

Natural Resources Wales Board Meeting 19 March 2013

Paper Title	Non-Financial Scheme of Delegation
Paper Reference:	Paper 3
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Purpose of Paper:	For the Board to note the changes to the Non-Financial Scheme of Delegation following consideration of the draft and to agree the Scheme
Decision Required:	Board approval for the Scheme applicable from 1 April

Impact:	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. 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.
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Issue

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 the role of the Board and the Chief Executive are clear for all the duties and activities of NRW. 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) and a full draft was presented in Board Paper 4 (02/13)
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 three 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 – delegations by the Executive Team within Directorates,
5. Level 1 and 2 are now set out in some detail in the accompanying finalised scheme which has been updated to reflect the comments of the Board and the Chief Executive on the draft scheme. These are the key levels for establishing clarity between the Board and the Chief Executive and the Executive Team.
6. The Chief Executive has charged each Executive Team member with ensuring that there is a clear delegation framework within their area of responsibility. At this level, the majority of the Founding Bodies Non-Financial Schemes of Delegation can apply as many of the supporting systems will be in place. The main changes that the Executive Team will need to put in place 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.

Risks

7. 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
8. As NRW develops its own guidance and becomes less reliant on founding body documentation, the approach to embedding delegations in this guidance needs to be recognised and addressed.

Financial Implications

9. 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

10. 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
11. The final approved mechanisms will be communicated to staff via the Essentials Guide and leadership team briefings.
12. 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