



**Title: NatureScot Budget Allocations 2021/22**

**Date: 03 February 2021**

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| <b>Purpose:</b>  | Decision  |
| <b>How does this link with our corporate priorities of improving biodiversity or delivering nature-based solutions to climate change</b> | This paper is the next step in the development of the NatureScot Business Plan 2021/22. Our Business Plan is a key part of Scottish Government's framework of governance and accountability. The Year 4 Business Plan will be agreed by Board and submitted to our Minister and Cab Sec for information. The Business Plan sets out our contribution to the 6 NPF indicators we report on and how we will deliver our Outcomes. |
| <b>Summary:</b>  | This paper presents budget allocation scenarios that, in the absence of a draft Scottish budget, will help ensure that decisions can be taken quickly when the budget announcement is made. We would continue planning as set out in the paper and final approval would be given when the Year Four Business Plan is considered for approval by Board in mid-March.   |
| <b>Actions</b>   | Board to confirm whether the proposed budget allocations and draft business plan priorities sufficiently set the ambition for NatureScot in the last year of our current Corporate Plan.  |
| <b>Recommendations:</b>  | <ul style="list-style-type: none"> <li>• Budget planning should continue based on scenario 1.</li> <li>• Given uncertainty in forward planning assumptions, we adopt 90 day plans to secure the intentions of this Plan and that those plans are used as the basis of Performance assessment.</li> <li>• The draft Business Plan narrative and contributions, presented in Appendix A are developing as expected.</li> </ul>    |
| <b>Report Author(s):</b>   | Author – Yvonne McIntosh  |
| <b>Sponsor:</b>  | Sponsor – Stuart MacQuarrie   |
| <b>Appendices:</b>   | Annex A – Draft Business Plan   |

## Purpose

1. The purpose of this paper is to seek Board approval for the broad allocation of the NatureScot budget for 2021/22 to paybill and projects that will support each of our 4 Outcomes, and to provide assurance that our spending plans are realistic, affordable and will support the delivery of *Connecting People and Nature*.
2. The paper presents our estimated Grant-in-Aid based upon our most recent discussion with Sponsor. We present 4 budget scenarios, which includes the choices we'd have to make and the impacts this would have on achieving our Outcomes. If the settlement is less favourable than Scenario 1, further direction will be sought from SLT based on the scenarios presented here.
3. Board approval of this paper will enable us to progress outcome plans and further develop the 2021/22 Business Plan, which will be considered by SLT on 19<sup>th</sup> February and approved by Board on 17<sup>th</sup> March.

## Background

4. The Draft Scottish Budget has been delayed as a result of Covid-19 whilst the Scottish Government assess the impact on the overall funding position for 2021/22. Initially, a budget announcement was expected in December but it is now expected on 28<sup>th</sup> January.
5. We are working to an indicative budget allocation based on a flat cash settlement. This presents a potential 2.2% cash reduction saving in line with previous discussions that the EECLR Portfolio should work to. The pay remit is expected to be less than 2020/21.
6. In October, Board agreed to structure the Year 4 business plan around a nature-rich future and 10 NatureScot priorities. This has provided a strategic platform to steer the development of the business plan and to ensure that new project demand for 2021/22 is focussed on delivering the highest priorities.
7. The options presented in the paper have been informed by this background work.

### Anticipated Grant-in-Aid for 2021/22

**Table 1 – 2021/22 reflecting the impact of inflation on flat cash settlement**

| Budget           | 2020/21        | 2021/22 with RPI (2.2%) | Change (%)  | Change (£m)  |
|------------------|----------------|-------------------------|-------------|--------------|
| GiA              | £48.058        | £49.120                 | 2.2%        | £1.06        |
| Pensions         | £0.000         | £0.000                  | 0.0%        | £0.00        |
| BCF              | £1.000         | £1.000                  | 0           | £0.00        |
| <b>Total</b>     | <b>£49.058</b> | <b>£50.115</b>          | <b>2.2%</b> | <b>£1.06</b> |
| Non-cash         | £2.450         | £2.450                  | 0.0%        | £0.00        |
| Capital          | £1.000         | £1.000                  | 0.0%        | £0.00        |
| <b>Operating</b> | <b>£45.608</b> | <b>£46.665</b>          | <b>2.2%</b> | <b>£1.06</b> |

8. Table 1 provides a summary of the impact of inflation. As we are anticipating the same cash settlement (flat cash) as 2020/21, when including inflation of 2.2%, this is an overall reduction as our ability to spend will be 'reduced' by £1.06m. This assumes that we will

retain the additional funding for pensions as we did in 2020/21, receive £1m for the Biodiversity Challenge Fund and that Capital remains unchanged. It also assumes continued funding for Peatland Action which contributes £1m to paybill.

### **Ring-fenced funds**

9. As with previous years there are several ring-fenced elements to take account of within our Operating budget. The first is SRDP and we have assumed for forecasting purposes that we will retain £1.2m of £1.5m to fund our work on Natural Capital approaches. The scale of the Piloting Outcome Based Approach Solutions is partially dependant on such an arrangement. We will also continue our contribution to JNCC, which we make on behalf of Scottish Government estimated at £0.987m this year.
10. We will invest a further £1.5m in the Biodiversity Challenge Fund during 2021/22, £1m of which will come from Scottish Government, £0.500m of our own funding to cover slippage expected from Phase 2. At this stage, we are still waiting for confirmation on the figured to be invested in the Peatland Action Programme, although £3.5m is confirmed, £1m of which is paybill funding for ongoing posts. We are anticipating a much larger settlement to be confirmed in due course.

### **Paybill budget**

11. We will start the year with a paybill forecast as is and allocate any savings generated by leavers over the course of the year. Sponsor has not yet indicated a plan for the 2021/22 Public Sector pay settlement. For planning purposes we have applied a 2% increase across all grades. This will result in gross paybill forecast for 2021/22 of £29.645m.
12. Net paybill will be less than this as income from elements such as shared-services and co-locations and funding from projects such as Peatlands, Green Infrastructure and the Natural & Cultural Heritage Fund off-set some of our paybill costs. For 2021/22 there is a £1m Peatland Action contribution anticipated for paybill, and other estimated income and project funding of £1.5m, providing a Net Paybill Forecast of £27.118m.

### **In-year Adjustments**

13. In-year adjustments to our budget can be expected at the spring and autumn budget revisions. At this stage we have had no indication of any potential adjustments to our grant in aid.

### **Project Budget Scenarios**

14. Project budget is the most flexible component within our budget and will be determined by the interplay between our Grant-in-Aid settlement and the above-stated budget

elements. Given the uncertainty we are planning our project budget based around the following budget scenarios.

- Scenario 1 – Flat Cash which translates into an overall 2.2% reduction to OPEX.
- Scenario 2 – 2.5% reduction on flat cash
- Scenario 3 – 5% reduction on flat cash
- Scenario 4 – 7.5% reduction on flat cash

15. Table 2 illustrates each scenario, the interplay between the budget elements and the resulting project budget. Scenario 1 represents the best case outlook with a project budget of £15m, representing a 10% reduction from 2020/21. This increases to a 17% reduction for scenario 2, 25% for scenario 3 and 32% for scenario 4. The table below does not reflect the proposed £1.2m retention of SRDP (para 9).

Table 2 - Overall budget and project deficit for 2021/22

| Budget                                    | 2020/21        | 2021/22        |                |                |                |
|---|----------------|----------------|----------------|----------------|----------------|
|   |                | Scenario 1     | Scenario 2     | Scenario 3     | Scenario 4     |
| GiA                                       | £47.050        | £48.058        | £46.857        | £45.655        | £44.454        |
| Autumn and Spring Budget Revisions        | £0.000         | £0.000         | £0.000         | £0.000         | £0.000         |
| Employer Pensions Contribution            | £1.008         | £0.000         | £0.000         | £0.000         | £0.000         |
| Biodiversity Challenge Fund               | £1.000         | £1.000         | £1.000         | £1.000         | £1.000         |
| <b>Total GiA</b>                          | <b>£49.058</b> | <b>£49.058</b> | <b>£47.857</b> | <b>£46.655</b> | <b>£45.454</b> |
| <b>PAYBILL</b>                            |                |                |                |                |                |
| Gross                                     | £28.916        | £29.645        | £29.645        | £29.645        | £29.645        |
| Peatland contribution from SG             | £1.085         | £1.000         | £1.000         | £1.000         | £1.000         |
| Income and project funding                | £1.797         | £1.527         | £1.527         | £1.527         | £1.527         |
| <b>Net Paybill Forecast</b>               | <b>£26.034</b> | <b>£27.118</b> | <b>£27.118</b> | <b>£27.118</b> | <b>£27.118</b> |
| <b>Position</b>                           |                |                |                |                |                |
| Total GiA                                 | £49.058        | £49.058        | £47.857        | £46.655        | £45.454        |
| Net Paybill Forecast                      | £26.034        | £27.118        | £27.118        | £27.118        | £27.118        |
| Non-cash                                  | £2.450         | £2.450         | £2.450         | £2.450         | £2.450         |
| Capital                                   | £1.000         | £1.000         | £1.000         | £1.000         | £1.000         |
| JNCC (Ring-fenced)                        | £1.018         | £0.987         | £0.987         | £0.987         | £0.987         |
| SRDP (Ring-fenced)                        | £1.500         | £1.500         | £1.500         | £1.500         | £1.500         |
| Biodiversity Challenge Fund (Ring-fenced) | £1.000         | £1.500         | £1.500         | £1.500         | £1.500         |
| <b>Total Project Budget</b>               | <b>£16.056</b> | <b>£14.503</b> | <b>£13.301</b> | <b>£12.100</b> | <b>£10.898</b> |
| % reduction over 2020/21                  |                | 10%            | 17%            | 25%            | 32%            |
| With 5% over-allocation                   | £16.858        | £15.228        | £13.966        | £12.705        | £11.443        |

16. 2021/22 adopts a more 'top down' approach to planning and budgeting with the identification of 10 key priorities and the introduction of a target budget for project commissioning. This is designed to steer NatureScot towards a more strategic approach which emphasises cross team working and enables a reduction in the number of projects to be commissioned. Priorities have been shared with Scottish Government during December 2020.

17. Project commissioning took place during November and December 2020. Outcome Managers have reviewed and assessed the projects that were submitted and have identified £16m of project demand which are must/mandatory or higher priority 'should' projects to be approved. This includes up to £0.200m for a 'Better Places' green recovery fund starting in Q4 2020/21 and would be sufficient to deliver the 2021/22 business plan priorities.

18. SLT have agreed to continue with a budget management approach of over-allocating our budget by 5%. This approach to budget management has resulted in promoting much healthier levels of hard commitment early in the year and enabled benefits for people and nature to be secured with less risk of slippage at year end. It has also protected agreed budgets against surrender to SG of uncommitted funds.

### Analysis and approach

19. When reviewing projects we have taken into account the Business Plan priorities. There are no weightings on the priorities and therefore we have not applied any preferential treatment in their assessment at this stage.

20. In order to deliver the business plan we need to fund all new projects categorised as 'must'. In addition, our existing commitments amount to £11.227m. There are a further £1.7m of 'must' projects with a scalable element to their delivery. This includes the Green Recovery Better Places Fund of £0.200m.

**Table 3 – Demand**

| Priority/Scalability     | Demand (£m) | Cumulative demand (£m) |
|--------------------------|-------------|------------------------|
| Committed                | 11.2        | 11.2                   |
| Must – scalable          | 1.7         | 12.9                   |
| Should - High            | 1.5         | 14.4                   |
| Should – High - scalable | 1.5         | 15.9                   |
| Should - Low             | 0.2         | 16.1                   |
| Should – Low scalable    | 0.6         | 16.7                   |

21. Higher priority 'should' projects total just under £3m with almost half of this being scalable. Our available budget from table 2 is £15.228m. If we fund all 'must' and higher priority 'should' projects, the table below shows the gap in funding for each scenario.

**Table 3 - Gap in funding for each budget scenario**

|                             | Available project budget | High Priority projects | Funding Gap |
|-----------------------------|--------------------------|------------------------|-------------|
| Scenario 1 - Flat Cash      | 15.228                   | 15.969                 | (0.741)     |
| Scenario 2 - 2.5% reduction | 13.966                   | 15.969                 | (2.003)     |
| Scenario 3 - 5.0% reduction | 12.705                   | 15.969                 | (3.264)     |
| Scenario 4 - 7.5% reduction | 11.443                   | 15.969                 | (4.526)     |

22. With an over-allocation of 5%, we would need to make around £0.741m (5%) of savings from within the current list of project demand in order to meet scenario 1. Scenario 2 requires £2m (13%) to be saved. Scenario 3 would require savings of £3.3m (20%) and Scenario 4, £4.5m (28%).

23. SLT have endorsed planning using Scenario 1 based on the discussions to date with Scottish Government. Should the more unfavourable scenarios unfold proposals have been put in place to pull back on scalable areas of work whilst ensuring the business plan priorities are still deliverable.
24. There are other risk factors that might constrain our ability to deliver the business plan:
- There are a number of resourcing pressures which have become evident during the planning round. A lack of appropriate resourcing could impact on delivery of key areas of the business plan. This will initially be reviewed by Resourcing group to make recommendations to SLT for resolution.
  - We need to work in partnership with others in the public, private and voluntary sectors, leveraging more money and effort for people and nature. As a result of the pressures on budgets responding to Covid-19, partners may not be able to commit sufficient funding to deliver shared goals.
  - SG and other stakeholders may raise concerns that we are not delivering for nature due to our falling project spend. We must ensure we communicate the benefits our staff deliver.
  - We may experience reputational damage if we are seen to move away from supporting key areas of work which we have always supported in the past, especially when funding is reduced by other bodies. This needs to be managed closely to ensure that our areas of work closely align to the business plan priorities.

### **Next steps**

25. The analysis and approach outlined above provide reassurance that all projects we have already committed to, plus new mandatory and 'must' demand, are affordable under all scenarios. Therefore, those projects that require approval in order to begin work early AND also fall into the mandatory category can be approved at this stage.
26. For all other projects, Outcome Managers will now revisit their assessment and liaise with their Directors and Activity and Area Managers to determine which projects could be stopped or scaled-back to ensure we know how we will respond to each different scenario. This will ensure that when the draft Scottish Budget is announced we will be in a position to quickly approve those projects that are affordable and will have the greatest impact for delivering the 10 NatureScot Priorities.
27. Should the budget be less favourable than Scenario 1 then further approval will be sought from SLT at the earliest opportunity, this will include recommendations on time critical projects and phasing of start dates on others.

28. Following budget approval on the 28th, finances and resources will be aligned to the 10 business plan priorities and a measurement framework will be detailed in the final version of the plan to be approved at the meeting on the 17<sup>th</sup> of March.

**Recommendations**

29. Board is asked to confirm that:

- Budget planning should continue based on scenario 1.
- Given uncertainty in forward planning assumptions, we adopt 90 day plans to secure the intentions of this Plan and that those plans are used as the basis of quarterly Performance assessment.
- The draft Business Plan narrative and contributions, presented in Appendix A are developing as expected.



Appendix A - Year Four Business Plan (draft)



# Business Plan 2021/22 – Year Four

## Introduction

There has never been a more important time to champion nature. NatureScot is Scotland's nature agency. We work to improve nature in Scotland and inspire Scotland's people to care more about it. This is the fourth and final annual business plan in support of Connecting People and Nature - our corporate plan for 2018-2022. A lot has changed since that plan was first published but what has become clearer than ever is the importance of our connectedness with nature.

The ongoing Covid-19 pandemic has demonstrated this, on both a global level, with clear links being identified between the degradation of nature and increasing pandemic risk; and at a local level where the nature on our doorsteps has become so important to our physical and mental wellbeing during lockdowns and restrictions.

The same human activities that drive climate change and biodiversity loss also drive pandemic risk through their impacts on our environment. We will lead with a coherent, evidence-based approach to secure a nature-rich future for Scotland by enriching biodiversity and leading nature-based solutions to climate change.

We continue to pursue this vision through delivery of the four outcomes set out in Connecting People and Nature:

- More people from across Scotland are enjoying and benefiting from nature
- The health and resilience of Scotland's nature is improved
- More investment in the management of Scotland's natural capital to improve prosperity and wellbeing
- We have transformed how we work

## 2021/22 Focus

A key factor in the re-emergence from Covid-19 will be the path we set ourselves. A green recovery is low carbon, resource efficient and socially inclusive. It addresses the twin challenges of climate change and biodiversity loss as central components of a more resilient and inclusive economy.

We have identified a set of priority actions with emphasis on our leadership role with biodiversity and climate change actions and our support for a green recovery. Those priorities will support our core offers of:

- advancing nature-based solutions to promote a thriving environment;
- leading net zero natural resource management on land and sea; and
- redefining economic value by embedding the benefits of natural capital.

This will ensure that we focus our resources where they can maximise impact. We will do this by working collaboratively with public and private sector to identify and drive investment in green recovery actions. These will deliver across our priorities and challenge us to consider new and inspiring ways to engage people with nature.

The table overleaf shows how our outcomes, priorities and core offer link together to achieve our ambition to enrich biodiversity and lead nature-based solutions to climate change in order to deliver our long-term vision of a nature-rich future for Scotland.

# Enriching biodiversity and leading nature-based solutions to climate change

## Outcomes we deliver

More people from across Scotland are enjoying and benefiting from nature

The health and resilience of Scotland's nature is improved

More investment in the management of Scotland's natural capital to improve prosperity and wellbeing

We have transformed how we work

## Our 2021/22 Priorities

NatureScot will invest in action to reverse biodiversity loss and jointly lead the Scottish Biodiversity Programme

NatureScot will help to transform use of land and sea so that it contributes even more to the future wellbeing economy  
NatureScot will make the case for and support a step-change in use of Nature-based Solutions to climate change and other problems

NatureScot will champion the mainstreaming of natural capital approaches/accounting in decision-making

NatureScot will help to grow and diversify environmental green finance  
NatureScot will invest in skills for a nature-rich future, especially in youth employment

NatureScot will champion the role of nature in transforming places where people live  
NatureScot will support and encourage access to and enjoyment of nature

NatureScot will accelerate peatland restoration through our Peatland Action Programme and collaboration with others

NatureScot will transform as an organisation to meet the demands of the future, including accelerating its transition to a net zero emissions organisation

## Vision – A nature-rich future

We all need nature. Nature needs us. NatureScot brings us together.

Join us and make an impact.

## Our strategic priorities

- Enriching biodiversity
- Leading nature-based solutions to climate change

## NatureScot's purpose

We connect people with nature, through inspiring action to address the emergency in our natural world, because our future, and that of following generations, depends on it.

## Our offer:

- Advancing nature-based solutions to promote a thriving environment for all;
- Tackling the climate emergency by leading net zero natural resource management on land and sea;
- Redefining economic value by embedding the benefits of natural capital.

## We will do this by:

- Releasing our expertise to support nature recovery;
- Caring for nature so that it is there for future generations;
- Connecting people and nature so that everyone takes action to address the emergency in our natural world.

## For whom

The people of Scotland

## Driving a Green Recovery

Global assessments have highlighted the scale and urgency of action needed to avoid the worst impacts of climate change and to halt the loss of the Earth's biodiversity. Last year's State of Nature Scotland Report highlighted the pressures on nature in our own country.

We are not in this alone. NatureScot is part of delivering Scotland's response to environmental crises and challenges. The Scottish Government was the first government in the world to declare a climate emergency in 2019, and announced an ambitious plan to become carbon neutral by 2045. We responded to this target by committing to net zero direct emissions by 2040, with a stretch target of 2035 for net zero and recognise we will need to undergo significant transformation over the next 15 years to achieve this.

Through our leadership by example, interventions in carbon sequestration such as leading peatland restoration and the advice we provide to ministers and Government through the expertise of our staff we will ensure that Scotland's reputation as a global climate leader is enhanced as Glasgow prepares to host the 26th UN Climate Change Conference of the Parties (COP26) in November 2021. The COP26 summit will bring parties together to accelerate action towards the goals of the Paris Agreement and the UN Framework Convention on Climate Change.

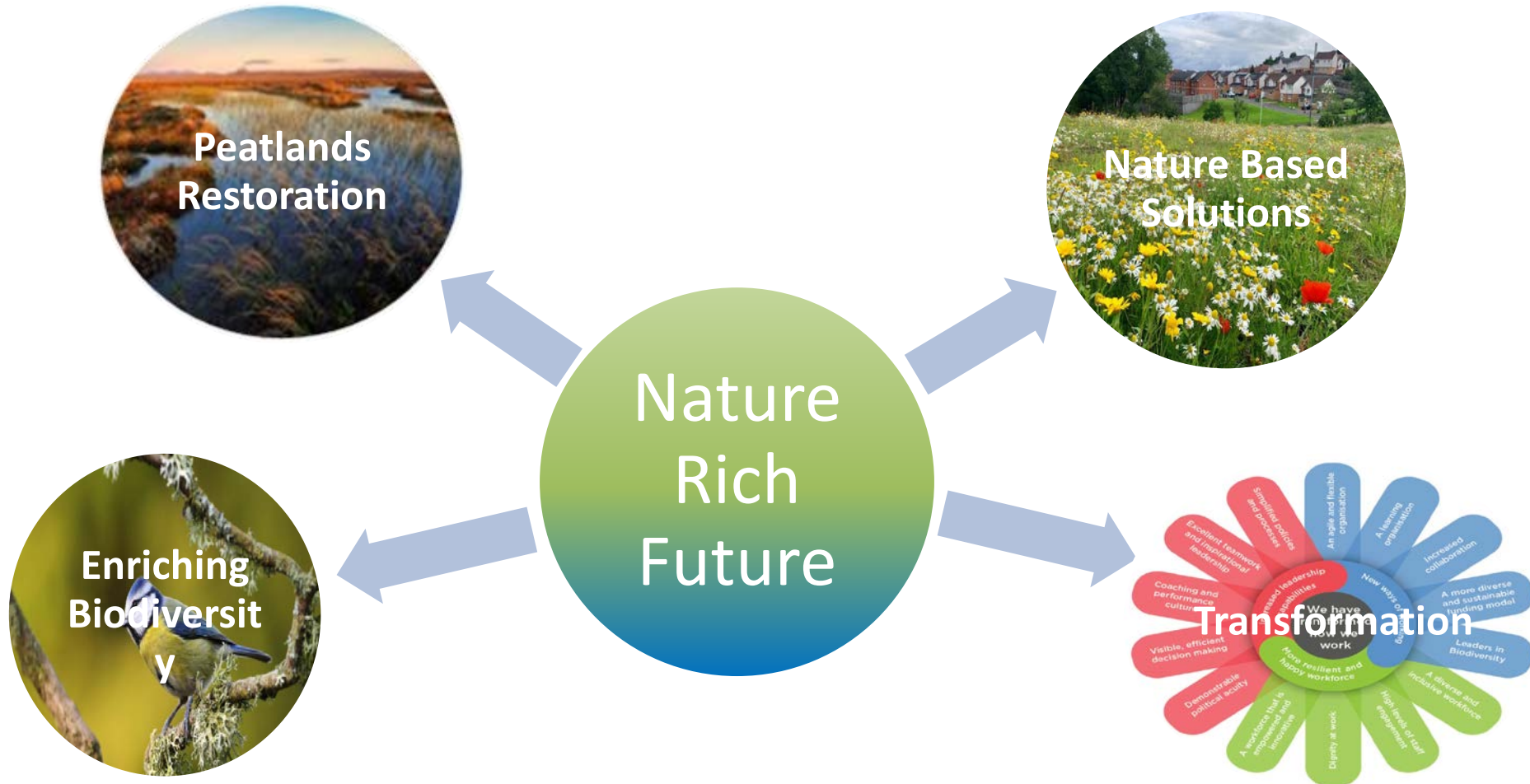
The 2019 report from the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES) identified the main drivers behind global biodiversity loss. Our response to this is to put in place a programme of work that addresses these drivers and moves us towards our vision that by 2030, Scotland is recognised as a world leader in looking after and improving nature.

NatureScot co-chairs The Scottish Biodiversity Programme (SBP) with Scottish Government. The programme oversees and coordinates all current and planned activity on biodiversity, to secure a common understanding of priorities and an agreed approach to delivering them. This allows us to manage the volume of work and the high level of co-ordination required across the various organisations and delivery partners, ensuring that we are focused on achieving the most important deliverables.

Through our expertise and evidence we will support the Scottish Government's contribution to the 15th meeting of the Conference of the Parties (COP 15) to the Convention on Biological Diversity (CBD) in Kunming, China in May 2021. The COP will review the achievement and delivery of the CBD's Strategic Plan for Biodiversity 2011-2020. It is also anticipated that the final decision on the post-2020 global biodiversity framework will be taken, together with decisions on related topics including capacity building and resource mobilisation. We stand ready to lead on the delivery of commitments Scotland makes.

Scotland's Environment Strategy, developed collaboratively with Scottish Government, provides an overarching framework to bring together strategies and plans and to identify new strategic priorities and opportunities. It guides us in the work we do to restore and enhance Scotland's nature and to inspire people to care about it. Together with the Programme for Government it recognises the importance of nature as part of a Green Recovery as we look towards a future beyond Covid-19. In doing this, we will support the wellbeing of people in Scotland and strengthen our economy.

Click on the links below (to be completed in February) to hear from our staff each talking about how what they do will deliver a nature rich future and the ambitions they have for nature.



## These priorities will deliver our key drivers of enriching biodiversity and leading nature-based solutions to climate change

| NatureScot Priorities  | Contributions to delivering our priorities   | Key Performance Indicators  |
|--|--|---|
| <p><b>NatureScot will invest in action to reverse biodiversity loss and jointly lead the Scottish Biodiversity Programme</b></p>     | <ul style="list-style-type: none"> <li>• We will work with SG to develop the next Scottish Biodiversity Strategy and deliver the Scottish Biodiversity Programme which will confirm priorities and the delivery approach for all biodiversity work.</li> <li>• We will work with others to deliver mainstream biodiversity priorities including large, high profile partnership projects and lead delivery of Phase 3 of the Biodiversity Challenge fund.</li> <li>• We will review our marine monitoring and surveillance to deliver the Scottish MPA Monitoring Strategy and agree a new approach as part of our contribution to the next report to Parliament on MPAs in 2024.</li> </ul> | <ul style="list-style-type: none"> <li>• We will develop a suite of draft targets for Scotland that reflect those of the CBD Global Biodiversity Framework (and EU Biodiversity Strategy).</li> <li>• We will deliver £1m Phase 3 Biodiversity Challenge fund, and include biodiversity priorities in high profile partnership projects.</li> <li>• We will develop a new approach on marine monitoring and surveillance and deliver the Scottish MPA Monitoring Strategy.</li> </ul>   |
| <p><b>NatureScot will help to transform use of land and sea so that it contributes even more to the future wellbeing economy</b></p> | <ul style="list-style-type: none"> <li>• We will support transformative land use by promoting biodiversity and climate across all rural support</li> <li>• We will lead delivery of a national wildlife policy, and take forward work following on from the Werritty Report and develop Licensing solutions whilst strengthening support for a shared approach to wildlife management.</li> <li>• We will lead on land and marine opportunities to build resilience and adaptability and embed the importance of planning in natural infrastructure.</li> </ul>  | <ul style="list-style-type: none"> <li>• We will deliver £1.5m of SRDP support through the AECS scheme</li> <li>• We will deliver a national wildlife policy, work relating to the Werritty report, develop a licensing solution and address the actions from the Deer working group response on effective deer management</li> <li>• We will deliver green recovery actions including, establishing and advisory team to embed biodiversity and climate change into the CAP scheme, and sustainable marine management</li> </ul> |
| <p><b>NatureScot will support a step-change in use of Nature-based Solutions to climate change and other problems</b></p>            | <ul style="list-style-type: none"> <li>• We will lead the contribution of nature-based solutions to Scotland's net zero targets</li> <li>• We will embed nature-based solutions within support mechanisms across our priorities to support to land, marine and wildlife management.</li> </ul>   | <ul style="list-style-type: none"> <li>• We will deliver green recovery actions to invest in nature-based solutions which span across land, marine and wildlife</li> <li>• We will lead key projects including Dynamic Coast, INNS, SCRS, NCAPP projects, Blue Carbon Stores and CSGN</li> </ul>  |

|  |  |   |
|--|--|---|
| <p><b>NatureScot will focus effort on mainstreaming natural capital approaches/accounting in decision-making</b></p> | <ul style="list-style-type: none"> <li>• We will provide an assessment framework to support the integration of natural capital into business cases for new policy and capital investment</li> <li>• We will progress the Natural Capital Pilots Programme to test natural capital and outcomes-based approaches to inform Scottish Government’s future rural policy.</li> <li>• We will develop the enabling environment to drive more private finance into nature and nature-based solutions.</li> </ul>  | <ul style="list-style-type: none"> <li>• We will deliver a natural capital funding framework.</li> <li>• We will deliver the approved projects within Phase 3 of the Natural Capital Pilots Programme.</li> </ul>   |
| <p><b>NatureScot will help to grow and diversify environmental green finance</b></p>                                 | <ul style="list-style-type: none"> <li>• We will promote the Peatland Code as a means of attracting private investment in peatland restoration.</li> </ul>   | <ul style="list-style-type: none"> <li>• We will deliver green recovery actions including developing a hub to connect expertise, a private investment model and a new fund.</li> <li>• We will deliver green recovery actions including a mechanism for private investment and the Peatland Code.</li> </ul>  |
| <p><b>NatureScot will invest in skills for a nature-rich future, especially in youth employment</b></p>              | <ul style="list-style-type: none"> <li>• We will provide youth employment opportunities in nature and land-based jobs</li> <li>• We will scope and develop a nature-based skills and training programme</li> </ul>   | <ul style="list-style-type: none"> <li>• We will employ 48 posts which will be filled by apprenticeships, student and graduate placements</li> <li>• We will develop a programme of training for nature-based skills</li> </ul>   |
| <p><b>NatureScot will facilitate the role of nature in transforming places where people live</b></p>                 | <ul style="list-style-type: none"> <li>• We will deliver Green Infrastructure investment, advice and good practice to improve Scotland's urban environment.</li> <li>• We will deliver green recovery funding to build the skills and capacities of communities and deliver spatial or locational planning in natural infrastructure to create nature rich places</li> </ul>   | <ul style="list-style-type: none"> <li>• We will deliver green recovery actions supported by the Green Infrastructure Fund</li> <li>• We will deliver green recovery actions including community wellbeing and resilience.</li> </ul>   |
| <p><b>NatureScot will support and encourage access to and enjoyment of nature</b></p>                                | <ul style="list-style-type: none"> <li>• We will deliver a Natural &amp; Cultural Heritage fund to strengthen the resilience of natural and cultural heritage assets for visitors</li> <li>• We will contribute to better visitor management planning, increase the resilience of our NNRs to welcome visitors, and help grow sustainable nature-based tourism in Scotland to support the green recovery</li> <li>• We will build on the Make Space for Nature campaign by linking people’s behaviour to climate change, identifying the positive impacts we can have and encouraging advocacy.</li> </ul> | <ul style="list-style-type: none"> <li>• We will deliver green recovery actions supported by the Natural and Cultural Heritage Fund.</li> <li>• We will deliver green recovery actions including, nature-based tourism, path networks, and school engagement/outdoor learning/volunteering</li> <li>• We will deliver the Make Space for Nature Campaign</li> </ul> |

**NatureScot will accelerate peatland restoration through our Peatland Action Programme and collaboration with others**

**NatureScot will transform as an organisation to meet the demands of the future, including accelerating its transition to a net zero emissions organisation**

- We will deliver Peatland Action to restore peatlands to store carbon and benefit nature
- We will play a leading role in supporting Scottish Government's wider peatland restoration programme.
- We will transform how we work through our Organisational Development Framework through a new operating model, leveraging digital technology and an estates strategy which will change how we operate as an organisation in order to meet the challenges of the future.
- We will achieve our targets for 2021/22 to deliver our ambition of net zero direct emissions by 2040 with a stretch target of 2035.
- We will restore peatlands up to an ha and £m amount, agreed with Scottish Government, which will be delivered through the Peatlands Action Programme
- We will deliver green recovery actions including providing nature based solutions for peatland restoration and management.
- We will deliver the Organisation Framework actions including a new Operating Model. M365 and the initial milestones of the estates strategy.
- We will deliver the NatureScot Net Zero plan which will aim to deliver a 7% carbon saving in line with our stretch target (or 63.3 tonnes of CO2).



This page will be updated after project commissioning is complete

## Place-based delivery

### 1 The Flow Country

Supporting UNESCO Inscription and widening benefits arising from a nature-rich Flow Country to communities across Caithness & Sutherland.

### 2 Fort William and Nevis

Working within local partnerships to improve active travel and green infrastructure networks and the accessibility of key natural assets in and around Fort William.

### 3 Cairngorms Connect

Working in partnership to deliver landscape-scale habitat restoration over 600 square kilometres in the heart of the Cairngorms National Park.

### 4 Marine Protected Areas Monitoring and Management

Deliver Regional Marine Protected Areas management plans by engaging with local communities and other stakeholders.

### 5 Islands Deal

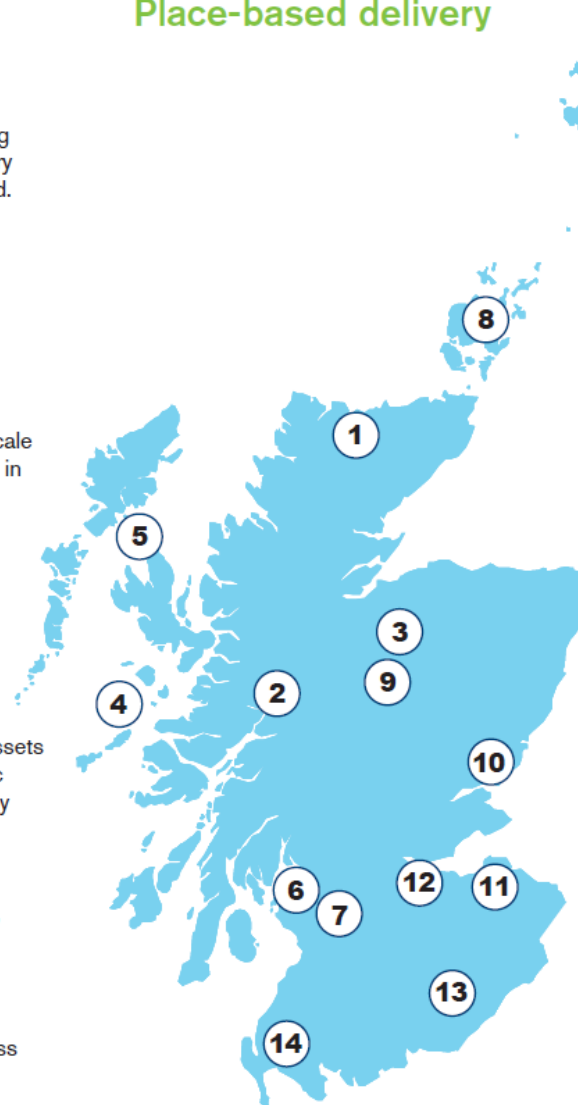
Work with partners in harnessing the unique assets of our Islands in order to address demographic challenges and strengthen the contribution they make to Scotland's economy and reputation.

### 6 Inverclyde

Working in partnership to create better quality, connected, accessible green networks and greenspace.

### 7 Glasgow Region

Championing nature based solutions to address climate change, vacant derelict land, health inequalities and urban greening on the Clyde Corridor and North Glasgow.



### 8 Kirkwall Place Plan

Providing opportunities for active travel through improvements to walking and cycling networks.

### 9 Wader Conservation Projects

Landscape scale management of areas for wetland biodiversity in particular waders such as curlew, lapwing.

### 10 Tay Strategic Green Networks

Place-based approach to use of the River Tay and Carse of Gowrie, including active travel route provision between Perth, Arbroath, St Andrews and Dundee.

### 11 Cockenzie Blindwells

Work in partnership with community, public and private sector interests to create a places of lasting quality with people living sustainable lives.

### 12 Edinburgh West and Waterfront

To re-connect people and nature along the Edinburgh waterfront.

### 13 The South of Scotland Enterprise Agency

We will develop a strategic partnership with the new agency that lays the foundation for nature-rich solutions to be at the core of sustainable and inclusive growth across Southern Scotland.

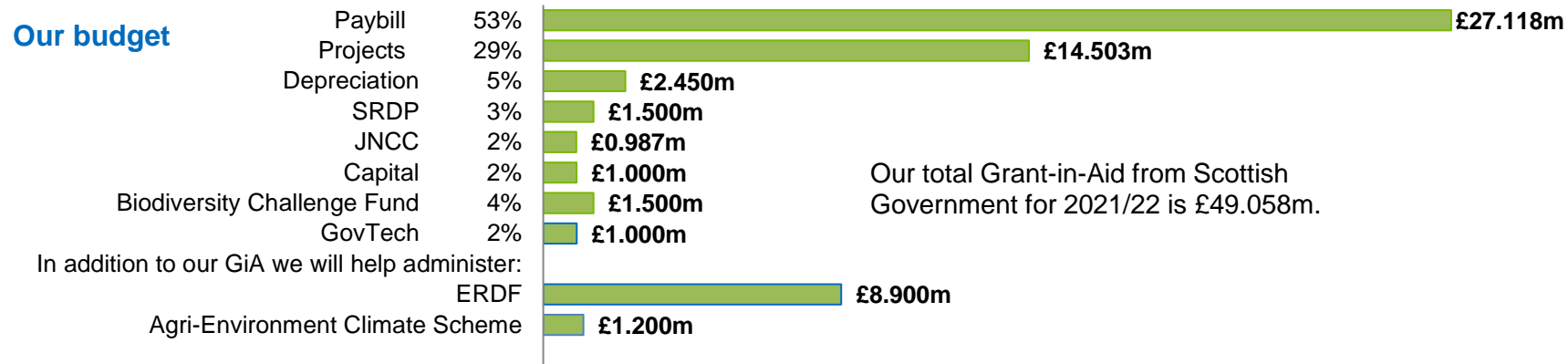
### 14 Galloway and Southern Ayrshire Biosphere

To create a virtuous circle linking the areas rich nature and its businesses and visitors.

## Our Resources – pending budget settlement this will be presented by priority/resource

Our funding comprises our Grant-in-Aid of £49.058m plus additional funding that we receive or administer to support and deliver our strategic priorities. Together this provides us with £xxxm to invest in nature.

This investment will contribute to a range of Government priorities, and deliver across all our Outcomes. Through our role in administering the Agri-Environment & Climate Scheme (AECS) of the Scottish Rural Development Programme, and the European Regional Development Fund (ERDF), we expect to administer, in 2021/22, the distribution of a one-year commitment of around £1.2m of AECS investment in agriculture and rural development, and around £6.9m ERDF funding, providing investment in green infrastructure and tourism.



## Costing Our Resources

Each year we set out to deliver the 4 Outcomes from our Corporate Plan. To do this our resources are allocated through the activities we undertake. These activities provide an emphasis on flexible working across the organisation by focussing on our 10 priorities which in turn will deliver our Outcomes. The tables below show the budget and resource allocation by these activities and also spread across the priorities for 2021/22.

| Priority   | Budget<br>£m | FTE | Activity   | Budget<br>£m | FTE |
|--|--------------|-----|--|--------------|-----|
| NatureScot will accelerate peatland restoration through our Peatland Action Programme and collaboration with others  |              |     | <b>People and Places</b>                                     |              |     |
| NatureScot will help to grow and diversify environmental green finance   |              |     | <b>Protected Areas &amp; National Nature Reserves</b>        |              |     |
| NatureScot will focus effort on mainstreaming natural capital approaches/accounting in decision-making   |              |     | <b>Biodiversity &amp; Geodiversity<br/>Marine Ecosystems</b> |              |     |
| NatureScot will invest in action to reverse biodiversity loss and jointly lead the Scottish Biodiversity Programme   |              |     | <b>Wildlife Management</b>                                   |              |     |
| NatureScot will support a step-change in use of Nature-based Solutions to climate change and other problems  |              |     | <b>Supporting Good Development</b>                           |              |     |
| NatureScot will help to transform use of land and sea so that it contributes even more to the future wellbeing economy                                     |              |     | <b>Natural Resource Management</b>                           |              |     |
| NatureScot will facilitate the role of nature in transforming places where people live   |              |     | <b>Sustainable Coasts and Seas</b>                           |              |     |
| NatureScot will support and encourage access to and enjoyment of nature  |              |     | <b>Workplace Facilities and Services</b>                     |              |     |
| NatureScot will invest in skills for a nature-rich future, especially in youth employment  |              |     | <b>People and Organisational Development</b>                 |              |     |
| NatureScot will transform as an organisation to meet the demands of the future, including accelerating its transition to a net zero emissions organisation |              |     | <b>Finance, Planning and Performance</b>                     |              |     |
|  |              |     | <b>Information and Cyber Security</b>                        |              |     |
|  |              |     | <b>Technology and Digital Services</b>                       |              |     |
|  |              |     | <b>Communications</b>  |              |     |
|  |              |     | <b>Executive Governance</b>                                  |              |     |
|  |              |     |  |              |     |