

## Natural Resources Wales

### Board Meeting 27 February 2013

<b>Paper Title</b>	<b>Non-Financial Scheme of Delegation</b>
<b>Paper Reference:</b>	<b>Paper 4 (02/13)</b>
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<b>Purpose of Paper:</b>	For the Board to discuss and advise on the draft Non-Financial Scheme of Delegation
<b>Decision Required:</b>	For the Board to agree the approach presented and the proposed delegations between the Board and the Chief Executive Officer

<b>Impact:</b>	<p>The Scheme establishes delegated responsibilities across all non-financial decision making of Natural Resources Wales. The paper will have direct impact on the manner and level at which key decisions are taken which will affect the environment, economy, community and knowledge.</p> <p>Together with the Publication Scheme, the Non-Financial Scheme of Delegation and Corporate Governance Framework collectively provide the means for integrated and transparent decision making and accountability to the public.</p>
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1. The Non-Financial Scheme of Delegation (NFSoD) is a key 'good governance' mechanism to achieve efficiency, leadership, accountability and transparency in the way Natural Resources Wales (NRW) makes decisions. It covers the whole range of functions, powers, duties and business activities of the organisation and is applicable to the Board and all NRW staff.

### **Summary**

2. The Scheme ensures that all the duties and activities of NRW are delegated to an agreed level of authority or specific post holder. It allows the Board and Executive Team to delegate decision making responsibility for non-financial matters. Where powers are delegated employees are enabled to do their jobs according to their terms of employment or job description. It is based on risk profile and scaled appropriately through four main levels and explains the circumstances where decisions may be referred to or called-in by Welsh Ministers. The Scheme has an important role in helping the public understand the way our decisions are made.

### **Background**

3. The approach taken to develop the Scheme was set out in Board Paper 8 (12/12)
4. The NFSoD (Annex 1) has two distinct parts. Part 1 sets out the corporate governance framework, the status of body and an overview of the accountability arrangements. This should be reviewed annually by the Board together with the Financial and Non-Financial Schemes of Delegation. Part 2 sets out Natural Resources Wales' business and delegated powers across four levels:
  - Level 1 - reserved to the Chair and Board and those responsibilities delegated to the CEO;
  - Level 2 - delegated to the Executive Team;
  - Level 3 - national and regional; and,
  - Level 4 - operational and local.
5. Level 1 is now set out in some detail in the accompanying draft scheme and this is the key level for establishing clarity between the Board and the Chief Executive Officer
6. At levels 2, 3 and 4 the majority of the Legacy Bodies Non-Financial Schemes of Delegation still apply because they are applied and enforced using various supporting systems. The main changes required before Day 1 are those connected to delegations for functions that are transferring in from Welsh Government, new processes to achieve a 'single NRW voice' or to those required to deal with any necessary separation of duties – presented in Board Paper 8 (12/12)

### **Next Steps**

7. Following Board consideration, the Non-Financial Scheme of Delegation will be finalised and will require legal opinion against the finalised statutory framework.
8. The Scheme at levels 2, 3 and 4, will continue to be developed as the organisation develops. A regular and systematic review of the Scheme will

therefore be necessary with consideration and approval of significant changes by the Board.

### **Risks**

9. Future revisions to the scheme will need to occur in parallel with ongoing organisational design, otherwise key components of the delegation approach may be missed
10. As NRW develops its own guidance and becomes less reliant on legacy body documentation, the approach to embedding delegations in this guidance needs to be recognised and addressed.

### **Financial Implications**

11. The Non-Financial Scheme of Delegation does not have direct financial implications but as a key underpinning governance mechanism does have some bearing on effective financial responsibility through the assignment of certain responsibilities to Directorates. Any relevant aspects reserved to the Board and delegated to the Executive Team will be built in to the Financial Scheme of Delegation.

### **Communications**

12. Together with the Financial Scheme of Delegation, the Non-Financial Scheme of Delegation forms part of the overall Corporate Governance Framework and will be made available on the website
13. The final approved mechanisms will be communicated to staff via the Essentials Guide and leadership team briefings.
14. It is essential that those in leadership positions fully understand their level of delegated authority and can support staff to provide effective transparency in decision making and enable them to do their jobs.

## **Annex 1: The NFSoD – Corporate Governance Framework and Level 1**