

Title: **Board Q3 Performance Report**

Date: **03 February 2021**

Purpose:	For Decision
How does this link with our corporate priorities of improving biodiversity or delivering nature-based solutions to climate change	Provides progress on delivery of our corporate priorities and support with government priorities, including an update on the National Performance Framework (NPF) Indicators that we lead reporting on, or contribute towards.
Summary:	This paper provides Board with an assessment of performance towards delivering the 2020/21 Q3 Interim Business Plan. It provides a Dashboard and Summary addressing Performance, Finance, Risk, People metrics and an update on National Performance Framework (NPF) Indicators and customer care measures.
Actions	n/a
Recommendations:	The Board is asked to note the Quarter 3 report and confirm it is content with overall progress to date, the headline achievements and the opportunities & issues identified.
Report Author(s): Sponsor:	Authors – Directors, Deputy Directors, Outcomes Managers, Finance, Planning & Performance Team, People & OD Team Sponsors – Stuart MacQuarrie and Jane Macdonald
Appendices:	Annex A – NPF indicator updates and Customer Care

Purpose

1. This paper presents NatureScot's performance for the third quarter of 2020/21. It addresses progress towards achieving the priorities of our Q3 Interim Business Plan aligned to the Outcomes set out in *Connecting People and Nature: Year 3*, NatureScot's Business Plan for 2020/21. These Outcomes support delivery of our Corporate Plan 2018-22, *Connecting People and Nature*.

Summary

2. Q3 saw the re-introduction of tighter restrictions in some areas of the country. Whilst this has resulted in some slippage with planned work, we have continued to make good progress across the range of our priorities. Performance remains green in all Outcomes apart from *The Health & Resilience of Scotland's Nature is Improved* where slippage has put the Outcome delivery under pressure.

3. **More People Benefitting from Nature (Eileen Stuart, Interim Director Nature & Climate Change)**

We have seen investment across green recovery and visitor management activities including the publication of the SPANS 2019/20 survey, the Scottish Outdoor Access Code and development of a Green Tourism approach with Visit Scotland. Our investment in Green Infrastructure (GI), National Walking & Cycling Network, and landscape partnership projects continues to support visits to the outdoors. We have also made early commitments to continue funding our delivery partners through grants and projects including community and ranger services for next year. The Green Recovery Better Places fund was released and the Natura Conservation Advice Packages are now either completed or under our quality assurance process. Slippage in this Outcome relates to tender issues for delivering investment options to support income generation and diversification on our National Nature Reserves. A new approach to this is being considered to advance progress. Wider discussions on improving the effectiveness of the current approach to Protected Areas have been challenging due to Covid-19 and have resulted in the Board paper being delayed until Q1 2021/22.

4. **The Health & Resilience of Scotland's Nature is Improved (Eileen Stuart, Interim Director Nature & Climate Change)**

The Biodiversity Challenge fund (BCF) Phase 3 was launched this quarter. We also saw the publication of The Biodiversity Statement of Intent and the State of UK Birds report during December, with significant input from NatureScot, along with trend data on wintering wader birds and Scotland's Marine Assessment. A further 12 SPAs for marine birds and 4 MPAs for mobile species (e.g. basking shark), habitats and geodiversity interests were announced by the Minister on 3 December. The impact of Covid-19 has resulted in some

slippage to the current BCF funding, and work to support managing the Scottish MPA network and safeguarding Priority Marine Features. Extensions have been agreed into next year for BCF and new staff are in place in partner organisations to take the marine work forward. Delays by the lead partner JNCC for the Marine recorder rebuild and implementing the Scottish MPA Monitoring Strategy have also seen the rebuild moved to next year. The strategy however is likely to be significantly progressed with recent input from Chief Scientist's Group.



























5. More Investment in the Management of Scotland's Natural Capital (Robbie Kernahan, Director of Sustainable Growth)

There have been a number of notable announcements during Q3 which we are involved in. These include the government's response to the Werritty Review on Grouse Moor Management; the Climate Change Plan Update, Scotland's Future Fisheries Management Strategy and the decision to open a new round of Agri-Environment Climate Scheme (AECS) in 2021. Work funded by NatureScot has helped to deliver the new UK Land Carbon Registry for Woodland and Peatland Carbon, we have been helping develop new approaches for Agricultural reform and started to develop the Blue Economy Action Plan. Work was also started on developing the Scottish Marine Environment Enhancement Fund on behalf of the offshore wind industry, Crown Estate Scotland and Marine Scotland. Peatland action remains on target to deliver 4,000 hectares this year, including the grants we manage for Cairngorm National Park Authority. All key deliverables are currently on course to deliver by the end of March.



6. We have transformed how we work (Jane Macdonald, Director Business Services and Transformation)

Q3 has continued to require a great deal of time and effort on our Business Continuity response, including the preparation of our offices for restart. Our first net zero plan was considered by the Climate Change Programme Board and is fully aligned with the newly released Scottish Government Climate Change Plan Update setting more ambitious targets for ourselves. Good progress has been made on preparations for the implementation of Microsoft 365, including integration with our electronic records management system. The programme is currently rated Amber because of complexities with infrastructure work and delays with the delivery partner procurement. A revised plan will be ready early in Q4. We also launched our Winter Carnival, which will run through most of Q4. This supports communication and staff engagement around our transformation work, engaging staff on topics as diverse as the future of conservation and unconscious bias. Some resourcing pressures including those as a result of remote working, sickness absence and reprioritising staff to Covid-19 related work has meant that some areas such as GIG, office portfolio planning and cyber security re-certification have been delayed. Office portfolio planning will be delayed to next year however the others are expected to be recoverable during Q4.

7. Further restrictions introduced in early January, which have reduced the ability to travel and undertake some areas of work as a result of a return to staying at home where possible, will require us to continue to monitor and adjust what work can be delivered during the final quarter of the year. In particular, its implications for our field-based work and the staff involved with this will need to be managed to ensure their well-being and safety remain our number one priority. In relation to this, our planned actions to partially and incrementally re-open our offices to staff for priority access had to be paused at the end of Q3 and these will remain closed in line with national guidance. Other actions to support and facilitate long-term home working however are now nearly complete.
8. The two areas to draw attention to in the Dashboard are the Capital budget and the Workforce Diversity, specifically Youth Employment. Although Capital is now classified as red, this is in relation to the ability to achieve the financial target of underspending within 5% of the allocated budget. This does not impact on the outcomes to be achieved which relate to appropriate management of our fleet. Youth Employment remains lower than the desired 5% of FTE, however our current position is the highest in 10 years. A further 18 youth employment posts have been filled in the last quarter and we will be developing our resourcing approach further to secure further opportunities to achieve our target.



Quarterly Performance Dashboard (Q3 2020/21)							
Outcomes							
		Performance	Risk			Performance	Risk
	Enjoying and Benefitting from Nature	 ↔	 ↔		Investing in Natural Capital	 ↔	 ↔
	Healthy, Resilient Nature	 ↔	 ↔		Transforming How we Work	 ↔	 ↔
Finance				People			
							
Performance				Performance			
	Operating	 ↑			Health, Safety and Wellbeing	 ↔	
	Paybill	 ↔			Workforce Diversity	 ↑	
	Capital	 ↓			Workforce Development	 ↔	

Q3 BUSINESS PLAN PERFORMANCE

	Focus	What we will deliver	Measure of Progress
 Eileen Stuart	Public Enjoyment	<ul style="list-style-type: none"> NatureScot will publish and promote the second wave of the Covid-19 Scottish People and Nature survey on public behaviours and attitudes to nature with Young Scot, and promote co-produced Scottish Outdoor Access Code video shorts. We will work with Visit Scotland to produce a national visitor management strategy, including targeted action for 2021 and promote responsible behaviours as a result of increased access to and enjoyment of the outdoors arising from Covid-19 restrictions, including reactive works on NNRs. 	<ul style="list-style-type: none"> To better target access and visitor management, we published and promoted the full Scottish People and Nature survey for 19/20, the second wave of the Covid-19 SPANS survey on public behaviours and attitudes to visiting the outdoors and contact with nature, and a targeted survey of access officers. We also continued SOAC promotion and produced and promoted a series of Scottish Outdoor Access Code video shorts for young people co-designed with young people with Young Scot To develop Green Tourism (a Green Recovery priority), we worked with Visit Scotland on a new national visitor management strategy; co-ordinated and contributed to the work of all the sub-groups now in place to deliver it, and took forward work on the better control of open fires; mapping of pressures; rangers, and visitor management planning on our NNRs
 Eileen Stuart	Natura Conservation Advice Packages	<ul style="list-style-type: none"> The packages for Natura sites include management advice and are a requirement from the European Union. Q3 will focus on progressing packages to allow completion in Q4. 	<ul style="list-style-type: none"> 92% of Natura Conservation Advice Packages either complete or under QA - on target to deliver the majority of the remainder by end Q4

 <p>Eileen Stuart</p>	Biodiversity leadership	<ul style="list-style-type: none"> • We will agree the scope of Biodiversity Challenge Fund Phase 3 with SG and launch another round which will focus on our business plan priorities for 2021/22 to maximise spending and outputs. • We will help Scottish Government to prepare the Biodiversity Statement of Intent • We will progress work to complete the final analysis of Scotland's performance against the Aichi targets - the Aichi Report 20-20 	<ul style="list-style-type: none"> • We agreed the scope of the BCF and launched the third round on 4th December with focus on biodiversity and climate change plus number of green skills and jobs being delivered as part of the criteria • The biodiversity statement of intent was launched on 14th December with considerable input and support from NatureScot • We published trend data on wintering wading birds (showing concerning declines) and have begun to collate the data for the whole year, where available, for Aichi reporting purposes, including statistical approaches for Covid-19 related gaps
 <p>Eileen Stuart</p>	Marine designation	<ul style="list-style-type: none"> • During Q3 we will support Marine Scotland in completing the designation/classification of Nature Conservation Marine Protected Areas and Special Protection Areas. 	<ul style="list-style-type: none"> • 12 SPAs for marine birds and 4 MPAs for mobile species (e.g. basking shark), habitats and geodiversity interests were announced by the Minister on 3 December. The Minister has also now met with Orkney Islands Council to discuss Orkney classification (delayed due to Covid-19 travel restrictions).
 <p>Robbie Kernahan</p>	Sustainable Growth	<ul style="list-style-type: none"> • We will influence planning for a green recovery, including the 4th National Planning Framework, and new regional Spatial Strategies and Economic Partnerships. • We will follow up the expected a SG statement on NPF4 including proposals to: secure positive effects for biodiversity; steer landscape change; and deliver place-specific collaborative planning. • We will support Marine Scotland's Blue Economy Action Plan, with a particular focus on influencing the Strategy for Scotland's Sea Fisheries; contributing to a strengthened regulatory framework for aquaculture; and progressing the 	<ul style="list-style-type: none"> • We have influenced planning for a green recovery, including the 4th National Planning Framework. However, we have had limited influence over the new regional Spatial Strategies and Economic Partnership. • We have followed up the published SG statement on NPF4 to: secure positive effects for biodiversity; However, work to steer landscape change; and deliver place-specific collaborative planning is a task for Q4 • We have been asked to join the Core Group to develop MS Blue Economy Action Plan, and we have recruited a one year SMEEF Project Manager

		development of the Scottish Marine Environmental Enhancement Fund.	
 Robbie Kernahan	Wildlife Management	<ul style="list-style-type: none"> We will work with SG on their responses to the Werritty and Deer Working Group reports and with stakeholders on the issues arising from these reports. We will set out the licensing approach for Mountain Hares and the impact of Covid on the 20/21 deer cull. 	<ul style="list-style-type: none"> Werritty response published by the SG which goes further than the report recommendations. Much work done to support this announcement and it offers a significant opportunity for nature based solutions in the uplands to support climate and biodiversity priorities. Stakeholder engagement has progressed on Mountain Hare licensing approaches with key meetings held with RELM , eNGOs welfare organisations, Scottish Forestry, NFUS, CONFOR etc
 Robbie Kernahan	Agri-Environment Climate Scheme (AECS)	<ul style="list-style-type: none"> We will embed nature based solutions into the redesign of CAP schemes by: processing contract extensions for land managers coming out of the 5 year agreements; working with SG officials to try to secure its continuation beyond this year. We will continue Piloting an Outcome Based Approach in Scotland (POBAS) with 7 clusters to shape post 2024 rural policy and support We will commence three new projects (Landscape scale natural capital assessment, Natural capital assessment template and mainstreaming large-scale nature restoration); running a CivTech project to innovate in land managers' use of data. 	<ul style="list-style-type: none"> All AECS contract extensions were processed and we provided evidence on the benefits of a minimum viable scheme to SG for a limited scheme in 2021 which was subsequently announced in late December by the Cabinet Secretary. POBAS established with RPID & Agent groups, managing 7 farmer clusters including a new dairy cluster. Site visits to test scorecards almost completed. We initiated contracts in relation to these projects and a CivTech project was awarded to Icen Earth who developed an impressive application concept that captured interest of key stakeholders.
 Robbie Kernahan	Peatland Action	<ul style="list-style-type: none"> We will focus on issuing offers of funding to fully commit Peatland Action projects funding, allowing work to start and make substantial progress before winter weather impedes 	<ul style="list-style-type: none"> We are making good progress although this is in the context of an uncertain winter period and potential for Covid-19 related stoppages in Q4. However, a cautious forecast indicates that we will meet or exceed the target.

		progress, making use of whatever flexibility in funding SG can provide.	
 <p>Jane Macdonald</p>	Net zero plan	<ul style="list-style-type: none"> During Q3 we will produce our first Net Zero Plan. This will commit us to a series of measures which include a focus on our direct emissions – gas combustion on site, heating and fleet and reducing our indirect emissions – corporate travel, waste, water as well as looking at how best we manage our land. 	<ul style="list-style-type: none"> Our first net zero plan was considered by the Climate Change Programme Board and subsequently by SLT during Q3. Subject to comments from Senior Leadership Team, the Plan will be presented for sign-off to Board during Q4. Our published plan will summarise our planned focus until 2030 and there will be an underlying delivery plan guiding action and resources. This is fully aligned with the newly released Scottish Government Climate Change Action Plan, and as leaders in climate change sets more ambitious targets for ourselves.
 <p>Jane Macdonald</p>	Transformation Programme	<ul style="list-style-type: none"> Key elements of our Transformation Programme including M365 MS Teams and SharePoint will deliver a far greater capability for internal and external collaboration and will reach fruition in Q3 ready to be rolled out across the organisation in Q4. 	<ul style="list-style-type: none"> Good progress has been made on M365 including integration with our electronic records management system. The programme is currently rated Amber because of complexities with infrastructure work and delays with the delivery partner procurement. Both issues were discussed by the Programme Board at the end of December and a way forward agreed. A revised infrastructure plan and completed SoR will be ready very early Q4 with a view to delivery support being available for implementation in late March.

ANNEX A - NATIONAL PERFORMANCE FRAMEWORK INDICATORS

NPF Indicator	Status	Next Update Due
Lead reporting on:		
Improve the condition of protected nature sites	Maintaining	May 2021
Increase the abundance of terrestrial breeding birds: biodiversity	Maintaining	January 2022
Increase natural capital	Maintaining	April 2021
Contribute towards:		
Increase people's use of Scotland's outdoors	Worsening	September 2021
Improve access to local green and blue space	Maintaining	September 2021
Reduce Scotland's carbon footprint	Improving	December 2021

1. Progress on each Indicator is undertaken annually and where an update occurs we shall provide a report here.

Increase the abundance of terrestrial breeding birds: biodiversity

The index of abundance of terrestrial breeding birds (used as an indicator of biodiversity) was 113.6 in 2019 (against a value of 100 in 1994). This is 1.8% lower than the 2006 baseline and 11.2% lower than the 2008 peak.

Latest figures show no significant change in the index of abundance of terrestrial breeding birds between 2018 and 2019. In 2019, the index was 113.6 compared to 112.7 in 2018 (against a value of 100 in 1994). For more information see [here](#).

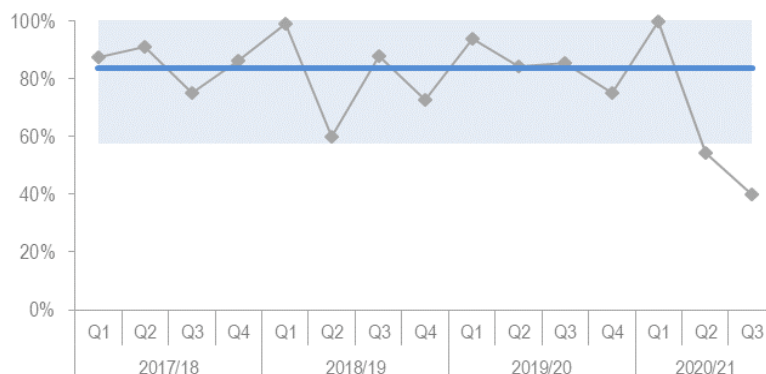
2. Progress on Customer Care Performance

Performance on customer care standards:

Complaints Handling

We responded to 5 complaints in Q3. 2 (40%) were handled within standards.

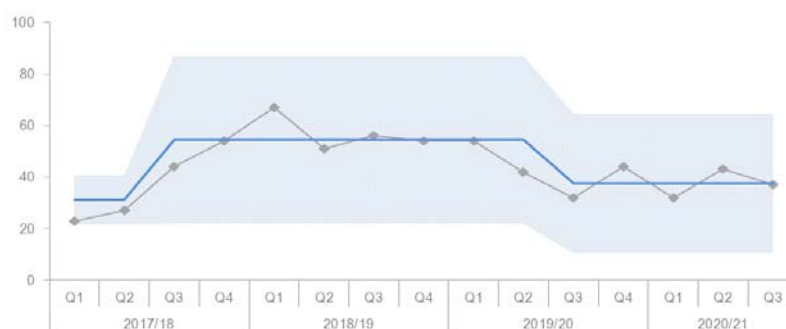
Customer Complaints



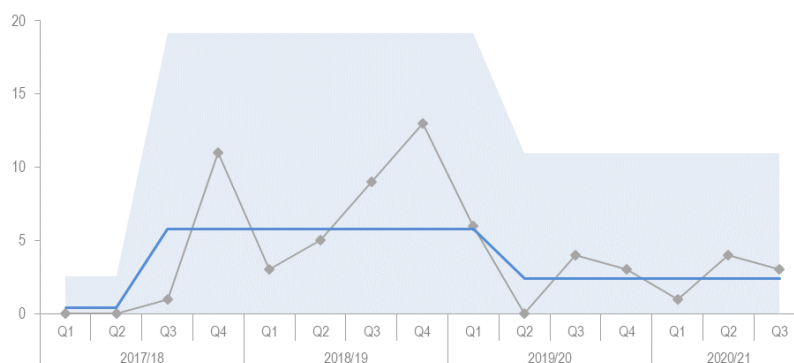
Responses to FOI Requests

We received 37 FOI requests in Q3 and were late on three occasions. Request numbers themselves don't highlight the full complexity of the casework - many of the FOI/EIR requests that we respond to involve large amounts of documents and cover contentious topic.

Freedom of Information - Volume



Freedom of Information - No. of Late/No Response




TITLE: Q3 BUDGET AND PAYBILL REPORT TO BOARDDate: 3rd February 2021

Purpose:	For Decision.
How does this link with our corporate priorities of improving biodiversity or delivering nature-based solutions to climate change	Corporate priority outcomes must be achieved within our budget constraints. Careful management of commitment, spend and available budget is therefore essential to ensure we optimise our use of these funds in support of our corporate priorities.
Summary:	<p>At the end of Quarter 3 an overall overspend of £0.359m is forecast on the operating budget and an underspend of £0.186m on the capital budget.</p> <p>Project allocations are above upper tolerance resulting in the operating budget overspend offset by payroll savings. However, this needs to be weighed up against lower than usual hard commitment and challenges to Q4 delivery due to increased Covid-19 restrictions.</p> <p>The Allocations Group will continue to manage down the above target allocation and identify any further suitable demand on capital. Close monitoring of financial performance will be maintained to ensure full budget outturn is achieved.</p>
Actions	N/A
Recommendations:	<p>Board to note the financial position and proposed action as at 11 January 2021 and confirm that they are content with the management of the Operating and Capital budget during 2020/21.</p> <p>Board to confirm that they are content with the current higher allocation levels compared to the lower commitment profile. Also, Board to support ongoing budget management processes to ensure that full year spend matches up to budget.</p>
Report Author(s):	David Johnston
Sponsor:	Stuart MacQuarrie
Appendices:	I - Description of Key Measures

1 FINANCIAL SUMMARY


Operating Forecast

Refer to section 4

	£m		
Current Budget 20/21 (4.1)	54.7		
Forecast Outturn (4.2)	55.1		
Variance (against budget 20/21)	+ 0.4	+ 0.7%	

Project Allocation

Refer to section 5

	£m		
Project Budget 20/21 (5.1)	15.5		
Target Allocation this month (5.2)	15.7		
Forecast Outturn (5.2)	16.0		
Variance (against target allocation)	+ 0.3	+ 1.9%	


2 HIGHLIGHTS / RECOMMENDATIONS

- Although an over-spend of £0.359m is currently forecast, this needs to be considered alongside lower commitment levels and the potential challenges in project delivery in Q4 due to further Covid-19 restrictions. At the same point in 2019/20 an underspend of £0.106m was forecast which was managed within budget before the end of the financial year. It is anticipated that the established budget management processes will bring spend in line with budget by the end of 2020/21.
- Project surrenders for the year to December were considerably higher than last year (22% of budget vs. 11% at the same point in 2019/20). Allocations have been similarly increased with over double the value approved during 2020-21 (£5.1m) compared to the first 9 months of the previous year (£2.1m).
- SLT and managers are asked to consider the impact of new lockdown restrictions on the deliverability of outcomes and to support the early identification of any budget changes.
- The risk of slippage on Biodiversity Challenge Fund (BCF) grants was reassessed in November and reduced from 14% to 7%. This added £0.2m to the project forecast outturn.
- We continue to work on the basis of minimal budget carry over into 2021/22 to encourage full spend in the current year and reduce budget pressures in 2021/22.

3 RISK & OPPORTUNITIES


Operating Budget

Payroll – Forecast Outturn Variance (4.2) - £0.170m - 0.6% 

	20/21	19/20	
Operating - commitment profile (4.2)	83%	84%	

- The increased restrictions due to Covid 19 and potential for adverse weather conditions in Q4 both represent a higher risk of project slippage.
- The forecast paybill underspend is mainly the result of leavers within the year. Year to date leaver savings are £0.656m while the cost of new starts is £0.214m.

Project Budget

	20/21	19/20	
Projects - commitment profile (5.3)	88%	94%	

- Although full spend on all allocated budgets for the year is currently forecast, the reduced level of commitment presents an increased (amber) risk of underspend. A business partnering approach has seen an upturn in the hard commitment and actual spend levels prior to the festive break and this work will continue.
- A higher level of budget surrenders was experienced in Q3 in respect of previously planned work. The budget recovery exercise continues to challenge uncommitted budgets and ensure that allocations are optimised to high priority work that are believed to be achievable within the current Covid-19 restrictions.
- The impact of slippage on large value programmes such as BCF presents a risk to allocation and spend levels. The slippage estimate for BCF was revised down from 14% to 7% during November, increasing the forecast overspend by £0.204m.

Capital Budget

Capital – Forecast Outturn Variance (6.2) - £0.186m - 18.6% 

- An underspend of £0.186m is forecast on the capital budget due to the timing of the investment in four vans. These will now not be delivered until April 2021, resulting in an

underspend on the current budget that is unlikely to be reallocated in full prior to year end.

4 OPERATING FORECAST (SUPPORTING DETAIL)

4.1 Current Budget 2020/21

	£m
Budget Allocation Letter 2020/21	48.058
Budget Reviews Anticipated	0.436
Peatland Action (budget review)	7.407
SRDP Contribution	-1.200
Total Operating Budget	54.701

In November, Scottish Government confirmed funding for The Conservation Volunteers (TCV - £0.170m) and Scottish Environment Link (SE LINK - £0.038m). The budget for Peatland Action has been increased by £207k in December to £7.407m.

4.2 Forecast (£m)

	Actual Spend	Total Committed	Forecast Outturn	Current Budget	Variance	Uncommitted Funds
Projects	7.001	12.936	13.924	12.765	(1.159)	0.989
JNCC	1.020	1.020	1.020	1.020	-	-
Non Cash	0.977	2.450	2.450	2.450	-	-
Total Paybill	20.557	27.737	27.762	27.932	0.170	0.025
Provisions	-	-	-	-	-	-
Slippage	-	-	(0.340)	-	0.340	(0.340)
Total Operating - excluding Peatlands & BCF	29.554	44.142	44.816	44.167	(0.649)	0.674
Peatlands	3.023	6.952	7.373	7.613	0.240	0.421
BCF	0.815	3.001	2.872	2.921	0.050	(0.130)
Total Operating including Peatlands & BCF	33.393	54.095	55.060	54.701	(0.359)	0.965

£m	Budget	Forecast	Committed	
April	44.558	45.399	34.904	
May	44.558	44.929	39.505	
June	44.558	45.257	39.505	Excludes: Peatland Action £7.407m BCF Ring-fenced £2m
July	44.558	45.322	40.262	
August	44.786	45.239	42.461	
September	45.086	45.107	43.323	
October	45.086	45.529	43.603	
November	45.294	45.894	43.601	
December	45.294	45.687	44.142	

4.3 Peatland Action

Scottish Government have made £7.407m available to NatureScot to fund Peatland Action restoration, conservation, management and associated staff costs for 2020/21. We have over-allocated by £0.206m, this will be managed down to the approved value of £7.407m. We are forecasting £7.373m, and therefore reporting an underspend of £0.034m. Peatland Action allocations are not included in the allocation measures as they are ring-fenced funds.

5 PROJECT ALLOCATION (SUPPORTING DETAIL)

5.1 Project Budget (excludes Peatland Action & BCF ring-fenced funding)

at Month End:	Project Budget	Project Allocation	Allocation vs Budget	Target Allocation	Allocation vs Target
Original 2020/21 Budget	14.491	14.965	3.3%	15.216	-1.6%
April	14.421	15.262	5.8%	15.142	0.8%
May	14.421	15.255	5.8%	15.142	0.7%
June	14.429	15.692	8.8%	15.117	3.8%
July	14.768	15.563	5.4%	15.403	1.0%
August	15.010	15.583	3.8%	15.569	0.1%
September	15.223	15.346	0.8%	15.719	-2.4%
October	15.236	15.666	2.8%	15.661	0.0%
November	15.502	16.150	4.2%	15.863	1.8%
December	15.479	16.008	3.4%	15.731	1.8%

Budget movements during December:

	£m
Available Project Budget – November	15.502
Additional Paybill Requirement Forecast	-0.023
Available Project Budget – December	15.479

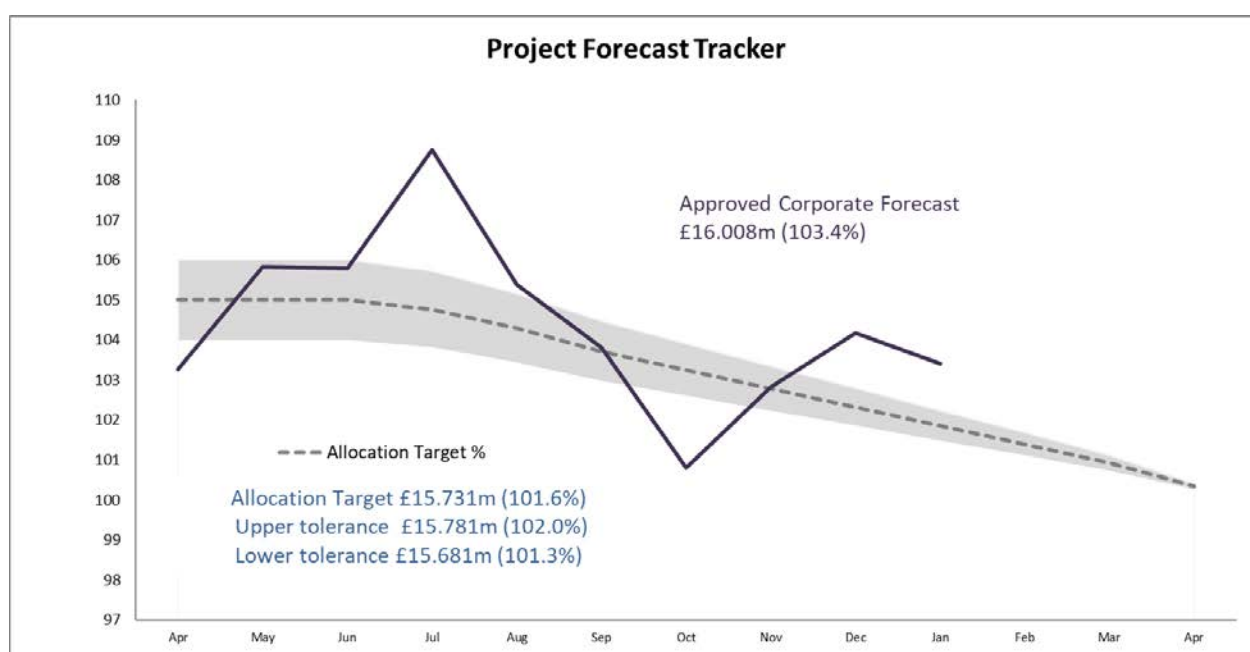
Biodiversity Challenge Fund (BCF)

The substantial increase to allocation level follows the reassessment of the risk of slippage on BCF grants. The estimate of slippage was reduced in November from 14% to 7%, adding £0.204m to the forecast and allocation level in that month. This slippage estimate will continue to be monitored.

Better Places Fund (Green Recovery)

The Better Places Fund with a current maximum value of £200k launched in December. This is not reflected in the summary figures shown but will provide a further degree of flexibility in the reallocation of available funds should commitment levels remain low and project surrenders increased.

5.2 Project Allocation Tracker (excludes Peatland Action & BCF ring-fenced funding)



An increased level of budget surrenders has been experienced from August onwards in respect of previously planned work. A business partnering approach has seen an upturn in the hard commitment and actual spend levels and this work will continue. The budget recovery exercise continues to challenge uncommitted budgets and ensure we focus allocations on high priority work such as Youth Employment and Green Recovery actions. This will help ensure we can utilise our budget fully by year end and meet emerging demand.

By way of illustration, project allocations (over £20k) made during the month are summarised below:

Priority	Allocation £m
Transformation Programme	£0.129
Sustainable Growth	£0.102
Essential property maintenance	£0.036
Natural Capital	£0.036
Delivering Favourable Condition / Green Recovery	£0.023
	£0.327

5.3 Projects - Hard Commitment Profile

Hard Commitment and Actual Spend levels are on the rise but continue to track below the 2019/20 levels and are therefore rated amber. Work continues with project managers to ensure commitments are made where practical or funds surrendered.

6 CAPITAL FORECAST (SUPPORTING DETAIL)

6.1 Capital Budget

	£m
Grant in Aid Capital	1.000
GovTech Catalyst	0.490
Capital Budget	1.490
Forecast Income	0.255
Forecast Asset Disposals	0.070
Forecast Asset Transfer	0.060
Govtech Underspend	0.490
Available to spend	1.385

- Income of £0.255m has been identified from a combination of Can Do Challenge, new vehicles, charging points and NNR car park and path work.
- Scottish Government have been notified that minimal expenditure is anticipated on the GovTech capital budget this year. However, they have only redeployed £510k of the total £1m to other areas. Permission to underspend against the revised budget of £490k will be requested in the final budget monitoring letter for 2020/21.

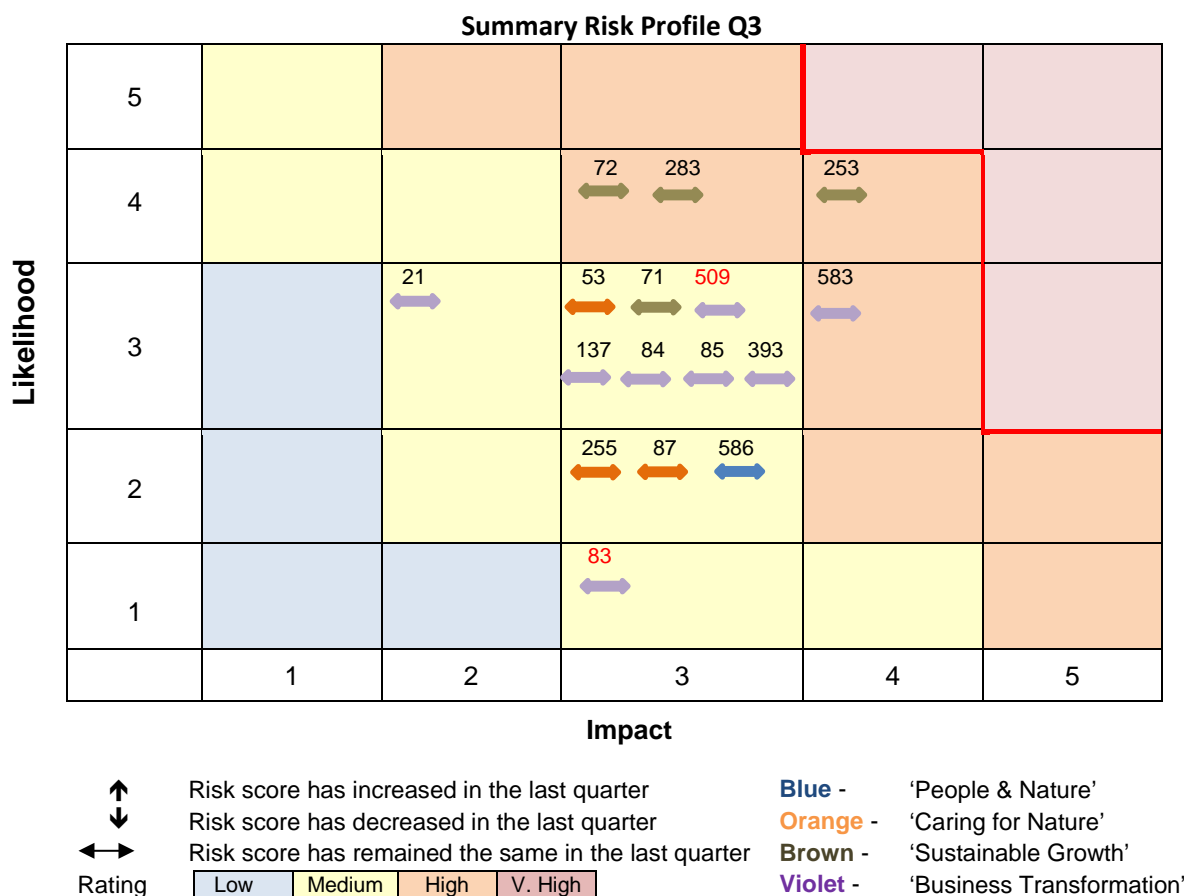
6.2 Capital Forecast Outturn

Project Type	Actual Spend £m	Total Committed £m	Forecast Outturn £m	Current Budget £m	Variance £m	Uncommitted Funds £m
Vehicles	0.003	0.472	0.601	0.734	0.133	0.128
IS Projects	0.107	0.107	0.136	0.136	-	0.029
NNRs	0.048	0.095	0.146	0.146	-	0.051
Property Projects	0.118	0.185	0.260	0.260	-	0.075
TWP	0.002	0.016	0.016	0.016	-	(0.000)
Can do Challenge	0.013	0.013	0.013	0.013	-	(0.000)
GovTech reported underspend	-	-		(0.490)	(0.490)	-
Hermaness Hill Path	-	-	0.028	0.028	-	0.028
Peatlands	-	0.010	-	-	-	(0.010)
Income	-	-	(0.255)	-	0.255	(0.255)
Over-Allocation on Budget	-	-	-	0.159	0.159	-
NBV - Asset Disposals	-	-	(0.070)	-	0.070	(0.070)
NBV - Dunnet Forest Asset Transfer			(0.060)		0.060	(0.060)
Total	0.291	0.899	0.814	1.000	0.186	(0.085)

- Excluding the GovTech surrender, an underspend of £0.186m is currently forecast for 2020/21. The Allocations Group will continue to assess and approve suitable demand but it is unlikely that appropriate requests of this value will be delivered prior to year end.

Q3 Risk Report

1. This part of the report provides SLT with an update on actions to manage corporate risks and any changes to the Corporate Risk Register. A full report will be provided to the Audit & Risk Committee at their February meeting. SLT can view the full Corporate Risk Register at [A3369454](#). Subject to any changes, this report will be presented to the Board.



2. The summary risk profile provides an overview of corporate risks and any shifts in their ratings. There are a total of 16 risks, most are currently rated Medium with four rated High. Whilst there have been no changes to risk scores during Q3 two of these risks were de-escalated from the Corporate Risk Register. The first of these concerns Risk No 509 'Risk of a no deal EU Exit'. This considered the threat to NatureScot's operations and the potential impact it may have had on relevant land-management activities as a result of implications for trade. However, following the late announcement on Christmas Eve of a Trade & Co-operation Agreement between the EU and UK, the outcome has reduced the related threats and the risk subsequently archived.
3. The other risk de-escalated (No 83) relates to paybill management and the threat from any weak implementation in the controls deployed to deliver planned savings in paybill costs. However, from this financial year we no longer set ourselves a savings target with paybill fully funded. We continue nevertheless to ensure that management controls are successfully deployed as part of our wider budget governance. These include the Allocations' Group oversight on expenditure and SLT's review of the monthly Finance & Budget Report. Where

paybill savings are achieved through implementation of our vacancy management process, these will continue to be re-invested in our operational budget.

4. No new corporate risks have been proposed this quarter. However, as part of the development of our 2021/22 Business Plan, there is a requirement to review whether the threats to its delivery is adequately covered by existing risks. Accordingly, the forthcoming review of the draft Business Plan will look to provide details on potential new risks and whether these are significant enough to join the Corporate Risk Register.
5. **Outcome 1** –there remains one medium-rated corporate risk against delivery of this Outcome concerning the management of structural funds (Green Infrastructure and Cultural & Heritage Fund). Our governance with the management of these funds continues to remain robust to ensure related projects can be delivered within timescales. We are currently working with the Managing Authority for GI projects concerning the latest claim and the evidence required for their mid-Jan cut-off date. Some of this evidence is expected to be outstanding which may result in some level of disallowance. Overall however, this will only be a small part of the claim and payment of the wider element reduces the financial risk to NatureScot.
6. **Outcome 2** – three corporate risks (all rated Medium) continue to be identified against delivery of this Outcome. The first of these is the opportunity to demonstrate the key role that nature plays in addressing climate change (No 255). The work of the programme board to co-ordinate actions to deliver this opportunity is progressing well. During Q3 this has included: the launch of a new Climate Change Hub on the Intranet; the development of training material to improve ‘climate change literacy’ amongst staff; and, the submission of four proposals for funding under the ClimateXChange project to support work on nature-based solutions to climate change.
7. The other two risks concerns our Natura advice (No 87) and our role in developing management proposals for our Marine Protected Area (MPA) network (No 53). On the former, preparations for operating outside of the EU are well advanced with the first tranche of site data being transferred into a new network database and ‘road testing’ of new arrangements in the operability regulations underway. For the MPA risk, there are some related resource pressures within Marine Scotland which may cause some future delays with this work although recent designations have progressed well.
8. **Outcome 3** – there are four corporate risks to delivery of this Outcome with three rated High. The first of these concerns the annual funding cycle for Peatland Action (No 253) where despite commitments to this work there remains challenges around the annularity of the funding mechanism. Works continues to try and obtain multi-year funding for larger projects to alleviate this issue. The next risk concerns our ability to influence stakeholders in wildlife management (No 283). The response by the Scottish Gov’t in Q3 to the Werritty Report on upland management has led to a range of reactions by different interest groups and

NatureScot will play a lead role in stakeholder engagement on the resulting actions. The other high-rated risk concerns the use of AECS as a funding mechanism to support delivery of a range of related outcomes (No 72). Whilst an announcement was made just before the Festive Period of a new round in 2021 this will be restricted to certain elements with a budget of about 50% of recent years. More details about these three risks are included in the accompanying Annex.

9. The final risk remains rated Medium and relates to our role in managing AECS and other SRDP schemes (No 71). We continue to work around the operating restrictions as a result of Covid-19 and work is well underway to issue one year extensions to applicable contracts that expired in December.
10. **Outcome 4** - there remain a total of 8 corporate risks to delivery of this Outcome. The most significant of these continues to be business impact from Covid-19 (Risk No 583). Despite the new national lockdown, we continue to implement a set of robust mitigation measures to ensure business continuity and manage the impact on delivery of our corporate priorities. In addition, whilst not escalated to the Corporate Risk Register, a new Covid-19 related risk was raised during Q3 to focus on managing the impact on eNGO's and the resulting threat to shared environmental outcomes. Alongside Risk No 583, this risk will be overseen by the Strategic Business Recovery Group.
11. All the other risks remain rated Medium. This includes the two risks highlighted earlier that have been de-escalated and archived. Of the remainder, the risk to managing our budget (No 21) continues to be closely monitored, particularly in relation to the impact of Covid-19 on our expenditure. Whilst allocation levels are above tolerance this seeks to manage the lower level of hard commitments. More details can be found in the accompanying finance report.
12. A number of strategic-related risks also continue to be satisfactorily managed. This includes Risk No 85 'Adapting to strategic change' with current business planning for 2021/22 looking to ensure that strategic drivers are being incorporated into our assumptions. We also continue to discuss with SG about priorities and funding for next year as part of our measures to control the threat of reductions in public expenditure (Risk No 393). In addition, progress is underway to establish a longer-term financial plan in support of budget profiles for the next corporate plan period. Finally, we continue to be pro-active in seeking opportunities for greater joint working and more integrated public services (Risk No 84). Some new opportunities are emerging as a result of Covid-19, specifically in the development of Public Sector Hubs through the Scottish Futures Trust.

High-rated Corporate Risks

Annex A to Risk Report

No	Description	Impact	Likelihood	Rating	Comments
253	Peatland Action - Annual funding cycle As a result of the programme having single year budget allocations, there is a risk that the project will not meet restoration and spend targets, given the tight site work window of Q3 & Q4, the vulnerability to winter weather and the impact on stakeholder confidence and capacity, which may result in a lower contribution to tackling the Climate Change Emergency.	4	4	High ↔	The risk remains rated High as the funding mechanism continues to limit delivery, albeit with greater hope that positive change may be coming. Progress of spend against the Peatland Action Plan is very good this year, despite the additional challenges and delay caused by Covid-19. The drafting of new governance of the Government Peatland Programme, together with the wider range of funding delivery partners may help to mitigate this risk and reduce the current rating.
283	Wildlife Management – Ability to Influence Stakeholders As a result of deeply held and polarised views amongst stakeholders there is a risk that we are unable to secure their compliance and co-operation on the management of wildlife. This could result in the failure to achieve planned outcomes for wildlife and nature.	3	4	High ↔	This risk also remains rated High, principally as a result of the reaction to SG's response to the Werrity and Deer Working Group reports and follows their support for the protection of Mountain Hares. All of which has resulted in some deterioration of relations with some stakeholders. We will provide reassurance to the leaders of these organisations that we will seek to engage with them, and be as inclusive as possible in any work we are tasked to take forward in these areas.
72	SRDP – Outcomes for the Natural Heritage As a result of NatureScot's dependency on the SRDP Programme as a funding mechanism, there is a risk that the overall level of funding available, the options, financial incentives, as well as the transaction costs for smaller applications may not be sufficient. This may result in the limited delivery of some of NatureScot's corporate priorities, notably those that influence the NPF Indicators for Protected Nature Sites and Biodiversity, and for the wider outcomes we are helping to deliver.	4	4	High ↔	Scottish Government have now invited applications for a restricted AECS Round in 2021, although with an indicative budget of around 50% of recent years. Critically, the scope will include protected areas but not for wider biodiversity elements. As a result, applicants may be deterred by the limited scope and likely availability of funding. This risk therefore remains rated High and we will monitor the impact on related work.
583	Coronavirus Pandemic - Business Impact As a result of the current Coronavirus pandemic, there is a risk that planned business activities and outputs may be significantly impacted due to: reduced productivity levels; the potential for a reduced capacity by stakeholders and partners to undertake joint-work; and, due to the potential for reduced public sector funding in the future. This could result in a failure to complete or maintain progress on a range of existing and planned work activities and consequently limit delivery of our business plan priorities.	4	3	High ↔	All controls to manage this risk continue to be successfully implemented. The new tight restrictions introduced in early January however has resulted in the halting of plans to gradually re-open offices with all staff continuing to work from home. New initiatives to support staff wellbeing over the winter months have been included as part of the 'winter carnival' which commenced its series of workshops and discussions in December. The implications of the tighter restrictions on delivery of our Q4 priorities, specifically on our outdoor work, are being monitored and managed by the Resourcing Group. The long-term impact of Covid-19 including on eNGO's, and the recovery actions we are taking, also continue to be managed through the Strategic Business Recovery Group.



Title: People Report Board Summary – Q3 2020/21

Date: 3 February 2021

Purpose:	For Information
How does this link with our corporate priorities of improving biodiversity or delivering nature-based solutions to climate change	<p>Provides analysis of our people data to enable action in support of our corporate priorities - to enhance biodiversity and deliver nature-based solutions to tackle climate change.</p> <p>Ensuring that our people are delivering against the expectations and priorities of government.</p>
Summary:	<p>This report provides Board with the People Report for Q2 2020/ 2021.</p> <p>9 of the 10 indicators are rated green and 1 is rated amber (youth employment).</p>
Actions	No specific action required
Recommendations:	Board to note the information provided
Report Author(s):	Kirsten Makins, Project Management Officer, Alison MacDonald, People & OD Manager, Lynda Thomson, Head of People & OD.
Sponsor:	Jane Macdonald, Director of Business Services and Transformation

Purpose

The purpose of this paper is to provide Board with a snapshot of our people data, progress and performance at the end of Q3 2020/21. This includes information on health, safety and wellbeing, workforce demographics and workforce development, along with information on employees and the impact they have had on the delivery of our priorities.

Recommendations

Board are asked to note performance and actions for Q3 2020/21 as illustrated in the People Report.

Summary of progress

There continues to be nothing of concern to report. Nothing significant has changed in relation to our data.

We have had two confirmed cases of Covid-19, and one unconfirmed case in Q3.

In Q3 we have paid 740 hours (down from 11,908 in Q1 and 3,600 in Q2) of special leave across 130 employees. This amounts to approximately 0.24% of our total available working hours.

What has changed is our approach to engagement. We listened to the feedback from wellbeing surveys about people feeling less connected to each other and adjusted our plans for a prolonged engagement event (the Winter Carnival) to include far more social activities than originally planned.

The Winter Carnival delivered 48 sessions over the latter part of quarter 3 and greater numbers are planned for quarter 4. The sessions provide opportunities for people to choose which aspects of the transformation work they would like to engage in, to participate in a variety of social events, take part in workshops around team development, and find out more about what others are working on through storytelling.

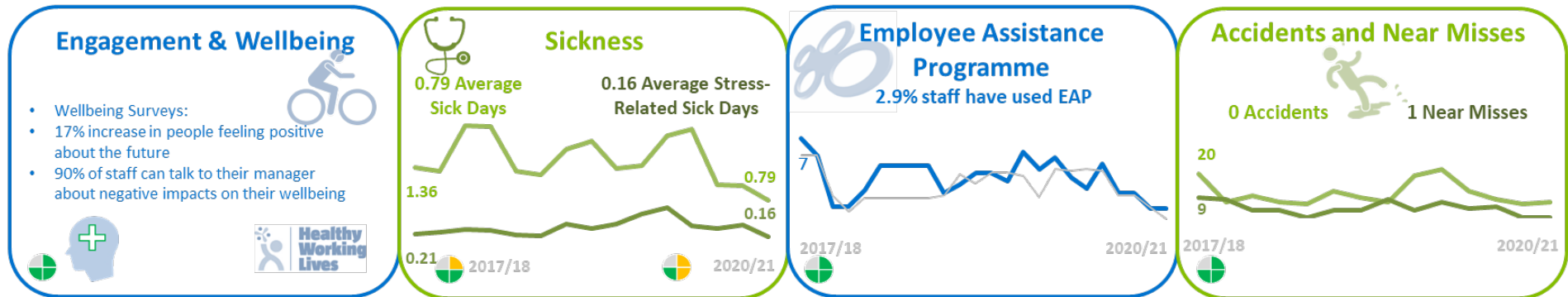
We had intended to review our EAP in Q3 because take-up has been, and continues to be, very low but this had to be de-prioritised, and will now be done in Q4. We focused on opportunities for engagement through the Winter Carnival; procuring a well-being tool (Work Happy) that encourages people to identify what they can do to help themselves in relation to their wellbeing; and procuring a new solution for surveys, well-being and staff engagement (Hive) that will be introduced in Q4.

Next Steps

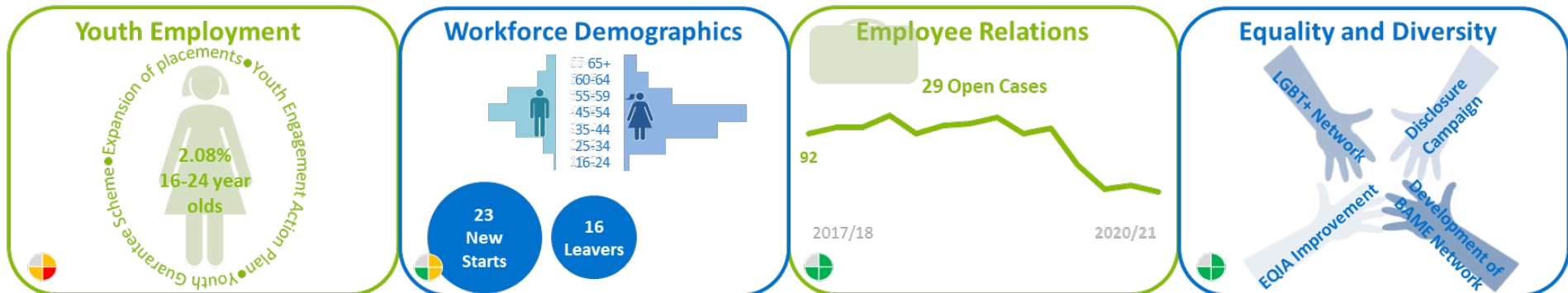
We are building on the experience of the last few months to accelerate work we had planned for later in the year. We are:

- Reviewing our employee assistance programme.
- Introducing a new solution to employee engagement and wellbeing.
- Promoting our enhanced homeworking support package.
- Continued delivery of engagement activities covering the range of programmes within the Transformation Portfolio. This is being delivered in a festival style with various options for participation on topics such as: M365, team development, inclusion, and our learning framework.
- Our last People Survey was conducted in Q3 2018. Our next one is planned for March 2021. We will be using Hive, our new solution for surveys, to deliver this.

Health, Safety & Wellbeing



Workforce Diversity



Workforce Development



Rating System



Yearly Summary Tog: Q4 Q3 Q1 Q2



Health, Safety and Wellbeing		
Employee Engagement and Wellbeing	<ul style="list-style-type: none">• The latest Wellbeing Survey remains broadly positive, with a significant increase in those feeling positive about the future (the survey was run in the same week the vaccine announcement was made).• Although a sense of connection to managers and immediate colleagues remains high, the same is not true of other colleagues. The Winter Carnival aims to address this (among other aims), but had only just got going when the survey was issued. We ran 48 sessions pre-Christmas.• Results from other questions reveal that men are less likely to have had a discussion with their manager about what they can realistically do, though more than 90% of both male and female employees can talk to their manager about negative impacts on their wellbeing.	<ul style="list-style-type: none">• Launch the learning packages for home working• Launch the new wellbeing tool, Work Happy• Run speed-coaching sessions for those interested• Continue to encourage teams to connect with each other formally and informally
Sickness	<ul style="list-style-type: none">• The quarterly performance gives NatureScot an annual sickness absence level of 3.16 days, so we continue to be well below the national average of 5.8 days per year and public sector average of 8 days per year (CIPD Health & Wellbeing Report 2020).• The significant decrease in sickness figures recorded has continued into Q3. With much less contact with other people it is understandable that fewer bugs are passed around.• The slight decrease in stress-related sick days isn't significant, statistically.• We have had two confirmed Covid-19 cases this quarter (both starting 7/12), and one unconfirmed.• There are now only two people on long term sick leave (more than 30 days), which is a significant reduction	<ul style="list-style-type: none">• Continue to encourage regular check-ins with teams and individuals.• Encourage people to take time off when unwell.• Continue to promote the resources on the wellbeing Intranet page and for managers to have discussions about wellbeing and workloads with their teams.



	<p>(from midway through 2018 with a peak of 16 people in Nov 2019).</p> <ul style="list-style-type: none">• The top seven most regularly occurring reasons for sick absence have varied as one would expect over the last three quarters, with nothing exceptional to note.	
Employee Assistance Programme	<ul style="list-style-type: none">• The use of our EAP over this period is consistently low, indicating that employees are not using the service. However the usage trend is consistent across the Scottish Public Sector.• Presenting issues are much the same as all past periods, but with the obvious addition of Covid-19 (issues are: Mental health, bereavement, relationships, overload of work, work related stress, Covid-19).	<ul style="list-style-type: none">• We will progress any actions resulting from any presenting issues to the EAP concerning Covid-19 and its impact on the wellbeing of our employees.• We continue to promote the service however we will be focusing on reviewing the EAP service provision in line with feedback from our 2019 Wellbeing Survey.
Accidents and Near Misses	<ul style="list-style-type: none">• The trends in accident and near misses are lower, as expected with so much home working, though we have recorded a historic low of zero accidents this quarter. We expect this to continue for as long as we are at home, and with reduced fieldwork.• It may be unclear to people what is deemed a near miss in a home environment (what it is, if it is in working time, substantiating that with flexible working patterns, etc)	<ul style="list-style-type: none">• We have supported individuals to make reasonable adjustments to the way they work in order to maintain as healthy and safe a working environment as possible during this current time.• We have provided equipment to support those who need it.• We have also supported the restart of outdoor fieldwork and the process for the formal reopening of NNRs.
Workforce Diversity		Actions
Youth Employment	<ul style="list-style-type: none">• Youth employment levels remain below the SG target of 5% (at 2.08%), although the number of youth employment placements is higher than at any point in the past 10 years and has risen this quarter.• Employing and retaining young people will continue to be a significant challenge, not least due to our very low turnover rate. However, we have welcomed 16 graduate placements and 2 graduate apprentices this quarter.	<ul style="list-style-type: none">• The Youth Guarantee Scheme and Kickstart Scheme for this year have been announced. We are reviewing how we can best utilise these – there is potential to align with funding apprenticeships and placements with others which ties in with NatureScot priorities around visitor management this year whilst increasing our programme scope.



	<ul style="list-style-type: none">While the rating has moved from red to amber, it will require significant additional actions to move to green (>4.6%)	<ul style="list-style-type: none">We are reviewing whether we can utilise a new Apprenticeship Grant for Employers (looking at supporting additional apprenticeships and Pathway Apprenticeships for school leavers up to the age of 18.We are working with Skills Development Scotland and partner organisations (such as FLS and SEPA) to identify opportunities for us to utilise the schemes further.We have attended meetings to discuss how best to utilise funds across Scotland again to promote and potentially extend the scope of the programme.
Workforce Demographics	<ul style="list-style-type: none">Both the number of new starts and the number of leavers have risen, pushing turnover up to 2.25% for the quarter.In terms of annual staff turnover (figures represent the previous 12 months), the mean is 6.2%, though the current figure is 4.9%, with a significant drop over the past year (perhaps unsurprising in a pandemic). (SG is 7% annually, whole civil service 12-15%)The number of internal moves remains low, and lower than the previous two quarters.82% of holiday leave has been booked or taken.While 92% of our people are carrying over leave, 25% will lose leave (carrying over 10 days and losing the remainder of untaken leave).The % of hours taken as special leave has dropped from 3.88% to 1.16% to 0.24% over the last three quarters.89% of special leave is for Covid-19-related reasons.	<ul style="list-style-type: none">We continue to focus on activities from our OD framework to support development of our workforce which includes a focus on positive exit strategies and talent management within NatureScot. This combined with activity on implementing our new operating model should continue to see change in our workforce demographics profile.As part of our Policy Review work we are looking to make it clear within our Special Leave Policy the circumstances for special leave. This should help reduce the number of employees who keep days leave in reserve – so it is more of a balanced approach.With the news of mainland Scotland all being in Level 4 for 3 weeks from Boxing Day, and schools/nurseries not returning physically until end January [now mid-February], we should expect special leave use to rise, and moderate disruption to existing plans in January.
Employee Relations	<ul style="list-style-type: none">The number of cases continues to be within normal range. The number of new cases remains in single digits. The largest category relates to long-term absence (7), followed by reasonable adjustments (5).	<ul style="list-style-type: none">During Q3 we delivered the team development part of our OD framework, which will reinforce the learning from understanding self-sessions and will follow the outputs of these sessions up during Q4.



		<ul style="list-style-type: none">• We currently have 16 trainee coaches working towards qualification. They are currently providing a coaching service for approximately 30 clients, much of this is focused on employee relations and will help keep formal cases to a minimum.
Equality and Diversity	<ul style="list-style-type: none">• Our equalities data shows little movement, though one employee identifying as BAME has left this quarter. Our under-representation of people from BAME backgrounds is replicated across environmental organisations and nature-based activities, and people with BAME backgrounds are rarely presented as knowledge holders or leaders in natural spaces.	<ul style="list-style-type: none">• We are developing a new project with Backbone, LLTNPA and CNPA – research and a symposium to look at under-representation in the outdoor and environment sector, including visits to the outdoors, volunteers, employees and board members, by BAME people. We are working with EELG partners to set up cross-organisation networks for BAME and LGBT+ employees.• In Q4 we will launch a campaign to increase E&D disclosure rates amongst our staff. This will allow us to better target improvement actions.
Learning and Development	<ul style="list-style-type: none">• Delivering learning and development has been particularly challenging due to Covid-19 restrictions. We have reduced our budget for learning accordingly. We are regularly reassessing what we can safely ask and support people to participate in and are working with colleagues across the public sector to design new ways of learning.• The Winter Carnival provides opportunities for people to learn and develop in different ways. There are two mandatory sessions for all teams. One on team development using the Insights team effectiveness model. The other on new ways of working as we introduce Microsoft Teams and other new technology.	<ul style="list-style-type: none">• We continue to work on the development of our overall people development/ learning framework.• We are working on a new way to measure progress through Microsoft Teams and are shaping measures to be implemented from Q1 2021/22.