



Department
for Environment
Food & Rural Affairs



Framework document:

Joint Nature Conservation Committee

July 2022



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Introduction and background

1. Purpose of document

- 1.1. This framework document (the “framework document”) has been agreed between the Department of 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), including its corporate support vehicle the JNCC Support Company, in accordance with HM Treasury's handbook *Managing Public Money* (“MPM”) (see Chapter 7) (as updated from time to time) and has been approved by HM Treasury.
- 1.2. The framework document sets out the broad governance framework within which JNCC and Defra, in partnership with the devolved administrations, will operate. It sets out JNCC’s core responsibilities; describes the governance and accountability framework that applies between the roles of Defra, JNCC, and the devolved administrations; and sets out how the day-to-day relationship works in practice, including in relation to governance and financial matters. JNCC, Defra and the devolved administrations, as the sponsors, will ensure that they understand each other's strategic priorities and those of other relevant parties, agree plans that reflect these appropriately, and keep each other informed, in good time, of risks and issues with the potential to affect delivery or performance.
- 1.3. The document does not convey any legal powers or responsibilities, but all parties agree to operate within its terms. Copies of the document and any subsequent amendments have been placed in the Libraries of both Houses of Parliament and made available to members of the public on JNCC’s website: <https://jncc.gov.uk/>.
- 1.4. This framework document should be reviewed and updated at least every three years unless there are exceptional reasons that render this inappropriate that have been agreed with HM Treasury and the Principal Accounting Officer of Defra. The latest date for review and updating of this document is July 2025.

2. Background to JNCC

- 2.1. Originally established under the Environmental Protection Act 1990 to handle science-based GB and UK international issues, JNCC was later reconstituted by the Natural Environment and Rural Communities Act (NERC) 2006, as the forum through which the country nature conservation bodies (CNCBs) in England (Natural England), Scotland (NatureScot), Wales (Natural Resources Wales), and Northern Ireland (Council for Nature Conservation and the Countryside) discharge their statutory responsibilities across the UK and internationally. Prior to the NERC Act, JNCC did not have

- the legal power to employ its own staff, and any employees had to be seconded from the CNCBs under varying terms and conditions.
- 2.2. The NERC Act enabled a much-needed simplification of JNCC's administration by establishing the JNCC Support Company, an operating company controlled by JNCC which allowed it for the first time to employ its own staff and to receive funding directly from the UK Government. The JNCC Support Company now acts as the corporate vehicle through which the Joint Committee - the advisory committee of experts JNCC is led by - operates on a day-to-day basis. This arrangement is outlined in primary legislation (NERC Act, 2006) and is a pragmatic and successful model for JNCC to fulfil its statutory duties.
 - 2.3. JNCC is a single entity, and so reference to 'JNCC' throughout this document includes both the Joint Committee and the JNCC Support Company, which are comprised of the same staff. Where appropriate, this document will outline any specific roles and responsibilities of the Joint Committee and the JNCC Support Company where these differ.

3. Objectives

- 3.1. The Defra group Outcome Delivery Plan shows how the diverse range of outcomes and activities across the group contribute to Defra's priority outcomes and strategic enablers. In a Defra context, JNCC shares the common objective of delivering on Defra's environment and net zero outcomes, as well as the departmental outcome to strengthen the Union and meet international objectives. All of Defra's public bodies, regardless of their role and positioning, act together on a shared agenda in contributing to the single vision of improving and protecting our environment by making our air purer, our water cleaner, our land greener and our food more sustainable.
- 3.2. JNCC's objective is to deliver impartial evidence and advice relating to the natural environment to the UK Government and devolved administrations. To achieve this JNCC, Defra and the devolved administrations will work together in recognition of each other's roles and areas of expertise. This is intended to provide an effective environment for JNCC to achieve its outcomes and objectives through the promotion of partnership and trust, and ensure that JNCC also supports the strategic aims and objective of Defra, the UK Government, and the devolved administrations.
- 3.3. The objective of the JNCC Support Company is to enable the operational delivery of JNCC's objectives through employing staff and handling funds as per Regulatory Reform Order 634 (later enshrined in the NERC Act), which established the JNCC Support Company as the legislative vehicle in which to deliver these functions to the Joint Committee.
- 3.4. All partners 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 the department and JNCC will be resolved.

4. Classification

- 4.1. JNCC has been classified as a central government organisation by the ONS/HM Treasury Classifications team.
- 4.2. It has been administratively classified by the Cabinet Office as a Non-Departmental Public Body.
- 4.3. The JNCC Support Company has been classified as a central government company, limited by guarantee in the public sector.

Purposes, aims and duties

5. Purposes

- 5.1. JNCC was established under the Environmental Protection Act 1990 and reconstituted by the Natural Environment and Rural Communities (NERC) Act 2006. Its purposes are set out in section 2 of that Act. JNCC established the JNCC Support Company under paragraph 13 of Schedule 4 to the NERC Act. Its purposes are set out in Appendix 2. The Joint Committee has corporate responsibility for fulfilling its responsibilities as a statutory body and for controlling the Company, as set out in this framework document.
- 5.2. Where permitted by statute, the UK Government may ask JNCC 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 administrations, and the Joint Committee.

6. Powers and duties

- 6.1. JNCC's powers and duties derive from section 2 and Schedule 4 to the Natural Environment and Rural Communities Act 2006.
- 6.2. JNCC's statutory duties and functions 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.
- 6.3. 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)

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.
- 6.4. The functions of the JNCC Support Company are to:
 - approve the Annual Report and Accounts

- provide a corporate vehicle to employ staff on behalf of the JNCC, and
- to make charges and hold land or any interest in or right over land

7. Aims

7.1. The strategic aims of JNCC are to:

- be a world-leading provider of environmental evidence, innovative solutions, and advice that places nature at the heart of sustainable wealth and well-being, and
- be an impartial scientific authority on UK and international nature conservation

7.2. JNCC will deliver its strategic aims in the context of Defra's and devolved administrations' priorities. To do so, JNCC will:

- fully embed the concepts of natural capital and ecosystem services in evidence and advice
- better incorporate an understanding of the benefits nature provides in decision-making and provide solutions that optimise ecosystem services
- promote nature-based solutions to major societal challenges such as climate change, in the UK and internationally
- emphasise providing scientific services that support the specific priorities of each UK administration by utilising the strengths derived from operating across countries
- support UK standards and frameworks where there is a clear requirement for comparison and/or consistency at a UK scale
- achieve substantial environmental benefits internationally, for example by advising on large-scale interventions in areas of high biodiversity value, and
- increase international engagement, broaden support for the international agendas of government and strengthen bilateral relationships with selected countries

JNCC's aims are set out in a five-yearly strategy plan which is publicly available on their website: <https://jncc.gov.uk>.

Role of the department

8. The Responsible Minister

- 8.1. The Secretary of State shall account for JNCC on all matters concerning JNCC to the UK Parliament.
- 8.2. The Secretary of State's statutory powers in respect of JNCC are set out in the Natural Environment and Rural Communities Act 2006. These are: giving directions on the discharge of certain JNCC functions, powers of appointment; and in relation to remunerations and allowances allocating resources; and approving the setting up of a company limited by guarantee (such as the JNCC Support Company).
- 8.3. Through the exercise of these powers, the Secretary of State:
 - shall be responsible for the policy framework within which JNCC operates
 - shall provide guidance and direction to ensure the strategic aims and objectives of JNCC are consistent with those of the UK Government, Defra and the devolved administrations
 - shall 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
 - shall approve JNCC's corporate plan and business plan
 - shall allocate resources to JNCC for its activities and, with Treasury Ministers, approves JNCC's charging schemes or amendments to such schemes
 - has a power of appointment in relation to the appointment of JNCC's Chair, exercised in line with the Governance Code on Public Appointments
 - may review the performance of the Chair on a regular basis.
 - has a power of appointment in relation to five independent non-executive Committee members, exercised in line with the Governance Code on Public Appointments
 - has a power of approval in relation to the appointment of the JNCC Chief Executive
 - shall keep Parliament informed about JNCC's performance, and answer Parliamentary Questions after consultation with JNCC where appropriate, and
 - shall lay copies of JNCC's annual report and accounts before the UK Parliament and Scottish Parliament each year
 - shall monitor compliance with the conditions relating to the establishment of the JNCC Support Company (see Appendix 2)
- 8.4. Ministers of the devolved administrations shall account to their respective legislatures.

9. The Principal Accounting Officer (PAO)

- 9.1. The PAO is the Permanent Secretary of Defra.

Sponsor department's Accounting Officer's specific accountabilities and responsibilities as PAO

- 9.2. The PAO designates the Chief Executive of JNCC as JNCC's Accounting Officer, and shall ensure that they are fully aware of their responsibilities. The PAO shall issue a letter appointing the Accounting Officer, setting out their responsibilities and delegated authorities.
- 9.3. The respective responsibilities of the PAO and ALB Accounting Officer are set out in Chapter 3 of *Managing Public Money*.
- 9.4. The PAO is accountable to Parliament for the issue of any grant-in-aid to JNCC paid by the Secretary of State and administered by the JNCC Support Company.
- 9.5. As outlined in paragraph 15.2, the Chief Executive of JNCC is employed by the JNCC Support Company, in compliance with the NERC Act (2006). Therefore, the Chief Executive of JNCC is also the Chief Executive of the JNCC Support Company, and is responsible for public funds handled therein.
- 9.6. The PAO is also responsible, usually via the sponsorship team, for advising the Responsible Minister on:
 - an appropriate framework of objectives and targets for JNCC in the light of Defra's and the devolved administrations' wider strategic aims and priorities
 - an appropriate budget for JNCC in the light of Defra's and the devolved administrations' overall public expenditure priorities
 - how well JNCC is achieving its strategic objectives and whether it is delivering value for money, and
 - the exercise of the Minister's statutory responsibilities concerning JNCC as outlined above
- 9.7. The PAO, via the sponsorship team, is also responsible for ensuring arrangements are in place to:
 - monitor JNCC's activities, performance and assurance mechanisms
 - address significant problems in JNCC, making such interventions as are judged necessary
 - periodically and at such frequency as is proportionate to the level of risk carry out an assessment of the risks both to the department and JNCC's objectives and activities in line with the wider departmental risk assessment process and management
 - inform JNCC of relevant government policy in a timely manner, and
 - bring Ministerial or departmental concerns about the activities of JNCC to the full Joint Committee, and, as appropriate to the Departmental Board, requiring explanations and assurances that appropriate action has been taken

10. The role of the sponsorship team

- 10.1. The ALB Relationship Management Team within Defra's Natural Environment, Trees and Landscapes Directorate is the sponsorship team and primary contact for JNCC. The responsible Senior Civil Servant for this relationship is the Director for the Natural Environment, Trees and Landscapes, who acts as Senior Sponsor. They are the main source of advice to the Responsible Minister on the discharge of his or her responsibilities in respect of JNCC. They also support the PAO on his or her responsibilities toward JNCC.
- 10.2. The team will liaise regularly with JNCC officials to review performance against plans, achievement against agreed targets and expenditure against its DEL and AME allocations. The team will also take the opportunity to explain wider policy developments that might have an impact on JNCC.
- 10.3. The sponsorship team will advise the PAO when necessary on matters related to section 8.5.
- 10.4. Defra applies the best practice standards in the CO Sponsorship Code. In doing so the department operates a proportionate, risk-based approach whereby accountability and oversight is managed between JNCC and the Sponsor team collaboratively. This function can be separate or integral to the policy team depending on a number of factors, including the size of the ALB. Sponsor teams draw on the central Defra Public Bodies Partnership team and nominated functional experts for support in carrying out their role
- 10.5. Defra's approach to sponsorship adopts a hybrid model, in which sponsorship nodes are embedded within the department's network of policy areas rather than concentrated within a single central ALB partnership team. It retains a single central ALB partnership team to provide strategic coordination and to lead on cross-cutting issues. Functional leads remain directly responsible for delivering corporate sponsorship functions, which allows the sponsorship nodes embedded within policy business units to lead on policy, rather than corporate, sponsorship, and facilitates a greater focus on strategic engagement rather than on the transactional elements of corporate sponsorship.

11. Resolution of disputes between JNCC, Defra and the devolved administrations

- 11.1. Any disputes between JNCC, Defra and the devolved administrations will be resolved in as timely a manner as possible, and with JNCC acting as a single entity directed by the Joint Committee. JNCC, Defra and the devolved administrations will seek to resolve any disputes through an informal process in the first instance. If this is not possible, then a formal process, overseen by the Senior Sponsor, will be used to resolve the issue. Failing this, the Senior Sponsor will ask the relevant policy Director General to oversee the dispute. They may then choose to ask the Permanent Secretary to nominate a non-executive member of the Department's

Board to review the dispute, mediate with both sides and reach an outcome, in consultation with the Secretary of State.

12. Freedom of Information requests

- 12.1. Where a request for information is received by either party under the Freedom of Information Act 2000, the Data Protection Act 1998 or 2018, or the Environmental Information Regulations 2004, the party receiving the request will consult with the other party prior to any disclosure of information that may affect the other party's responsibilities, including a risk assessment for Data Protection.

13. Reporting on legal risk and litigation

- 13.1. JNCC shall provide a quarterly update to Defra's ALB Relationship Management Team ("the Sponsor") on the existence of any active litigation and any threatened or reasonably anticipated litigation. This shall be delivered through the JNCC Support Company via the Chief Executive of JNCC. The parties acknowledge the importance of ensuring that legal risks are communicated appropriately to the Sponsor in a timely manner.
- 13.2. In respect of each substantial piece of litigation involving JNCC, the parties will agree a litigation protocol which will include specific provisions to ensure appropriate and timely reporting on the status of the litigation and the protection of legally privileged information transmitted to the Sponsor to facilitate this. Until such time as a protocol is agreed, the parties will ensure that:
- material developments in the litigation are communicated to the Sponsor in an appropriate and timely manner
 - legally privileged documents and information are clearly marked as such
 - individual employees handling the legally privileged documents are familiar with principles to which they must adhere to protect legal privilege, and
 - circulation of privileged information within government occurs only as necessary

JNCC governance and structure

14. Governance and accountability

- 14.1. JNCC shall operate corporate governance arrangements that, so far as practicable and in the light of the other provisions of this framework document or as otherwise may be mutually agreed, accord with good corporate governance practice and applicable regulatory requirements and expectations.
- 14.2. In particular (but without limitation), JNCC should:
- comply with the principles and provisions of *Corporate Governance in Central Government Departments: Code of Good Practice* (as amended and updated from time to time) to the extent appropriate and in line with their statutory duties, or specify and explain any non-compliance in its annual report
 - comply with *Managing Public Money*
 - in line with *Managing Public Money*, have regard to the relevant Functional Standards¹ as appropriate, and in particular those concerning Finance, Commercial and Counter Fraud, and
 - take into account the codes of good practice and guidance set out in Appendix 1 of this framework document, as they apply to Arms' Length Bodies
- 14.3. In line with Annex 3.1 of *Managing Public Money*, JNCC shall provide an account of corporate governance in its annual governance statement, including the Committee's assessment of its compliance with the Code with explanations of any material departures. To the extent that the Company does intend to materially depart from the Code, the Sponsor should be notified in advance and their agreement sought to this approach.

15. The Chief Executive

Appointment

- 15.1. The Chief Executive of JNCC is confirmed by the Secretary of State, and appointed by the Joint Committee through an open competition. This appointment is subject to the Public Appointments Order in Council, and as such must comply with the Governance Code on Public Appointments.
- 15.2. The Chief Executive of JNCC shall be employed by the JNCC Support Company, and as part of their role shall also serve as the Chief Executive of the JNCC Support Company, where they will be responsible for managing public funds handled through the JNCC Support Company on behalf of JNCC.

¹ <https://www.gov.uk/government/collections/functional-standards>

Responsibilities of JNCC's Chief Executive as Accounting Officer

15.3. The Chief Executive as Accounting Officer is personally responsible for safeguarding the public funds for which they have charge through the JNCC Support Company; for ensuring propriety, regularity, value for money and feasibility in the handling of those public funds; and for the day-to-day operations and management of JNCC. In addition, 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. These responsibilities include the below, and those that are set in the Accounting Officer appointment letter issued by the Principal Accounting Officer of Defra.

Responsibilities for accounting to Parliament and the public

15.4. Responsibilities to Parliament and the public include:

- signing the accounts and ensuring that proper records are kept relating to the accounts and that the accounts are properly prepared and presented in accordance with any directions issued by the Secretary of State
- 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 in accordance with Parliamentary and Health Service Ombudsman's Principles of Good Complaint Handling are established and made widely known within JNCC and published on JNCC's website: <https://jncc.gov.uk>
- acting in accordance with the terms of Managing Public Money and other instructions and guidance issued from time to time by the Department, the Treasury and the Cabinet Office
- ensuring that, as part of the above compliance, they are familiar with and act in accordance with:
 - any governing legislation
 - this framework document
 - any delegation letter issued to JNCC as set out in paragraph 19.1
 - any elements of any settlement letter issued to Defra that is relevant to the operation of JNCC, and
 - any separate settlement letter that is issued to JNCC from Defra
- ensuring they have appropriate internal mechanisms for the monitoring, governance and external reporting regarding compliance any conditions arising from the above documents
- giving evidence, normally with the PAO, when summoned before the Public Accounts Committee on JNCC's stewardship of public funds

- giving evidence before the Scottish Parliament, the Welsh Parliament (Senedd), and the Northern Ireland Assembly to answer questions concerning the use of resources and related activities

Responsibilities to Defra and the devolved administrations

15.5. Responsibilities to Defra and the devolved administrations include:

- establishing, in agreement with Defra and the devolved administrations, JNCC's corporate and business plans in the light of Defra and the devolved administration's wider strategic aims and agreed priorities
- informing Defra and the devolved administrations of progress in helping to achieve Defra and the devolved administrations policy objectives and in demonstrating how resources are being used to achieve those objectives, and
- ensuring that timely forecasts and monitoring information on performance and finance are provided to Defra and the devolved administrations; 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

Responsibilities to the Joint Committee

15.6. The Chief Executive is responsible for:

- advising the Committee on the discharge of the JNCC's responsibilities as set out in this document, in the founding legislation and in any other relevant instructions and guidance that may be issued from time to time
- advising the Committee on JNCC's performance compared with its aims and objectives, and
- ensuring that financial considerations are taken fully into account by the Committee at all stages in reaching and executing its decisions, and that financial appraisal techniques are followed

Responsibilities to the JNCC Support Company

15.7. As the Chief Executive of the JNCC Support Company, the Chief Executive is responsible for signing the accounts and Governance Statement on behalf of the company board.

Managing conflicts

15.8. The Chief Executive of JNCC, as Accounting Officer, should follow the advice and direction of the JNCC Support Company board, which is responsible for handling public funds on behalf of JNCC (see paragraph 19.4), except in very exceptional

circumstances with a clear cut and transparent rationale for not doing so.

- 15.9. The Company's accounting officer must take care that his or her personal legal responsibilities do not conflict with his or her duties as a Board member. In particular, the accounting officer should vote against any proposal which appears to cause such a conflict; it is not sufficient to abstain
- 15.10. If the Company Chair or Board is minded to instruct its accounting officer to carry out a course inconsistent with their duties as accounting officer, then the accounting officer should make their reservations clear, preferably in writing. If the Board is still minded to proceed the Company accounting officer should:
- ask the accounting officer of the Sponsor Department to consider intervening to resolve the difference of view, preferably in writing
 - if the Board's decision stands, seek its written direction to carry it out, asking the Sponsor Department to inform HM Treasury
 - proceed to implement without delay, and
 - follow the routine in paragraph 3.6.6 of *Managing Public Money*

Responsibilities for science and evidence

- 15.11. 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.

16. The Joint Committee

Composition of the Joint Committee

- 16.1. JNCC shall have a Joint Committee ("the Committee") in line with good standards of Corporate Governance and as set out in its establishing statute and in guidance as set out in this document. The role of the Committee shall be to lead JNCC, with overall responsibility to deliver JNCC's Objectives, in accordance with the purposes as set out above, their statutory, regulatory, common-law duties, and their responsibilities under this framework document. Detailed responsibilities of the Committee and company board shall be set out in the Standing Orders. Remuneration of the Committee shall be disclosed in line with the guidance in the Government Financial Reporting manual (FReM).
- 16.2. The Committee shall consist of fourteen non-executive members, including a Chair and a deputy Chair, that have a balance of skills and experience appropriate to directing JNCC's

business, including members who have experience in scientific knowledge of nature conservation. The Committee shall have a majority of non-executive members to ensure executive members are supported and constructively challenged in their role.

- 16.3. The Committee may set up such subcommittees as necessary for it to fulfil its functions. As detailed below, at a minimum this should include an Audit and Risk Assurance Committee chaired by a qualified non-executive member of the Committee.
- 16.4. Whilst the Committee may make use of subcommittees to assist its consideration of appointments, succession, audit, risk and remuneration, it retains responsibility for, and endorses, final decisions in all of these areas. The Chair should ensure that sufficient time is allowed at Committee meetings for subcommittees to report on the nature and content of discussion, on recommendations, and on actions to be taken.
- 16.5. Where there is disagreement between the relevant subcommittee and the Committee, adequate time should be made available for discussion of the issue with a view to resolving the disagreement. Where any such disagreement cannot be resolved, the subcommittee concerned should have the right to report the issue to the sponsorship team, Principal Accounting Officer and Responsible Minister. They may also seek to ensure the disagreement or concern is reflected as part of the report on its activities in the annual report.
- 16.6. The Chair should ensure subcommittees are properly structured with appropriate terms of reference. The terms of each subcommittee should set out its responsibilities and the authority delegated to it by the Committee. The Chair should ensure that subcommittee membership is periodically refreshed, and that individual independent non-executive members are not overburdened when deciding the chairs and membership of subcommittees.

Composition of the company board

- 16.7. The Joint Committee has delegated to the company the delivery of certain JNCC operational functions (as set out in paragraph 16.20), and the company board delegates this responsibility to the Chief Executive as Accounting Officer for JNCC.
- 16.8. The company board shall consist of the Chief Executive and members of the Committee as set out in Appendix 2. The company board shall include as an executive and voting member an appropriately qualified finance director, as described in Annex 4.1 of *Managing Public Money*.

Appointments to the Joint Committee

- 16.9. The Chair is appointed by the Secretary of State under paragraph 1 of Schedule 4 to the Natural Environment and Rural Communities Act, 2006. This appointment is subject to the Public Appointments Order in Council, and as such must comply with the Governance Code on Public Appointments.

- 16.10. Five independent non-executive members are appointed by the Secretary of State under paragraph 1 of Schedule 4 to the Natural Environment and Rural Communities Act 2006. These appointments are subject to the Public Appointments Order in Council, and as such must comply with the Governance Code on Public Appointments.
- 16.11. Eight non-executive members are appointed from the UK conservation bodies. Specifically, the Chair or Deputy Chair of NatureScot, Natural England, and Natural Resources Wales, and one other member of each of these bodies appointed by the body in question, the Chair of the Council for Nature and Conservation and the Countryside and one other member of the Council appointed by the relevant Northern Ireland department shall sit on the Committee as non-executive members.
- 16.12. One non-executive member of the Committee shall be designated as its Deputy Chair, and shall be appointed by the Committee.
- 16.13. All such appointments must have regard to the principle that appointments should reflect the diversity of the society in which we live, and appointments should be made taking account of the need to appoint boards that include a balance of skills and backgrounds.

Appointments to the company board

- 16.14. Board members are appointed by the Secretary of State under paragraph 13 of Schedule 4 to the Natural Environment and Rural Communities Act, 2006, and must be members of the Joint Committee or employed by the JNCC Support Company. The director of the company must be a member of the Joint Committee or an employee of the Joint Committee or the Company.
- 16.15. As set out in Appendix 2, Committee members shall be encouraged to apply for membership and directorship of the company board and to retain such membership for so long as they remain a member of the Committee.
- 16.16. As far as possible, the Committee should ensure 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 CNCB appointees and independent members.

Duties of the Joint Committee

- 16.17. 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
 - providing effective leadership of JNCC within a framework of prudent and effective controls which enables risk to be assessed and managed
 - ensuring the in-year financial and human resources are in place for JNCC to meet its objectives
 - reviewing in-year management performance

- ensuring that the Committee receives and reviews regular financial and management information concerning the management of JNCC
- ensuring that it is kept informed of any changes which are likely to impact on the strategic direction of the Committee or on the attainability of its targets, and determining the steps needed to deal with such changes, and where appropriate bringing such matters to the attention of Defra, the devolved administrations, and the Principal Accounting Officer, via the Senior Sponsor, sponsorship team or directly
- 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 guidance issued by Defra/ UK Government and the devolved administrations
- ensuring that as part of the above compliance, they are familiar with:
 - this framework document
 - any delegation letter issued to the body as set out in paragraph 19.1
 - any elements of any settlement letter issued to Defra that is relevant to the operation of JNCC, and
 - any separate settlement letter that is issued to the ALB from Defra or the devolved administrations, and
 - that they have appropriate internal mechanisms for the monitoring, governance and external reporting regarding any conditions arising from the above documents and ensure that the Chief Executive and JNCC as a whole act in accordance with their obligations under the above documents
- demonstrating high standards of corporate governance at all times, including by using the independent audit and risk assurance committee to help the Committee to address key financial and other risks
- appointing through open competition with the Responsible Minister's approval a Chief Executive and, in consultation with Defra, set performance objectives and remuneration terms linked to these objectives for the Chief Executive that give due weight to the proper management and use and utilisation of public resources, and
- determining all such other things that the Committee considers ancillary or conducive to the attainment or fulfilment by JNCC of its Objectives

16.18. The Committee shall ensure that effective arrangements are in place to provide assurance on risk management, governance and internal control.

16.19. The Committee should make a strategic choice about the style, shape and quality of risk management, and should lead the

assessment and management of opportunity and risk. The Committee should ensure that effective arrangements are in place to provide assurance over the design and operation of risk management, governance and internal control in line with *Management of Risk – Principles and Concepts* (The Orange Book). The Committee must set up an Audit and Risk Assurance Committee chaired by an independent and appropriately qualified non-executive member to provide independent advice and ensure that Defra's Audit and Risk Assurance Committee are provided with routine assurances with escalation of any significant limitations or concerns. The Committee is expected to assure itself of the adequacy and effectiveness of the risk management framework and the operation of internal control.

Duties of the JNCC Support Company

16.20. The Company has been delegated responsibility by the Committee for:

- employing staff on behalf of the Joint Committee
- approving the Annual Report and Accounts, part of which shall be to review and sign-off the performance, financial management and human resourcing in place for JNCC at the end of each year, on behalf of the Joint Committee
- providing administrative and corporate support
- doing such other things as are conducive or incidental to the discharge of those functions

17. The Chair's role and responsibilities

17.1. The Chair is responsible for leading the Committee in the delivery of its responsibilities in line with strategies and plans agreed with Defra and the devolved administrations. Such responsibility should be exercised in the light of their duties and responsibilities as set out in their contract of employment, any appointment letter, the statutory authority governing JNCC, this document and the documents and guidance referred to within this document.

17.2. Communications between JNCC's Committee and the Responsible Minister should normally be through the Chair.

17.3. The Chair is bound by the Code of Conduct for Board Members of Public Bodies,² which covers conduct in the role and includes the Nolan Principles of Public Life.³

17.4. In addition, the Chair is responsible for:

- ensuring including by monitoring and engaging with appropriate governance arrangements that JNCC's affairs are conducted with probity, and
- ensuring that policies and actions support Defra's and the devolved administrations' wider strategic policies and, where

² <https://www.gov.uk/government/publications/code-of-conduct-for-board-members-of-public-bodies>

³ <https://www.gov.uk/government/publications/the-7-principles-of-public-life>

appropriate, that these policies and actions are clearly communicated and disseminated throughout JNCC

- Leading the JNCC Support company board in the delivery of its specified responsibilities

17.5. 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 Defra and the devolved administrations
- 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

17.6. The Chair also has an obligation to ensure that:

- the work of the Committee and its members are reviewed and are working effectively, including ongoing assessment of the performance of individual Committee members with a formal annual evaluation and more in-depth assessments of the performance of individual Committee members when being considered for re-appointment
- in conducting assessments the view of relevant stakeholders including employees and the sponsorship team are sought and considered
- the Committee has a balance of skills appropriate to directing JNCC's business, and that all members including the Chair and Chief Executive continually update their skills, knowledge and familiarity with JNCC to fulfil their role both on the Committee and on any subcommittees. This will include but not be limited to skills and training in relation to financial management and reporting requirements, risk management and the requirements of board membership within the public sector
- Committee members are fully briefed on their terms of appointment, duties, rights and responsibilities
- they and the other Committee members receive appropriate training on financial management and reporting requirements and on any differences that may exist between private and public sector practice
- the Responsible Minister and the Chairs of the UK conservation body, as relevant, are advised of JNCC's needs when Committee vacancies arise
- 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, and
- 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

18. Individual committee and company board members' responsibilities

18.1. Individual Committee members, including directors of the company board, should:

- comply at all times with the Code of Conduct for Board Members of Public Bodies, which covers conduct in the role and includes the Nolan Principles of Public Life as well as rules relating to the use of public funds and to conflicts of interest
- demonstrate adherence to the 12 Principles of Governance for all Public Body Non-Executive Directors as appropriate⁴
- 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 Committee and Board rules on the acceptance of gifts and hospitality, and of business appointments
- act in good faith and in the best interests of JNCC, and
- ensure they are familiar with any applicable guidance on the role of public sector non-executive directors and boards that may be issued from time to time by the Cabinet Office, HM Treasury or wider government

⁴ <https://www.gov.uk/government/publications/public-bodies-non-executive-director-principles/12-principles-of-governance-for-all-public-body-neds>

Management and financial responsibilities and controls

19. Delegated authorities

- 19.1. JNCC's delegated authorities are set out in the delegation letter. This delegation letter may be updated and superseded by later versions which may be issued by Defra in agreement with HM Treasury.
- 19.2. In line with Annex 2.2 of *Managing Public Money*, these delegations will be reviewed on an annual basis.
- 19.3. JNCC shall obtain Defra's and, where appropriate, HM Treasury'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 the ALB's annual budget as approved by Defra
 - 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
 - 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*
- 19.4. As per JNCC's Scheme of Delegation, the JNCC Support Company shall be the operating aspect of JNCC, with authority delegated by the Principal Accounting Officer and through the Chief Executive of JNCC in their role as Chief Executive of the JNCC Support Company, and all financial transactions shall be accounted for through the Company as a wholly owned and limited subsidiary of JNCC. As such, the Company has been delegated the following responsibilities from the Joint Committee:
- operational delivery in relation to JNCC's functions and duties
 - employing staff required to support the Committee in fulfilling its statutory and general responsibilities, and fulfilling all responsibilities associated with this
 - entering into, and managing, contracts and other agreements necessary for the provision of goods and services required for the Joint Committee to fulfil its statutory and general responsibilities and complying with associated requirements in the financial memorandum
 - holding and managing funding and other assets provided to the Joint Committee for the fulfilment of its statutory and general responsibilities and complying with associated

financial requirements

20. Spending authority

20.1. Once the budget has been approved by Defra and the devolved administrations and subject to any restrictions imposed by statute, the Responsible Minister'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 delegations set out in the delegation letter. These delegations shall not be altered without the prior agreement of Defra and as agreed by HM Treasury and Cabinet Office as appropriate
- 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 with such information about its operations, performance, individual projects or other expenditure as Defra may reasonably require

21. Banking and managing cash

- 21.1. JNCC must maximise the use of publicly procured banking services (accounts with central government commercial banks managed centrally by Government Banking).
- 21.2. JNCC should only hold money outside Government Banking Service accounts where a good business case can be made for doing so, and HM Treasury consent is required for each account to be established. Only commercial banks that are members of relevant UK clearing bodies may be considered for this purpose.
- 21.3. Commercial Accounts where approved should be operated in line with the principles as set out in *Managing Public Money*.
- 21.4. The Accounting Officer is responsible for ensuring JNCC has a Banking Policy as set out in *Managing Public Money* and ensuring that policy is complied with.

22. Procurement

- 22.1. JNCC shall ensure that its procurement policies are aligned with and comply with any relevant UK or other international procurement rules, and in particular the Public Contracts Regulations 2015.
- 22.2. JNCC shall establish its procurement policies and document these in a Procurement Policy and Procedures Manual.
- 22.3. In procurement cases where JNCC is likely to exceed its delegated authority limit, procurement strategy approval for the

specific planned purchase must be sought from Defra's sponsorship team.

- 22.4. Goods, services, and works should be acquired by competition. Proposals to let single-tender or restricted contracts shall be limited and exceptional, and a quarterly report explaining those exceptions should be sent to Defra.
- 22.5. Procurement by JNCC of works, equipment, goods, and services shall be based on, a full option appraisal and value for money (VfM) – that is, the optimum combination and whole life costs and quality (fitness for purpose).
- 22.6. JNCC shall:
- engage fully with Defra and Government wide procurement initiatives that seek to achieve VfM from collaborative projects
 - comply with all relevant Procurement Policy Notes issued by Cabinet Office, and
 - co-operate fully with initiatives to improve the availability of procurement data to facilitate the achievement of VfM
- 22.7. JNCC shall comply with the Commercial⁵ and Grants Standards.⁶ These standards apply to the planning, delivery, and management of government commercial activity, including management of grants in all departments and arm's length bodies, regardless of commercial approach used and form part of a suite of functional standards that set expectations for management within government.

23. Risk and issue management

- 23.1. 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 develop a risk management strategy consistent with the Defra group risk strategy, in accordance with the Treasury guidance *Management of Risk: Principles and Concepts*.⁷
- 23.2. JNCC's chief executive, with oversight from the Joint Committee, is solely responsible for managing JNCC's risks and issues. On a quarterly basis, JNCC should share its strategic risk register with the Defra sponsor team. JNCC should inform the sponsor team at an early stage of any risk or issue that may require engagement, or have impact, beyond their own organisation. These risks may be escalated to the relevant Director General or to the Defra Executive Committee. When a risk is escalated, ownership of that risk will usually be retained by JNCC. Changing or emerging risks and issues should form part of the regular discussions between sponsor teams and ALBs, as part of a shared 'no surprises' culture.

⁵ <https://www.gov.uk/government/publications/commercial-operating-standards-for-government>

⁶ <https://www.gov.uk/government/publications/grants-standards>

⁷ [Orange Book - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/publications/orange-book)

- 23.3. JNCC's Joint Committee has a responsibility to ensure that proper internal audit arrangements are established and maintained, and for that purpose should establish an Audit and Risk Committee (ARAC). The committee should be chaired by an independent non-executive member of JNCC and provide regular reports to the chief executive and the board on its programme, recommendations, and their implementation.
- 23.4. The JNCC Support Company 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 develop a risk management strategy, in accordance with the HM Treasury guidance Management of Risk: Principles and Concepts.

24. Counter fraud and theft

- 24.1. JNCC should adopt and implement policies and practices to safeguard itself against fraud, bribery, corruption, and theft.
- 24.2. JNCC should ensure it complies with requirements set out in the Counter Fraud Function and in compliance with the procedures and considerations as set out in Annex 4.9 of *Managing Public Money* and the Counter Fraud Functional Standard GovS013.⁸
- 24.3. The Joint Committee should champion a fraud aware culture which encourages staff to raise concerns and provide appropriate routes to do so. It should operate in line with the procedures and considerations set out in Managing Public Money Annex 4.9 and with the National Audit Office (NAO) good practice guidance on Fraud and Error.⁹ It should also take all reasonable steps to appraise the financial standing of any firm or other body with which it intends to enter a contract or to provide grant or grant-in-aid.
- 24.4. JNCC should record and report all instances of fraud, bribery, and theft annually to Defra, and notify Defra of any unusual or major incidents as soon as possible, in line with Defra guidance. JNCC should also report detected loss from fraud, bribery, corruption and error, alongside associated recoveries and prevented losses, to the Counter Fraud Hub in Defra (fraudanderror@defra.gov.uk) in line with the agreed government definitions as set out in Counter Fraud Functional Standard.

25. Staff

Broad responsibilities for staff

- 25.1. Within the arrangements approved by the Responsible Minister and Ministers for the devolved administrations, JNCC via the corporate vehicle of the JNCC Support Company will have responsibility for the recruitment, retention, and motivation of its staff. JNCC's 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;

⁸ <https://www.gov.uk/government/publications/government-functional-standard-govs-013-counter-fraud>

⁹ <https://www.nao.org.uk/wp-content/uploads/2021/03/010381-001-Fraud-and-Error-Accessible.pdf>

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 JNCC 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 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 Bodies¹⁰

Staff costs

25.2. 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

25.3. 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 HM Treasury. JNCC has no delegated power to amend these terms and conditions.

25.4. 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 Code¹¹ and the annual Civil Service Pay Remit Guidance, except where prior approval has been given by Defra to vary such rates.

25.5. Staff terms and conditions should be set out in an Employee Handbook, which should be provided to the department together with subsequent amendments.

25.6. JNCC shall abide by public sector pay controls, including the relevant approvals process dependent on the organisations

¹⁰https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/690948/Public_Bodies_-_a_guide_for_departments_-_chapter_5.pdf

¹¹<https://www.gov.uk/government/publications/civil-servants-terms-and-conditions>

classification as detailed in the Senior Pay Guidance¹² and the public sector pay and terms guidance.¹³

25.7. JNCC shall operate a performance-related pay scheme that shall form part the general pay structure approved by Defra and the Treasury, where relevant with due regard to the senior pay guidance.

25.8. The travel expenses of Committee members shall be tied to the rates allowed to senior staff of JNCC or Defra's departmental rates. Reasonable actual costs shall be reimbursed.

Pensions, redundancy and compensation

25.9. Compensation scheme rules and pension scheme rules should reflect legislative and HM Treasury guidance requirements regarding exit payments.

25.10. 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 employers' contribution to any personal pension arrangement, including stakeholder pension, shall normally be limited to the national insurance rebate level.

25.11. 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 chapter 4 of *Managing Public Money*.

¹² <https://www.gov.uk/government/publications/senior-civil-service-pay-and-reward>

¹³ <https://www.gov.uk/government/publications/public-sector-pay-and-terms-guidance-note>

Business plans, financial reporting and management information

26. Corporate and business plans

- 26.1. Within a timetable agreed between JNCC, Defra and the devolved administrations, JNCC shall submit annually to Defra and the devolved administrations a draft of the corporate plan covering three years ahead. The draft should be submitted by the aforementioned timetable, and JNCC should agree with Defra and the devolved administrations the issues to be addressed in the plan. The plan shall reflect JNCC's statutory and/or other duties, including those delegated to the JNCC Support Company, and, within those duties, the priorities set from time to time by the Responsible Minister (including decisions taken on policy and resources in the light of wider public expenditure decisions). The plan shall demonstrate how JNCC contributes to the achievement of Defra and the devolved administration's medium-term plans and priorities and aligned performance metrics and milestones.
- 26.2. The Defra Outcome Delivery Plan, which also serves as the Defra group business plan, sets out the priorities, success measures and resource allocations to deliver the department's strategic objectives. It includes more detailed sections for priority outcomes where delivery bodies and director areas must include their priorities, indicators, risks and outcomes. DGs, Directors and CEOs report on delivery of their plans through the performance reporting framework, and report on maintaining forecasted financial positions within budget limits.
- 26.3. The first year of JNCC's corporate plan, amplified as necessary, shall form the business plan. The business plan shall be updated to 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 the department. Subject to any commercial considerations, the corporate and business plans should be published by JNCC on its website and separately be made available to staff.
- 26.4. The following key matters should be included in the plans:
- key outcomes and sub-outcomes associated key performance indicators (with targets where appropriate) for the forward years, and the strategy for achieving those objectives
 - key non-financial performance targets
 - a review of performance in the preceding financial year, together with comparable outturns for the previous 2-5 years, and an estimate of performance in the current year
 - alternative scenarios and an assessment of the risk factors that may significantly affect the execution of the plan but that cannot be accurately forecast, and

- other matters as agreed between the Defra, the devolved administrations and JNCC

27. Budgeting procedures

- 27.1. Each year, in the light of decisions by Defra and the devolved administrations on the updated draft corporate plan, Defra will send to JNCC prior to the start of the financial year:
- 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
 - a statement of any planned change in policies affecting JNCC. These will be discussed and agreed through the six-monthly Sponsor Group 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
- 27.2. The approved annual business plan shall take account both of approved funding provision and any forecast receipts, and shall include a budget of estimated payments and receipts together with a profile of expected expenditure and of draw-down of any Defra funding, including that provided on behalf of the devolved administrations, and/or other income over the year. These elements form part of the approved business plan for the year in question.
- 27.3. During the financial year JNCC will provide financial reporting data to the department in accordance with agreed processes. This will include monthly out-turn data, contributions to periodic reviews on budget risks and opportunities, and other commissions as appropriate.

28. Grant-in-aid and any ring-fenced grants

- 28.1. Any grant-in-aid provided by Defra for the year in question will be voted in the department's Supply Estimate and be subject to Parliamentary control. JNCC's grant-in-aid will be provided by Defra, with contributions from the devolved administrations set according to the prevailing funding formula and agreed by them and the Responsible Minister. devolved administrations' contributions will be paid to Defra by NatureScot in Scotland, by Natural Resources Wales in Wales, and by the Department of Agriculture, Environment, and Rural Affairs in Northern Ireland.
- 28.2. The grant-in-aid will normally be paid in monthly instalments on the basis of written applications showing evidence of need. JNCC shall comply with the general principle that there be 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 to creditors.

28.3. In the event that Defra and/or the devolved administrations provide JNCC separate grants for specific (ring-fenced) purposes, they may issue that grant as and when it is needed, on the basis of a written request. JNCC shall provide evidence that any such 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.

29. Annual report and accounts

29.1. JNCC must publish an annual report of its activities together with its audited accounts (“the ARA”) after the end of each financial year. JNCC shall provide Defra with its finalised (audited) accounts as soon as possible after the end of the financial year in order for the accounts to be consolidated within Defra’s. The Scottish Government must be consulted on the ARA and a draft of the report should be submitted to Defra two weeks before the proposed publication date. The accounts should be prepared in accordance with the requirements set out in the Companies Act 2006 and FRS 102, as well as the Treasury’s Financial Reporting Manual (FRoM) where this does not conflict with the Companies Act.

29.2. The annual report must:

cover any corporate, subsidiary or joint ventures under its control, which includes the JNCC Support Company;
comply with the FRoM and in particular have regard to the illustrative statements for an NDPB; and
outline main activities and performance during the previous financial year and set out in summary form forward plans.

29.3. Information on performance against key financial targets is within the scope of the audit and should be included in the notes to the accounts. The report and accounts shall be laid in the UK and Scottish Parliament and a copy sent to the Welsh Parliament, the relevant Northern Ireland department and the UK conservation bodies and made available on JNCC’s website, in accordance with the guidance in the FRoM.

29.4. The company board is responsible for approving and adopting the JNCC Support Company Annual Report and Accounts (ARA) in order that the Company Secretary may lodge the Annual Report Accounts with the Registrar at Companies House. Under the governance arrangements of the company, the Audit & Risk Assurance Committee (ARAC) is required to review the ARA for the year ended, together with the letter of representation that accompanies the ARA when it is sent to the Comptroller and Auditor General (C&AG). ARAC is then required to report to the Board any comments or reservations it may have on these documents prior to the Board approving them.

29.5. Once the company board approves and adopts the JNCC Annual Report and Accounts (ARA) for the year ending and authorises the Chief Executive to sign the ARA on their behalf, the Chief Executive arranges for the ARA to be laid before the Houses of Parliament and the Scottish Parliament, and signs the letter of representation for the year ended.

30. Reporting performance to the department

Accountability to Defra and the devolved administrations

- 30.1. Defra and its delivery bodies, including JNCC, have agreed a group outcome framework that supports joint working through priority outcomes, departmental outcomes and strategic enablers. JNCC will predominantly, but not exclusively, contribute to priority outcomes on the environment and net zero targets.
- 30.2. JNCC's contribution to Defra's outcome framework shall be agreed on an ongoing basis, through the sponsorship team, with the Responsible Minister (see paragraphs 8.5-8.6). The PAO shall be responsible, through the sponsorship team, for ensuring that JNCC's performance in this respect is effectively monitored, including through quarterly reviews with the Senior Sponsor and twice-yearly ministerial reviews, as set out in paragraphs 30.10-30.11. JNCC is ultimately accountable to the Responsible Minister for its agreed contribution to Defra's outcome framework.
- 30.3. Defra and JNCC shall also have due regard to the devolved administrations' priorities, and their contribution to JNCC's grant-in-aid in respect of those priorities, when agreeing JNCC's targets and objectives. devolved administration priorities will be agreed with JNCC at a six-monthly Sponsor Group, as set out in paragraphs 30.5-30.6.
- 30.4. Whilst JNCC is formally accountable to the relevant devolved Administration for its performance in respect of that devolved Administration's priorities, in practice Defra, via the Senior Sponsor, shall provide the appropriate assurances to the devolved administrations on JNCC's performance when requested. The devolved administrations, and their Country Nature Conservation Bodies, shall reserve the right to agree additional mechanisms directly with JNCC to ensure they are delivering value for money, with regard to cost, quality and timeliness, in respect of their priorities.

Sponsor Group

- 30.5. A JNCC Sponsor Group shall meet twice yearly to discuss and agree joint priorities between Defra and the devolved administrations for a given financial year. Its membership shall be drawn from JNCC, Defra and the devolved administrations, with input from the Country Nature Conservation Bodies and the Chief Scientists Group.

30.6. The formal remit of the Sponsor Group shall be to direct and sign off on JNCC business planning and funding based on these priorities.

Reporting and reviews

30.7. 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 corporate and business plans.

30.8. 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 against the framework of targets and objectives agreed with the PAO, to a format agreed with the sponsorship team, no less than five working days prior to the formal quarterly review of performance set out in paragraph 30.2.

30.9. JNCC will be expected to share its corporate performance reports with the Defra on a quarterly basis.

30.10. The Senior Sponsor shall meet the Chief Executive on a quarterly basis to formally review JNCC's performance in light of the report provided in paragraph 30.8.

30.11. The Responsible Minister shall meet the Chair twice a year to discuss JNCC's strategic priorities. The purpose of the meeting shall be:

- to review JNCC's contribution to the policy objectives set out in the Defra group outcome framework over the last period in light of those priorities, and
- to agree the measures of success for JNCC in so doing over the next period

30.12. The Principal Accounting Officer shall meet the Chief Executive at least once a year.

31. Information sharing

31.1. Defra and the devolved administrations have the right of access to all JNCC records and personnel for any purpose including, for example, sponsorship audits and operational investigations.

31.2. 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.

31.3. Defra, the devolved administrations and HM Treasury may request the sharing of data held by JNCC in such a manner as set out in central guidance except insofar as it is prohibited by law. This may include requiring the appointment of a senior official to be responsible for the data sharing relationship.

31.4. As a minimum, JNCC shall provide Defra with information monthly that will enable the department satisfactorily to monitor:

- JNCC's cash management
- its draw-down of grant-in-aid
- forecast outturn by resource headings

- other data required for the Online System for Central Accounting and Reporting (OSCAR), and
- data as required in respect of its compliance with any Cabinet Office Controls pipelines or required in order to meet any condition as set out in any settlement letter

Audit

32. Internal audit

32.1. JNCC shall:

- establish and maintain arrangements for internal audits
- ensure that any arrangements for internal audit are in accordance with the Public Sector Internal Audit Standards (PSIAS) as adopted by HM Treasury¹⁴
- ensure Defra is satisfied with the competence and qualifications of the Head of Internal Audit and the requirements for approving appointments in accordance with PSIAS
- set up an audit committee of its board in accordance with the *Code of Good Practice for Corporate Governance* and the *Audit and Risk Assurance Committee Handbook*, or be represented on Defra's Audit Committee
- forward the audit strategy, periodic audit plans and annual audit report, including the JNCC Head of Internal Audit opinion on risk management, control and governance as soon as possible to Defra
- keep records of and prepare and forward to Defra an annual report on fraud and theft suffered by JNCC and notify Defra of any unusual or major incidents as soon as possible, and
- share with Defra information identified during the audit process and the Annual Audit Opinion 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

33. External audit

33.1. The Comptroller & Auditor General (C&AG) shall pass the audited accounts to the Secretary of State, who will lay the accounts together with the C&AG's report before the UK and Scottish Parliaments.

33.2. JNCC will, in light of the provisions of the Companies Act 2006, ensure that the C&AG has the option to be appointed auditor of the JNCC Support Company. JNCC shall discuss with Defra the procedures for appointing the C&AG as auditor of that Company.

33.3. 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, those held by another party in receipt of payments or grants from JNCC

¹⁴ <https://www.gov.uk/government/publications/public-sector-internal-audit-standards>

- 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 consider requests from Defra and other relevant bodies to provide Regulatory Compliance Reports and other similar reports at the commencement of the audit. Consistent with the C&AG's independent status, the provision of such reports is entirely at the C&AG's discretion

33.4. 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 that are held by other bodies.

Reviews and winding up arrangements

34. Review of JNCC's status

34.1. The status of JNCC will be reviewed every three years. The date of the next review will be in December 2024.

35. Arrangements in the event that JNCC is wound up



35.1. 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:

- have regard to Cabinet Office guidance on winding up of ALBs¹⁵
- 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 AO should sign the closing accounts. In the event that Defra and/or the devolved administrations inherit the role, responsibilities, assets and liabilities, Defra's PAO should sign

35.2. 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 shall also pass to Defra details of any other forms of claw-back due to JNCC.

¹⁵https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/690952/Public_Bodies_-_a_guide_for_departments_-_chapter_10.pdf

Signatures

<p>Signed:</p>  <p>Edward Barker</p> <p>Date: 22/06/2022</p> <p>(On behalf of Defra)</p>	<p>Signed:</p>  <p>Gemma Harper</p> <p>Date: 22/06/2022</p> <p>(On behalf of the JNCC)</p>
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Appendix 1: Compliance with government-wide corporate guidance and instructions

JNCC shall comply with the following general guidance documents and instructions:

This framework document
Appropriate adaptations of sections of Corporate Governance in Central Government Departments: Code of Good Practice https://www.gov.uk/government/publications/corporate-governance-code-for-central-government-departments
Code of conduct for board members of public bodies - GOV.UK (www.gov.uk)
Managing Public Money (MPM) <ul style="list-style-type: none"> • Chapter 6, Fees and Charges Guide • Annex 5.6, Departmental Banking: A Manual for Government Departments Annex 7.2, Drawing up framework documents https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/212123/Managing_Public_Money_AA_v2_-_chapters_annex_web.pdf
Relevant Freedom of Information Act guidance and instructions (How to make a freedom of information (FOI) request: Overview - GOV.UK (www.gov.uk))
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-2021-22
Regularity, Propriety and Value for Money [ARCHIVED CONTENT] Regularity, propriety and value for money - HM Treasury (nationalarchives.gov.uk)
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
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Cabinet Office Sponsorship Code

Arm's length body sponsorship code of good practice - GOV.UK (www.gov.uk)

Appendix 2: JNCC Support Company

- 36.1 The UK conservation bodies, namely Natural England, NatureScot, Natural Resources Wales and the Council for Nature, Conservation and the Countryside, through the Joint Committee, have established a company limited by guarantee (JNCC Support Company), under paragraph 13 of Schedule 4 to the NERC Act, to provide administrative and specialist support to JNCC. The company provides the corporate vehicle through which JNCC employs staff and administers its funds to deliver its business plan.
- 36.2 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 at the end of this document.
- 36.3 The means by which JNCC ensures compliance with those conditions shall be through control of membership of the company. Accordingly, the Articles of Association under 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.
- 36.4 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.
- 36.5 Each individual member of the Committee shall exercise their individual powers and rights as a member of the company in such a way as to ensure compliance with the conditions set by the Secretary of State. 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, 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

36.6 JNCC Support Company 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 Company operates 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 Company, including if the JNCC Support Company board is contemplating a course of action that might infringe *Managing Public Money* principles.

36.7 Conditions for the company have been established by the Secretary of State:

- 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
- The Memorandum and Articles of Association must be cleared by Defra prior to adoption
- Any change of name of the company must be approved by the Secretary of State
- 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
- There must be a minimum of seven members of the company limited by guarantee, who broadly represent the balance between the UK conservation bodies' appointees and independent members on the Committee

- There must be a minimum of seven directors on the board of the company limited by guarantee who are Committee members and who broadly represent the balance between the UK conservation bodies' appointees and independent members on the Committee
- No more than four persons who are not members of the Committee, all of whom must be staff employed either directly by the Committee or by the company limited by guarantee, may be directors of the company at any time
- The quorum of the board of directors shall be no less than four directors who are also Committee members
- 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
- 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.