
Teitl y cyfarfod: **Cyfarfod Bwrdd CNC Diwrnod 2 – Sesiwn Gyhoeddus**

Dyddiad y cyfarfod: **17 Tachwedd 2022** Amser y cyfarfod: **9.30-15.00**

Lleoliad: **Cyfarfod Microsoft Teams**

Ymunwch ar eich cyfrifiadur, eich ap symudol neu ddyfais eich ystafell

[Cliciwch yma i ymuno â'r cyfarfod](#)

Neu ffoniwch i mewn (sain yn unig)

[+44 29 2105 5545,,700862268#](tel:+442921055545700862268)

Amser

Eitem

**9.30
(5 munud)**

1. Agor y cyfarfod

- Croeso
- Datgan buddiannau
- Egluro'r dull o gynnal y cyfarfod

Noddwr a chyflwynydd: Syr David Henshaw (Cadeirydd)

Crynodeb: NODI unrhyw fuddiannau sy'n cael eu datgan.

**9.35
(90 munud)**

2. Cynlluniau Busnes Cwmnïau Dŵr

Noddwr: Ceri Davies, Cyfarwyddwr Gweithredol Tystiolaeth, Polisi a Thrwyddedu

Cyflwynwyr: Peter Perry, Prif Swyddog Gweithredol, Dŵr Cymru; James Jesic, Rheolwr Gyfarwyddwr, Hafren Dyfrdwy

Yn bresennol: Sian Williams, Pennaeth Gweithrediadau, Gogledd-orllewin Cymru; Ruth Johnston, Cynghorydd Arbenigol Arweiniol, Strategaeth Dŵr; Natalie Hall, Rheolwr Dŵr Cynaliadwy; Gwenllian Roberts, Cyfarwyddwr Ofwat Cymru; Eifiona Williams, Pennaeth y Gangen Ddŵr, Llywodraeth Cymru

Crynodeb: TRAFOD y cynlluniau busnes a gyflwynir gan Dŵr Cymru a Hafren Dyfrdwy

Cyflwyniad

**11.05
(15 munud)**

Egwyl

**11.20
(45 munud)**

3. Diweddariad y Rhaglen Adfer ac Adolygu Llifogydd a Pharodrydd am y Gaeaf

Noddwr: Ceri Davies, Cyfarwyddwr Gweithredol Tystiolaeth, Polisi a Thrwyddedu

Cyflwynydd: Jeremy Parr, Pennaeth Rheoli Perygl Llifogydd a Digwyddiadau; Nicholas Pritchard, Cyngorydd Arbenigol Arweiniol, Buddsoddi a Chynllunio Strategol

Crynodeb: TRAFOD Diweddariad y Rhaglen Adfer ac Adolygu Llifogydd (FRRIP) a Pharodrwydd am y Gaeaf

Cyflwyniad

**12.05
(60 munud)**

Cinio

**13.05
(45 munud)**

4. Trafodaeth Strategol ar Arloesi

Noddwr: Ceri Davies, Cyfarwyddwr Gweithredol Tystiolaeth, Polisi a Thrwyddedu

Cyflwynwyr: Richard Cardwell, Rheolwr, Tystiolaeth Integredig; Chris Collins, Pennaeth Gwybodaeth a Thystiolaeth

Crynodeb: TRAFOD y dull strategol o ran arloesi

Cyf. Papur: 22-11-B14

**13.50
(10 munud)**

Egwyl

**14.00
(20 munud)**

5. Ymgysylltu â'r Cyhoedd a Thryloywder mewn Cyfarfodydd Bwrdd

Noddwr: Prys Davies, Cyfarwyddwr Gweithredol Strategaeth a Datblygu Corfforaethol

Cyflwynydd: Colette Fletcher, Pennaeth Llywodraethu ac Ysgrifennydd y Bwrdd

Crynodeb: TRAFOD cynigion ar gyfer ymgysylltu â'r cyhoedd a thryloywder mewn cyfarfodydd Bwrdd

Cyflwyniad

**14.20
(5 munud)**

6. Rhagolwg y Bwrdd

Noddwr: Syr David Henshaw

Cyflwynydd: Colette Fletcher, Pennaeth Llywodraethu ac Ysgrifennydd y Bwrdd

Cyf. Papur: 22-11-B16

**14.25
(5 munud)**

7. UFA

a) I'w cymeradwyo drwy ohebiaeth:

Cylch Gorchwyl Pwyllgor y Bwrdd

Noddwr: Prys Davies, Cyfarwyddwr Gweithredol Strategaeth a Datblygu Corfforaethol

Cyflwynydd: Colette Fletcher, Pennaeth Llywodraethu ac Ysgrifennydd y Bwrdd

**Crynodeb: CYMERADWYO'r diweddariadau i Gylch
Gorchwyl y Bwrdd a'r Pwyllgor**

Cyf. Papur: 22-11-B17

Diwedd cyfarfod Cyhoeddus y Bwrdd

**14.30 Sesiwn Holi ac Ateb Gyhoeddus
(30 munud)**

15.00 Diwedd y Cyfarfod

Papur Bwrdd

Dyddiad y cyfarfod:	17 Tachwedd 2022
Teitl y Papur:	Arloesi
Cyfeirnod y Papur:	22-11-B14
Noddir y Papur gan:	Ceri Davies, Cyfarwyddwr Gweithredol Tystiolaeth, Polisi a Thrwyddedu
Paratowyd y Papur gan:	Richard Cardwell, Rheolwr Tystiolaeth Integredig Dros Dro
Cyflwynir y Papur gan:	Richard Cardwell, Rheolwr Tystiolaeth Integredig Dros Dro
Diben y Papur	Trafodaeth a strategaeth
Crynodeb	Gofynnwyd am y papur i ysgogi trafodaeth yn y Bwrdd ar sut y gellid datblygu diwylliant sy'n fwy ystyriol o arloesi o fewn CNC.

Cefndir

1. Cyhoeddodd yr Adran Busnes, Ynni a Strategaeth Ddiwydiannol (BEIS) [Strategaeth Arloesi'r DU](#) yn ystod haf 2021. Ymhlith materion eraill, tynnwyd sylw at ddau fater allweddol; yn gyntaf, bod pandemig Covid-19 wedi achosi'r aflonyddwch economaidd mwyaf ers 1945, a bod y byd yn eistedd ar drothwy newid diwydiannol trawsnewidiol nad yw'r byd wedi gweld ei debyg o'r blaen – h.y. y 'Pedwerydd Chwyldro Diwydiannol' ('4IR') wrth i dechnolegau fel deallusrwydd artiffisial a chyfrifiadura cwantwm ddod yn fwy cyffredin. Mae'r sector amgylcheddol yn wynebu'r her o sicrhau bod unrhyw status quo sy'n deillio o'r aflonyddwch parhaus a achosir gan effeithiau araf Covid (ynghyd ag ansefydlogrwydd economaidd a gwleidyddol cenedlaethol a rhyngwladol) mor gynaliadwy ag y gall fod. Er mwyn chwarae ein rhan fel cynghorydd a rheoleiddiwr, mae angen i CNC ddeall yr ysgogwyr hyn a meddu ar ddull bwriadol wrth ymdrin ag arloesi yn fewnol.
2. Mae arloesi wedi bod yn rhan greiddiol o lythyrau cylch gwaith CNC gan Lywodraeth Cymru. Sefydlwyd Grŵp Arloesi ar draws CNC yn 2018 gyda'r nod o ddarparu gofod i staff CNC ar bob lefel drafod materion yn ymwneud ag arloesi ac i gefnogi prosiectau arloesol. Ar gyfer 2019-20, dyfarnwyd cyllideb i'r Grŵp gefnogi prosiectau bach, arloesol mewn ffordd 'diogel i fethu'. O'r deg prosiect a gymeradwywyd, cyflawnodd pump eu canlyniadau bwriedig a chafodd pump eu gollwng gan eu harweinwyr, oherwydd llwythi gwaith yn gwrthdaro neu'r amser sy'n ofynnol i gael y gymeradwyaeth

angenrheidiol a bodloni gofynion llywodraethu mewn llawer o achosion. Ni fethodd unrhyw brosiectau a lanswyd yn llwyddiannus ar eu telerau eu hunain.

3. Cynhaliwyd gwerthusiadau ar lefel prosiect, a chafwyd gweithdai gydag Y Lab, Nesta (sydd bellach yn rhan o Brifysgol Caerdydd) i nodi rhwystrau i arloesi effeithiol o fewn CNC a brofwyd gan swyddogion. Y materion allweddol a nodwyd (ar ddiwedd 2020) oedd;
 - Amharodrwydd i dderbyn risgiau tymor byr (e.e. nid yn ystyried risg wrth beidio â gweithredu, peidio â gwreiddio gwerthuso a rheolaeth addasol neu wneud hynny'n aneffeithiol)
 - Anhawster/pa mor sydyn y gellir cael gafael ar y rhai sy'n gwneud penderfyniadau o fewn ein hierarchaeth
 - Cyfathrebu gwael (e.e. diwylliant e-bost – gall hyn fod yn fwy adlewyrchol o'r ymdeimlad ar y pryd, wrth ddechrau newid i weithio o bell)
 - Cymhlethdod (e.e. ein defnydd o iaith; er bod defnyddio jargon sy'n benodol i dimau a disgyblaethau penodol yn ddefnyddiol o fewn timau, mae'n rhwystr i eraill)
 - Ymrwymiad i weithdrefn yn cael ei ystyried fel rhywbeth sy'n gorbwyso canlyniadau
 - Diwylliant gwan o gydweithio ar draws meysydd busnes
 - Diffyg astudiaethau achos penodol i'w defnyddio fel enghreifftiau pendant o atebion arloesol sydd wedi gwella effeithlonrwydd – mae hon yn broblem 'iâr ac wy'
 - Cysylltiadau neu berthnasoedd gwaith gwael rhwng meysydd busnes a TGCh (eto, mae tystiolaeth bod y maes hwn wedi gwella ers cynnal yr ymarfer).
4. Cynhaliwyd ail ymarfer gydag Arsyllfa Arloesedd y Sector Cyhoeddus (OPSI) y Sefydliad ar gyfer Cydweithrediad a Datblygiad Economaidd (OECD), gyda'r bwriad o nodi cryfderau a gwendidau agweddau CNC at arloesi ac arferion ym maes arloesi. Mae OPSI yn defnyddio model arloesi gyda phedair agwedd ar wahân (Atodiad 1, Ffigur 1):
 - Mae **arloesi sy'n canolbwyntio ar welliant** yn aml yn dechrau gyda'r cwestiwn "Sut y gallwn ni wneud X yn well?" Nid yw'n ymwneud â chwestiynu beth sy'n cael ei wneud, ond yn hytrach sut y caiff ei wneud ac a ellir ei wneud yn wahanol, ac yn well gobeithio.
 - Mae **arloesi sy'n canolbwyntio ar genhadaeth** yn gofyn "Sut y gallem gyflawni X?", gydag X yn amrywio o newid y byd (mynd i'r lleuad) i'r rhai arwyddocaol ond sy'n gymharol gyfyng (sicrhau gwasanaethau gwell). Mae'n dechrau gydag uchelgais i gyflawni nod sydd wedi'i fynegi, er bod y manylion o ran sut i'w gyflawni'n dal yn aneglur neu heb eu cadarnhau.
 - Mae **arloesi rhagweledol** yn dechrau gyda'r cwestiwn "Sut y gallai posibiliadau sy'n dod i'r amlwg newid yr hyn y gallai neu y dylai X fod yn sylfaenol?", ac X yw ymateb neu weithgaredd perthnasol y llywodraeth. Mae arloesi rhagweledol yn ei hanfod yn ymwneud â chydabod ac ymgysylltu ag ansicrwydd sylweddol ynghylch nid yn unig yr hyn sy'n gweithio, ond hefyd yr hyn sy'n briodol neu'n bosibl.
 - Mae **arloesi ymaddasol** yn dechrau gyda'r cwestiwn "Sut y gallai ein sefyllfa ddatblygedig newid sut rydym yn gwneud X?". Mae arloesi ymaddasol yn ei

hanfod yn golygu sylweddoli bod pethau'n digwydd nad ydynt yn cyd-fynd â'r hyn a ddisgwylir.

5. Bu OPSI yn ddigon caredig i hwyluso Gweithdy Portffolio Arloesi gydag aelodau'r Grŵp Arloesi (aelodau tîm, arweinwyr tîm a'r Tîm Rheoli) gan rannu fersiwn beta o'u [Hofferyn Archwilio Portffolio](#), sy'n nodi cryfderau a gwendidau cyrff y sector cyhoeddus ar draws y pedair agwedd. Mae'r canlyniadau'n seiliedig ar ymatebion cyfranogwyr i amrywiaeth o gwestiynau, er enghraifft;
 - 'Y risgiau mae fy sefydliad yn tueddu i'w cymryd o ddifrif yw..'
 - 'Pa fath o strategaeth gaffael mae eich sefydliad yn ei defnyddio?'
 - 'Beth sy'n cael ei gosbi yn eich sefydliad?'
 - 'Beth sy'n tueddu i gael ei ffafrio neu ei hyrwyddo gan arweinyddiaeth eich sefydliad?'
 - 'Pa orwelion amser mae eich sefydliad yn tueddu i weithio â nhw?'
 - 'Beth all pobl yn eich sefydliad ei wneud heb orfod gofyn am ganiatâd penodol?'
6. Dangosir canlyniadau CNC, yn seiliedig ar ymatebion y Grŵp Arloesi, yn Atodiad 1, Ffigur 2.
7. Yn nodedig, sgoriodd CNC yn eithaf da ar gyfer arloesi sy'n canolbwyntio ar welliant (gwelliannau ailadroddol, risg isel ar arfer presennol). Gall hyn adlewyrchu ein cefnogaeth sefydliadol ar gyfer y dull Gwelliant Parhaus. Fodd bynnag, roedd ein sgôr gwannaf, sef 23%, ar gyfer arloesi rhagweledol, sy'n arbennig o berthnasol o dan amodau o ansicrwydd mawr, fel y rhai a achoswyd gan yr argyfyngau hinsawdd a natur. Yn rhannol fel ymateb i'r gwaith hwn, mae'r adran Gwybodaeth a Thystiolaeth wedi bod yn gweithio i gymhwyso dull cydweithredol sy'n canolbwyntio ar y dyfodol gyda heriau anodd, fel y pwysau ar ein gwasanaeth Digwyddiadau.
8. O ystyried ysgogydd cyffredinol Rheoli Adnoddau Naturiol yn Gynaliadwy (SMNR), y Nodau Llesiant a phwysau amlwg yr argyfyngau hinsawdd a natur, mae hefyd yn eithaf trawiadol mai dim ond 39% a gafodd arloesi sy'n canolbwyntio ar genhadaeth.
9. Mae'r darnau hyn o dystiolaeth, ynghyd â mewnbwn anecdotaidd gan staff, yn awgrymu nad yw CNC fel sefydliad yn gyfforddus â mathau o arloesi sy'n peri mwy na rhywfaint o risg neu ansicrwydd. Rydym yn dda am wneud gwelliannau gweithdrefnol ailadroddol ar raddfa fach, ond rydym yn tueddu i gadw draw oddi wrth ffurfiau mwy radical o weithio a meddwl sy'n arloesol. Mae'n bosibl iawn nad yw'r eiddo hwn yn adlewyrchiad o ddewisiadau neu gredoau ein staff a'n harweinwyr - yn hytrach gallai fod wedi dod i'r amlwg dros amser o ganlyniad i'n hymddygiad sefydliadol, cymhellion mewnol, ac ysgogwyr allanol fel Rheoli Arian Cyhoeddus Cymru.

Risgiau a chyfleoedd

10. Adlewyrchir y risg o fethu ag arloesi (yn dechnegol ac o ran syniadau a ffyrdd o weithio) yng nghofrestr risg y Bwrdd Busnes ac yn ganolog yn eitem SR08 y Gofrestr Risg Strategol.

11. Mae'r berthynas rhwng arloesi a risg yn gymhleth. Gall gweithgareddau arloesol fod â risgiau eu hunain (heriau neu ganlyniadau nas rhagwelwyd, ac ati), yn enwedig yn y tymor byr. Gellir lliniaru llawer o'r risgiau ymarferol, uniongyrchol hyn trwy werthuso parhaus gofalus a rheolaeth addasol. Fodd bynnag, mae gwrthod arloesi (neu o leiaf gadw i fyny) yn arwain at y risg sydd bron yn anochel o fethiant ehangach yn y tymor canolig a hir.
12. Mae gan CNC gyfle i ddiffinio ei archwaeth risg ar gyfer y mathau o arloesi rydym wedi bod yn wan ynddynt yn hanesyddol.
13. Mewn llawer o achosion, nid yw'n ddymunol i CNC gyflawni arloesedd 'awyr las'. Nid oes gennym yr adnoddau i wneud hynny, ac mae cyfradd methu uchel gyda gweithgareddau o'r math hwnnw. Fodd bynnag, gallem ddod yn llawer mwy medrus wrth fabwysiadu offer, gwybodaeth, arferion a thechnolegau sydd eisoes wedi'u treialu mewn mannau eraill, gan gynnwys y tu allan i sector yr amgylchedd, a'u cyfuno mewn ffyrdd newydd yng ngwasanaeth SMNR. Mae'n debygol y bydd angen rhai newidiadau yn ein hymddygiad rheoli a llywodraethu er mwyn gwneud y newid diwylliannol hwnnw.
14. Mae'r meysydd arfaethedig ar gyfer arloesi yn cynnwys:
 - a. Ymateb i ddigwyddiadau (gan gynnwys llifogydd, llygredd dŵr, tanau gwyllt, sychder, ansawdd aer, gollyngiadau olew, rheoli cynefinoedd, adfer ecolegol)
 - b. Cydlyniant cymdeithasol a newid ymddygiad – modelu ymddygiad dynol, nid eu heffeithiau yn unig, i helpu i benderfynu lle mae angen ymyriadau
 - c. Offer cyfathrebu ac ymgysylltu
 - d. Offer rhannu data a dadansoddi sy'n hygyrch i ddulliau aml-asiantaeth
 - e. Synhwyro o bell a deallusrwydd amgylcheddol (dysgu peirianyddol, deallusrwydd artiffisial, ac ati)

Argymhelliad

15. Bod y Tîm Gweithredol yn gwahodd y Bwrdd i drafod y dirwedd arloesi strategol sy'n wynebu CNC. Gallai cwestiynau enghreifftiol gynnwys;
 - Sut olwg ddylai fod ar ein harchwaeth risg sefydliadol ar gyfer arloesi? A ddylid caniatáu i brosiectau arbennig o arloesol barhau heb gyfyngiadau, i'r graddau y gallent gael trefniadau llywodraethu ysgafnach?
 - Sut ydym ni'n cydbwysu'r risgiau uniongyrchol, y gost a'r her a ddaw yn sgil mabwysiadu technolegau, technegau, dulliau a ffyrdd newydd o weithio yn erbyn cost y cyfle a'r risgiau hirdymor o fethu â chadw i fyny?
 - A ddylai prosiectau arloesol fod yn 'ddiogel i fethu' cyn belled â bod monitro, gwerthuso a dysgu effeithiol yn digwydd?

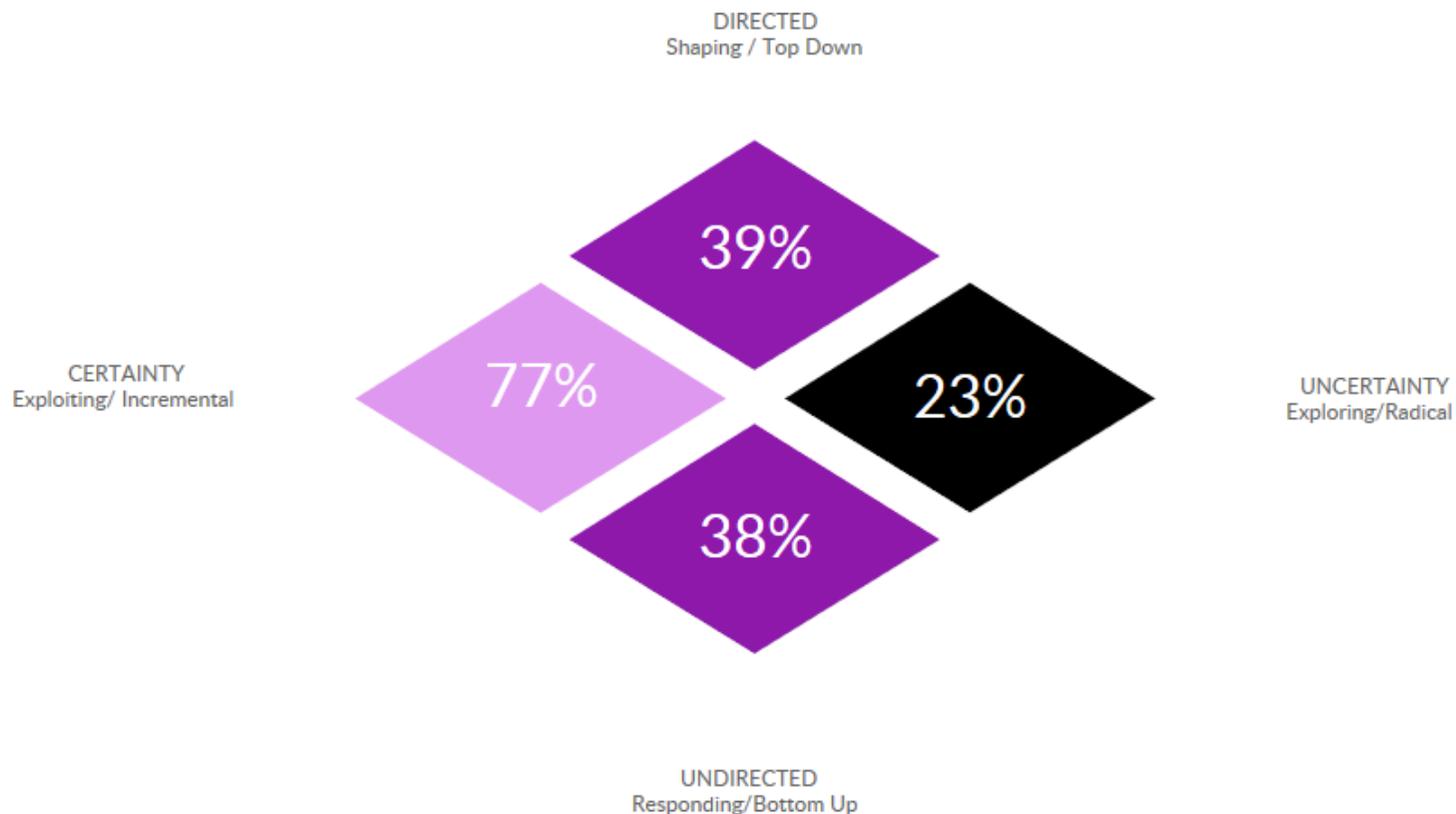
Mynegai o Atodiadau

Atodiad 1 – Model Arloesi OPSI

Annex 1



Figure 1 – OPSI’s 4-facet model



Your organisational portfolio tends to be strong in enhancement-oriented innovation

Figure 2 – OPSI’s model as applied to NRW

Rhagolwg y Bwrdd – Ionawr						
	Eitem	Preifat / Cyhoeddus	Cwmpas	Diben	Amser	Noddwr
1	Cyfarfod agored	Cyhoeddus a Phreifat	Eitem Sefydlog		5	Cadeirydd
2	Adolygu cofnodion	Cyhoeddus a Phreifat	Eitem Sefydlog		5	Cadeirydd
3	Diweddariad y Cadeirydd	Cyhoeddus a Phreifat	Eitem Sefydlog		10	Cadeirydd
4	Diweddariad y Prif Swyddog Gweithredol	Cyhoeddus a Phreifat	Eitem Sefydlog		10	Clare Pillman
5	Diweddariad y Pwyllgor	Cyhoeddus a Phreifat	Eitem Sefydlog		10	Cadeiryddion y Pwyllgorau
6	Cymeradwyaeth Cyllid	Preifat	Cymeradwyo	Cymeradwyo'r eitemau ariannol diweddaraf	10	Rachael Cunningham
7	Cyllideb a Chynllun Busnes 2023-24	Preifat	Craffu	Trafod y Gyllideb a'r Cynllun Busnes	60	Rachael Cunningham
8	Adolygiad Blynyddol o'r Gofrestr Risg Strategol	Preifat	Cymeradwyo	Cymeradwyo'r Adolygiad Blynyddol o'r Gofrestr Risg Strategol	60	Prys Davies
9	Cyfrifoldeb Newydd - Gwasanaeth Ansawdd Aer	Preifat	Trafod	Trafod y Cyfrifoldeb Newydd - Gwasanaeth Ansawdd Aer	45	Ceri Davies
10	Dynodiad Parc Cenedlaethol Newydd Arfaethedig	Preifat	Trafod	Trafod y dynodiad Parc Cenedlaethol newydd arfaethedig	30	Ceri Davies
11	Cynllun Corfforaethol	Preifat	Trafod	Trafodaeth ar gyfer llywio'r Bwrdd a syniadau	60	Prys Davies
12	Adroddiad Cyllid	Cyhoeddus	Eitem Sefydlog	Cymeradwyo'r sefyllfa ariannol ddiweddaraf	20	Rachael Cunningham
13	Cyllideb Rhanbarthau Draenio Mewnol	Cyhoeddus	Cymeradwyo	Cymeradwyo'r gyllideb ar gyfer y Rhanbarthau Draenio Mewnol	10	Rachael Cunningham
14	Byrddau Gwasanaethau Cyhoeddus – Cynlluniau Llesiant	Cyhoeddus	Cymeradwyo	Cymeradwyo Cynlluniau Llesiant BGC	60	Ceri Davies

Rhagolwg y Bwrdd – Ionawr						
	Eitem	Preifat / Cyhoeddus	Cwmpas	Diben	Amser	Noddwr
15	Cylch Gorchwyl y Pwyllgor	Cyhoeddus	Cymeradwyo	Cymeradwyo'r diweddariad i Gylch Gorchwyl y Pwyllgor ar gyfer ET a NWLEC	10	Prys Davies
16	Natur a Ni	Cyhoeddus	Trafod	Diweddariad	20	Prys Davies
17	Rhagolwg y Bwrdd	Cyhoeddus	Trafod	I drafod eitemau sydd i ddod	5	Prys Davies
18	UFA	Cyhoeddus a Phreifat		Os bydd rhai yn codi	5	

Papur Bwrdd CNC

Dyddiad y cyfarfod:	17 Tachwedd 2022
Teitl y papur:	Cylch Gorchwyl Pwyllgorau'r Bwrdd
Cyfeirnod y Papur:	22-11-B17
Noddir y Papur gan:	Prys Davies, Cyfarwyddwr Gweithredol Strategaeth a Datblygu Corfforaethol
Paratowyd y Papur gan:	Clare Jones, Cynghorydd Arbenigol Arweiniol, Llywodraethu
Cyflwynir y Papur gan:	Colette Fletcher, Pennaeth Llywodraethu ac Ysgrifenyddiaeth y Bwrdd
Diben y Papur	Cymeradwyo
Crynodeb	Gofynnir i'r Bwrdd gymeradwyo Cylchoedd Gorchwyl chwech o blith saith o Bwyllgorau'r Bwrdd, ynghyd â nodi a chymeradwyo teitl newydd un o'r Pwyllgorau yng Nghylch Gorchwyl y Bwrdd

Cefndir

1. Mae'r papur hwn yn cyflwyno Cylchoedd Gorchwyl chwech o blith saith o Bwyllgorau'r Bwrdd i'w cymeradwyo, sef: y Pwyllgor Archwilio a Sicrhau Risg; y Pwyllgor Cynghori ar Dystiolaeth; y Pwyllgor Cyllid; y Pwyllgor Rheoli Perygl Llifogydd; y Pwyllgor Pobl, Cwsmeriaid a Rhanddeiliaid; a'r Pwyllgor Ardaloedd Gwarchoddedig. Ni chynhwysir Pwyllgor Ystadau Tir CNC sydd newydd ei sefydlu.
2. Hefyd, gwahoddir y bwrdd i nodi a chymeradwyo teitl newydd y 'Pwyllgor Pobl a Thaliadau', sef y 'Pwyllgor Pobl, Cwsmeriaid a Rhanddeiliaid' ym mharagraff 4.1.20 Cylch Gorchwyl y Bwrdd.
3. Gofynnir i gyrrff penderfynu CNC adolygu eu Cylchoedd Gorchwyl yn flynyddol. Gofynnir i'r Bwrdd gymeradwyo'i Gylch Gorchwyl ei hun a Chylchoedd Gorchwyl ei Bwyllgorau. Cyflwynwyd fersiwn ddiweddaraf o Gylch Gorchwyl y Bwrdd a Chylch Gorchwyl Pwyllgor Ystadau Tir CNC gerbron cyfarfod mis Medi y Bwrdd, i'w cymeradwyo. Fodd bynnag, mae teitl un o'r Pwyllgorau a nodir yng Nghylch Gorchwyl y Bwrdd wedi cael ei newid, fel y nodir ym mharagraff 2.
4. Mae holl Bwyllgorau'r Bwrdd wedi adolygu adrannau penodol o'r Cylch Gorchwyl sy'n berthnasol i'w priod Bwyllgor ac maent yn cefnogi'r newidiadau arfaethedig.

5. Mae'r papur hwn yn cyflwyno teitl newydd un o Bwyllgorau'r Bwrdd yng Nghylch Gorchwyl y Bwrdd fel y gellir ei nodi a'i gymeradwyo (Atodiad 1), a chyflwynir hefyd Gylchoedd Gorchwyl diweddaraf chwech o blith saith o Bwyllgorau'r Bwrdd fel y gellir eu cymeradwyo (Atodiadau 2 i 7).

Risgiau a chyfleoedd

6. Trwy gael Cylchoedd Gorchwyl clir ar gyfer gwahanol haenau llywodraethu, dylid gallu lliniaru risg unrhyw ddryswch ynglŷn â chyfrifoldeb ac atebolrwydd, yn ogystal ag osgoi dyblygu posibl.
7. Mae trefniadau llywodraethu da yn hanfodol i'r sefydliad, gan ategu penderfyniadau a thryloywder a gwella gwerth am arian ac ati. Bydd y gweithgareddau yr ymdrinnir â nhw yn y diweddariad hwn yn cyfrannu at y broses hon.

Goblygiadau ehangach

- (a) **Cyllid:** Nid oes unrhyw oblygiadau ariannol yn uniongyrchol gysylltiedig â'r papur hwn.
- (b) **Cydraddoldeb:** Mae'r gofynion llywodraethu yn effeithio ar yr holl staff mewn modd cyfartal. Ni ragwelir unrhyw effeithiau niweidiol ar gyfer unrhyw grwpiau neu nodweddion gwarchoddedig.
- (c) **Cyfreithiol:** Ni cheisiwyd cyngor cyfreithiol wrth ddrafftio'r papur hwn oherwydd nid oedd cyngor o'r fath yn angenrheidiol.
- (d) **Diogelu Data:** Ni cheir unrhyw oblygiadau o ran diogelu data.

Y Camau Nesaf

8. Ar ôl cymeradwyo'r Cylchoedd Gorchwyl, byddant yn cael eu cyfieithu a'u lanlwytho ar wefan a mewnwyd CNC.

Argymhelliad

9. Gofynnir i'r Bwrdd gymeradwyo Cylchoedd Gorchwyl chwech o blith saith o Bwyllgorau'r Bwrdd, ynghyd â nodi a chymeradwyo teitl newydd un o'r Pwyllgorau yng Nghylch Gorchwyl y Bwrdd.

Mynegai o'r Atodiadau

Atodiad 1 – Cylch Gorchwyl y Bwrdd

Atodiad 2 – Cylch Gorchwyl y Pwyllgor Archwilio a Sicrhau Risg

Atodiad 3 – Cylch Gorchwyl y Pwyllgor Cyngori ar Dystiolaeth

Atodiad 4 – Cylch Gorchwyl y Pwyllgor Cyllid

Atodiad 5 – Cylch Gorchwyl y Pwyllgor Rheoli Perygl Llifogydd

Atodiad 6 – Cylch Gorchwyl y Pwyllgor Pobl, Cwsmeriaid a Rhanddeiliaid

Atodiad 7 – Cylch Gorchwyl y Pwyllgor Ardaloedd Gwarchoddedig



Board Terms of Reference

Terms of Reference agreed: Sept 2022

Next review date: Sept 2023

1. Purpose

1.1. The role of the Natural Resources Wales (NRW) Board is to:

- 1.1.1. establish the vision and strategic direction and maintain oversight of NRW;
- 1.1.2. provide effective strategic leadership; defining and approving strategic direction and setting challenging objectives;
- 1.1.3. promote high standards of public finance, upholding the principles of regularity, propriety and value for money;
- 1.1.4. ensure that NRW's activities are conducted efficiently and effectively; and
- 1.1.5. oversee and monitor top-level performance to ensure that NRW fully meets its aims, objectives and performance targets.

1.2. The Board must ensure that effective arrangements are in place to provide assurance on risk management, governance and internal control. It must establish an Audit and Risk Assurance Committee chaired by a non-executive member (but not the Chair) to provide it with independent advice. The Board is also expected to assure itself of the effectiveness of internal control and risk management systems.

2. Scope

2.1 The Board is responsible for defining and approving the long-term vision and strategy for NRW to meet its responsibilities and duties under the Natural Resources Body for Wales (functions) Order 2013, Wellbeing of Future Generations (Wales) Act 2015, Environment (Wales) Act 2016 and all other relevant legislation.

2.2 Members of the Board are collectively responsible for ensuring that in the exercise of its functions NRW has due regard to the climate and nature emergencies, to pursuing and promoting the sustainable management of natural resources, and to ensuring the principles of sustainable management of natural resources are applied, so far as is possible within its powers.

3. Responsibilities

3.1. The responsibilities of the Board include to:

- 3.1.1. establish the vision, strategic aims and objectives of NRW consistent with its overall purpose and within the context of the Welsh Government's strategic aims and the policy and resources framework determined by the Minister;
- 3.1.2. ensure that NRW operates within its statutory and delegated authority, and that it discharges its statutory duties under the relevant Acts, other Statutory obligations and the Framework Document;
- 3.1.3. promote high standards of public finance, upholding the principles of regularity, propriety and value for money. In particular, instructions must not be given to the Chief Executive which conflict with their duties as NRW's Accountable Officer;
- 3.1.4. demonstrate high standards of corporate governance and integrity, and ensure that effective arrangements are in place to provide assurance on risk management, effective internal control and good record keeping;
- 3.1.5. demonstrate NRW's values in all endeavours, individually and collectively, modelling consistency of behaviours across the organisation;
- 3.1.6. appoint, with the prior approval of the Minister, a Chief Executive; and
- 3.1.7. hold the Chief Executive to account for performance and delivery against strategic and business plan priorities, objectives and budgets.

4. Board reserved matters

4.1. The matters set out in the table below are reserved to the Board.

Governance and control:

- 4.1.1. review and approve the Board's overall corporate governance arrangements;
- 4.1.2. approve substantive amendments to the Board's reserved matters;
- 4.1.3. approve terms of reference of the Board's committees, sub-committees, or working groups;
- 4.1.4. approve Board minutes;
- 4.1.5. approve Board and committee schedules of meetings;
- 4.1.6. approve delegation of any of the Board powers to the Chief Executive;
- 4.1.7. approve the scheme of financial delegation, covering delegation to the Chief Executive or Executive Team members;
- 4.1.8. approve the Statutory and Legal Scheme, covering delegation to the Chief Executive or Executive Team members;

- 4.1.9. approve the Framework Document with the Welsh Government, or successor documents;
- 4.1.10. approve the strategy and principles for management of risk.

Appointments:

- 4.1.11. appoint and dissolve Board committees, sub-committees, working groups, and their Chairs;
- 4.1.12. appoint and terminate the appointment of the Chief Executive, subject to the consent of the Welsh Government Minister responsible;
- 4.1.13. appoint Investigating and Inquiry Leads.

Strategy, Business Plan and budget:

- 4.1.14. approve (including varying) Corporate Strategies and Strategic Plans, subject to approval by the Welsh Government;
- 4.1.15. approve the annual Business Plan and annual budget, subject to approval by the Welsh Government;
- 4.1.16. approve NRW's key performance indicators;
- 4.1.17. ensure the statement of accounts complies with any directions given by the Minister, Auditor General, and good practice;
- 4.1.18. approve and present NRW's annual report and accounts to the Auditor General for Wales, the Minister, and the National Assembly for Wales.

Operational decisions:

- 4.1.19. approve the policy content of corporate, strategic, documents that relate to NRW's strategy, purpose, and long-term vision;
- 4.1.20. the Board has delegated the approval of the annual pay award to the People, Customer, and Stakeholder Committee (PCSC);
- 4.1.21. approve the Scheme of Charges;
- 4.1.22. approve major organisational developments and changes to the organisation.

4.2. The Board retains oversight of all responsibilities delegated to the Board committees.

4.3. There may occasionally be a need to consider items between meetings on the Board's behalf in order to expedite urgent business or in the event of a major incident. If the need for urgent consideration of major and/or controversial items arises, the Board will normally delegate the matter to a specially convened Urgency Committee consisting of its Chair and two further Board members. If an item arises that is not major or controversial but is time critical, the Chair may use their discretion on whether to take Chair's action, advised if appropriate by the Board Secretary.

- 4.4. Where Chair's action on time critical items does take place, it will be considered appropriate (where possible) that the Chair seeks the views of members by email before taking their decision. All decisions taken by the Urgency Committee and/or Chair's action should be clearly reported to the Board as soon as possible and recorded in the minutes of its next meeting for information.
- 4.5. These Terms of Reference do not preclude the Chair or the Board deciding other matters, non-reserved, should they come to the Board for discussion or decision.
- 4.6. The Board will normally conduct an annual effectiveness review. This should include a self-review led by the Chair, including feedback from members of the Board, any lessons learned and potential improvements. The Board should consider commissioning an independent external review of effectiveness approximately once every three years.
- 4.7. The terms of reference will be reviewed annually, to ensure they are fit for purpose and functionally effective.
- 4.8. A record of each annual review of effectiveness and terms of reference will be made. Any recommendations for material change will be brought to the attention of the Board for approval.

5. Meetings

- 5.1. The Board will meet six times a year. Discussions will be held in public unless they are considered exempt based on the public vs private criteria approved by the Board. Interim Board updates will be held during the intervening months.
- 5.2. A meeting will be quorate for a particular agenda item if a majority of Board members are present for the whole of the item(s), and as long as the majority of those present are non-executive Board members. Deputies are not permitted.
- 5.3. For the purpose of determining whether a quorum is present, a Board member may be counted in the quorum if they are able to participate in the proceedings of the meeting, including by remote means (e.g. telephone or other digital link) and remain so available throughout the discussion and decision for each item for which they are counted as part of the quorum.
- 5.4. Board members must declare any potential conflict of interest at the relevant meeting, even if already recorded in the published Register of Interest. Any such declaration will be recorded in the minutes of the meeting.
- 5.5. Subject to their declarations of interest (the Chair may ask a Board member to withdraw from the discussion and/or abstain from voting if they feel that the potential for conflict of interest merits it), each Board member shall have the right to vote in any debate and to have their views recorded in the minutes.

- 5.6. In the event of no majority decision, the Chair of the Board shall have a second or casting vote, whether or not they previously voted on the matter.
- 5.7. Board members should not act as “representatives” of any specific sector. Subject to the Conflict of Interest rules, Board members are expected to make use of their wider experience, contributing fully to Board consideration of such issues, whilst making decisions collectively, based on the evidence and relevant criteria, for the benefit of NRW’s objectives.
- 5.8. Board members are expected to observe appropriate confidentiality and discretion in the conduct of matters of the Board and handling/safe-keeping of information and documents, in particular, in relation to any personal, proprietary, or commercial information.
- 5.9. The Board may, without setting any precedent, invite other officials, individuals or representatives of other organisations to attend all, or part of, its meetings. Attendees who are not members of the Board will not be entitled to vote.

6. Administration

- 6.1. The Secretariat will provide the service support for the Board. This includes arranging meetings, preparing agendas and papers, collating documents, communicating with Board members, taking minutes, circulating minutes and any relevant follow up or action points, and filing Board documents in the Document Management System to ensure a formal record is kept.
- 6.2. Agenda items will be agreed in advance with the Chair, and agendas and papers will be circulated one week (seven days) in advance of meetings. Executive Team members will sponsor and introduce agenda items put forward by their Directorate / sponsored business boards.
- 6.3. The Board will maintain a ‘forward look’ of standing items, which will be reviewed at each meeting and maintained by the Secretariat. Additional agenda items will be collated by the Secretariat and planned through the forward look and agreed with the Chair in advance. Items will be supported with written papers and/or oral presentations. Unless authorised by the Chair, late papers will not be circulated, and the item will be removed from the agenda.
- 6.4. Minutes will be taken of the meetings of the Board. This will include a record of decisions and reasons for decisions, and actions, together with a compiled action log to be maintained by the Secretariat and reviewed at each meeting. Draft minutes of the meeting and agreed action points will be agreed by the Chair and circulated within 10 working days of the meeting, with final minutes being circulated within 20 working days. Actions will be closed when the Board has seen sufficient evidence of completion or that the action has become absorbed into business as usual.

- 6.5. Previous minutes and action logs will be reviewed at each meeting. Minutes will be confirmed at the following meeting.
- 6.6. Papers and minutes from the non-confidential Board items will be translated and published on the NRW website.

7. Membership

- 7.1. The Chair, the Deputy Chair and the Board members are appointed by the Welsh Ministers. Article 3 paragraph 2 of the Schedule to the NRW (Establishment) Order 2012 specifies that there should be no fewer than five nor more than 11 non-executive members in addition to the Chair.
- 7.2. The appointments are made in accordance with the Commissioner for Public Appointments' Code of Practice for Ministerial appointments to public bodies. The length of each appointment is determined by Welsh Ministers in the appointment letter. In accordance with the Code, no individual will serve in any one post for more than 10 years.
- 7.3. The Establishment Order specifies that the Chief Executive must be a member of the Board. The Board can choose to appoint up to four further NRW employees (referred to in the Establishment Order as "executive members").

[END OF TERMS OF REFERENCE]

Current Members (as at Sept 2022)

Sir David Henshaw, Chair (term end date 31 October 2023)

Professor Steve Ormerod, Deputy Chair (term end date 31 October 2025)

Julia Cherrett, Senior Independent Director (term end date 31 October 2025)

Karen Balmer (term end date 8 May 2023)

Catherine Brown (term end date 31 October 2022)

Geraint Davies (term end date 31 October 2024)

Zoë Henderson (term end date 8 May 2023)

Professor Calvin Jones (term end date 28 February 2023)

Mark McKenna (term end date 28 February 2023)

Dr Rosie Plummer (term end date 31 October 2024)

Professor Peter Rigby (term end date 31 October 2023)

Clare Pillman, Chief Executive/Accounting Officer



Audit & Risk Assurance Committee Terms of Reference

GENERAL TERMS OF REFERENCE AND WAYS OF WORKING

The following sections set out general terms of reference for all Board committees followed by specific sections that relate to individual committees.

1. Constitution

- 1.1. With the exception of the ARAC, which is a requirement of the Welsh Government's Framework Document with NRW, other committees were formed by resolution of the Board. Each committee has a specific purpose which may include some delegated powers. The continued existence, membership and any authorities delegated to the committees are subject to review by the Board from time to time as required.
- 1.2. Unless the Board imposes a condition to the contrary, a committee may delegate the discharge of a function delegated to it by the Board to a committee member, or an officer, subject to any conditions imposed by that committee.
- 1.3. All committees should ensure that in the exercise of their functions NRW has due regard to the climate and nature emergencies, to pursuing and promoting the sustainable management of natural resources, and to ensuring the principles of sustainable management of natural resources are applied, so far as is possible within their powers.

2. Membership

- 2.1. With the exception of the EAC (which will have two non-executive directors and about eight independent members), each committee will comprise **at least four non-executive members of the Board**. The Board, on the advice of the NRW Chair, will appoint members of the committees. Membership will take due account of the need to ensure the range of skills needed to carry out the committee functions.
- 2.2. The committee Chair will be appointed by the NRW Board, except in the case of ARAC, where the Chair is agreed by NRW's sponsoring Minister. If the committee

Chair is absent for any meeting then any member, by agreement of a majority present, may serve as committee Chair for that occasion.

- 2.3. Committee members who are Board members will normally serve for their period of appointment as Member of the Board (as specified in their appointment letter from NRW's sponsoring Minister). ARAC membership is for a period of up to three years, extendable by no more than two additional three-year periods, so long as members continue to be independent. However, changes or rotations may be appropriate from time to time, for example to reinforce particular skills needed on a committee or when, for whatever reason, there are changes to the Board membership.
- 2.4. The NRW Board will review membership of each committee annually at the first meeting after 1 July each year.
- 2.5. Each committee may co-opt non-Board members as it considers appropriate.
- 2.6. A committee may include members who are neither Board members nor NRW staff. Such members will serve for the period for which they are appointed and on terms set out in their letter of engagement.

3. Authority

- 3.1. Each committee is authorised by the Board to:
 - 3.1.1. consider any matter within its terms of reference as noted below, or any related matter within its remit and to seek any information it requires from staff. All such requests will be channelled through the Secretariat in the first instance;
 - 3.1.2. make recommendations to the Board for action or decision, and progress work within its terms of reference;
 - 3.1.3. establish smaller sub-groups / task forces to address matters within the committee remit as appropriate. These will be time limited and focussed on concluding specific tasks on behalf of the committee.
- 3.2. There may occasionally be a need to consider items between meetings on the committees' behalf in order to expedite urgent business or in the event of a major incident. If the need for urgent consideration of major and/or controversial items arises, committees will normally delegate the matter to a specially convened Urgency Committee consisting of its Chair and one further committee member. If an item arises that is not major or controversial but is time critical, the Chair may use their discretion on whether to take Chair's action, advised if appropriate by the Board Secretary.
- 3.3. Where Chair's action on time critical items does take place, it will be considered appropriate (where possible) that the Chair seeks the views of members by email before taking their decision. All decisions taken by the Urgency Committee and/or Chair's action should be clearly reported to the committee as soon as possible and recorded in the minutes of its next meeting for information.

4. Accountability and reporting

- 4.1. Each committee is accountable to the Board. Any matters that require disclosure, consideration or advice will be drawn to the attention of the Board.
- 4.2. Reports will be submitted and presented to the Board by, or on behalf of, the committee Chair. This will usually involve providing a summary of the discussion held at each meeting to the subsequent meeting of the Board. Such reports may be verbal or in writing as deemed appropriate.
- 4.3. The committee Chair will refer to the Board such issues arising at or in between committee meetings that, in their judgement, pose a material risk to the business integrity or reputation of NRW.
- 4.4. Each committee will have a member of NRW Executive Team designated as its Executive lead within the business to ensure its planning and delivery is accounted for.

5. Annual review

- 5.1. All committees will normally conduct an annual effectiveness review. The result of this review will be reported to the NRW Board. This should include a self-review led by the committee Chair, including feedback from members of that committee and from the Board more widely, and any lessons learned and potential improvements.
- 5.2. The terms of reference of each committee will be reviewed annually, to ensure they are fit for purpose and functionally effective.
- 5.3. A record of each annual review of effectiveness and terms of reference will be made. Any recommendations for material change will be brought to the attention of the relevant committee and the Board for approval.

6. Frequency, schedule of meetings, and venues

- 6.1. Committees will meet with whatever frequency is deemed suitable to the effective conduct of the business and discharge of responsibilities. Additional meetings may be scheduled if and as required.
- 6.2. Meetings will be arranged by the Secretariat to a schedule of dates/times as appropriate for ensuring the effective conduct of business and timeliness of reporting to the Board.
- 6.3. Meeting venues will be selected and determined on a case-by-case basis by the Secretariat in consultation as appropriate with the relevant committee Chair and taking account of the business of the meeting. Venues may include any suitable location,

including NRW offices or other places, with appropriate facilities for proper conduct of the business including disability accessibility and public attendance provision as required.

7. Quorum and voting

- 7.1. A meeting will be quorate for a particular agenda item if three committee members are present for the whole of the item(s). Deputies are not permitted.
- 7.2. For the purpose of determining whether a quorum is present, a Committee member may be counted in the quorum if they are able to participate in the proceedings of the meeting, including by remote means (e.g. telephone or other digital link) and remain so available throughout the discussion and decision for each item for which they are counted as part of the quorum.
- 7.3. Subject to their declarations of interest (the Chair may ask a Board member to withdraw from the discussion and/or abstain from voting if they feel that the potential for conflict of interest merits it), each member shall have the right to vote in any debate and to have their views recorded in the minutes.
- 7.4. In the event of no majority decision, the committee Chair shall have a second or casting vote, whether or not they previously voted on the matter.

8. Independent professional advice

- 8.1. Each committee may seek and obtain independent professional advice, where this is considered necessary, whilst paying appropriate attention to the cost/value of obtaining such advice and following procurement guidelines in so doing. As appropriate this will normally be done in collaboration with the Executive lead.

9. Conduct, openness, and confidentiality

- 9.1. All members of the committees are important advisers, guardians and ambassadors of NRW. As such they are expected to comply with all relevant company policies and conflicts of interest guidance whenever they conduct the business, or act as a representative, of NRW.
- 9.2. All committees are expected to promote high standards of public finance, upholding the principles of regularity, propriety and value for money.
- 9.3. All committee members are expected to demonstrate NRW's values in all endeavours, individually and collectively, modelling consistency of behaviours across the organisation.

- 9.4. Committee members must declare any potential conflict of interest at the relevant meeting, even if already recorded in the published Register of Interest. Any such declaration will be recorded in the minutes of the meeting.
- 9.5. Committee members are expected to observe appropriate confidentiality and discretion in the conduct of matters of the committee and handling/safe-keeping of information and documents, in particular in relation to any personal, proprietary, or commercial information.
- 9.6. An induction programme will be provided for new committee members, covering the role of the committee, its terms of reference, main business and expected time commitment. Further appropriate training will be provided on an on-going and timely basis.
- 9.7. The terms of reference for each individual committee are available on NRW's website.

10. Attendance of executives and others at meetings

- 10.1. The NRW Board Chair has a standing invitation to attend any committee meetings in a non-voting capacity.
- 10.2. Other Board members may attend as an observer. The committee Chair will advise on any restrictions and the appropriate level of participation.
- 10.3. Officials from the sponsor department in Welsh Government also have a standing invitation to attend as observers but will, as a courtesy, always notify the Secretariat sufficiently in advance to enable the Chief Executive, committee Chair, and members to be so advised.
- 10.4. Nominated members of the Executive, suited to the individual responsibilities of each committee and determined in liaison between the Chief Executive and the committee Chair, will normally be expected to attend meetings.
- 10.5. One member of the Executive Team will be designated the Executive lead for each committee and will work with the committee Chair and the Secretariat to ensure the smooth running of the committee.
- 10.6. The Chief Executive can designate attendance by any other members of staff as they think appropriate to support the operation of the committee, particular items, or for reasons of personal development.
- 10.7. Each committee may, without setting any precedent, invite other officials, individuals or representatives of other organisations to attend all, or part of, its meetings.
- 10.8. Attendees who are not members of the committees will not be entitled to vote.

- 10.9. A committee may exclude or ask for the withdrawal of any or all of those executives or others who normally attend or are invited, to facilitate open and frank discussion of particular matters, or where discussion affects their personal situation or performance.
- 10.10. Attendees who are not members of the committee are required to observe the same levels of confidentiality, proper conduct, and declaration of interests as members. The Secretariat will circulate these terms of reference to non-members to alert them to this.

11. Secretariat function and papers

- 11.1. The Secretariat will provide the service support for Board committees. This includes arranging meetings, preparing agendas and papers, collating documents, communicating with Board members, taking minutes, circulating minutes and any relevant follow up or action points, and filing committee documents in the Document Management System to ensure a formal record is kept.
- 11.2. Agenda items will be agreed in advance with the committee Chairs, and agendas and papers will be circulated one week (seven days) in advance of committee meetings.
- 11.3. Each committee will maintain a 'forward look' of standing items, which will be reviewed at each meeting and maintained by the Secretariat. Additional agenda items will be collated by the Secretariat and planned through the forward look and agreed with the Chair in advance. Items will be supported with written papers and/or oral presentations. Unless authorised by the committee Chair, late papers will not be circulated, and the item will be removed from the agenda.
- 11.4. The Secretariat will maintain the list of committee Chairs, members, executives and others invited to attend meetings and ensure this is available to the Board.

12. Minutes

- 12.1. Minutes will be taken of the meetings of each of the committees. This will include a record of decisions and reasons for decisions, and actions, together with a compiled action log to be maintained by the Secretariat and reviewed at each meeting. Draft minutes of the meeting and agreed action points will be agreed by the Chair and circulated within 10 working days of the meeting, with final minutes being circulated within 20 working days. Actions will be closed when a committee has seen sufficient evidence of completion or that the action has become absorbed into business as usual.
- 12.2. Previous minutes and action logs will be reviewed at each meeting. Minutes will be confirmed at the following meeting.

13. Communication

13.1. Any communication from the committees to staff, beyond those in attendance and prior to formal approval and publication of the minutes, will normally be routed through the Executive lead. Any key developments and messages so distributed will use whatever means and methods are suitable for the matter in hand.

AUDIT AND RISK ASSURANCE COMMITTEE (ARAC)

These specific terms of reference are to be read in tandem with the generic terms of reference for all Natural Resources Wales' (NRW) committees.

Terms of Reference agreed: November 2022

Next review date: November 2023

1. Purpose

1.1. The Audit and Risk Assurance Committee (ARAC) is a standing committee that is a requirement of the Welsh Government's Framework Document with NRW. Its principal role is to advise the Board and to support the Chief Executive/Accounting Officer on matters of risk, financial stewardship and accountability, internal control and governance.

2. Scope

2.1. The ARAC will provide assurance on the establishment and maintenance of an effective control environment to ensure financial and wider business integrity, sustainability and continuity. The ARAC will monitor NRW's risk management processes to ensure their effectiveness in anticipating future risks as well as addressing the here and now, and that risk mitigation measures are consistent with NRW's risk appetite.

2.2. The ARAC will provide the Board and the Chief Executive/Accounting Officer with an Annual Report summarising the business it has conducted during the year and the conclusions it has drawn therefrom. This will also inform the production of the Chief Executive/Accounting Officer's Governance Statement.

3. Responsibilities

3.1 The ARAC is responsible for effectiveness of key financial and other controls by ensuring it gains appropriate assurance of the:

- 3.1.1. Financial and other internal control frameworks;
- 3.1.2. Risk management framework, including aligning its own review of risks matters with deep dives conducted by other Board Committees;
- 3.1.3. Strategic risks relevant to compliance, by undertaking a programme of deep dives to scrutinise current and target scores, seeking confidence on the appropriateness of planned actions to manage risks and secure the target scores identified;
- 3.1.4. NRW Corporate governance arrangements;

- 3.1.5. Policies and procedures in respect of fraud, irregularity and public interest disclosure;
- 3.1.6. Management of Information, Data, and Cyber security risks, seeking confidence that those risks are managed appropriately and necessary controls are in place;
- 3.1.7. Implementation of approved recommendations relating to both internal and external audit reports and management responses;
- 3.1.8. consider elements of the annual financial statements in the presence of the external auditors, including the auditors' formal opinion, the statement of members' responsibilities and the statement of internal control;
- 3.1.9. review the accounting policies relating to the financial statements, particularly in relation to any changes, and to comment on their adequacy;
- 3.1.10. scrutinise and report to the Board on the Annual Report and Accounts of NRW and the Chief Executive/Accounting Officer's Governance Statement and recommend approval for the Chief Executive/Accounting Officer to sign off the Annual Report and Accounts;
- 3.1.11. alert the Board and the Chief Executive/Accounting Officer to issues that pose a material risk;
- 3.1.12. gain assurance on issues of fraud, losses and special payments, including the Annual Report;
- 3.1.13. scrutinise all significant contracts let without competition (individually or collectively) in order to support transparency of decision;
- 3.1.14. oversight and scrutiny of progress and delivery of the Vision for Good Governance business transformation programme.

3.2. External Audit

- 3.2.1. Wales Audit Office is NRW's external auditor.
- 3.2.2. The ARAC will review the work of the external auditor and will consider their findings and management's response to them. Specific responsibilities include to:
 - 3.2.2.1. review and recommend (to the Chief Executive/Accounting Officer) approval of the annual external audit plan and audit fee;
 - 3.2.2.2. review all external audit reports, including the audit completion report before final submission to the Chief Executive/Accounting Officer and the NRW Board, as well as any work undertaken outside of the annual external audit plan and management's response thereto;
 - 3.2.2.3. review the performance of the external auditor.

Internal Audit

- 3.2.3. The ARAC will oversee NRW's internal audit arrangements to ensure their effectiveness and will review the work and findings of the internal auditors, together with management's responses. Specific responsibilities include to:

- 3.2.3.1. agree the internal audit strategy and annual internal audit plan;
- 3.2.3.2. receive and review topic-specific internal audit reports, together with management's responses;
- 3.2.3.3. receive and review the Internal Audit Opinion;
- 3.2.3.4. review the performance of the internal audit service.

Assurance

- 3.2.4. The ARAC will oversee NRW's assurance arrangements to ensure their effectiveness and will provide leadership, scrutiny, and guidance on assurance activity, ensure alignment with the organisation's strategic risks and with Internal Audit activity and findings. Specific responsibilities include:
 - 3.2.4.1 Agree the assurance strategy and annual assurance plan;
 - 3.2.4.2 Receive and review periodic assurance reports;
 - 3.2.4.3 Scrutinise performance over the three lines of assurance, ensuring focus on areas of weakness.

4. Meetings

- 4.1. The ARAC will meet at least four times per annum.
- 4.2. At least once a year, and otherwise as required, the internal and external auditors will meet with the ARAC without members of the executive being present.

5. Membership

- 5.1. The ARAC and other attendees will include four non-executive Board members, at least one of whom must have appropriate expertise in financial management, accounting and auditing.
- 5.2. The Audit Wales representatives will be invited to attend.
- 5.3. The Chief Executive/Accounting Officer, Director of Finance and Corporate Services, and Head of Governance and Board Secretary, will normally attend meetings of the ARAC except where specifically excluded for discussion of matters affecting their personal situation or performance.

[END OF TERMS OF REFERENCE]

Current Members (as at Sept 2022)

Chair	Catherine Brown, Board member (term end date 31 October 2022)
Members	Karen Balmer, Board member (term end date 8 May 2023)

Dr Rosie Plummer, Board member (term end date 31 October 2024)

Professor Peter Rigby, Board member (term end date 31 October 2023)

Executive lead	Rachael Cunningham, Executive Director of Finance and Corporate Services
Other regular attendees	Clare Pillman, Chief Executive/Accounting Officer Rob Bell, Head of Finance Colette Fletcher, Head of Governance and Board Secretary Jacqui Kedward, Head of Internal Audit



Evidence Advisory Committee (EAC) Terms of Reference

GENERAL TERMS OF REFERENCE AND WAYS OF WORKING

The following sections set out general terms of reference for all Board committees followed by specific sections that relate to individual committees.

1. Constitution

- 1.1. With the exception of the ARAC, which is a requirement of the Welsh Government's Framework Document with NRW, other committees were formed by resolution of the Board. Each committee has a specific purpose which may include some delegated powers. The continued existence, membership and any authorities delegated to the committees are subject to review by the Board from time to time as required.
- 1.2. Unless the Board imposes a condition to the contrary, a committee may delegate the discharge of a function delegated to it by the Board to a committee member, or an officer, subject to any conditions imposed by that committee.
- 1.3. All committees should ensure that in the exercise of their functions NRW has due regard to the climate and nature emergencies, to pursuing and promoting the sustainable management of natural resources, and to ensuring the principles of sustainable management of natural resources are applied, so far as is possible within their powers.

2. Membership

- 2.1. With the exception of the EAC (which will have two non-executive directors and about eight independent members), each committee will comprise **at least four non-executive members of the Board**. The Board, on the advice of the NRW Chair, will appoint members of the committees. Membership will take due account of the need to ensure the range of skills needed to carry out the committee functions.
- 2.2. The committee Chair will be appointed by the NRW Board, except in the case of ARAC, where the Chair is agreed by NRW's sponsoring Minister. If the committee Chair is absent for any meeting then any member, by agreement of a majority present, may serve as committee Chair for that occasion.

- 2.3. Committee members who are Board members will normally serve for their period of appointment as Member of the Board (as specified in their appointment letter from NRW's Sponsoring Minister). ARAC membership is for a period of up to three years, extendable by no more than two additional three-year periods, so long as members continue to be independent. However, changes or rotations may be appropriate from time to time, for example to reinforce particular skills needed on a committee or when, for whatever reason, there are changes to the Board membership.
- 2.4. The NRW Board will review membership of each committee annually at the first meeting after 1 July each year.
- 2.5. Each committee may co-opt non-Board members as it considers appropriate.
- 2.6. A committee may include members who are neither Board members nor NRW staff. Such members will serve for the period for which they are appointed and on terms set out in their letter of engagement.

3. Authority

- 3.1. Each committee is authorised by the Board to:
 - 3.1.1. consider any matter within its terms of reference as noted below, or any related matter within its remit and to seek any information it requires from staff. All such requests will be channelled through the Secretariat in the first instance;
 - 3.1.2. make recommendations to the Board for action or decision, and progress work within its terms of reference;
 - 3.1.3. establish smaller sub-groups / task forces to address matters within the committee remit as appropriate. These will be time limited and focussed on concluding specific tasks on behalf of the committee.
- 3.2. There may occasionally be a need to consider items between meetings on the committees' behalf in order to expedite urgent business or in the event of a major incident. If the need for urgent consideration of major and/or controversial items arises, committees will normally delegate the matter to a specially convened Urgency Committee consisting of its Chair and one further committee member. If an item arises that is not major or controversial but is time critical, the Chair may use their discretion on whether to take Chair's action, advised if appropriate by the Board Secretary.
- 3.3. Where Chair's action on time critical items does take place, it will be considered appropriate (where possible) that the Chair seeks the views of members by email before taking their decision. All decisions taken by the Urgency Committee and/or Chair's action should be clearly reported to the committee as soon as possible and recorded in the minutes of its next meeting for information.

4. Accountability and reporting

- 4.1. Each committee is accountable to the Board. Any matters that require disclosure, consideration or advice will be drawn to the attention of the Board.

- 4.2. Reports will be submitted and presented to the Board by, or on behalf of, the committee Chair. This will usually involve providing a summary of the discussion held at each meeting to the subsequent meeting of the Board. Such reports may be verbal or in writing as deemed appropriate.
- 4.3. The committee Chair will refer to the Board such issues arising at or in between committee meetings that, in their judgement, pose a material risk to the business integrity or reputation of NRW.
- 4.4. Each Committee will review strategic risks allocated to their area of responsibility and expertise for particular scrutiny and will highlight any areas of concern enabling the Board and ARAC to seek any particular assurances required.
- 4.5. Each committee will have a member of NRW Executive Team designated as its Executive lead within the business to ensure its planning and delivery is accounted for.

5. Annual review

- 5.1. All committees will normally conduct an annual effectiveness review. The result of this review will be reported to the NRW Board. This should include a self-review led by the committee Chair, including feedback from members of that committee and from the Board more widely, and any lessons learned and potential improvements.
- 5.2. The terms of reference of each committee will be reviewed annually, to ensure they are fit for purpose and functionally effective.
- 5.3. A record of each annual review of effectiveness and terms of reference will be made. Any recommendations for material change will be brought to the attention of the relevant committee and the Board for approval.

6. Frequency, schedule of meetings, and venues

- 6.1. Committees will meet with whatever frequency is deemed suitable to the effective conduct of the business and discharge of responsibilities. Additional meetings may be scheduled if and as required.
- 6.2. Meetings will be arranged by the Secretariat to a schedule of dates/times as appropriate for ensuring the effective conduct of business and timeliness of reporting to the Board.
- 6.3. Meeting venues will be selected and determined on a case-by-case basis by the Secretariat in consultation as appropriate with the relevant committee Chair and taking account of the business of the meeting. Venues may include any suitable location, including NRW offices or other places, with appropriate facilities for proper conduct of the business including disability accessibility and public attendance provision as required.

7. Quorum and voting

- 7.1. A meeting will be quorate for a particular agenda item if a majority of committee members – and at least two in any case - are present for the whole of the item(s). Deputies are not permitted.
- 7.2. For the purpose of determining whether a quorum is present, a Committee member may be counted in the quorum if they are able to participate in the proceedings of the meeting, including by remote means (e.g. telephone or other digital link) and remain so available throughout the discussion and decision for each item for which they are counted as part of the quorum.
- 7.3. Subject to their declarations of interest (the Chair may ask a Board member to withdraw from the discussion and/or abstain from voting if they feel that the potential for conflict of interest merits it), each member shall have the right to vote in any debate and to have their views recorded in the minutes.
- 7.4. In the event of no majority decision, the committee Chair shall have a second or casting vote, whether or not they previously voted on the matter.

8. Independent professional advice

- 8.1. Each committee may seek and obtain independent professional advice, where this is considered necessary, whilst paying appropriate attention to the cost/value of obtaining such advice and following procurement guidelines in so doing. As appropriate this will normally be done in collaboration with the Executive lead.

9. Conduct, openness, and confidentiality

- 9.1. All members of the committees are important advisers, guardians and ambassadors of NRW. As such they are expected to comply with all relevant company policies and conflicts of interest guidance whenever they conduct the business, or act as a representative, of NRW.
- 9.2. All committees are expected to promote high standards of public finance, upholding the principles of regularity, propriety and value for money.
- 9.3. All committee members are expected to demonstrate NRW's values in all endeavours, individually and collectively, modelling consistency of behaviours across the organisation.
- 9.4. Committee members must declare any potential conflict of interest at the relevant meeting, even if already recorded in the published Register of Interest. Any such declaration will be recorded in the minutes of the meeting.
- 9.5. Committee members are expected to observe appropriate confidentiality and discretion in the conduct of matters of the committee and handling/safe-keeping of information and documents, in particular in relation to any personal, proprietary, or commercial information.

9.6. An induction programme will be provided for new committee members, covering the role of the committee, its terms of reference, main business and expected time commitment. Further appropriate training will be provided on an on-going and timely basis.

9.7. The terms of reference for each individual committee are available on NRW's website.

10. Attendance of executives and others at meetings

10.1. The NRW Board Chair has a standing invitation to attend any committee meetings in a non-voting capacity.

10.2. Other Board members may attend as an observer. The committee Chair will advise on any restrictions and the appropriate level of participation.

10.3. Officials from the sponsor department in Welsh Government also have a standing invitation to attend as observers but will, as a courtesy, always notify the Secretariat sufficiently in advance to enable the Chief Executive, committee Chair, and members to be so advised.

10.4. Nominated members of the Executive, suited to the individual responsibilities of each committee and determined in liaison between the Chief Executive and the committee Chair, will normally be expected to attend meetings.

10.5. One member of the Executive Team will be designated the Executive lead for each committee and will work with the committee Chair and the Secretariat to ensure the smooth running of the committee.

10.6. The Chief Executive can designate attendance by any other members of staff as they think appropriate to support the operation of the committee, particular items, or for reasons of personal development.

10.7. Each committee may, without setting any precedent, invite other officials, individuals or representatives of other organisations to attend all, or part of, its meetings.

10.8. Attendees who are not members of the committees will not be entitled to vote.

10.9. A committee may exclude or ask for the withdrawal of any or all of those executives or others who normally attend or are invited, to facilitate open and frank discussion of particular matters, or where discussion affects their personal situation or performance.

10.10. Attendees who are not members of the committee are required to observe the same levels of confidentiality, proper conduct, and declaration of interests as members. The Secretariat will circulate these terms of reference to non-members to alert them to this.

11. Secretariat function and papers

11.1. The Secretariat will provide the service support for Board committees. This includes arranging meetings, preparing agendas and papers, collating documents,

communicating with Board members, taking minutes, circulating minutes and any relevant follow up or action points, and filing committee documents in the Document Management System to ensure a formal record is kept.

- 11.2. Agenda items will be agreed in advance with the committee Chairs, and agendas and papers will be circulated one week (seven days) in advance of committee meetings.
- 11.3. Each committee will maintain a 'forward look' of standing items, which will be reviewed at each meeting and maintained by the Secretariat. Additional agenda items will be collated by the Secretariat and planned through the forward look and agreed with the Chair in advance. Items will be supported with written papers and/or oral presentations. Unless authorised by the committee Chair, late papers will not be circulated, and the item will be removed from the agenda.
- 11.4. The Secretariat will maintain the list of committee Chairs, members, executives and others invited to attend meetings and ensure this is available to the Board.

12. Minutes

- 12.1. Minutes will be taken of the meetings of each of the committees. This will include a record of decisions and reasons for decisions, and actions, together with a compiled action log to be maintained by the Secretariat and reviewed at each meeting. Draft minutes of the meeting and agreed action points will be agreed by the Chair and circulated within 10 working days of the meeting, with final minutes being circulated within 20 working days. Actions will be closed when a committee has seen sufficient evidence of completion or that the action has become absorbed into business as usual.
- 12.2. Previous minutes and action logs will be reviewed at each meeting. Minutes will be confirmed at the following meeting.

13. Communication

- 13.1. Any communication from the committees to staff, beyond those in attendance and prior to formal approval and publication of the minutes, will normally be routed through the Executive lead. Any key developments and messages so distributed will use whatever means and methods are suitable for the matter in hand.



EVIDENCE ADVISORY COMMITTEE (EAC)

These specific terms of reference are to be read in tandem with the generic terms of reference for all Natural Resources Wales' (NRW) committees.

Terms of Reference agreed: November 2022

Next review date: November 2023

1. Purpose

1.1. The Evidence Advisory Committee (EAC) is a standing committee whose principal role is to advise the Board and provide independent advice, challenge and review to the Knowledge and Evidence Department, its strategic direction, and wider NRW evidence functions.

2. Scope

2.1. The EAC advises the NRW Board on approved NRW evidence programmes and their operational delivery, especially on the balance of strategic and operational focussed evidence.

2.2. The EAC will help to strengthen understanding in the wider research community and evidence users in government of NRW evidence processes and priorities. It also aims to ensure the adherence across NRW to the principles and guidelines laid down in central government guidance on obtaining and using scientific advice and related codes of practice.

2.3. The EAC will aim to address all evidence approaches used at NRW and all academic disciplines that are required to provide evidence for our decision-making.

3. Responsibilities

3.1. The responsibilities of EAC are to:

3.1.1. promote, stimulate and encourage the embedding of evidence processes, QA, and delivery;

3.1.2. act as a sounding board for strategic and operational evidence identified or being delivered by NRW;

3.1.3. provide oversight and scrutiny of all relevant reports for Data and Information business transformation;

3.1.4. highlight new approaches to delivering evidence and innovation for NRW;

3.1.5. recommend to the Board the balance of the evidence portfolio between operational and policy, reactive and futures, for future resource allocation;

3.1.6. report to the NRW Board on the quality and fitness of evidence process and delivery in NRW;

3.1.7. champion at Board level the use of futures studies in NRW, including technology and innovation foresight.

3.2. The EAC may make public statements, if necessary, once the NRW Board has accepted their advice. Internal communications may be used to support or promote the principles of evidence use in policy and operational decision making, highlight areas of interest, task and finish groups, and key outcomes from each meeting. Internal communiques should be issued within two weeks of the meeting.

4. Meetings

4.1. The EAC will meet at least twice per annum, typically in January and June to assist the programming and budgetary cycle.

4.2. Deputies are not permitted.

5. Membership

5.1. The EAC will be chaired by the NRW Board member with responsibility for Evidence and Innovation (Professor Peter Rigby).

5.2. Membership will comprise a second NRW Board member and about eight independent external members, judged by the Chair and NRW leads to offer appropriate expertise, e.g. interdisciplinary evidence approaches (including behavioural insights), SMNR, research impact, analytical approaches, operational research, technology innovation, and science communication.

5.3. Initial EAC membership may be by invitation from the Chair and reviewed annually (length of terms to be decided). Competitive selection may be developed as the EAC matures.

[END OF TERMS OF REFERENCE]

Current Members (as at Oct 2022)

Chair	Professor Peter Rigby, Board member (term end date 31 October 2023)
Members	Professor Steve Ormerod, Board member (term end date 31 October 2025) Professor Gillian Bristow, Independent member Dr Hefin Jones, Independent member Professor Susan Owens, Independent member Professor Andrew Pullin, Independent member Professor Mark Whitehead, Independent member Professor Lorraine Whitmarsh, Independent member Dr Tom Nisbet, Independent member Professor Melanie Austen, Independent member
Executive lead	Ceri Davies, Executive Director of Evidence, Policy and Permitting
Other regular attendees	Chris Collins, Head of Knowledge and Evidence



Finance Committee (FC) Terms of Reference

GENERAL TERMS OF REFERENCE AND WAYS OF WORKING

The following sections set out general terms of reference for all Board committees followed by specific sections that relate to individual committees.

1. Constitution

- 1.1. With the exception of the ARAC, which is a requirement of the Welsh Government's Framework Document with NRW, other committees were formed by resolution of the Board. Each committee has a specific purpose which may include some delegated powers. The continued existence, membership and any authorities delegated to the committees are subject to review by the Board from time to time as required.
- 1.2. Unless the Board imposes a condition to the contrary, a committee may delegate the discharge of a function delegated to it by the Board to a committee member, or an officer, subject to any conditions imposed by that committee.
- 1.3. All committees should ensure that in the exercise of their functions NRW has due regard to the climate and nature emergencies, to pursuing and promoting the sustainable management of natural resources, and to ensuring the principles of sustainable management of natural resources are applied, so far as is possible within their powers.

2. Membership

- 2.1. With the exception of the EAC (which will have two non-executive directors and about eight independent members), each committee will comprise **at least four non-executive members of the Board**. The Board, on the advice of the NRW Chair, will appoint members of the committees. Membership will take due account of the need to ensure the range of skills needed to carry out the committee functions.
- 2.2. The committee Chair will be appointed by the NRW Board, except in the case of ARAC, where the Chair is agreed by NRW's sponsoring Minister. If the committee

Chair is absent for any meeting then any member, by agreement of a majority present, may serve as committee Chair for that occasion.

- 2.3. Committee members who are Board members will normally serve for their period of appointment as Member of the Board (as specified in their appointment letter from NRW's sponsoring Minister). ARAC membership is for a period of up to three years, extendable by no more than two additional three-year periods, so long as members continue to be independent. However, changes or rotations may be appropriate from time to time, for example to reinforce particular skills needed on a committee or when, for whatever reason, there are changes to the Board membership.
- 2.4. The NRW Board will review membership of each committee annually at the first meeting after 1 July each year.
- 2.5. Each committee may co-opt non-Board members as it considers appropriate.
- 2.6. A committee may include members who are neither Board members nor NRW staff. Such members will serve for the period for which they are appointed and on terms set out in their letter of engagement.

3. Authority

- 3.1. Each committee is authorised by the Board to:
 - 3.1.1. consider any matter within its terms of reference as noted below, or any related matter within its remit and to seek any information it requires from staff. All such requests will be channelled through the Secretariat in the first instance;
 - 3.1.2. make recommendations to the Board for action or decision, and progress work within its terms of reference;
 - 3.1.3. establish smaller sub-groups / task forces to address matters within the committee remit as appropriate. These will be time limited and focussed on concluding specific tasks on behalf of the committee.
- 3.2. There may occasionally be a need to consider items between meetings on the committees' behalf in order to expedite urgent business or in the event of a major incident. If the need for urgent consideration of major and/or controversial items arises, committees will normally delegate the matter to a specially convened Urgency Committee consisting of its Chair and one further committee member. If an item arises that is not major or controversial but is time critical, the Chair may use their discretion on whether to take Chair's action, advised if appropriate by the Board Secretary.
- 3.3. Where Chair's action on time critical items does take place, it will be considered appropriate (where possible) that the Chair seeks the views of members by email before taking their decision. All decisions taken by the Urgency Committee and/or Chair's action should be clearly reported to the committee as soon as possible and recorded in the minutes of its next meeting for information.

4. Accountability and reporting

- 4.1. Each committee is accountable to the Board. Any matters that require disclosure, consideration or advice will be drawn to the attention of the Board.
- 4.2. Reports will be submitted and presented to the Board by, or on behalf of, the committee Chair. This will usually involve providing a summary of the discussion held at each meeting to the subsequent meeting of the Board. Such reports may be verbal or in writing as deemed appropriate.
- 4.3. The committee Chair will refer to the Board such issues arising at or in between committee meetings that, in their judgement, pose a material risk to the business integrity or reputation of NRW.
- 4.4. Each Committee will review strategic risks allocated to their area of responsibility and expertise for particular scrutiny and will highlight any areas of concern, enabling the Board and ARAC to seek any particular assurances required.
- 4.5. Each committee will have a member of NRW Executive Team designated as its Executive lead within the business to ensure its planning and delivery is accounted for.

5. Annual review

- 5.1. All committees will normally conduct an annual effectiveness review. The result of this review will be reported to the NRW Board. This should include a self-review led by the committee Chair, including feedback from members of that committee and from the Board more widely, and any lessons learned and potential improvements.
- 5.2. The terms of reference of each committee will be reviewed annually, to ensure they are fit for purpose and functionally effective.
- 5.3. A record of each annual review of effectiveness and terms of reference will be made. Any recommendations for material change will be brought to the attention of the relevant committee and the Board for approval.

6. Frequency, schedule of meetings, and venues

- 6.1. Committees will meet with whatever frequency is deemed suitable to the effective conduct of the business and discharge of responsibilities. Additional meetings may be scheduled if and as required.
- 6.2. Meetings will be arranged by the Secretariat to a schedule of dates/times as appropriate for ensuring the effective conduct of business and timeliness of reporting to the Board.

- 6.3. Meeting venues will be selected and determined on a case-by-case basis by the Secretariat in consultation as appropriate with the relevant committee Chair and taking account of the business of the meeting. Venues may include any suitable location, including NRW offices or other places, with appropriate facilities for proper conduct of the business including disability accessibility and public attendance provision as required.

7. Quorum and voting

- 7.1. A meeting will be quorate for a particular agenda item if three committee members are present for the whole of the item(s). Deputies are not permitted.
- 7.2. For the purpose of determining whether a quorum is present, a Committee member may be counted in the quorum if they are able to participate in the proceedings of the meeting, including by remote means (e.g. telephone or other digital link) and remain so available throughout the discussion and decision for each item for which they are counted as part of the quorum.
- 7.3. Subject to their declarations of interest (the Chair may ask a Board member to withdraw from the discussion and/or abstain from voting if they feel that the potential for conflict of interest merits it), each member shall have the right to vote in any debate and to have their views recorded in the minutes.
- 7.4. In the event of no majority decision, the committee Chair shall have a second or casting vote, whether or not they previously voted on the matter.

8. Independent professional advice

- 8.1. Each committee may seek and obtain independent professional advice, where this is considered necessary, whilst paying appropriate attention to the cost/value of obtaining such advice and following procurement guidelines in so doing. As appropriate this will normally be done in collaboration with the Executive lead.

9. Conduct, openness, and confidentiality

- 9.1. All members of the committees are important advisers, guardians and ambassadors of NRW. As such they are expected to comply with all relevant company policies and conflicts of interest guidance whenever they conduct the business, or act as a representative, of NRW.
- 9.2. All committees are expected to promote high standards of public finance, upholding the principles of regularity, propriety and value for money.
- 9.3. All committee members are expected to demonstrate NRW's values in all endeavours, individually and collectively, modelling consistency of behaviours across the organisation.

- 9.4. Committee members must declare any potential conflict of interest at the relevant meeting, even if already recorded in the published Register of Interest. Any such declaration will be recorded in the minutes of the meeting.
- 9.5. Committee members are expected to observe appropriate confidentiality and discretion in the conduct of matters of the committee and handling/safe-keeping of information and documents, in particular in relation to any personal, proprietary, or commercial information.
- 9.6. An induction programme will be provided for new committee members, covering the role of the committee, its terms of reference, main business and expected time commitment. Further appropriate training will be provided on an on-going and timely basis.
- 9.7. The terms of reference for each individual committee are available on NRW's website.

10. Attendance of executives and others at meetings

- 10.1. The NRW Board Chair has a standing invitation to attend any committee meetings in a non-voting capacity.
- 10.2. Other Board members may attend as an observer. The committee Chair will advise on any restrictions and the appropriate level of participation.
- 10.3. Officials from the sponsor department in Welsh Government also have a standing invitation to attend as observers but will, as a courtesy, always notify the Secretariat sufficiently in advance to enable the Chief Executive, committee Chair, and members to be so advised.
- 10.4. Nominated members of the Executive, suited to the individual responsibilities of each committee and determined in liaison between the Chief Executive and the committee Chair, will normally be expected to attend meetings.
- 10.5. One member of the Executive Team will be designated the Executive lead for each committee and will work with the committee Chair and the Secretariat to ensure the smooth running of the committee.
- 10.6. The Chief Executive can designate attendance by any other members of staff as they think appropriate to support the operation of the committee, particular items, or for reasons of personal development.
- 10.7. Each committee may, without setting any precedent, invite other officials, individuals or representatives of other organisations to attend all, or part of, its meetings.
- 10.8. Attendees who are not members of the committees will not be entitled to vote.

- 10.9. A committee may exclude or ask for the withdrawal of any or all of those executives or others who normally attend or are invited, to facilitate open and frank discussion of particular matters, or where discussion affects their personal situation or performance.
- 10.10. Attendees who are not members of the committee are required to observe the same levels of confidentiality, proper conduct, and declaration of interests as members. The Secretariat will circulate these terms of reference to non-members to alert them to this.

11. Secretariat function and papers

- 11.1. The Secretariat will provide the service support for Board committees. This includes arranging meetings, preparing agendas and papers, collating documents, communicating with Board members, taking minutes, circulating minutes and any relevant follow up or action points, and filing committee documents in the Document Management System to ensure a formal record is kept.
- 11.2. Agenda items will be agreed in advance with the committee Chairs, and agendas and papers will be circulated one week (seven days) in advance of committee meetings.
- 11.3. Each committee will maintain a 'forward look' of standing items, which will be reviewed at each meeting and maintained by the Secretariat. Additional agenda items will be collated by the Secretariat and planned through the forward look and agreed with the Chair in advance. Items will be supported with written papers and/or oral presentations. Unless authorised by the committee Chair, late papers will not be circulated, and the item will be removed from the agenda.
- 11.4. The Secretariat will maintain the list of committee Chairs, members, executives and others invited to attend meetings and ensure this is available to the Board.

12. Minutes

- 12.1. Minutes will be taken of the meetings of each of the committees. This will include a record of decisions and reasons for decisions, and actions, together with a compiled action log to be maintained by the Secretariat and reviewed at each meeting. Draft minutes of the meeting and agreed action points will be agreed by the Chair and circulated within 10 working days of the meeting, with final minutes being circulated within 20 working days. Actions will be closed when a committee has seen sufficient evidence of completion or that the action has become absorbed into business as usual.
- 12.2. Previous minutes and action logs will be reviewed at each meeting. Minutes will be confirmed at the following meeting.

13. Communication

13.1. Any communication from the committees to staff, beyond those in attendance and prior to formal approval and publication of the minutes, will normally be routed through the Executive lead. Any key developments and messages so distributed will use whatever means and methods are suitable for the matter in hand.

FINANCE COMMITTEE (FC)

These specific terms of reference are to be read in tandem with the generic terms of reference for all Natural Resources Wales' (NRW) committees.

Terms of Reference agreed: November 2022

Next review date: November 2023

1. Purpose

- 1.1. The Finance Committee (FC) is a standing committee whose principal role is to advise the Board and to support the Chief Executive/Accounting Officer on Finance, budget management and planning.

2. Scope

- 2.1 The FC remit combines the previous responsibilities of the Finance Planning & Performance Committee (FPPC) with the responsibilities of two previous Task & Finish Groups (The Board Task & Finish Group: Finance, Governance and Delivery and the Board Oversight Timber Sales Governance Group).
- 2.2 The FC will provide advice, oversight and scrutiny on strategy, management and performance in relation to finance, business planning and performance, charge schemes, commercial matters (including timber sales and marketing activity), compliance and the Programme Management Office. In carrying out its role the FC will focus on strategic direction and development, and in scrutinising performance and delivery.
- 2.3 The FC will need to ensure that in carrying out its role it does not duplicate that of the Audit and Risk Assurance Committee (ARAC). The role of ARAC is to advise the Board on risk, financial stewardship and accountability, control and governance. ARAC will also continue to scrutinise improvements made in response to reviews undertaken by Internal Audit.
- 2.4 The FC and ARAC have complementary roles. FC will be forward looking, making decisions within their remit and providing advice to the Board on financial and performance matters as required. ARAC will scrutinise and provide assurance as required. FC will lead in reviewing progress on commercial activities, sales, and marketing (including of timber), with ARAC providing the overview. ARAC will lead in reviewing progress against compliance and the three lines of defence work, with FC providing the overview.

3. Responsibilities

3.1. The responsibilities of the FC are to:

- 3.1.1. provide advice and support in the development of NRW annual business plans, corporate plans (4-5 years), and long-term vision (to 2050);
- 3.1.2. provide advice and support to ensure the development of appropriate finance strategies, management reporting, and plans;
- 3.1.3. scrutinise the annual Budget prior to submission to the full Board for approval, challenging the underlying assumptions and advising the Board on its adoption;
- 3.1.4. provide oversight and scrutiny of the financial performance of NRW through the monthly and quarterly management financial statements to ensure appropriate and effective use of funds;
- 3.1.5. monitor the financial position and future prospects/sustainability of the organisation to ensure that it can continue to meet its commitments and strategic objectives;
- 3.1.6. champion the importance of Value for Money, ensure appropriate controls are in place and monitor performance;
- 3.1.7. review and scrutinise the Performance Report included in the Annual Report and Accounts;
- 3.1.8. provide oversight and scrutiny of procurement, contract management, programme management, grants, and agreements;
- 3.1.9. provide oversight and scrutiny of the delivery of relevant projects within the Business Transformation and ICT transformation programmes;
- 3.1.10. oversee and scrutinise the business performance of NRW;
- 3.1.11. provide advice and support to the Strategic Charging Programme in relation to changes in current charge schemes and in the development of new schemes;
- 3.1.12. provide advice and support in the development of commercial strategies and plans;
- 3.1.13. oversee and scrutinise the delivery of commercial plans and performance;
- 3.1.14. provide oversight and advice in relation to the funding of the NRW membership of the Local Government Pension Scheme;
- 3.1.15. scrutinise and challenge key risks and issues for timber sales and marketing and the embedding of governance and process improvements in these spheres;
- 3.1.16. ensure that NRW's response to the Grant Thornton independent review in respect of timber and subsequent Internal Audit report are embedded;
- 3.1.17. oversee delivery via the Timber Sales and Marketing Transition Tracker, including scrutinising variations to the actions, milestones, etc;

3.1.18. ensure oversight of the wider NRW consequences, including compliance culture and staff impact;

3.1.19. provide oversight and scrutiny of the delivery of the compliance work based around the three lines model;

4. Meetings

4.1. The FC will meet at least four times per annum.

4.2. The focus of each meeting, whether finance, business planning and performance, charging, commercial or a combination, will vary depending on which matters require scrutiny or advice.

[END OF TERMS OF REFERENCE]

Current Members (as at Sept 2022)

Chair	Sir David Henshaw, Chair of the NRW Board (interim) (term end date 31 October 2023)
Members	Julia Cherrett, Board member (term end date 31 October 2025) Zoe Henderson, Board member (term end date 8 May 2023) Dr Rosie Plummer, Board member (term end date 31 October 2024) Prof Calvin Jones, Board member (term end date 28 February 2023)
Executive lead	Rachel Cunningham, Executive Director of Finance and Corporate Services
Other regular attendees	Prys Davies, Executive Director of Corporate Strategy and Development Sarah Jennings, Executive Director of Communications, Customer and Commercial Rob Bell, Head of Finance Colette Fletcher, Head of Governance & Board Secretary Elsie Grace, Head of Sustainable Commercial Development (for commercial matters) Nadia De Longhi, Head of Regulation and Permitting (for charging matters)



Flood Risk Management Committee (FRMC) Terms of Reference

GENERAL TERMS OF REFERENCE AND WAYS OF WORKING

The following sections set out general terms of reference for all Board committees followed by specific sections that relate to individual committees.

1. Constitution

- 1.1. With the exception of the ARAC, which is a requirement of the Welsh Government's Framework Document with NRW, other committees were formed by resolution of the Board. Each committee has a specific purpose which may include some delegated powers. The continued existence, membership and any authorities delegated to the committees are subject to review by the Board from time to time as required.
- 1.2. Unless the Board imposes a condition to the contrary, a committee may delegate the discharge of a function delegated to it by the Board to a committee member, or an officer, subject to any conditions imposed by that committee.
- 1.3. All committees should ensure that in the exercise of their functions NRW has due regard to the climate and nature emergencies, to pursuing and promoting the sustainable management of natural resources, and to ensuring the principles of sustainable management of natural resources are applied, so far as is possible within their powers.

2. Membership

- 2.1. With the exception of the EAC (which will have two non-executive directors and about eight independent members), each committee will comprise **at least four non-executive members of the Board**. The Board, on the advice of the NRW Chair, will appoint members of the committees. Membership will take due account of the need to ensure the range of skills needed to carry out the committee functions.
- 2.2. The committee Chair will be appointed by the NRW Board, except in the case of ARAC, where the Chair is agreed by NRW's sponsoring Minister. If the committee Chair is absent for any meeting then any member, by agreement of a majority present, may serve as committee Chair for that occasion.
- 2.3. Committee members who are Board members will normally serve for their period of appointment as Member of the Board (as specified in their appointment letter from

NRW's sponsoring Minister). ARAC membership is for a period of up to three years, extendable by no more than two additional three-year periods, so long as members continue to be independent. However, changes or rotations may be appropriate from time to time, for example to reinforce particular skills needed on a committee or when, for whatever reason, there are changes to the Board membership.

- 2.4. The NRW Board will review membership of each committee annually at the first meeting after 1 July each year.
- 2.5. Each committee may co-opt non-Board members as it considers appropriate.
- 2.6. A committee may include members who are neither Board members nor NRW staff. Such members will serve for the period for which they are appointed and on terms set out in their letter of engagement.

3. Authority

- 3.1. Each committee is authorised by the Board to:
 - 3.1.1. consider any matter within its terms of reference as noted below, or any related matter within its remit and to seek any information it requires from staff. All such requests will be channelled through the Secretariat in the first instance;
 - 3.1.2. make recommendations to the Board for action or decision, and progress work within its terms of reference;
 - 3.1.3. establish smaller sub-groups / task forces to address matters within the committee remit as appropriate. These will be time limited and focussed on concluding specific tasks on behalf of the committee.
- 3.2. There may occasionally be a need to consider items between meetings on the committees' behalf in order to expedite urgent business or in the event of a major incident. If the need for urgent consideration of major and/or controversial items arises, committees will normally delegate the matter to a specially convened Urgency Committee consisting of its Chair and one further committee member. If an item arises that is not major or controversial but is time critical, the Chair may use their discretion on whether to take Chair's action, advised if appropriate by the Board Secretary.
- 3.3. Where Chair's action on time critical items does take place, it will be considered appropriate (where possible) that the Chair seeks the views of members by email before taking their decision. All decisions taken by the Urgency Committee and/or Chair's action should be clearly reported to the committee as soon as possible and recorded in the minutes of its next meeting for information.

4. Accountability and reporting

- 4.1. Each committee is accountable to the Board. Any matters that require disclosure, consideration or advice will be drawn to the attention of the Board.
- 4.2. Reports will be submitted and presented to the Board by, or on behalf of, the committee Chair. This will usually involve providing a summary of the discussion held

at each meeting to the subsequent meeting of the Board. Such reports may be verbal or in writing as deemed appropriate.

- 4.3. The committee Chair will refer to the Board such issues arising at or in between committee meetings that, in their judgement, pose a material risk to the business integrity or reputation of NRW.
- 4.4. Each Committee will review strategic risks allocated to their area of responsibility and expertise for particular scrutiny and will highlight any areas of concern enabling the Board and ARAC to seek any particular assurances required.
- 4.5. Each committee will have a member of NRW Executive Team designated as its Executive lead within the business to ensure its planning and delivery is accounted for.

5. Annual review

- 5.1. All committees will normally conduct an annual effectiveness review. The result of this review will be reported to the NRW Board. This should include a self-review led by the committee Chair, including feedback from members of that committee and from the Board more widely, and any lessons learned and potential improvements.
- 5.2. The terms of reference of each committee will be reviewed annually, to ensure they are fit for purpose and functionally effective.
- 5.3. A record of each annual review of effectiveness and terms of reference will be made. Any recommendations for material change will be brought to the attention of the relevant committee and the Board for approval.

6. Frequency, schedule of meetings, and venues

- 6.1. Committees will meet with whatever frequency is deemed suitable to the effective conduct of the business and discharge of responsibilities. Additional meetings may be scheduled if and as required.
- 6.2. Meetings will be arranged by the Secretariat to a schedule of dates/times as appropriate for ensuring the effective conduct of business and timeliness of reporting to the Board.
- 6.3. Meeting venues will be selected and determined on a case-by-case basis by the Secretariat in consultation as appropriate with the relevant committee Chair and taking account of the business of the meeting. Venues may include any suitable location, including NRW offices or other places, with appropriate facilities for proper conduct of the business including disability accessibility and public attendance provision as required.

7. Quorum and voting

- 7.1. A meeting will be quorate for a particular agenda item if three committee members are present for the whole of the item(s). Deputies are not permitted.

- 7.2. For the purpose of determining whether a quorum is present, a Committee member may be counted in the quorum if they are able to participate in the proceedings of the meeting, including by remote means (e.g. telephone or other digital link) and remain so available throughout the discussion and decision for each item for which they are counted as part of the quorum.
- 7.3. Subject to their declarations of interest (the Chair may ask a Board member to withdraw from the discussion and/or abstain from voting if they feel that the potential for conflict of interest merits it), each member shall have the right to vote in any debate and to have their views recorded in the minutes.
- 7.4. In the event of no majority decision, the committee Chair shall have a second or casting vote, whether or not they previously voted on the matter.

8. Independent professional advice

- 8.1. Each committee may seek and obtain independent professional advice, where this is considered necessary, whilst paying appropriate attention to the cost/value of obtaining such advice and following procurement guidelines in so doing. As appropriate this will normally be done in collaboration with the Executive lead.

9. Conduct, openness, and confidentiality

- 9.1. All members of the committees are important advisers, guardians and ambassadors of NRW. As such they are expected to comply with all relevant company policies and conflicts of interest guidance whenever they conduct the business, or act as a representative, of NRW.
- 9.2. All committees are expected to promote high standards of public finance, upholding the principles of regularity, propriety and value for money.
- 9.3. All committee members are expected to demonstrate NRW's values in all endeavours, individually and collectively, modelling consistency of behaviours across the organisation.
- 9.4. Committee members must declare any potential conflict of interest at the relevant meeting, even if already recorded in the published Register of Interest. Any such declaration will be recorded in the minutes of the meeting.
- 9.5. Committee members are expected to observe appropriate confidentiality and discretion in the conduct of matters of the committee and handling/safe-keeping of information and documents, in particular in relation to any personal, proprietary, or commercial information.
- 9.6. An induction programme will be provided for new committee members, covering the role of the committee, its terms of reference, main business and expected time commitment. Further appropriate training will be provided on an on-going and timely basis.
- 9.7. The terms of reference for each individual committee are available on NRW's website.

10. Attendance of executives and others at meetings

- 10.1. The NRW Board Chair has a standing invitation to attend any committee meetings in a non-voting capacity.
- 10.2. Other Board members may attend as an observer. The committee Chair will advise on any restrictions and the appropriate level of participation.
- 10.3. Officials from the sponsor department in Welsh Government also have a standing invitation to attend as observers but will, as a courtesy, always notify the Secretariat sufficiently in advance to enable the Chief Executive, committee Chair, and members to be so advised.
- 10.4. Nominated members of the Executive, suited to the individual responsibilities of each committee and determined in liaison between the Chief Executive and the committee Chair, will normally be expected to attend meetings.
- 10.5. One member of the Executive Team will be designated the Executive lead for each committee and will work with the committee Chair and the Secretariat to ensure the smooth running of the committee.
- 10.6. The Chief Executive can designate attendance by any other members of staff as they think appropriate to support the operation of the committee, particular items, or for reasons of personal development.
- 10.7. Each committee may, without setting any precedent, invite other officials, individuals or representatives of other organisations to attend all, or part of, its meetings.
- 10.8. Attendees who are not members of the committees will not be entitled to vote.
- 10.9. A committee may exclude or ask for the withdrawal of any or all of those executives or others who normally attend or are invited, to facilitate open and frank discussion of particular matters, or where discussion affects their personal situation or performance.
- 10.10. Attendees who are not members of the committee are required to observe the same levels of confidentiality, proper conduct, and declaration of interests as members. The Secretariat will circulate these terms of reference to non-members to alert them to this.

11. Secretariat function and papers

- 11.1. The Secretariat will provide the service support for Board committees. This includes arranging meetings, preparing agendas and papers, collating documents, communicating with Board members, taking minutes, circulating minutes and any relevant follow up or action points, and filing committee documents in the Document Management System to ensure a formal record is kept.
- 11.2. Agenda items will be agreed in advance with the committee Chairs, and agendas and papers will be circulated one week (seven days) in advance of committee meetings.

- 11.3. Each committee will maintain a 'forward look' of standing items, which will be reviewed at each meeting and maintained by the Secretariat. Additional agenda items will be collated by the Secretariat and planned through the forward look and agreed with the Chair in advance. Items will be supported with written papers and/or oral presentations. Unless authorised by the committee Chair, late papers will not be circulated, and the item will be removed from the agenda.
- 11.4. The Secretariat will maintain the list of committee Chairs, members, executives and others invited to attend meetings and ensure this is available to the Board.

12. Minutes

- 12.1. Minutes will be taken of the meetings of each of the committees. This will include a record of decisions and reasons for decisions, and actions, together with a compiled action log to be maintained by the Secretariat and reviewed at each meeting. Draft minutes of the meeting and agreed action points will be agreed by the Chair and circulated within 10 working days of the meeting, with final minutes being circulated within 20 working days. Actions will be closed when a committee has seen sufficient evidence of completion or that the action has become absorbed into business as usual.
- 12.2. Previous minutes and action logs will be reviewed at each meeting. Minutes will be confirmed at the following meeting.

13. Communication

- 13.1 Any communication from the committees to staff, beyond those in attendance and prior to formal approval and publication of the minutes, will normally be routed through the Executive lead. Any key developments and messages so distributed will use whatever means and methods are suitable for the matter in hand.

Flood Risk Management Committee

These specific terms of reference are to be read in tandem with the generic terms of reference for all Natural Resources Wales' (NRW) committees.

Terms of Reference agreed: Oct 2022

Next review date: Oct 2023

1. Purpose

1.1. The Flood Risk Management Committee (FRMC) is a standing committee whose principal role is to advise the Board on flood risk investment, management and proposals.

2. Scope

2.1. The FRMC assists the Board to fulfil a number of NRW's statutory flood risk management functions in accordance with Section 106 of the Water Resources Act 1991.

2.2. Its primary functions are to provide scrutiny and approval of the flood risk management capital programme allocations, advising the Board on overall performance of the flood (capital) provisions. The Committee also provides scrutiny and oversight of reservoir safety.

3. Responsibilities

3.1. To provide advice to the Executive Team, and make recommendations to the NRW Board as appropriate, on:

3.1.1. the current and medium-term flood risk management investment programmes of NRW, particularly to help ensure that evidence-based investment decisions are made, value for money is achieved, and full utilisation of available budgets is made;

3.1.2. other key flood risk management issues on a 'needs-be' basis;

3.1.3. the proposals for rates and levies or Internal Drainage Districts, which are currently set annually;

3.1.4. oversight of reservoir safety.

4. Meetings

4.1. The FRMC will meet quarterly, typically including January and June to assist the programming and budgetary cycle. Additional meetings may be convened as required.

4.2. The meetings will be supported by the Secretariat team, the Flood Strategic Planning & Investment team and members of the Finance team.

5. Membership

5.1. Members of FRMC should not normally also be members of the Audit and Risk Assurance Committee (ARAC) to maintain separation and minimise possible conflicts of interest. However, where this is not possible or there is a strong case for members to sit on both committees due to their specific areas of expertise, suitable arrangements should be made to manage any conflicts of interest. For example, the committee member may need to absent themselves from any discussions at ARAC pertaining to Flood capital funding.

[END OF TERMS OF REFERENCE]

Current Members (as at Sept 2022)

Acting Chair	Julia Cherrett, Board member (term end date 31 October 2025)
Members	Geraint Davies, Board member (term end date 31 October 2024) Prof Calvin Jones, Board member (term end date 28 February 2023)
Executive lead	Ceri Davies, Executive Director of Evidence, Policy and Permitting
Other regular attendees	Jeremy Parr, Head of Flood Risk and Incident Management



People, Customer, and Stakeholder Committee (PCSC) Terms of Reference

GENERAL TERMS OF REFERENCE AND WAYS OF WORKING

The following sections set out general terms of reference for all Board committees followed by specific sections that relate to individual committees.

1. Constitution

- 1.1. With the exception of the ARAC, which is a requirement of the Welsh Government's Framework Document with NRW, other committees were formed by resolution of the Board. Each committee has a specific purpose which may include some delegated powers. The continued existence, membership and any authorities delegated to the committees are subject to review by the Board from time to time as required.
- 1.2. Unless the Board imposes a condition to the contrary, a committee may delegate the discharge of a function delegated to it by the Board to a committee member, or an officer, subject to any conditions imposed by that committee.
- 1.3. All committees should ensure that in the exercise of their functions NRW has due regard to the climate and nature emergencies, to pursuing and promoting the sustainable management of natural resources, and to ensuring the principles of sustainable management of natural resources are applied, so far as is possible within their powers.

2. Membership

- 2.1. With the exception of the EAC (which will have two non-executive directors and about eight independent members), each committee will comprise **at least four non-executive members of the Board**. The Board, on the advice of the NRW Chair, will appoint members of the committees. Membership will take due account of the need to ensure the range of skills needed to carry out the committee functions.
- 2.2. The committee Chair will be appointed by the NRW Board, except in the case of ARAC, where the Chair is agreed by NRW's sponsoring Minister. If the committee

Chair is absent for any meeting then any member, by agreement of a majority present, may serve as committee Chair for that occasion.

- 2.3. Committee members who are Board members will normally serve for their period of appointment as Member of the Board (as specified in their appointment letter from NRW's sponsoring Minister). ARAC membership is for a period of up to three years, extendable by no more than two additional three-year periods, so long as members continue to be independent. However, changes or rotations may be appropriate from time to time, for example to reinforce particular skills needed on a committee or when, for whatever reason, there are changes to the Board membership.
- 2.4. The NRW Board will review membership of each committee annually at the first meeting after 1 July each year.
- 2.5. Each committee may co-opt non-Board members as it considers appropriate.
- 2.6. A committee may include members who are neither Board members nor NRW staff. Such members will serve for the period for which they are appointed and on terms set out in their letter of engagement.

3. Authority

- 3.1. Each committee is authorised by the Board to:
 - 3.1.1. consider any matter within its terms of reference as noted below, or any related matter within its remit and to seek any information it requires from staff. All such requests will be channelled through the Secretariat in the first instance;
 - 3.1.2. make recommendations to the Board for action or decision, and progress work within its terms of reference;
 - 3.1.3. establish smaller sub-groups / task forces to address matters within the committee remit as appropriate. These will be time limited and focussed on concluding specific tasks on behalf of the committee.
- 3.2. There may occasionally be a need to consider items between meetings on the committees' behalf in order to expedite urgent business or in the event of a major incident. If the need for urgent consideration of major and/or controversial items arises, committees will normally delegate the matter to a specially convened Urgency Committee consisting of its Chair and one further committee member. If an item arises that is not major or controversial but is time critical, the Chair may use their discretion on whether to take Chair's action, advised if appropriate by the Board Secretary.
- 3.3. Where Chair's action on time critical items does take place, it will be considered appropriate (where possible) that the Chair seeks the views of members by email before taking their decision. All decisions taken by the Urgency Committee and/or Chair's action should be clearly reported to the committee as soon as possible and recorded in the minutes of its next meeting for information.

4. Accountability and reporting

- 4.1. Each committee is accountable to the Board. Any matters that require disclosure, consideration or advice will be drawn to the attention of the Board.
- 4.2. Reports will be submitted and presented to the Board by, or on behalf of, the committee Chair. This will usually involve providing a summary of the discussion held at each meeting to the subsequent meeting of the Board. Such reports may be verbal or in writing as deemed appropriate.
- 4.3. The committee Chair will refer to the Board such issues arising at or in between committee meetings that, in their judgement, pose a material risk to the business integrity or reputation of NRW.
- 4.4. Each Committee will review strategic risks allocated to their area of responsibility and expertise for particular scrutiny and will highlight any areas of concern enabling the Board and ARAC to seek any particular assurances required.
- 4.5. Each committee will have a member of NRW Executive Team designated as its Executive lead within the business to ensure its planning and delivery is accounted for.

5. Annual review

- 5.1. All committees will normally conduct an annual effectiveness review. The result of this review will be reported to the NRW Board. This should include a self-review led by the committee Chair, including feedback from members of that committee and from the Board more widely, and any lessons learned and potential improvements.
- 5.2. The terms of reference of each committee will be reviewed annually, to ensure they are fit for purpose and functionally effective.
- 5.3. A record of each annual review of effectiveness and terms of reference will be made. Any recommendations for material change will be brought to the attention of the relevant committee and the Board for approval.

6. Frequency, schedule of meetings, and venues

- 6.1. Committees will meet with whatever frequency is deemed suitable to the effective conduct of the business and discharge of responsibilities. Additional meetings may be scheduled if and as required.
- 6.2. Meetings will be arranged by the Secretariat to a schedule of dates/times as appropriate for ensuring the effective conduct of business and timeliness of reporting to the Board.

- 6.3. Meeting venues will be selected and determined on a case-by-case basis by the Secretariat in consultation as appropriate with the relevant committee Chair and taking account of the business of the meeting. Venues may include any suitable location, including NRW offices or other places, with appropriate facilities for proper conduct of the business including disability accessibility and public attendance provision as required.

7. Quorum and voting

- 7.1. A meeting will be quorate for a particular agenda item if three committee members are present for the whole of the item(s). Deputies are not permitted.
- 7.2. For the purpose of determining whether a quorum is present, a Committee member may be counted in the quorum if they are able to participate in the proceedings of the meeting, including by remote means (e.g. telephone or other digital link) and remain so available throughout the discussion and decision for each item for which they are counted as part of the quorum.
- 7.3. Subject to their declarations of interest (the Chair may ask a Board member to withdraw from the discussion and/or abstain from voting if they feel that the potential for conflict of interest merits it), each member shall have the right to vote in any debate and to have their views recorded in the minutes.
- 7.4. In the event of no majority decision, the committee Chair shall have a second or casting vote, whether or not they previously voted on the matter.

8. Independent professional advice

- 8.1. Each committee may seek and obtain independent professional advice, where this is considered necessary, whilst paying appropriate attention to the cost/value of obtaining such advice and following procurement guidelines in so doing. As appropriate this will normally be done in collaboration with the Executive lead.

9. Conduct, openness, and confidentiality

- 9.1. All members of the committees are important advisers, guardians and ambassadors of NRW. As such they are expected to comply with all relevant company policies and conflicts of interest guidance whenever they conduct the business, or act as a representative, of NRW.
- 9.2. All committees are expected to promote high standards of public finance, upholding the principles of regularity, propriety and value for money.
- 9.3. All committee members are expected to demonstrate NRW's values in all endeavours, individually and collectively, modelling consistency of behaviours across the organisation.

- 9.4. Committee members must declare any potential conflict of interest at the relevant meeting, even if already recorded in the published Register of Interest. Any such declaration will be recorded in the minutes of the meeting.
- 9.5. Committee members are expected to observe appropriate confidentiality and discretion in the conduct of matters of the committee and handling/safe-keeping of information and documents, in particular in relation to any personal, proprietary, or commercial information.
- 9.6. An induction programme will be provided for new committee members, covering the role of the committee, its terms of reference, main business and expected time commitment. Further appropriate training will be provided on an on-going and timely basis.
- 9.7. The terms of reference for each individual committee are available on NRW's website.

10. Attendance of executives and others at meetings

- 10.1. The NRW Board Chair has a standing invitation to attend any committee meetings in a non-voting capacity.
- 10.2. Other Board members may attend as an observer. The committee Chair will advise on any restrictions and the appropriate level of participation.
- 10.3. Officials from the sponsor department in Welsh Government also have a standing invitation to attend as observers but will, as a courtesy, always notify the Secretariat sufficiently in advance to enable the Chief Executive, committee Chair, and members to be so advised.
- 10.4. Nominated members of the Executive, suited to the individual responsibilities of each committee and determined in liaison between the Chief Executive and the committee Chair, will normally be expected to attend meetings.
- 10.5. One member of the Executive Team will be designated the Executive lead for each committee and will work with the committee Chair and the Secretariat to ensure the smooth running of the committee.
- 10.6. The Chief Executive can designate attendance by any other members of staff as they think appropriate to support the operation of the committee, particular items, or for reasons of personal development.
- 10.7. Each committee may, without setting any precedent, invite other officials, individuals or representatives of other organisations to attend all, or part of, its meetings.
- 10.8. Attendees who are not members of the committees will not be entitled to vote.

- 10.9. A committee may exclude or ask for the withdrawal of any or all of those executives or others who normally attend or are invited, to facilitate open and frank discussion of particular matters, or where discussion affects their personal situation or performance.
- 10.10. Attendees who are not members of the committee are required to observe the same levels of confidentiality, proper conduct, and declaration of interests as members. The Secretariat will circulate these terms of reference to non-members to alert them to this.

11. Secretariat function and papers

- 11.1. The Secretariat will provide the service support for Board committees. This includes arranging meetings, preparing agendas and papers, collating documents, communicating with Board members, taking minutes, circulating minutes and any relevant follow up or action points, and filing committee documents in the Document Management System to ensure a formal record is kept.
- 11.2. Agenda items will be agreed in advance with the committee Chairs, and agendas and papers will be circulated one week (seven days) in advance of committee meetings.
- 11.3. Each committee will maintain a 'forward look' of standing items, which will be reviewed at each meeting and maintained by the Secretariat. Additional agenda items will be collated by the Secretariat and planned through the forward look and agreed with the Chair in advance. Items will be supported with written papers and/or oral presentations. Unless authorised by the committee Chair, late papers will not be circulated, and the item will be removed from the agenda.
- 11.4. The Secretariat will maintain the list of committee Chairs, members, executives and others invited to attend meetings and ensure this is available to the Board.

12. Minutes

- 12.1. Minutes will be taken of the meetings of each of the committees. This will include a record of decisions and reasons for decisions, and actions, together with a compiled action log to be maintained by the Secretariat and reviewed at each meeting. Draft minutes of the meeting and agreed action points will be agreed by the Chair and circulated within 10 working days of the meeting, with final minutes being circulated within 20 working days. Actions will be closed when a committee has seen sufficient evidence of completion or that the action has become absorbed into business as usual.
- 12.2. Previous minutes and action logs will be reviewed at each meeting. Minutes will be confirmed at the following meeting.

13. Communication

13.1. Any communication from the committees to staff, beyond those in attendance and prior to formal approval and publication of the minutes, will normally be routed through the Executive lead. Any key developments and messages so distributed will use whatever means and methods are suitable for the matter in hand.



PEOPLE, CUSTOMER, AND STAKEHOLDER COMMITTEE (PCSC)

These specific terms of reference are to be read in tandem with the generic terms of reference for all Natural Resources Wales' (NRW) committees.

Terms of Reference agreed: Oct 2022

Next review date: Oct 2023

1. Purpose

1.1. The People, Customer, and Stakeholder Committee (PCSC) is a standing committee that considers matters relating to: people management; reward; strategic organisational development; Health, Safety and Wellbeing; Customers; Complaints and Commendations; Stakeholders, Welsh Language, Communications and digital services, Equality, Diversity and Inclusion; and organisational change on behalf of the NRW Board.

2. Scope

2.1. The PCSC has oversight of the pay and conditions and overall pay strategy for all staff employed by NRW, pension scheme provision, wellbeing, health and safety, equality and diversity and development of the Welsh Language. The Board has delegated responsibility to PCSC for the approval of the annual staff pay award.

2.2. The PCSC advises on strategic organisational development, ensuring there is a clear strategy in place, effective and affordable organisation design and learning and development, and effective management of major change initiatives, with the intention of ensuring a well-motivated, high performing inclusive and innovative workforce.

2.3. The PCSC also oversees the embedding of excellence in customer and stakeholder experience on behalf of the Board, as a key component of organisational culture.

3. Responsibilities

3.1. The PCSC has the following responsibilities for reward, to:

- 3.1.1. oversee the overall reward strategy, job evaluation scheme and terms and conditions for all staff employed by NRW including the Chief Executive and the Executive Team;
- 3.1.2. review performance against objectives for the Chief Executive, together with the Chief Executive's assessment of the Executive Team's performance;
- 3.1.3. approve any annual pay awards for staff (responsibility delegated from the Board).

3.2. People:

- 3.2.1. provide assurance to the Board that NRW's people policies and its People Strategy support the delivery of the organisation's strategic purpose; and that its conditions of employment are in line with relevant guidance issued by the Welsh Government, HM Treasury, and the Cabinet Office as appropriate;
- 3.2.2. oversee and scrutinise all relevant reports for People business transformation.

3.3. Talent and Succession:

- 3.3.1. review Executive Team succession planning and related organisational resilience issues, including training and development;
- 3.3.2. oversee the Executive Team structure and recruitment to this team.

3.4. Pensions:

- 3.4.1. oversee the strategy of pension provision in relation to staff benefits and administration.
- 3.4.2. delegate responsibility from the NRW Board in respect of the Local Government Pension Scheme (LGPS) Discretionary Policy Statement - for consideration and approval of matters relating to employer discretions under LGPS regulation.

3.5. Exit Arrangements:

- 3.5.1. consider and ratify Executive Team exit applications and severance payments;
- 3.5.2. maintain an overview of exit arrangements such as redundancies;
- 3.5.3. PCSC Chair to review and ratify severance payments for staff up to and including Leadership Team, in order to provide assurance and compliance as laid down in the relevant guidance.

3.6. Wellbeing, health and safety:

- 3.6.1. provide scrutiny and give assurance to the Board that effective strategy, plans, and policies are in place;

3.6.2. review key risks and monitor wellbeing, health and safety to ensure effective management by the Executive, reporting to the Board on any significant issues.

3.7. Welsh language:

3.7.1. provide assurance to the Board that the organisation is pursuing its ambitions towards becoming a bi-lingual organisation;

3.7.2. consider the Welsh Language Commissioner's requirements and the Executive's plans and responses.

3.8. Equality and Diversity:

3.8.1. provide assurance to the Board that the organisation is pursuing its ambitions towards becoming an inclusive organisation;

3.8.2. consider the Commissioner's requirements and the Executive's plans and responses.

3.9. Customer Experience:

3.9.1. oversee NRW's Customer Experience & Engagement Strategy and Digital Strategy to develop an organisation that embeds a culture of excellent customer experiences and ensures NRW puts the customer at the heart of all it does;

3.9.2. consider all relevant reports on how NRW engages with people and stakeholders, how it influences and advocates change through its communications and relationship management and how it listens to people and customers, to shape services and become a user-led organisation, including but not exclusively:

3.9.2.1. Freedom of Information annual report

3.9.2.2. Complaints and Commendations

3.9.2.3. Communications impact report

3.9.2.4. Digital analytics

3.9.3 oversee and scrutinise all relevant reports for Customer business transformation and digital transformation

3.10. Organisational Development:

3.10.1. oversee NRW's Strategy to develop the organisation, its teams, and people to ensure clarity of purpose, effective leadership and cultural change, and report to the Board on progress;

3.10.2. as part of the strategy implementation, to:

- 3.10.2.1. review feedback from staff, including staff surveys and the Executive's actions and progress, and consider how this is assessed and implemented;
- 3.10.2.2. advise on the development of a strategic workforce plan;
- 3.10.2.3. provide advice on cultural change, leadership development, organisational design, and strategic change;
- 3.10.2.4. oversee organisation-wide change, scrutinise plans, risks, and progress;
- 3.10.3. monitor and review delivery and benefits of key business cases and the benefits realisation plan as part of post-vesting evaluation.

3.11 Stakeholder

- 3.11.1 oversee NRW's Customer Experience & Engagement Strategy to develop an organisation that embeds a culture of excellent stakeholder experiences and ensures NRW puts the stakeholder at the heart of all it does;
- 3.11.2 consider all relevant reports on how NRW engages with people and stakeholders, how it influences and advocates change through its communication and relationship management and how it listens to people and customers, to shape services and become a user led organisation;
- 3.11.3 oversee and scrutinise all relevant reports for Stakeholder business transformation.

3.12. Other:

- 3.12.1. review and scrutinise the Remuneration Report included within the Annual Report and Accounts;
 - 3.12.2. oversee and scrutinise all relevant reports for Digital business transformation;
 - 3.12.3. oversee and scrutinise all relevant reports for Adfywio business transformation;
 - 3.12.4. consider any other matters relating to reward, terms and conditions and people management referred to the PCSC by the NRW Chair or the Board;
- ensure NRW's Safeguarding Policy, to protect children and vulnerable adults, is fit for purpose.

4. Meetings

5.1. The PCSC will normally meet quarterly.

5.2. The Chair of the Board or Chief Executive/Accounting Officer may ask the PCSC to convene further meetings to discuss issues where the PCSC's advice is desirable.

[END OF TERMS OF REFERENCE]

Current Members (as at Sept 2022)

Chair	Julia Cherrett, Board member (term end date 31 October 2025)
Members	Karen Balmer, Board member (term end date 8 May 2023) Zoe Henderson, Board member (term end date 8 May 2023) Mark McKenna, Board member (term end date 28 February 2023)
Executive lead	Prys Davies, Executive Director of Corporate Strategy and Development
Other regular attendees	Clare Pillman, Chief Executive/Accounting Officer Sarah Jennings, Director of Communications, Customer and Commercial Catrin Hornung, Head of Customer and Digital Transformation Steve Burton, Head of People Management Sarah-Ellen Stacey, Head of Organisational Development Naomi Lawrence, Head of Customer and Engagement



Protected Areas Committee (PrAC) Terms of Reference

GENERAL TERMS OF REFERENCE AND WAYS OF WORKING

The following sections set out general terms of reference for all Board committees followed by specific sections that relate to individual committees.

1. Constitution

- 1.1. With the exception of the ARAC, which is a requirement of the Welsh Government's Framework Document with NRW, other committees were formed by resolution of the Board. Each committee has a specific purpose which may include some delegated powers. The continued existence, membership and any authorities delegated to the committees are subject to review by the Board from time to time as required.
- 1.2. Unless the Board imposes a condition to the contrary, a committee may delegate the discharge of a function delegated to it by the Board to a committee member, or an officer, subject to any conditions imposed by that committee.
- 1.3. All committees should ensure that in the exercise of their functions NRW has due regard to the climate and nature emergencies, to pursuing and promoting the sustainable management of natural resources, and to ensuring the principles of sustainable management of natural resources are applied, so far as is possible within their powers.

2. Membership

- 2.1. With the exception of the EAC (which will have two non-executive directors and about eight independent members), each committee will comprise **at least four non-executive members of the Board**. The Board, on the advice of the NRW Chair, will appoint members of the committees. Membership will take due account of the need to ensure the range of skills needed to carry out the committee functions.
- 2.2. The committee Chair will be appointed by the NRW Board, except in the case of ARAC, where the Chair is agreed by NRW's sponsoring Minister. If the committee Chair is absent for any meeting then any member, by agreement of a majority present, may serve as committee Chair for that occasion.
- 2.3. Committee members who are Board members will normally serve for their period of appointment as Member of the Board (as specified in their appointment letter from

NRW's sponsoring Minister). ARAC membership is for a period of up to three years, extendable by no more than two additional three-year periods, so long as members continue to be independent. However, changes or rotations may be appropriate from time to time, for example to reinforce particular skills needed on a committee or when, for whatever reason, there are changes to the Board membership.

- 2.4. The NRW Board will review membership of each committee annually at the first meeting after 1 July each year.
- 2.5. Each committee may co-opt non-Board members as it considers appropriate.
- 2.6. A committee may include members who are neither Board members nor NRW staff. Such members will serve for the period for which they are appointed and on terms set out in their letter of engagement.

3. Authority

- 3.1. Each committee is authorised by the Board to:
 - 3.1.1. consider any matter within its terms of reference as noted below, or any related matter within its remit and to seek any information it requires from staff. All such requests will be channelled through the Secretariat in the first instance;
 - 3.1.2. make recommendations to the Board for action or decision, and progress work within its terms of reference;
 - 3.1.3. establish smaller sub-groups / task forces to address matters within the committee remit as appropriate. These will be time limited and focussed on concluding specific tasks on behalf of the committee.
- 3.2. There may occasionally be a need to consider items between meetings on the committees' behalf in order to expedite urgent business or in the event of a major incident. If the need for urgent consideration of major and/or controversial items arises, committees will normally delegate the matter to a specially convened Urgency Committee consisting of its Chair and one further committee member. If an item arises that is not major or controversial but is time critical, the Chair may use their discretion on whether to take Chair's action, advised if appropriate by the Board Secretary.
- 3.3. Where Chair's action on time critical items does take place, it will be considered appropriate (where possible) that the Chair seeks the views of members by email before taking their decision. All decisions taken by the Urgency Committee and/or Chair's action should be clearly reported to the committee as soon as possible and recorded in the minutes of its next meeting for information.

4. Accountability and reporting

- 4.1. Each committee is accountable to the Board. Any matters that require disclosure, consideration or advice will be drawn to the attention of the Board.
- 4.2. Reports will be submitted and presented to the Board by, or on behalf of, the committee Chair. This will usually involve providing a summary of the discussion held

at each meeting to the subsequent meeting of the Board. Such reports may be verbal or in writing as deemed appropriate.

- 4.3. The committee Chair will refer to the Board such issues arising at or in between committee meetings that, in their judgement, pose a material risk to the business integrity or reputation of NRW.
- 4.4. Each Committee will review strategic risks allocated to their area of responsibility and expertise for particular scrutiny and will highlight any areas of concern enabling the Board and ARAC to seek any particular assurances required.
- 4.5. Each committee will have a member of NRW Executive Team designated as its Executive lead within the business to ensure its planning and delivery is accounted for.

5. Annual review

- 5.1. All committees will normally conduct an annual effectiveness review. The result of this review will be reported to the NRW Board. This should include a self-review led by the committee Chair, including feedback from members of that committee and from the Board more widely, and any lessons learned and potential improvements.
- 5.2. The terms of reference of each committee will be reviewed annually, to ensure they are fit for purpose and functionally effective.
- 5.3. A record of each annual review of effectiveness and terms of reference will be made. Any recommendations for material change will be brought to the attention of the relevant committee and the Board for approval.

6. Frequency, schedule of meetings, and venues

- 6.1. Committees will meet with whatever frequency is deemed suitable to the effective conduct of the business and discharge of responsibilities. Additional meetings may be scheduled if and as required.
- 6.2. Meetings will be arranged by the Secretariat to a schedule of dates/times as appropriate for ensuring the effective conduct of business and timeliness of reporting to the Board.
- 6.3. Meeting venues will be selected and determined on a case-by-case basis by the Secretariat in consultation as appropriate with the relevant committee Chair and taking account of the business of the meeting. Venues may include any suitable location, including NRW offices or other places, with appropriate facilities for proper conduct of the business including disability accessibility and public attendance provision as required.

7. Quorum and voting

- 7.1. A meeting will be quorate for a particular agenda item if three committee members are present for the whole of the item(s). Deputies are not permitted.

- 7.2. For the purpose of determining whether a quorum is present, a Committee member may be counted in the quorum if they are able to participate in the proceedings of the meeting, including by remote means (e.g. telephone or other digital link) and remain so available throughout the discussion and decision for each item for which they are counted as part of the quorum.
- 7.3. Subject to their declarations of interest (the Chair may ask a Board member to withdraw from the discussion and/or abstain from voting if they feel that the potential for conflict of interest merits it), each member shall have the right to vote in any debate and to have their views recorded in the minutes.
- 7.4. In the event of no majority decision, the committee Chair shall have a second or casting vote, whether or not they previously voted on the matter.

8. Independent professional advice

- 8.1. Each committee may seek and obtain independent professional advice, where this is considered necessary, whilst paying appropriate attention to the cost/value of obtaining such advice and following procurement guidelines in so doing. As appropriate this will normally be done in collaboration with the Executive lead.

9. Conduct, openness, and confidentiality

- 9.1. All members of the committees are important advisers, guardians and ambassadors of NRW. As such they are expected to comply with all relevant company policies and conflicts of interest guidance whenever they conduct the business, or act as a representative, of NRW.
- 9.2. All committees are expected to promote high standards of public finance, upholding the principles of regularity, propriety and value for money.
- 9.3. All committee members are expected to demonstrate NRW's values in all endeavours, individually and collectively, modelling consistency of behaviours across the organisation.
- 9.4. Committee members must declare any potential conflict of interest at the relevant meeting, even if already recorded in the published Register of Interest. Any such declaration will be recorded in the minutes of the meeting.
- 9.5. Committee members are expected to observe appropriate confidentiality and discretion in the conduct of matters of the committee and handling/safe-keeping of information and documents, in particular in relation to any personal, proprietary, or commercial information.
- 9.6. An induction programme will be provided for new committee members, covering the role of the committee, its terms of reference, main business and expected time commitment. Further appropriate training will be provided on an on-going and timely basis.
- 9.7. The terms of reference for each individual committee are available on NRW's website.

10. Attendance of executives and others at meetings

- 10.1. The NRW Board Chair has a standing invitation to attend any committee meetings in a non-voting capacity.
- 10.2. Other Board members may attend as an observer. The committee Chair will advise on any restrictions and the appropriate level of participation.
- 10.3. Officials from the sponsor department in Welsh Government also have a standing invitation to attend as observers but will, as a courtesy, always notify the Secretariat sufficiently in advance to enable the Chief Executive, committee Chair, and members to be so advised.
- 10.4. Nominated members of the Executive, suited to the individual responsibilities of each committee and determined in liaison between the Chief Executive and the committee Chair, will normally be expected to attend meetings.
- 10.5. One member of the Executive Team will be designated the Executive lead for each committee and will work with the committee Chair and the Secretariat to ensure the smooth running of the committee.
- 10.6. The Chief Executive can designate attendance by any other members of staff as they think appropriate to support the operation of the committee, particular items, or for reasons of personal development.
- 10.7. Each committee may, without setting any precedent, invite other officials, individuals or representatives of other organisations to attend all, or part of, its meetings.
- 10.8. Attendees who are not members of the committees will not be entitled to vote.
- 10.9. A committee may exclude or ask for the withdrawal of any or all of those executives or others who normally attend or are invited, to facilitate open and frank discussion of particular matters, or where discussion affects their personal situation or performance.
- 10.10. Attendees who are not members of the committee are required to observe the same levels of confidentiality, proper conduct, and declaration of interests as members. The Secretariat will circulate these terms of reference to non-members to alert them to this.

11. Secretariat function and papers

- 11.1. The Secretariat will provide the service support for Board committees. This includes arranging meetings, preparing agendas and papers, collating documents, communicating with Board members, taking minutes, circulating minutes and any relevant follow up or action points, and filing committee documents in the Document Management System to ensure a formal record is kept.
- 11.2. Agenda items will be agreed in advance with the committee Chairs, and agendas and papers will be circulated one week (seven days) in advance of committee meetings.

- 11.3. Each committee will maintain a 'forward look' of standing items, which will be reviewed at each meeting and maintained by the Secretariat. Additional agenda items will be collated by the Secretariat and planned through the forward look and agreed with the Chair in advance. Items will be supported with written papers and/or oral presentations. Unless authorised by the committee Chair, late papers will not be circulated, and the item will be removed from the agenda.
- 11.4. The Secretariat will maintain the list of committee Chairs, members, executives and others invited to attend meetings and ensure this is available to the Board.

12. Minutes

- 12.1. Minutes will be taken of the meetings of each of the committees. This will include a record of decisions and reasons for decisions, and actions, together with a compiled action log to be maintained by the Secretariat and reviewed at each meeting. Draft minutes of the meeting and agreed action points will be agreed by the Chair and circulated within 10 working days of the meeting, with final minutes being circulated within 20 working days. Actions will be closed when a committee has seen sufficient evidence of completion or that the action has become absorbed into business as usual.
- 12.2. Previous minutes and action logs will be reviewed at each meeting. Minutes will be confirmed at the following meeting.

13. Communication

- 13.1. Any communication from the committees to staff, beyond those in attendance and prior to formal approval and publication of the minutes, will normally be routed through the Executive lead. Any key developments and messages so distributed will use whatever means and methods are suitable for the matter in hand.

PROTECTED AREAS COMMITTEE (PrAC)

These specific terms of reference are to be read in tandem with the generic terms of reference for all Natural Resources Wales' (NRW) committees.

Terms of Reference agreed: Sept 2022

Next review date: Sept 2023

1. Purpose

1.1. The PrAC is a standing committee of the NRW Board established in order to fulfil the delegation as a statutory committee to deal with NRW's responsibilities pursuant to legislation concerned with nature conservation and designated landscapes. In particular, PrAC deals with the notification and de-notification of Sites of Special Scientific Interest (SSSIs), the declaration and de-declaration of National Nature Reserves (NNR) and the duty to keep under review natural beauty, and designation, variation or revocation of National Parks and Areas of Outstanding Natural Beauty (AONB).

Site of Special Scientific Interest (SSSI)

1.2. A Site of Special Scientific Interest is defined in the Wildlife and Countryside Act 1981 (as amended) as an area of land notified by a conservation body under Section 28 of that Act as being of

"special interest by reason of any of its flora, fauna, or geological or physiographical features".

1.3. Under Sections 28(1) and 28(5) of the Wildlife and Countryside Act 1981 (as amended), where NRW is of the opinion that any area of land is of special interest NRW has a duty to notify that fact and thereafter, within nine months, either give notice withdrawing the notification or confirming the notification (with or without modifications).

1.4. In addition, NRW has powers to vary a notification, notify additional land, notify an enlargement to an SSSI and denotify an SSSI, by virtue of sections 28A – 28D of the Wildlife and Countryside Act 1981 (as amended).

National Nature Reserve (NNR)

1.5. A Nature Reserve is defined in section 15 of the National Parks and Access to the Countryside Act 1949 as land managed for conservation for the purpose of

"providing, under suitable conditions and control, special opportunities for the study of, and research into, matter relating to the fauna and flora of Great Britain and the physical conditions in which they live and for the study of geological and physiographical features of special interest in the area, or preserving flora, fauna or geological or physiographical features of special interest in the area".

1.6. NRW has a right to declare and de-declare areas that will be, or cease to be, managed as nature reserves by virtue of Section 19 of the National Parks and Access

to the Countryside Act 1949, and by Section 35(1) of the Wildlife and Countryside Act 1981 to declare any nature reserve which it considers to be of national importance an NNR.

- 1.7. Under Section 35(1) of the Wildlife and Countryside Act 1981 (as amended), NRW may declare any land as a National Nature Reserve where they are satisfied that the land is of national importance and is being managed as a nature reserve under an agreement entered into with NRW, is held by NRW and is being managed as a nature reserve, or is held by an approved body and is being managed.

Natural Beauty

- 1.8. The Countryside Functions Section 2(2) Countryside Act 1968 requires NRW to keep under review all matters relating to:

- 1.8.1. the provision and improvement of facilities for the enjoyment of the countryside;
- 1.8.2. the conservation and enhancement of the natural beauty and amenity of the countryside; and
- 1.8.3. the need to secure public access to the countryside for the purposes of open-air recreation.

- 1.9. Allied to this, under Section 85(b) National Parks and Access to the Countryside Act 1949, NRW has a duty to inquire into and report on questions relating to natural beauty.

- 1.10. These general duties make provision for the evidence base to inform decision-making on NRW's designation powers in relation to National Parks and AONBs.

National Parks

- 1.11. Section 5(2) National Parks and Access to the Countryside Act 1949 gives NRW the power to designate extensive tracts of country in Wales as a National Park where by reason of:

- 1.11.1. their natural beauty; and
- 1.11.2. the opportunities they afford for open-air recreation, having regard both to their character and to their position in relation to centres of population, it is especially desirable that they are made National Parks for the purposes of:

- 1.11.2.1. conserving and enhancing the natural beauty, wildlife and cultural heritage of the area; and
- 1.11.2.2. promoting opportunities for the understanding and enjoyment of the special qualities of those areas by the public.

- 1.12. Section 6(1) National Parks and Access to the Countryside Act 1949 makes provision for a general duty for NRW from time to time to consider existing and new areas for designation, the order of designation and timescale.

- 1.13. Due to the scale of the implications of a new National Park designation, the Board requires discussion and approval of an initial assessment of whether an area qualifies for consideration for designation, and prioritisation of proposals for a new National Park designation or boundary variation. These duties are delegated to PrAC before formal approval is sought from the NRW Board to proceed with the statutory designation process. Should the NRW Board approve any statutory consultation under section 7 of the 1949 Act, it will undertake the same, and then having considered the consultation responses decide whether or not to submit a Designation Order to the Welsh Minister. Following that decision, appropriate notice as required by paragraph 1 of Schedule 1 of the 1949 Act should be given. NRW should seek to resolve objections or representations received. However, if objections or representations cannot be resolved, they should be sent with the Designation Order when it is sent to the Welsh Minister. The NRW Board may choose to delegate these functions to PrAC.
- 1.14. Section 11A of the 1949 Act (as amended) places a duty on NRW to have regard to the purposes of the conservation and enhancement of the natural beauty, wildlife and cultural heritage; and of promoting opportunities for the understanding and enjoyment of the special qualities of the area by the public in undertaking any functions affecting the National Parks or any land in a National Park.

Areas of Outstanding Natural Beauty (AONBs)

- 1.15. Section 82(2) Countryside and Rights of Way Act 2000 provides NRW with the power to designate an Area of Outstanding Natural Beauty.
- 1.16. PrAC should discuss and approve initial assessment of whether an area qualifies for consideration for a new AONB designation or boundary variation before formal approval is sought from the NRW Board to proceed with the statutory designation process. Should the NRW Board approve any statutory consultation under section 83 of the 2000 Act, it will undertake the same, and then having considered the consultation responses decide whether or not to submit a Designation Order to the National Assembly for Wales. Following that decision, appropriate notice as required by section 83(2) of the 2000 Act should be given. NRW should seek to resolve objections or representations received. However, if objections or representations cannot be resolved, they should be sent with the Designation Order when it is sent to the National Assembly for Wales. The NRW Board may choose to delegate these functions to PrAC.
- 1.17. Section 85 of the 2000 Act places a duty on NRW to have regard to the purpose of conserving and enhancing the natural beauty of the AONB, in undertaking any functions in relation to or affecting land in an AONB.
- 1.18. Under Section 86 and 91 of the 2000 Act the Welsh Parliament is required to consult NRW on any Order for the establishment of a Conservation Board and on the amount of any grants from the Assembly to a Conservation Board.

2. Scope

- 2.1. Decisions on land protection are made on the basis of evidence presented to the PrAC and are legally enforceable.

2.2. The PrAC also supports the Board and Executive Team by providing advice on strategic casework and wider protected area issues. In particular, it provides a focal point for Board discussions on matters relating to protected areas including their role in mainstreaming the Sustainable Management of Natural Resources (SMNR) approach.

3. Responsibilities

3.1. The general responsibilities of the PrAC are to:

- 3.1.1. Take an evidence-based approach in accordance with good practice principles and guidelines on using scientific advice, including oversight of relevant monitoring, consideration of performance management information and collaboration with partner organisations to share and analyse data.
- 3.1.2. Support the Board and Executive Team by providing advice on wider protected area issues and strategic casework.
- 3.1.3. Support the Board and Executive Team by providing a focal point for Board strategic discussions on matters relating to protected areas including their role in mainstreaming the Sustainable Management of Natural Resources (SMNR) approach and in addressing the climate change and biodiversity emergencies.
- 3.1.4. Receive reports and assurance on NRW's maintenance of the protected areas register and ensure that it is published and available for public review on the NRW website.
- 3.1.5. Ensure that PrAC members are suitably and fully briefed and receive any relevant legal guidance on the circumstances of each site.
- 3.1.6. Assess any new information of relevance, being aware that decisions often require assessments based on the best available data or evidence that may be limited.
- 3.1.7. Receive reports and advice on case law relevant to the responsibilities of the PrAC.
- 3.1.8. Advise the Board and Chief Executive on court case attendance to defend NRW's decision on site protection through the justice system.
- 3.1.9. Take account of Brexit and the consequent transition from EU to UK and Welsh legislation.

3.2. Appropriate legal training and guidance will be provided for members of the PrAC and updated on a regular basis, and a record of this kept.

3.3. The responsibilities of the PrAC specific to SSSIs are to:

- 3.3.1. Formally set and adopt appropriate procedures and standards to fulfil the Board's delegation to PrAC of discharging NRW responsibilities for the confirmation of notification, variation, additions to or enlargement of, and

denotification of SSSIs where considering un-resolved objections (including arrangements for liaison and communication with owners, occupiers, and other relevant stakeholders within the expected time frames and as aligned with case law).

- 3.3.2. Hold meetings in public concerning individual sites in line with the time-frame set out in S28(5) of the Wildlife and Countryside Act 1981 for reviewing proposals relating to protected areas.
- 3.3.3. Consider proposals for the confirmation of the notification, variation, additions to or enlargement of SSSIs including determining whether, in whole or in part, the site meets the criteria, qualifies, and is appropriate for notification, variation, addition to or enlargement of the SSSI, with consideration of un-resolved objections.
- 3.3.4. Consider proposals for the confirmation of the denotification of SSSIs, including assessing and determining whether, in whole or in part, the site meets the criteria for denotification to be appropriate, with consideration of un-resolved objections.
- 3.3.5. Review and test any objection for notification, variation, additions to or enlargement of or denotification of SSSI on the basis of the information available, taking the opportunity to question NRW officers, expert advisers, and stakeholders as appropriate.
- 3.3.6. Reach an opinion on whether or not the notification or denotification should be confirmed with or without amendments.
- 3.3.7. When approving the confirmation of any SSSI notification the PrAC can:
 - 3.3.7.1. correct textual errors within the documentation;
 - 3.3.7.2. delete aspects of the description;
 - 3.3.7.3. delete operations from the list of operations likely to damage the special interest of the site, or modify the wording to make them less onerous;
 - 3.3.7.4. delete areas of land from the SSSI where they no longer support any of the features of special interest.
- 3.3.8. When approving the confirmation of any SSSI the PrAC may not add:
 - 3.3.8.1. any special features;
 - 3.3.8.2. any operations likely to damage the special interest of the site;
 - 3.3.8.3. any new aspects to the management statement;
 - 3.3.8.4. any land to the SSSI.
- 3.3.9. Any such additions would require a further notification of the SSSI site.

3.4. The responsibilities of the PrAC specific to National Nature Reserves (NNR) are to:

- 3.4.1. Formally set and adopt appropriate procedures and standards to fulfil the Board's delegation to PrAC of the discharge of NRW responsibilities for the declaration and de-declaration of NNRs.
- 3.4.2. Consider proposals for the declaration of land as an NNR, including determining whether, in whole or in part, the site meets the criteria, qualifies and is appropriate for declaration.
- 3.4.3. Consider proposals for the de-declaration of whole or part of an NNR where followed by re-declaration (for instance to enable the transfer of management between NRW and an existing Approved Body).
- 3.4.4. Consider approval of proposed plans to de-declare land as an NNR.

3.5. The responsibilities of the PrAC specific to National Parks are to:

- 3.5.1. Advise the NRW Board on the consideration of assessments for the designation of a new National Park or boundary variation of an existing National Park.
- 3.5.2. Advise the NRW Board on whether to approve the undertaking of a statutory consultation on a draft Designation Order for a new National Park or the variation of an existing National Park boundary.
- 3.5.3. If requested, advise the NRW Board on whether to approve the submission of a Designation Order and representations for the designation of a new National Park or boundary variation to the Welsh Ministers for confirmation.

3.6. The responsibilities of the PrAC specific to Areas of Outstanding Natural Beauty (AONB) are to:

- 3.6.1. Advise the NRW Board on the consideration of the designation of a new AONB or boundary variation of an existing AONB.
- 3.6.2. Advise the NRW Board on whether to approve the undertaking of a statutory consultation on a draft Designation Order for a new AONB or the variation of an existing AONB boundary.
- 3.6.3. If requested, advise the NRW Board on whether to approve the submission of a Designation Order and representations for the designation of a new AONB or boundary variation to the National Assembly for Wales for confirmation.

4. Meetings

4.1. The PrAC usually meets at least three times per annum and never less than once per year.

5. Membership

5.1. The following will routinely be invited to attend:

- 5.1.1. A solicitor with appropriate expertise in environmental law to provide guidance and legal advice during the meeting;
- 5.1.2. The Executive Director of Operations;
- 5.1.3. NRW conservation staff with expertise on the particular sites under consideration at the meeting;
- 5.1.4. Others with knowledge and expertise relevant to the particular sites under consideration at the meeting.

[END OF TERMS OF REFERENCE]

Current Members (as at Sept 2022)

Chair	Dr Rosie Plummer, Board member (term end date 31 October 2024)
Members	Professor Steve Ormerod, Board member (term end date 31 October 2025) Geraint Davies, Board member (term end date 31 October 2024) Mark McKenna, Board member (term end date 28 February 2023)
Executive lead	Ceri Davies, Executive Director of Evidence, Policy and Permitting
Other regular attendees	Ruth Jenkins, Head of Natural Resource Management Policy Chris Collins, Head of Knowledge and Evidence