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# TWO HUNDREDTH and SECOND MEETING OF THE BOARD OF NATURESCOT

## MS TEAMS VIRTUAL MEETING

## 07 DECEMBER 2022 - CONFIRMED MINUTES

## MEMBERS PRESENT

Mike Cantlay Chair

Aoife Martin Deputy Chair

Ian Gambles Member

Jaboury Ghazoul Member

Peter Higgins Member

David Johnstone Member

Colin McPhail Member

Wayne Powell Member

Heather Reid Member

Jill Robbie Member

Nikki Yoxall Member

## IN ATTENDANCE

Francesca Osowska Chief Executive

Nick Halfhide Director of Nature and Climate Change

Robbie Kernahan Director of Green Economy

Jane Macdonald Director of Business Services & Transformation

Stuart MacQuarrie Deputy Director of Business Services & Transformation

Eileen Stuart Deputy Director of Nature and Climate Change

Jason Ormiston Head of External Affairs

Graham Boyle Chief of Staff

Sara Lewis Governance Support Manager (minutes)

Pete Rawcliffe Head of People and Places (item 5)

Ben Ross Head of Protected Areas, Innovation and Data (item 5)

Katie Gillham Head of Marine Ecosystems (items 5 and 7)

Darren Hemsley Head of Supporting Good Development (item 6)

Dan Haydon Scientific Advisory Committee Member (item 7)

Yvonne McIntosh Finance, Planning and Performance Manager (item 9)

Thomas Shaw Young Employee Panel (Rural Surveyor (North))

## APOLOGIES

Margaret Davidson Member

Claudia Rowse Deputy Director of Green Economy

# AGENDA ITEM 1: OPENING REMARKS AND APOLOGIES

1. The Chair opened the meeting by welcoming everyone to the two hundred and second meeting of the Board of NatureScot, particularly Thomas Shaw from the Young Employee Panel.

2. Apologies were noted from Margaret Davidson and Claudia Rowse. It was also noted that Margaret had sent in comments for agenda items prior to the meeting.

3. The Chair thanked members for their participation in their annual appraisals, and asked them to agree their objectives for the coming calendar year. Chair updated on recent meetings with Ministers Gougeon and McAllan, and Roy Brannen, Director General: Net Zero. He stated that his focus was now on what he can achieve before the end of his term as Chair in May 2023.

# AGENDA ITEM 2: DECLARATIONS OF INTEREST

4. There were no declarations of interest.

# AGENDA ITEM 3: MINUTES AND ACTION POINTS FROM 05 october 2022

5. Board members were content to **approve** the minutes of the Board of NatureScot Meeting on the 05 October 2022. The minutes were proposed by Aoife Martin and seconded by Jaboury Ghazoul.

## Action Points

6. The **actions points** were noted:

**Action Point** (AP13/181) (Future Options for Kinloch Castle) Board members acknowledged that this action remains **ongoing.** Robbie Kernahan updated that Ms Slater, Minister for Green Skills, Circular Economy and Biodiversity had attended a meeting with the Isle of Rum Community Trust (IRCT) and taken on board their concerns. The Scottish Land Commission (SLC) and Scottish Government (SG) have met with NatureScot to agree next steps, which will be shared with island residents, and mapped against community opinions on the future of the castle. Governance options are also being explored with SLC. The buyer is still engaging in the sale, and negotiations. Once advice on different options for the castle, and associated risks have been drafted for Ms Slater, the Board will be asked to comment on them. The Board wished to see the sale take place without delay.

*Nikki Yoxall joins the meeting.*

**Action Point** (04/198) (Identify Opportunities for SAC Presentations/Seminars with the Board) Members noted that the Executive Office will work alongside the Directorate of Nature and Climate to identify suitable topics as new issues emerge. It was therefore agreed to **discharge** this action point.

**Action Point** (01/201) (Produce a Financial Model on Pay Remit Option) Members noted that NatureScot’s pay offer had been issued to the unions on 24 November 2022. It was therefore agreed to **discharge** this action point.

# AGENDA ITEM 4: MATTERS ARISING

7. There were no matters arising.

# AGENDA ITEM 5: BOARD STRATEGIC DISCUSSION – PROTECTED AREAS FOR THE FUTURE (30x30, nature networks, marine protected areas and national parks)

8. This paper introduced the strategic opportunities and risks surrounding work to deliver the Bute House Agreement commitments on protected areas. It also covered the future role of the Board in delivering this. The Board were asked to:

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| * discuss the strategic opportunities and risks identified in the paper, including providing views on those considered likely to the most significant.
* note the need and proposals for Board engagement in the finalisation of advice to Scottish Ministers on National Parks and that similar arrangements for Board involvement using the 30x30 leads/members of the Protected Areas Committee may be needed for other specific elements of these commissions.
* approve the need to refresh the role of PAC, and other relevant parts of the sign-off processes (including SAC and it’s sub-groups, and Directors) in 2023/24.
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9. Nick Halfhide introduced the agenda item, explaining that work on the following areas were a key part of NatureScot’s Corporate Plan, as well as being Ministerial ambitions as part of the Bute House Agreement (BHA):

* To extend the area protected for nature in Scotland to at least 30% of our land area by 2030, and highly protect 10%.
* To designate at least one new National Park by the end of the parliamentary session (March 2026).
* To deliver fisheries management measures for existing Marine Protected Areas and vulnerable Priority Marine Features.
* To designate at least 10% of our seas as Highly Protected Marine Areas (HPMAs).

10. Members made the following key points:

* How the Glover Review of the purpose and management of national parks (NPs) and areas of outstanding beauty in England may influence this work. It was considered that there are significant differences to NPs in England and Scotland due to the public body status of those managing the parks in England.
* In considering sites suitable for new national parks, it is important to ensure that the land will remain fit for purpose as areas which are positively contributing towards, and advocating the improvement of climate change and biodiversity.
* The projects will create employment and recreation opportunities.
* Need to explain the meaning of Other Effective Area-Based Conservation Measures (OECMs), and how they will be defined.
* Consideration of how 30x30 will impact on those who live or work on the designated land.
* The importance of providing the right evidence to support any recommendations.
* Recognition that much of the narrative on Marine Protected Areas (MPAs) cite fishing as the main activity to be affected – there are however other users of marine areas to consider.
* A slowing pace on delivery of the new Agricultural Bill is reducing opportunities for land users to instigate the use of nature-based solutions.

11. Ben Ross informed that NatureScot’s role was to develop the framework for achieving 30x30, and that this would not include statutory protection of 30x30 designated areas, but would provide an assurance that these areas would provide long term delivery for nature. A public consultation would take place on 30x30 proposals in the spring.

12. Katie Gillham highlighted that NatureScot’s role, in collaboration with Marine Scotland and the Joint Nature Conservation Committee (JNCC) in the designation of at least 10% of our seas as Highly Protected Marine Areas (HPMAs) included the development of site selection guidelines, to provide support in the development of other relevant policy and legislation, to provide formal advice on HPMAs, and to provide the final designation by March 2026.

13. Katie also informed the Board that existing evidence was being used to support this work due to the short timescales, and that there was a risk to NatureScot as the evidence will have been used in supporting designation of existing MPAs. A lower level of evidence will be used in this commission.

14. Nick Halfhide suggested that it would be helpful if he could approach other members of the Board to support our protected areas work, He will liaise with David Johnstone on this.

**Action Point 01/202**

15. The Board were content to agree the recommendations.

# AGENDA ITEM 6: NPF 4 KEY CHANGES, ISSUES AND NEXT STEPS

16. This paper provided an update on key changes, issues and next steps as a result of the latest draft of National Planning Framework (NPF4), particularly changes to the policy landscape NatureScot work within the planning framework, and the likely consequent change of emphasis in NatureScot’s approach to planning casework as a result.

17. The Board were recommended to note progress with the latest planning policies and agree that NatureScot will implement a review of their casework involvement in the planning system and national interest guidance.

18. Darren Hemsley updated the Board that NPF4 now includes a focus on biodiversity and climate. The requirement is that all development should leave nature in a better condition. NatureScot is currently working on metrics to measure this. It is anticipated that there will be an increased requirement for resources and engagement in this area, and because of this, may impact on the how casework is handled in the future.

19. Some challenges exist within NPF 4 in that there is a lesser requirement for areas to include landscape and wild land, creating a possible conflict between the need for renewable energy on land, and the need to restore and improve the state of nature and biodiversity.

20. The Board were happy to agree the recommendations.

# AGENDA ITEM 7 – NATURESCOT SCIENTIFIC ADVISORY COMMITTEE (SAC) SUB-GROUP SUPPORT FOR AVIAN INFLUENZA WORK

21. This verbal update was given to the Board by Dan Haydon, a member of the SAC. It updated members on the work undertaken by an SAC sub-group in support of NatureScot’s response to the recent Avian Influenza outbreak. The sub-group provided, and continue to provide expert advice on responding to the outbreak, which is based on the latest evidence.

22. Dan Haydon described the epidemiology of the outbreak, the management options considered, future priorities when dealing with the outbreak, and logistics and organisational issues encountered.

23. During discussion, the following key points were made:

* Scottish Environment, Food and Agriculture Research Institutes (SEFARI) have proposed to bring different groups together to discuss how to manage an integrated approach to modelling, which will assess immediate impacts, and long-term recovery scenarios following different mitigation plans.
* How feeding in comparative studies across different avian species could feed into the design and management of Marine Protected Areas as a way of mitigating future outbreaks.
* The limited but possible economic impact of dead birds on commercial poultry producers.
* The effect of the emergency response to the outbreak on NatureScot resources was recognised. To mitigate this in future, evidence will be used to set up frameworks to allow for self-assessment and guidance. This, along with the enhancement of existing programmes is expected to minimise the amount of resource required for monitoring purposes in the event of future outbreaks.

24. The Board wished to offer their thanks to all staff involved in the avian influenza response, recognising the difficulty of the situation.

# AGENDA ITEM 8 – Q2 PERFORMANCE REPORTS

25. This paper presented Q2 progress towards delivery of NatureScot’s corporate priorities as laid out in their Business Plan, A Nature-rich Future for All: Year 1.

26. Stuart MacQuarrie updated members that at the end of Q2, performance for 14 of the 15 corporate plan objectives were rated as ‘on track’. 1 corporate risk had increased its score from medium to high (‘As a result of on-going reductions in public expenditure there is a risk we may receive significant reductions in our grant-in-aid settlement’.)

27. Resource and capital budgets were expected to outturn within tolerance by year-end. The Peatland restoration budget forecast is expected to underspend compared to the indirect capital budget expected. In the ‘People’ report, 9 out of 10 indicators were rated green.

28. The Board were asked to:

* Note the overall performance of the Corporate Plan objectives
* Note the position of the operating and capital budgets (Finance Report)
* Note the performance of the corporate risks
* Note the overall performance of the People Measures

29. Directors gave a brief update of key highlights from their directorates, along with any areas of concern:

Nature and Climate – Nick Halfhide:

* Highlights included work on 30x30 and National Parks, Blue Economy Action Plan involvement, the Scottish Biodiversity Strategy consultation, preparation for the Nature Restoration Fund and providing leadership in the response to avian influenza.
* Concerns included NatureScot’s lack of strong links to the Climate Change agenda, however there was the desire for the organisation to become more involved in this.

30. The potential for NatureScot to contribute to discussions on the national parks place on the Climate Change agenda was recognised, via the Cairngorms National Park Authority, and Loch Lomond and the Trossachs National Park.

31. Jill Robbie updated on a recent trip to the Isle of Barra which aims to become a net zero island, and the potential for peatland restoration to be supported by NatureScot. Nick Halfhide agreed to investigate the opportunity.

**Action Point 02/202**

Green Economy – Robbie Kernahan

* Highlights included the agricultural reform programme consultation, land use, discussions with SG on hunting with dogs, deer management, grouse management, muirburn, and NPF involvement. The Investment Ready Nature Scotland fund (IRNS) was launched, encouraging private investment and market-based mechanisms to help finance the restoration of nature in Scotland. A memorandum of understanding was signed with Hampden, Lombard and Palladium, leading to a £2billion fund for nature restoration.
* Concerns included the need to manage the expectations of stakeholders, who have been heavily involved in consultations and engagement on Bute House Agreement areas of work. Important to recognise the possibility of ‘stakeholder fatigue’. In addition, NatureScot’s challenge to recruit and retain staff in the current climate of needing to increase outputs with less resource.

32. In response to comments from members, Robbie updated that the impact of land use on the climate change agenda is not widely understood, and that this will be highlighted to Michael Mathieson, Cabinet Secretary for Transport, Infrastructure and Connectivity of Scotland through conversations on nature-based solutions. He also informed that NatureScot are working with SG on developing a carbon floor mechanism, to guarantee that carbon pricing does not fall below an agreed point. The parameters of this are currently being discussed.

Business Services and Transformation – Jane Macdonald

33. Highlights included the launch of the new intranet and Yammer. The migration of email accounts to the Cloud will continue into Q3. The digital transformation programme had experienced some challenges with volume of work which included updating of the network architecture to build resilience against cyber threats. This had resulted in a level of disruption to network performance.

34. Since Q2, the new Teams calling solution had been introduced, leading to savings on telephony. Work was underway to migrate both GIS (Geographic Information System) and eRDMS (Electronic Record Management System) systems to the Cloud, which will conclude in Q4. The pay offer had been given to the trade unions at the end of November, and a response was expected imminently. The offer would then be implemented in time for December pay. There continued to be the possibility of industrial action by Public and Commercial Services union members, however a contingency plan was in place via SG, and any industrial action taken was expected to have a minimal level of impact on business. Work was continuing on the Estate Strategy.

Finance – David Johnston

35. David provided the Board with an update on the financial position at the end of Q2. This included the following key points:

* Core Grant-In-Aid spend was tracking as expected at this point in the financial year.
* SG had agreed that the underspend on ring-fenced funds could be reallocated to fund the pay settlement. Underspend was showing on peatland and Farming in Nature funding as well as on the Nature Restoration Fund. The reallocation of underspent funds was being considered by SG.
* A Capital budget underspend was expected due to delays in solar panel fitting to Great Glen House. In addition, late confirmation of additional funding from SG had been received in November, which made timely spend challenging.

Risk – Stuart MacQuarrie

36. Stuart again highlighted the one corporate risk that had increased from medium to high during Q2 (‘As a result of on-going reductions in public expenditure there is a risk we may receive significant reductions in our grant-in-aid settlement’). He further highlighted that in practice this meant that there was uncertainty of additional funding to support new commitments.

37. The Board asked for an update on the Structural Funds risk, NatureScot now had more confidence in the funding systems in place, which had been reinforced by audit and control systems, and that staff resourcing was now stable. Reassurance had been provided to the Audit and Risk Committee that the level of risk was considered to be lesser due to these changes. Payments were now being actioned, which had reduced the reputational risk on NatureScot.

38. Members thanked Eileen for the update on the Structural Funds risk.

People – Jane Macdonald

39. Jane Macdonald updated on the key areas of this work during Q2:

* More information had been provided within the report on the retirement profile, and mitigations against any potential issues.
* The People Strategy was about to be refreshed in terms of recruitment and retention, and this was to be an agenda item at the Senior Leadership Team meeting the following week.
* A winter wellbeing programme had recently been launched for staff which will continue into the New Year.
* A review into the Employee Assistance Programme will take place during Q4.
* A review of the performance management approach is also scheduled to take place.

38. The Board was happy to agree the recommendations.

**AGENDA ITEM 9 – BUSINESS PLAN PRIORITIES, BUDGET SCENARIOS & REPRIORITISATION**

39. This paper represented the first step in the development of the NatureScot Business Plan 2023/24. It also included budget allocation scenarios allowing planning for delivery of the NatureScot corporate plan and reprioritisation options as a result of the most likely budget scenario for the next financial year.

40. The Board were asked to confirm the planning assumptions in paragraph 15 as a reference point to commence planning.

41. Stuart MacQuarrie informed the Board that delivery leads were currently working on individual delivery plans for each corporate plan priority. The plans will contribute towards a reprioritisation exercise, as detailed in the paper. The draft 2023/24 Business Plan will be presented to the Board in the New Year. Members will also receive details of what the budget announcement from SG means for NatureScot when it is announced on 15 December.

42. The Board queried information in paragraph 15, detailing SG’s direction that paybill should remain at 2022/23 levels for 2023/24. This seemed to contradict a subsequent statement that the pay award had been included for 2023/24 budgetary forecasting. Members wished to know if this was a risk to the number of staff on the payroll.

43. Stuart provided clarity, in that SG’s direction was given prior to a number of pay deals that they had then agreed with other public sector organisations. Stuart also informed that discussions were ongoing with the Sponsor department around whether the 2022/23 paybill referred to by SG was relating to levels of funds, or levels of full time employees.

44. The Board were content to confirm the planning assumptions in paragraph 15 as recommended.

**AGENDA ITEM 10 – BOARD SELF-EVALUATION REVIEW**

45. Graham Boyle introduced this paper, which suggested improvements which could be made to the Board and Senior Leadership Team’s ways of working along with the wider organisation, following a Board self-evaluation exercise earlier in the year.

46. The Board were asked to review the responses to the survey and the suggested action outlined, and decide on any additional next steps.

47. Graham highlighted a couple of areas in which improvements had already been made, which included opportunities for the Board to influence Board meeting agenda contents, increase their knowledge and understanding of NatureScot work, and how members’ may have opportunities to influence their wider networks.

48. Members were content with the action outlined in the paper.

49. The Chair asked that members complete their annual appraisal forms prior to their meetings with him, and also for them to identify 3 objectives for the coming year.

*Aoife Martin leaves the meeting.*

**AGENDA ITEM 11 – FORWARD PROGRAMME OF BUSINESS**

50. The Board Forward Programme of Business was presented to members, who were asked to make any comment on forward agenda items, or to inform of items they would like to see included.

51. Members had no updates to make to the Forward Programme of Business.

# INFORMATION PAPERS

# AGENDA ITEM 12 – CHIEF EXECUTIVE’S REPORT – OFFICIAL SENSITIVE

52. Board members noted the contents of the Chief Executive’s report, in particular the following key themes:

* Pay and resourcing.
* Delivery on key priorities.
* Progress on Organisational Development programme.
* Stakeholder engagements.
* Update on the sale of Kinloch Castle.

53. The Chief Executive commented that highlighting the links between nature-based solutions and climate change was a priority, and that the recent Climate Change Committee report gave a good basis on which to do that.

AOB

54. Pete Higgins updated on his attendance at the recent JNCC meeting, particularly the launch of a statement on Nature Recovery for our Survival, Prosperity and Wellbeing. NatureScot’s Chair and Chief Executive had both signed the statement, and it was suggested that information on the statement be forwarded to the Board. Eileen Stuart agreed to send members details.

*Post meeting note – Eileen Stuart emailed the Board with details of the statement.*

55. Jill Robbie queried whether there had been any update on the retained EU law bill. The Chief Executive updated that opposition to the bill had landed with UK government ministers, and that a letter from Ms Slater and Ms McAllen giving the SG position had been sent to the UK government.

## Date of Next Meeting

56. The next Board of NatureScot meeting is planned to take place on 02 February 2023, via MS Teams.

57. The Chair thanked all those in attendance, particularly Thomas Shaw from the Young Employee Panel. The meeting was closed.

# END