

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

**Butetown community centre, Cardiff**

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**Date of Meeting:** 29 September 2016

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**Board Members:** Diane McCrea (Chair)  
Madeleine Havard (Deputy Chair)(Chair Flood Risk Management Wales Committee)  
Emyr Roberts (Chief Executive)  
Karen Balmer  
Nigel Reader (Chair PaRC)  
Elizabeth Haywood  
Ruth Hall  
Paul Williams (Chair ARAC)  
Chris Blake  
Howard Davies  
Zoe Henderson

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**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  
Gareth O'Shea, Executive Director of South Wales Ops  
Ceri Davies, Executive Director of Evidence Policy and Permitting  
Niall Reynolds, Transformation Portfolio Director

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**Additional Attendees:** Mike Evans, Head of Evidence Knowledge and Advice  
Kathryn Monk, Principal Advisor Science  
Rhian Jardine, Head of Sustainable Communities  
Ruth Jenkins, Head of Natural Resources Planning  
Bob Vaughan, Manager Sustainable Land Farming and Forest Management

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**Secretariat:** Geralene Mills  
Leah Edge

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## Item 1 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 member Andy Middleton who was speaking on behalf of NRW at the Social Business Wales Conference in Swansea.
3. It was noted that Nigel Reader has been asked to Chair the Audit Committee of JNCC as an independent member; he is also Chair of the Animal and Plant Agency Audit and Risk Committee, pending the appointment of a permanent Chair.
4. Howard Davies declared that he is a member of the Prospect Union and a supporter of the Farming and Wildlife Advisory Group Wales.

## Item 2 Minutes & Matters arising, Committees, Minutes & Matters arising

5. Madeleine Havard informed the Board of the sad death of Ian Mercer who had been the Dartmoor National Park Officer before becoming the first Chief Executive of the Countryside Council for Wales. It was acknowledged that Ian had been instrumental in a number of developments, including the pioneering work on agri-environment schemes. The Board wished to put on the record appreciation for all of Ian's work for Wales.
6. Local Area issues were discussed and it was noted that:
  - A Public Inquiry was about to begin on the M4 Relief Road. NRW had objected to the proposal on several environment grounds and was preparing its evidence for input to the Inquiry. We have subsequently learned that the Public Inquiry has been delayed. We have finalised our evidence and will re-engage external legal support should we be called to the Public Inquiry.
  - Aberthaw power station – a recent EU Ruling in respect of the Industrial Emissions Directive places a requirement for the power station to comply with new limits for emissions. Welsh Government will be leading on the implementation of the ruling and NRW will need to work with the business to vary the permit.
  - An update on the recent fire at the South Wales Wood Recycling plant in Heol Lan, Coity was provided. This had been a significant fire lasting a week and was not the first for this company in recent months. The local area teams are working with the business, and NRW is also working with Welsh Government and the local authority to consider how to manage this issue across South Wales.
  - A permit application for a waste facility at Cwnfelinfach in the Sirhowy valley is due for determination in coming weeks.

- A scheme to improve the water abstraction at Green Park Weir on the River Afan in Port Talbot was discussed and it was noted that this was an excellent partnership involving Tata, Dwr Cymru Welsh Water, Neath & Port Talbot CBC and ourselves. It has been years in the planning and will prove very beneficial scheme for wildlife, habitats and fisheries as well as improved abstraction for business.
- The 'Greener Grangetown' project was highlighted to the Board with an opportunity to meet with Glastir Woodland Senior Advisor Team Leader, Martyn Evans who had been involved in this project at the end of the meeting to review the proposals and benefits of the scheme.
- The Executive Director of South Wales Ops reported to the Board that it had just been announced that NRW had been shortlisted for the Sustainability Awards in Wales for 'Healthy Hillside' project that formed part of the Natural Resource Management Rhondda Area Trail.

### Ratification of Minutes

7. The minutes of the July meeting were formally ratified with one amendment, to remove Action point after paragraph 16 as it was a duplication of the action at paragraph 14.

### Action Log

8. Items 1, 2, 3, 3, 5 and 6 were noted as discharged.

9. An update was provided for item 4 and it was agreed that any further updates to the Board paper template to be taken forward as part of the corporate planning process.

10. In respect of item 6, it was agreed that proposals for a sub group of the Board to oversee and scrutinise the Flood Risk Capital Projects programme should be remitted to the December Board meeting.

***ACTION POINT- Forward Look to be noted by the Secretariat. Paper to be presented at the December Board meeting in respect of the scrutiny and assurance for the Flood Risk Capital Projects programme. Sub Group to be organised with membership to be agreed but including Madeleine Havard, Jeremy Parr and Ceri Davies.***

11. Item 7, Position Statement Conservation Translocation Paper – Position is now finalised and will be circulated to the Board alongside internal and external publishing.

### People and Remuneration Committee, 22<sup>nd</sup> September 2016

12. The Chair of the People and Remuneration Committee provided an update following the 22<sup>nd</sup> September meeting. The minutes were currently being prepared and would be presented at the December Board meeting for ratification. The Committee Chair noted the following issues;

- Director, External Relations and Communication, had updated the Committee on the Customer Care programme. The Board noted that the development of the Customer Care programme had been scrutinised by the Committee on an ongoing basis, with the focus on embedding requirements across the organisation.
- The Committee had scrutinised and endorsed the presentation of the Job Evaluation and Pay Modelling process for Board consideration and approval.
- The Committee reviewed and endorsed the NRW Redeployment and Redundancy Policy and endorsed its presentation to the Board for endorsement.
- Voluntary Exit Scheme – update received and noted.
- The Pension Sub Group had not met since the last Board meeting.

- **NRW Redeployment and Redundancy Policy (NRW B B 51.16)**

13. The Policy was presented to the Board by the Executive Director, ODPM, noting the endorsement received from the Executive Team and PARC. The Policy is an important and significant development for NRW which has been developed in conjunction with the Trade Unions, with support from legal advisors.

14. The Board noted the scrutiny which had taken place, and endorsed the policy for consideration by the Welsh Government.

- **Government Policy Update (NRW B B 52.16)**

15. Noted by the Board.

- **Job Evaluation and Pay Modelling (NRW 61.16)**

16. Steve Burton, Head of People Services, joined the meeting. The Board noted the scrutiny of the process provided by both PARC and ARAC in respect of Job Evaluation. The process has been developed in conjunction with Trade Union representatives. The Business have been involved during the development process adding integrity to the evidence submitted for the development of Job Families and Role Profiles which have been reviewed by independent panels.

17. The Board noted the scrutiny afforded to the design and approved the scheme.

**Audit and Risk Assurance Committee**

18. The Chair of the Committee provided an update from the 22<sup>nd</sup> September meeting), noting that the minutes will be presented to the Board for ratification at the December meeting. All Committee Board members attended the meeting with two guest observers, Carys Clarke, Welsh Government and Arwel Thomas, Independent Member of the Audit and Risk Assurance Committees for Estyn and the Arts Council for Wales.
19. The Committee noted the delay in final sign off for the Annual Report and Accounts, with Wales Audit Office continuing a review following a query from a third party.
20. The Committee received a progress report from the Internal Audit team and noted the plan to follow up outstanding management actions from audits completed to date.
21. The Committee approved a revised proposal for embedding Risk Appetite into organisational processes, which was then agreed by the Board at the Development meeting on 28 September.
22. The Board noted the Committee's endorsement of the proposed Financial Maturity Model and the update on the Fraud losses and Special Payments.
23. The Board noted that the Chair and Chief Executive will represent NRW at the annual scrutiny session by the National Assembly for Wales Climate Change and Energy Committee on 2 November.

#### **Review of Board Member Expenses Policy (NRW B B 53.16)**

24. The Chair provided an update on the review of Board Member expense claims with no issues of impropriety noted. It was confirmed that Board Member expenses would continue to be reviewed annually by the Secretariat in conjunction with the Chair of ARAC. Board Members were reminded of the need to submit expense claims in a timely manner, in line with the Expense Policy. The Board agreed that all expense claims exceeding 3 months would be reviewed and approved by the NRW Chair.

#### **Flood Risk Management Wales Committee**

25. The Chair of the Flood Risk Management Wales Committee confirmed that the Welsh Government consultation on the creation of the new Committee under the Environment Act, is ongoing and Board Members were encouraged to provide feedback. The Board agreed to retain the standard agenda item for the committee until the new arrangements are in place.

**Action Point: Secretariat to provide link to Welsh Government consultation to Board Members.**

## **JNCC**

26. It was noted that the Chair and Deputy Chair of the Board had attended a recent JNCC meeting in Peterborough and undertook a thorough induction process to the workings of JNCC on behalf of WG and NRW.

## **Protected Areas Committee**

27. The Board noted that the Committee are next due to meet on 15 November 2016.

## **Item 3. Finance Report - FY 2016/17 (NRW B B 54.16)**

28. The Head of Finance and Corporate Services presented the report to the Board noting the positive position at the end of Period 5. NRW is currently 5% under budget profile which can be attributed to spend being behind profile and income from timber harvesting being ahead of profile. During Period 6 a reforecasting exercise will be undertaken to review budgets, with an update provided at the next Board Meeting. The Welsh Government draft budget for 2017-18 is expected to be published on 18 October.

29. The Board noted the financial governance arrangements that were put in place for the Pontarddulais Flood Scheme, where the budget forecast has exceeded the delegated £5 million limit and requires Board approval to proceed. A meeting was held between officials and Madeleine Havard, Chair of FRMW, and Nigel Reader, Chair of ARAC, to scrutinise the proposals. Following discussion, the proposals were approved by the two Board Members on behalf of the Board. The Board endorsed the approach taken by the Chief Executive to seek approval for the increased budget.

30. The Board noted the continued scrutiny from the Audit and Risk Assurance Committee of financial management and noted the paper as presented.

## **Item 4. Annual Report & Accounts 2015/16 (NRW B 55.16)**

31. The Chair asked the Board to note the final version of the Annual Report and Accounts 2015/16, which were approved and signed by the Accounting Officer in August. The Board noted that the Accounts had not yet been signed by the Auditor General pending further scrutiny from the Wales Audit Office of an issue which had been raised by a third party. An update will be provided at the December ARAC meeting.

32. The Board was assured that ARAC had provided scrutiny for the development and presentation of the Annual Report and Accounts. However the Director, Governance confirmed that ARAC had reviewed the arrangements and brought forward proposals for the development of the Annual Report and Accounts for 2016/17, which will provide the full Board with more opportunities to input and comment.

33. The Board noted and endorsed the revised arrangements

***ACTION POINT- Executive Director for Finance and Corporate Services to provide an update to the Board on progress of the AR&A 2015/16. Secretariat to note for the Forward Look.***

#### **Item 5. Corporate Dashboard Performance Report - Period 1 (April - July) (NRW B B 56.16)**

34. The Chief Executive introduced the paper and provided an overview of successes and performance for Period 1. The Board noted the performance status of each Dashboard indicator and further detail was provided against the relevant Good for theme by the lead Executive Director.

35. Executive Director, Evidence, Policy and Permitting, confirmed that NRW continues to work with the Inland Revenue on proposals for landfill tax collection for 2018, with an update scheduled for the Board shortly.

36. The Deputy Chair commented that there was an ongoing concern for the state of Welsh biodiversity but that it was vital to remember that addressing this issue will require collaborative effort. It was agreed that, as NRW develops its next Corporate Plan, the balance should be maintained in performance management between the ambition for Wales, alongside NRW's potential contribution.

37. The Chair sought clarification on staff engagement and how the team were progressing with embedding the People and Teams Strategy in NRW's work. It was noted that this item would be on the agenda for the December Board.

***ACTION POINT- Executive Director, Organisational Development and People Management, to provide an update on the implementation of the People and Teams Strategy to the December Board Meeting.***

38. In response to a query regarding staff without agreed objectives, the Executive Director, Organisational Development and People Management, confirmed that this was likely to be a recording issue within My NRW and that this would be addressed during the current phase of mid year reviews.

39. The Chair confirmed that the presentation had allowed the Board to exercise scrutiny over the performance and governance of the organisation and that the Period 1 position was noted.

#### **Item 6. State of Natural Resources (SoNaRR) Final Sign-off (NRW B B 58.16)**

40. Mike Evans, Head of Evidence Knowledge and Advice, joined the meeting and updated the Board on the latest position regarding the launch of SoNaRR,

41. The report, along with a summary document, had been approved and will be published on the NRW website, to coincide with the formal launch by the Cabinet Secretary on Monday 3 October.

42. Alongside the formal launch, NRW will continue to work with the Welsh Government to inform the development of the National Natural Resources Policy. In order to keep SoNaRR live and updated, NRW will engage with staff and stakeholders in order to highlight its relevance and importance and to support future development, including case studies. The Board asked to monitor this activity.

***ACTION POINT- Executive Director, Evidence, Policy and Permitting to provide an update report to the Board reflecting on the usage and uptake from the Report. The Secretariat to note the Forward Look.***

43. The Board and Chair wished to express their thanks to the teams who had developed the report, which was agreed as a significant milestone for NRW and Wales.

#### **Item 7. Future Approach for Natural Resources Management Funding (NRW B B 58.16)**

44. The Chair welcomed Rhian Jardine, Head of Sustainable Communities, to the meeting. The Executive Director for Evidence, Policy and Permitting explained that the current funding arrangements are due to end in 2018 and the paper presented the proposals for the development of the next scheme to run from 2018.

45. The Head of Sustainable Communities reported that NRW had reviewed the performance of the current schemes, which influenced the strategic proposals to move towards a commissioning model, informed by collaborative working.

46. The Board endorsed the proposal to move to a commissioning based approach, aligned to the development of area statements. This should ensure that opportunities are identified that allow for arrangements to be developed to deliver environmental outcomes that reflect the area context.

47. The Board noted the importance of collaboration and partnership working and it was agreed that a task and finish group be arranged to provide support to finalise the arrangements, alongside the ongoing scrutiny from the Audit and Risk Assurance Committee.



***ACTION POINT: Executive Director, Evidence, Policy and Permitting to establish a task and finish group to finalise the arrangements for the new grant scheme.***

### **Item 8. Alternatives to Cypermethrin (NRW B B 59.16)**

48. Bob Vaughan, Manager for Sustainable Land Farming and Forest Management, joined the meeting. The paper highlighted the issue of managing the forest estate when using pesticides, progress to date and alternatives. The Board discussed the effectiveness of alternatives and the lead that NRW was taking in this area. A Board Member suggested the use of a 'decision tree' to help operational staff to make decisions regarding the alternative methods, and this was supported by the Board.

49. The Board noted the developments and endorsed the proposals set out in the paper and agreed that a decision tree would be a helpful development.

### **Item 9. NRW Strategic Academic Sector Engagement Plan (NRW B B 60.16)**

50. The Chief Executive presented the paper to the Board alongside Kathryn Monk, the Principal Advisor, Science.

51. The Chief Executive expressed his personal support to the development of the engagement plan and NRW's role in moving forward collaboration on evidence and research with Universities and the research community in Wales. The opportunities for the use of SoNARR were highlighted, helping to promote further partnerships between NRW and the academic sector.

52. The Board was asked to consider further opportunities to promote the engagement plan, sharing stakeholder contacts with NRW where possible.

53. The Chief Executive Officer reported that the opening of the laboratory at the Singleton Park site, Swansea University, would help to further embed the partnership with this institution and that senior representatives could be invited to discuss further opportunities for collaboration with the Board at the next meeting.

54. The Board formally welcomed and supported the Engagement Plan, to act as a supporting aide memoire, as presented.

### **Item 10. Chair's Report**

55. The Board noted the written report of Chair's external engagements and attendance by the Chair at regular meetings with the Cabinet Secretary and the Welsh Government.

56. The Plant! scheme was discussed and the Board members requested further details on this project.

***ACTION POINT- Executive Director, Evidence, Permitting and Planning to circulate an update briefing on the Plant! scheme to the Board.***

57. The Chair noted that a further meeting with the Future Generations Commissioner should be arranged in order to review the development of NRW wellbeing objectives based on the recent work and contact at official level.

### **Item 11. Chief Executive's Report (NRW B B 61.16)**

58. The Board noted the launch of the NRW Management and Leadership development programme, Tyfu, and welcomed the opportunities for developing management capability in the organisation.

59. The Board noted the role of NRW in Brexit negotiations across the UK, including the attendance by the Chair and Chief Executive at a recent round table event with the Cabinet Secretary.

### **Wellbeing, Health and Safety Update Report (NRW B B 62.16)**

60. The Executive Director, Organisational Development and People Management, presented the report to the Board highlighting RIDDOR incidents, near miss reporting and mental health wellbeing. The Board was also advised that the recently launched Employee benefit scheme had been well received across the organisation.

61. The Board noted the accidental death verdict from the investigation by the Health & Safety Executive into the death of an NRW contractor, and again expressed sympathy and regret for his family. NRW would review learning opportunities from the report.

62. The Board highlighted concern over the mountain bike incident in Cwmcarn, whereby a user entered an operational harvesting site. The Executive Director, Operations South, confirmed that an incident review was ongoing and a full briefing would be provided to the Board on conclusion of the review.

***ACTION POINT- Executive Director, Operations South to circulate briefing to the Board on conclusion of the review***

## **13. Any Other Business**

63. It was noted that the next meeting of the Board in public will be held in Swansea on 8 December 2016.

64. The Executive Director Operations, North and Mid Wales, provided an update on the agreement with the Motor Sports Association for 2016/17 regarding rallying on the forest estate.

65. Finally, the Chair noted the impending departure of 99 staff members, under the current Voluntary Exit Scheme and expressed formal thanks to all for their contributions to NRW and legacy bodies. In this context, it was acknowledged that this was the last Board meeting for Clive Thomas, Director of Governance. The Chair wished to thank Clive on behalf of the Board for his hard work and the contribution that he had made to NRW since the establishment of the organisation.

### **Meeting close**

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

### **Public questions**

67. After the close of the formal Board meeting, the Chair invited observations, comments and questions from the public attendees. Several of the 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. *Rachel Evans, Director for Countryside Alliance – We are aware of pressure with regards to recreational shooting on public land. We are really keen to speak to Board members and dispel some of the myths and to see how the shooting review is progressing. I'd like to let the Board know that the door is open to engage with our members.*

Chair: NRW has set up a sub group under the Executive Director for Evidence, Policy and Permitting to develop the terms of reference for this group, with Board member involvement and wider engagement.

Executive Director, Evidence, Policy and Permitting confirmed that NRW was in the process of completing the plan and finalising a timeline for the review. The plan includes a number of engagement opportunities, including a formal call for evidence (which stakeholders and the public will be able to respond to), as NRW is committed to make evidence based decisions.

Chair: NRW will then review and consider any recommendations which will be then be followed by opportunity to comment.

2. *Martin Bishop: Confederation of Forest Industries – I would like to ask NRW to please engage with wider sector on plant health not just on Cypermethrin. On Cypermethrin, I think that a decision tree approach could help and the minimal use by forestry compared to the agricultural use should be acknowledged. NRW and sector also need to make sure we understand the consequences of what we do, lead to positive outcomes.*

Chair: noted, and thank you for the contribution.

3. *Jeff Griffiths: In regards to recreation – please talk to older people who can tell you where contaminated land is, please comment on the paper by government on what they will do with the money from shale gas.*

Executive Director Evidence, Policy and Permitting: the UK Government [check] consultation is about how communities benefit from the profits from shale gas and NRW will look at this.