

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

Henllys Village Hall, Cwmbran

Date of Meeting: 9 October 2015

Board Members: Hywel Davies
Ruth Hall
Madeleine Havard
Harry Legge-Bourke
Peter Matthews (Chair)
Andy Middleton
Nigel Reader
Emyr Roberts (Chief Executive)
Lynda Warren
Paul Williams

Executive Team in attendance: Clive Thomas, Director of Governance
Kevin Ingram, Executive Director of Finance & Corporate Services
Gareth O'Shea, Executive Director, Operations South
Tim Jones, Executive Director, Operations North and Mid
Ceri Davies, Executive Director of Knowledge Strategy and Planning
Trefor Owen, Executive Director for National Services
Catherine Smith, Director for External Relations & Communications
Ashleigh Dunn, Executive Director of Organisational Development and People Management

Secretariat: Geri Mills

Welcome

1. The Chairman welcomed all to the meeting.

Apologies

2. Apologies were received from Niall Reynolds and Martin Britton.

Declarations of Interest

3. The following declarations were noted:
 - Lynda Warren declared her role on the Committee on Radioactive Waste Management within Wales, in respect of paper NRW B B 55.15. The Chair confirmed that there is no conflict and that this interest will enable a full contribution to the agenda item.

Action log

4. Actions were reviewed with the following comments:
 - Action 1 – *Executive Director for Finance and Corporate Services confirmed that the Head of Procurement will be organising a workshop for December to consider best practice in respect of procurement to support sustainable development.*
 - Action 2 – *Executive Director for Knowledge, Strategy and Planning confirmed the Charge Payers consultation had been launched on 3 September*
 - Action 3 – *Executive Director for Knowledge, Strategy and Planning to provide an update under matters arising.*
 - Action 4 – *Discharged by the Board Secretariat.*

Matters Arising

5. The Executive Director for Knowledge, Strategy and Planning provided an update to Board paper NRW 40.15 (Management Options to discuss the decline in Stocks of salmon and sea trout). It was confirmed that Peter Gough, Senior Technical Specialist, would attend the UK Summit on Salmon decline organised by Defra. NRW has been working with experts and stakeholders recently, including hosting a meeting in Cardiff to provide information and an opportunity for questions and discussion.
6. The Board noted the progress on this matter.

ACTION: Director for External Relations & Communications to update on communication opportunities arising from recent management actions to address salmon decline

Ratification of Minutes

7. The minutes from the Board meeting on 9 July were agreed as a true record and approved by the Board subject to minor amendments.

Wellbeing, Health & Safety Update NRW B B 50.15

8. The Chief Executive introduced the paper to the Board detailing the headline statistics for the period 1 April to 10 August 2015.
9. Sickness absence reporting was discussed and it was explained that although the new reporting system provides more accurate data, there is concern that there may be significant under-reporting. However, establishing baselines remain problematic, due to the use of three legacy systems for the first 2 years.
10. It was confirmed that the Health and Safety Executive investigation into the fatality of a contractor on an NRW site is yet to be completed. NRW will take forward any lessons identified in the final report.

Annual Wellbeing, Health & Safety Report – 2014/15 NRW B B 51.15

11. The Executive Director for Organisational Development and People Management presented the Annual Report to the Board, noting that the Remuneration Committee had considered an earlier version at the Committee's meeting on 23 September.
12. The report highlighted a number of key developments including the completion by staff of a survey diagnostic, the revised governance arrangements including the refreshed National Committee, and the introduction of new reporting functionality. The challenges of mental health & wellbeing are to be progressed via a specific task and finish group and the National Committee will shortly be focusing on responding to the recent Internal Audit on incident management.
13. The Chair highlighted a need for clarity around personal and corporate responsibility and the Executive Director for Organisational Development and People Management confirmed that arrangements are informed by the JUST system, which the Chair highlighted is used by Trinity House.

14. The Board was assured by the progress reported and agreed that the incoming Chair would need to prioritise the appointment of a Board lead on Wellbeing, Health & Safety due to the current Board Champion's term of office ending at the end of October.
15. The Board discussed the arrangements for hostile sites and were assured by the Executive Directors, Operations South and North & Mid, that these were a small minority of the sites that NRW regulates and that appropriate support is in place for scheduled and unscheduled site visits.
16. The Board sought reassurance that there was no direct correlation between higher sick absence levels for those staff visiting hostile sites.

ACTION: Executive Director, Operations South to review data and report back to the Board.

17. The Executive Director for Organisational Development and People Management confirmed that 28 staff had received training for Mental Health Awareness, with further sessions scheduled, including one for the Executive Team.

Finance Report - 2015/16 NRW B B 52.15

18. The Executive Director of Finance & Corporate Services presented the paper to the Board providing an update on the financial position as at 31 August 2015.
19. The Chair of the Audit and Risk Assurance Committee endorsed the rigour and accuracy of the financial management and reporting.
20. The Board discussed the paper and asked for reassurance that our intention to carry forward income to the next financial year would be agreed by Welsh Government and that income arising from Enterprise activities would not be offset by a reduction in GIA.

ACTION: Executive Director of Finance & Corporate Services to request re-confirmation from Welsh Government for current income carry forward arrangements.

21. The Board welcomed the continued development of the financial reports and suggested a further amendment to Appendix A to reflect actual expenditure.

Performance Report NRW B B 53.15

22. The Director of Governance provided a brief summary of NRW's performance against the Corporate Dashboard for the 4 month period (1 April – 31 July) and then invited the Chairs of each Good for Board to review in more detail the progress towards the targets set out in the Business Plan for 2015/16 and remit letter from Welsh Government.

23. The Board welcomed the report and provided the following feedback:

Good Knowledge

- The financial pressures on local authorities and the Third Sector may impact on delivery via partners
- The benefits of measuring outcomes rather than process, wherever possible
- A discussion of the RAG status for the delivery of SoNaRR and whether Green was too optimistic given some of the outstanding challenges

Good Environment

- The Board discussed the challenges of reporting positive actions by NRW against the backdrop of a continued decline in biodiversity
- The RAG status for water quality improvement, site condition and plant health were agreed as Red

Good for People

- The Board discussed that the Performance Framework will need to respond in future years to the Corporate Plan alignment to the wellbeing goals as established by the Wellbeing of Future Generations Act
- The small dip in performance for FRM Assets is due to in-year profiling
- The Board were briefed on the proposals to develop an umbrella scheme (Cyfle) for volunteering, apprenticeships etc. A fuller briefing was requested.

ACTION: Executive Directors, Operations North and Mid and OD and People Management to present finalised proposals to the Board

Good for Business

- The report was noted by Board

Good Organisation

- The Wellbeing, Health and Safety strategy was identified as our top priority and should be reflected in the Dashboard
- The Board challenged the green RAG status for the Staff Engagement index and suggested that since performance is currently below target then this should be Red, until evidence of improvement is provided by the next staff survey.

24. The Board reviewed the Corporate Risk Register and the Chair of the Audit and Risk Assurance Committee confirmed that the Register is considered by the Committee. It was noted that although risk tolerance is continually reviewed, it will need to be considered further in support of the development of the next corporate plan.
25. The Board endorsed the report, with the changes that were proposed with respect to RAG status of some of the measures. The Board extended an offer to the Executive Team for the relevant Board group to engage with continuous review of the performance targets as part of the 2016/17 Business Plan.

Flood Risk Management Capital Programme Proposals - 2016/17 B B 54.15

26. The Executive Director for National Services introduced Jeremy Parr and Keith Ivens to the Board, who then jointly updated on progress on flood risk management, as well as outlining the future programme of capital projects.
27. The Board discussed the paper and considered how best to respond to the implications of reduced funding for planned schemes, agreeing that progressing current schemes should be the priority. Other options for funding, external to Welsh Government should continue to be explored, as should innovative natural resources management approaches to flood risk management
28. The Board noted the progress and plans reported and supported the risks outlined in the paper.

Nuclear & Radioactive Substances Regulation in Wales NRW B B 55.15

29. The Executive Director of Knowledge Strategy and Planning introduced Jennifer Angus and Andy Gibbs to the meeting and outlined the key purpose of the discussion paper.

Andy then made a brief presentation which set out roles and responsibilities, current working arrangements, key policy issues and future challenges.

30. The Board discussed the paper and provided the following feedback:

- The Board was appreciative of the clarity of the paper and the presentation in outlining NRW's responsibilities and arrangements
- The resource implications for NRW to deliver its role and responsibility were considered and the risks discussed of any significant increase in NRW's role as a regulatory body. In this context, the technical capability at a UK level was viewed as important
- The scope for post graduate training to support increased resilience in technical capability was discussed
- The need to consider wider environmental issues from Nuclear facilities beyond just radioactivity

31. The Board noted the information presented and highlighted the role of the paper in helping to induct new Board members quickly on this technical area of NRW's work.

NRW's Reservoir Act (1975) Responsibilities (Regulator & Operator) NRW B B 56.15

32. The Executive Director for National Services introduced Adrian Philpott to the Board who presented the paper, asking the Board to note progress, current challenges and the proposed changes in responsibility under the Reservoirs Act 1975.

33. The Board discussed the paper and noted the clear governance arrangements for NRW's roles as operator and regulator. The Board recognised the importance of both roles in the context of public safety.

34. The additional responsibilities for NRW arising from the forthcoming reduction in the threshold for reservoirs requiring compliance under the Act was discussed and the Board agreed that this should be raised with the Welsh Government as a new duty given the resource implications.

Equality & Diversity Update NRW B B 57.15

35. The Executive Director for Organisational Development and People Management introduced Derek Carpenter to the Board and presented the paper, noting that the report provides an update on progress towards key milestones.

36. The Board reviewed the paper, welcomed the developments as detailed within the paper, and endorsed the publication of the Equality, Diversity and Inclusion Policy.

Life Natura 2000 Programme - Information Briefing NRW B B 58.15

37. The Executive Director of Knowledge Strategy and Planning provided an update on the Life Natura 2000 Programme.

38. The Board noted the update and endorsed the reported progress.

Update from the Chairman (verbal)

39. The Chairman provided an update of meetings attended as follows:

- The site visit for members of the National Assembly Environment and Sustainability Committee to the Dyfi catchment trial
- Continued engagement with the JNCC review
- Attendance at the Economic Summit on Green Growth held in September
- An engagement with the Sole Trader association
- Attendance at the RWAS and Eisteddfod
- Continued work to develop relationships with other Public Body Chairs in Wales
- Work initiated with CIPFA who will develop a proposal for bespoke training & governance support for public bodies in Wales

Update from the Chief Executive (verbal)

40. The Chief Executive provided a verbal update to the Board which included:

- Attended and awarded the annual Green Flag awards. The awards were supported by an interesting and informative presentation on the benefits for health of the environment.
- Niall Reynolds, Transformation Portfolio Director, has circulated to the Board the draft Transition report for Board Member comment ahead of circulation to Welsh Government and WAO.

ACTION: Board Members to provide feedback/comments on the draft report to the Transformation Portfolio Director.

Report from Committees

Remuneration Committee

41. The Minutes of the June minutes were circulated to the Board for information and ratification. The Committee met on 23 September and in the absence of the availability of the written minutes, the Chair of the Committee provided brief verbal updates on the following topics considered at the meeting:

- Plans for developing engagement and face to face dialogue with staff to support the People Survey actions
- The mitigation of the impacts of withdrawing lease cars, via operational response, staff and TU engagement
- Progress in developing an Individual Voluntary exit scheme, which will be monitored by the Committee
- An update on work to develop the Discretionary components of one of the pension schemes
- Implementation of the Job Evaluation scheme
- Updates on Wellbeing, Health and Safety and Equality and Diversity
- Discussion of the Internal Audit report on recruitment and the proposed management response
- The Transformation Programme has agreed that the RAG status for ICT Transformation is currently red pending the outcome of the Invest to Save bid

Audit and Risk Assurance Committee

42. The Minutes of the June and July meetings were circulated to the Board for information and ratification. The Committee met on 23 September and in the absence of the availability of the written minutes, the Chair of the Committee provided a brief verbal update.

43. The Committee had considered revisions to the Financial Scheme of Delegation which did not affect the current delegations from the Board to the Accounting Officer. The

Committee had also recommended a full discussion by the Board on risk appetite, reflecting the strategic planning that will need to be undertaken to meet future financial challenges.

Flood Committee

44. The Committee has provided feedback and advice to the Welsh Government on the proposals within the Environment Bill for the future for the Committee.

Protected Areas Committee

45. The Committee is scheduled to meet on 17 November to consider objections to a proposed SSSI notification.

ACTION – The Director of Governance to confirm the arrangements for the next meeting and the availability of Board members to ensure quoracy.

Updates from Board Groups

46. The Board Group written reports were provided for information.

Any Other Business

47. The Chair thanked those Board Members whose term of office ends on 31 October for their involvement and contribution to the development of NRW.
48. The Chairman closed the meeting