****

# TWO HUNDRED and SEVENTEENTH MEETING OF THE BOARD OF NATURESCOT

## MS TEAMS

## CONFIRMED MINUTES – 12 FEBRUARY 2025

## MEMBERS PRESENT

Colin Galbraith Chair

Jill Robbie Deputy Chair

Margaret Davidson Member

Ian Gambles Member

Jaboury Ghazoul Member

James Harrison Member

Peter Higgins Member

David Johnstone Member

James Loney Board Apprentice

Colin MacPhail Member (from item 9)

Wayne Powell Member

Heather Reid Member

Nikki Yoxall Member

## IN ATTENDANCE

Nick Halfhide Interim Chief Executive

Eileen Stuart 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

Claudia Rowse Deputy Director of Green Economy

Graham Boyle Chief of Staff

Sara Lewis Governance Support Manager (minutes)

Kath Leys Head of Biodiversity and Geodiversity (item 10)

Martin Faulkner Biodiversity Strategy Manager (item 10)

Donald Fraser Head of Wildlife Management (item 11)

John Donnelly Head of Finance, Planning and Performance (items 9 & 12)

Stephen Coulter Planning and Performance Manager (item 12)

Euan Orr Executive Office Support Officer (observer)

## APOLOGIES

Jason Ormiston Head of External Affairs

# AGENDA ITEM 1: OPENING REMARKS AND APOLOGIES

1. The Chair opened the meeting by welcoming everyone to the two hundred and seventeenth meeting of the Board of NatureScot, particularly Nick Halfhide, who was attending his first Board meeting as Interim Chief Executive, James Loney, Board Apprentice, and Euan Orr, observing. He recognised that this had been another busy period, which had included work on the Business Plan for 2025/26, and NatureScot’s Reporter work for the proposed new National Park in Galloway. Chair added that he had attended meetings with several partner organisations since the last Board meeting.
2. Apologies were noted from Jason Ormiston.

# AGENDA ITEM 2: DECLARATIONS OF INTEREST

1. There were several declarations of interest:

* James Harrison declared an interest in agenda item 10, the Natural Environment Bill, regarding having had conversations with several organisations, however none featured in the meeting papers for this meeting.
* Pete Higgins declared a declaration of interest in agenda item 10, the Natural Environment Bill, having had conversations with several organisations on licencing.
* Chair declared a declaration of interest in agenda item 11, Schedule 1 Bird Disturbance Licence – Landowner Notification of Activity (Official-Sensitive), having previously held a bird licence.
* Nikki Yoxall declared an interest with her involvement with Pastures for Life who have claimed for training funding from NatureScot.
* Jill Robbie declared an interest through her employing a past member of NatureScot staff to work on a peatland restoration grant application.

# AGENDA ITEM 3: MINUTES AND ACTION POINTS

1. Board members were content to **approve** the minutes of the Board of NatureScot Meeting on the 27 November 2024.

## Action Points

5. The **actions points** were reviewed:

**Action Point (03/206)** (Board Members to be consulted on advice to Scottish Government on recommended statutory nature targets.) Members noted that this was an agenda item at this meeting, and so agreed to **discharge** this action.

**Action Point 01/215** (Details of ongoing cost liabilities for Kinloch Castle to be provided to Board members) Members noted that this information had been emailed to them by the Executive Office on 17 December 2024. It was therefore agreed to **discharge** this action point.

**Action Point 04/215** – (A timeline showing key stages of the process for the development of the Corporate Plan 2026/30 to be provided to Board members which indicates anticipated engagement with Scottish Government) A draft timeline had been prepared and was waiting for further input from the Chair before sharing more widely with members. **Ongoing.**

**Action Point 05/215** (Chair, CE and Robbie Kernahan to discuss opportunities for the Board to have greater oversight/ownership of the species licensing process) It was agreed that the licencing review on governance would be allowed to conclude before this discussion takes place. **Ongoing**

**Action Point 01/216** (Lessons Learned Exercise to be Conducted on Introduction on Grouse Moor Licencing) Members were updated that work was ongoing to confirm when legal advice may be needed should any licence be challenged. It was agreed that this action point could be **discharged**.

**Action Point 02/216** (Information on Landscape Scale work in Angus and Deeside to be Sent to Board Members) It was agreed that this information would be circulated by 14 February 2025. **Ongoing.**

**Action Point 03/216** (Arrange for Chair to Visit the NatureScot Office at Atlantic Quay) Members were updated that this visit had taken place. It was therefore agreed to **discharge** the action point.

**Action Point 04/216** (Produce Terms of Reference for the Agricultural Transformation Group, showing consideration of ‘Agriculture and Nature’) Members heard that this will be discussed by the sub-group at their meeting on 4 March 2025. **Ongoing**

# AGENDA ITEM 4: MATTERS ARISING

6. There were no matters arising.

# AGENDA ITEM 5: ITEMS FOR AOB

7. There were no items for AOB.

# AGENDA ITEM 6 – CHIEF EXECUTIVE’S REPORT (OFFICIAL – SENSITIVE)

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

* Senior Leadership Team transition and backfill arrangements.
* Engagement with staff.
* Priorities for the next month.
* A variety of meetings with key stakeholders.

11. The Chief Executive updated on the budget settlement from the Scottish Government which included a 4% uplift to grant-in-aid. After additional National Insurance payments and inflation, the settlement is broadly comparable to the previous financial year. Work for which additional resourcing is required includes the Nature Restoration Fund and peatland restoration, which are outside of grant-in-aid scope. It was noted that with a static/reducing workforce, it would be a challenge to align demand with funding.

12. The opportunity to raise the profile of Scotland and NatureScot in nature restoration was recognised through UNFCCC COP30 in Brazil later in the year.

# AGENDA ITEM 7: BOARD COMMITTEE UPDATE – PROTECTED AREAS COMMITTEE

13. This agenda item provided the Board with an update from David Johnstone, Chair of the Protected Areas Committee (PAC), from their last meeting on 10 December 2024. The main item of discussion was the proposed National Park in Galloway, and recent public consultation. Other items included Marine Protected Areas, and 30x30 work.

# AGENDA ITEM 8: BOARD COMMITTEE UPDATE – AUDIT AND RISK COMMITTEE

14. Ian Gambles, as Chair of the Audit and Risk Committee (ARC) provided an update on their recent meeting which took place on 11 February 2025. He highlighted the following areas:

* Funds reserved for covering potential Structural Funds disallowances was not needed and had been absorbed back into the current financial year’s budget. The Committee were content with the financial management measures being taken to manage the budget to a positive outturn at year-end.
* Disposal of Battleby House.
* Material underspend on peatland restoration due to contractor slippage and process error, which was being addressed, and will be examined further at the ARC meeting in May.
* Internal and external audits, Risk and future deep dive topics.

15. Members discussed the importance of agreeing Scotland’s biodiversity net gain metric, which has been achieved in England. Without this, there was concern that Scotland will not be in the position to address biodiversity loss. It was agreed that the Chief Executive would meet with the Chair and Scottish government officials to discuss how this agenda could be progressed.

**Action Point 01/217**

16. Chair of the Scientific Advisory Committee, Pete Higgins, took the opportunity to update members that their next formal meeting would take place on 25 March 2025, however an intersessional meeting had taken place on 30 January to discuss future proofing ornithological advice for offshore wind projects. Recruitment was underway for seven vacancies across the SAC and the Expert Panel, with interviews taking place in February. The Board gave their thanks to those members of the SAC and Expert Panel who were completing their appointment terms, for their work on behalf of NatureScot.

# AGENDA ITEM 9: BUSINESS PLAN 2025/26

17. This agenda item provided the Board with an update on progress with the Business Plan for 2025/26, and they were asked to endorse the following recommendations:

* Note the progress being made against the Business Plan timetable (Annex 1).
* Review the Draft Business Plan, noting the outstanding issues, and agree to its structure and comment on any areas for further consideration (Annex 2).

18. Stuart MacQuarrie updated that previous areas of Board feedback had been incorporated into this latest version, including strengthening the narrative on the four areas of focus, and a greater emphasis on the marine environment. Discussions were ongoing regarding increased resourcing for managing sea eagles and the Nature Restoration Fund amongst others.

19. During discussion, the Board made the following key points:

* There was the opportunity to increase the marine presence in the Business Plan, with no fish farming issues and little freshwater or Marine Protected Areas mentioned in the current version.
* Concerns within the agricultural and land use communities over 2030 climate and biodiversity targets, with increased engagement needed with these groups on the changes to agricultural relief due in 2026. The supply chain was considered as an opportunity to influence and engage with those groups.
* Some alteration to existing language was discussed.

20. Stuart MacQuarrie explained that this feedback would be taken into account when drafting the final version of the Business Plan, which would be sent to members by correspondence ahead of the next Board meeting on 13 March.

21. Members were content to endorse the recommendations made in the paper.

**AGENDA ITEM 10: NATURAL ENVIRONMENT BILL (OFFICIAL-SENSITIVE)**

22. This paper provided an update on the expected content of the Natural Environment Bill and outlined possible third-party amendments that are anticipated.

23. The Board were asked to consider and endorse:

* The priority topics identified (statutory targets, deer and grouse moor/ muirburn provisions) that NatureScot should proactively champion.
* Our response to third party amendments that may be introduced.

24. Eileen Stuart reminded that this was a composite bill comprising five different areas of work and will provide a legislative underpin to support delivery of the Scottish Biodiversity Strategy, and thus help Scotland meet its Global Biodiversity Framework Commitments.

25. The Board acknowledged that NatureScot’s role is to promote objectives which favour biodiversity. In this context, for example, there are two very separate and distinct roles for the organisation on the proposed National Park in Galloway – one as independent Reporter, providing impartial and unbiased advice, and secondly to consider the principle of National Parks contributing to nature restoration more widely as outlined in the draft Environment Bill.

26. Detail on the priority topics of the Bill were highlighted to members, who recognised that due to its composite nature, there would be a likely need for movement at pace on any challenges to amend elements of the Bill as it passes through parliament. Members requested that a core brief is provided to them which breaks down each element of the Bill, for use with stakeholders.

**Action Point 02/217**

27. The Board asked that a sub-group is formed, comprising Chair, Deputy Chair and Ian Gambles, which will make timely judgements on Board involvement on any challenges to the contents of the Bill should they arise.

**Action Point 03/217**

28. Members were content to endorse the recommendations.

**AGENDA ITEM 11: SCHEDULE 1 BIRD DISTURBANCE LICENCE – LANDOWNER NOTIFICATION OF ACTIVITY (OFFICIAL-SENSITIVE)**

29. This paper asked the Board to consider the risks and mitigations in agreeing a way forward on NatureScot’s intention to place a new condition on Schedule 1 disturbance licensees. The condition would be to notify relevant landowners or land managers of licenced activity taking place, within a reasonable timeframe.

30. Members were asked to approve one of three options:

* Do not progress with condition on notification.
* Proceed to develop a pilot / trial approach on a subset of licences.
* Proceed with developing a condition applying to all Schedule 1 licences

31. Robbie Kernahan informed that this level of change to a licence condition would not normally need consideration by the Board. Due to parliamentary and political interest in the change, as well as dissatisfied licensees, and in the interests of openness and transparency, the Board were, however, asked to consider the different options suggested.

32. Members heard that stakeholders had been met with to discuss the perceived issues with the licence condition, and to date a way forward had not been agreed. While the principle of licensees notifying landowners that they are undertaking legitimate work on their land was intended to facilitate the non-illegal disturbance of birds, some stakeholders had suggested difficulties in the potential to carry this out. The Board were reminded that not all bird survey work required a licence.

33. Some Board members informed that they had been approached by concerned stakeholders wishing to discuss this issue, and the fact that the proposal for this licence condition change was now with Ministers for approval. These members had raised these concerns with the Chief Executive and with Robbie Kernahan.

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

* There is a possible disconnect in communications between landowners and raptor study groups in some locations.
* There was a risk of licence holders no longer providing raptor monitoring, and the implications of this.
* The challenge on how to enforce any licence condition.
* The Land Use Act has made it easier to identify landowners through transparency of ownership.
* Consideration of why the existing approach of licensees voluntarily informing landowners when on their land is not working.
* Acknowledgement of the value of monitoring through the Scottish Raptor Monitoring Scheme, and that the majority of survey workers do contact landowners as best practice.
* Consideration of the consequences of introducing the licence condition was important in managing organisational reputation and in balancing interests.

35. It was agreed that the principle of including a licence condition to encourage dialogue between raptor workers, in particular, applying for a Schedule 1 license and the relevant landowner is sound. After discussion it was agreed that the license should encourage such communication and that any situations where this was either not possible or where such communication was ineffective must be reported to NatureScot. The intention being that NatureScot would then seek a resolution to this situation to allow monitoring of raptor nests to proceed by agreement.

The Board noted that they were not able to agree on any other option provided in the paper without receiving further information to provide context for their deliberations. . They requested that any legal advice or other relevant correspondence on such problematic s issue is provided in future, to allow decisions to be made.

36. The Chair asked that a meeting on this issue is convened in the next few weeks with a wide range of stakeholders to relay the views of the Board and to identify a clear way forward. A similar meeting should be convened in the autumn of this year to review the approach implemented and to help build confidence and trust between stakeholders.

**Action Point 04/217**

*As scheduled, David Johnstone left the meeting at this point.*

**AGENDA ITEM 12: Q3 2024/25 PERFORMANCE REPORTS**

37. This agenda item provided members with Q3 progress towards delivery of the corporate priorities as laid out in NatureScot’s Business Plan, A Nature Rich Future for All: Year 3.

The Board were 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 corporate risks (Risk Report).
* Note the overall performance of the People Measures (People Report).

38. At the end of Q3, performance for 12 Corporate Plan objectives were rated as on track (green) with three as amber. A small overspend forecast on the Resource and Paybill budgets required in-year surrenders to be made, and an increase to the paybill forecast. The Capital and Indirect Capital budgets were showing as on track. Action was being taken to achieve full spend on funding programmes.

39. There had been several changes in the Corporate Risk register this quarter. There were four new risks, two had been de-escalated, and there was one new risk in development.

40. In the People Report, six indicators were rated as green (on track), with one rated as amber (workforce trends).

41. Stuart MacQuarrie highlighted that this quarter had seen the publication of the Scottish Biodiversity Strategy Delivery Plan, work on the proposed new National Park in Galloway, progress in projects funded by the Nature Restoration Fund, Scottish Marine Environmental Enhancement Fund, the Facility for Investment Ready Nature, (FIRNS) as well as leadership changes in the Senior Leadership Team.

42. Directors were invited to provide the highlights of Q3 performance in their directorates:

Eileen Stuart – interim Director of Nature and Climate

* More funds confirmed for marine restoration, including for sea grass and native oysters. The Marine Restoration Plan will be led by NatureScot.
* Publication of the Marine Protected Area network programme report, which showed deficiencies to be addressed.
* Continuing offshore wind and funding work.
* Progress on National Nature Reserve leases and management arrangements at Tentsmuir, including climate change adaptation plans.
* Scottish Outdoor Access Code celebration.
* Significant work undertaken on the proposed new National Park in Galloway.
* Challenges with interactive tools for Nature Networks encountered, however the tools are now with local authorities for use with National Planning Framework 4 when their resourcing allows.
* Progress with 30x30 work but noting the risk in balancing resource with demand.

43. Robbie Kernahan – Director of Green Economy

* Challenges with the volume of wildlife management demand generated by the Hunting with Dogs bill introduction, training, standards, and conditions regarding grouse and muirburn ahead of the seasons.
* Volume of Freedom of Information requests and correspondence regarding the recent illegal release of lynx in the Cairngorms.
* Demand for complex casework on energy generation, transmission and infrastructure.
* Biodiversity metrics for Scotland being developed.
* FarmBioApp rollout potentially reduced due to incompatibility issues with Scottish Government information systems.
* Challenge of continuing with annualised budgets.
* On track for hectarage target for peatland restoration.
* Natural capital programme secured with the launch of FIRNS 3.
* Confirmation of uplift to sea eagle management funding to address wildlife management challenges.

44. Members queried the status of the Section 8 proposal for Loch Choire Estate that they had approved in the summer of 2024. They were informed that their approval was currently awaiting ministerial approval, and that the Chief Executive and Chair would discuss its progress with Minister Fairlie.

**Action Point 05/217**

45. Jane Macdonald – Director of Business Services and Transformation

* A key challenge of balancing business as usual with the longer-term transformation work.
* Move of the Clydebank office to Atlantic Quay in Glasgow completed, some information technology and access issues experienced. Recognised that this will need to be addressed for future collaborations with public sector hubs.
* Establishment of the Project Management Office.
* Maxi Pulse Survey concluded; results will be available for a future Board meeting. Early indications suggest perceived issues with decision making and change management within the organisation. Satisfaction levels for NatureScot as an employer were increased from the last maxi survey.

46. In Jason Ormiston’s absence (Head of External Affairs), Jane Macdonald updated on a successful staff conference in December 2024. Those members who had attended echoed its success and offered their thanks to Heather Reid who had presented the conference.

47. Members queried whether any further progress was expected on Public Service Reform measures before the 2026 Scottish elections. Jane Macdonald advised that additional resource would need to be given to see significant progress.

48. Finance Report – John Donnelly, Head of Finance, Planning and Performance

* Figures from December 2024 showed an underspend, which due to movement within the budget was now showing an overspend of £700,000, which was considered within tolerance.
* Spending restrictions were in place via the Allocations Group.
* Peatland restoration budget was showing £2.2m underspend after tracking changes.
* £475,000 of funds reserved to cover the risk of Structural Funds de-commitments was not required and had been released back into the budget. This had led to the de-escalation of the Structural Funds risk on the Corporate Risk Register, and a successful outcome for those projects.

Risk Report – Stuart MacQuarrie, Deputy Director of Business Services and Transformation

* Risk 646 Weakened reputation saw 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 para.48 above) as the programme moves into its final phase.
* Risk seventy-one relating to AECS had also been de-escalated due to its low likelihood rating and therefore can be managed at Directorate level.
* Risk 137 relating to staff resource management had been refocused to place emphasis on the organisational risks relating to strategic workforce planning.
* Three new risks were identified – Risk 759 (reputational risk due to statutory Reporter role for new National Park in Galloway proposal), Risk 760 (future liabilities created by funding streams) and Risk 761 (increasing exposure to legal challenge).

People Report – Jane Macdonald – Director of Business Services and Transformation

* Steady performance metrics identified, and included an increase of staff absent due to personal mental health issues. This related to a small number of staff with long absences.
* Launch of HSE Stress Indicator Tool imminent.
* Fixed Term Appointments (FTA) lesson learned review undertaken and will inform the next phase of FTA completions. Details of the lessons learned will be shared with the Board in the Q4 performance reports.

49. Members were content to agree the recommendations to note the contents of the report.

**AGENDA ITEM 13 – POSSIBLE GALLOWAY NATIONAL PARK – REPORTER PROGRESS UPDATE AND NEXT STEPS (OFFICIAL-SENSITIVE)**

50. This agenda item provided an update on the Reporter process for the National Park proposal as the end of the formal consultation phase is reached. The Board were asked to note the update and confirm support for the proposals for ongoing Board involvement in the Reporter work.

51. Eileen Stuart updated that the formal consultation phase was due to close on 14 February 2025. Pete Rawcliffe gave the following overview of responses to the consultation to date:

* 3500 short responses received.
* Three hundred long responses received.
* One thousand pieces of correspondence dealt with.
* Coding of qualitative surveys being undertaken by colleagues, and an external data company.
* 10-15% of responses received were from the business community including land managers.
* National Farmers Union Scotland and Scottish Land and Estates have expressed opposition to the park.
* South and East Ayrshire Councils have indicated being in favour of the proposal based on the resultant boost to the local economy.
* Dumfries and Galloway Council had indicated that there was not enough detail in the consultation to enable them to reach a conclusion to the proposal.
* The South of Scotland Enterprise had indicated their openness to alternative options to the proposal.
* The Biosphere Reserve had indicated that they were supportive of the proposal.

52. The Board discussed their concern based on para.12 of the paper, that NatureScot’s advice to Scottish Government in their role of Reporter may be different to NatureScot’s advice as Scotland’s nature advisor. Their concern was that it may not be clear to the public that it was possible to have various levels of advice from NatureScot depending on the role the National Park proposal was expected to fulfil.. Members acknowledged that they may need to consider their advice to the Executive if this situation occurs.

*As scheduled Jill Robbie left the meeting.*

53. Members queried whether any marine extension to the proposed National Park boundaries had been considered. Pete Rawcliffe informed that the response from the Dumfries and Galloway Council considers taking the proposed National Park boundary to a three nautical mile mark.

54. The Board were content to note the update and confirm support for the proposals for ongoing Board involvement in the Reporter work.

Information Papers

**FORWARD PROGRAMME OF BUSINESS**

55. The Board Forward Programme of Business was presented to members. Members had no further updates to make to the programme.

**NATURESCOT BOARD MEMBER ENGAGEMENT (OFFICIAL – SENSITIVE)**

56. This paper gave a short summary of Board members’ internal and external engagements with NatureScot related work since the last Board meeting. It was noted that it would be helpful to include forward engagements in this report so that any briefing needs and opportunities could be identified.

AOB

57. An update on the current Avian Influenza situation was requested by members.

**Action Point 06/217**

Date of Next Meeting

48. The next meeting of the Board of NatureScot is scheduled to take place on 12 February 2025 online.

49. The Chair thanked all those in attendance. The meeting was closed.

# END