



**Joint Nature Conservation Committee and JNCC Support Co.**

**Annual Report and Accounts**

**for Year Ending 31 March 2010**

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and JNCC Support Co.  
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for Year Ending 31 March 2010**

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**JNCC SUPPORT CO**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2010**

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## **Chairman's introduction**

During 2009/10, JNCC continued to make a significant contribution to domestic, European and wider international nature conservation through its unique role in providing the evidence base for policy to UK and devolved governments.

In line with JNCC's strategy, agreed in 2009, we focused our resources on those issues where we have a distinctive role and where we can add value to activities undertaken by others. A crucial part of our work involved acting as an informed link between national, European and global decision-making and implementation bodies. In this way we supported devolved implementation of environmental policy within the UK, and also helped the UK make an effective contribution to nature conservation beyond our shores, including those of the Crown Dependencies and Overseas Territories.

Conservation is, more than ever, a collaborative affair, and JNCC's great strength is our ability to build strong collaborative partnerships with the country nature conservation bodies, Defra, devolved administrations, other statutory organisations and partners in the third sector. During 2009/10, we forged new partnerships and enhanced existing ones, and in this way demonstrated our commitment to maximising value for money, especially in developing, maintaining and providing access to a sound evidence base.

Our work programme for 2009/10 was ambitious, reflecting the wide-ranging priorities of UK and devolved governments. However, the fact that 42 of the 44 key performance indicators were fully or substantially achieved by the end of the year indicates the success we achieved across a wide front. Our strong track record in delivery puts JNCC in a good position to meet the many challenges that governments will rightly expect us to face in 2010/11 and beyond.

## **Managing Director's introduction**

### **International nature conservation**

By providing technical advice to Government, JNCC helps to ensure that multilateral environmental agreements (such as the Convention on Biological Diversity) and EU policy and legislation (such as the Habitats and Birds Directives) are informed by a sound evidence base, and that there are strong links between international agreements and domestic implementation. We have sought to enhance efficiency and effectiveness by focusing on priority themes that cut across the many different policy and legislative mechanisms and by streamlining reporting arrangements.

Key achievements during the year included:

- supporting Government at the 15<sup>th</sup> Conference of the Parties to the Convention on International Trade in Endangered Species in Qatar in March 2010, and providing advice on proposals to control trade in a wide range of species, including bluefin tuna and other marine fish, corals, elephants and polar bears;
- preparing for the 10<sup>th</sup> Conference of the Parties to the Convention on Biological Diversity (to be held in Japan in October 2010), particularly the development of a post-2010 framework of targets and indicators at EU and global scales;
- contributing to the establishment of an effective science-policy interface for international biodiversity decision taking, notably the proposed Intergovernmental Platform on Biodiversity and Ecosystem Services;

- contributing to The Economics of Ecosystems and Biodiversity (TEEB) project, to emphasise the connections between biodiversity and the ecosystem services that underpin economic and social progress;
- contributing to the protection of the globally important biodiversity found in the UK's Overseas Territories by drafting a UK Government strategy for the conservation and sustainable use of biodiversity in the Overseas Territories (endorsed by ministers in 2009), and supporting a suite of projects in the Territories to combat the threat posed by invasive non-native species;
- working with Government to ensure effective governance of biodiversity issues within the EU and providing technical advice on policy development (e.g. sustainability criteria for biofuels).

### **Marine nature conservation**

In recent years, the impetus for nature conservation in the marine environment has increased because of new legislation (UK and Scottish Marine Acts and the EU Marine Strategy Framework Directive) and the need to fully implement existing legislation (such as the Habitats and Birds Directives) in offshore waters (beyond 12 nm). JNCC's work has been focused on offshore waters, where we have specific statutory responsibilities, but we have also worked with the country conservation bodies and others to ensure that there is a sound evidence base to support decision-making across the marine environment and that international obligations can be met in a consistent manner. Our role has evolved as new institutional and governance arrangements have been put in place, in particular executive devolution to Scottish Ministers of nature conservation responsibilities in Scottish offshore waters.

Key achievements during the year included:

- making significant progress in completing the Natura 2000 site network in UK waters, notably by recommending two new Special Areas of Conservation (SACs) to UK Government and providing advice to enable Scottish Government to extend 31 existing seabird colony Special Protection Areas (SPAs) into the marine environment;
- making a major contribution to the establishment of national networks of Marine Protected Areas (MPAs) and Marine Conservation Zones (MCZs), by:
  - working in partnership with Natural England to establish and progress four regional Marine Conservation Zone projects;
  - working in partnership with Scottish Government and SNH to establish and progress a Scottish MPA Project;
- developing proposals for operational surveillance and monitoring programmes for habitats, birds, cetaceans and Marine Protected Areas throughout all UK waters, to meet national and international requirements;
- leading an assessment of the status of habitats, birds, cetaceans and turtles, as a contribution to the *Charting Progress 2* report (due for publication in summer 2010), which will provide a comprehensive assessment of the state of UK seas;
- providing advice to regulators on over 800 statutory consultations on offshore industry activities including oil and gas, renewable energy and aggregates.

## **Data and evidence**

JNCC has an established track record of collating and disseminating evidence to support environmental decision-taking and policy development at many levels within the UK. We have long-term partnership arrangements, mainly with the third sector, to undertake biodiversity monitoring programmes. This enables us to harness the efforts of a huge community of volunteer recorders, and so meet the evidence needs of UK Government and devolved administrations in a highly cost-effective manner.

JNCC has a statutory responsibility to maintain common standards for nature conservation across the UK. During 2009/10 we reviewed our work in this area to ensure that our approach concentrates effort where it is needed (for example, to meet EU reporting requirements) and supports devolved responsibilities.

Key achievements during the year included:

- working with the country conservation bodies and others to develop a co-ordinated and strategic approach to biodiversity surveillance in the UK and ensure that the requirements of the EU Habitats Directive can be met;
- signing a new six-year bird and environmental monitoring agreement with the British Trust for Ornithology that will provide data for biodiversity strategy indicators and improved interpretation of the factors affecting biodiversity;
- facilitating access to biodiversity data by continuing to provide technical support to the National Biodiversity Network, including developing a web-based data capture system;
- supporting publication by Defra of UK 2010 biodiversity indicators in May 2009 and their further development and update in 2010;
- making substantial progress towards a review of the UK's terrestrial network of Special Protection Areas by establishing a process for the data gathering phase of the review.

## **Support services**

Throughout 2009/10 JNCC continued to make efficiencies. A notable achievement was co-locating our Aberdeen-based staff in a new building, with a BREEAM excellent rating, with the Scottish Environment Protection Agency and Scottish Natural Heritage. A review was undertaken to determine where further savings can be made and the action plan will be implemented from 2010/11 onwards.

## **Cyflwyniad y Cadeirydd**

Yn ystod 2009/10, parhaodd y CBCN i wneud cyfraniad sylweddol i gwarchod natur fewnwladol ac Ewropeaidd, ac ar raddfa ryngwladol ehangach, drwy ei rôl unigryw o ran darparu'r sylfaen dystiolaeth ar gyfer polisi i lywodraeth y DU a'r llywodraethau datganoledig.

Yn gyson â strategaeth y CBCN, a gytunwyd yn 2009, gwnaethom ganolbwyntio ein hadnoddau ar y materion hynny lle mae gennym rôl neilltuol a lle gallwn ychwanegu gwerth at weithgareddau yr ymgwymerwyd â hwy gan eraill. Yr oedd rhan hanfodol o'n gwaith yn golygu gweithredu fel cyswllt gwybodus rhwng cyrff penderfynu a gweithredu cenedlaethol, Ewropeaidd a byd-eang. Yn y modd hwn, gwnaethom gynorthwyo gweithrediad datganoledig o bolisi amgylcheddol yn y DU, a helpu'r DU i wneud cyfraniad effeithiol at gwarchod natur y tu hwnt i'n gwledydd ein hunain, gan gynnwys Dibynwledydd y Goron a'r Tiriogaethau Tramor.

Mae gwarchod natur, yn fwy nag erioed, yn fater cydweithrediadol, a chryfder mawr y CBCN yw ei allu i adeiladu partneriaethau cydweithrediadol cryfion gyda'r cyrff gwarchod natur gwladol, Defra, y gweinyddiaethau datganoledig, sefydliadau statudol eraill, a phartneriaid yn y trydydd sector. Yn ystod 2009/10, gwnaethom ffurfio partneriaethau newydd a gwella rhai a oedd yn bodoli eisoes, ac yn y modd hwn gwnaethom ddangos ein hymrwymiad i uchafu gwerth am arian, yn enwedig wrth ddatblygu a chynnal trysorfa dystiolaeth a darparu modd i gael ati.

Yr oedd ein rhaglen waith ar gyfer 2009/10 yn un uchelgeisiol, gan adlewyrchu blaenoriaethau eang llywodraeth y DU a'r llywodraethau datganoledig. Fodd bynnag, mae'r ffaith i 42 o'r 44 dangosydd perfformiad allweddol gael eu cyflawni'n llawn neu i raddau sylweddol erbyn diwedd y flwyddyn yn dangos y llwyddiant a gawsom ar raddfa eang. Mae ein llwyddiant blaenorol o ran cyflawniad yn rhoi'r CBCN mewn sefyllfa dda i ateb yr heriau niferus y bydd llywodraethau, yn gwbl deg, yn disgwyl i ni eu hwynebu yn 2010/11 a thu hwnt.

## **Cyflwyniad y Rheolwr Gyfarwyddwr Gwarchod natur ryngwladol**

Drwy ddarparu cyngor technegol i Lywodraeth, mae'r CBCN yn helpu i sicrhau bod cytundebau amgylcheddol amlochrog (fel y Confensiwn ar Amrywiaeth Fiolegol), a pholisi a deddfwriaeth yr UE (fel y Cyfarwyddebau Cynefinoedd ac Adar) yn dangos dylanwad trysorfa dystiolaeth gadarn, a bod cysylltau cryf rhwng cytundebau rhyngwladol a gweithrediad mewnwladol. Rydym wedi ceisio gwella effeithlonrwydd drwy ganolbwyntio ar themâu blaenoriaeth sy'n pontio'r gwahanol fecanweithiau polisi a deddfwriaethol niferus, a thrwy resymoli trefniadau adrodd.

Yr oedd y llwyddiannau allweddol yn ystod y flwyddyn yn cynnwys:

- cynorthwyo'r Llywodraeth ym 15<sup>fed</sup> Gynhadledd y Partïon i'r Confensiwn ar Fasnach Ryngwladol mewn Rhywogaethau sydd mewn Perygl, yn Qatar ym Mawrth 2010, a darparu cyngor ar gynigion i reoli masnach mewn amrywiaeth eang o rywogaethau, gan gynnwys tiwna asgell las a physgod môr eraill, cwrelau, eliffantod ac eirth gwynion;
- paratoi ar gyfer 10<sup>fed</sup> Gynhadledd y Partïon i'r Confensiwn ar Amrywiaeth Fiolegol (sydd i'w chynnal yn Japan ym mis Hydref 2010), yn enwedig datblygiad fframwaith ôl-2010 o dargedau a dangosyddion ar lefel yr UE ac ar raddfa fyd-eang;



- cyfrannu at sefydlu rhyngwyneb effeithiol rhwng gwyddoniaeth a pholisi ar gyfer gwneud penderfyniadau rhyngwladol ar fioamrywiaeth, yn neilltuoel gyda'r Llwyfan Rhynglywodraethol arfaethedig ar Wasanaethau Bioamrywiaeth ac Ecosystemau;
- cyfrannau at y prosiect 'Economeg Ecosystemau a Bioamrywiaeth' (TEEB), er mwyn pwysleisio'r cysylltiadau rhwng bioamrywiaeth a'r gwasanaethau ecosystem sy'n sail i gynnydd economaidd a chymdeithasol;
- cyfrannu at warchod y fioamrywiaeth bwysig i'r byd cyfan sydd i'w chael yn Nhiriogaethau Tramor y DU, drwy ddrafftio strategaeth i Lywodraeth y DU ar gyfer cadwraeth a defnydd cynaliadwy o fioamrywiaeth yn y Tiriogaethau Tramor (a gadarnhawyd gan weinidogion yn 2009), a chynorthwyo cyfres o brosiectau yn y Tiriogaethau er mwyn brwydro yn erbyn bygythiad rhywogaethau anffroddol goresgynnol;
- gweithio gyda'r Llywodraeth i sicrhau llywodraethu effeithiol dros faterion bioamrywiaeth yn yr UE, a darparu cyngor technegol ar ddatblygu polisi (e.e. meini prawf cynaliadwyedd ar gyfer biodanwyddau).

## **Gwarchod natur forol**

Yn y blynyddoedd diweddar, mae'r symbyliad tuag at gwarchod natur yn yr amgylchedd morol wedi cynyddu oherwydd deddfwriaeth newydd (Deddfau Morol y DU a'r Alban, a Chyfarwyddeb Fframwaith Strategaeth Forol yr UE) a'r angen i weithredu deddfwriaeth bresennol (megis y Gyfarwyddebau Cynefinoedd ac Adar) yn llawn mewn dyfroedd oddi ar yr arfordir (y tu hwnt i 12 milltir forwrol). Mae gwaith y CBCN wedi ei ganolbwyntio ar ddyfroedd oddi ar yr arfordir, lle mae gennym gyfrifoldebau statudol penodol, ond rydym hefyd wedi gweithio gyda'r cyrff gwarchod natur gwladol ac eraill i sicrhau bod sylfaen dystiolaeth gadarn i gynorthwyo gwneud penderfyniadau ar draws yr amgylchedd morol, a bod modd cyflawni rhwymedigaethau rhyngwladol mewn modd cyson. Mae ein rôl wedi esblygu wrth i drefniadau sefydliadol a llywodraethu newydd gael eu sefydlu yn neilltuoel datganoli gweithredol, i Weinidogion yr Alban, o gyfrifoldebau am gwarchod natur mewn dyfroedd oddi ar arfordir yr Alban.

Yr oedd y llwyddiannau allweddol yn ystod y flwyddyn yn cynnwys:

- gwneud cynnydd sylweddol o ran cwblhau rhwydwaith safleoedd 'Natura 2000' yn nyfroedd y DU, yn neilltuoel drwy argymell dwy Ardal Gwarchodaeth Arbennig newydd i Lywodraeth y DU a darparu cyngor i alluogi Llywodraeth yr Alban i ymestyn 31 o Ardaloedd Cadwraeth Arbennig cytref adar môr presennol i'r amgylchedd morol;
- gwneud cyfraniad o bwys at sefydlu rhwydweithiau cenedlaethol o Ardaloedd Cadwraeth Morol (MPAs) a Pharthau Gwarchodaeth Morol (MCZs) drwy:
  - gweithio mewn partneriaeth â 'Natural England' i sefydlu a hwyluso hynt pedwar o brosiectau Parth Gwarchodaeth Morol;
  - gweithio mewn partneriaeth â Llywodraeth yr Alban a 'Scottish National Heritage' i sefydlu a hwyluso hynt Prosiect MPA yn yr Alban;
- datblygu cynigion ar gyfer rhaglenni gwyliadwriaeth weithredol a monitro ar gyfer cynefinoedd, adar, morfilod ac Ardaloedd Gadwraeth Morol ledled holl ddyfroedd y DU, er mwyn bodloni gofynion cenedlaethol a rhyngwladol;

- arwain asesiad o statws cynefinoedd, adar, morfilod a chrwbanod, fel cyfraniad at yr adroddiad *Charting Progress 2* (sydd i'w gyhoeddi yn ystod haf 2010), a fydd yn darparu asesiad cynhwysfawr o gyflwr moroedd y DU;
- darparu cyngor i reolyddion ar dros 800 o ymgynghoriadau statudol ynglŷn â gweithgareddau diwydiant oddi ar yr arfordir, gan gynnwys olew a nwy, ynni adnewyddadwy ac agregau.

## Data a thystiolaeth

Mae gan y CBCN hanes o lwyddiant o ran coladu a lledaenu tystiolaeth i gynorthwyo gwneud penderfyniadau amgylcheddol a datblygu polisi ar lawer o lefelau yn y DU. Mae gennym drefniadau partneriaeth hirdymor, yn bennaf gyda'r trydydd sector, i gyflawni prosiectau monitro bioamrywiaeth. Mae hyn yn ein galluogi i ddefnyddio ymdrechion cymuned enfawr o gofnodwyr gwirfoddol, a thrwy hynny ddiwallu anghenion Llywodraeth y DU a'r gweinyddiaethau datganoledig am dystiolaeth, mewn modd tra effeithiol arianol.

Mae gan y CBCN gyfrifoldeb statudol i gynnal safonau cyffredin ar gyfer gwarchod natur ar draws y DU. Yn ystod 2009/10, gwnaethom adolygu ein gwaith yn y maes hwn er mwyn sicrhau bod ein dull yn canolbwyntio ymdrech lle mae ei angen (er enghraifft, er mwyn bodloni gofynion adrodd yr UE) ac yn ategu cyfrifoldebau datganoledig.

Yr oedd y llwyddiannau allweddol yn ystod y flwyddyn yn cynnwys:

- gweithio gyda'r cyrff cadwraeth gwladol ac eraill i ddatblygu dull cydlynol a strategol o gadw gwylidwriaeth dros fioamrywiaeth yn y DU a sicrhau bod modd crwdd a rhwymedigaethau Cyfarwydddeb Cynefinoedd yr UE;
- llofnodi cytundeb monitro adar ac amgylcheddol chwe-blynedd newydd gydag Ymddiriedolaeth Adareg Prydain, a fydd yn darparu data ar gyfer dangosyddion strategaeth bioamrywiaeth a gwell dehongli o'r ffactorau sy'n effeithio ar fioamrywiaeth;
- hwyluso mynediad i ddata bioamrywiaeth drwy barhau i ddarparu cymorth technegol i'r Rhwydwaith Bioamrywiaeth Cenedlaethol, gan gynnwys datblygu system cipio data ar y we;
- cynorthwyo'r cyhoeddiad gan Defra, ym Mai 2009, o ddangosyddion bioamrywiaeth y DU ar gyfer 2010, a'r gwaith o'u datblygu ymhellach a'u diweddarau yn 2010;
- gwneud cynnydd sylweddol tuag at adolygiad o rwydwaith daearol y DU o Ardaloedd Cadrwaeth Arbennig, drwy sefydlu proses ar gyfer cam casglu data'r adolygiad.

## Gwasanaethau cynnal

Drwy gydol 2009/10, parhaodd y CBCN i wneud arbedion effeithlonrwydd. Un llwyddiant nodedig oedd cyd-leoli ein staff yn Aberdeen mewn adeilad newydd, sydd â gradd BREEAM 'ragorol', gydag Scottish Environment Protection Agency a 'Scottish National Heritage'. Cynhaliwyd adolygiad i benderfynu ble gellir gwneud arbedion pellach, a bydd y cynllun gweithredu'n cael ei weithredu o 2010/11 ymlaen.

## **Ro-ràdh a' Chathraiche**

Rè 2009/10, chùm JNCC air a' cur gu mòr ri glèidhteachas nàdair aig an taigh, san Roinn Eòrpa agus gu h-eadar-nàiseanta, tron dreuchd shònraichte a tha aige ann a bhith a' toirt seachad na fianais airson poileasaidh do riaghaltas na RA agus do na riaghaltasan tiomnaichte.

Mar a chaidh aontachadh ann an ro-innleachd JNCC ann an 2009, leig sinn cuideam ar stòrasan air na cùisean sa bheil dreuchd shònraichte againn agus far am faod sinn cur ri na tha feadhainn eile a' dèanamh. Bha e na phàirt riatanach den obair againn a bhith nar ceangal fiosraichte eadar buidhnean nàiseanta, Eòrpach agus cruinneil a tha a' gabhail uallach airson cho-dhùnaidhean agus cur an gnìomh. San dòigh seo bha sinn nar cùl-taic do bhith a' cur an gnìomh gu tiomnaichte poileasaidh àrainneachd taobh a-staigh na RA. Chuidich sinn mar an ceudna leis an RA a bhith a' cur gu h-èifeachdach ri glèidhteachas nàdair fada thar nan cladaichean againn, le na cladaichean sin a' gabhail a-steach Dhùthchannan fon Chrùn agus Ranntairean Thall-thairis.

Tha glèidhteachas a-nis, nas motha na bha e riamh, na chùis a tha ag iarraidh co-obrachadh. 'S e neart an JNCC gu bheil comas againn caidreachas làidir a thogail còmhla ri buidhnean glèidhteachas nàdair air an tuath, Defra, riaghaltasan tiomnaichte, buidhnean reachdail eile agus com-pàirtichean san treas roinn. Rè 2009/10, rinn sinn caidreachasan ùra agus neartaich sinn feadhainn a bha againn mar-thà. San dòigh seo, nochd sinn ar dealas gu bhith a' faighinn luach as fheàrr an airgid, gu h-àraidh ann a bhith a' leasachadh, a' cumail suas agus a' toirt cothrom air bun-stèidh fhianais làidir.

Bha am prògram obrach airson 2009/10 gu math mòr oir bha e stèidhichte air prìomhachasan farsaing riaghaltas na RA agus nan riaghaltasan tiomnaichte. Ach, seach gun do choileanadh 42 de na 44 prìomh chomharran coileanaidh ro dheireadh na bliadhna, chithear mar a shoirbhich leinn. Seach gu bheil sinn cho soirbheachail a thaobh libhrigeadh, tha JNCC ro dheiseil gus coinneachadh ris gach dùbhlán a bhios na riaghaltasan gu ceart a' sùileachadh bhuainn ann an 2010/11 agus an dèidh sin.

## **Ro-ràdh a' Cheannaird**

### **Glèidhteachas Nàdair Eadar-nàiseanta**

Le bhith a' toirt comhairle air teicneòlas don riaghaltas, tha JNCC a' cuideachadh gus dèanamh cinnteach gu bheil aonta àrainneachd ioma-thaobhach (leithid an Cùmhnant air Bith-iomadachd) agus poileasaidh agus reachdan na Roinn Eòrpa (leithid Òrdaighean nan Àrainn agus nan Eun) air am bonntachadh air deagh fhianais, agus gu bheil ceanglaichean làidir eadar aontaidhean eadar-nàiseanta agus buileachadh dùthchail. Dh'fheuch sinn ri èifeachdas a leasachadh le bhith a' cur cuideam air cuspairean prìomhachais a tha a' dol thar iomadh modh-obrach poileasaidh agus reachdais agus le bhith a' gearradh air ais air ullachaidhean iomraidh.

Am measg nam prìomh nithean a chaidh a choileanadh rè na bliadhna bha:

- a' toirt taic don Riaghaltas aig a' 15<sup>mh</sup> Cruinneachadh de Luchd-aonta a' Chùmhnant air Malairt Eadar-nàiseanta Ghnèithean ann an Cunnart ann an Qatar sa Mhàrt 2010, agus a' toirt comhairle air na molaidhean gus smachd a chumail air malairt ann an raon farsaing de ghnèithean mar tiùna na h-ite ghuirm agus èisg eile, corailean, aillbhein agus mathain bhàna;

- ag ullachadh airson an 10<sup>mh</sup> Cruinneachadh de Luchd-aonta a' Chùmhnaint air Bith-iomadachd (a bhios ann an Iapan san Dàmhair 2010), gu h-àraidh leasachadh thargaidean agus chomharran aig ìre na Roinn Eòrpa agus ìre chruinneil an dèidh 2010;
- a' cur ri stèidheachadh eadar-aghaidh tarbhach poileasaidh saidheans fa chomhair cho-dhùnidhean eadar-nàiseanta air bith-iomadachd, gu sònraichte an Stèidh Eadar-riaghltais air Bith-iomadachd agus Seirbheisean Eag-shiostaman a thathar a' moladh;
- a' cur ri pròiseact Eaconamas Eag-shiostaman agus Bith-iomadachd (TEEB), gus cuideam a chur air na ceanglaichean eadar bith-iomadachd agus na seirbheisean eag-shiostaim a tha bunaitich do dh'adhartas eaconamach agus sòisealta;
- a' cur ri dìon bith-iomadachd a tha cudromach aig ìre chruinneil agus a lorgar ann an Ranntairean Cèin na RA le bhith a' dèanamh dreachd de ro-innleachd Riaghaltas na RA a thaobh glèidhteachas agus cleachdadh seasmhach bith-iomadachd sna Ranntairean Cèin (aontaichte le ministearan ann an 2009), agus a' cur taic ri mòran phròiseactan sna Tìrean sin gus strì ris a' chunnart bho ghnèithean nach eil dùthchasach;
- ag obair còmhla ris an Riaghaltas gus a bhith cinnteach à riaghladh èifeachdach air cùisean bith-iomadachd an taobh a-staigh den Aonadh Eòrpach agus a' toirt seachad comhairle theicnigeach air leasachadh poileasaidh (me slatan-tomhais seasmhachd air bith-chonnadh).

### **Glèidhteachas nàdair mara**

Bho chionn beagan bhliadhnachan, tha barrachd spionnadh airson glèidhteachas mara air sgàth reachdas ùr (Achdan Mara na RA 's na h-Alba agus Òrdagh Frèama Ro-innleachd Mara an AE) agus an fheum gus an reachdas a tha ann an-dràsta a choileanadh gu tur (mar Òrdagh nan Àrainn agus nan Eun) ann an uisgeachan thall-thairis (seachad air 12 mìle-mara). Tha obair an JNCC air cuimseachadh air uisgeachan thall-thairis far a bheil uallach reachdail sònraichte oirnn. Ach dh'obraich sinn cuideachd còmhla ri na buidhnean glèidhteachais dùthchail, agus feadhainn eile, gus a bhith cinnteach gu bheil fianais sheasmhach ann a bheir taic a thaobh co-dhùnidhean a dhèanamh thar àrainneachd na mara agus gun coinnich sinn ri dleastanasan eadar-nàiseanta ann an dòigh chunbhalach. Dh'atharraich ar dreuchd-ne a rèir 's mar a chaidh ullachaidhean aitreabhail agus riaghlaidh ùra a stèidheachadh, gu h-àraidh a thaobh cumhachd thiomnaichte gu Ministearan na h-Alba airson dleastanasan glèidhteachas nàdair ann an uisgeachan far cladaichean Alba.

Am measg nam prìomh nithean a chaidh a choileanadh tron bhliadhna:

- chaidh adhartas math a dhèanamh a thaobh lìonra làrach Natura 2000 ann an uisgeachan na RA, gu h-àraidh le bhith a' moladh dà Sgìre Shònraichte Glèidhteachais do riaghaltas na RA agus a' toirt seachad comhairle a leigeas le Riaghaltas na h-Alba 31 Sgìrean Dion Shònraichte de choloinidhean eòin-mhara a tha ann a-cheana a leudachadh don àrainneachd mhara;
- chuireadh gu mòr ri stèidheachadh lìonraidhean nàiseanta de Sgìrean Dion Mara (MPAs) agus Sgìrean Glèidhteachais Mara (MCZs) le bhith:

- ag obair còmhla ri Nàdar Shasainn gus pròiseactan Sgìrean Glèidhteachais Mara roinneil a stèidheachadh agus a thoirt air adhart;
- a' co-obrachadh còmhla ri Riaghaltas na h-Alba agus SNH gus Pròiseact MPA a stèidheachadh agus a thoirt air adhart ann an Alba;
- a' dèanamh mholaidhean airson prògraman sgrùdaidh agus ghnìomhan faire airson àrainnean, eòin, uircein-mhara agus Sgìrean Glèidhteachais Mara ann an uisgeachan na RA gu lèir, gus feumalachdan nàiseanta agus eadar-nàiseanta a choileanadh;
- a' dol air ceann measadh inbhe thurtairean, àrainnean, eòin agus uircein-mhara airson cur ri aithisg *Charting Progress 2* (a thathar an dùil fhoillseachadh ann an samhradh 2010), agus bheir seo dhuinn measadh iomlan air cor cuantan na RA;
- a' toirt comhairle do luchd-riaghlaidh a thaobh còrr is 800 co-chomhairleachadh reachdail air gnìomhachas aig muir leithid ola agus gas, lùth ath-nuadhachail agus stuthan airson concait.

### **Dàta agus fianais**

Tha deagh eachdraidh aig JNCC airson a bhith a' cruinneachadh agus a' sgaoileadh fianais airson taic a chur ri co-dhùnaidhean mun àrainneachd agus leasachadh phoileasaidhean aig iomadh ìre san RA. Tha sinn ann an compàirteachas fad-ùine, còmhla ris an treas roinn sa mhòr-chuid dheth, airson prògraman measaidh bith-iomadachd a ghabhail os làimh. Tha seo a' leigeil dhuinn an obair, a tha sgioba mhòr de luchd-clàraidh saor-thoileach a dèanamh, a tharraing ri chèile. Uime sin, tha sinn a' freagairt air feumalachdan fianais Riaghaltas na RA agus nan riaghaltasan tiomnaichte ann an dòigh a tha glè èifeachdach a thaobh cosgais.

Tha dleastanas reachdail air JNCC a bhith a' cumail suas nan inbhean coitcheann airson glèidhteachas nàdair air feadh na RA. Rè 2009/10 rinn sinn ath-sgrùdadh air an obair againn san raon seo airson a bhith cinnteach gu bheil an dòigh-obrach againn a' bualadh gu sònraichte air far a bheil feum (mar eisimpleir, airson tighinn a rèir riaghailtean iomraidh an Aonaidh Eòrpaich) agus gu bheil e a' cumail taic ri dleastanasan tiomnaichte.

Am measg nam prìomh nithean a chaidh a choileanadh tron bhliadhna:

- chaidh obrachadh còmhla ri buidhnean glèidhteachais na dùthcha agus feadhainn eile gus dòigh-obrach ro-innleachdach cho-òrdanaichte a leasachadh an car sùil a chumail air bith-iomadachd san RA agus gus a bhith cinnteach gun tèid feumalachdan Òrdagh Àrainnean an AE a choileanadh;
- chaidh ainm a chur ri aonta ùr sia-bliadhna còmhla ri Urras Eun-eòlais Bhreatainn, gus sùil a chumail air eòin agus air an àrainneachd, agus bheir seo dhuinn dàta airson comharran ro-innleachd bith-iomadachd agus mìneachadh nas fheàrr air na cùisean a tha a' toirt buaidh air bith-iomadachd;
- chaidh a dhèanamh nas fhasa faighinn gu dàta bith-iomadachd le bhith a' cumail taic theicnigeach ris an Lionra Nàiseanta air Bith-iomadachd agus, cuideachd, a' leasachadh siostam gus dàta fhaotainn a bhios stèidhichte air an eadar-lìon;
- thugadh taic do dh'fhoillseachadh le Defra de chomharran bith-iomadachd na RA 2010 sa Chèitean 2009 agus airson leasachadh a bharrachd a thoirt orra agus an ùrachadh ann an 2010;

- chaidh deagh adhartas a dhèanamh mu choinneamh ath-sgrùdadh den lìonra talmhaidh a th' aig an RA de Sgìrean le Dìon Shònraichte le bhith a' stèidheachadh pròiseas airson ìre tionail dàta an ath-sgrùdaidh.

### **Seirbheisean taice**

Rè 2009/10 lean JNCC air gu bhith nas èifeachdaiche a thaobh an airgid. Chaidh luchd-obrach ann an oifis Obar Dheathain a ghluasad gu togalach ùr còmhla ri Buidheann Dìon Àrainneachd na h-Alba agus Dualchas Nàdair na h-Alba. Tha sàr inbhe BREAM aig an togalach seo. Chaidh ath-sgrùdadh a dhèanamh airson comharrachadh far an gabhadh barrachd a chaomhnadh agus cuirear am plana an gnìomh bho 2010/11.

## **Joint Committee and Support Company**

The Joint Nature Conservation Committee, originally established under the Environmental Protection Act 1990 and starting operations on 1 April 1991, was reconstituted by the Natural Environment and Rural Communities Act 2006.

The Joint Committee comprises 14 Members: a Chairman and five independent Members appointed by the Secretary of State; the Chairman of the Council for Nature Conservation and the Countryside (Northern Ireland); the Chairmen or Deputy Chairmen of the Countryside Council for Wales, Natural England and Scottish Natural Heritage; and one other Member from each of these bodies. The term of appointments for the Chairman and independent Members is initially for three years. The Chairman and independent Members may be considered for re-appointment for one further term. Members from the UK nature conservation bodies may continue as members of the Committee as long as they retain their membership of the Councils or Boards of their respective bodies.

Support is provided to the JNCC by a company limited by guarantee, JNCC Support Co, which was incorporated on 2 March 2005 (registration number 05380206). The company Board comprises Joint Committee Members and up to four executive directors with three currently serving.

The Committee has adopted the Guidance on Codes of Practice for Board Members of Public Bodies issued by the Cabinet Office, for the purposes of corporate governance.

A register of the interests of all Company Board members is held by the company secretary and may be viewed during office hours at the company's registered office or by request to Mrs J Swift, Monkstone House, City Road, Peterborough, PE1 1JY or [june.swift@jncc.gov.uk](mailto:june.swift@jncc.gov.uk).

### **JNCC offices**

Headquarters  
Joint Nature Conservation Committee,  
Monkstone House, City Road, Peterborough, PE1 1JY  
Tel: +44 (0)1733 562626 Fax: +44 (0)1733 555948  
Web: [www.jncc.gov.uk](http://www.jncc.gov.uk)

Aberdeen office  
Joint Nature Conservation Committee,  
Inverdee House, Baxter Street, Aberdeen, AB11 9QA  
Tel: +44 (0)1224 266550 Fax: +44 (0)1224 896170

Brussels office  
UK Nature & Landscape Office,  
Quai au Foin 55 / Hooikaai 55, B 1000 Bruxelles, Belgium  
Tel: +32 (0) 27 38 74 80/81 Fax: +32 (0) 27 38 74 87

### **Senior JNCC staff 2009/2010**

Managing Director	Mr Deryck Steer (to 8 September 2009) Mr Marcus Yeo (from 9 September 2009)
Director of Science	Dr Andrew Stott (on secondment from Defra)

Director of Policy and Resources	Mr Marcus Yeo (to 8 September 2009)
Director of Corporate Services	Mrs Sue McQueen (from 9 September 2009)
Director of Marine	Dr John Goold
Head of European and Global Advice	Dr Vin Fleming (from 21 September 2009)

### **JNCC Support Co information**

Company number: 05380206 (England and Wales)

### **Directors and Company Board members**

Dr P Bridgewater (Chair)  
 Mr PM Archdale  
 Dr R Brown (Appointed 1 December 2009)  
 Mr P Casement  
 Mr PA Christensen  
 Mr DJ Crawley  
 Mr G Duke (Appointed 1 December 2009)  
 Dr JC Goold \*  
 Professor D Hill  
 Dr IM Joyce  
 Mr J Lloyd Jones OBE (Resigned 28 February 2010)  
 Mrs SE McQueen \* (Appointed 20 November 2009)  
 Mr M Parry (Appointed 8 March 2010)  
 Mr DE Pritchard  
 Mr D Steer \* (Resigned 8 September 2009)  
 Mr A Thin  
 Professor MB Usher (Resigned 30 November 2009)  
 Professor LM Warren  
 Judith Webb  
 Mr MJM Yeo \*

\*Executive directors

### **Company secretary**

Mrs SE McQueen

### **Registered office**

Monkstone House  
 City Road  
 Peterborough  
 Cambridgeshire  
 PE1 1JY

### **Auditors**

National Audit Office

### **Bankers**

Lloyds Bank plc  
 30-31 Long Causeway  
 Peterborough PE1 1YH



## **DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2010**

The directors present their report and the financial statements for the year ended 31 March 2010.

### **JNCC Support Co – history and statutory background**

The Joint Nature Conservation Committee (JNCC) is the statutory adviser to the UK Government and devolved administrations on UK and international nature conservation. Its work contributes to maintaining and enriching biological diversity, conserving geological features and sustaining natural systems.

JNCC delivers the UK and international responsibilities of the Council for Nature Conservation and the Countryside, the Countryside Council for Wales, Natural England, and Scottish Natural Heritage.

JNCC, originally established under the Environmental Protection Act 1990, was reconstituted by the Natural Environment and Rural Communities Act 2006. The JNCC Support Co is a company limited by guarantee established in 2005 whose principal activity is the provision of support to the JNCC.

### **Funding**

The total budget for JNCC is set each year by Ministers of the Department for Environment, Food and Rural Affairs after consultation and in agreement with their Scottish, Welsh and Northern Irish colleagues.

The budget comprises two parts: those 'reserved' matters funded by the Department for Environment, Food and Rural Affairs, and all other work funded through the Countryside Council for Wales, Natural England and Scottish Natural Heritage (the GB conservation bodies) and the Department of the Environment in Northern Ireland. The Department for Environment, Food and Rural Affairs and devolved administrations ring-fence the relevant element of grant-in-aid to their respective funding bodies. Any grant-in-aid provided by a Department/administration for the year in question will be voted in the Department's/administration's Estimate and will be subject to Parliamentary control.

Funding from other sources, which is usually linked to specific projects, is detailed in the accounts.

### **Review of business**

During 2009/10 the company made a significant contribution to nature conservation on both the national and international level via an extensive and varied programme of work. Forty-two of the company's forty-four Key Performance Indicators have been fully, or substantially, met with details of key achievements and performance against specific targets being detailed in the company's annual report.

As a company working entirely within the public sector, the company is required by HM Treasury not to build up sizeable reserves and to budget to break-even year on year. For the year-ending 31 March 2010 the company made a small loss of £71,413 (loss of £28,662 in 2008/09), which reduced total reserves to £244,784 (£397,749 for 2008/09). The company continues to demonstrate a high level of control over the management of public monies for which it has stewardship responsibilities.

The company allocates resources against existing income streams. The board assesses the potential impact of financial and non-financial risk on a continuing basis, through the company's system of internal controls and an overview from the Audit and Risk Management Committee which is chaired by a non-executive director and reports to the board. The directors are not aware of any significant risk which may have an impact on the ability of the company to continue to operate at the current level of activity.

During the year it was agreed that three payments in respect of early retirements and two in respect of early severance would be made. The payments will be made over a number of years and the total cost to JNCC Support Co will be £255,328. As a result of advice received from Defra Sponsorship team in 2007 JNCC believed that in making these payments it was acting in accordance with the Financial Memorandum. However, NAO have subsequently advised that the appropriate procedure was not followed to obtain authorisation for these payments. Four of the payments have been deemed to be irregular since the correct procedure was not followed and retrospective approval was not granted for them; retrospective approval has been given for the fifth payment of £60,000.

## **Future developments**

The company will continue to pursue its strategic objectives as follows:

- contribute to the development of the UK, EU and global evidence base and identify future challenges to UK biodiversity and geodiversity by gathering intelligence and assessing risk and opportunity;
- provide advice and long-term thinking on solutions to biodiversity and geodiversity challenges, and engage in, commission and deliver initiatives to address these challenges:
  - outside territorial waters
  - in the Overseas Territories and Crown Dependencies
  - globally; and
- act as an informed link between national, European and global decision-making and implementation bodies, and provide advice on policy and implementation and communicate best practice to stakeholders working across and at these scales.

During 2010/11 the marine programmes are planned to expand through additional funding from Government to progress work on marine protected areas and marine surveillance and monitoring. No other significant changes to turnover or activities are planned. JNCC as part of the public sector is, however, subject to funding uncertainties arising from the UK's current economic position.

The programmes of work to deliver these strategic objectives will support the collective priorities of the UK Government and devolved administrations, enabling them to meet their international and national obligations for nature conservation.

In delivering these programmes, we will work in partnership with the country nature conservation bodies and a large number of other organisations:

- to join up nature conservation policy and implementation at different geographical scales and across different sectors; and
- to maximise returns in investments in research and surveillance to provide a strong and cost-effective evidence base.

Our priorities and work programmes are set out in detail in our Business Plan for 2010/11 at <http://www.jncc.gov.uk/page-3069>.

## **Donations**

There were no political and charitable donations in the year.

## **Personal data**

There were no losses of personal data in 2009/10.

## **Our staff**

During the year 2009/10 JNCC Support Co employed, on average, 131 fulltime equivalent staff, based in offices in Peterborough and Aberdeen, as well as Brussels and the Falkland Islands. They bring together scientific and technical expertise, extensive knowledge of policy at global, European and national levels, and skills in working with other organisations.

Appointments are made in line with the Civil Service Commissioners' Recruitment Code, which requires appointment to be on merit on the basis of fair and open competition. We promote equality of opportunity for all staff, irrespective of their gender, sexual orientation, marital status, age, disability, race, religion or belief. We also seek to provide learning and development opportunities for all staff to maximise effectiveness, increase performance and develop staff for the future. Further details regarding JNCC's remuneration policies can be found in the remuneration report on page 24.

Conditions of employment, policies and procedures are available on the JNCC website, [www.jncc.gov.uk](http://www.jncc.gov.uk). A performance management system is in operation and is to be reviewed and enhanced for roll out in the year commencing April 2011. We set out to be a socially responsible organisation, providing flexibility to enable our staff to combine work with family responsibilities and to contribute to the communities they live in. JNCC employees are covered by the provisions of the Principal Civil Service Pension Scheme (PCSPS). Details of the scheme and the company's liabilities in this regard can be found in the remuneration report and account policies note.

## **Sickness absence**

The average number of days sickness absence per full-time employee equated to 4.2 days (5.6 days in 2008/09).

## **Fixed assets**

In 2009/10 the company spent nothing on improvements to leasehold premises (£9,798 in 2008/09), £23,282 on computer equipment (£65,422 in 2008/09), and £8,733 on software licences (£41,249 in 2008/09).

## **Financial instruments**

JNCC is not exposed to liquidity, interest rate or exchange rate risk. Details of financial assets and liabilities are provided in notes 12 to 15 in the accounts.

## **Events since the end of the financial year**

There are no events that have happened since the end of the financial year to materially affect the contents of these financial statements. The Annual Report and Accounts were authorised for issue by the Company Board on 13 July 2010.

## **Going concern**

The balance sheet at 31 March 2010 shows the reserves of the company as £244,784. The future financing of the JNCC is to be met by grant-in-aid from Defra and the devolved administrations. Grant-in-aid for 2010/11, taking into account the amounts required to meet JNCC's liabilities falling due in that year, have already been included in Defra's and the devolved administrations' Estimates for that year, which have been approved by the relevant parliament. It has accordingly been considered appropriate to adopt the going concern basis for the preparation of these financial statements.

## **Risks**

Any significant risks identified by management have been reported on as part of the Statement on Internal Control on pages 19 to 23 of this report.

## **Payment of creditors**

JNCC follows the principles of the Better Payment Practice Code, and the policy is to ensure that all payments are made by the due date. This policy is known throughout the organisation and there is a formal complaints procedure to enable suppliers' complaints to be dealt with quickly. 97% of invoices were paid within the due date in 2009/10, an improvement of 2% on the previous year. The JNCC has also taken the steps necessary to meet, where possible, the Treasury's target of paying invoices within 10 days of receipt to assist suppliers in the current demanding economic climate.

## **Results and dividends**

The company has no issued share capital and consequently the question of the payment of a dividend does not arise. Any surplus at the year end is transferred to the forthcoming year and applied to meet the objectives of the company.

## **Directors' interests**

As the company has no share capital, directors have no rights to subscribe for additional shares or debentures.

The articles of association do not require any of the directors to retire by rotation. However, directors have to retire if they are no longer members of the company or cease to be members of the Executive Management Board. A member will cease to be a member of the Company if they cease to be a member of the Joint Committee.

A register of the interests of all Company Board members is held by the company secretary and may be viewed during office hours at the company's registered office or by request to Mrs J Swift, Monkstone House, City Road, Peterborough, PE1 1JY or [june.swift@jncc.gov.uk](mailto:june.swift@jncc.gov.uk).

## **Responsibilities of the directors**

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit and loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;

- state whether applicable accounting standards have been followed, subject to any material departures disclosed and maintained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Where amounts are presented within items in the profit and loss account and balance sheet, the directors have had regard to the substance of the reported transactions or arrangement, in accordance with generally accepted accounting principles or practice. In the case of each of the persons who are directors at the time when the directors' report is approved:

- so far as the directors are aware, there is no relevant audit information (information needed by the company's auditors in connection with preparing the report) of which the company's auditors are unaware; and
- each director has taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

### **Responsibilities of the Managing Director**

The Accounting Officer of Natural England has designated the Managing Director of JNCC Support Co with responsibilities analogous to those of Accounting Officer. The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safekeeping the JNCC Support Co's assets, are set out in Managing Public Money published by the Treasury.

### **Auditors**

Following the passing of The Government Resources and Accounts Act 2000 (Audit of Non-profit-making Companies) Order 2009 the Comptroller and Auditor General is empowered to audit the JNCC Support Co's financial statements and for 2009/10 and future years the auditors will be the National Audit Office. His certificate and report appear on pages 29 to 33. The audit fee charged in the Profit and Loss Account was £15,000. The auditors received no fees for non-audit services.

The Managing Director confirms that:

- there is no relevant audit information of which the auditors are unaware; and
- he has taken all the steps he ought to have taken to make himself aware of any relevant audit information and to establish that the JNCC's auditors are aware of that information.

On behalf of the board.

**Mr Marcus Yeo**

Managing Director  
13 July 2010

## Environmental reporting

All JNCC's core work seeks to deliver outcomes that are a significant component of sustainable development in support of the Government's priorities. JNCC aims to adopt best environmental practice in all our business operations. We use our Environmental Management System (EMS) to meet our sustainability objectives and promote continual improvement while delivering value for money. The EMS covers the Peterborough Office which is certified to BS8555 Phase 3.

Environmental and sustainability targets are detailed in our Sustainable Development Action Plan 2007-09<sup>1</sup>. Targets include core work as well as operational targets. JNCC has made a number of improvements during 2009/10 including developing the monitoring of processes and systems and amending procurement procedures. These changes have resulted in greater data accuracy. Details of our performance against targets are published in the Sustainable Development Action Plan (2007-2009) Progress Report<sup>2</sup>.

In 2007 JNCC produced a sustainable procurement policy<sup>3</sup>. To help deliver our policy and assess progress we use the Sustainable Procurement Task Force's Flexible Framework. Details of each of the policy areas and requirements to meet levels are available from Defra and are detailed in the Sustainable Procurement Action Plan. The Flexible Framework is applied to the entire organisation.

### Flexible Framework summary:

Flexible Framework levels achieved by policy area	2008/2009	2009/2010
People	Approaching level 1	Level 2 achieved
Policy, strategy and communications	Level 2 achieved	Level 2 achieved
Procurement process	Approaching level 1	Level 1 achieved
Engaging suppliers	Level 1 achieved	Level 2 achieved
Measurements and results	Level 1 achieved	Level 1 achieved

Looking forward, JNCC aims to gain accreditation to Phase 4 BS8555 for the Environmental Management System and work to level 3 of the Flexible Framework. During the next year we will review all the sustainability and environmental performance reporting lines along with the new Government Sustainable Development in Government targets (SDiG) to enable us to put an appropriate sustainability strategy in place.

<sup>1</sup> [http://www.jncc.gov.uk/pdf/ENV\\_2010\\_JNCC%20SDAP-2007-09-webready.pdf](http://www.jncc.gov.uk/pdf/ENV_2010_JNCC%20SDAP-2007-09-webready.pdf)

<sup>2</sup> [http://www.jncc.gov.uk/pdf/ENV\\_2010\\_SDAP-Progress-Report-2009-webready.pdf](http://www.jncc.gov.uk/pdf/ENV_2010_SDAP-Progress-Report-2009-webready.pdf)

<sup>3</sup> <http://www.jncc.gov.uk/page-5301>

# Statement on Internal Control

## 1. Scope of responsibility

As Managing Director, I have responsibility for maintaining a sound system of internal control, for the JNCC and its Support Company, that supports the achievement of the JNCC's policies, aims and objectives, whilst safeguarding the public funds and the assets for which I am personally responsible, in accordance with the statement of accounting responsibilities placed upon me by the Chief Executive of Natural England on her own behalf and that of the Accounting Officers of Scottish Natural Heritage, the Countryside Council for Wales and the Department of the Environment (Northern Ireland) in accordance with the responsibilities assigned to them in Managing Public Money.

The Joint Committee and Company Board sets the strategy and programmes of work and monitors implementation respectively. Programmes, performance indicators and associated risks are agreed with Ministers following discussion on priorities by the JNCC Sponsors Group. This group comprises representatives from government departments, devolved administrations and the country conservation bodies. The JNCC Sponsors Group also reviews achievement of programmes.

## 2. The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the JNCC's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in the JNCC for the year ended 31 March 2010 and up to the date of approval of the annual report and accounts, and accords with Treasury guidance.

## 3. Capacity to handle risk

### 3.1 Leadership

Responsibilities relate to me as analogous Accounting Officer. A risk management strategy is in place, which outlines how I and my Executive Management Board colleagues require the organisation to manage risk. The Executive Management Board is committed to embedding the principles of effective risk management into the culture of the organisation.

### 3.2 Embedding risk management

The risk management strategy entails embedding the risk management process into each part of the management, planning, delivery and reporting process. The three Management Groups, covering Marine, Science and Policy Advice, as well as the Executive Management Board take a formal role in the risk management process and have responsibility for ensuring risk management processes remain effective and

relevant to the organisation's needs. Project Managers are required to identify risks in their projects and attribute a rating in each of five specified areas. High-risk/high-cost projects are identified through the planning process. A cross section of Programme Leaders and Executive Directors attend an annual risk workshop which comprehensively reviews the two highest organisation-wide risk registers, and takes an overview of the third. An element of risk management is included in some corporate training courses and one to one training on project risk management is available through the Business Unit. An audit on the risk management area is undertaken annually which includes an element of best practice.

#### **4. The risk and control framework**

##### **4.1 Strategy**

JNCC's risk management strategy has been drawn up and implemented in line with Treasury guidance. Key elements of the strategy include:

- maintenance of organisation-wide risk registers, comprising high-level corporate risks, high inherent risks and medium/low risks, the first two being comprehensively reviewed on an annual basis;
- assignment of risk owners to each risk (members of the Executive Management Board for corporate risks, appropriate senior managers for high inherent and medium/low risks);
- quarterly reports from risk owners on the steps they are taking to manage risks in their areas of responsibility, including reports on the effectiveness of controls in place to manage the risks, and progress reports on implementing future controls; and
- regular consideration and reporting of new and emerging risks at Executive Management Board (monthly) and Audit and Risk Management Committee (quarterly).

The JNCC takes a balanced approach to determining its risk appetite, by accepting that major risks affecting the organisation must be controlled, but that exposure to some risks is necessary to enable the effective delivery of its objectives. The risk register specifically addresses the risk of delays to decision-making and missed opportunities through excessive caution. During 2009/10, some of the main risk priorities for the JNCC related to:

- mismatch between resources needed to implement JNCC's strategy over an appropriate timescale and funding provided by Government;
- a change in the functions, composition or resourcing arrangements of JNCC and/or Company arising from statutory/political changes in the country conservation bodies or sponsor bodies that do not take full account of JNCC's circumstances; and
- lack of clarity regarding JNCC's role in relation to other government bodies.

In relation to information risks, JNCC has effective archiving and storage arrangements with back-up arrangements in place. An audit on key datasets was undertaken last year, with agreed action to reinforce data security arrangements with partners. A data security policy is in place and guidance on handling confidential information has been circulated to staff and non-executive Committee members and is



available on the intranet. A project to implement a management information system is currently underway with a completion date of September 2010.

#### **4.2. Financial control**

The JNCC's system of internal financial control is based on a framework of regular management information, administration procedures including the segregation of duties, and a system of delegation and accountability. In particular, it includes:

- an online, real-time Financial Management Information System;
- Financial Memorandum and Financial Regulations;
- comprehensive budgeting systems;
- regular reviews by the Executive Management Board of periodic and annual financial reports which indicate financial performance against the forecasts and key performance indicators; and
- anti-fraud and corruption policy and whistleblowing policy.

#### **4.3 Review of effectiveness**

As Managing Director, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors and the Executive Directors within the JNCC Support Company, all of whom have responsibility for the development and maintenance of the internal control framework, and comments made by the external auditors in their management letter and other reports. Both company Directors who are members of the Executive Management Board have completed assurance statements. During the course of the final audit NAO discovered that five payments were made without the appropriate authorisation being sought or obtained from Natural England and Defra as required under JNCC's Financial Memorandum. Following advice obtained from Defra Sponsorship in 2007 JNCC believed at the time that it was acting in accordance with the Financial Memorandum. NAO's clarification on the requirements of the Financial Memorandum will enable me to ensure that similar problems do not occur in future. Retrospective approval has been given by the Treasury for one of the payments. Further details are set out in paragraph 8. No other significant internal control problems have been identified. However, to ensure continuous improvement of the system is in place I have prioritised action in the following areas:

- strengthening medium-term resource planning systems to facilitate sound responses to any government changes to policy and funding priorities relating to JNCC;
- increasing senior managers' skills in managing change;
- strengthening approaches for engaging with Government stakeholders and partners to share intelligence about emerging policy-related issues and collaborate effectively in delivering cost-effective responses;
- improving information management practices to meet external and internal requirements;
- strengthening the mechanisms through which we gain assurance of the data security arrangements of partners;

- strengthening science quality assurance measures.

I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Company Board and the Audit and Risk Management Committee.

## **5. Corporate governance**

Control of the process for maintaining and reviewing the effectiveness of the system of internal control is exercised in the following ways.

### **5.1 The Joint Nature Conservation Committee**

Members of the Joint Committee have overall responsibility for fulfilling its statutory functions and promoting the efficient and effective use of resources by the JNCC. The Joint Committee reviews annual reports from the Audit and Risk Management Committee on the JNCC's and company's control and risk management. The Joint Committee meets quarterly.

### **5.2 The Company Board**

The Board has overall responsibility for discharging the Joint Committee's corporate and business plans and for maintaining an effective framework of corporate governance. This includes maintaining effective systems of risk management and audit, financial management, and planning and monitoring. The Board meets quarterly.

### **5.3 The Audit and Risk Management Committee**

The Audit and Risk Management Committee is a sub-committee of the Company Board and has an exclusively non-executive membership, with one external member. The Audit and Risk Management Committee is accountable to the Board and to the Joint Committee. Its role is to support the Board in their responsibilities for issues of risk, control and governance and associated issues. The Committee meets quarterly.

### **5.4 Executive Management Board**

The Executive Management Board is a sub committee of the Company Board and meets monthly. In 2009/10 it comprised the Managing Director and four executive directors, of which two have been appointed to the Company Board. The Executive Management Board has responsibility for directing and managing the affairs of the company to deliver corporate and business plans within a framework of effective controls. The Executive Management Board has responsibility for managing, reviewing and assessing the corporate risks of the organisation.

### **5.5 Internal audit**

Internal audit of the JNCC and JNCC Support Co is carried out by Deloitte & Touche Public Sector Internal Audit Limited. They submit regular reports in accordance with the requirements of Government Internal Audit Standards (GIAS). Internal audit activity is targeted at assessing the adequacy and effectiveness of the systems of internal control and governance in the areas reviewed. The areas for review are determined by reference to the levels of risk in the risk register. Audit reports include the assurance levels for each system on the adequacy and effectiveness of the JNCC

Support Company's system of internal control together with recommendations for improvement.

## **6. Strategy, planning and performance management**

During 2009/10 JNCC adjusted its work programmes to align, as far as possible, with its new strategic objectives. These describe the specific contribution that JNCC makes to domestic and international nature conservation. The vision, strategy and business plan are published on JNCC's website.

## **7. Data security**

During 2009/10 JNCC maintained its controls for data and information security risks, including staff training. An independent and in-depth penetration test of JNCC's perimeter network security was also undertaken during the year and no critical or high-severity issues were identified. Action was agreed to strengthen security further. During 2009/10 there were no known breaches of the security of confidential data.

## **8. Significant control issues**

In 2009/10 four payments were made without the appropriate authorisation being sought or obtained from Natural England and Defra as required under JNCC's Financial Memorandum. These payments were made under the Civil Service Compensation Scheme. In addition, provision was made in the accounts for a payment of £60,000 to be made under the Civil Service Compensation Scheme in April 2010. Retrospective authority was given by Treasury for this payment but additional authorisation was not sought or obtained from Natural England and Defra as required under JNCC's Financial Memorandum. The decisions to make these payments, the five of which total £255,328, were made following advice received from Defra Sponsorship team in 2007 indicating that JNCC was acting in accordance with the Financial Memorandum.

Following NAO's clarification on the requirements of the Financial Memorandum, controls will be reviewed and strengthened and will include issuing instructions to staff to ensure that the authorisation required under the Financial Memorandum is sought and obtained prior to making payments.

Mr Marcus Yeo  
Managing Director  
13 July 2010

# JNCC Support Co Remuneration Report

## Remuneration policy

The remuneration for the JNCC Chair and independent Committee members is set centrally by Defra.

The remuneration of the Managing Director is reviewed regularly against the advice issued by the Review Body on Senior Salaries. Any proposed changes are then subject to the approval of Defra.

All pay awards for staff below Grade 5 (i.e. all staff except for the Managing Director) have to conform to the annual Civil Service Pay Guidance document issued by Treasury. This guidance document forms part of the pay remit process, and is intended to ensure that pay awards are affordable, offer value for money, and meet the needs of individual businesses. As part of this process the JNCC has to submit its recommended pay award to Defra, who have delegated authority to approve pay remits that conform to the Treasury guidance. Pay remits that do not conform to the guidance require Treasury approval.

The JNCC applies a number of reward principles which aim to:

- meet business needs of the organisation;
- be affordable for the organisation in the short and long-term;
- provide a pay structure which is sustainable in the longer-term;
- reward, retain and motivate staff;
- support equal pay;
- be fair and transparent;
- ensure that appropriately skilled and experienced staff can be recruited;
- recognise and reward good performance;
- offer comparable salary levels with other relative workforce groups;
- aim to maintain the total staff remuneration package at a level which is appropriate given the financial environment and reflects competitiveness in the appropriate market.

## Contracts of employment

Appointments are made in line with the Civil Service Commissioners' Recruitment Code, which requires appointment to be on merit on the basis of fair and open competition but also includes the circumstances when appointments may otherwise be made.

Unless otherwise stated below, the directors and officials covered by this report hold appointments which are open-ended. Early termination for all staff, other than for misconduct, would result in the individual receiving compensation as set out in the Civil Service Compensation Scheme. However, independent members of the Committee who are appointed by Defra under an instrument of appointment would not be eligible for compensation under the Civil Service Compensation Scheme.

The period of appointment for independent committee members are detailed below.

Dr P Bridgewater was appointed for a three-year term commencing on 1 October 2007

Prof. L Warren was re-appointed for a three-year term commencing on 1 April 2009.

Mr D Pritchard was re-appointed for a three-year term commencing on 1 December 2009.

Prof. M Usher was appointed for a three-year term which commenced on 1 December 2006 and ended on 30 November 2009.

Judith Webb was appointed for a three-year term commencing on 1 September 2008.

Dr R Brown was appointed for a three-year term commencing on 1 December 2009.

Mr G Duke was appointed for a three-year term commencing on 1 December 2009.

Further information about the work of the Civil Service Commissioners can be found at [www.civilservicecommissioners.gov.uk](http://www.civilservicecommissioners.gov.uk).

### **Remuneration (including salary) and pension entitlements**

The following sections provide details of the remuneration and pension interests of the most senior JNCC staff, and those of the Chair and independent members of the Committee. Members sponsored by the country conservation bodies are remunerated directly by those bodies. JNCC is advised of the salaries of the Chair and independent Committee members by the Department for Environment, Food and Rural Affairs. This information is subject to audit.

#### **Salary**

'Salary' includes gross salary, performance pay or bonuses, and any allowance, such as London Weighting Allowances, to the extent that it is subject to UK taxation. This report is based on payments made by the JNCC Support Co and thus recorded in these accounts.

#### **Benefits in kind**

The monetary value of benefits in kind covers any benefits provided by the employer and treated by Her Majesty's Revenue and Customs as a taxable emolument. At the present time no senior staff of the JNCC Support Co are in receipt of taxable benefits.

#### **Civil Service Pensions**

The Pension benefits for the Chair are provided broadly by-analogy with the Civil Service Pension scheme. This is because the Chair cannot be pensioned in the same scheme as staff but may have access to similar types of benefits. The independent members do not receive pension benefits.

Pension benefits for staff are provided through the Civil Service pension arrangements. Staff in post prior to 30 July 2007 may be in one of four defined benefit schemes; either a 'final salary' defined benefit scheme (**classic**, **premium** or **classic plus**); or a 'whole career' scheme (**nuvos**). These statutory arrangements are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under **classic**, **premium**, **classic plus** and

**nuvos** are increased annually in line with changes in the Retail Prices Index (RPI). Members joining on or from 1 October 2002 may opt for either the appropriate defined benefit arrangement or a 'money purchase' stakeholder pension with a employer contribution (**partnership** pension account).

Employee contributions are set at the rate of 1.5% of pensionable earnings for **classic** and 3.5% for **premium**, **classic plus** and **nuvos**. Benefits in **classic** accrue at the rate of 1/80th of final pensionable earnings for each year of service. In addition, a lump sum equivalent to three years' pension is payable on retirement. For **premium**, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike **classic**, there is no automatic lump sum. **Classic plus** is essentially a hybrid with benefits in respect of service before 1 October 2002 calculated broadly as per **classic** and benefits for service from October 2002 calculated as in **premium**. In **nuvos** a member builds up a pension based on his pensionable earnings during their period of scheme membership. At the end of the scheme year (31 March) the member's earned pension account is credited with 2.3% of their pensionable earnings in that scheme year and the accrued pension is uprated in line with RPI. In all cases members may opt to give up (commute) pension for lump sum up to the limits set by the Finance Act 2004.

The **partnership** pension account is a stakeholder pension arrangement. The employer makes a basic contribution of between 3% and 12.5% (depending on the age of the member) into a stakeholder pension product chosen by the employee from a panel of three providers. The employee does not have to contribute but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.8% of pensionable salary to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement).

The accrued pension quoted is the pension the member is entitled to receive when they reach pension age, or immediately on ceasing to be an active member of the scheme if they are already at or over pension age. Pension age is 60 for members of **classic**, **premium** and **classic plus** and 65 for members of **nuvos**.

Further details about the Civil Service pension arrangements can be found at the website [www.civilservice-pensions.gov.uk](http://www.civilservice-pensions.gov.uk)

### **Cash Equivalent Transfer Values**

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies. The figures include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the Civil Service pension arrangements. They also include any additional pension benefit accrued to the member as a result of their purchasing additional pension benefits at their own cost. CETVs are worked out within the guidelines and framework prescribed by the Institute and the Faculty of Actuaries and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

### **Real increase in CETV**

This reflects the increase in CETV effectively funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

### **Compensation for loss of office**

Mr D Steer left under the Approved Early Retirement Scheme on 8 September 2009. The total compensation paid to Mr D Steer is as follows:

- a lump sum payment at date of leaving in the range £130-135k;
- an annual compensation payment in the range £40-45k payable until the age of 60.

Because the majority of the lump sum payment is payable from the Civil Service Pension scheme, JNCC's liability in respect of the above is limited to £88,090.

Mr Marcus Yeo  
Managing Director  
13 July 2010

JNCC Support Co - Remuneration (subject to audit)

	Salary, including performance pay 2009/10 £ 000s	Benefits in kind (rounded to nearest £100) 2009/10 £ 000s	Salary, including performance pay 2008/09 £ 000s	Benefits in kind (rounded to nearest £100) 2008/09 £ 000s	Total accrued pension at age 60 related lump sum £ 000s	Real increase in pension and related lump sum at age 60 £ 000s	CETV at 31/03/10 £ 000s	CETV at 31/03/09 £ 000s	Real increase in CETV £ 000s	Time commitment days per year	
<b>Committee Members:</b>											
<b>Chairman</b>											
Dr P Bridgewater	01.10.07 to 30.09.10	40 - 45	n/a	n/a	n/a	n/a	n/a	n/a	n/a	104	
<b>Independent members</b>											
Prof P Doyle	01.04.03 to 31.03.09	0	n/a	n/a	n/a	n/a	n/a	n/a	n/a	30	
Prof L Warren	01.04.06 to 31.03.12	5 - 10	n/a	n/a	n/a	n/a	n/a	n/a	n/a	30	
Mr D Pritchard	01.12.06 to 30.11.12	15 - 20	n/a	n/a	n/a	n/a	n/a	n/a	n/a	42	
Prof M Usher	01.12.06 to 30.11.09	5 - 10	n/a	n/a	n/a	n/a	n/a	n/a	n/a	30	
Judith Webb	01.09.08 to 31.08.11	5 - 10	n/a	n/a	n/a	n/a	n/a	n/a	n/a	30	
Dr R Brown	01.12.09 to 30.11.12	0 - 5	n/a	n/a	n/a	n/a	n/a	n/a	n/a	30	
Mr G Duke	01.12.09 to 30.11.12	0 - 5	n/a	n/a	n/a	n/a	n/a	n/a	n/a	30	
<b>Senior Staff:</b>											
<b>Managing Director</b>											
Mr D Steer	retired 08.09.2009	45 - 50	n/a	n/a	42.5 - 45 plus lump sum of 130 - 132.5	0 - 5 plus lump sum of 0 - 5	1040	961	4	17	n/a
Mr M Yeo	appointed 09.09.2009	70 - 75	n/a	n/a	20 - 22.5	5 - 10	290	186	4	89	n/a
<b>Other Directors</b>											
Dr M Vincent	retired 30.09.2008	0	n/a	n/a	0	0	0	0	0	0	n/a
Dr J Goold	started 01.10.2008	50 - 55	n/a	n/a	0 - 2.5	0 - 5	17	5	9	n/a	
Mrs S McQueen	started 09.09.2009	45 - 50	n/a	n/a	12.5 - 15 plus lump sum of 37.5 - 40	0 - 5 plus lump sum of 5 - 10	180	143	28	n/a	
<b>Other Senior Staff</b>											
Dr A Stott	started 01.12.2008	60 - 65	n/a	n/a	20 - 22.5 plus lump sum of 40 - 42.5	15 - 20 plus lump sum of 35 - 40	359	295	4	44	n/a
Dr V Fleming	started 21.09.2009	50 - 55	n/a	n/a	15 - 17.5 plus lump sum of 50 - 52.5	0 - 5 plus lump sum of 0 - 5	333	290	23	110	

1 Mr D Pritchard's salary for 2009/10 reflects an element of back pay following an increase in time commitment. His salary expressed as a full-year equivalent falls in the band 10 - 15.

2 The salaries for Prof M Usher, Mr R Brown and Mr G Duke expressed as a full-year equivalents fall in the band 5 - 10.

3 Mr D Steer's pension disclosures are as at his leaving date. His salary expressed as a full-year equivalent falls in the band 85 - 90.

4 Due to certain factors being incorrect in last year's CETV calculator there may be a slight difference between the final period CETV for 2008/09 and the start of period CETV for 2009/10.

5 Mr M Yeo's salary expressed as a full-year equivalent falls in the band 85 - 90.

6 Dr M Vincent's salary expressed as a full-year equivalent falls in the band 55 - 60.

7 Mrs McQueen's salary for 2009/10 expressed as a full-year equivalent falls in the band 50 - 55.

8 Dr A Stott is on secondment from Defra and his figures are based on his Defra salary. The actual cost charged to the profit and loss account for his secondment was £79,947.

9 Dr V Fleming is on temporary, part-time promotion to the Executive Management Board but is an existing full-time employee of JNCC Support Co.



# **THE CERTIFICATE OF THE COMPTROLLER AND AUDITOR GENERAL TO THE MEMBERS OF THE JNCC SUPPORT CO.**

I certify that I have audited the financial statements of JNCC Support Co. for the year ended 31 March 2010 under the Government Resources and Accounts Act 2000. These comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement and Statement of Total Recognised Gains and Losses and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). I have also audited the information in the Remuneration Report that is described in that report as having been audited.

## **Respective responsibilities of the directors and auditor**

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require me and my staff to comply with the Auditing Practices Board's Ethical Standards for Auditors.

## **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

In addition, I am required to obtain evidence sufficient to give reasonable assurance that the expenditure and income reported in the financial statements have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

## **Qualified opinion on Regularity arising from irregular expenditure**

JNCC Support Co. is required to comply with a Financial Memorandum agreed between the Joint Nature Conservation Committee and its sponsor Departments; the Department for Environment, Food and Rural Affairs, Scottish Government, Welsh Assembly Government and the Department for the Environment Northern Ireland.. As detailed in my accompanying report, JNCC Support Co. has incurred expenditure in respect of early retirement costs of £191,090 and severance payments of £4,238 when it did not have the delegated authority to make these payments and did not seek the requisite authority from its Sponsor Department via Natural England. I have, therefore, concluded that this expenditure is irregular.

In my opinion, except for the expenditure incurred on early retirement costs and severance payments referred to above, in all other material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

## **Opinion on Financial Statements**

In my opinion:

- the financial statements give a true and fair view of the state of the company's affairs as at 31 March 2010 and of its loss for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the Companies Act 2006.

## **Opinion on other matters**

In my opinion:

- the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Government Financial Reporting Manual; and
- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

## **Matters on which I am required to report by exception**

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records or returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- I have not received all of the information and explanations I require for my audit; or
- the Statement on Internal Control does not reflect compliance with HM Treasury's guidance.

My report on pages 31 to 33 provides further detail of the basis for my qualified opinion on regularity.

*Amyas C E Morse  
Comptroller and Auditor General  
National Audit Office  
157-197 Buckingham Palace Road  
Victoria, London, SW1W 9SP*

*16 July 2010*

# Report of the Comptroller and Auditor General to the House of Commons

## Introduction

1. The Joint Nature Conservation Committee has a statutory responsibility to maintain common standards for nature conservation across the UK and is the advisor to the UK Government and devolved administrations on UK and international nature conservation. It was originally established under the Environment Protection Act 1990 and was reconstituted by the Natural Environment and Rural Communities Act 2006. The Joint Nature Conservation Committee is supported by JNCC Support Co. This company (limited by guarantee) was established in 2005.
2. The statement of accounts on the following pages represents the results of JNCC Support Co. for the period from 1 April 2009 to 31 March 2010. I have qualified my audit opinion on these accounts due to irregular expenditure.

## Purpose of Report

3. The purpose of this Report is to explain the background to the qualification of my audit opinion.

## My obligations as Auditor

4. Under the Government Resources and Accounts Act 2000, I am required to examine, certify and report on each statement of account that I receive. In so doing, I am required to satisfy myself that, in all material respects, the expenditure and income of JNCC Support Co. have been applied to the purposes intended by Parliament and conform to the authorities that govern them.

## Audit Opinion

### Qualified opinion owing to irregular expenditure incurred on early retirement costs and severance payment

5. The Joint Nature Conservation Committee has agreed a formal Accountability Framework Document with its sponsor Departments, the Department for Environment, Food and Rural Affairs, Scottish Government, Welsh Assembly Government and the Department for the Environment Northern Ireland. The Committee's Accountability Framework Document was agreed in 2006. The Framework is underpinned by a Financial Memorandum and a Management Statement. The requirements of these documents apply equally to JNCC Support Co.
6. The Financial Memorandum sets out, amongst other things, the levels of delegations between the funding authorities and the Joint Nature Conservation Committee. One of these is that the Joint Nature Conservation Committee is required to seek approval for any redundancy or compensation for loss of office from the Department for Environment, Food and Rural Affairs, via Natural England. It must also seek approval for any payments that are, or which could be, considered novel and contentious.

7. During 2009-2010, JNCC Support Co. agreed three early retirement payments and two severance payments. These payments totalled £255,328 and comprised costs of £191,090 in respect of early retirement and costs of £64,238 in respect of severance costs. This included early retirements costs of £88,090 incurred in respect of the previous Managing Director, Mr Deryck Steer, as disclosed in the Remuneration Report on Page 27.
8. JNCC Support Co. did not consider that these payments required approval as payments were made in accordance with the Civil Service Pension Scheme Approved Early Retirement Scheme or Civil Service Compensation Scheme. JNCC Support Co. therefore did not seek approval for these costs from the Department for Environment, Food and Rural Affairs, via Natural England. I consider that these payments did require approval under the terms of the Financial Memorandum.
9. JNCC Support Co. subsequently sought retrospective approval for these payments from its sponsor department via Natural England. This approval was not provided on the basis that Natural England did not consider that the business cases provided demonstrated that the payments represented value for money.
10. JNCC Support Co. sought HM Treasury approval for one of the severance payments made during 2009-2010 totalling £60,000. HM Treasury approved the payment. This payment of £60,000 is therefore considered to be regular.
11. Consequently, JNCC Support Co. has incurred expenditure of £195,328 without obtaining the proper approval from its sponsor department and has breached its levels of delegation. I have therefore qualified my audit opinion in respect of the regularity of the £195,328 early retirement costs and severance payment reflected in the financial statements.
12. The Joint Nature Conservation Committee breached the requirement in its Accountability Framework Document and Financial Memorandum to notify and obtain the approval of the Department for Environment, Food and Rural Affairs, via Natural England for payments relating to compensation and loss of office as soon as they became apparent. This restricted the ability of Natural England and the Department to properly monitor the activity and expenditure of the Joint Nature Conservation Committee.

**Further actions taken or proposed to be taken by the Joint Nature Conservation Committee to enhance controls**

13. JNCC Support Co. are in the process of reviewing and strengthening the internal controls in order to prevent any further payments being made without the requisite approval and to ensure that all such payments are supported by a robust business case and represent value for money.

14. I have also been informed that Natural England will provide additional support on governance matters and will review the governance arrangements in place at the Joint Nature Conservation Committee.

Amyas C E Morse  
Comptroller & Auditor General

16 July 2010

National Audit Office  
157-197 Buckingham Palace Road  
Victoria  
London SW1W 9SP

## Profit and loss account for the year ended 31 March 2010

	Note	2009/10 £	2008/09 (restated) £
<b>Turnover</b>	2	10,518,644	9,127,023
Cost of sales	2	(8,479,735)	(7,467,486)
<b>Gross profit</b>		<b>2,038,909</b>	<b>1,659,537</b>
Administrative expenses	3	(2,245,067)	(1,807,419)
<b>Operating loss</b>	2	<b>(206,158)</b>	<b>(147,882)</b>
Transfer from Government grant reserve	16	150,309	101,214
<b>Loss on ordinary activities before interest</b>		<b>(55,849)</b>	<b>(46,668)</b>
Other interest receivable and similar income		381	18,006
<b>Loss on ordinary activities before taxation</b>		<b>(55,468)</b>	<b>(28,662)</b>
Tax on profit on ordinary activities		(15,945)	0
<b>Loss for the financial year</b>		<b>(71,413)</b>	<b>(28,662)</b>

The 2008/09 figures for cost of sales and administrative expenses have been restated to reflect the reclassification of expenditure previously included within administrative expenses.

The company has made no acquisitions nor discontinued any operations during 2009/10 therefore turnover and operating profit derive entirely from continued operations.

The notes on pages 38 to 49 form part of these accounts.

## Statement of total recognised gains & losses for the year ended 31 March 2010

	Note	2009/10 £	2008/09 £
Loss for the financial year		(71,413)	(28,662)
Capital grant for the purchase of assets	16	32,015	116,469
Gain on the revaluation of assets	16	49,166	8,074
Loss on current cost adjustment	16	(12,424)	0
Transfer from the Government grant reserve	16	(150,309)	(101,214)
Total gains and (losses) relating to and recognised in the year		<u>(152,965)</u>	<u>(5,333)</u>

## Balance sheet as at 31 March 2010

	Note	As at 31 March 2010		As at 31 March 2009 (restated)	
		£	£	£	£
<b>Fixed assets</b>					
Intangible assets	8		81,064		101,270
Tangible assets	9		194,972		255,519
			<b>276,036</b>		<b>356,789</b>
<b>Current assets</b>					
Cash at bank and in hand	10	919,239		635,624	
Stocks	11	52,523		55,775	
Debtors	12a	276,579		298,345	
		1,248,341		989,744	
<b>Creditors</b>					
Amounts falling due within one year	13a	(1,010,798)		(878,684)	
<b>Net current assets</b>			237,543		111,060
<b>Total assets less current liabilities</b>			<b>513,579</b>		<b>467,849</b>
<b>Provisions for liabilities</b>	14		(268,795)		(70,100)
<b>Net assets</b>			<b>244,784</b>		<b>397,749</b>
<b>Capital and reserves</b>					
Government grant reserve	16		276,036		357,588
Profit and loss account	17		(31,252)		40,161
<b>Total reserves</b>			<b>244,784</b>		<b>397,749</b>

The values for 2008/09 have been restated to include within creditors a pension amount that had previously been accounted for within provisions for liabilities.

The accounts on pages 34 to 49 were approved by the board of directors on 13 July 2010 and signed on its behalf.

M Yeo  
Managing Director

The notes on pages 38 to 49 form part of these accounts.



## Cashflow statement for the year ended 31 March 2010

	Note	2009/10 £	2008/09 £
Net cash inflow from operating activities	18	331,194	462,072
Taxation			
Corporation Tax		(15,945)	0
Capital expenditure			
Purchase of fixed assets	16	(32,015)	(116,469)
Returns from investments and servicing of finance			
Interest received	2	381	18,006
<b>Increase in cash</b>	<b>10</b>	<b>283,615</b>	<b>363,609</b>
 <b>Reconciliation of net cash flow to movement in net funds</b>			
Net funds at the beginning of the period		635,624	272,015
<b>Net funds at the end of the period</b>		<b>919,239</b>	<b>635,624</b>

**JNCC Support Co**  
**Notes to the Financial Statements**  
**for the year ended 31 March 2010**

## **1 Accounting policies**

### **Statement of accounting policies**

The financial statements are intended, without limiting the information given, to conform with the requirements of the Companies Act 2006 and the Statements of Standard Accounting Practice and Financial Reporting Standards issued or approved by the Accounting Standards Board insofar as these requirements are appropriate. In certain instances information beyond these requirements has been presented utilising guidance provided by the 2009/10 Government Financial Reporting Manual (FRoM).

### **Accounting convention**

These financial statements have been prepared under the historical cost convention, modified to account for the revaluation of fixed assets. Revaluations are taken to a government grant reserve.

### **Turnover**

The principal form of income is grant-in-aid received from the Department for Environment, Food and Rural Affairs, the GB conservation bodies and the Department of the Environment in Northern Ireland. This is treated as income in the accounts as it is provided to enable the JNCC Support Co to provide the services necessary to support the Joint Nature Conservation Committee in the delivery of its objectives.

The bulk of remaining turnover is in the form of contributions to project work, plus further income comprising grants from European Union sources, income for the provision of advice, royalties and amounts generated by sales of publications.

Turnover is stated net of VAT and trade discounts.

### **Going concern**

Grant-in-aid for 2010/11, taking into account the amounts required for JNCC Support Co's liabilities falling due in that year, has already been approved by UK Parliament, the Scottish Parliament, the National Assembly for Wales and the Northern Ireland Assembly. It is therefore considered appropriate that these financial statements have been prepared on a going concern basis.

### **Fixed assets**

Individual assets costing £2,000 or more including VAT are capitalised as tangible or intangible assets, assuming they are intended to be used on a continuing basis. These assets are valued at depreciated historical cost and, where material, values are updated annually using Price Index Numbers for Current Cost Accounting published by the Office for National Statistics.

Assets costing less than £2,000 are charged to the profit and loss account in the year of purchase.

### **Depreciation**

Depreciation is provided on all tangible and intangible fixed assets at rates calculated to write off the cost or valuation of each asset evenly over its expected useful life. Assets are normally depreciated over the following periods:

Leasehold premises and fixtures	over the period of individual leases
Computer equipment	5 years
Other equipment	5 to 10 years
Software licences	5 years

Depreciation is charged on a monthly basis from the date of purchase.

### **Stocks**

Stocks are valued at the lower of cost and net realisable value. The stock valuation is adjusted for obsolete stock via a write down of stock where current sales indicate specific stock items are unlikely to generate future income flows.

### **Research and development**

The company writes off all expenditure on research and development in the year it occurs.

**Foreign exchange**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate ruling at the date of the transaction. Exchange differences are recognised in the profit and loss account.

**Leases**

Rental costs arising in respect of operating leases are charged to the profit and loss account over the life of each lease. The Company does not have any finance leases.

**Pension costs**

Pension benefits are provided through the Principal Civil Service Pension Scheme (PCSPS), full details of which are described within the remuneration report.

Note 6 provides details of the JNCC Support Co's pension costs.

The Chair is entitled to a pension scheme but is prohibited from joining the Principal Civil Service Pension Scheme (PCSPS). An individual scheme has been set up described as "by analogy to the PCSPS". Any ongoing liability arising from this arrangement will be borne by JNCC Support Co. The cost of the by analogy pension scheme is not deemed to be material and the cost of the pension will be charged to the profit and loss account in the years that it is paid.

**Grants received**

Grant-in-aid received for capital expenditure is credited to a government grant reserve and is released to revenue over the useful expected life of the relevant asset. Grant-in-aid received of a revenue nature is credited to income for the year to which it relates. Grants received outside of grant-in-aid, including from European Union sources, are matched to the corresponding project expenditure in the year in which it is incurred.

**Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities would be recognised in the balance sheet if the JNCC became a party to the contractual provisions of an instrument.

The JNCC has no borrowings and relies primarily on grant-in-aid from Defra and the devolved administrations for its cash requirements and is therefore not exposed to liquidity risks. All material assets and liabilities are denominated in sterling so it is not exposed to currency risk.

**Notional costs**

The financing structure of the company does not include specific interest bearing debt, but to ensure that the profit and loss account bears an appropriate charge for the use of capital in the annual financial statements, a notional interest charge is added. In accordance with Treasury guidance, the calculation is based on a 3.5% cost of capital on average net assets.

**Taxation****Corporation Tax**

JNCC Support Co does not trade with a view to profit and therefore its Corporation Tax liability is limited to that arising from Case III investment income and capital gains.

**Value Added Tax**

JNCC receives grant-in-aid from Defra and the devolved administrations and this has been treated as non business income for the purposes of VAT. VAT input tax relating to non business activities cannot be reclaimed from HM Revenue & Customs. As JNCC makes exempt supplies for VAT it has partially exempt status. JNCC uses an agreed formula to enable the quarterly calculation of the amount of reclaimable input tax.

**Provisions**

In accordance with FRS12, JNCC provides for obligations arising from past events where it is probable that it will be required to settle the obligation and a reliable estimate of it can be made. Future costs are not discounted unless this would significantly affect the valuation of an obligation.

## 2 Detailed trading profit and loss account for the year to 31 March 2010

	2009/10		2008/09 (restated)	
	£	£	£	£
<b>Turnover</b>				
JNCC grant-in-aid		7,730,985		7,646,643
European Union funding		248,804		37,146
Contributions to projects		2,407,052		1,215,775
Royalties		2,319		3,037
Scientific advice and information		0		12,967
Publication sales		20,818		35,543
Other receipts		108,666		175,912
		<b>10,518,644</b>		<b>9,127,023</b>
<b>Cost of sales</b>				
Conservation support	3,311,341		2,871,210	
Publicity and information	217,132		156,392	
Notional cost of capital	11,244		14,014	
Direct staff costs	4,940,018		4,425,870	
		<b>(8,479,735)</b>		<b>(7,467,486)</b>
<b>Gross profit</b>		<b>2,038,909</b>		<b>1,659,537</b>
<b>Admin expenses</b>				
Directors' emoluments	358,215		331,168	
Other administrative costs	1,898,096		1,490,265	
Add back notional costs	(11,244)		(14,014)	
		<b>(2,245,067)</b>		<b>(1,807,419)</b>
<b>Operating loss</b>		<b>(206,158)</b>		<b>(147,882)</b>
Transfer from government grant reserve		150,309		101,214
<b>Loss on ordinary activities before interest</b>		<b>(55,849)</b>		<b>(46,668)</b>
Other interest receivable and similar income		381		18,006
<b>Loss on ordinary activities</b>		<b>(55,468)</b>		<b>(28,662)</b>
<b>Less tax on profit on investment activities</b>		<b>(15,945)</b>		<b>0</b>
<b>Loss after tax</b>		<b>(71,413)</b>		<b>(28,662)</b>

The 2008/09 figures for cost of sales and other administrative costs have been restated to reflect the reclassification of expenditure previously included within other administrative costs.

### Operating loss

	2009-10	2008-09
	£	£
This is stated after charging		
Total directors' emoluments	358,215	331,168
Auditors' remuneration	15,000	12,000
Depreciation and amortisation of owned assets	148,354	101,214
Pension costs	740,833	717,080
Compensation on early retirement	191,090	0
Operating lease rentals	257,667	252,101

### 3 Schedule of overhead expenses for the year ended 31 March 2010

	2009/10		2008/09 (restated)	
	£	£	£	£
<b>Directors' emoluments</b>				
Directors' remuneration	310,374		283,955	
Directors' pension	47,841		47,213	
		<b>358,215</b>		<b>331,168</b>
<b>Other administrative costs</b>				
Auditor's remuneration	15,000		12,000	
Rental costs under operating leases	257,667		252,101	
Accommodation costs	304,044		243,758	
Information technology	165,237		116,826	
Human resources	136,279		152,598	
Travel and subsistence	488,216		420,275	
Printing postage stationery and subscriptions	37,153		62,381	
Other expenses	26,103		23,449	
Less reclaimed VAT	(7,624)		0	
Legal and professional fees	35,209		30,782	
Consultancy	90,289		62,950	
Bank charges	2,075		1,729	
Exchange rate losses	243		805	
<b>Non-cash items</b>				
Depreciation and amortisation	148,354		101,214	
Provisions	198,695		8,600	
(Profit)/loss on disposal of assets	1,156		797	
		<b>1,898,096</b>		<b>1,490,265</b>
		<b>2,256,311</b>		<b>1,821,433</b>
Add back notional costs		(11,244)		(14,014)
Administrative expenses		<b>2,245,067</b>		<b>1,807,419</b>

The amounts above include adjustments to the 2008/09 comparatives to reflect the reclassification and consolidation of expenditure under the headings of accommodation costs, information technology, travel and subsistence, printing, stationery and subscriptions, other expenses, reclaimed VAT and legal and professional fees.

#### 4 Directors' emoluments

	2009/10	2008/09
	£	£
Directors' emoluments	310,374	283,955
Company contributions to deferred benefit schemes in relation to directors' pensions	47,841	47,213
	<u>358,215</u>	<u>331,168</u>

Four directors accrued retirement benefits in respect of qualifying service for the defined benefit scheme during the year.

The above details include the following amounts in respect of the highest paid director:

	2009/10	2008/09
	£	£
Highest paid director's emoluments	73,764	93,820
Company contributions to money purchase schemes in relation to the highest paid director's pension	16,662	22,609
	<u>90,426</u>	<u>116,429</u>

The figures for 2008/09 refer to D Steer and the figures for 2009/10 refer to M Yeo.

At 31 March 2010 the highest paid director had accrued a pension of £22,086 with no accrued lump sum.

In addition to the directors' emoluments, a charge of £79,947 was made to the profit and loss account for 2009/10 in respect of consideration payable to Defra for the secondment of Dr A Stott.

#### 5 Staff costs

The aggregate payroll costs for 2009/10 were as follows:

	2009/10	2008/09
	£	£
Wages and salaries	4,170,223	3,756,748
Social security costs	314,087	283,210
Other pension costs	813,923	717,080
	<u>5,298,233</u>	<u>4,757,038</u>

Other pension costs includes an amount of £73,090 for early pension payments.

## 6 Pension costs

The Principal Civil Service Pension Scheme (PCSPS) is an unfunded multi-employer defined benefit scheme but the Joint Nature Conservation Committee is unable to identify its share of the underlying assets and liabilities. The scheme actuary valued the scheme as at 31 March 2007. Details can be found in the resource accounts of the Cabinet Office: Civil Superannuation [www.civilservice-pensions.gov.uk](http://www.civilservice-pensions.gov.uk).

For 2009/10, employers' contributions of £723,831 (£707,565 in 2008/09) were payable to the PCSPS at one of four rates in the range 16.7% to 24.3% of pensionable pay, based on salary bands. The scheme's actuary reviews employer contributions usually every four years following a full scheme valuation. From 2010/11, the rates will be in the range 16.7% to 24.3%. The contribution rates are set to meet the cost of the benefits accruing during 2009/10 to be paid when the member retires and not the benefits paid during this period to existing pensioners.

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employers' contributions of £15,771 (£8,749 in 2008/09) were paid to one or more of the panel of three appointed stakeholder pension providers. Employer contributions are age-related and range from 3% to 12.5% of pensionable pay. Employers also match employee contributions up to 3% of pensionable pay. In addition, employer contributions of £1,231, 0.8% of pensionable pay, were payable to the PCSPS to cover the cost of the future provision of lump sum benefits on death in service and ill health retirement of these employees (£766 in 2008/09).

Contributions due to the partnership pension providers at the balance sheet date were £1,194. There were no prepaid contributions at this date.

## 7 Staff numbers

The average number of persons employed by the company, including directors, during the year was as follows:

	2009/10	2008/09
Executive directors	3	4
Chairman and non-executive directors	5	5
Management	11	11
Operational	91	82
Administration	29	29
IT	3	3
	<u>142</u>	<u>134</u>

## 8 Intangible fixed assets

	<b>Software licences</b>
<b>Cost</b>	<b>£</b>
At 1 April 2009	213,038
Additions during year	8,733
Disposals	(76,666)
Revaluations	33,271
Current cost adjustment	(910)
At 31 March 2010	<b>177,466</b>
	<b>£</b>
<b>Amortisation</b>	
At 1 April 2009	111,768
Charge for the year	37,030
Depreciation on disposals	(76,666)
Depreciation on revaluations	10,562
Current cost adjustment	13,708
As at 31 March 2010	<b>96,402</b>
	<b>£</b>
Net Book Value	
At 31 March 2010	81,064
At 31 March 2009	101,270

Intangible assets represent the value of the software licences held. These are valued using current cost accounting where any fall in value has been treated as a permanent diminution in value.

### Historical cost note

<b>31 March 2010</b>	<b>£</b>
Historic cost	<b>184,535</b>
Accumulated historic depreciation	<b>(106,639)</b>
Historic net book value	<b>77,896</b>



## 9 Tangible fixed assets

	Leasehold properties	Computer equipment	Other equipment	Total
Cost	£	£	£	£
At 1 April 2009	433,744	212,461	245,408	891,613
Additions during year	0	23,282	0	23,282
Disposals	(26,229)	(47,484)	(81,274)	(154,987)
Revaluation	0	33,541	3,909	37,450
Current cost adjustment	(99,391)	46,976	(5,017)	(57,432)
At 31 March 2010	<b>308,124</b>	<b>268,776</b>	<b>163,026</b>	<b>739,926</b>
<b>Depreciation</b>				
At 1 April 2009	338,002	112,447	185,645	636,094
Charge for the year	39,869	35,617	35,838	111,324
Depreciation on disposals	(26,229)	(46,328)	(81,274)	(153,831)
Depreciation on revaluation	0	9,465	1,528	10,993
Current cost adjustment	(70,845)	18,432	(7,213)	(59,626)
As at 31 March 2010	<b>280,797</b>	<b>129,633</b>	<b>134,524</b>	<b>544,954</b>
<b>Net Book Value</b>				
At 31 March 2010	27,327	139,143	28,502	194,972
At 31 March 2009	95,742	100,014	59,763	255,519
<b>Historical cost note</b>				
<b>31 March 2010</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Historic cost	308,124	298,859	135,630	742,613
Accumulated historic depreciation	(280,797)	(200,822)	(113,972)	(595,591)
Historic net book value	<b>27,327</b>	<b>98,037</b>	<b>21,658</b>	<b>147,022</b>

## 10 Cash at bank and in hand

	1 April 2009	Cash flows	31 March 2010
	£	£	£
<b>Analysis of changes in net funds</b>			
Cash at bank	635,469	283,537	919,006
Cash in hand	155	78	233
<b>Net fund</b>	<b>635,624</b>	<b>283,615</b>	<b>919,239</b>

## 11 Stocks

	2009/10	2008/09
	£	£
Finished goods	52,523	55,775

## 12a Debtors - amounts falling due within one year

	2009/10	2008/09 (restated)
	£	£
Trade debtors	97,471	132,269
Other debtors	12,202	13,140
Prepayments and accrued income	166,906	152,936
	276,579	298,345

The values for 2008/09 have been restated to reflect accrued income that had previously been included within trade debtors.

## 12b Intra-government balances

	2009/10	2008/09
	£	£
Balances with other central government bodies	71,119	85,217
Balances with local authorities	56,455	50,440
Intra-government balances	127,574	135,657
Balances external to government at 31 March 2010	149,005	162,688
Totals as at 31 March 2010	276,579	298,345

### 13a Creditors - amounts falling due within one year

	2009/10	2008/09 (restated)
	£	£
Due within one year:		
Trade creditors	126,499	217,585
Other creditors	85,950	72,605
Taxation and social security	123,587	115,668
Accruals	301,909	84,222
Deferred income	372,853	388,604
	<u>1,010,798</u>	<u>878,684</u>

The values for 2008/09 have been restated to adjust for accruals previously been disclosed within trade creditors, and to include within other creditors a pension amount that had previously been accounted for within provisions for liabilities.

### 13b Intra-government balances

	2009/10	2008/09
	£	£
Balances with other central government bodies	326,168	305,646
Intra-government balances	326,168	305,646
Balances external to government at 31 March 2010	684,630	573,038
Totals as at 31 March 2010	<u>1,010,798</u>	<u>878,684</u>

### 14 Provisions for liabilities

	Pensions and similar obligations	Other provisions	<b>Total provisions</b>	Pensions and similar obligations	Other provisions	<b>Total provisions</b>
	2009/10	2009/10	<b>2009/10</b>	2008/09 (restated)	2008/09	<b>2008/09 (restated)</b>
	£	£		£	£	
Balance at 1 April	0	70,100	<b>70,100</b>	0	61,500	<b>61,500</b>
Provision for year	251,090	82,195	<b>333,285</b>	0	8,600	<b>8,600</b>
Utilised in the profit and loss account	(73,090)	(60,448)	<b>(133,538)</b>	0	0	<b>0</b>
Released to the profit and loss account	0	(1,052)	<b>(1,052)</b>	0	0	<b>0</b>
Balance at 31 March	<u>178,000</u>	<u>90,795</u>	<b><u>268,795</u></b>	<u>0</u>	<u>70,100</u>	<b><u>70,100</u></b>

The figures for 2008/09 have been restated to reflect that the balance relating to the pension scheme for Dr P Bridgewater, Chairman of the JNCC, has been re-classified as a creditor and is included within other creditors in note 13a.

Other provisions utilised in the profit and loss account relate to costs associated with lift refurbishment in Monkstone House.

The increased provision for 2009/10 relates to a liability for the payment of early pensions of £191,090 (£73,090 were utilised in 2009/10), discretionary exit costs of £60,000 payable in 2010/11 and costs of £82,195 associated with the termination of the lease for Dunnet House following the relocation of the Aberdeen office. Of the £70,100 provisions brought forward from 2008/09, £61,500 have been utilised or realised in respect of lift refurbishment costs and £8,600 remain held pending charges due concerning service charge adjustments.

### 15 Financial instruments

In line with JNCC's accounting policy, there have been no financial instruments utilised which require disclosure under FRS13, 25, 26 and 29 and that financial instruments play a limited role in the activities of the company.

## 16 Government grant reserve

	2009/10	2008/09
	£	£
Balance at 1 April	357,588	334,259
Capital grant received in the period	32,015	116,469
Revaluation of intangible fixed assets	22,709	6,525
Revaluation of tangible fixed assets	26,457	1,549
Current cost adjustment - intangible fixed assets	(14,618)	0
Current cost adjustment - tangible fixed assets	2,194	0
Transfer to P&L for current cost accounting adjustment	(799)	0
Transfer to P&L of unexpended depreciation on assets disposed of in year	(1,156)	0
Transfer to P&L of amortisation for the year	(37,030)	(31,002)
Transfer to P&L of depreciation for the year	(111,324)	(70,212)
	<u>276,036</u>	<u>357,588</u>

## 17 Profit and loss account

	2009/10	2008/09
	£	£
Balance at 1 April 2009	40,161	68,824
Loss for the year	(71,413)	(28,662)
	<u>(31,252)</u>	<u>40,161</u>

The above note includes an apparent miscasting of the balance for 2008/09. This is an unavoidable consequence of the rounding of the figures.

## 18 Reconciliation of operating loss to net cash inflow from operating activities

	2009/10	2008/09 (restated)
	£	£
Operating loss	(206,158)	(147,882)
Depreciation charges	111,324	70,212
Amortisation	37,030	31,003
Transfer to government grant reserve re capital expenditure	32,015	116,469
(Profit)/loss of disposal of assets	1,156	797
Decrease in stocks	3,252	5,764
Decrease in debtors	21,766	647,135
Increase/ (decrease) in creditors	132,114	(270,026)
Increase in provisions	198,695	8,600
	<u>331,194</u>	<u>462,072</u>

The values for 2008/09 have been restated to adjust for the misstatement of the transfer from government grant reserve and for the effect of the reclassification of a provision amount within the creditor balances - see note 14.

## 19 Leasing commitments

	Land and buildings 2009/10	Others 2009/10	Land and buildings 2008/09	Others 2008/09
	£	£	£	£
<b>Operating leases which expire:</b>				
Within one year	227,501	14,000	0	0
Within 2 to 5 years	0	0	236,313	0
<b>Total</b>	<u>227,501</u>	<u>14,000</u>	<u>236,313</u>	<u>0</u>

## 20 Legal Status

The Company is limited by guarantee. In the event of a liquidation, the liability of each member does not exceed £1 if they are a member at the date of the liquidation, or if they cease to be a member within one year of the date of the liquidation.

## 21 Contingent liability

Since the balance sheet date JNCC Support Co has been notified of a claim made against the Company for damages in respect of personal injuries and losses. Because JNCC is a Government Body it is not permitted under its Financial Memorandum to carry insurance against this type of risk and therefore there is a potential liability in respect of this claim. At this time it is not possible to quantify the liability.

## 22 Losses and special payments

During the year five special payments were made (none in 2008/09) for which approval was not sought or obtained from Natural England and Defra. These payments were made on the basis of advice received from Defra Sponsorship team in 2007 which indicated that JNCC was acting in accordance with the financial memorandum. Retrospective approval was not granted for four of the payments, totalling £195,328.

## 23 Ultimate controlling party

Fourteen of the seventeen directors are members of the Joint Nature Conservation Committee. This committee sets the overall direction and priorities for the work of the support company. For these reasons the directors consider the Joint Nature Conservation Committee to be the ultimate controlling party.

## 24 Related party transactions

The JNCC Support Co receives its grant-in-aid funding from Natural England, Scottish Natural Heritage and the Countryside Council for Wales, (the GB conservation bodies), the Department of the Environment in Northern Ireland and the Department of Environment, Food and Rural Affairs (Defra). The GB conservation bodies are regarded as Non-Departmental Public Bodies respectively sponsored by Defra, the Scottish Government and the Welsh Assembly Government. The GB conservation bodies, the Department of the Environment in Northern Ireland and Defra are considered to be related parties. During the year the Company has carried out a number of material transactions with these bodies in the normal course of business. The quantum of the transactions between the company and these bodies was as follows:

	Grant-in-aid		Specific project funding		Services purchased by the company	
	2009/10	2008/09	2009/10	2008/09	2009/10	2008/09
	£	£	£	£	£	£
Natural England	<b>2,866,139</b>	2,834,871	<b>197,005</b>	211,344	<b>77,098</b>	72,540
Defra	<b>1,912,081</b>	1,891,221	<b>1,592,271</b>	611,903	<b>82,095</b>	35,884
Scottish Natural Heritage	<b>1,688,006</b>	1,669,591	<b>81,547</b>	26,000	<b>132,088</b>	103,451
The Countryside Council for Wales	<b>843,505</b>	834,302	<b>47,173</b>	0	<b>22,100</b>	21,853
Department for the Environment Northern Ireland	<b>421,254</b>	416,658	<b>71,887</b>	74,053	<b>0</b>	0
<b>Total</b>	<b>7,730,985</b>	7,646,643	<b>1,989,883</b>	923,300	<b>313,381</b>	233,728

Director	Corporate related body	Paid by JNCC		Paid to JNCC	
		2009/10	2008/09	2009/10	2008/09
		£	£	£	£
Mr D Steer	National Biodiversity Network Trust	52,020	75,000	(66,302)	(86,735)
Prof L Warren	British Geological Survey (NERC)	893,933	365,152	0	0
Mr D Pritchard	RSPB	25,000	0	0	0

The information for individual directors relates to contracts in excess of £25,000. Any contract for a lesser sum is not considered to be material in the context of these financial statements.

The directors consider a financial interest to be the ability to influence the company in placing a contract with a party with whom they have a position of influence, or the ability to influence the performance of that contract by the contractor.

KPI Rating	Description
▲	Target achieved or exceeded
▶	Substantial progress made, with full achievement of target anticipated early in 2010/11
▼	Limited progress against target
D	Target deferred or dropped as no longer appropriate for 2009/10

Key performance indicator	Year end rating	Comments relating to performance
<b>Global Advice</b>		
<p>Provide evidence-based scientific support to Government with respect to priority multilateral environmental agreements (MEAs), seeking to take a thematic approach across agreements:</p> <ul style="list-style-type: none"> <li>provide input to meetings of MEAs, in particular the 15<sup>th</sup> Conference of the Parties to the Convention on International Trade in Endangered Species (CITES) in January 2010, preparatory meetings for the 10<sup>th</sup> Conference of the Parties to the Convention on Biological Diversity (CBD) in October 2010, and technical meetings of the Convention on Migratory Species and the Ramsar Convention;</li> <li>in spring 2009, organise for key stakeholders an event to provide feedback from recent MEA Conferences of the Parties and to identify emerging issues and actions the UK may need to take to address these;</li> <li>provide, to agreed service standards, high-quality advice to Animal Health on approximately 20,000 CITES licence consultations per annum.</li> </ul>	▲	<p>JNCC supported Government at the 15<sup>th</sup> Conference of the Parties to CITES in Qatar in March 2010, and provided advice on proposals to control trade in a wide range of species, including bluefin tuna and other marine fish, corals, elephants and polar bears. Significant effort was also directed to preparation for the 10<sup>th</sup> Conference of the Parties to CBD (to be held in Japan in October 2010), particularly the development of post-2010 targets for biodiversity.</p> <p>A successful MEA stakeholder event was held in late May 2009. This has provided a springboard for further development of a thematic approach across the various MEAs.</p> <p>Over the year, JNCC advised on 19,206 CITES licence applications (broadly equivalent to previous years). Overall, applications have been returned within agreed service standards.</p>
Define JNCC's role in relation to biodiversity aspects of international forest and timber policy, and begin to develop advice to Government.	▶	Following a scoping study, proposals for JNCC's role in relation to international forest and timber policy have been developed, and will be refined and confirmed later in 2010.

Key performance indicator	Year end rating	Comments relating to performance
<b>Overseas Territories</b>		
<p>Provide advice to Overseas Territory governments, UK Government and others on key nature conservation issues:</p> <ul style="list-style-type: none"> <li>• by June 2009, prepare a draft UK Government strategy to support the work of Overseas Territories governments on biodiversity conservation in the Territories for the consideration of the Inter-Departmental Ministerial Group on Ecosystems and Biodiversity (IDMGEB), and contribute to implementation of the strategy as appropriate;</li> <li>• by December 2009, develop practical advice on adaptation to climate change within one region/Territory (to be extended to other Territories as demand requires by December 2010);</li> <li>• develop a costed action plan to address priority issues relating to non-native species in the Overseas Territories and Crown Dependencies.</li> </ul>	▶	<p>JNCC led work to draft a UK Government strategy for the conservation and sustainable use of biodiversity in the UK's Overseas Territories, and this was endorsed by ministers in 2009.</p> <p>In the second half of the year, additional funds were made available by Defra for work on invasive alien species in the Overseas Territories, and JNCC's priorities were adjusted accordingly. A suite of approximately 30 marine and terrestrial projects across 14 Territories were supported.</p>
<p>Facilitate with the UK science community a programme to address Overseas Territories and Crown Dependencies research priorities.</p>	▲	<p>A detailed three-year research work plan (to March 2012) has been agreed.</p>
<p>Provide advice, prepare guidance and arrange training to governments of the Overseas Territories and Crown Dependencies and others on funding sources for nature conservation projects.</p>	▲	<p>A training package to assist Overseas Territories to make applications for funding was made available during the year and was trialled in St Helena and the Falklands.</p> <p>JNCC led an application for EU funding (€1.6 million) to support invasive alien species projects in the Caribbean. The first stage of the application was successful and the final application was submitted in March 2010.</p>
<b>UK's Global Impacts</b>		
<p>Publish an annual overview of the links between UK (and devolved) economies and global biodiversity impacts, thematic reports on trade in</p>	▶	<p>Because other priorities for JNCC's international work arose during the year, the scope and nature of the global impacts reports were reassessed. The key themes</p>

Key performance indicator	Year end rating	Comments relating to performance
forest and food products, foreign direct investment and biofuels.		of forestry, food, bioenergy and investment will be integrated into a single report due to be completed in May 2010.
Maintain a website providing Government and other users with global trade and investment statistics and summary information on biodiversity in priority countries, and by March 2010 transfer selected content to the main JNCC website.	▶	The website was maintained throughout the year. Project website usage statistics have highlighted key areas of interest, and content will be moved to the JNCC website later in 2010.
<b>European Intelligence and Advice</b>		
Ensure that intelligence on priority EU policy areas affecting nature conservation (climate change, energy, land use and maritime) is effectively disseminated to the country conservation bodies and other key stakeholders, including through online systems.	▲	New web-based systems for providing EU intelligence to the country conservation bodies were successfully launched in 2009.
Analyse the work programme and priorities of the new European Commission and Parliament to assess implications for the work of JNCC and the country conservation bodies beyond 2009.	▲	Following the establishment of a new EU Commission and Parliament, JNCC prepared a forward look assessing the implications for the UK conservation bodies. Further in-depth analysis of European priorities is ongoing.
Provide advice on emerging EU policy developments linked to the budget review and stocktaking of the EU Sustainable Development Strategy, in particular for agriculture, territorial cohesion, energy and transport.	▶	Advice was provided on issues including: <ul style="list-style-type: none"> <li>• reform of the Common Agricultural Policy post-2013 and links to cohesion policy with regard to rural development measures and renewable energy;</li> <li>• sustainability criteria for biofuels;</li> <li>• <i>Europe 2020</i> (the successor to the Lisbon Strategy), including potential for integration with the Sustainable Development Strategy.</li> </ul>
Through links with the European Topic Centre for Biodiversity, support analyses for streamlining and harmonising future EU biodiversity policy (including reporting on the nature Directives, development of post-2010 targets for nature conservation and the use of Streamlining European 2010 Biodiversity Indicators).	▲	JNCC made a considerable contribution to EU governance of biodiversity issues by supporting UK participation in the EU Coordination Group for Biodiversity and Nature. Input included the preparation of a strategic paper on streamlining reporting.  Discussions with the country conservation bodies on post-2010 EU biodiversity targets helped to provide input to UK and EU discussions on this issue.



Key performance indicator	Year end rating	Comments relating to performance
<b>Sustainability Advice</b>		
By August 2009, work with the secretariat of the Convention on Biological Diversity, IUCN and other international partners to develop a policy/decision-makers guide to the ecosystem approach.	D	Due to changes in staffing this work was not progressed in 2009/10.
Provide technical input to the UK National Ecosystem Assessment and international initiatives such as the European Environment Agency's EURECA (European Ecosystem Assessment) project and further work under the Millennium Ecosystem Assessment, in particular to ensure synergies between the projects.	▲	In support of the National Ecosystem Assessment, JNCC engaged with the World Conservation Monitoring Centre to identify and mobilise data. An inter-agency group was established to co-ordinate engagement of the country conservation bodies in the Assessment.  The EURECA project has been on hold while the European Environment Agency concentrated on producing their State of the Environment Report.
Contribute advice on environmental economics and ecosystem goods and services to The Economics of Ecosystems and Biodiversity project (TEEB) through direct advice to the TEEB team and through Defra (final outputs to be produced by October 2010).	▲	In collaboration with Defra, JNCC provided advice on the main TEEB document laying out the underlying theory and on the document aimed at policy-makers.
<b>Conservation Advice</b>		
By June 2009, complete a review of JNCC's future role in setting UK-wide standards, in collaboration with the country conservation bodies and Government.	▲	The review was completed in September 2009. Further work on marine common standards is planned for 2010/11.
Make substantial progress towards a review of the UK's terrestrial SPA network.	▲	All preparatory work for the SPA review was completed, including developing an agreed workplan and establishing governance arrangements. A contractor was appointed for the data gathering phase, a method for reviewing the SPA network using these data was agreed, and the sub-group to do this work was established. Products will start to be delivered early in 2010/11.
Assess the need for revision of the guidance for selection of biological Sites/ Areas of Special Scientific	▲	Following consideration by the House of Commons Innovation, Universities, Science and Skills select committee,

Key performance indicator	Year end rating	Comments relating to performance
Interest (SSSIs/ASSIs), and agree a work plan for any revisions required.		JNCC agreed to publish a timetable for review of Sections A and B of the biological SSSI guidelines by June 2011. An inter-agency group has been set up to co-ordinate the review.
Complete the preparation of written text for a further four volumes of the Geological Conservation Review (GCR) series.	▶	Text, photographs and illustrations for two GCR volumes progressed to a print-ready form in 2009/10: <i>Fossil Arthropods</i> and <i>Mineralisation of England and Wales</i> . These will be printed in hard copy early in 2010/11. A further two volumes ( <i>Marine Devonian Stratigraphy</i> and <i>Quaternary of East Anglia and the Midlands</i> ) were sub-edited and most of the illustrations prepared, with a view to digital publication in 2010/11.
<b>Marine Management Advice</b>		
Ensure that 95% of requests for statutory advice on offshore industries are responded fully to within the relevant consultation period.	▲	JNCC responded to over 800 statutory consultations on offshore industry activities during 2009/10. Virtually all were responded to within the relevant consultation period
<p>Provide advice on offshore marine protected areas:</p> <ul style="list-style-type: none"> <li>• by seven months after Governmental go-ahead is given, report to Defra on the second public consultation on offshore Special Areas of Conservation (SACs). Consult and report on a third tranche of offshore sites, including Impact Assessment for each site;</li> <li>• develop and communicate conservation objectives and operations advice on offshore SACs and Special Protection Areas (SPAs) as they are recommended to Government and within 12 months of their notification to the European Commission;</li> <li>• in co-operation with the country conservation bodies, develop and communicate guidance for the development of conservation objectives and advice on Marine Conservation Zones/Marine</li> </ul>	▶	<p>The public consultation on SACs was delayed due to detailed consideration with, and within, Government on the Dogger Bank site. For other sites approved by Government for consultation, the consultation (initially anticipated to be undertaken in the second and third tranches) has been completed and the report will be delivered early in 2010/11. Preparation for a further tranche of site consultations is well advanced.</p> <p>Issue of formal conservation objectives and operations advice, and further development of management objectives for five candidate SACs, was delayed due to considerable additional work required to resolve issues raised prior to consultation on the Dogger Bank site.</p> <p>Informal and formal consultations were carried out for the Outer Thames and Liverpool Bay SPAs.</p> <p>Work on co-ordinating the approach to conservation objectives for Marine</p>

Key performance indicator	Year end rating	Comments relating to performance
Protected Areas.		Conservation Zones/Marine Protected Areas was progressed but not completed during the year.
By September 2009, start to implement an inter-agency influencing strategy for the 2012 review of the Common Fisheries Policy (CFP).	▼	A joint response from the GB conservation bodies to the European Commission's CFP consultation was submitted to the Commission, Defra and Scottish Government in December 2009. Little subsequent work was possible because resources were diverted to support essential work on marine protected areas.
Provide specialist advice to the UK Government and devolved administrations to support their proposals for new legislation to achieve sustainable use of the UK seas, and assess the implications of the legislative proposals for UK's international commitments for marine biodiversity.	▲	Advice was provided to both Defra and the Scottish Government. The UK Marine and Coastal Access Act and the Marine (Scotland) Act are now on the statute book.
<b>Marine Mapping and Ecosystem Assessment</b>		
Contribute to implementation of the OSPAR Convention and the EU Marine Strategy Framework Directive (MSFD), particularly to support regional implementation of the biodiversity assessment and monitoring requirements of the MSFD.	▲	JNCC staff provided technical advice on key biodiversity aspects of OSPAR and MSFD during the year. An important achievement was to ensure integration between developments at OSPAR level and the UK marine biodiversity surveillance programme. Co-ordination mechanisms with the country conservation bodies have been established.
Provide an updated broad-scale habitat map for UK waters, based on newly-available physical datasets and improved modelling techniques.	▲	A broad-scale modelled habitat map for UK marine waters was provided to key stakeholders, including regional Marine Conservation Zone projects. A final report and associated confidence maps for UKSeaMap 2010 will be delivered in summer 2010.
Acquire, develop or obtain access to data sets on human uses of the marine environment.	▶	Data layers for 70% of identified human uses of the marine environment have been obtained; these represent the highest priority activities. There is outstanding work to establish whether data are available for the remaining 30% of activities, and to source these.

Key performance indicator	Year end rating	Comments relating to performance
<b>Marine Protected Areas</b>		
<p>Progress work to recommend to Government a series of offshore Special Areas of Conservation (SACs), in parallel with work by the country conservation bodies in inshore waters, to fulfil Habitats Directive obligations:</p> <ul style="list-style-type: none"> <li>• recommend to Government two additional offshore SACs based on survey data obtained in 2007/08;</li> <li>• complete new survey and analysis of potential sites in offshore waters to enable the identification of a set of offshore SACs.</li> </ul>	▲	<p>Two new joint inshore/offshore SACs (Inner Dowsing, Race Bank and North Ridge, and Haisborough, Hammond and Winterton) were recommended to Government in June 2009. Revised advice on Dogger Bank was submitted to Defra in March 2010, following reconsideration of the scientific basis for its selection. An offshore survey programme was successfully completed in 2009.</p>
<p>Recommend to government a series of Special Protection Areas (SPAs) in offshore waters, in conjunction with parallel work by the country conservation bodies in inshore waters (based upon survey and analyses by JNCC), to fulfil Birds Directive objections:</p> <ul style="list-style-type: none"> <li>• complete analysis of European Seabirds at Sea 'offshore' data in support of possible SPA identification and advise stakeholders of results;</li> <li>• complete survey and analyses for a further 10 inshore areas of search for potential SPAs;</li> <li>• establish area/colony-specific research and survey aimed at identifying marine SPAs for breeding terns;</li> <li>• complete analysis of breeding red-throated diver data in support of possible SPA identification and advise stakeholders of results;</li> <li>• identify a provisional network of marine SPAs in UK waters.</li> </ul>	▶	<p>The 'offshore' strand of work progressed well. Following scientific peer review, a report has been finalised and will be published early in 2010/11.</p> <p>Survey and analyses for nine inshore areas of search were completed during the year. The inshore survey programme will probably be completed in winter 2010/11.</p> <p>The first year's fieldwork aimed at identifying additional SPAs for terns was successfully completed and the data analysed.</p> <p>Little progress was achieved in taking the breeding red-throated diver work forward.</p> <p>31 existing seabird colony SPAs were extended into the marine environment following JNCC's advice to Scottish Government.</p>
<p>Deliver the milestones relevant to JNCC in 2009/10 of the Marine Conservation Zone (MCZ) project plan agreed by the UK Governments:</p>	▶	<p>JNCC and Natural England have made substantial progress in taking forward the English MCZ project and four regional projects are now well established.</p>

Key performance indicator	Year end rating	Comments relating to performance
<ul style="list-style-type: none"> <li>• work in partnership with Natural England to establish and progress four regional Marine Conservation Zone projects to engage stakeholders in recommending an ecologically coherent England MPA network;</li> <li>• finalise ecological guidance and provide to England MCZ regional projects to enable them to identify MCZs that satisfy UK MPA objectives;</li> <li>• establish and progress a stakeholder advisory group to facilitate the engagement of national and international stakeholders in the England MCZ project;</li> <li>• in partnership with Scottish Government and SNH, establish and progress a Scottish Marine Protected Area Project to recommend MPAs in Scottish offshore waters.</li> </ul>		<p>JNCC made a major contribution to the Ecological Network Guidance for the England MCZ Project and Scottish MPA guidance, both of which were finalised during the year. Welsh MCZ guidance is in progress with input from JNCC.</p> <p>Engagement with national and international stakeholders did not progress as fast as planned because of recruitment delays and other resource constraints.</p> <p>Good progress was made towards establishing a Scottish MPA Project in collaboration with SNH and Marine Scotland. A detailed project plan will be adopted in early 2010/11 when the project is formally launched.</p>
<p><b>Marine Surveillance and Monitoring</b></p>		
<p>Initiate developmental work, in a joint project with the country conservation bodies, that will define options for an operational monitoring programme for marine habitats, birds, cetaceans and other marine features that will meet UK statutory and policy requirements in an integrated manner.</p>	<p>▲</p>	<p>Plans for the development of proposals for operational surveillance and monitoring programmes for marine habitats, birds and cetaceans and MPAs were extended in scope from England and UK offshore waters to all UK waters. Work has been undertaken with OSPAR and MSFD, and in building relationships with key stakeholders across the UK, to integrate requirements and to jointly deliver a number of 'proof of concept' surveys. Other specific milestones delivered during the year include: development of monitoring strategy objectives; review of indicators; review and initiation of sampling model development and options for selecting sample habitats; production of a broad-scale modelled habitat map; assessment of survey approaches for waterbirds and analysis of gaps in existing cetaceans data.</p>

Key performance indicator	Year end rating	Comments relating to performance
<b>Surveillance and Monitoring</b>		
<p>By May 2009, provide updated long, medium and short-term trends for selected bird, butterfly and mammal species using data up to the end of 2008, and by February 2010 improve the online mechanisms for accessing trend information and data for breeding seabirds, plants and an invertebrate group.</p>	▲	<p>Trends for bird, butterfly and mammal species using data from 2008 were published during the year. Pilot versions of online reporting for seabirds, grasshoppers/crickets (Orthoptera) and vascular plants were published and evaluations completed.</p>
<p>By March 2010, provide advice on cost-effective, innovative and integrated approaches to surveillance and monitoring of biodiversity for evaluation of key pressures and to inform policy development including:</p> <ul style="list-style-type: none"> <li>• invasive non-native species;</li> <li>• climate change impacts;</li> <li>• atmospheric pollution;</li> <li>• emerging threats;</li> <li>• land use/land cover change.</li> </ul>	▲	<p>An assessment of the evidence base and reporting of surveillance data for invasive non-natives, climate change, atmospheric pollution, land competition and land management change was completed in March 2010, and included recommendations for changes to current surveillance and reporting.</p>
<p>By October 2009 establish the Terrestrial Biodiversity Surveillance Strategy Implementation Group (TBSSIG) to co-ordinate surveillance between the agencies and with other partners as a contribution to the Environmental Observation Framework.</p> <p>By March 2010 provide an assessment of country agency and JNCC plans to address requirements under Article 11 and 17 of the Habitats Directive for monitoring, surveillance and reporting.</p>	▶	<p>The TBSSIG was successfully established.</p> <p>Principles for assessing Habitats Directive surveillance needs were agreed with the country conservation bodies. A summary of implementation planning progress was completed, and will be considered by Government and agencies in April 2010.</p>
<p>Complete a review of the bird surveillance portfolio of the programme and identify requirements for further alignment with the surveillance strategy.</p>	▲	<p>A new six-year bird and environmental monitoring agreement with the British Trust for Ornithology was launched in February 2010. It will provide data for biodiversity strategy indicators and improved interpretation of the factors affecting biodiversity.</p> <p>A revised three-year programme of goose and swan monitoring was agreed with SNH and the Wildfowl and Wetland Trust,</p>

Key performance indicator	Year end rating	Comments relating to performance
		and will deliver information to support policy decisions and assess the rapidly changing status of species for which the UK has a significant international responsibility.
Identify a suite of existing initiatives (including global best practice, European projects and country-level work) that can be used to determine whether remote sensing and other new approaches can provide a cost-effective way of assessing the extent and condition of priority habitats.	▲	Collaboration was established between European partners to apply Global Monitoring for Environment and Security remote sensing to habitat monitoring and management. A research project has been scoped that will summarise UK best practice and user requirements to enable the UK to meet its needs through European collaboration.
<b>Access to Information</b>		
<p>By March 2011, ensure that there are no significant technological barriers to efficient data capture and exchange of biodiversity data across the voluntary sector in the UK. By March 2010:</p> <ul style="list-style-type: none"> <li>• review how the current suite of tools and guidance are supporting the flow and quality of data about biodiversity within the UK and develop an action plan (agreed across the country conservation bodies) for how it can be improved;</li> <li>• pilot a trial of data exchange and verification between a national scheme and a selection of local record centres;</li> <li>• extend the capability of the National Biodiversity Network (NBN) to meet basic requirements for the exchange and use of habitat data.</li> </ul>	▶	<p>Most of the technical barriers have been addressed. In particular, 2009/10 saw the emergence of a web-based data capture system and a data validation tool. It is hoped to roll these out in June 2010.</p> <p>Considerable progress was made with guidance around data flow and quality following discussion with all relevant parties. An action plan will be finalised by summer 2010.</p> <p>Collaboration with the Botanical Society of the British Isles has enabled improvements to be made in their own data management and their role with regard to local record centres.</p> <p>Version 3.4 of the NBN Gateway (rolled out in March 2010) included a basic presentation of habitat data.</p>
Review the barriers to the flow of biodiversity data across Europe and identify any generic action needed to address this, focusing on the potential reuse of tools and standards developed within the UK.	▶	JNCC's involvement with European partners has provided a good overview of the various data initiatives across Europe, helped to identify problems and develop a forward strategy (particularly in relation to species data). The most critical elements relate to INSPIRE and the Shared Environmental Information System, and further work over the coming months will clarify the optimal role for these initiatives

Key performance indicator	Year end rating	Comments relating to performance
		in relation to biodiversity data and the initiatives already in existence.
Restructure the JNCC website to reflect the JNCC's refreshed strategy and establish a reliable on-going editorial process to maintain its currency.	▲	A revised JNCC website, including an improved revised menu structure, 'look and feel', and high-level content, was launched in March 2010.
<b>Policy-relevant Information and Reporting</b>		
<p>Provide information that integrates research results, surveillance and monitoring data and published materials to assist JNCC, country conservation bodies and others to meet their biodiversity evidence requirements:</p> <ul style="list-style-type: none"> <li>• contribute to Charting Progress 2 by providing lead authorship of key chapters by May 2010, using this as an opportunity to develop better methodologies for habitat assessments and to improve the availability and accessibility of marine information;</li> <li>• support the Defra publication of UK 2010 biodiversity indicators in May 2009 and their further development and update in 2010;</li> <li>• provide evidence in the form of targeted reports and web-based data and information to support JNCC's and country conservation bodies' advice on invasive alien species, climate change, land use (including Common Agricultural Policy reform), pollution and emerging threats to biodiversity;</li> <li>• by September 2009, compile evidence and produce a report to support country implementation of priority habitat and species action plans, to assist reporting on the outcome of biodiversity actions, and to start the process of agreeing how to measure success.</li> </ul>	▲	<p>JNCC provided chapters covering habitats, birds, cetaceans and turtles for Charting Progress 2 by December 2009, and contributed to the summary report; final publication is due July 2010. Work was initiated to investigate a more continuous flow of information and assessment process.</p> <p>UK 2010 biodiversity indicators were published in May 2009 and aided development for publication of the update in May 2010.</p> <p>A review of how well surveillance detects pressures on biodiversity was completed in March 2010. Targeted reports for invasive water moulds (<i>Phytophthora</i>) helped establish the scope of research commissioned by Defra and further information was provided via JNCC's website. Advice was given to ensure the Non Native Species portal delivered policy-relevant evidence, and research was commissioned to improve the evidence from surveillance data of pollution impacts by mid-2010.</p> <p>Baseline information on Biodiversity Action Plan priority species was compiled and provided to countries. A paper reviewing options for country biodiversity strategy reporting and linking this to European Directive and Convention on Biological Diversity reporting was provided to the UK Biodiversity Partnership Steering Group.</p>



Key performance indicator	Year end rating	Comments relating to performance
<p>Contribute to the establishment of a more effective science-policy interface for international biodiversity decision taking:</p> <ul style="list-style-type: none"> <li>• develop and promote an overarching strategy and view of how existing international science initiatives fit together;</li> <li>• contribute to and influence international surveillance and monitoring initiatives such as the Global Biodiversity Observation Network (GEO-BON);</li> <li>• influence the design of international reports and assessments that feed science and evidence into decision-taking processes, including follow-up to the Millennium Ecosystem Assessment;</li> <li>• participate in the development and work of international science bodies and platforms such as the Intergovernmental Platform on Biodiversity and Ecosystems Services (IPBES).</li> </ul>	▲	<p>JNCC contributed to the establishment of a UK position on international science policy interfaces and successfully represented this position at meetings to prepare for a global mechanism (IPBES) and in Europe.</p> <p>After reviewing the key initiatives for their impact on meeting biodiversity monitoring needs, Global Monitoring for Environment and Security (GMES), an EU programme, was judged the priority to influence this year, rather than GEO-BON which is developing more slowly. JNCC provided advice on the regulation establishing the interim operational phase of GMES, and worked with CCW, the European Nature Conservation Agencies network, and the European Commission to establish a mechanism for applying GMES to biodiversity.</p> <p>JNCC also helped to shape the future international science policy interface through producing and promoting the UK fourth national report to the Convention on Biological Diversity, participating in the European Platform for Biodiversity Research Strategy, and advising on the global framework of post-2010 biodiversity targets and indicators.</p>
<p>Identify the most effective options for undertaking research to meet the needs of JNCC, and nature conservation more broadly, and start to influence research funding bodies and researchers accordingly:</p> <ul style="list-style-type: none"> <li>• by July 2009, provide an effective interface with the Living with Environmental Change (LWEC) research programme;</li> <li>• develop and implement a system for capturing emerging research priorities;</li> <li>• engage with international and European biodiversity research programmes, in particular Biodiversa and European framework programmes.</li> </ul>	▶	<p>JNCC successfully engaged with European research co-ordination mechanisms, in particular, the Biodiversa 2 project which obtained EU funding and for which JNCC is an integral partner.</p> <p>JNCC influenced research funding priorities via support to the Biodiversity Research Advisory Group, advice on a Defra review of research development, and advice on the review of the Environmental Research Funders Forum.</p> <p>Further work is needed to establish stronger links with the LWEC network.</p>

Key performance indicator	Year end rating	Comments relating to performance
<b>Governance and Corporate Services</b>		
Review the Governance and Support Services programme, identify priority actions to further improve its efficiency and effectiveness, and prepare a timetable for implementation.	▲	The review was completed and an action plan drawn up. Issues identified included enhancing IT systems, eliminating unnecessary procedures, and collaborative working. Benchmarking will be undertaken to ensure that service provision is at the appropriate level.
Deploy a new information management system for unstructured records that incorporates the creation of a new electronic directory structure that better reflects the functions of the JNCC, a new set of policies and guidelines that assist staff in the management of electronic documents through their lifecycle, and a new search engine that facilitates the searching of both the old and new directory structures.	▶	Substantial progress was made in developing a new information management system but the target will not be fully achieved until autumn 2010. The main achievements during the year were agreement on the top levels of a corporate directory structure, preparation of key draft policies, and development of a search engine.
By June 2009, implement changes to JNCC's governance arrangements in line with the strategy review and by March 2010 align JNCC work programmes with the new strategy.	▲	JNCC's corporate governance documentation was revised in line with the strategy review. Alignment of JNCC work programmes with the strategy is reflected in the 2010/11 business plan, which also reflects UK and devolved governments' priorities.
Implement a structured approach to stakeholder relationship management and to the communication of key advice and information arising from JNCC's work programmes.	▶	Substantial progress has been made in developing JNCC's communication approach. This includes the development of key messages and new approaches to corporate publications and web delivery. The stakeholder relationship management component of the target has been scoped.



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