

**ONE HUNDRED AND EIGHTY-THIRD SCOTTISH NATURAL HERITAGE BOARD
MEETING, SILVAN HOUSE, EDINBURGH, 29 JANUARY 2020**

OPEN SESSION CONFIRMED MINUTES

MEMBERS PRESENT

Mike Cantlay	Chair
Angus Campbell	Deputy Chair
Cath Denholm	Deputy Chair
Kate Broughton	Member
Bob Furness	Member
Ian Gillies	Member
Jackie Hyland	Member
Susan Murray	Member
Neil Skene	Shadow Board Member

IN ATTENDANCE

Francesca Osowska	Chief Executive
Jane Macdonald	Director of Business Services & Transformation
Sally Thomas	Director of People & Nature
Alan Hampson	Deputy Director of Business Services & Transformation
Ross Johnston	Deputy Director of Sustainable Growth
Jason Ormiston	Head of External Affairs
Graham Boyle	Chief of Staff
Sara Lewis	Governance Support Manager (minutes)
Sam Black	Marine Protected Areas Adviser (Young Employee Panel)
Chris Donald	Operations Manager (item 10)
Pete Rawcliffe	Head of People and Places (item 11)
Stuart MacQuarrie	Head of Nature Reserves (item 12)

AGENDA ITEM 1: OPENING REMARKS AND APOLOGIES

1. The Chair opened the meeting by welcoming everyone to the one hundred and eighty-third Scottish Natural Heritage (SNH) Board meeting. The Chair further welcomed Sam Black from SNH's Young Employee Panel, and Sara Lewis, from the Executive Office.
2. Apologies were noted from Aoife Martin, Eileen Stuart and Nick Halfhide. It was noted that Angus Campbell would join the meeting at a later point.

AGENDA ITEM 2: DECLARATIONS OF INTEREST

3. There were no declarations of interest.

AGENDA ITEM 3: MINUTES AND ACTION POINTS

4. The minutes of the SNH Board Meeting on the 10 December 2019 were considered, with some minor amendments necessary.
5. Susan Murray requested that a record of the discussion regarding succession planning for Board members is included in the minutes, noting that early consultation with Sponsor and the Public Appointments department is required to allow for timely action. The CE and Graham Boyle confirmed that this action was already in hand.
6. Board members were content to **approve** the minutes of the SNH Board Meeting on the 10 December 2019 in light of these amendments.

Action Points

7. The **actions points** were discussed and the following updates were provided:

Action Point (AP01/177) The Chief Executive (CE) informed that this action point should be discharged, with a new action point raised which should request that proposals are set out for the launch of NatureScot on 1 May 2020.

Discharged.

Action Point (AP07/177) Chair noted that this action point should now be owned by Ross Johnston in light of Nick Halfhide's secondment. Ross Johnston updated that stakeholders are meeting in February 2020 to agree the priorities for action and the forward programme of work to embed the Wildlife Management Principles, which had already been agreed across the stakeholder group, and are ready for final sign-off.

Ongoing.

Action Point (AP02/180) Sally Thomas provided an update on carbon accounting, and how SNH land holdings are contributing to net zero carbon ambitions. The report on carbon accounting was published at the end of December 2019, which stimulated discussion within partner organisations regarding their own action towards a net zero target.

Discharged.

Action Point (AP03/180) Sally Thomas confirmed that work remains ongoing to develop a prioritised list of translocations as described in the action point.

Ongoing.

Action Point (AP11/181) Alan Hampson updated that the deep dive paper on Grants and Funding would be presented to Board at the May 2020 meeting. Chair asked that Board members consider the deep dive programme for the rest of the

year at the next meeting in March 2020, taking into account the nature based solutions approach, and aspirations for a nature rich future by 2030.

AP01/183

Ongoing.

Action Point (AP13/181) The CE informed that advice has been provided to Ms Cunningham, Cabinet Secretary for Environment, Climate Change and Land Reform, regarding finding a beneficial owner for Kinloch Castle.

Ongoing.

AGENDA ITEM 4: MATTERS ARISING

SNH Procedures for Long Standing Disputes

8. The Board queried, in light of long standing issues on Site of Special Scientific Interest (SSSI) Birk Knowes, the procedures used by SNH in these situations to help resolve lengthy disputes.
9. The CE thanked those Board members who had contributed comments on the SSSI Birk Knowes issue, and the process used for resolving it. It was confirmed that Jane Macdonald would provide a paper to Board on the process used in these circumstances.
10. It was noted that the organisational brand should be protected and SLT need to promote a culture where staff can flag up emerging risks and the Chair confirmed that it would be for the CE to decide what issues were escalated to the Board. The Board agreed that the ARC would consider the processes in place and the assurance these provide.

Decision 01/183

General Licences

11. The Board raised the timing of publicising changes to agreed species on the general licencing list, agreed at the December 2019 Board meeting. It noted that stakeholders may not be aware of the outcome of the public consultation and the agreed timescale to publicise the changes may not give sufficient opportunity for land owners to apply for any individual licences ahead of the changes taking place from 1 April 2020.
12. It was noted that wording on the SNH website had been suggested to the Licencing Team to address these concerns.
13. The CE asked that the Board were provided with an update prior to the next meeting, to cover plans to publicise the changes to species on the general licencing list, as well as any comment on the Werritty Report on Grouse Moor Management.

AP02/183

AGENDA ITEM 5: CHAIR'S REPORT

14. The Chair updated on his recent meeting with HRH Prince of Wales, as well as with Liz Ditchburn, Director General for Economy.
15. The Chair recognised the opportunity for SNH to be bold in reprioritising its business, to enable a greater role in leading nature-based solutions.
16. Chair highlighted that early indications ahead of a formal budget announcement by Scottish Government (SG) suggest that the core budget will be challenging, but that additional funding for peatland restoration was anticipated.

AGENDA ITEM 6: DEPUTY CHAIRS' REPORT

17. Deputy Chair, Cath Denholm reported that she would be attending the Statutory Nature Conservation Bodies meeting hosted by Natural Resources Wales, on 30 January 2020 in Cardiff. The CE will also be in attendance.
18. Deputy Chair, Angus Campbell updated on his recent involvement with the Ranger's Forum meeting.

AGENDA ITEM 7: Q3 PERFORMANCE REPORT 2019/20

19. Alan Hampson presented the Q3 Performance Report to the Board, which gave details of performance up to and including Q3 against delivery of the business plan. The paper asked for the Board's decision to approve overall progress to date, the headline achievements, and the opportunities and issues identified.
20. Alan highlighted that progress towards the delivery of business plan priorities was showing as 15 activities on-track (73%), with 4 showing minor slippage (27%). Progress on key deliverables showed that 48 (75%) were on track, with 13 (20%) showing minor slippage. 3 (5%) key deliverables show significant slippage against planned progress.
21. Alan further updated that the Budget and Finance report shows a positive position, with the Operating budget on target for meeting full capacity at financial year-end. Forecasts suggest that the Capital budget will present an underspend of 5% of the total Capital budget, however work is ongoing to identify areas where spend can be brought forward from 2020/21. Overspend on the Paybill budget has decreased due to a pause in recruitment and internal filling of vacant posts.
22. In covering the Risk report, Alan informed that 4 of the 17 risks on the Corporate Risk Register are rated High. In the last quarter, Risk 72 (Scottish Rural Development Programme (SRDP) – Outcomes to the Natural Heritage) has increased to High, due to the likelihood of reduced funding for Agri-Environment Climate Scheme (AECS) in 2019. Two risks have been de-escalated to Medium, concerning an improvement of IT issues impacting on our partner role delivering SRDP, and clarity regarding a transition period after the UK's withdrawal from the EU.

23. The Board stated that the risk around SRDP should include any mitigation measures such as the advice provided on other Strategic National Conservation Bodies websites to support those considering applications for funding. Ross Johnston said that SG have the lead and once a line to take is cleared, mitigation can be included with the risk.

AP03/183

24. Jane Macdonald presented the People report, providing the following areas of note:

- Work is progressing on updating People policies including vacancy management and resourcing.
- Leadership and development programme work continues.
- Actions resulting from Wellbeing Survey including work on performance management.
- Continuing development of the Operational Development framework.

OUTCOME 1 – MORE PEOPLE ENJOYING AND BENEFITTING FROM NATURE

25. Alan informed that the Board's wish to be involved on a more strategic level had been acknowledged, and that this could be seen in the Outcome 1 report presented by Sally Thomas which highlighted:

- The report trials a different reporting method, namely to measure performance against the Corporate Plan outcomes.
- Use of the new Vacancy Management process may improve the existing constraints that resourcing is having on priority work, including place-making.
- Work on the National Walking and Cycling Network has paused due to resourcing constraints, the priority of this work may need to be re-assessed.
- Concern that National Nature Reserve (NNR) work could be at risk in the future due to funding priorities.
- Following on from the ReRoute information paper presented to the Board at the December 2019 meeting, the second ReRoute report is about to be published, showing a range of actions and work which link young people to biodiversity and action for Scottish species. Links to the report will be circulated once published.

OUTCOME 2 – THE HEALTH AND RESILIENCE OF SCOTLAND'S NATURE IS IMPROVED

26. Sally Thomas presented the Outcome 2 report, and gave the following updates:

- The Biodiversity Challenge Fund has attracted a good level of interest, and applications close in early February.
- Significant progress is being made on Conservation Advice Packages (formally known as 'Natura'), and the majority of reports are expected to be signed off by the end of March.

- An investment case has been submitted to SG recommending that the scope and shape of infrastructure for the Scottish Biodiversity Information Forum should be progressed through the Scottish Biodiversity Programme in 2020/21. This work will go towards addressing a national concern regarding the state and status of the Scottish recording structure.

27. The Board enquired whether there would be additional SG funding available to continue the invasive species initiative. The CE informed that this was unlikely, but that alternative funding streams or re-assessment of the priority of this work were being considered. The CE said that a copy of a letter received from Ms Cunningham detailing the input of SNH and partners to the IPBES drivers would be circulated to Board members.

AP04/183

OUTCOME 3 – MORE INVESTMENT IN THE MANAGEMENT OF SCOTLAND’S NATURAL CAPITAL

28. Ross Johnston provided the update on Outcome 4, with the following highlights:

- Peatland project board meeting with SG to take place 30 January 2020. SG have asked SNH to consider 3 different scenarios in terms of future funding, however until the SG budget announcement on 6 February, planning for the next financial year cannot take place.
- There is a strategic challenge in formulating a process for responding to the growing number of private enquiries relating to possible peatland investment. It was considered that there should be a collective approach alongside Forestry and Land Scotland (FLS) towards land based approaches in addressing climate change.
- It is noted that as a result of both the Grouse Moor Management Report and the Management of Wild Deer in Scotland report, there is the likelihood of increased demand on SNH resources which may be difficult to meet with current resources.

OUTCOME 4 – WE HAVE TRANSFORMED HOW WE WORK

29. Jane Macdonald updated on Outcome 4, and brought to the Board’s attention the following:

- Progress has been generally good, with 75% of key deliverables rated Green.
- Vacancies in two key posts within Outcome 4 will result in constraints in Business Planning work- contingency planning is underway.
- Key strategic concerns include financial pressures, taking forward the high priority focus on strategic development going towards 2030, and that work leading into the next Corporate Plan.

30. In summary, the Board confirmed that they were content with progress to date and the recommendations of the paper.

AGENDA ITEM 8: CONNECTING PEOPLE AND NATURE – YEAR 3 BUDGET ALLOCATION

31. Alan Hampson introduced this paper which was written prior to an indication on the budget settlement for 2021/22 received by the CE from SG. The paper asked Board to note the financial position as at 6 January 2020 and confirm that it is content with the management of the operating and capital budget during 2019/20. Alan provided an oral update based on the early budget indications received by the CE, and covered the following points:
- Early indications show that the budget settlement will likely reflect scenario 1 in the paper, reflecting a 16% reduction in budget.
 - With careful use of budgeting tools, financial surrenders in-year, and re-prioritisation, it would be possible to deliver the ‘must’ and ‘should’ projects indicated in Appendix A of the paper.
 - Challenge would be funding new project work, with an estimated spend of £1.2m. Directors and Outcome Managers will look to re-prioritise ongoing ‘should’ work in an effort to meet this expected demand, reporting back to SLT.
32. Chair reflected that on the basis of a possible significant increase in funding peatland restoration, the organisation must meet the challenge of achieving the work set by SG. CE emphasised the importance of the organisation retaining visibility of its core purpose as focussing on, enhancing and supporting nature, while providing leadership on work with multiple benefits, such as nature based solutions in mitigating climate change.
33. In summary, Board were happy to endorse the current financial position, and the management of the operating and capital budget during 2019/20 and would look forward to receiving the Business Plan at the March meeting.

AGENDA ITEM 9: A NATURE-RICH FUTURE

Angus Campbell joins the meeting.

34. The CE presented this paper, which sets out the next steps in setting strategic direction as NatureScot moves towards 2030. The paper asked the Board to agree on the proposed strategy.
35. Alan Hampson covered the detail in the paper, which included consideration of the ‘why’ – why the organisation exists, the ‘what’ – what the organisation should deliver, and the ‘how’ – how the organisation should deliver its outcomes. Alan then highlighted key questions to Board for input.
36. Board requested assurance that there was continued commitment to obtaining green investment. CE confirmed that the Programme for Government (PfG) had committed to funding via Green Portfolio investment, and that SNH had an active ‘nature-based’ influencing role on the policy group for this.

37. Chair suggested the amendment of the front template of SNH Board papers to include the requirement for a statement on the contribution to nature that the subject matter provides.

AP05/183

38. In summary, the Board agreed the following:

- The two areas for SNH focus and prioritisation are: enhancing nature, and leading on nature-based solutions as a response to climate change.
- The summary of 'why', 'how' and 'what' provided in the paper.
- No separate strategy document required for 2030 'vision', but to use the launch of NatureScot in May 2020 and other communication tools to highlight renewed focus.
- The building blocks described in the paper, to form the basis of the Corporate Plan for 2022-26.
- The proposed timeline.
- Joint consideration of transforming how we work through the OD framework alongside repositioning on what SNH does.
- Approach to stakeholder engagement.

CE and Cath Denholm leave the meeting.

AGENDA ITEM 10: RUM DEER PROJECT

39. Sally Thomas introduced this paper which gave an update on the discussions between SNH and the University of Edinburgh deer research team on the control of deer within the research project area on the Isle of Rum.

40. Sally summarised the following points of note:

- The need to commence the statutory process of Habitat Regulation Appraisal (HRA), initially an Appropriate Assessment (AA)
- The AA must consider the potential impact to the structural and functional elements to the site as a whole.

41. Board concluded that the research team should be asked to forward their research proposal as soon as possible so that staff may undertake the work required to proceed to an Appropriate Assessment as necessary.

AGENDA ITEM 11: REFRESHING THE POLICY FRAMEWORK FOR RANGERING IN SCOTLAND

42. Sally Thomas introduced this paper, which asks for Board endorsement on a refreshed policy framework for rangering in Scotland, and a continued transition away from long term funding for ranger posts.

43. Pete Rawcliffe highlighted detail within the paper as follows:

- The framework has been put together collaboratively with the Ranger Development Partnership.

- Ministerial launch is expected to take place in May 2020.
- SNH is closely working with Conventions of Scottish Local Authorities (COSLA) in advising on delivery of climate change commitments and biodiversity loss.

44. Board recognised the wide span of work of rangers, and the connections they made between people and nature. Board did however note that difficult funding decisions had to be made, and they endorsed the direction of travel away from long term funding for ranger posts noting that we needed to be ready to address any negative publicity.

Jane Macdonald leaves the meeting.

AGENDA ITEM 12: DEEP DIVE - NATIONAL NATURE RESERVES

45. Sally Thomas presented this deep dive paper concerning National Nature Reserves (NNRs), which was an interim position and requested that the Board endorse the wide range of benefits that NNRs provide, and the proposed future of NNRs as listed in the recommendations. Two points highlighted to Board were:

- The connection with the Nature Rich Future – 2030 paper, in terms of potential income generation by NNRs.
- The benefit that NNRs bring to Scotland, and more widely in terms of natural capital accounting.

46. Stuart MacQuarrie provided a summary of the detail in the paper, highlighting the strong connection that the NNRs have with the direction of travel towards the NatureScot rebrand. With the re-positioning of SNH/NatureScot as leading on nature based solutions, the nature-rich assets held by SNH are seen as an integral part of the Corporate Plan.

47. Board endorsed the recommendations listed in the paper.

AGENDA ITEM 13: LAND TRANSFER – GLENCRIPESDALE

48. Sally Thomas offered a verbal update on discussions with the Royal Society for the Protection of Birds (RSPB) regarding the possibility of an off-market sale of the former Glencripesdale NNR. SG have approved this as a legitimate way of securing the ongoing management of the site provided there is a wider public benefit.

49. Once work on a best value assessment is complete, Board will be asked to endorse the off market sale. The assessment will ensure that value for money is achieved, and gives the opportunity to engage with the local community.

INFORMATION PAPERS

Chief Executive's Report

50. The Board noted the content of the Chief Executive's written report.

Landscape, People and Place – SNH-HES Joint Statement

51. This information paper provides an update to the Board concerning agreement to revise the current 2005 SNH-HS Concordat, to hold annual Directors' meetings, and to arrange a joint meeting of both organisations' SLTs.

52. Board noted both the joint landscape Position Statement and Action Plan, as well as the proposed joint Senior Leadership Team meeting between HES and SNH.

Forward Agenda – 11 March 2020

53. The Board noted the forward agenda for 11 March 2020, and planned attendance by the Cabinet Secretary.

ANY OTHER BUSINESS (AOB)

54. Board discussed 4 members coming to the end of their first 3 year term on the Scientific Advisory Committee (SAC). Board agreed that due to acceptable appraisals, and suitability, Ruth Mitchell, Dan Haydon, Neil Metcalfe and Martin Price should all be offered a second 3 year term of appointment.

55. Board were pleased to note that the CE has been elected as a Fellow of the Royal Society of Edinburgh, and offered their congratulations.

56. Board wished to record their thanks and best wishes to both Nick Halfhide who has accepted secondment, and Alan Hampson, who will be moving to another organisation.

SNH's Young Employee Panel (YEP)

57. Sam Black updated that the YEP will be providing comments on contributing to developing the next Corporate Plan in due course. In addition, the YEP will input to the ReRoute paper planned for the May 2020 Board meeting, which will provide recommendations from recent discussions around the Year of Young People.

58. Sam thanked the Board for his attendance at the meeting.

Date of Next Meeting

59. The next SNH Board Meeting will take place in Edinburgh on 11 March 2020.

60. The Chair thanked all those in attendance and closed the meeting.

END.