

# Title: Q3 Performance Report 2024/25

**Date: 12th February 2025**

| **Purpose** | Decision |
| --- | --- |
| **How does this link with our corporate priorities of improving biodiversity or delivering nature-based solutions to climate change:** | This paper presents Q3 progress towards delivery of our corporate priorities as laid out in our Business Plan, A Nature-Rich Future for All: Year 3. |
| **Summary:** | At the end of Q3, performance for 12 of our Corporate Plan objectives is rated as green with 3 rated as amber. There is a small overspend forecast on the Resource and Paybill budgets reflecting in year surrenders to be made and an increase to the Paybill forecast. Both Capital and Indirect Capital are currently on track. Action is being taken to achieve full spend on funding programmes. There have been several changes to the corporate risk register this quarter Four new risks have been added, two have been de-escalated and there is one new risk in development. In the People Report, six indicators are green with one, ‘Workforce Trends’, rated as amber. |
| **Actions:** | To agree the recommendations below |
| **Recommendations:** | The Board is asked to:   * + Note the overall performance of the Corporate Plan objectives (Performance Report)   + Note the position of the resource and capital budgets (Finance Report)   + Note the performance of the corporate risks   + Note the overall performance of the people measures (People Report) |
| **Report Author(s):** | Authors – Directors, Deputy Directors, Strategic Resource Managers, Finance, Planning and Performance Team, POD Team |
| **Sponsor:** | Stuart MacQuarrie, Jane Macdonald |
| **Annexes:** | Annex A – Corporate Risk Register (High Risks) |

## Purpose

1. This paper presents NatureScot’s performance for the third quarter of 2024/25. It addresses delivery of our corporate priorities by reviewing: the alignment of performance against our Business Plan, A Nature-rich Future for All: Year 3; progress towards maximising our available budget; assessing risks for delivery; and people information supporting the resourcing of our work. These all support delivery of our Corporate Plan 2022-26, A Nature-rich Future for All.
2. This year the corporate plan priorities were further refined through the identification of our 4 areas of focus for 2024-25 which stimulate the key actions towards delivering our 2030 and 2045 targets to halt biodiversity loss and restore nature. These areas of focus align most closely with the objectives identified in parentheses although work is being taken forward in preparation for next year’s business plan to identify how they cut across the other 11 objectives. We are refining the 4 Areas of Focus for the start of the new business planning year (2025-26) as we improve our understanding of how they are helping to direct our activity. In summary, the Areas of Focus are:

* Agricultural transformation and land use change (Objective 8).
* Directing effort into nature expanding out from land and marine Protected Areas, safeguarding 30% of Scotland’s special nature locations by 2030 (Objective 1).
* Creating the conditions for increasing public and private nature finance in Scotland, essential to stopping nature’s decline by 2030. (Objective 10).
* Strengthening approaches to species management such as deer, beaver, and invasive species for positive nature outcomes. (Objective 2).

## Summary

1. The Scottish Biodiversity Strategy (SBS) and its accompanying Delivery Plan were launched in Q3. We are now working with Scottish Government to build momentum around new governance arrangements and delivery.

1. The national park consultation is underway, closing in mid-February. This is continuing to generate heated debate locally. Further consultation events and stakeholder meetings will be held in January and we will then move on to undertaking the analysis of all the responses received in order to provide advice to Ministers.
2. Feedback from Scottish Government on the budget has confirmed that we will have resource for Scotwind posts baselined into our Grant in Aid next year. We are working with contractors to consider other mechanisms to resource our growing need for staff to manage this area of work.
3. There is significant demand on resourcing of the Online Licensing Service development and tight timescales for delivery. Part of the issue around the legislative challenge is the additional time demands on key staff. These demands are a result of our new, additional licencing functions for muirburn, trapping and deer legislation coming through simultaneously. We are also experiencing an increasingly litigious land managers’ stakeholder group - which may result in challenge on grouse, muirburn and Hunting with Dogs licencing functions.
4. We are, as a priority, seeking to secure funds for pipeline generation beyond the end of FIRNS. We are in active discussion through the Nature Investment Partnership and with other potential investors and carbon buyers.
5. We continue to embed new ways of working, strengthening our organisational resilience and improving agility and connectivity. However, both scale and pace are constrained by budgetary pressures, not least uncertainty on future year funding for multi-year initiatives, and wider capacity to absorb change alongside busy workloads. Previous pulse surveys have highlighted workload management as a significant source of stress and actions are being undertaken to counter this though roll-out of the HSE stress indicator tool following a successful pilot of it.
6. Whilst Public Service Reform remains high on Government’s agenda, progress over the quarter has been limited. This largely reflects the reality of less resources being available within the Scottish Government. We can expect this to pick up pace in the months ahead.
7. In summary, the challenges on the organisation and its staff are increasing with significant pressure points beginning to emerge, particularly given the increasing demand for extra resources on renewables planning work. This quarter we have seen three objectives rated as amber, compared to none in the last quarter, which is an early indicator of the resourcing pressures that we are starting to experience.

| PRIORITY PERFORMANCE | NUMBER | CORPORATE RISK | NUMBER |
| --- | --- | --- | --- |
| Objectives | **15** | **Corporate Risks** | **10** |
| On Track | 12 | Increased Score | 2 |
| Minor Slippage | 3 | Decreased Score | 0 |

| FINANCIAL METRICS | STATUS | PEOPLE METRICS | STATUS |
| --- | --- | --- | --- |
| Resource Budget | **Minor Slippage** | Health, Safety and Wellbeing | **On Track** |
| Capital | **On Track** | Attendance | **On Track** |
| Indirect Capital | **On Track** | Workforce Profile | **On Track** |
| Paybill | **Minor Slippage** | Employee Relations | **On Track** |
| Project Allocation | **On Track** | Internal Movement | **Minor Slippage** |
|  |  | Retirement Profile | **On Track** |
|  |  | Employee Engagement |  |

**PERFORMANCE REPORT**

| WE HAVE PROTECTED NATURE | | | |
| --- | --- | --- | --- |
| CORPORATE PLAN OBJECTIVE | SLT LEAD | RAG SCORE | Q3 UPDATE |
| 1. Lead the delivery of 30% of land and sea being protected by 2030 | Nick Halfhide | **AMBER** | * National Park: Prepare and commence 12 week public consultation. Launched on 7th November, running to 14th February. * 30x30: Agree Delivery plans with SG - complete, enabling work to commence across ten workstreams. * 30x30: Agree CNPA pilot project. Plan has changed, now seeking SG approval for nationwide approach to flexible Protected Areas management. Currently under consideration by SG legal team. |
| 2. Build stronger collaboration reducing the impacts of deer and modernise our wildlife management and underpinning licencing functions to enable a net zero and nature positive future | Robbie Kernahan | **AMBER** | * Pilot deer incentive schemes now running in Central Scotland and South Loch Ness; Cairngorms National Park (CNPA) scheme in place. The Loch Choire S8 proposal awaits Ministerial decision. * Stakeholder consultation on the Species Licensing Review regarding licensing of lethal control, charging and cost recovery options was undertaken in Q3 with over 200 responses. First year review of Hunting with Dogs largely complete. * New conditions have been added to Grouse licences regarding wildlife crime out with the applicant determined area of the licence. * Sea Eagle Management Scheme review completed and with Ministers. * New tracking research providing useful data on Icelandic Greylag will be considered re next steps for population status and requirements for species plan. * First meeting of Land Manager Wildlife Forum held with both Ministers in attendance. Agreement for 3 monthly meets. |
| 3. Engage and influence planning and other regulatory systems to ensure they deliver for nature and climate | Robbie Kernahan | **GREEN** | * Development Planning – We are gathering evidence for Local Development Plans as the new model come forward from Local Authorities. We formally responded to five Plans in Q3. Strategic responses included that to the joint SG/UK Government proposals for changes to the Electricity Act. * Biodiversity metric – we are in discussion with external stakeholders to understand issues with the English metric and how to adapt for Scotland. We are raising awareness via external webinars for the Improvement Service. * Engagement with the Renewables Sector – Sector Deal discussions requires addressing. Additional effort is needed with Scottish Government to ensure the wider Peatland Expert Advisory Group work delivers “win wins”. * Inquiries - Coul golf links and Kirkton Windfarm (affecting the Flow Country World Heritage Site) sessions completed and final submissions in Q4. |
| 4. Influence the transformation of marine management through new marine planning, protection and fisheries management frameworks, and working with the marine renewable energy sector | Nick Halfhide | **GREEN** | * Marine energy - Displacement workshop held. Application advice provided on West of Orkney additional information. Application advice for Ossian provided. Charging contract - draft report received and discussed with steering group. * Enhancement - Provided initial advice to Marine Directorate towards the Marine and Coastal Restoration Plan; contributed to first advisory group meeting. * Marine planning: Responded to Orkney Islands Regional Marine Plan consultation, including the SEA and spatial guidance for aquaculture. * Marine protection - Completed PMF guidance documents and documents for fisheries assessment contract. * Reporting and assessment - MPA report to parliament published on 17th December by Scottish Government. Marine reporting and assessment programme delayed due to increased work required on Habs Regs reporting data. * Marine development - Advice for the re-submitted application for Haston and Scapa port developments provided. * Marine fisheries – Completed environmental advice on Fisheries Management Plans to Marine Directorate (with JNCC). |

| WE HAVE RESTORED NATURE | | | |
| --- | --- | --- | --- |
| CORPORATE PLAN OBJECTIVE | SLT LEAD | RAG SCORE | Q3 UPDATE |
| 5. Co-lead the production of the new Scottish Biodiversity Strategy (SBS) and develop targets to include in a new Natural Environment Bill | Nick Halfhide | **GREEN** | * SBS and Delivery Plan documents have been published. * Discussed the programme management of the 138 projects in the Delivery Plan with SG and with other partners. |
| 6. Scale up Peatland Restoration by delivering Peatland ACTION funding to projects | Robbie Kernahan | **GREEN** | * On track to meet our target of 7,400 hectares restored * Submitted revised guidance on peat and development to the Peatland Expert Advisory Group (PEAG) - to balance competing interests. The PEAG have asked for further consideration in response to ongoing concerns raised by the renewables industry about the 1 to 10 compensation ratio. * Supported a series of Scottish Land and Estates regional Peat Workshops and filming for case studies to be released in Q4. * Received 30 submission responses to our Update and Conversation on Change to confirm the changes we have introduced and seek feedback on proposed future changes. * Prepared a first draft of the new Scottish Peat Standard and shared with the Technical Advice Group for comment. * Commissioned research to assess the long-term workforce capacity needs. * Supported SG to engage with stakeholders considering private finance options including the development to pilot Carbon Contracts in 2025. * Published the Peatland Action Partnership Monitoring Strategy. |
| 7. Lead, enable and convene others around the development of ambitious and coherent actions to restore nature. Deliver a major Nature Restoration Fund (NRF) targeted at high impact nature recovery projects and seeding greater investment from the private sector | Nick Halfhide | **GREEN** | * NRF Decision Board approved funding for a number of delivery and development projects, fully committing all of this year's NRF funds, and forward committing most of next year's budget. * Completed the creation of a GIS layer showing partnership working on nature restoration as part of the nature restoration 6 areas of SBS priority work. * Worked with Wildlife management to progress work on threatened species management. Wildcats are currently proving challenging to reach an agreement on with landowners. |
| 8. Demonstrate how agriculture can be transformed with new approaches to deliver targeted outcomes for nature and climate | Robbie Kernahan | **GREEN** | * Agri-Environment Climate Scheme (AECS) - 2024 Application assessment process has been completed and recommendations for approval await ministerial sign off. * Farming with Nature (FwN) Biodiversity Audit and App - Farmers and crofters have completed their app testing and the results have been collated and being reviewed. Further work now underway to develop the app ready for wider use in 2025. * Agriculture Reform Programme - Supported SG develop guidance to accompany the recommendations for amending the Greening Scheme for 2026. Started working with SG to develop options for revising the Elective tier schemes for future delivery under the Rural Support Framework. |

| THE VALUE OF NATURE IS RECOGNISED | | | |
| --- | --- | --- | --- |
| CORPORATE PLAN OBJECTIVE | SLT LEAD | RAG SCORE | Q3 UPDATE |
| 9. Inspire people to connect with nature, increasing appreciation of nature’s value through impactful delivery and communication of our work | Nick Halfhide | **GREEN** | * National Nature Reserves - Strategic NNR plan delayed until Q4 because of capacity issues. Car park income generation pilot on track for implementation from Q4. Habitat management contracts completed at Loch Fleet and Flanders Moss and agreement reached with FLS for coastal habitat restoration project at Tentsmuir. Refreshed 10-year management plans completed for Tentsmuir, Muir of Dinnet and Forvie. 100th LNR in Scotland designated by Glasgow City Council. * Learning for Sustainability - Successful soft launch of the Nature Discovery Map Scotland (NDMS) app at Learning Places conference 2024. Soft roll-out underway with several local authorities. * SOAC promotion - Autumn campaign successfully implemented using social media. Planning for spring campaign in progress. Expressions of Interest for funding gathered for SOAC anniversary activity. * Access and visitor management - Visitor Management Strategy (VMS) Action Plan End of Season report complete for 2024 (Q3). Fires guidance in draft (Q3), due to complete Q4. New convenor of the National Access Forum elected. We supported the Scottish Countryside Ranger Association (SCRA) in celebrating their 50th Anniversary. * Health and well-being - Green health pilot overview report finalised with foreword from Chief Medical Officer with publication planned for January alongside the first Green Health learning network being organised by PHS. First ever assessment of NHS greenspace published by PHS as part of the NHS Climate Emergency and Sustainability workstream that NatureScot chairs. * Environmental Attitudes and Behaviours - NatureScot Opinion Survey (NOS) 2024 survey fieldwork completed and raw data received. Scotland's People and Nature Survey (SPAN) headline report published and well attended webinar held. |
| 10. Influence the regulatory, policy, market and institutional infrastructure needed to stimulate private sector investment into nature | Robbie Kernahan | **AMBER** | * FIRNS: All Round 2 projects continuing delivery. Second block of Community of Practice events delivered. Represented FIRNS at the UK Nature Finance conference. Round 1 evaluation, case studies and grants map being developed for publishing. Shortlisted for a Nature of Scotland Award. * SMEEF: £157,000 of the £268,000 awarded for the first privately funded grant round now spent. The Grants Panel has discussed applications for Seagrass planting fund of £2.1m, allocated over four years. Minimum contributions of £1.65m over the next five years to the Seabird Resilience Fund have been agreed. £100,000 in unrestricted funds are yet to be awarded. * The Flow Country: First pilot phase 1 is complete, the second underway. Letter of Intent is signed for third pilot. Active discussions through Nature Investment Partnership and other potential investors and carbon buyers. Amber rating as not yet secured funds for pipeline development beyond end of FIRNS, plus resourcing challenges with World Heritage Site team. Awarded Nature and Climate Action prize at Nature of Scotland Awards. * CreditNature/CivTech: All Pre-commercial Agreements (PCA) deliverables have been completed. * Market Framework published * PINC Peatland Programme: Work on financial models with First Loss Fund and loan being blended into one Public/Private Fund. Individual Carbon Contracts as the favoured option. Stakeholder engagement along with SG Legal and financial teams’ consultations on options. Ministerial proposal to be submitted for project continuation approval. Amber rating whilst awaiting approval. * Nature Investment Partnership: UKIB cornerstone funding of £50m for Abrdn climate and nature impact fund (ACANIF) confirmed in early November. * Established agreed media lines on Abrdn investment in fossil fuels. Good progress on 5 pilots with prioritisation of investment and implementation action. |
| 11. Drive the establishment of Natural Capital as an integral part of public and private business planning and investment decisions at national, landscape and landholding/business scales | Robbie Kernahan | **GREEN** | * Limited progress on NC portfolio due to focus on NC tool workshops and recent recruitment inductions. * Natural capital tool development is progressing well with tool presented to teams across NatureScot to raise awareness of its function and application. * Provided advice and awareness raising to the HIREP Community Wealth Building Group. * NCAI is being updated with existing indicators ready to publish in February 2025. * The economic valuation components of the tool are being progressed. Ready to commission University of Exeter / LEEP to contribute to the economic valuation. * Engaged with SG Natural Capital Policy team and RESAS on various projects including the Scottish Environment Food and Agricultural Research Institution (SEFARI) fellowship reviewing natural capital tools and models. |
| 12. Promote understanding and awareness of skills and capacity needs for the nature-based sector | Nick Halfhide | **GREEN** | * Delivered a range of careers events in partnership with the FE sector as part of November Careers Week. * Delivered 'Meet the Professionals' live careers workshop online session as part of Careers Week with over 100 attendees * Attended 'Discover Careers' Event at University of Edinburgh with over 1000 attendees * Attended 'Sliath!' (Go On) Gaelic Careers Event in Inverness. * In partnership with Royal Botanic Gardens Edinburgh (RBGE), drafted a MoA, learning outcomes and project proposals to deliver an online training package on nature-positive urban grassland to be hosted on RBGE Training Platform and launched Q2 25/26. |

| WE HAVE TRANSFORMED HOW WE WORK | | | |
| --- | --- | --- | --- |
| CORPORATE PLAN OBJECTIVE | SLT LEAD | RAG SCORE | Q3 UPDATE |
| 13. Deliver new ways of working to stimulate achievement of our ambitions | Jane Macdonald | **GREEN** | * Estates - Closed Clydebank office and successful move into Scottish Government building at Atlantic Quay in Glasgow. Following decision to move to Pullar House, now in discussions with Perth and Kinross Council and Scottish Government about the next steps. This will inform a programme for the move out of Battleby and placing it on the market. Work underway to relocate Galashiels to Tweedside Park in mid-Feb 2025. * GIS Transformation Programme - work is proceeding to plan on user stories/personas. Enterprise architecture documentation now complete in readiness for the next phase of market testing. * Information Technology Implementation Programme - The pilot of ‘MS Teams Premium’ launched with the Executive Office in order to explore how MS365 AI tools could reduce time spent on administrative tasks. A draft ICT Strategy covering the period 2025-28 has been prepared and will go to SLT for sign-off in Q4. * Information and Cyber Security - Compliance with FOI/EIR responses over Q3 was 94%. Compliance with cyber security training over Q3 was 93%. * Digital Delivery Programme - EcoMI (formally known as Informed Insight) was launched on the 18th of Dec helping to support work on protected areas. The new PMO was fully launched in Q3. They are now working closely with the Digital Delivery Programme Manager on how they can support each other on the strategic overview of digital projects. Protected Areas site documents have been successfully migrated to the Cloud. Work is ongoing to increase the flow of data and documents to InformedDecision in order to expand the use of the tool to more case types. * Communications - ‘Helping it Happen’ awards ceremony took place in October which recognises the role of estates and rural businesses in supporting rural Scotland. In November we helped sponsor the ‘Nature of Scotland’ Awards. The annual MSP Survey was undertaken during Q3 and we are now analysing the results. A successful staff conference took place in December. * Finance - The sign-off of the Annual Report and Accounts was completed. Paybill ‘Deep Dive’ review undertaken which included a review of FTA roles to reduce pressures on the paybill budget in the future. * Grant Management System – AO approval received and procurement underway for contract award in Q4. Digital Assurance Assessment confirmed for Q1 2025/26. * NRF round of applications assessed and results communicated to all applicants. NRF Team now negotiating offers with most projects due to start in Apr 2025. Evaluation Project draft for NRF received with feedback now being collated for preparation of final report in Jan 2025. |
| 14. Transform our individual and collective leadership capability | Jane Macdonald | **GREEN** | * A Three Horizons session took place with the cohort from the Global Leadership for Sustainable Development course. This identified next steps in terms of widening the pool of ambassadors and champions. A two-day orientation workshop is planned for key internal stakeholders in Q4. The aim is to use this as a pilot for a wider leadership programme for all leaders in 2025-26. * Participation in the Sustainable Leadership Community commenced this quarter with 15 colleagues taking part. * Work continues with subject matter experts on the review of the Learning Framework in order to create content for the nature skills cluster. In Q4 we will be developing “people management” content with Internal Comms. |
| 15. Sustain our focus on developing a happy and resilient workforce | Jane Macdonald | **GREEN** | * Improvements for the recruitment module of Oracle Fusion will move to live in Jan 2025. The focus is now on the learning and development module with work commencing in Q4 under the Fusion Optimise programme. * The People Programme Board has supported the use of the HSE Stress Indicator Tool with a Home and Hybrid Working add-on. This will be rolled out in Jan 2025, with a review of the results in Mar 2025, to help identify any local or corporate actions to improve the management of stress. * Career Conversation training for all is now being rolled out across the organisation. * The Maxi pulse survey went live in December which had a focus on benchmarking key index questions. |

# PERFORMANCE DASHBOARD For more information please click on the measure title that will take you to the source data.

## WE HAVE PROTECTED NATURE

| **Measure** | **Performance Overview** | **Actual** | **Cause** | | **Response** |
| --- | --- | --- | --- | --- | --- |
| [**Stakeholder interest in MPA Information**](https://naturescot.nexus.objective.co.uk/documents/A3962324/details) **(hits on webpages)** |  | 188 | Despite expectations that we would see numbers rising again after the issues reported last Quarter, this has not been the case. In contrast numbers continue to decline but the numbers are unreliable and do not accurately reflect the number of visitors to the pages. | | Next Quarter work will begin on transforming the Enhancing Protection page into our page for the MPA/PMF fisheries management measures consultation. Metrics will be reviewed with P and PM team. Hopefully next quarter the Google Stats cookies issues will have started to resolve. |
| [**No. of restoration projects for which we’ve provided advice**](https://naturescot.nexus.objective.co.uk/documents/A3938660/details) |  | 8 | The number of active marine and coastal restoration projects has remained stable during Q3. | We have received a number of new enquiries from potential projects, not only from community groups but also from companies interested in enhancement related to corporate social responsibility/ nature positive objectives. We have continued to provide casework advice and have been actively involved in the application evaluation process for the SMEEF/ SSEN fund. | |
| [**License applications turnaround time within standards**](https://naturescot.nexus.objective.co.uk/documents/A3972998/details) |  | 303 | We are not in a position to be able to advise whether or not the licences have been issued in accordance with an agreed turnaround time, because the database algorithm does not reflect the turnaround times defined in our service level statement (SLS). We may have missed the SLS agreed time but met the requested date on the licence application. | Aiming to look at a work-around to be able to conduct analysis of turnaround in Q4 to then report in Q1. Unforeseen technical issues or lack of staff resource may prevent this. | |
| **[No. and Types of licenses that are processed through the online system](https://naturescot.nexus.objective.co.uk/documents/A3920276/details)** |  | 347 | Seasonal fluctuations | | As new licence application types can be applied for online the numbers will increase. Numbers will continue to fluctuate due to seasonality. |
| [**No. of catchments with established beaver populations**](https://naturescot.nexus.objective.co.uk/documents/A3920275/details) |  | 5 | The Upper Beauly application has been very recently received and we are discussing next steps to complete our assessment. | | Internal Discussions are ongoing about a release on Taynish NNR but this is not imminent and would not lead to a new catchment. |
| [**% of holding objections for formal planning applications**](https://naturescot.nexus.objective.co.uk/documents/A3918504/details) |  | 10.84% | Q3 (up to 17/12) in the RED RAG tolerance (>9%) with proportion of holding objections at 10.8%. SRN mast applications still make up a high proportion of holding objections (8/18 or 44%) but no additional holding objections for peatland restoration proposals. Still in the AMBER RAG tolerance (4-8%) overall so far for Q1-Q3 combined (48 holding objections out of 636 applications = 7.5%). | | New online system for consultations InformedDecision goes live in January, so the impact will be assessed at end of Q4. |

## WE HAVE RESTORED NATURE

| **Measure** | **Performance Overview** | **Actual** | **Cause** | **Response** |
| --- | --- | --- | --- | --- |
| [**No. of individual farm businesses that have completed a biodiversity audit**](https://naturescot.nexus.objective.co.uk/documents/A3920272/details) |  | 302 Total | 231 farms have completed a biodiversity audit map of their farms.  230 farms have completed a habitat assessment. 231 plus 71 from 2023-24 gives cumulative total of 302. | No response required |
| [**No. of marine renewable energy consultations we provide advice on avoiding impacts on nature**](https://naturescot.nexus.objective.co.uk/documents/A3920434/details) |  | 93 | Encompasses October holiday period. Includes the following significant consultation responses issued: Bowdun Scoping, MachairWind Scoping, West of Orkney Additional Information.  Also includes Talisk and CampionWind Scoping Workshops.  Caledonia and Muir Mhor s36 Applications received and work on these underway. | No response required. |
| [**NatureScot is in partnership with new**](https://naturescot.nexus.objective.co.uk/documents/A4124199/details) **recipients** |  | 4 | 1 new HN recipient (out of 2 new HN grants). 3 new TN Development recipients (out of 9 new TN Development grants). 0 new TN Delivery recipients (out of 2 new TN Delivery grants)." | There was one NRF decision panel held for decisions across both Helping Nature and Transforming Nature strands of the programme. This was the final panel under the current NRF programme for Helping Nature and Transforming Nature delivery funding, with a limited budget remaining for 1 year projects starting in April 2025. New recipients of NRF funding include a farm in Dumfries and Galloway (Balmangan Farm) and South Kintyre Development Trust. |
| [**External funds raised by SMEEF and the amount allocated to projects.**](https://naturescot.nexus.objective.co.uk/documents/A3736347/details) |  | £460,000 | £400,000 from SHEPD towards Seagrass Fund; £50,000 for Seabird Resilience Fund and £10,000 of unrestricted funds | £300,000 expected in Q4 for Seabird Resilience Fund. Grants of up to £1.7m to be awarded in Q4 from Seagrass Fund |
| [**Area (hectares) of peatland put on the road to recovery**](https://naturescot.nexus.objective.co.uk/documents/A3736343/details) |  | 3287ha | Completed projects to date in current financial year. | The Target of the year has changed once again due to an additional funding allocation from Scottish Government of £850k. The new target is now 7,400ha. We are currently on track to exceed this target in Q4. |

## THE VALUE OF NATURE IS RECOGNISED

| **Measure** | **Performance Overview** | **Actual** | **Cause** | **Response** |
| --- | --- | --- | --- | --- |
| [**Engagement Rate on Make Space for Nature (MSFN) webpages**](https://naturescot.nexus.objective.co.uk/documents/A3920259/details) |  | 94% | Unable to report on web traffic due to ongoing cookies issue. | We partnered with four diverse content creators to help connect with less engaged audiences; Chris Lawlor and The Chaotic Scot, alongside two new collaborators: Tales by Josh (Scottish Black Adventurers) who promotes diversity in outdoor spaces, and Simply Emma, a leading accessibility and disability blogger. Each influencer developed bespoke, authentic content inspired by the MSFN seasonal tips. |
| [**No. of Landscape partnerships that NatureScot is involved in that use a natural capital approach**](https://naturescot.nexus.objective.co.uk/documents/A3919298/details) | N/A | N/A | We will be sending a follow up email to the landscape scale restoration projects that NatureScot is involved in. We will include a question about whether a natural capital approach was used. | This question, and additional background information about what a natural capital approach is, will be sent to the landscape scale restoration projects in Q4. Data for the measure will start to become available following responses to this email in Q4. |
| [**Nature-restoration jobs and skill development opportunities created through our activity**](https://naturescot.nexus.objective.co.uk/documents/A3736341/details) |  | 399 | Additional cohort of SRUC short course students and strong turn out to Hydrology training |  |
| [**Young People that we engage with on Skills**](https://naturescot.nexus.objective.co.uk/documents/A4379404/details) |  | 1814 | Plan to attend U of E Discover Careers/P and K Youth Climate Conference and run a NatureScot “Meet the Professionals” Webinar. | Partnering with Edinburgh and Glasgow Universities to drive attendance. |
| [**National Nature Reserve online engagement**](https://naturescot.nexus.objective.co.uk/documents/A3736345/details) |  | 495590 | Significant decrease in engagement but no causality identified as post level remains consistent. | Further investigation for the decrease required |

## WE HAVE TRANSFORMED HOW WE WORK

| **Measure** | **Performance Overview** | **Actual** | **Cause** | Response |
| --- | --- | --- | --- | --- |
| [**Sq meterage of floorspace dedicated to NatureScot**](https://naturescot.nexus.objective.co.uk/documents/A3955829/details) | On Track | 5883 m2 | As noted in previous updates we appointed Savills to undertake a review of all of our space plans for the NatureScot offices, update all the drawings where required and provide revised benchmarking data reporting on the space that NatureScot occupies. This has now been completed and a baseline data set issued by Savills. | The relocation works carried out this year at Dunoon, Cupar, Clydebank and Galashiels have delivered a reduction in office space of approximately 640m². The Clydebank office relocated in late November 2024 and the Galashiels office is scheduled to relocate in February 2025 so the benchmarking data for these new offices will have to be updated in the new benchmarking baseline data set. |
| **[Total emissions (tCO2)](https://naturescot.nexus.objective.co.uk/documents/A3736962/details)** |  | 462,075 | Half year total taken from total in Annual Climate Change Duties metrics. | New Net Zero Team Leader appointed to post in December 2024.  The Annual Public Bodies Climate Change Duties Report was submitted in November. Total was 924.15 tonnes compared to 914.81 tonnes in 22/23. The increase is largely due to increased FTE (744 compared to 714 in previous year). Building emissions and homeworking saw a decrease while travel and helicopter use saw an increase.  We are reviewing our current Travel Hierarchy and developing a new policy that is a decision making framework which emphasises the carbon emissions of the total journey. |
| [**Workforce Diversity**](https://naturescot.nexus.objective.co.uk/documents/A3724366/details) |  | 49 | Cultural norms remain. We continue to work in Partnership to tackle these. | The draft equality report, due to be published in 2025, shows how the work of the inclusive recruitment project has been mainstreamed into our day-to-day work.  We have made progress on the Equality Outcomes and contributory actions. For example, we have joined a Board Apprentice scheme that is open to people with no prior experience, and we will welcome a placement into NatureScot's board in January 2025. |
| [**% Of Implemented Audit Recommendations**](https://naturescot.nexus.objective.co.uk/documents/A3920956/details) |  | 95% | The Priority 1 implementation rate increased to 100%, the rolling average across the last four quarters has remained at 84%, slightly below the KPI target of 85%. | In relation to lower level Priority 2 and 3 recommendations, there is 1 delayed recommendation that relates to the Project Management Office setting up an ELT communications plan. |

## FINANCE

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Financial Metrics (£m)** | **Measure** | **Budget** | **Forecast** | **Variance** | **Rating** |
| Resource Budget | Outturn within 1% of final budget | 65.6 | 66.5 | (0.9) | **MINOR SLIPPAGE** |
| Capital | Outturn within 5% of final budget | 2.6 | 2.5 | 0.1 | **ON TRACK** |
| Indirect Capital | Outturn within 5% of final budget | 18.8 | 18.6 | 0.2 | **ON TRACK** |
| Paybill | Outturn within 1% of final budget | 41.6 | 42.2 | (0.6) | **MINOR SLIPPAGE** |
| Project Allocation | Outturn within 1% of final budget | 18.0 | 18.5 | (0.5) | **MINOR SLIPPAGE** |
|  |  |  |  |  |  |
| Peatlands | Outturn within 1% of final budget | 15.8 | 16.1 | (0.3) | **ON TRACK** |
| Farming with Nature | Outturn within 1% of final budget | 0.9 | 0.9 | 0.0 | **ON TRACK** |
| Nature Recovery Fund | Outturn within 1% of final budget | 9.7 | 9.0 | 0.7 | **MINOR SLIPPAGE** |
| FIRNS | Outturn within 1% of final budget | 1.5 | 1.4 | 0.1 | **MINOR SLIPPAGE** |

\*Resource under 1% - on track, up to 10% minor slippage, over 10% major slippage (\*\* Capital under 5% / up to 10%)

## Resource Budget Performance

As at the end of December, an overspend of £0.906m is currently forecast on the Resource budget (end November position was an overspend of £1.354m. At this point last year, an underspend of £0.368m was forecast).

* + We need to achieve £1.9m of surrenders before the end of this financial year and are working with Objective leads to achieve this. The current confidence levels allocated against the Corporate Plan Objectives indicate surrenders of £1m but as we are forecasting an overspend of £0.9m, we need to find £1.9m to bring us in on budget.
  + Surrenders received to the end of December are £2.6m and the four-year average for Jan to Mar is £1.7m.
  + Finance meets each Objective Leads monthly to advise and challenge commitments, spend and surrenders. In collaboration with Objective Leads, allocations can then be made to high priority and achievable work during the remainder of the year. Due to our current overspend position, approval of additional funds is being scrutinised by Allocations Group.

Movement in month includes a reduction in Paybill. The Paybill forecast has been updated and has decreased to £42.2m. This is a £0.6m variance on the current budget of £41.6m.

Further amendments in month include:

* Strategic Resource Managers along with the Directorates have been working on identifying in-year paybill savings made throughout 2024/25. This has been reassessed and updated by Finance with the results reduced. They have identified posts that have ended, not been recruited or have reduced hours. To achieve the full year saving target of 5%, we would need to make a further £1.15m of savings in 3.5 months. We believe this is unachievable and that we will look to balance paybill through the flexibility we have in programme and project OPEX.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| *11.12.2024 update* | Full year 5% Saving | Nov Target (8/12 of year gone) | Savings YTD | +/- on target | To achieve by year end |
| Total | 2,058,491 | 1,372,327 | 909,604 | -462,555 | 1,148,635 |
| Per Directorate |  |  |  |  |  |
| Green Economy | 968,451 | 645,634 | 390,202 | -255,432 | 578,249 |
| Nature and Climate Change | 543,505 | 362,337 | 272,605 | -89,732 | 270,900 |
| Business Service and Transformation | 442,415 | 294,943 | 223,023 | -71,920 | 219,392 |
| Chief Executive's Group | 103,868 | 69,245 | 23,774 | -45,471 | 80,094 |

* The project budget and target are £18m with a current forecast of £18.5m. The Project Allocation Forecast Tracker does not include any ring-fenced funds NRF, Peatlands, FIRNS and FwN are therefore excluded. The JNCC contribution is also not included, the Forecast for it is £1.156m and this was paid in mid-October.

**Programme funding including Indirect Capital**

Indirect Capital Programmes are forecasting an underspend of £0.232m and Resource Programmes are forecasting an underspend of £0.266m. They consider the confidence levels for Peatlands and NRF.

* In addition to the £14.9m approved by SG for Peatland Action (£10.99m Indirect Capital and £3.91m Resource), we have included a further £0.876m in the budget to be received from the Shared Islands Fund.  The SIF claim has been submitted and projects funded by this money offered accordingly.
* On both Peatlands and NRF, we have over-allocated due to these large programmes having underspent in previous years. We have applied confidence levels which are the value of surrenders we need to achieve to bring us in on budget. We are showing the full forecast including the confidence levels for these programmes. Both programmes are being project managed and have financial support from the Business Support Accountants.
  + We are currently forecasting £16.091m against the budget of £15.776m for Peatland Action. We require surrenders (and/or slippage into 25/26) of £0.3m to bring us in on budget.
  + The total Nature Restoration Fund (NRF) budget is £9.732m, this is split £2.750m Resource and £6.982m Indirect Capital. We are forecasting £8.979m with the confidence levels applied, a total underspend of £0.753m.
  + The Farming with Nature budget is £0.855m from SG and £0.086m from our core GIA. We are currently forecasting £0.941m on this programme.
  + The Facility for Investment Ready Nature in Scotland (FIRNS) budget is £1.5m, £1.2m from SG and £0.3m from our Core GIA. We are forecasting £1.44m on this programme.

**Capital Budget Performance**

An underspend of £0.075m is forecast on the Capital budget.

NatureScot currently leases land at Blawhorn Moss NNR which includes the access road and carpark for visitors to the NNR. The land is being sold, however the purchase value is not available yet so we have not yet included within the number potential acquisitions price (expected to be less than £0.1m).

**RISK AND AUDIT**

## Risk

The [Corporate Risk Register](https://naturescot.nexus.objective.co.uk/documents/A4862272/details) holds the high priority risks for NatureScot. Following feedback from the ARC and further consideration of the corporate risk register by SLT a number of changes have been made this quarter. There are currently 12 approved Corporate Risks, 6 high, 5 medium and 1 low. There is one new corporate risk under development that is close to being finalised.

Risk 646 Weakened reputation has seen an uplift in the likelihood of the risk materialising move from 1 to 2

Risk 586 relating to structural funds has been de-escalated as the programme moves into its final phase.

Risk 71 relating to AECS has also been de-escalated due to its low likelihood rating and therefore can be managed at Directorate level.

Risk 137 which related to staff resource management has been refocused and remains on the corporate risk register. It now places emphasis on the organisational risks related to strategic workforce planning and ownership remains with the Head of POD. A new risk related to strategic resource prioritisation and management has been created (Risk 755), and is owned by the Head of Finance

A further three new Risks have been identified and have been included on the corporate risk register. Firstly, Risk 759 - Reputational risk due to statutory Reporter role for new National Park in Galloway proposal. This manages the reputational challenges of discharging our independent reporter role where there are challenges from some quarters about our neutrality and considering the wider impacts on our other work.

Secondly, Risk 760 in relation to the potential uncertainty created by the interim Chief Executive arrangements. This risk is rated as low given the arrangements now in place with an interim appointment.

Finally, Risk 761 relating to future liabilities created by grant funding streams which aims to balance the risk of committing to future years funding streams when NatureScot only receives annual budget awards

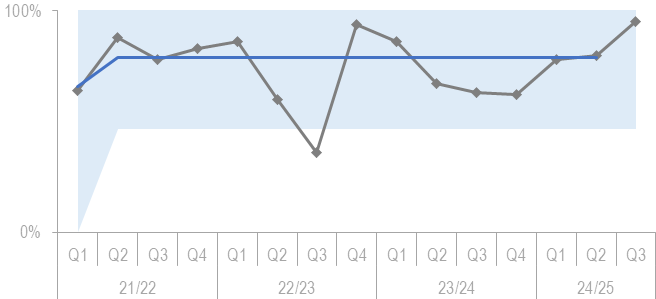
One risk has also been identified and is about to be finalised. It relates to the increasing exposure to legal challenges that NatureScot is facing and ensuring that adequate controls are in place to ensure strategic oversight.

**The Board are requested to note the performance of the corporate risks, particularly the de-escalation of 2 corporate risks, the inclusion of 4 new risks and that 1 further new risk is under development.**

## Audit

The Priority 1 implementation rate increased to 100%, the rolling average across the last four quarters has remained at 84%, slightly below the KPI target of 85%. In relation to lower level Priority 2 and 3 recommendations, there is 1 delayed recommendation that relates to the Project Management Office setting up an ELT communications plan.

Implementation Rate



# PEOPLE

## 

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Measure** | **RAG** | **Performance Overview** | **Actual** | **Analysis** | **Comment** |
| **Health, Safety and Wellbeing** |  | A graph with a line and a line  Description automatically generated  (This graph shows number of accidents) | 10 | A decrease in accidents has been reported in Q3 from 12 down to 10. An increase in near misses reported from 2 to 8, four of which were related to the one incident. XmR charts for Accident and Near-miss reporting in Q3 indicate that our overall reporting level continues to see higher mean lines and broader acceptable bounds of variation, noting the above.  "Slip, trip or fall" or “hit by a moving, flying or falling object" were the commonest accident types reported. The incidents due to slip/trip/fall all occurred in outdoor settings. One incident that resulted in the partial overturn of an ATV did not cause any injuries or damage to the vehicle.  There are still only a small proportion (28%) of incidents being investigated. | Continue to promote the reporting of accidents and near-misses. Monitor for completion of investigations into the reported incidents and follow up to ensure investigations are done. |
|  | A graph with a line and a line  Description automatically generated  (This graph shows number of near misses) | 8 |
| **Attendance** |  | A graph with a line and a line  Description automatically generated  (This graph shows the number of sick day taken each quarter per employee from 2020 to date) | 1.71 days | We saw an increase in our sick days per person from 1.43 days to 1.71 days (↑0.28days).  Mental Health – Personal Stress/Depression and Anxiety absences make up the bulk of lost time and has increased significantly since Q2 from 160.5 days to 302.5 days (↑142days)  Short-term absences continue to be the bulk of working time lost. The top reason for short-term sickness was Ear, nose, throat, mouth, and eye with 229.5 days lost (132 days in Q2, ↑ 97.5 days). | The implementation of the HSE Stress Indicator Tool in Q4 will strengthen proactive action around stress, to support employees and managers to identify and manage their stress indicators. |
| **Workforce Profile** |  | (This graph shows the employee turnover) | 9% | Annual Turnover was 9%. Our annual turnover by contract type is:  4% - Fixed Term Employees  5% - Permanent Employees.  There were 23 leavers in Q3, of which 57% of leavers were leaving because their fixed term contracts were ending, 22% left due to personal reasons, 17% were retirements and 4% left to move to alternative employment.  Turnover since Q3 2023/24 has been consistently between 8-9%. | P&OD will continue to analyse the Exit Survey feedback to identify any trends in relation to leavers. |
| **Employee Relations** |  | A graph with numbers and lines  Description automatically generated  (This graph shows the number of formal employee relations cases raised)  A graph with numbers and lines  Description automatically generated  (This graph shows the number of informal employee relations cases raised) | 2  27 | There have been a total 5 new casework cases.  Formal casework has increased from 1 to 2 open cases (↑1 cases). These include a disciplinary investigation.  Informal casework has increased from 23 to 27 open cases in Q3.  Most Informal cases relate to short- and long-term absences and health and wellbeing. | Given the low level of casework, we are shifting our focus for measurement to the duration of casework (end to end), and subject matter. This will allow us to continue to be proactive around resolution. We will start this reporting from Q4. |
| **Workforce Trends** |  | A graph with lines and numbers  Description automatically generated  (This graph shows the trend of the organisations headcount and FTE to date) | **824 and 764** | Headcount is 824 (↓6) and FTE is 764 (↓3). Following recruitment in Q1 there were 20 new starts in Q3.  15 of our new starts are on fixed term contracts, while 5 are on permanent contracts.  Our forecast is that our headcount will reduce given the review of fixed term contracts, with 6 employees with fixed term appointments due to end at the end of Q4 and a further 12 throughout 2025.There will also be a total of 15 permanent employees reverting to their substantive post in 2025/2026. | A current review of all fixed term appointments will support the proactive management of headcount. Triggers are still to be built in to ascertain future liability and encourage informed decision making as we move through the 2025/26 cohort. |
| **Retirement Profile** |  | A graph of numbers and a number of retirements  Description automatically generated   (This graph shows number of retirees and our forecasted retirements) – \* |  | 185 employees are aged 57+ (22% of headcount). This is predicted to rise to 205 by Q3 2025/26.  4 employees retired (17% of Q3 leavers). Year to date there have been a total of 19 retirements.  The average retirement age is 64.  *\*(Please note the forecast figures have been rounded up which impact the graph levels.)* | P&OD expect the number of retirements in 2024/25 to exceed the forecast (20). |

# PEOPLE – HEADLINES

|  |  |
| --- | --- |
| **Employee Engagement** | * Maxi Survey launched in December and closed on 20th January * The response rate to date (08 January 2025) on the Maxi Survey is 51% * We excluded the employee engagement section in the main performance scorecard because the pulse survey results will not be available until after the survey closes on 20 January. |
| **Employee Benefits** | * Following the change to the new EAP provider in August, we have seen continued growth in the number of colleagues signed up to the Spectrum website. We now have 31.88% (↑11.88%) of employees signed up for the service, with a total of 878 visits to the web page (↑499 from Q2). * Most of those views were to the digital gym followed by the wellbeing content. * 7.38% of employees have contacted the EAP helpline and of those that contacted the EAP helpline, 3.4% have been partners. |
| **Employer of Choice** | * 48% return rate for exit questionnaires (11 in total), (Q2; 61%). * The average return rate in 2024/25 to date is 64%, no significant issues highlighted. * Since going live with the supplementary questions, the main reason that prompted leavers to look for alternative employment was fixed term contract, and they remained employed in the public sector. |

Annex A – Corporate Risk Register (High Risks)

| **Risk Title** | **DESCRIPTION** | **CONTROLS** | **IMPACT** | **LIKLE-HOOD** | **RISK LEVEL** | **Comment** |
| --- | --- | --- | --- | --- | --- | --- |
| 47 - Computer Virus/Malware | As a result of inadequate protection, or inappropriate system use, including accidental activation of email links by that lead to malware downloads, there is a risk that NatureScot systems becoming infected with a malware or virus agent, resulting in NatureScot systems and data become unavailable, encrypted or corrupted, significant system downtime and huge operational impacts. | \*All file servers are protected by Sophos anti virus protection. Upgrades are performed automatically and can also be applied in an ad-hoc manner \*All PCs are protected by Sophos anti virus protection. Upgrades are received on a live basis but can be applied ad-hoc \*All incoming emails are scanned for viruses.  \*All internet access, are scanned for viruses via Zscaler service.  \*Raise staff awareness of potential risks relating to email links and infected documents through regular communications. \*Control/restriction of USB devices  \*Awareness raising with staff via Blogs and update articles \*Incident Management Group in place \*Corporate data backed up to cloud  \*Zfilter showing us user behaviour and stopping internet threats \* regular meetings of TDS/ICS to check on patching levels and compliance issues. \* Change control process implemented with minimum of three user sign off. | 4 | 3 | **High** | Compliance for Mandatory cyber security training is high (still in mid 90% completion for all staff). The SIEM has been working well and giving us external eyes/support on our core infrastructure and services. This is hugely important has we head up to festive season. We are looking at measures around restricting access to NetExtender over festive period, shutting the service down over weekends and public holidays, to reduce our threat surface. As for cyber threat levels, it's likely at the highest level it's ever been, with global instability and UK weapons being used against Russia, we really are at a significant turning point in threat levels. Overall our controls are appropriate, but against a background of accelarating escalation of risk. |
| 393 -  Future Funding of NatureScot | As a result of on-going reductions in public expenditure or new cost pressures there is a risk our grant-in-aid settlement may not match statutory and fixed costs as well as corporate plan priorities. Unless other funding sources are secured this could result in an inability to adequately resource delivery of agreed priorities, leading to failed outcomes and reputational damage. | \* Ensure that our priorities are aligned with published Programmes for Government and ministerial portfolio priorities, specifically those aligned to the Programme for Government and Bute House Agreement  \* Provide realistic and evidenced assessment of the impact of possible cuts in our grant-in-aid budget through the annual Spending Review process.  \* Develop and put forward proposals, through the annual Spending Review process and other avenues with Scottish Government, for delivering more and better outcomes for nature and people through wider Scottish Government funding.  \*Reduce expenditure in some business areas through budget setting processes aligned to business planning cycle.  \* Identify efficiencies and savings in our current spending and ways of working to maximise the resources available for front line delivery.  \* Have an effective communications strategy in place which promotes the added value of our work.  \* Identify and implement opportunities to generate income from the services we provide.  \* Identify and implement opportunities for external funding of NatureScot-led work through the business planning process (including at Outcome and Activity levels) and at the project development stage for significant scale projects.  \* Develop proposals for new, preventative projects that can help deliver a wider set of SG priorities, and build awareness and support of these.  \* Develop and refresh a short, medium and longer term financial plan based on potential financial scenarios. | 4 | 4 | **High** | NatureScot's draft budget for the coming year has been published. We have received a slight uplift to cover the additional pay pressure anticipated in the year ahead. Active management of our paybill overall is underway with a review of FTAs and planning for next year’s work. Discussions with Scottish Government are planned for January and SRMs are currently working on priorities and resourcing. |
| 740 – Nature Finance | As a result of any or all of poor governance; lack of due diligence; or poor communications, NatureScot’s reputation could be significantly damaged by misjudged or poorly delivered interventions to influence private investment in nature. There is also a risk that, if we do not proceed with the urgency required to stimulate private sector investment into nature, that significant nature restoration will be unachievable. There is therefore a balance of acting with due diligence, versus not acting at all. There are also specific risks attributed to individual projects or partnerships which are dealt with at the project level. | Our approach to managing this risk is directed by the Azets report (2022) against which there were 15 recommendations. These were discussed and approved by Audit and Risk Committee in a deep dive on 7th Feb 2024 and further refined, before being presented to Board on 13 March 2024. | 5 | 2 | **High** | Governance: No resource for 0.4 FTE D-grade post allocated to supporting governance beyond end March. Governance panel has met; improvements to reporting from first iteration have now been included in the second report. Support for governance resource is required for co-ordination of governance and risk management.   Reputation: Weekly communication on the Nature Investment Partnership is now agreed to de-escalate to monthly reporting to SG PINC team. Internal coordination through weekly team meetings addresses communications and risk review. |