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JNCC SUPPORT CO.
BOARD OF DIRECTORS

THIRD QUARTER MONITORING REPORT 2006/07

Paper by David Burton and Andy Harley

1. Introduction

- 1.1 The following report provides information on progress against programme performance indicators and on the financial position of the JNCC Support Co. for the period to 31 December 2006.
- 1.2 The Board is asked to **approve** the change in targets detailed in paragraph 3.5 and **note** this report and the attached tables.

2. Finance

- 2.1 The following section provides information on the financial position of the JNCC Support Co. for the third quarter of the financial year 2006/07. This is the first report produced using the new finance system.
- 2.2 Financial performance is illustrated by the following annexes:

Annex 1. Operating budget by programme. This shows net expenditure for each programme against budget for the period until 31 December 2006 and the anticipated net expenditure for the year.

Annex 2. Expenditure and income against budget – major variances. This shows major adjustments to budgets.

Annex 3. Operating budget by parliamentary head. This shows the gross expenditure and income, analysed across parliamentary heads, for the period until 31 December 2006, and the anticipated net expenditure for the full year.

- 2.3 For the period up to 31 December 2006 net expenditure was £4,255k, representing 79% of the corresponding year-to-date budget. This indicates an underspend, and appears to reflect the typical pattern of JNCC expenditure which historically is skewed towards the end of the financial year.
- 2.4 Looking at the projected full-year position, taking into account committed and earmarked expenditure, the figures demonstrate a reduction in net expenditure of just over £100,000 relative to the budget currently in place. This represents a substantial reduction in the budget over-allocation of £163,000. There remains an

over-allocation of approximately £61,000 to be managed down to zero by year end.

- 2.5 The current financial position does not give cause for concern, save that it remains essential that expenditure is closely monitored in the run in to year-end.
- 2.6 The table below summarises the financial position.

2006/07	Original Budget	Proposed Budget Q3
	<i>£'000</i>	<i>£'000</i>
Total expenditure	8,013	8,574
Total income	895	1,536
Amount to be funded by GIA	7,119	7,038
Anticipated GIA	6,977	6,977
Over-allocation against GIA	142	61

3. Programme performance indicators

- 3.1 A range of targets has been set for projects and programmes which are monitored each quarter by Programme Leaders in conjunction with Project Managers. EMB monitor 29 key performance indicators. These are laid out in Annex 4.
- 3.2 Performance against the performance indicators agreed in the 2006/07 business plan is generally good, with 25 (86%) achieving a performance rating which suggests that targets will be achieved by the end of the year.
- 3.3 Two performance indicators will definitely not be achieved during 2006/07. Analysis of the JNCC's contribution to the WSSD 2010 biodiversity target has been deferred until 2007/08 because resources have been redirected to undertake work in support of the Inter-Departmental Ministerial Group on Biodiversity. Publication of GCR volumes has been delayed by various factors.
- 3.4 Two other performance indicators (establishing a coherent suite of biological and geological targets, and finalising strategies for surveillance, reporting and research) are considered to be at significant risk of failure.
- 3.5 Owing to the very late receipt of the JNCC's financial settlement for 2006/07 the Business Plan was not finalised until summer 2006. Two changes were made to targets in the final plan, which although approved by the Executive Management Board (EMB), were not subsequently reported to the Company Board. Owing to resource constraints and uncertainty arising from the Defra strategy review it was decided to delete the target in the European Advice programme relating to developing a plan of engagement with UK Eastern Europe, Caucasus and Central Asia policies. The EMB also approved a change in the target in the Standard and Target Setting Programme to reduce the number of volumes of the Geological Conservation Review series published in 2006/07 from six to three. Approval of these two changes is now being sought.

Annex 1. Operating budget by programme (figures £'000)

9 Months to 31 December 2006			Programme	2006/07 budget	Net expenditure plus earmarked and commitments	%age of budget utilised	Estimated annual figures			
Year to date net expenditure	Year to date budget	Variance over/(under) budget					Original budget	Revised budget Q2	Budget adjustments	Proposed budget Q3
-17	37	-55	Global Advice	50	-13	-25.0%	50	50	-6	44
14	23	-8	Overseas Territories	30	24	79.4%	25	30	0	30
22	21	1	UK's Global Impact	28	24	86.2%	28	28	0	28
87	93	-6	European Advice	124	110	88.6%	125	124	0	124
74	249	-175	UK Advice	332	518	156.2%	310	332	-64	268
-41	155	-196	Marine Mapping and Area Protection	207	254	122.6%	207	207	-85	123
22	46	-24	Standard and Target Setting	62	103	166.0%	53	62	0	62
-6	5	-11	Strategy for Surveillance, Reporting and Research	7	-2	-31.5%	9	7	0	7
524	886	-362	Surveillance and Monitoring	1,181	1,173	99.3%	1,183	1,181	7	1,188
7	49	-42	Access to Information	65	129	198.5%	68	65	7	72
-50	-6	-44	Policy-relevant Information and Reporting	-8	-49	610.5%	20	-8	0	-8
607	669	-61	Support Services	892	878	98.4%	892	892	26	918
3,011	3,128	-117	Salaries	4,171	4,175	100.1%	4,150	4,171	12	4,183
4,255	5,355	-1,100	Total	7,140	7,323	102.6%	7,119	7,140	-102	7,038
							Grant-in-Aid	6,977	6,977	6,977
							Over/(under) Grant-in-Aid	142	163	61

Annex 2. Expenditure and income against budget – major variances

Global Advice	£'000	Comment
<i>Net variance adverse/(favourable)</i>	(5.6)	Return of £5.6k due to cancellation/rescheduling of meetings.
<i>Expenditure</i>	(5.6)	
<i>Income</i>	0	
UK Advice		
<i>Net variance adverse/(favourable)</i>	(63.8)	Major increases in expenditure for advice on offshore industry matched by income, and further offset by additional salaries income from DTI. £14k return from climate change project.
<i>Expenditure</i>	237.5	
<i>Income</i>	(301.3)	
Marine Mapping and Area Protection		
<i>Net variance adverse/(favourable)</i>	(84.5)	All additional income (for selection of offshore Natura 2000 sites) matched to additional expenditure. Significant returns from marine SPAs (£65k) and MESH (£5k) and virements to salaries for new posts (£11.5k).
<i>Expenditure +/-</i>	150.0	
<i>Income +/-</i>	(234.5)	
Surveillance and Monitoring		
<i>Net variance adverse/(favourable)</i>	7.2	Additional expenditure largely matched by additional income, but £7k required to meet commitments for Countryside Survey scoping work and because of under budgeting for bird surveillance.
<i>Expenditure</i>	19.6	
<i>Income</i>	(12.4)	
Access to Information		
<i>Net variance adverse/(favourable)</i>	7.2	Additional funds required to fund JNCC contribution to GBIF membership and work on the Clearing House Mechanism, offset by return from UK BAP website.
<i>Expenditure +/-</i>	7.2	
<i>Income +/-</i>	0	
Support Services		
<i>Net variance adverse/(favourable)</i>	26.2	Additional expenditure required for replacement video-conferencing equipment, showers and work on document management.
<i>Expenditure +/-</i>	29.4	
<i>Income +/-</i>	(3.2)	
Salaries		
<i>Net variance adverse/(favourable)</i>	11.5	Additional expenditure vired from Marine Mapping and Area Protection programme, therefore overall neutral effect on JNCC.
<i>Expenditure +/-</i>	11.5	
<i>Income +/-</i>	0	

Annex 4. Key performance indicators for programmes

Definitions of scores:

- 5** Target completed or in advance of target
- 4** On-track at present, no apparent risk of falling behind target
- 3** Target not at risk but additional action required to either bring back on-track or avoid risk of project falling behind target in future
- 2** Currently not on-track with a significant risk of failure - action required
- 1** Severely behind schedule - no possibility of meeting overall target
- 0** Target delayed or cancelled - remove from target list

Programme	Key performance indicator	Q2 Performance rating	Q3 Performance rating	Trend	Comments relating to performance
Strategic Vision	By March 2007, develop a framework of targets, strategies and other measures for nature conservation to a sufficient degree to enable advice to be produced for Government and other key stakeholders of what developments to the UK Biodiversity Action Plan will be needed to help achieve the vision for wildlife and natural features.	4	3	↓	There has been limited progress during the third quarter on the Framework itself as the 'targets' aspect of the Framework that remains to be completed has proved most challenging. However, links have been made between work on the Framework and the future direction of the UK Biodiversity Action Plan. It is intended that the Framework will be used increasingly to inform JNCC's advice from now on.
Global Advice	Provide high-quality scientific input to meetings of the technical groups in support of the Convention on Biological Diversity, the Convention on International Trade in Endangered Species, the Ramsar Convention, the Bonn Convention and the World Heritage Convention	4	4	—	Input to relevant meetings is on target. The only major meeting during the third quarter was a Convention on Biological Diversity meeting on island biodiversity in Bangkok in December.
	By June 2006, analyse the JNCC's contribution to the WSSD 2010 biodiversity target and associated UK implementation plan	3	1	↓	This target will not be completed in 2006/07. Work in this area has been displaced by other work in support of the Inter-Departmental

Programme	Key performance indicator	Q2 Performance rating	Q3 Performance rating	Trend	Comments relating to performance
					Ministerial Group on Biodiversity.
Overseas Territories	By September 2006, undertake an analysis of the JNCC's current and potential role and future strategic direction in supporting nature conservation work in the Overseas Territories and Crown Dependencies, (linked to the Defra WSSD delivery plan for international biodiversity). Develop concurrently a funding, implementation and influencing strategy for the same	3	3	—	The first part of the target was completed in June 2006. The development of a full implementation plan will probably be deferred to 2007/08 as it will be taken forward by JNCC's new Overseas Territories adviser (appointed in February 2007). In the meantime, good progress has been made in securing external funding for collaborative projects in the Overseas Territories.
	Provide high-quality scientific advice on implementation of the Memorandum of Understanding on the Conservation and Management of Marine Turtles in the Indian Ocean and SE Asia and the Agreement on the Conservation of Albatrosses and Petrels (ACAP)	4	4	—	JNCC contributed to the 2 nd Meeting of the Parties to ACAP in New Zealand in November 2006. Negotiations to enable a JNCC-employed ACAP/fisheries post based in the Falklands are being finalised. No meetings in support of the turtle agreement are scheduled for this year.
UK's Global Impact	By June 2006, identify a list of issues and geographical areas for priority action, based on an analysis of trade, tourism and overseas investment data	4	4	—	A methodology for prioritisation and the data to support this has been developed based on JNCC work and Defra research. Priority issues for the remainder of the year will be trade and business investment impacts on biodiversity, focussing on a set of core countries.
	By October 2006, develop an information model (based on a web delivery mechanism) for management of the relevant information, linking trade, investment and tourism data to biodiversity	4	5	↑	The information model has been completed.
	By January 2007, develop specific case studies, using example commodities or specific	4	4	—	Some case studies have been assembled and others are available through Defra work.

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	activities, to illustrate methods for manipulating information, assessing impacts on biodiversity and identifying opportunities for developing policy based on this analysis				Preliminary work on biofuels has been completed , and a joint project with the International Institute for Environment and Development is being established for 2007. Policy advice options for other commodities will be developed in February.
European Advice	Support Defra in improving the EU Sustainable Development Strategy and in influencing the EU Marine Thematic Strategy and the Maritime Green Paper process.	4	3	↓	Work on the Sustainable Development Strategy has been completed. Work on the marine components of the target has been affected by problems in recruiting a marine policy officer. Existing resources will be used to complete the work as far as possible.
	Complete a significant contribution to the production of the European Commission guidance for Marine Natura 2000	5	5	—	Completed.
UK Advice	By September 2006, develop a clear strategy and role for the JNCC in the consideration of climate change and nature conservation	5	5	—	At their September meeting the Joint Committee endorsed a list of priorities for UK and international work on climate change and nature conservation. The Committee also approved the establishment of a new inter-agency Climate Change Forum to co-ordinate the implementation of these priorities. The first meeting of the Forum was held in December.

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	By December 2006, develop case studies and tools for implementing the ecosystem approach as a practical mechanism for achieving sustainable development	4	4	—	Available case studies have been placed on the revised UK Clearing House Mechanism website, which will go live later this year. Further case studies are currently being developed. A manual for application of the ecosystem approach is being developed jointly with the Convention on Biological Diversity secretariat, and should be completed by April.
	By December 2006, develop an approach for using socio-economic information to support nature conservation advice and the development of conservation strategies	4	5	↑	Two priorities for JNCC's work on environmental economics have been identified: a) enhancing decision-making through the valuation of ecosystem goods and services, and b) developing incentives and financing for the conservation and sustainable use of biodiversity. These approaches are being tested through projects at global, European and UK scales.
Marine Mapping and Area Protection	By June 2006, develop broadscale maps of seabed and water column features for the UK Continental Shelf	5	5	—	Broadscale maps for seabed and water column for UK waters are complete, and the maps are available via a web GIS application. The final report has been completed and will be published in January 2007.

Programme	Key performance indicator	Q2 Performance rating	Q3 Performance rating	Trend	Comments relating to performance
	<p>Recommend to Government a series of Special Areas of Conservation (SACs) in the offshore marine zone, in conjunction with parallel work by the country agencies in the inshore zone to fulfil EC Habitats Directive obligations, aiming to have completed advice on 60% of the site series by 2010</p>	3	3	—	<p>Recommendations for offshore SACs based on existing data are well advanced; new collaborative surveys are underway. Enhanced funding for 2006/07 from Defra was received in spring 2006 to speed up the survey programme, which led to an extensive tender exercise and work to establish an enhanced survey programme for 2006/07 and subsequent years. Currently, there is still uncertainty over the scale of enhanced funding for future years.</p>
	<p>Recommend to Government a series of Special Protection Areas (SPAs) in the offshore marine zone, in conjunction with parallel work by the country agencies in the inshore zone, to fulfil EC Birds Directive obligations; by December 2008, complete guidance on seaward extensions of seabird breeding colony SPAs, analyse data for at least nine inshore aggregations of non-breeding birds and progress the identification of offshore seabird aggregations</p>	4	3	↓	<p>Generic guidance on the selection of SPA extensions for red-throated divers, and survey and analysis of data for inshore and offshore aggregations of seabirds is progressing. Tern and shag work requires additional funding.</p>

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Standard and Target Setting	By March 2007, publish a further three volumes of the Geological Conservation Review series, with the aim of completing publication of the series by December 2007.	2	1	—	The GCR publications project has again been beset by difficulties, with authors being unable to produce materials to the agreed timetable. Two volumes are being worked on in a production sense by JNCC (Quaternary East Anglia and Mass Movements), one of which will be published before the end of the financial year. Four complete texts are due to be submitted in the 4th quarter of 2006/07, ready for refereeing.
	By December 2006, work with the country agencies and Government to establish a coherent suite of biological and geological targets that will cover existing international obligations and deliver the vision for wildlife and natural features	2	2	—	Defining targets has proceeded in conjunction with work on the Framework for UK Nature Conservation; scoping the targets has been discussed with the Joint Committee's Vision Sub-Group but more work is needed to establish a coherent suite of biological and geological targets.
Strategy for Surveillance, Reporting and Monitoring	By March 2007, finalise strategies for surveillance, reporting and research following consultation with key stakeholders	3	2	↓	The strategy is evolving through active consultation, including with the country agencies, but it is unlikely to be finalised by March 2007. Finalisation of the strategy will only be after more consultation and early lessons from implementation.

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Surveillance and Monitoring	Annually, or periodically as appropriate, ensure that surveillance is undertaken in relation to breeding land and sea birds, non-breeding water birds, bats and selected other mammals, butterflies and a selected range of other threatened species	4	4	—	Commissioned surveys are proceeding according to plan.
	By December 2006, produce initial frameworks for marine and terrestrial habitat surveillance, piloting how to co-ordinate, analyse, interpret and enhance existing effort to provide better support for global and European biological and geological diversity targets	3	3	—	A framework for habitats surveillance has been written and validated through discussion with the country agencies. A marine framework is due to follow in the last quarter.
	By March 2008, deliver a revised flow of annual/periodic status and trend measures for species and habitats much more closely aligned with target setting, outcome measures and advice, so that, through wildlife statistics, the surveillance is relevant to a broad range of cross-cutting policies in addition to informing species and site-based conservation	4	4	—	The December Joint Committee meeting discussed a paper defining how the flow of status and trend measures will be revised. Changes that require alterations to our contracts will be built in as contracts are renewed.

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Access to Information	By March 2007, review the higher level structure of the JNCC website and develop a costed plan for the complete redevelopment of the site to improve navigation and better reflect the JNCC strategy	2	3	↑	This target is still at risk owing to a shortage of staff time. Discussions are currently taking place to prioritise work for the remainder of this financial year.
	By March 2007, consolidate the species component of the NBN Gateway and ensure the system is both secure and reliable and has adequate documentation of the technology to allow longer term support	3	4	↑	On track for completion by the end of the financial year.
Policy-relevant Information and Reporting	By December 2006, plan for incorporation of marine statistics into the programme	3	3	—	Some progress is being made on obtaining fish and phytoplankton data. Links have been made to the UK Marine Monitoring and Assessment Strategy, which is starting to deliver a clearer understanding of the marine content that could be made available.
	Progressively, and by 2008, publish annual statistics on the status of UK wildlife sufficient to support all relevant policy needs	3	3	—	Following the launch of the wildlife statistics website in June 2006, further work is envisaged in the fourth quarter and the first quarter of 2007/08.
	By April 2007, contribute to the reporting of favourable conservation status, the refreshing of the UK Biodiversity Action Plan, and the production of the UK biodiversity indicators	4	4	—	Work is underway to contribute to all the components of this target. Additional work is being undertaken to prioritise the various pressures on biodiversity and plan how to address these pressures.

Programme	Key performance indicator	Q2 Performance rating	Q3 Performance rating	Trend	Comments relating to performance
Support Services	By October 2006, ensure the successful implementation of a new financial system and associated procedures	4	4	—	The first phase of implementation was completed in October 2006. Phase 2 is now being implemented and will be completed by March 2007.
	By March 2007, produce a Sustainable Development Action Plan for the JNCC	4	4	—	A draft Sustainable Development Action Plan was presented to the Executive Management Board in December.