



FRAMEWORK DOCUMENT:

JOINT NATURE CONSERVATION COMMITTEE

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Introduction

- 1.1** This framework document has been drawn up by the Department for Environment, Food and Rural Affairs (Defra) in partnership with the Devolved Administrations for Scotland, Wales and Northern Ireland and the Joint Nature Conservation Committee (JNCC). This document sets out the broad framework within which JNCC will operate. The document does not convey, extinguish or amend any legal powers or responsibilities. It is signed and dated by Defra, the Devolved Administrations and JNCC. Copies of the document and any subsequent amendments have been placed in the Libraries of both United Kingdom (UK) Houses of Parliament and made available to members of the public on JNCC's website (<http://jncc.defra.gov.uk/Default.aspx>).
- 1.2** The overall governance framework is defined and supported by legislation and a number of other documents in addition to this Framework Document, reflecting the variety of JNCC's roles and relationships. These are described in Appendix 1.
- 1.3** This Framework Document replaces the April 2011 Accountability Framework Document, Management Statement and Financial Memorandum.
- 1.4** This Framework Document sets out agreed terms of the relationship between a sponsor department and its Arm's Length Body (ALB), and how such a relationship will be conducted in accordance with the principles of the *Partnerships between Departments and ALBs: Code of Good Practice*. Defra and the Devolved Administrations will have an open and honest, trust-based partnership with JNCC supported by the principles of the Code. As such, all parties will ensure that they clearly understand the strategic aims and objectives of their partners. All parties will also commit to keeping each other informed of

any significant issues and concerns. The terms of engagement are included in this document including a description of the meetings that will take place and how any disputes between Defra, the Devolved Administrations and JNCC will be resolved.

1.5 The Secretary of State for Environment, Food and Rural Affairs (the Secretary of State) has determined the financial duties of JNCC. This Framework Document sets out:

- the conditions under which funds are paid to JNCC (at paragraphs 10.1-10.9);
- the approach to delegations (at paragraph 11.1);
- accounting and auditing procedures (at paragraphs 9.1 – 9.13); and
- how JNCC will be held to account for its performance and use of these funds, as well as funding from other sources (at paragraphs 10.10 – 10.12).

1.6 Any questions regarding the interpretation of this document shall be resolved by Defra in consultation with JNCC, the Devolved Administrations and other government departments including the Treasury and/or the Cabinet Office, as necessary.

1.7 The Framework Document should be formally reviewed every three years. Where appropriate, changes can be made by addendum in advance of formal reviews.

JNCC

Status

2.1 JNCC is an executive Non-Departmental Public Body (NDPB) sponsored jointly by Defra and the Devolved Administrations. It carries out its statutory UK, cross-border and international functions with technical expertise, impartiality and transparency, and at arm's length from its sponsors.

- 2.2** JNCC is led and directed by a non-executive Committee (the ‘Joint Committee’).
- 2.3** JNCC has a wholly owned company limited by guarantee, the JNCC Support Co, to provide administrative support. Further details are given at paragraphs 8.17- 8.21.

Purpose

- 2.4** JNCC is the public body that advises the UK Government and devolved administrations on UK-wide and international nature conservation. It was originally established under the Environmental Protection Act 1990 and reconstituted by the [Natural Environment and Rural Communities Act 2006](#).
- 2.5** JNCC provides a shared scientific nature conservation service for the UK. It is a mechanism for the UK Government and devolved administrations to pool their resources to obtain evidence and advice on nature conservation and natural capital that can be used flexibly by each administration to support their strategic aims and business plans.
- 2.6** JNCC’s **vision** is “to be a world-leading provider of innovative solutions, placing nature at the heart of sustainable wealth and wellbeing”.
- 2.7** JNCC’s **mission** is “to be an impartial scientific authority on UK and international nature conservation. As a public body we advise governments, and work in partnership with business and society. Our people are dedicated to providing high quality evidence and advice on the natural environment, for the benefit of current and future generations”.
- 2.8** JNCC has five strategic outcomes for 2017-20:
- high-quality evidence on biodiversity and ecosystems to inform decisions affecting the environment;

- positive environmental outcomes for the UK through strong international action;
- cost-effective delivery of devolved environmental priorities through shared solutions and joint working;
- sustainable economic growth through a healthy environment in the UK's offshore marine waters; and
- excellent, customer-focused delivery

Legal basis of powers and duties

3.1 JNCC's powers and duties stem from section 2 and Schedule 4 of the Natural Environment and Rural Communities Act 2006.

3.2 JNCC's statutory duties are to:

- advise on the development and implementation of policies on nature conservation matters which arise a) throughout the UK, b) in one or more of the four countries and affect the UK as a whole or c) outside the UK;
- establish common standards throughout the UK for monitoring, research and information analysis relating to nature conservation; and
- commission or support research relating to the above.

3.3 JNCC also has responsibilities and duties under the following legislation:

- the Offshore Marine Conservation (Natural Habitats, &c.) Regulations 2007 (as amended);
- the Marine and Coastal Access Act 2009;
- the Planning Act 2008;
- the Infrastructure Planning (Applications: Prescribed Forms and Procedure) Regulations 2009;
- the Electricity Works (Environmental Impact Assessment) (England and Wales) Regulations 2017; and
- the Convention on International Trade in Endangered Species (CITES).

- 3.4** Under the Environment (Wales) Act 2016, JNCC is required to seek to maintain and enhance biodiversity in the exercise of functions in relation to Wales and, in so doing, promote the resilience of ecosystems, so far as consistent with the proper exercise of those functions.

Taking on additional functions

- 3.5** The Government sponsors of JNCC may ask it to take on additional functions or new work, on a permanent or temporary basis. The decision to take on the additional work will be made jointly by the Secretary of State, Devolved Administration Ministers and the Joint Committee.

Relationships with the Defra group and the Devolved Administrations

- 4.1** Defra and ten of its delivery bodies, including JNCC, have agreed a group operating model that supports joint working in pursuit of shared outcomes. This group operating model does not alter the powers, duties and governance of JNCC or replace the accountability of the JNCC Accounting Officer and Committee. As JNCC is also co-sponsored by, and accountable to, the Devolved Administrations, the operating model will be adapted where necessary to take account of the governance of the organisation and interest of the Devolved Administrations.
- 4.2** The organisations involved are working to deliver the strategic objectives set out in the [Defra group strategy](#), guided by the design principles underpinning the Target Operating Model (Appendix 2) and on the understanding that effective partnerships must be based on trust, clarity of accountability and a shared understanding of purpose and outcomes.
- 4.3** The operating model for the Defra group identifies six main areas where the organisations collectively deliver outcomes: food and farming, animal and plant health, floods and water, environmental quality, natural environment and rural, marine and fisheries. All the organisations involved in delivering outcomes in

each area come together as an outcome system under the guidance of a system leader.

- 4.4** The Defra group Executive Committee (ExCo) is responsible for overseeing the strategic direction and tracking the performance of the Defra group from policy through to delivery, and for strategic decisions that affect more than one organisation or set a precedent for the future. System leaders are members of ExCo, providing a direct connection to all the organisations within the group operating model. They are supported by outcome system groups bringing together leaders from all the organisations that contribute to delivering outcomes in that system.
- 4.5** The JNCC executive will work with Defra, primarily through the Natural Environment and Rural System and Marine and Fisheries System fora in relation to business and financial planning and performance. The JNCC Chief Executive sits on the outcome system groups for both these Defra systems and these systems will provide the main source of advice to the Secretary of State on the discharge of their responsibilities in respect of JNCC.
- 4.6** The Natural Environment Portfolio Office in Defra will provide strategic oversight of the relationship between JNCC, Defra and the Devolved Administrations. This will include:
- supporting the Defra systems and the JNCC executive to ensure effective strategic join up across the four Government sponsors is achieved for business and financial planning and performance monitoring;
 - chairing six-monthly (as a minimum) JNCC sponsor meetings to consist of senior Defra policy representatives, the Devolved Administrations, the GB conservation bodies and their equivalent in Northern Ireland and the JNCC;
 - delivery of six-monthly Ministerial Performance Reviews of JNCC and annual JNCC Chair Performance Appraisals;

- working with Defra's Public Appointments and Accountability and Governance Teams to deliver effective governance and appointments (e.g. making sure structures and processes are effective and efficient, and that Committee membership includes the right skills); and,
- strategic oversight of Defra's input to the JNCC Big Room event to deliver business planning based on direct bilateral relationships between JNCC and Defra Policy leads and the Devolved Administrations.

4.7 Sponsor teams within each of the Devolved Administrations will be involved in the details of developing JNCC priorities for different Administrations, advising Devolved Administration ministers on associated budgets, and monitoring overall performance of the organisation against agreed targets through the six-monthly sponsor meetings.

4.8 JNCC will liaise, including through the six-monthly sponsor meetings, closely with all sponsor bodies to ensure individual country needs are catered for. Formal arrangements will be agreed through the Joint Committee.

Ministerial responsibility

5.1 The Secretary of State will account for business in the UK Parliament. Ministers of the Devolved Administrations will account to their legislatures.

5.2 The role of Ministers is:

- through the business planning process, to agree JNCC's overall priorities and objectives each year;
- to allocate resources to JNCC for its activities and, with Treasury Ministers, to approve JNCC's charging schemes or amendments to such schemes;
- to monitor, through regular reviews and reports to the Defra Board and sponsors in the Devolved Administrations, the performance of JNCC in relation to key targets and risks;

- to keep the legislatures informed about JNCC's performance and answer Parliamentary Questions after consultation with JNCC where appropriate;
- to appoint a Chair and independent members of the Joint Committee and approve the terms and conditions of Committee members;
- to issue any general guidance or specific directions jointly agreed by sponsoring Ministers; and,
- to lay copies of JNCC's annual report and accounts before the UK Parliament and Scottish Parliament each year.

Defra and Devolved Administrations accounting officers' specific accountabilities and responsibilities as Principal Accounting Officers (PAOs)

6.1 The Principal Accounting Officer (PAO) of Defra, in agreement with the Devolved Administrations, has designated the Chief Executive as JNCC's Accounting Officer. (The respective responsibilities of the PAO and accounting officers for JNCC are set out in Chapter 3 of *Managing Public Money* which is sent separately to the accounting officer on appointment.)

6.2 The PAOs are accountable to their legislatures for the issue of any grant-in-aid to JNCC. As such, they are directly and personally accountable for the grant-in-aid paid by the Secretary of State and Devolved Ministers to JNCC, for conditions attaching to it, and for monitoring compliance with those conditions by JNCC. The PAOs are also responsible for advising the responsible sponsor ministers:

- on an appropriate framework of objectives and targets for JNCC in line with Defra's and the Devolved Administrations' wider strategic aims and priorities;
- on an appropriate budget for JNCC in the light of Defra's and the Devolved Administrations' overall public expenditure priorities; and
- how well JNCC is achieving its strategic objectives and whether it is delivering value for money.

6.3 The PAOs are also responsible for ensuring arrangements are in place in order to:

- monitor JNCC's activities;
- address significant problems in JNCC, making such interventions as are judged necessary;
- carry out assessments of the risks to Defra's, the Devolved Administrations' and JNCC's objectives and activities;
- inform JNCC of relevant government policy in a timely manner; and
- bring any concerns about the activities of JNCC to the Joint Committee and, as appropriate to the Defra board and sponsors in the Devolved Administrations, requiring explanations and assurances that appropriate action has been taken.

Responsibilities of JNCC's Chief Executive

General

7.1 The Chief Executive is recruited through open competition. The appointment is made by the Committee. The Committee should set performance objectives for the Chief Executive which reflect both the Accounting Officer responsibilities and the Chief Executive's role in delivering the policy framework set by the sponsor Ministers.

7.2 The Chief Executive as Accounting Officer is personally responsible for regularity and propriety, affordability and sustainability, value for money, control, management of opportunity and risk, learning from experience and accounting accurately for the organisations financial position and transactions. They should ensure that JNCC as a whole is run on the basis of the standards, in terms of governance, decision-making and financial management, that are set out in Box 3.1 of *Managing Public Money*.

Responsibilities for accounting to parliament

7.3 The accountabilities include:

- signing the Annual Report and Accounts and ensuring that proper records are kept relating to the accounts and that the accounts are properly prepared and presented in accordance with the requirements of the Companies Act and any directions issued by the Secretary of State in so far as they do not conflict with the Companies Act;
- preparing and signing a Governance Statement covering corporate governance, risk management and oversight of any local responsibilities, for inclusion in the annual report and accounts;
- ensuring that effective procedures for handling complaints about JNCC are established and made widely known within JNCC;
- acting in accordance with the terms of this document, *Managing Public Money* and other instructions and guidance issued from time to time by the Department, the Treasury and the Cabinet Office;
- giving evidence, normally with the PAO, when summoned before the Public Accounts Committee on JNCC's stewardship of public funds; and,
- giving evidence before Scottish Parliament, the National Assembly for Wales and the administration in Northern Ireland to answer questions concerning the use of resources and related activities.

Responsibilities to Defra and the Devolved Administrations

7.4 Particular responsibilities to Defra and the Devolved Administrations include:

- establishing, in agreement with Defra and the Devolved Administrations, JNCC's contributions to Defra's and the Devolved Administrations' strategic aims and priorities;
- informing Defra and the Devolved Administrations of progress in helping to achieve Defra's and the Devolved Administrations' objectives and in demonstrating how resources are being used to achieve those

objectives, including details as required of the supporting outputs, activities and costs;

- ensuring that timely forecasts and monitoring information on performance and finance are provided to Defra and the Devolved Administrations; and,
- that Defra and the Devolved Administrations are notified promptly if over or under spends are likely and that corrective action is taken; and that any significant **problems** whether financial or otherwise, and whether detected by internal audit or by other means, are notified to Defra and the Devolved Administrations in a timely fashion.

7.5 As part of the Defra group operating model, the JNCC Chief Executive must:

- ensure that JNCC works in collaboration with other parts of the Defra group, in line with the principles of the group operating model, to secure the most efficient and effective delivery of outcomes;
- ensure that JNCC is fully engaged in any decision affecting JNCC and other organisations where the Defra group Executive Committee has overall strategic responsibility;
- support the system leaders for the Natural Environment and Rural and Marine and Fisheries outcome systems in their role of managing, guiding and coordinating the system to deliver strategic outcomes across the Defra group;
- identify issues that need to be considered at the UK level with JNCC's co-sponsors.

Responsibilities to the Committee

The Chief Executive is responsible for:

- advising the Committee on the discharge of JNCC's responsibilities as set out in this document, in legislation and in any other relevant instructions and guidance;

- advising the Committee on JNCC's performance against its aims and objectives;
- ensuring that financial considerations are taken fully into account by the Committee at all stages in reaching and executing its decisions; and,
- taking action as set out in *Managing Public Money* if the Committee or its Chair is contemplating a course of action involving a transaction which the Chief Executive considers would infringe the requirements of propriety or regularity or does not represent prudent or economical administration, efficiency or effectiveness, is of questionable feasibility, or is unethical.

Responsibilities for managing risk and resources

The Chief Executive is responsible for:

- ensuring that all public funds made available to JNCC including any approved income or other receipts are used for the purpose intended by Parliament, and that such monies, together with JNCC's assets, equipment and staff, are used economically, efficiently and effectively;
- ensuring that JNCC acts in accordance with its statutory remit and that all associated legal risks are effectively managed;
- ensuring that a system of risk management is maintained to inform decisions on financial and operational planning and to assist in maintaining and improving performance;
- ensuring that JNCC maximises receipts from non-exchequer sources provided that this is consistent with JNCC's statutory purpose and its business plan as agreed with Defra and Devolved Administrations;
- ensuring that adequate internal management and financial controls are maintained by JNCC, including effective measures against fraud and theft;
- maintaining a comprehensive system of internal delegated authorities which are notified to all staff, together with a system for regularly reviewing compliance with these delegations;
- ensuring that effective personnel management policies are maintained;

- ensuring that an effective system of programme and project management and contract management is maintained;
- recruiting, leading, managing and motivating the senior management team and staff including the development of an organisational culture that promotes high performance and commitment; and
- promoting and maintaining effective customer, stakeholder and partner engagement and collaboration at strategic and operational levels to ensure good understanding and responsive management of customer and stakeholder needs and concerns.

Responsibilities for science and evidence

The Chief Executive is responsible for ensuring that evidence delivered by JNCC is fit for purpose. JNCC shall support an ethos of continuous improvement and, where relevant, accreditation or certification of evidence activities against internationally recognised quality systems. This includes ensuring that JNCC's evidence processes take account of the principles specified in the Joint Code of Practice for Research, the requirements of the Code of Practice for Official Statistics, and other relevant good practice guidelines, such as the Government Chief Scientific Adviser's Guidelines on the Use of Scientific and Engineering Advice in Policy Making.

The Joint Committee

8.1 The Committee consists of fourteen non-executive members, namely:

- a Chair appointed by the Secretary of State after consultation with the Devolved Administrations, in line with the Code of Practice issued by the Commissioner for Public Appointments;
- five independent members appointed by the Secretary of State after consultation with the Devolved Administrations, in line with the Code of Practice issued by the Commissioner for Public Appointments;
- the Chairman or Deputy Chairman of each Great Britain conservation body and one other member of each of these bodies appointed by the body in question; and

- the Chairman of the Council for Nature Conservation and the Countryside and one other member of the Council appointed by the relevant Northern Ireland department.

Appointments of the Chair and Committee independent members

8.2 The JNCC Chair and Committee independent members are typically appointed for a period of three years by the Secretary of State in consultation with Ministers of the Devolved Administrations. Such appointments are regulated by the Independent Commissioner for Public Appointments and will comply with the Government's Code of Governance for Public Appointments.

The Secretary of State may reappoint a serving Chair or independent member to serve a second term without the need for open competition, provided their performance has been at least of a good standard. Reappointment is however not guaranteed. Independent members will not normally be reappointed for a third term except following open competition.

The Chair and independent members are subject to levels of remuneration and terms and conditions of service determined by the Secretary of State.

8.3 The Committee is specifically responsible for:

- establishing and taking forward the strategic aims and objectives of JNCC consistent with its overall strategic direction and within the policy and resources framework determined by Defra and the Devolved Administrations;
- setting the direction for the executive team and the tone and pace needed to deliver agreed strategies and plans;
- agreeing a single business plan for each year that sets out the JNCC's specific delivery commitments and approving the appropriate allocation of resources, and receiving and reviewing regular performance information against that business plan;

- ensuring that the responsible sponsor ministers (and other relevant Defra and Devolved Administration contacts) are kept informed of any changes which are likely to impact on the strategic direction of JNCC or on the attainability of its targets, and determining the steps needed to deal with such changes;
- ensuring that effective arrangements are in place to provide assurance on risk management, governance and internal control, and demonstrating high standards of corporate governance at all times;
- ensuring that any statutory or administrative requirements for the use of public funds are complied with; that the Committee operates within the limits of its statutory authority and any delegated authority agreed with Defra and the Devolved Administrations, and in accordance with any other conditions relating to the use of public funds; and that in reaching decisions, the Committee takes into account any relevant guidance issued by Defra / UK Government and the Devolved Administrations;
- ensuring that the Committee receives and reviews regular financial information concerning the management of JNCC; is informed in a timely manner about any concerns about the activities of JNCC; and provides positive assurance to Defra and the Devolved Administrations that appropriate action has been taken on such concerns;
- approving any matters not delegated to the Chief Executive under JNCC's schedule of delegations; and,
- appointing a Chief Executive and setting performance objectives and remuneration terms linked to these objectives for the Chief Executive which give due weight to the proper management and use and utilisation of public resources.

8.4 Senior representative(s) of Defra and the Devolved Administrations may attend Committee meetings, as appropriate in agreement with the JNCC Chair where this might aid discussion, help inform decision making or in an observer capacity.

8.5 The JNCC Chair and Committee should, where consistent with the JNCC's role as a UK body:

- support the delivery of the Defra group's and Devolved Administrations' objectives;
- support the executive in working collaboratively with other parts of the Defra group, building relationships with other Boards and helping to remove barriers to joint working where this is also in the interests of the Devolved Administrations;
- engage fully and constructively with strategic decision-making led by Defra's Executive Committee where a decision impacts on the JNCC's formal duties and responsibilities.

The Chair's personal responsibilities

8.6 The Chair is responsible to the Secretary of State for the overall leadership, direction and effectiveness of JNCC in line with strategies and plans agreed with Defra and the Devolved Administrations. These priorities should be clearly communicated and disseminated throughout JNCC.

8.7 The Chair will represent JNCC and will be the primary contact with Ministers for the Committee, raising issues with Ministers as appropriate and ensuring that the other Committee members are kept aware of such communications.

8.8 In addition, the Chair has the following leadership responsibilities:

- formulating the Committee's strategy;
- ensuring that the Committee, in reaching decisions, takes proper account of guidance provided by the responsible Ministers, Defra or Devolved Administrations;
- driving collaborative working with other Defra or Devolved Administration bodies and with other government departments as appropriate to make the best use of resources available and to maximise outcomes and benefits;

- promoting the efficient and effective use of staff and other resources;
- delivering high standards of regularity and propriety; and,
- representing the views of the Committee to the general public.

8.9 The Chair also has an obligation to ensure that:

- the Committee is run in line with the Government Code of Good Practice for Corporate Governance;
- the effectiveness of the work of the Committee and its members' performance is reviewed annually, and that Committee members are aware of the terms of their appointment, their duties, rights and responsibilities and take proper account of guidance provided by Defra, Devolved Administrations or Ministers when reaching decisions;
- the Committee members proactively engage in succession planning and identification of potential candidates for future Committee appointments;
- the Committee has a balance of skills appropriate to directing JNCC's business, as set out in the Government Code of Good Practice for Corporate Governance;
- they, together with the other Committee members, receive appropriate training on financial management and reporting, and on any differences that may exist between private and public sector practice;
- the responsible minister and UK conservation body Chairs as appropriate are advised of JNCC's needs with as much notice as possible before Committee vacancies arise;
- their objectives are set with the responsible Defra Minister and they provide an annual self-assessment of how they have been achieved
- they assess the performance of individual Independent Committee members each year and advises the Secretary of State with as much notice as possible when they are being considered for reappointment or appointment;
- there is a Committee Operating Framework in place setting out the role and responsibilities of the Committee consistent with the Government Code of Good Practice for Corporate Governance;

- there is a code of practice for Committee members in place, consistent with the Cabinet Office *Code of Conduct for Board Members of Public Bodies*; and,
- appropriate arrangements are put in place to record and manage conflicts and potential conflicts of interest of Committee members.

Individual Committee members' responsibilities

8.10 Individual Committee members should:

- comply at all times with the *Code of Conduct for Board Members of Public Bodies* and with the rules relating to the use of public funds and to conflicts of interest;
- not misuse information gained in the course of their public service for personal gain or for political profit, nor seek to use the opportunity of public service to promote their private interests or those of connected persons or organisations;
- comply with the Committee's rules on the acceptance of gifts and hospitality, and of business appointments; and,
- act in good faith and in the best interests of JNCC;
- act in the public interest, and uphold at all times the seven principles of public life (selflessness, integrity, objectivity, accountability, openness, honesty and leadership).

8.11 The travel expenses of Committee members shall be tied to the rates allowed to staff of JNCC. Reasonable actual costs shall be reimbursed.

Indemnity of Committee members

8.12 Committee members are indemnified in accordance with Box A5.4B of *Managing Public Money* against any liability incurred in their duties as Committee members and as members and directors of the company in accordance with sections 170-177 of the Companies Act 2006.

8.13 Any liabilities that are deemed to be of a magnitude that JNCC can reasonably not expect to meet from its own grant-in-aid will be met by Defra and the Devolved Administrations in the same proportions as the agreed funding formula currently in place. Defra shall be given prior notification of all potential claims.

Audit and Risk Assurance Committee

8.14 The Joint Committee has a general responsibility to ensure that proper internal audit arrangements are established and maintained, and for that purpose should establish an Audit and Risk Assurance Committee (ARAC) in accordance with *Managing Public Money* and the Cabinet Office's *Guidance on Codes of Practice for Public Bodies*. ARAC will be chaired by an independent non-executive member.

8.15 The Internal Audit service should provide regular reports to the Chief Executive and ARAC, on its programme, recommendations and their implementation.

8.16 To assist with the provision of assurance to the Principal Accounting Officer JNCC will ensure that the agenda and minutes of all ARAC meetings are shared with relevant Defra contacts and papers are also shared with Defra's Group Chief Internal Auditor (GCIA). JNCC will extend an invitation, at its discretion, to Defra's GCIA to attend ARAC meetings.

Control of the company limited by guarantee formed to support JNCC

8.17 The UK conservation bodies, through the Committee, have established a company limited by guarantee (JNCC Support Co), under paragraph 13 of Schedule 4 of the NERC Act, to provide administrative and specialist support to the Committee. The company provides the corporate vehicle through which JNCC employs staff and administers its funds to deliver its business plan. JNCC is required to meet certain conditions set by the Secretary of State for the establishment and operation of the company. These are set out in Appendix 3 to this document.

- 8.18** The means by which JNCC shall ensure compliance with those conditions shall be through control of membership of the company. Accordingly, the Articles of Association with which the company has been formed contain provisions stipulating that it is a condition of the admission of any person to be a member of the company that they be a current member of the Committee and that their membership of the company shall cease if they cease to be a member of the Committee.
- 8.19** Each of the UK conservation bodies shall ensure that those persons whom it appoints to be members of the Committee are aware of the requirement for the Committee to provide members and directors of the company and are encouraged so to serve as part of their function as a Committee member. The Committee itself shall also encourage each of its independent members to apply for membership and directorship of the company and to retain such membership for so long as they remain a member of the Committee, so as to ensure, so far as possible, that there are at all times a minimum of seven members of the company and that its membership broadly represents the balance on the Committee between the appointees and independent members.
- 8.20** Each individual member of the Committee will exercise their individual powers and rights as a member of the company in such a way as to ensure compliance with the conditions referred to in Appendix 3. In particular, each individual member will exercise their voting rights as a member of the company to oppose any resolution:
- to alter any provision of the company's Memorandum of Association; or
 - to alter the company's Articles of Association in any way which affects their provisions as to:
 - the composition of membership of the company as referred to at section 8.12; or
 - the voting rights of its members; or
 - the quorum for its general meetings or for meetings for its directors; or

- the provision that members of the company be deemed to be directors of it; or
- the maximum number of directors who are not members of the company; or
- the requirement that such directors be and remain employees of the company or of JNCC; or
- the qualification for service as an alternate director; or
- the Chairman of the company; or
- the indemnity for its directors and officers; or
- that the company be wound up voluntarily; unless,
- any such resolution shall first have been approved by the Secretary of State and HM Treasury.

8.21 JNCC Support Co is a wholly-owned and wholly-controlled subsidiary of JNCC, and hence is a public sector body itself. JNCC should ensure, through its controlling interest, that JNCC Support cooperates in accordance with the principles of *Managing Public Money*. This includes accountability to JNCC, to Defra, and in turn to parliament. Unless a separate accounting officer is established, the Chief Executive of JNCC, as Accounting Officer, must have in place appropriate processes to ensure that *Managing Public Money* is followed by JNCC Support Co, including enabling actions in line with 3.8.6 if the JNCC Support Co board is contemplating a course of action that might infringe *Managing Public Money* principles.

Transparency, audit and scrutiny

Annual Report and Accounts

9.1 JNCC must publish an Annual Report and Accounts (ARA) after the end of each financial year. JNCC shall provide Defra with its finalised (audited) accounts in line with the agreed timetable each year in order for the accounts to be consolidated within Defra's.

- 9.2** Scottish Government must be consulted on the ARA and the ARA must be approved by the appropriate Defra Minister and signed by the Comptroller and Auditor General before being laid before the House of Commons and Scottish Parliaments and made available on JNCC's website. The ARA must also be sent to the National Assembly for Wales, the relevant Northern Ireland department and the UK conservation bodies, and published on gov.uk ideally on the same day, but not before, the document has been laid before parliament.
- 9.3** The annual report must comply with the Treasury's *Financial Reporting Manual* (FreM) insofar as this does not conflict with Companies Act requirements.
- 9.4** A draft or drafts of the report should be submitted to the department and Devolved Administrations as required to agreed timetables.

Internal audit

- 9.5** JNCC shall:
- establish and maintain arrangements for internal audit in accordance with the *Treasury's Public Sector Internal Audit Standards* (PSIAS) (<https://www.gov.uk/government/publications/public-sector-internal-auditstandards>);
 - ensure Defra Group Chief Internal Auditor (GCIA) is satisfied with the competence and qualifications of the Head of Internal Audit and the requirements for approving appointments in accordance with PSIAS;
 - share the audit strategy, periodic audit plans, all final audit reports and annual audit report, including JNCC's Head of Internal Audit opinion on risk management, control and governance with Defra; and
 - keep records of, and prepare and forward to Defra an annual report on fraud, error and theft suffered by JNCC and notify Defra of any unusual or major incidents as soon as possible.
- 9.6** The Internal Audit service shall have direct access to the Chief Executive and Accounting Officer and to the Members of the Joint Committee, usually through

the Audit and Risk Assurance Committee. The Joint Committee or Audit and Risk Assurance Committee may deal directly with the Head of Internal Audit.

- 9.7** The Defra internal audit service has a right of access to all documents, including where the service is contracted out.

Audit of Receipts and Payments from the European Union (EU)

- 9.8** Where JNCC receives funding from the EU, it may be subject to an audit by the European Court of Auditors. It may also be subject to audit from other auditors acting under the terms governing the provision of the financial assistance or the protocol arrangements agreed between Government departments and the EU.

Central Government Accounts

- 9.9** JNCC must comply with requirements of the Department and HM Treasury.

External audit

- 9.10** The Comptroller & Auditor General (C&AG) passes the audited accounts to the Secretary of State who will lay the accounts together with the C&AG's report before the UK parliament. In the event that JNCC has set up and controls subsidiary companies, JNCC will in the light of the provisions in the Companies Act 2006 ensure that the C&AG is appointed auditor of those company subsidiaries that it controls and/or whose accounts are consolidated within its own accounts. JNCC shall discuss with Defra the procedures for appointing the C&AG as auditor of the companies.

- 9.11** The C&AG:

- will consult Defra and JNCC on whom – the NAO or a commercial auditor – shall undertake the audit(s) on their behalf, though the final decision rests with the C&AG;

- has a statutory right of access to relevant documents, including by virtue of section 25(8) of the Government Resources and Accounts Act 2000, held by another party in receipt of payments or grants from JNCC;
- will share with Defra information identified during the audit process and the audit report (together with any other outputs) at the end of the audit, in particular on issues impacting on Defra's responsibilities in relation to financial systems within JNCC; and,
- will, where asked, provide Defra and other relevant bodies with Regulatory Compliance Reports and other similar reports which Defra may request at the commencement of the audit and which are compatible with the independent auditor's role.

9.12 The C&AG may carry out examinations into the economy, efficiency and effectiveness with which JNCC has used its resources in discharging its functions. For the purpose of these examinations the C&AG has statutory access to documents as provided for under section 8 of the National Audit Act 1983. In addition, JNCC shall provide, in conditions to grants and contracts, for the C&AG to exercise such access to documents held by grant recipients and contractors and sub-contractors as may be required for these examinations; and shall use its best endeavours to secure access for the C&AG to any other documents required by the C&AG which are held by other bodies.

9.13 Defra and the Devolved Administrations have the right of access to all JNCC records and personnel for any lawful purpose including, for example, audits and operational investigations.

Maladministration

9.14 The Parliamentary and Health Service Ombudsman may investigate all functions of JNCC.

Freedom of Information

9.15 JNCC is subject to the Freedom of Information Act (FOIA) and the Environmental Information Regulations (EIR) which ensure that the public can, on request, be given access to information, in accordance with its statutory obligations.

Management and financial responsibilities

Business planning

10.1 A single JNCC business plan will be required annually to establish how objectives in Defra's and Devolved Administration's Departmental Plans are to be delivered. The JNCC shall agree with Defra and the Devolved Administrations the issues to be addressed in the plan and the timetable for its preparation. The plan shall reflect the JNCC's statutory and/or other duties and, within those duties, the priorities set from time to time by the Secretary of State and Ministers for the Devolved Administrations (including decisions taken on policy and resources in the light of wider public expenditure decisions). The plan shall demonstrate how the JNCC contributes to the achievement of the priorities of Defra and the Devolved Administrations. The single business plan should set out delivery of objectives, outputs, performance targets, drive for efficiency, costs and resources and must have regard to guidance issued by the Defra and the Devolved Administrations.

10.2 The single business plan should be developed as appropriate through the Defra group and Devolved Administration governance and in particular the annual JNCC 'Big Room' planning event. It should build on joint working between policy and delivery teams to ensure a coherent plan is proposed. A draft business plan reflecting indicative allocations and priorities will then be subject to agreement with JNCC Sponsors and approval by sponsor Ministers.

10.3 The single business plan shall include key targets and milestones for the year immediately ahead and shall be linked to budgeting information so that

resources allocated to achieve specific objectives can readily be identified by Defra and the Devolved Administrations. Subject to any commercial considerations, the business plan should be published by the JNCC on its website and made available to staff.

Budgeting procedures

10.4 Prior to the start of the financial year and in light of the decisions relating to financial provision and the policy delivery requirements of Defra and the Devolved Administrations, JNCC will receive:

- a formal statement of the annual budgetary provision allocated by Defra and the Devolved Administrations in the light of competing priorities and of any forecast income approved by Defra and the Devolved Administrations; and
- notification of any planned changes in Defra, the Devolved Administrations, or wider government policy affecting JNCC functions. These will be discussed and agreed through the six-monthly sponsor meetings (or where necessary inter-sessionally) as part of an on-going dialogue between JNCC, Defra and the Devolved Administrations and recorded as part of the regular performance management process.

Grant-in-aid and any ring-fenced grants

10.5 Any grant-in-aid provided by Defra for the year in question will be voted in Defra's Supply Estimate and be subject to Parliamentary control. JNCC's grant-in-aid will be provided by Defra with contributions from Defra and the Devolved Administrations agreed by sponsor Ministers. The funding contributions from sponsor governments will be set according to the agreed funding formula. Devolved Administrations' contributions will be paid to Defra by Scottish Natural Heritage in Scotland, Natural Resources Wales in Wales and the Department of Environment, Agriculture and Rural Affairs in Northern Ireland.

- 10.6** The grant-in-aid will normally be paid in monthly instalments on the basis of written applications showing evidence of need. JNCC will comply with the general principle that there is no payment in advance of need. Cash balances accumulated during the course of the year from grant-in-aid or other Exchequer funds shall be kept to a minimum level consistent with the efficient operation of JNCC. Grant-in-aid not drawn down by the end of the financial year shall lapse. Subject to approval by parliament of the relevant Estimates provision, where grant-in-aid is delayed to avoid excess cash balances at the year-end, Defra will make available in the next financial year any such grant-in-aid that is required to meet any liabilities at the year end, such as creditors.
- 10.7** In the event that Defra and/or the Devolved Administrations provide JNCC with separate grants for specific (ring fenced) purposes, they will issue the grant as and when JNCC needs it on the basis of a written request. JNCC will provide evidence that the grant was used for the purposes authorised by Defra and/or the Devolved Administrations. JNCC shall not have uncommitted grant funds in hand, nor carry grant funds over to another financial year.

Managing Public Money and other government-wide corporate guidance and instructions

- 10.8** Unless agreed by Defra and the Devolved Administrations and, as necessary, HM Treasury, JNCC shall follow the principles, rules, guidance and advice in *Managing Public Money*, referring any difficulties or potential bids for exceptions to Defra in the first instance. A list of guidance and instructions with which JNCC should comply, unless agreed by Defra and the Devolved Administrations, is at Appendix 1.
- 10.9** Once the budget has been approved by Defra and the Devolved Administrations and subject to any restrictions imposed by statute, the Secretary of State's instructions and this document, JNCC shall have authority to incur expenditure approved in the budget without further reference to Defra and the Devolved Administrations, on the following conditions:

- JNCC shall comply with the delegated financial limits agreed with Defra and the Devolved Administrations and set out in an annual delegation letter issued prior to the commencement of a new financial year. These delegations shall not be altered without the prior agreement of Defra and the Devolved Administrations;
- JNCC shall comply with *Managing Public Money* regarding novel, contentious or repercussive proposals;
- inclusion of any planned and approved expenditure in the budget shall not remove the need to seek formal departmental approval where any proposed expenditure is outside the delegated limits or is for new schemes not previously agreed; and,
- JNCC shall provide Defra and the Devolved Administrations with such information about its operations, performance individual projects or other expenditure as Defra and the Devolved Administrations may reasonably require.

Reporting performance to Defra and the Devolved Administrations

10.10 Financial planning and performance reporting is integrated across the Defra group. A single performance framework is prepared including the organisation's key responsibilities identifying outcomes, money, resource, customer feedback, measures and progress against milestones in one report for the Defra group. Defra's Executive Committee (ExCo) will track performance across the whole group from policy to delivery.

10.11 Responsibility for management of JNCC's performance will continue to lie with the Chief Executive. Details of the underlying organisational performance indicators, outputs and costs should be made available Defra and Devolved Administrations to ensure a clear line of sight from policy through to front-line delivery. ExCo's role in Defra is to oversee performance of the Defra group as a whole and they will intervene where performance issues require a cross-departmental approach.

10.12 JNCC shall operate management, information and accounting systems that enable it to review in a timely and effective manner its financial and non-financial performance against the budgets and targets set out in the business plan. JNCC shall inform Defra and the Devolved Administrations of any changes that make achievement of objectives more or less difficult. It shall report financial and non-financial performance, including performance in helping to deliver the Secretary of State's and Ministers for the Devolved Administrations' policies, and the achievement of key objectives quarterly. The Secretary of State (or another Minister on his or her behalf) will meet the Chair and Chief Executive twice a year to formally review JNCC's performance.

Corporate governance

Delegated authorities

11.1 JNCC's delegated authorities are set out and updated separately in its annual delegation letter. JNCC shall obtain Defra's prior written approval before:

- entering into any undertaking to incur any expenditure that falls outside the delegations or which is not provided for in JNCC's annual budget as approved by Defra and the Devolved Administrations;
- incurring expenditure for any purpose that is or might be considered novel or contentious, or which has or could have significant future cost implications;
- making any significant change in the scale of operation or funding of any initiative or particular scheme previously approved by Defra and the Devolved Administrations;
- making any change of policy or practice which has wider financial implications that might prove repercussive or which might significantly affect the future level of resources required; or
- carrying out policies that go against the principles, rules, guidance and advice in *Managing Public Money*.

Risk management

- 11.2** JNCC shall ensure that the risks that it faces are dealt with in an appropriate manner, in accordance with relevant aspects of best practice in corporate governance, and adopting the principles contained within the Treasury guidance *Management of Risk: Principles and Concepts* (http://www.hm-treasury.gov.uk/orange_book.htm). Applying the common Defra risk language, risks should be escalated where required and fully contribute to an annual central review of all of their corporate risks.
- 11.3** It should adopt and implement policies and practices to safeguard itself against fraud, error, bribery, money laundering and theft, in line with the Treasury's guidance. (http://webarchive.nationalarchives.gov.uk/20130129110402/http://www.hmtreasury.gov.uk/d/managing_the_risk_fraud_guide_for_managers.pdf).
- 11.4** It should also take all reasonable steps to appraise the financial standing of any firm or other body with which it intends to enter into a contract or to give grant or grant-in-aid.

JNCC as an employer

Broad responsibilities for staff

- 12.1** Within the arrangements approved by the Secretary of State and Ministers for the Devolved Administrations, JNCC will have responsibility for the recruitment, retention and motivation of its staff. The broad responsibilities toward its staff are to ensure that:
- the rules for recruitment and management of staff create an inclusive culture in which diversity is fully valued; appointment and advancement is based on merit: there is no discrimination on grounds of gender, marital status, sexual orientation, race, colour, ethnic or national origin, religion, disability, community background or age;

- appropriate systems, procedures and leadership are in place to ensure focus on the health, safety and wellbeing of all staff;
- the level and structure of its staffing, including grading and staff numbers, are appropriate to its functions and the requirements of economy, efficiency and effectiveness;
- the performance of its staff at all levels is satisfactorily appraised and performance measurement systems are reviewed from time to time;
- its staff are encouraged to acquire the appropriate professional, management and other expertise necessary to achieve JNCC's objectives;
- proper consultation with staff takes place on key issues affecting them;
- adequate grievance and disciplinary procedures are in place;
- whistle-blowing procedures consistent with the Public Interest Disclosure Act and Defra whistle-blowing policy are in place; and,
- a code of conduct for staff is in place based on the Cabinet Office's *Model Code for Staff of Executive Non-departmental Public Bodies* [https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/80082/PublicBodiesGuide2006_5_public_body_staffv2_0.pdf .]

Staff costs

12.2 Subject to its delegated authorities, JNCC shall ensure that the creation of any additional posts does not incur forward commitments that will exceed its ability to pay for them.

Pay and conditions of service

12.3 The department should have regard to the Cabinet Office's *Public Bodies: A Guide for Departments* that provides guidance on staff issues in public bodies (https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/80082/PublicBodiesGuide2006_5_public_body_staffv2_0.pdf). JNCC's staff are subject to levels of remuneration and terms and conditions of service (including pensions) within the general pay structure approved by Defra and the

Devolved Administrations and HM Treasury. JNCC has no delegated power to amend these terms and conditions without such approval.

- 12.4** If civil service terms and conditions of service apply to the rates of pay and non-pay allowances paid to the staff and to any other party entitled to payment in respect of travel expenses or other allowances, payment shall be made in accordance with the *Civil Service Management Code* (<https://www.gov.uk/government/publications/civil-servants-terms-andconditions>) except where prior approval has been given by Defra to vary such rates.
- 12.5** Staff terms and conditions should be published on JNCC's intranet.
- 12.6** JNCC shall operate a performance-related pay scheme that shall form part of the general pay structure approved by Defra and the Devolved Administrations or HM Treasury as required.

Pensions, redundancy and compensation

- 12.7** JNCC staff shall normally be eligible for a pension provided by the Principal Civil Service Pension Scheme (PCSPS). Staff may opt out of the occupational pension scheme provided by JNCC, but the employers' contribution to any personal pension arrangement, including stakeholder pension shall normally be limited to the national insurance rebate level.
- 12.8** Any proposal by JNCC to move from the existing pension arrangements, or to pay any redundancy or compensation for loss of office, requires the prior approval of Defra. Proposals on severance must comply with the rules in *Managing Public Money*.

Review of JNCC's status (and winding-up arrangements)

- 13.1** JNCC will be reviewed in line with Defra and Cabinet Office requirements.

Arrangements in the event that JNCC is wound up

13.2 Defra and the Devolved Administrations shall put in place arrangements to ensure the orderly winding up of JNCC. In particular, they should ensure that the assets and liabilities of JNCC are passed to any successor organisation and accounted for properly. (In the event that there is no successor organisation, the assets and liabilities should revert to Defra and the Devolved Administrations.) To this end, Defra and the Devolved Administrations shall:

- ensure that procedures are in place in JNCC to gain independent assurance on key transactions, financial commitments, cash flows and other information needed to handle the wind-up effectively and to maintain the momentum of work inherited by any residuary body;
- specify the basis for the valuation and accounting treatment of JNCC's assets and liabilities;
- ensure that arrangements are in place to prepare closing accounts and pass to the C&AG for external audit, and that, for non-Crown bodies funds are in place to pay for such audits. It shall be for the C&AG to lay the final accounts in Parliament, together with his report on the accounts; and
- arrange for the most appropriate person to sign the closing accounts. In the event that another ALB takes on the role, responsibilities, assets and liabilities, the succeeding ALB Accounting Officer should sign the closing accounts. In the event that Defra and/or the Devolved Administrations inherit the role, responsibilities, assets and liabilities, Defra's Accounting Officer should sign.

13.3 JNCC shall provide Defra and the Devolved Administrations with full details of all agreements where JNCC or its successors have a right to share in the financial gains of developers. It should also pass to Defra details of any other forms of claw-back due to JNCC.

LIST OF APPENDICES TO THE SPECIMEN DOCUMENT

Appendix 1: List of government-wide corporate guidance instructions

Appendix 2: Design principles for Defra's Target Operating Model

Appendix 3: Conditions for the company established by the Secretary of State

Signed 
Signed

Date: 19 March 2018
(On behalf of Defra)

Signed 
Signed

Date: 19 March 2018
(On behalf of JNCC)

Appendix 1: Compliance with government-wide corporate guidance and instructions

The Body shall comply with the following general guidance documents and instructions:

This Framework Document
Appropriate adaptations of sections of <i>Corporate Governance in Central Government Departments: Code of Good Practice</i> https://www.gov.uk/government/publications/corporate-governance-code-for-central-government-departments
<i>Code of Conduct for Board Members of Public Bodies</i> https://www.bl.uk/aboutus/governance/blboard/BoardCodeofPractice2011.pdf
<i>Managing Public Money</i> (MPM)
Fees and Charges Guide, Chapter 6 of <i>Managing Public Money</i>
Departmental Banking: A Manual for Government Departments, annex 5.6 of <i>Managing Public Money</i>
Relevant Freedom of Information Act guidance and instructions (Ministry of Justice); A7.2 Drawing up framework documents <i>Managing Public Money</i> https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/212123/Managing_Public_Money_AA_v2_-_chapters_annex_web.pdf
Public Sector Internal Audit Standards https://www.gov.uk/government/publications/public-sector-internal-audit-standards
Management of Risk: Principles and Concepts https://www.gov.uk/government/publications/orange-book
HM Treasury Guidance on Tackling Fraud http://webarchive.nationalarchives.gov.uk/20130129110402/http://www.hm-treasury.gov.uk/d/managing_the_risk_fraud_guide_for_managers.pdf.pdf
Government Financial Reporting Manual (FReM), https://www.gov.uk/government/publications/government-financial-reporting-manual

Regularity, Propriety and Value for Money

http://webarchive.nationalarchives.gov.uk/20130129110402/http://www.hm-treasury.gov.uk/psr_governance_valueformoney.htm

The Parliamentary and Health Service Ombudsman's Principles of Good Administration

<http://www.ombudsman.org.uk/improving-public-service/ombudsmansprinciples>

Relevant Dear Accounting Officer letters

Consolidation Officer Memorandum, and relevant DCO letters

Other relevant guidance and instructions issued by the Treasury in respect of Whole of Government Accounts

Other relevant instructions and guidance issued by the central Departments

Specific instructions and guidance issued by the sponsor Department

Recommendations made by the Public Accounts Committee, or by other Parliamentary authority, that have been accepted by the Government and relevant to the ALB

Appendix 2: Design Principles for Defra's Target Operating Model

Guiding the thinking around how we organise ourselves and deliver our services are five design principles. These principles are the cornerstone of our operating model and all analysis has been undertaken with them in mind.

Design Principles
Act together: Have collective ownership of a shared agenda. Move beyond collaboration on areas of mutual interest to act in the interests of the whole Defra group.
Make it simpler: Be easier to do business with. Avoid jargon, stop adding unnecessary complexity and make it easier for customers to connect to our services.
Avoid duplication: This applies widely across our systems, standards and people. Accountabilities, ownership of outcomes and personal responsibilities will be clear. And our processes will add value.
Maximise impact: Do what makes the biggest difference in the face of complexity. Be confident to challenge the status quo in order to deliver our strategy.
Embrace digital and data: Make decisions using the best available data and the latest methods and technology to improve outcomes. Processes will be automated, remote technology will be available and common standards and protocols will be applied.

Appendix 3: Conditions for the company established by the Secretary of State

- 1.** The company limited by guarantee must not be wound up without the prior approval of the Secretary of State and HM Treasury. The Secretary of State will exercise this condition in such a way as to ensure that the directors of the company are not placed in breach of their duties under the Companies Act.
- 2.** The Memorandum and Articles of Association must be cleared by Defra prior to adoption.
- 3.** Any change of name of the company must be approved by the Secretary of State.
- 4.** Any changes to the Memorandum and Articles of Association that amend or alter the company limited by guarantee's objects or provisions as to its membership or management must be approved by the Secretary of State and HM Treasury.
- 5.** There must be a minimum of seven members of any company limited by guarantee who broadly represent the balance between the UK conservation bodies' appointees and independent members on the Joint Committee.
- 6.** There must be a minimum of seven directors on the board of any company limited by guarantee who are Joint Committee members and who broadly represent the balance between the UK conservation bodies' appointees and independent members on the Joint Committee.
- 7.** No more than four persons who are not members of the Joint Committee, all of whom must be staff employed either directly by the Joint Committee or by the company limited by guarantee, may be directors of that company at any time.

8. The quorum of the board of directors shall be no less than four directors who are also Joint Committee members.
9. The board must supply the Secretary of State or his/her officials and HM Treasury with copies of the company's annual report and accounts.
10. The company may not set up any subsidiary without the prior approval of the Secretary of State and HM Treasury.

The Secretary of State has not included within the list of conditions any requirement that 'employee directors' may not vote upon any matter pertaining to the terms and conditions of staff employed by the company limited by guarantee in the expectation that this will be covered in the company's own policies on conflicts of interest.