



Title: Board Q4 Performance Report

Date: 12th May 2021

- **Purpose:** Decision
- **How does this link with our corporate priorities of improving biodiversity or delivering nature-based solutions to climate change:** It addresses delivery of our corporate priorities by reviewing the alignment of outcome performance against our Business Plan, Connecting People and Nature: Year 4, progress towards maximising our available budget, assessing risks for delivery and reviewing people information supporting the resourcing of our work.
- **Summary:** Performance for all Outcomes is marked as green against the Q4 90 day plan. Over the full year, slippage of 9 of the 43 key deliverables is noted as recoverable in early Q1 2021/22. The Corporate Risks have shown no movement to the risk rating since Q3. A new corporate risk has been approved for escalation, Cyber Resilience. Both Operating and Capital budgets are currently expected to outturn within tolerance although further adjustments are expected. The Peatlands budget is reflecting an underspend of £0.192m against a budget of £7.407m. In the People Report, 9 of the 10 indicators are rated green, while 1 is amber.
- **Actions:** To note the recommendations below.
 - **Recommendations:** Board are asked to:
 - Note the overall performance of the Outcomes and the actions being taken to recover key deliverables that are slipping (Performance Report).
 - Note the position of the operating and capital budgets (Finance Report)
 - Note the Corporate Risk updates and the new risk escalated to the corporate risk register after approval from SLT (Risk Report).
 - Note the performance on People-related measures and actions for Q4 2020/21 (People Report).
- **Report Author(s):** Authors – Directors, Deputy Directors, Outcomes Managers, Finance, Planning & Performance Team, People & OD Team
- **Sponsor:** Stuart MacQuarrie and Jane Macdonald
- **Annex:** A Q1 2021/22 90 day plan
B Corporate Risk Register High Risks

Purpose

1. This paper presents NatureScot's performance for the final quarter of 2020/21. It addresses delivery of our corporate priorities by reviewing the alignment of outcome performance against our Business Plan, Connecting People and Nature: Year 4, progress towards maximising our available budget, assessing risks for delivery and reviewing people information supporting the resourcing of our work. These Outcomes support delivery of our Corporate Plan 2018-22, Connecting People and Nature.

Summary

2. Q4 saw a return to the 'stay at home' restrictions experienced early in 2020/21, but did not result in a full lockdown, thereby allowing staff to undertake work outdoors. This therefore slowed, but did not stop, the planned work between January and March. Performance is green in all Outcomes against our 90 day plan. There is some slippage on key deliverables, however actions are being taken to recover these areas early in Q1 2021/22.
3. Although the overall performance is green, there have been significant challenges to overcome to reach this outcome. A Better Places green recovery fund facilitated by NatureScot brought an additional £0.400m of funding and cyber resilience responses to protect our data have resulted in impacts to other areas of delivery. Both have required rapid reprioritisation of resources already stretched on Covid-19 activities. Software development and information technology projects have slipped to support cyber resilience, with project work delayed into Q1 to support the Better Places Fund. Fieldwork has also suffered as a result of restrictions and alternative approaches to delivery have been put in place or work has been postponed.
4. The introduction of 90 day business plans has meant that we have been able to pivot to changing priorities such as those evident during Q4. The plans clearly outline where we would focus our effort and identified where resource pressures were emerging. This was further supported by our continued focus on staff engagement and wellbeing continued through Q4 with the Staff Conference bringing colleagues in the organisation together.
5. **More People Benefitting from Nature (Nick Halfhide, Director Nature & Climate Change)**
We provided £0.4m of funding through the new Better Places Green Recovery Fund to develop plans and build capacity for visitor management and £2.6million of ERDF for 4 projects promoting natural and cultural heritage assets. The National Walking and Cycling Network saw walkers and cyclists make 145.1 million trips on the network in 2019, contributing to improved health and well-being. We prepared an NNR resilience plan which covers staffing, visitor management and visitor facilities, completed 95% of the Conservation Advice Packages for Natura sites and identified four pilot areas to take forward the Protected Area Review findings. Green Health Partnerships have been featured as a good practice case study in the Chief Medical Officer report for 2020/21, and will see £1.6m of investment in the coming year agreed through the Active Scotland Delivery Group, chaired by the Minister for Public Health.

Govtech has now picked up following re-engagement with SE/CivTec staff as they become operational again. This is a positive move and has led to submission of tenders which are currently under review by the wider Team. Working with Space Intelligence on the use of SLAM map techniques using satellite data and AI has led to the successful conclusion of the project with data provided in the report now openly available.

6. The Health & Resilience of Scotland's Nature is Improved (Nick Halfhide, Director Nature & Climate Change)

The grants panel approved £2.1m of projects for the third round of the Biodiversity Challenge Fund which will improve nature in urban, river and marine settings during 2021/22. The Dynamic Coast project completed its second phase and will move to implementation during 2021/22. Both of these will be the subject of Ministerial announcements. We continue to work closely with Scottish Government on the Biodiversity Programme, shaped by the Biodiversity Statement of Intent. Recent work has focused on developing and aligning messages for both COP15 (biodiversity, October 2021, Kunming, China) and COP26 (climate change, November 2021, Glasgow), with nature-based solutions a key opportunity for NatureScot. We reported on Aichi progress on March 23rd.

7. More Investment in the Management of Scotland's Natural Capital (Robbie Kernahan, Director of Sustainable Growth)

We are on track to restore over 3,600 hectares of peatland in line our agreed target, with welcome news that Scottish Government announced the first multi-annual funding programme for peatland restoration. Work has continued with SG and other bodies to develop innovative proposals to scale up voluntary carbon markets in woodland and peatland restoration, and to start to develop markets in other ecosystem services and the natural capital assets that provide them. We have also made substantial progress in securing nature at the heart of NPF4 and we continue to provide leadership and support to SG in the Positive Effects for Biodiversity working group. This underpins our efforts to mainstream nature in the Planning System. We have played a central role in setting out compulsory environmental conditions as part of the Farmer Led Groups who are preparing proposals for future agriculture support schemes. Significant efforts have gone in to supporting the SG response to the Deer Working Group report, which provides an important basis to underpin our work on managing deer impacts to support biodiversity, climate and net zero. NatureScot has a lead role in taking forward many of the recommendations, particularly those which do not require legislative change. In consultation with stakeholders we have also developed draft licensing guidance for mountain hare. Through CivTech we have moved to pre-commercial development stage to utilise new technology for deer and other mammal census work.

8. We have transformed how we work (Jane Macdonald, Director Business Services & Transformation)

Our Net Zero Plan, which sets out how we will seek to achieve our 2035 net zero emissions target, has been endorsed by the Board and published alongside an externally facing Net Zero Statement. Our Winter Carnival has concluded with a virtual staff conference which 550 colleagues attended. The Carnival itself ran through the whole of Q4 and provided a forum for staff engagement on our transformation work, as well as opportunities for staff to showcase their work and benefit from workshops, personal leadership activities and social events. Phase 4 (Winter) of our Make Space for Nature campaign has performed extremely well compared to the previous phases and exceeded the anticipated performance. Overall, the campaign had over 2.8 million impressions (reach) on an £8k investment and #MakeSpaceForNature was used by a range of organisations and individuals. The M365 roll out continues to make excellent progress on the MS Teams, ERDMS Integration and Intranet projects. The heightened risk of cyber-attack this quarter has meant NatureScot has had to implement additional mitigation measures to improve both our protection from attack and resilience and ability to recover. The ongoing reliance on remote working and secure access to corporate systems highlights the importance of our cyber security work which has continued in the background throughout the year.

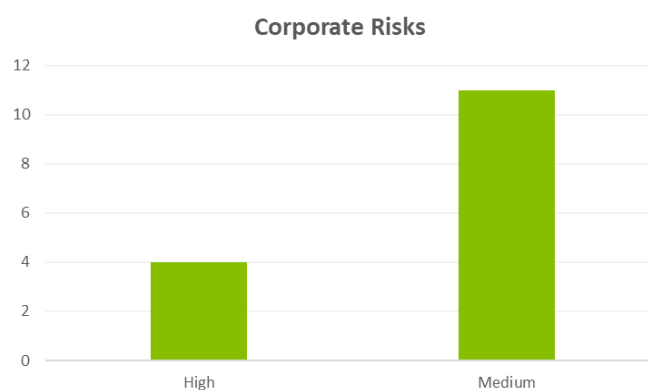


Quarterly Performance Report Dashboard Q4 2020/21

Performance

| Outcome | Performance | Risk |
|--------------------------------------|-------------|----------|
| Enjoying and Benefitting from Nature | ON TRACK | ON TRACK |
| Healthy, Resilient Nature | ON TRACK | ON TRACK |
| Investing in Natural Capital | ON TRACK | ON TRACK |
| Transforming How we Work | ON TRACK | ON TRACK |

Risk

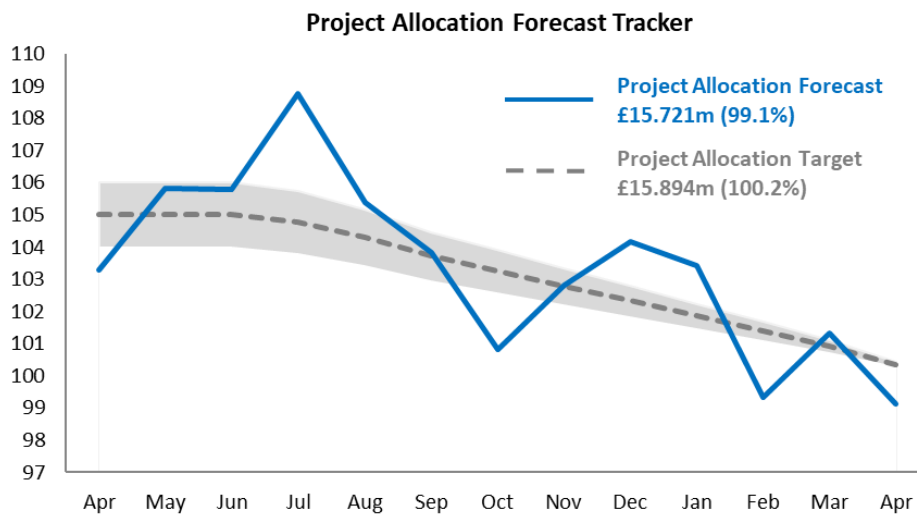


- There has been no change to any risk scores
- 1 new risk was escalated to become a corporate risk

Finance

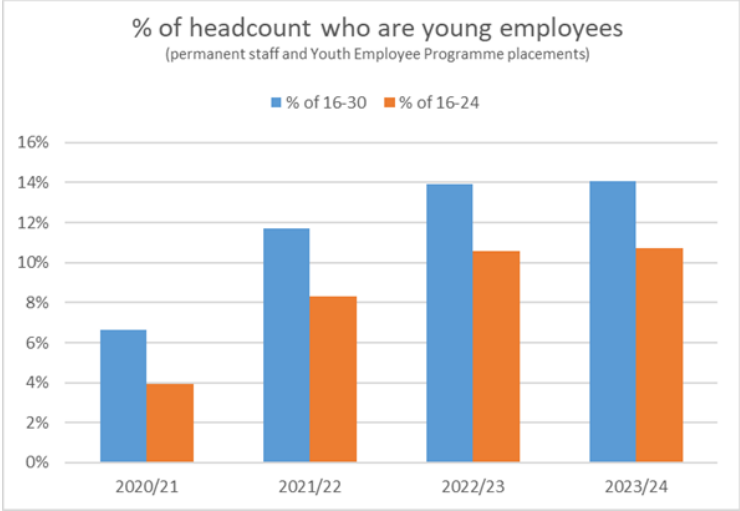
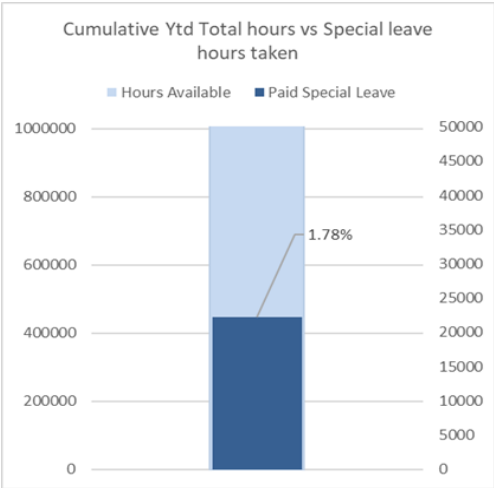
| Financial Summary (£m) | Budget | Forecast | Variance | Rating |
|------------------------|--------|----------|-------------|-----------------|
| Operating | 54.8 | 54.5 | -0.3 (0.6%) | ON TRACK |
| Capital | 1.0 | 1.0 | -0.0 (3.2%) | ON TRACK |

| Key Measures (£m) | Budget | Forecast | Variance | Rating |
|--------------------|--------|----------|-------------|---------------------------|
| Paybill | 27.8 | 27.5 | -0.2 (0.8%) | ON TRACK |
| Project Allocation | 15.9 | 15.7 | -0.2 (0.9%) | ON TRACK |
| Peatlands | 7.4 | 7.2 | -0.2 (2.6%) | MINOR SLIPPAGE |



People

| Area | Status |
|-----------------------------|----------|
| Health Safety and Wellbeing | ON TRACK |
| Workforce Diversity | ON TRACK |
| Workforce Development | ON TRACK |



Learning and Development

250 winter carnival sessions over 12 weeks
Understanding Your Team, MS Teams and Objective Browser engagement sessions held for each team

Performance over the full year

9. Plans have been regularly adjusted over the year to take account of Covid-19 restrictions. Of the 43 key deliverables that we planned to achieve over the full year, 34 (79%) are rated Green, and 9 (21%) are rated Amber. The slippage on key deliverables and the actions to recover this are summarised by Outcome below.
- **More People Benefitting from Nature** - The development of investment options to support income generation and diversification on our National Nature Reserves was delayed during 2020/21. With the significant increase in visitor numbers experienced during 2020 expected again in the year ahead, this work is vital to ensure a positive experience for all.
 - **The Health & Resilience of Scotland's Nature is improved** - The Scottish Marine Protected Area Monitoring Strategy which will set out responsibilities for key sites is now being taken forward during 2021/22. This is along with our work to manage the Scottish Marine Protected Areas (MPA) network and safeguarding Priority Marine Features.
 - **We have transformed how we work** - Our software developments, infrastructure investment and office portfolio design have not progressed as quickly as planned as a result of the reprioritisation of our efforts to enhance cyber resilience and respond to Covid-19. Good progress has however been made with the rollout of collaborative tools, such as Microsoft Teams, and in early Q1 we will seek to accelerate delivery in these areas.
10. The [Q1 90 day plan](#), detailed in Annex 1, for 2021/22 is now live. This focuses on the priorities and the milestones to be achieved by the end of Q1, which support delivery of the 2021/22 Business Plan.
11. The National Performance Framework indicator updates will be available in the Q1 report.

Finance

12. There are two internal targets set for the corporate budget outturn. The Operating budget should outturn within 1% of the approved budget, the Capital budget within 5%. Our business partnering work, supporting the organisation with their financial management, continues to encourage the full commitment or surrender of budgets at the earliest opportunity. Covid-19 restrictions and adverse weather conditions during Q4 may result in further slippage on the active commitments. We continue to work on the basis of minimal budget carry over to encourage full spend in the current year and reduce budget pressures in 2021/22.

Operating Budget Performance

- An underspend of £0.312m is currently forecast on the Operating budget. This does not reflect the final year end position, as we are currently in the adjustment period when further accounting adjustments will be processed. The increased restrictions due to Covid-19 present a higher risk of project slippage in 2020/21. At the same point in 2019/20 an underspend of £0.376m was forecast.

- The budget recovery exercise undertaken early in Q3, challenged uncommitted budgets and ensured that allocations were optimised with respect to high priority work considered achievable within the current Covid-19 restrictions.
- A higher level of budget surrenders were experienced in March in respect of previously planned work. Project surrenders for the year were considerably higher than last year (35% of budget (£5.5m) compared with 20% (£3.4m) in 2019/20). Allocations have also increased with almost double the value approved during 2020/21 (£6.6m) compared to the previous year (£3.5m) following the re-allocation of the additional budget surrenders.
- The paybill is projected to underspend by £0.214m. This is the result of leavers within the year and extended vacancy gaps. Year to date leaver savings are £0.668m, offset by new starts of £0.237m. £0.597m of paybill budget has been transferred to projects in the current year, £0.220m of which was transferred in January.
- The impact of slippage on large value programmes such as the Biodiversity Challenge Fund (BCF) presents a risk to spend levels. The anticipated slippage on BCF grants was assessed in November and reduced from 14% to 7%. The current risk of slippage for BCF is £0.190m.
- The Better Places Fund (BPF) launched in December and we allocated a total of £0.406m. With this allocation of funds taking place during Q4 and therefore a restricted period for delivery, we have included a risk of slippage of 4% on BPF grants, this is currently £0.016m.

Capital Budget Performance

- An underspend of £0.033m is forecast on the capital budget. We were forecasting a slight overspend in February but this has changed to an underspend position due to delivery delays related to Covid-19. In March the Property Maintenance Budget for GGH had slippage of £0.049m (delay in planning permission) and St Cyrus Car Park (construction running behind time) £0.016m.
- Scottish Government have been notified that minimal expenditure is anticipated this year against the revised GovTech capital budget of £0.490m.

Peatland Budget Performance

- Scottish Government have made £7.407m available to NatureScot to fund Peatland Action restoration, conservation, management and associated staff costs for 2020/21. We are forecasting £7.215m, and therefore reporting an underspend of £0.192m. We factor an over-commitment into our budget of 25% to offset slippage based on experience of previous years. Although there is an underspend, this is a very positive position to be in given the restrictions in place during the year and the recent bad weather.

Structural Funds (ERDF) Performance

- ERDF claims totalling £1.14m were submitted to the Managing Authority (MA) in May 2020 (current delay = 11 months). Advance payments of £0.26m have been made by NatureScot to grantees of which £18k are included in the current claim. Of this £0.26m liability to NatureScot, £31k of costs have been disallowed and will not be recovered from a grantee, resulting in a cost to NatureScot.

Risk

13. The Corporate Risk Register holds the current corporate risks for NatureScot. Activity and project risks are managed within the risk management system, which underpins the corporate risk register. All risks are managed in line with the Risk Management policy and monitored regularly for compliance and visibility of impact.
14. As part of the review of strategic risks aligned to development of the new Business Plan 2021/22, a new risk is under development. This will reflect our role in influencing others to take the necessary action to manage the biodiversity crisis and will be added to the corporate risk register early in 2021/22.
15. There has been no movement between risk ratings in the last quarter. The position of the Corporate Risks are detailed below by Outcome.

More People Benefitting from Nature

- 87 - Provision of Balanced Natura Advice – The risk of challenge is still relevant but the risk owner is currently reviewing the risk to bring it up-to-date with the position post EU-Exit and in light of the formation of Environmental Standards Scotland.
- 586 - Structural Funds – Failure of programme delivery and/or funding mechanism – The last Green Infrastructure claim submitted is still outstanding with the Managing Authority (MA), 8-9 months after submission. This increases our risk of disallowance on the £253k forward paid already, and it may be difficult to claw back where the payment dates back a long time. NGO partners will not be able to absorb cash flow delays of this length. NatureScot will consider making provision for forward payment for some of these projects and the level of financial exposure to NatureScot would be greater due to the level of uncertainty and delay. We will escalate arrangements with the MA to speed up turnaround and reduce uncertainty; and to make provision for forward payment to vulnerable NGOs in Natural Cultural Heritage Fund. This will need to be considered by SLT and Finance; it mitigates the risk of reputational damage due to NGO's exposure to cash flow problems, but increases the risk of disallowance.

The Health & Resilience of Scotland's Nature is Improved

- 255 - Realising Nature's Role in addressing Climate Change - The work of the Climate Change programme board has continued this quarter and extensive work is being taken forward to provide the pace of change needed. The audit that has been undertaken gave a satisfactory assurance and identified the need for a plan for COP 26 which the Board had already initiated before the report came out.
- 53 - Marine Protected Areas – Discussions are ongoing with Marine Scotland about re-starting stakeholder engagement, and we are awaiting a revised timetable for agreement before proceeding.

More Investment in the Management of Scotland's Natural Capital

- 253 - Annual Funding Cycle – The final outturn for Peatlands is still to be determined, however changes in approach for the year ahead include the development of open application systems to develop a more certain "pipeline" of projects and the acceptance of "multi-year" projects into the programme of work. We will continue with a planned "overspend" that recognises historic project risks due to weather and other factors in entering into contracts. This will deliberately spread risk across weather, contractor capacity, and project complexity in trying to achieve maximum spend against budget, whilst addressing the variety of risks to each project.
- 283 - Wildlife Management - Our Ability to Influence Stakeholders - We have worked hard over the last quarter to develop the communication with organisations and key influencers on areas including mountain hare guidance and by demonstrating the shared approach principles in our engagement. There are still issues in relation to rural land managers / workers and through engagement of a number of policy and casework areas. The SG responses to the grouse and deer reports provides a clearer basis to proceed, perhaps providing better clarity, where there was uncertainty. We can establish a more active role in taking work forward, engaging interests within clearer policy parameters.
- 72 - SRDP - Outcomes for the Natural Heritage - Risk reducing for this year with funding for AECS confirmed for 2021, although it has a reduced budget and will have a restricted impact targeted to highest priority of protected areas, vulnerable species and wading birds. We have also been heavily engaged in advising on mainstreaming biodiversity advice within the new Farmer Led Groups which will help to mitigate against future reduced AECS funding, while we continue to discuss budgets for 2022.
- 71 - SRDP - NatureScot's Delivery Partner Responsibilities - We are in a period of heightened uncertainty given the annualised rounds. There are additional uncertainties around wader management costs that are hard to predict, but a cautious and carefully prioritised approach is in place to reduce the possibility of valid applications exceeding resource availability.

We have transformed how we work

- 21 - Budget Management - Both operating and capital budgets are forecasting underspend. Scalable opportunities are being pursued to mitigate this risk on both budgets and the underspend figure is currently within approved targets, however the risk of slippage is higher this year due to Covid-19 restrictions and bad weather.
- 85 - Adapting to Strategic Change - Liaison has continued this quarter with our Sponsor in Scottish Government over the contents of our Business Plan for the coming year. This has helped build a shared understanding of priorities and our response as we begin the last year under the current Corporate Plan.
- 393 - Future Funding of NatureScot - We have had significant success in the last quarter securing funding to augment our Grant-in-Aid figure of £50.3m. We have secured an additional £9.5m prior to the beginning of the year, and are in ongoing discussion about the direction of a further £21m (£11m for Peatland Action and £10m for a Nature Recovery Fund).

- 84 - Joint Working - New opportunities continue to be explored in relation to Scottish Futures Trust work on development of Public Sector Hubs. Strong alignment during Covid-19 is also evident in relation to close working with other organisations in support of a green recovery, particularly in terms of strategic interventions linked to visitor management.
- 583 - Covid-19 Pandemic - Business Impact - Controls continue to be successfully implemented through the governance established under our business response model, with evidence gathered from business leads via the Covid-19 Organisational Resilience table. This includes the work of the Business Continuity Group and Resourcing Group to support office management, staff wellbeing and managing resourcing pressures. The role of the Strategic Business Recovery Group has now been incorporated into the routine business of SLT. The lifting of restrictions in Q1 should help ease any limitations on the work that can be undertaken, particularly those which may have been most significantly impacted by the nation-wide lockdown.
- 137 - Staff Resource Management – Resourcing Group gather resourcing pressure information from across the organisation. They continue to review, assess and make decisions about future resourcing requirements and recommend changes in approach to SLT.

16. There is one risk proposed for escalation to the corporate risk register.

- **Risk 47- Computer Virus** - As a result of inadequate protection or inappropriate system use, including staff actioning email links that lead to malware downloads, there is a risk that NatureScot systems becoming infected with a virus, resulting in NatureScot systems and data become unavailable or corrupted, significant system downtime and huge operational impacts.
- This risk is currently rated as high and has been re-escalated as a result of the recent cyber-attacks to SEPA and UHI, recognising there is a clear and present risk to all organisations. There are a number of controls in place (or currently being implemented) to manage this risk, such as backups into Cloud systems to protect our data, training for staff and ongoing maintenance of our firewalls. We continue to maintain a high level of vigilance and take swift action in the event of any potential issues.

17. SLT have confirmed that this new risk should be added to the corporate risk register and that a contingency plan should be in place to address this risk should it occur.

18. All risks currently active on the Corporate Risk Register are recommended to be retained. The risk ratings have not changed during Q4 and the risks are all relevant to Q1 2021/22.

People

19. Our people data includes information on health, safety and wellbeing, workforce demographics and workforce development, along with information on employees and the impact they have had on the delivery of our priorities. The progress and performance at the end of Q4 2020/21 are detailed below. 9 out of the 10 indicators are green with 1 indicator, Youth Employment, marked as amber.

Health, Safety and Wellbeing

- Employee engagement and wellbeing - The wellbeing surveys indicate that women are more likely to discuss their workloads with their managers and there has been a drop of 10% in those able to maintain a manageable workload since the last survey. There has also been a 7% drop in those experiencing heightened stress as a result of workloads but more than half of survey respondents (about a quarter of all employees) feel they are not comfortable with the pace of work and lack control over their workloads. This contrasts with 71% of respondents saying they had a manageable workload (though with yes/no selections in the survey, this may mean “most of the time”). Workloads are normally high at the end of the financial year, so we would expect these to rebalance in the new financial year. Employees will be reminded to discuss workload management as part of their Personal development conversations, the support available through Work Happy, various learning offerings and our coaching.
- Sickness and Absence - The annual days lost to sickness in 20/21 is 3.9 days. As a result we continue to be well below the national average of 5.8 days per year and public sector average of 8 days per year (CIPD Health & Wellbeing Report 2020). The trend remains well below average. With much less contact with other people it is understandable that fewer bugs are passed around. Stress-related sick days have risen by only 0.1 days per person, but is the reason for the highest number of sick days taken. We have had three confirmed Covid-19 cases this quarter, and four unconfirmed. Covid-19 has appeared in the top absence reasons for the first time. All the other reasons are not significantly different from their trends. Men age 45+ are more likely to be absent than younger men, though all men are much less likely than women to be absent at all (762 days vs 1925 days). This follows the national trend (men 1.5%, women 2.3%). We will continue to encourage regular check-ins with teams and individuals and encourage people to take time off when unwell. We will also continue to promote the resources on the wellbeing Intranet page and for managers to have discussions about wellbeing and workloads with their teams.
- Special Leave - The percentage of hours taken as special leave has changed during each quarter over the last year (Q1 - 3.88%, Q2 - 1.16%, Q3 - 0.24% and Q4 - 1.90%). Over the year, 212 employees have taken special leave for Covid-19-related reasons (128 female, 79 male). 63% of employees taking special leave have been women, though the average days lost across the year are not so different (31:28). We will continue to monitor levels and regularly review with other organisations to ensure consistency of approach across the EELG group of organisations.
- Employee Assistance Programme – The use of the EAP service fell during the quarter and totalled 15 calls during this period. We launched our Work Happy tool in March, and have had 102 sign ups so far. We will progress any actions resulting from any presenting issues to the EAP concerning Covid-19 and its impact on the wellbeing of our employees.

- Accidents and Near Misses - The trends in accident and near misses are lower, as expected with so much home working. Our focus will continue on health and safety when working from home and also supporting the finalisation and implementation of office reopening protocols from a health, safety and wellbeing perspective.

Workforce Diversity

- Youth Employment - Youth employment levels remain below the SG target of 5%, although the number of youth employment placements is higher than at any point in the past 10 years. Our youth employment targets up to the age of 30. Not all graduate placements are 16-24 – 50% of those in 2020/21 are in the 25-34 age range. We are assuming that all youth employment posts are given to those under 30 and that none of our permanent employees in that range leave, and that our headcount stays roughly the same. This work continues to move apace and once SG elections have taken place our planned communications will be published both internally and externally.
- Workforce Demographics - Our headcount/FTE levels are relatively static. Our annual turnover has increased from 5 to 7.1% over the last 3 years, and although still at a relatively low level compared to civil service figures, we have seen an upturn which we consider a positive position. (SG is 7% annually, whole civil service 12-15%). The number of internal moves is increasing as a result of internal recruitment at the end of Q3 and in Q4. From analysis undertaken on our retirement profile and extrapolating this forward. We have established that the average retirement age has been 61.5 (from the 59 retirements during the period 2017-20). The majority of the retirements occurred within the 60-64 age range. If the currently experienced levels of retirement continue, then an average of 19% of employees aged 55 and over could retire per annum over the next 3 years. This represents an increase of 163% on the number of retirements compared to 2017-2020 figures. We will define any targets we want to continue to measure within this indicator, linking in with equality outcomes where helpful and further work on our anticipated retirement profile and implications of this during Q1.
- Employee Relations - The number of cases continues to be within the normal range. The number of new cases remains low. The largest category of open case relates to long-term absence (12), followed by reasonable adjustments (7). There is no apparent link between Covid-19 to casework. Casework relating to disciplinary and grievances remains extremely low, indicating that the wide range of actions we are taking to improve wellbeing and relations between employees are having a positive effect and workplace relationships are generally healthy. During Q4 we delivered the team development part of our OD framework, which reinforced the learning from the understanding self-sessions in 2020. We currently have 16 trainee coaches working towards qualification. They are currently providing a coaching service for 36 clients, with much of this focused on employee relations, which will help keep formal cases to a minimum.

Workforce Development

- The Winter Carnival was run over 12 weeks, with around 250 sessions. Great engagement was had on Resolutions, Glimpse of the Future, and the Future of Conservation. Various social sessions were also held, with quizzes, hot chocolate roulette, and virtual walks through our NNRs. We have delivered team development sessions to all teams during the quarter, focussing on how to work with each other. Follow up sessions were held with all team managers, along with Enhancing Your Leadership sessions, providing practical ways of using the colours preferences in their work. All teams attended a MS Teams engagement session to learn how they might work differently once it is introduced. There has been an increase of employee E-Learning offerings in Q4. MS Teams will launch in early May. Further engagement on leadership development is likely. We continue to work on the development of our overall people development/ learning framework.

20. Please note that all Equality data (normally reported in the people report) is not reported this period, because of the publication of the Equality & Diversity Report, recently seen by both SLT and Board.

Recommendations

21. Board are asked to:

- Note the overall performance of the Outcomes and the actions being taken to recover key deliverables that are slipping (Performance Report).
- Note the position of the operating and capital budgets (Finance Report)
- Note the Corporate Risk updates and proposals for escalation, and endorse the comments for report to ARC (Risk Report).
- Note the performance on People-related measures and actions for Q4 2020/21 (People Report).

Annex A - Q1 2021/22 90 day plan

Delivering our work in Q1 – focussing on a green recovery and supporting staff

This is the first quarter of our new Business Plan ‘Year 4 Connecting People and Nature’ and moves us into the final year of our Corporate Plan 2018-2022. A lot has changed since that Corporate 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.

As we move through Q1 we continue to pursue this vision through delivery of the four outcomes and by ensuring our resources are focussed to where they can maximise impact. Our efforts are focussed on investing in targeted action to deliver our strategic priorities. These are:

- Enriching Biodiversity
- Leading on nature-based solutions to climate change

To deliver the strategic priorities we will focus on 10 priority areas of work detailed on the next page. These are the same 10 priorities in our newly published Business Plan.

The 90 day plan for Quarter 1 sets out the key activities that will significantly advance us towards achieving the outcomes of the business plan. The quarterly plans allow us to adapt quickly to the unknown and take into account the continuing impact of Covid-19 on staff availability and wellbeing, and on our ability to deliver our priorities.

During the early part of this quarter we are subject to a reinstatement of the Tier level restrictions as we move through the Scottish Government ‘Route Map to recovery’. We will continue to work within the restrictions applied. These continue to have an impact on our staff and ability to deliver our activities. All staff will have an opportunity to engage in a further wellbeing survey during Q1 and NatureScot will continue with its’ focus on the importance of staff wellbeing.

The confirmation of additional Grant in Aid from Scottish Government means we have a number of areas where available funding will significantly increase. We will focus effort on delivering:

- The Better Places Fund which successfully delivered around £0.400m of green recovery activity during Q4 2020/21. A further fund of around £2.7m will be launched in Q1.
- The Biodiversity Challenge Fund Phase 3 which was launched in Q4 2020/21, will see an increase on the initial planned spend of £1m to £5m.
- Full retention of our SRDP contribution of £1.5m for advancing our outcome based approach pilots
- £0.750m to support visitor management on our National Nature Reserves through maintenance and enhancement projects and by increasing our seasonal ranger capacity.

These are all excellent opportunities for NatureScot to significantly advance us towards our vision and appropriately resourcing these areas is key to success.

Lastly, following on from the staff conference last quarter, we will continue to engage across the organisation around the contents of our ‘core offers’. This is a significant component of effort for this 90 day plan and marks the beginning of effort towards building our new Corporate Plan.

| NatureScot Priorities | What will we achieve during Q1 |
|--|--|
| <p>NatureScot will invest in action to reverse biodiversity loss and jointly lead the Scottish Biodiversity Programme</p> | <ul style="list-style-type: none"> • We will influencing the content of the UK Government's Global Biodiversity Monitoring Framework. • We will award Biodiversity Challenge Fund grants of at least £1m to the successful applicants. • We will receive the finalised SG commission for 30x30 targets, develop a timeline for project delivery and commence stakeholder engagement. • We will consider Board comments and develop timelines for Protected Area Committee (PAC) consideration and develop our surveillance and monitoring strategy for SLT approval. • We will establish a panel to guide development of new approaches to marine monitoring, and establish new Marine Biodiversity Monitoring Group with Marine Scotland, SEPA and JNCC. |
| <p>NatureScot will help to transform use of land and sea so that it contributes even more to the future wellbeing economy</p> | <ul style="list-style-type: none"> • We will complete the Agri-environment climate scheme pre-application advice and close application window and contribute to a draft SG submission to ministers on future of AECS scheme 2022-2025. • We will finish contributions to farmer led groups recommendations and launch a basic biodiversity audit template and accompanying guidance. • We will engage Strathspey pilot farmers in agreements to establish baseline scoring of their wader habitats and complete the first scoring exercise. • We will provide further advice to Scottish Government on National Planning Framework 4 aspirations re: nature based solutions, landscape change, peatland/woodland restoration, sustainable visitor management and onshore wind strategy; and continue to engage in the Working Group on securing positive effects for biodiversity. • We will respond to the review of National Marine Plan; contribute to the Opportunities and Interventions report to underpin the Blue Economy Action Plan; and progress the implementation of a resourcing plan to support our effective input into ScotWind. • We will engage a project team for the Werrity work plan, set out a NatureScot work plan for the Deer Working Group response including Wild Deer National Approach (WDNA) Strategy engaging with public agencies. |
| <p>NatureScot will support a step-change in use of Nature-based Solutions to climate change and other problems</p> | <ul style="list-style-type: none"> • We will publish a blue carbon literature review and evidence map. |

| NatureScot Priorities | What will we achieve during Q1 |
|--|--|
| NatureScot will focus effort on mainstreaming natural capital approaches/accounting in decision-making | <ul style="list-style-type: none"> • We will publish the annual update of the Natural Capital Asset Index. • We will hold a workshop with other public bodies on natural capital accounting on public land, and draft a plan to develop a shared approach/common principles |
| NatureScot will help to grow and diversify environmental green finance | <ul style="list-style-type: none"> • We will complete the Facilitating Local Natural Capital Investment – Pilot Project and disseminate findings via a report and webinar. • We will complete the phase 1 report of options and agree which ones will be pursued in relation to investment through Peatland Action and the Peatland code, confirm an action plan for delivery and meet with key partners to agree actions. • We will develop and consult partners on proposed governance structure and develop grant criteria for Scottish Marine Environmental Enhancement Fund. |
| NatureScot will invest in skills for a nature-rich future, especially in youth employment | <ul style="list-style-type: none"> • We will deliver phase 1: Launch Programme for Youth Employment, recruitment placements, traineeships, apprenticeships, with ongoing communication to both internal and external stakeholders and complete the action plan for phase 2. • We will complete liaison with key regional and sectoral stakeholders over potential collaborative actions for the nature based jobs and skills action plan. |
| NatureScot will facilitate the role of nature in transforming places where people live | <ul style="list-style-type: none"> • We will sign contracts with Phase 2 Green Infrastructure Fund projects for delivery this year. • We will launch the Make Space for Nature Communications activity for Spring, the Volunteer Matters community fund for 2021 and the Wee Forests pilot. |
| NatureScot will support and encourage access to and enjoyment of nature | <ul style="list-style-type: none"> • We will complete pre-application advice and close application window of the Improving Public Access scheme. • We will raise the profile of the key messages in our Scottish Outdoor Access Code campaign for the new season and deliver funding for visitor management through the Better Places Fund 2 • We will finalise our National Nature Reserve resilience plan and employ additional seasonal staff. |
| NatureScot will accelerate peatland restoration through our Peatland Action Programme and collaboration with others | <ul style="list-style-type: none"> • We will manage active contracts and facilitate the new funding round, engaging with applicants to support project development and undertaking assessments on submitted applications. |

| NatureScot Priorities | What will we achieve during Q1 |
|---|---|
| NatureScot will transform as an organisation to meet the demands of the future, including accelerating its transition to a net zero emissions organisation | <ul style="list-style-type: none">• We will development the Operating Model through engagement sessions across the organisation focussed around the core offers of the next Corporate Plan. The roll out of M365 will also take place with all staff to be active through Teams by the end of the quarter.• We will commission Renewables Reports to provide advice for decision making; receive 4 more electric vehicles and install EV charge points at several offices. |

Annex B Corporate Risk Register – High Risks

| OUTCOME | RISK ID | RISK TITLE | DESCRIPTION | CONTROLS | OWNER | IMPACT | LIKELIHOOD | RISK RATING |
|---|---------|---|---|---|---------------|--------|------------|-------------|
| More Investment in the Management of Scotland's Natural Capital | 253 | Annual funding cycle | As a result of the programme having single year budget allocations there is a risk that the project will not meet restoration and spend targets, given the tight site work window of Q3 & Q4, the vulnerability to winter weather and the impact on stakeholder confidence and capacity, which may result in a lower contribution to tackling the Climate Change Emergency. | <ol style="list-style-type: none"> 1. Commitment from Ministers to longer term Climate Change Plan target for peatland restoration overseen by National Peatland Group, 2. Regular review of project team capacity and applicability of current project team model, 3. Contingency project planning for the next five years to manage scalability of funding, 4. Advocacy from NatureScot and partners for longer term commitment in budget statements/policy 5. Use of earlier application round in preceding year (now planned for Q3/4 19/20 in prep for 20/21) 6. Attempt earlier approvals for lower risk applications and deferrals/carry-overs | Roddy Fairley | 4 | 4 | High |
| More Investment in the Management of Scotland's Natural Capital | 283 | Wildlife Management - Our Ability to Influence Stakeholders | As a result of deeply held and polarised views amongst stakeholders there is a risk that we are unable to secure their compliance and co-operation on the management of wildlife. This could result in the failure to achieve planned outcomes for wildlife and nature. | <ol style="list-style-type: none"> 1. Undertake work aimed at breaking down barriers to cooperation including through the Working for Waders project, stakeholder work around Sea Eagle scheme and strategy, stakeholder work around goose management, work on feral pigs and other non-natives, the application of conflict management principles and our work on deer. 2. Maintain close working relationships with key stakeholders and monitored in line with the new approach NatureScot develops for monitoring the health of its relationships with external stakeholders . 3. Ensure all predictably contentious projects have well thought through communications plans attached to them which are implemented. 4. Application of principles within the wildlife management framework and development of the shared approach. 5. Through the Activity Resource Plan ensure that skills in practical wildlife management are retained in our staff complement. | Donald Fraser | 3 | 4 | High |

| OUTCOME | RISK ID | RISK TITLE | DESCRIPTION | CONTROLS | OWNER | IMPACT | LIKLEHOOD | RISK RATING |
|---|---------|--|--|--|---------------|--------|-----------|-------------|
| More Investment in the Management of Scotland's Natural Capital | 72 | SRDP - Outcomes for the Natural Heritage | As a result of NatureScot's dependency on the SRDP Programme 2014-19 as a funding mechanism, there is a risk that the overall level of funding available, the options (including their targeting) financial incentives, eligibility checks, assessment and scoring, as well as the transaction costs for smaller applications, may result in the limit delivery of NatureScot's Corporate objectives, notably progressing NPIs 44 (favourable condition) & 45 (terrestrial breeding birds) and the wider outcomes NatureScot is helping deliver. These are: <ul style="list-style-type: none"> - Favourable conditions of features on designated sites - SBD route Map big steps incl 15% restoration target (especially peatlands) - Management to support vulnerable priority species - Improvement of ecosystem health at a catchment scale - Helping deliver access (now excluded from ECAF) - Sustaining HNV farming - Tackling INNS - Provision of advice on requirement management | <ul style="list-style-type: none"> * Establishment of evidence base to assess delivery of NatureScot's priority outcomes. * Assess how effectively collaboration scheme is helping deliver catchment scales outcomes * Monitor effectiveness of targeting in improving ecosystem health outside designated sites (esp peatlands), and in limiting a few popular options absorb the bulk of the budget * Review targeting maps and the assessment and scoring process to improve delivery of NatureScot priority outcomes * Identify changes to the SRDP schemes which NatureScot will want addressed through the mid-term review of SRDP 2014-20 and development of its successor * Target other funding sources (NatureScot/SG) to address SRDP short-comings (especially DFC and Peatland priorities) * Promote the relevant SRDP measures to support delivery of NatureScot priorities through advice from non-case officers and targeted communications | Claudia Rowse | 3 | 4 | High |
| We have transformed how we work | 47 | Computer Virus | As a result of inadequate protection or inappropriate system use, including staff actioning email links that lead to malware downloads, there is a risk that NatureScot systems becoming infected with a virus, resulting in NatureScot systems and data become unavailable or corrupted, significant system downtime and huge operational impacts. | <ul style="list-style-type: none"> *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 daily basis but can be applied ad-hoc *All incoming emails are scanned for viruses. *All internet access, where possible, is scanned for viruses (not https sessions). *Raise staff awareness of potential risks relating to email links and infected documents through regular communications. *Sandbox controls/ environment implemented *Control of USB devices *Awareness raising with staff via Blogs and update articles *Incident Management Group in place *Shared Service with Scottish Government that takes forward Network Scanning for unusual activity in place. | Kenny MacLean | 3 | 4 | High |