentation to the Board. The presentation outlined the diversity of the landscape, infrastructure and industry in the South East Wales area.

3.2 The presentation focused on the

- integration opportunities and the current focus of the local teams when working with Public Services Boards.
- projects being delivered by the teams which demonstrated key successes for the sustainable management of natural resources, SMNR.

3.3 The Board highlighted the following points from the presentation and video:

- Exemplar approach and emphasises everything that the Board strives for in liberating staff in place-based delivery supported by consistency in policy framework.
- Autonomy to try, and sometimes fail, is key to this approach but there is a need, as an organisation for there to be a framework that supports this approach.
- The absence of a proper risk management framework was noted.
- Private sector engagement and building and improving those relationships are key in developing this approach.
- Linking with communities – major review of communication strategy is ongoing, with emphasis on local and place-based basis, which also should also include a platform for listening.

3.4 The Chair opened the session to observations from the public, noting the following

- Willingness from the Chartered Arboriculturist sector to engage with NRW.
- Public Service Boards (PSB's) are not something the public widely understands and the interaction between the PSB's and Area Statements is worrying as there is a perceived gap in an area from Powys across to the west coast of Wales.

3.5 In response the Executive Director of Evidence Policy and Permitting gave an update on the process undertaken by NRW on the development of Area Statements across Wales.

#### **4. Roath Flood Scheme NRW B 19.08**

- 4.1 The Head of Flood Risk and Incident Management and the Head of South Central Operations were welcomed to the Meeting by the Executive Director for Operations South.
- 4.2 The Board were given a short briefing detailing the background of the project and the work under taken by NRW during Phase 1 and Phase 2, confirming that work is now complete on both phases.
- 4.3 The Head of South Central Operations explained that the recommendation was that Phase 3 of the project should be considered as a stand alone scheme where an options appraisal and business case can be developed and considered against wider priorities across Wales.
- 4.4 The Board noted the following:
- Clarification on the opposition expressed by the local groups to the Scheme noting that the opposing groups are open to collaborative communication with NRW.
  - Clarification to the responses from affected local householders which was mixed
  - Current evidence shows that there was no detriment to Phase 1 and Phase 2 if the decision was made to revisit options for Phase 3.
  - NRW confirm that there is still a flood risk to the area.
  - Wider consideration needs to be given to different stakeholders, balancing the risk of flooding with wider public concern.
- 4.5 The Chair confirmed the Boards approval for the recommendations as set out in the paper presented.

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#### **5. Finance Report NRW B 19.09**

- 5.1 An introduction was given by the Executive Director for Finance and Corporate Services who confirmed that a letter was expected from Welsh Government which detailed proposed changes to Welsh Government approvals. The Board will receive an update of the proposed changes at the March Board Meeting.
- 5.2 The Head of Finance presented the Finance Report for November 2018 confirming that the December Finance Report, detailing the quarter 3 review, will be presented to the NRW Executive Team shortly. The Board were asked to note that income tracking was on target, the timber income forecast was slightly reduced due to a reduction in volume but was still on forecast to reach £25.3 million. The Board were referred to the challenges to spend budget as detailed in Annex A of the paper.
- 5.3 The Board noted the following:
- A need for the finance performance report to reflect value for money and the relationship between financial reporting and operational performance reporting.
  - A need to address the internal challenges associated with under spends presented within annex A.

- The Board suggested that NRW consider making a provision for the IR35/HMRC issue.

5.4 The Executive Director for Finance and Corporate Services confirmed that feedback from Wales Audit Office highlighted that best practice would be for the NRW Board to formally approve the Annual Report and Accounts. The role of the ARAC was to provide assurance to the Accounting Officer. It was requested that the date of the ARAC meeting in July 2019 be reviewed to allow for the change in process.

**Action Point:** *Secretariat to liaise with ARAC Members to ensure the ARAC July meeting takes place prior to the Board Meeting in July to allow for ARAC scrutiny of the Annual Report and Accounts.*

5.5 The Board noted the report as presented and agreed the process as outlined for the approval of the Annual Report and Accounts.

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## 6. Internal Drainage Board Levies 2019/20 NRW B 19.10

6.1 The Executive Director of Finance and Corporate Services presented the paper to the Board noting that the Agenda item should be titled 2019/20.

6.2 The Head of Finance clarified the context of the charges and changes proposed to the Board within the paper, confirming that a request for final approval will be submitted to Welsh Government following Board consideration.

6.3 The Head of Finance set out that he would discuss the recommendations in 2 parts. The first being the changes to how future precepts for C&W would be calculated and secondly the approval of funding for next financial year.

6.4 The current calculation of precepts of Caldicot & Wentlooge IDD includes a 25% contribution towards capital on main rivers and sea defences which they benefit from is a cause of concern for NRW and the Advisory Group (includes local stakeholders). The proposal is that any capital scheme within this area is 100% funded through grant in aid in future, which is the same as other schemes undertaken in Wales. As this is a change to a historical agreement and could be viewed as contentious, due process has been followed. As Chair of FRMAG Elizabeth Haywood is content with what is being proposed.

6.5 Head of Finance confirmed that initial engagement with WG has been undertaken and that they are comfortable with the approach in bringing Caldicott & Wentlooge IDD in line with others across Wales.

**APPROVED:** the novel, contentious or repercussive request for the change in calculation of the future precepts for the Caldicot & Wentlooge IDD.

6.6 The Head of Finance then outlined the requirement for the Board to approve precepts, special levies and drainage rates of the IDD's.

6.7 A map of IDD areas in Wales was referred to, and what expenditure and income budgets are attributed to each of the IDDs, NRW is the administrative body for all IDDs and there is a requirement for the Board to approve special levies, drainage rates and precepts. Attention was drawn to Special levies and Drainage Rates proposals and the process followed in terms of engagement with advisory groups and landowners, and discussions with FRMAG - As Chair of FRMAG Elizabeth Haywood was content with what is being proposed.

**APPROVED:** the proposed Precepts, Drainage Rates and Special Levies for 2019-20 for internal Drainage Districts (IDD's).

6.8 Discussion around the role and purpose of IDDs, and the process whereby the IDD Advisory Groups are consulted on rates and levies. It was suggested that this might be a future item to bring to Board and/or FRM-AG, depending on their other priorities in agenda setting.

**ACTION:** Add Internal Drainage Districts (role and purpose, and consultation processes) to the Forward Look for agenda items for Board and for FRMAG

6.3 The Head of Finance highlighted that the calculation of the Precept of the Caldicot & Wentlooge IDD is a concern for NRW and the IDD Advisory Group. The proposal is that any capital scheme within this region is 100% funded through Grant-in-Aid. As this is a change to a historical agreement, and could be viewed as contentious, due process has been followed. As Chair of FRMAG, Dr Elizabeth Haywood confirmed agreement with the proposal. It was confirmed that initial engagement with Welsh Government indicates that they are happy with the approach proposed.

**ACTION:** *The Board asked that FRMAG consider the effectiveness of the process of addressing issues in more detail at its next meeting – Jeremy Parr/ Dr Elizabeth Haywood*

6.4 The Board proposed a discussion at a future Meeting to discuss the continued funding of reclaimed land.

**ACTION:** Discussion on the future funding of reclaimed land to be held at a future meeting of the NRW Board. Ceri Davies/Jeremy Parr to propose meeting date, Secretariat to note forward look.

6.5 The Board reviewed a map of the Internal Drainage Districts within Wales for which NRW is the administrative body. The Board noted the Special Levies and Drainage Rates proposed and the process followed during the engagement of advisory groups and landowners. The Head of Finance confirmed that discussions with the Chair of the FRMAG, Dr Elizabeth Haywood had confirmed agreement with the proposal as presented to the Board.

6.6 The Chair confirmed the Boards approval of the recommendations within the paper as follows:

**APPROVED:** the proposed Precepts, Drainage Rates and Special Levies for 2019/20 for Internal Drainage Districts (IDD's).

**APPROVED:** the novel, contentious or repercussive request for the change in calculation of the future Precepts for the Caldicot & Wentloog IDD.

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## 7. State of Natural Resources Report (SoNaRR) II NRW B 19.11

7.1 Executive Director of Evidence Policy and Permitting introduced the Head of Evidence and the NRW SoNaRR Advisor to the Board Meeting. It was highlighted to the Board that NRW is the only organisation worldwide to have the responsibility of producing a report which showcases the evidence base advisory and advocacy roles that NRW delivers. The Report is regarded by the Director General Environment in the European Commission as an example of best practice.

7.2 SoNaRR underpins key policy and decision-making tools across Wales, such as the Natural Resources policy and provides the evidence base for the Public Service Boards wellbeing assessments supporting the Well Being and Future Generations Act, Future Trends Report.

7.3 The Head of Evidence gave a presentation to the Board clarifying the development and role of SoNaRR1 and confirming the proposed development steps for SoNaRR2. The report is not an environmental report but a report on the wellbeing of people, the report also records how well we are doing in achieving Sustainable Management of Natural Resources (SMNR).

7.4 The Board highlighted the following:

- A recommendation that the engagement plan sits within the wider stakeholder engagement for NRW.
- A need to assess the resource requirements giving consideration of success measures.
- Equality and diversity needs to be more widely emphasised and considered.
- A need to ensure that the public are engaged with appropriate mechanisms in place for achieving value engagement
- Assessment of ecosystem resilience and natural resource status is challenging, and this then needs to link into health and well-being.
- An opportunity for the NRW Scientific Evidence Advisory group to provide a review of the quality and accuracy of the evidence used to develop the report
- The Board accepted responsibility for any political or economic interpretation of the evidence
- Opportunities for mapping and interaction across Wales to be reflected within Area Statements

7.5 The Chair approved the recommendations within the Paper and raised the following actions:

**ACTION:** Secretariat to note that SoNaRR2 will become a standing item on the NRW Board Agenda.

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***ACTION:*** *The Board to engage with Catherine Love to discuss and development opportunities for stakeholder engagement and consultation.*

***ACTION:*** *SoNaRR2 Team to arrange a Seminar for Board Members and Stakeholders to attend in the near future.*

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### **The Chair welcomed questions and observations from the Public:**

Topics covered were:

- The interesting and informative presentations made at the meeting.
  - Whether the focus on wellbeing in terms of the environment has taken the focus away from long-term health of ecosystem. Ceri Davies responded to confirm that NRW continued to work closely with the Office of the Future Generations Commissioner; providing information to support their understanding of the underpinning nature of ecosystems and wellbeing for Wales.
  - Concerns about Bala Flood Scheme were expressed and whether there is a disconnect between the design and SoNARR. The Chief Executive confirmed that the Board had discussed the Scheme at the November Board Meeting noting NRW's intention to learn lessons from the Scheme around consultation.
  - How the work done at Pen y Cymoedd Windfarm demonstrated how business can link between communities and overall Welsh well-being objectives. An invitation was extended for the Board to visit the Pen y Cymoedd Windfarm site, which was noted.
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### **Close of meeting.**

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