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# TWO HUNDREDTH MEETING OF THE BOARD OF NATURESCOT

## MS TEAMS VIRTUAL MEETING

## CONFIRMED MINUTES

## MEMBERS PRESENT

Mike Cantlay Chair

Aoife Martin Deputy Chair

Ian Gambles Member

Peter Higgins Member

David Johnstone Member

Colin McPhail Member

Wayne Powell Member

Heather Reid Member

Nikki Yoxall Member

## IN ATTENDANCE

Francesca Osowska Chief Executive

Nick Halfhide Director of Nature and Climate Change

Robbie Kernahan Director of Green Economy

Stuart MacQuarrie Deputy Director of Business Services & Transformation

Claudia Rowse Deputy Director of Green Economy

Eileen Stuart Deputy Director of Nature and Climate Change

Jason Ormiston Head of External Affairs

Graham Boyle Chief of Staff

Sara Lewis Governance Support Manager (minutes)

Des Thompson Principal Advisor – Science and Biodiversity (item 5)

Sue Haysom Biodiversity Strategy Manager (item 5)

Donald Fraser Head of Wildlife Management (item 6)

Mara MacKay Project Placement – New Technology: Digital Content Development & Measurement (Young Employee Panel)

## APOLOGIES

Jane Macdonald Director of Business Services & Transformation

# AGENDA ITEM 1: OPENING REMARKS AND APOLOGIES

1. The Chair opened the meeting by welcoming everyone to the two hundredth meeting of the Board of NatureScot.

2. Apologies were noted from Jane Macdonald. The Chair informed that Aoife Martin and Nikki Yoxall would join the meeting part-way through.

3. The Chair updated on the significant issue of funding difficulties across the Scottish Government and the challenges that this is presenting.

*Aoife Martin joins the meeting*

4. The Chair also informed the Board that 3 new members have been selected for appointment by Ms Slater, Minister for Green Skills, Circular Economy and Biodiversity. The Scottish Government will make a formal announcement in due course. The new members will take part in induction sessions during September, prior to attending their first Board meeting on 05 October. Ms Slater will also be in attendance.

5. Lastly, the Chair updated on his recent involvement with the launch of the Cairngorms National Park’s partnership plan for 2022/27.

# AGENDA ITEM 2: DECLARATIONS OF INTEREST

6. There were no declarations of interest.

# AGENDA ITEM 3: MINUTES AND ACTION POINTS FROM 28 JUNE 2022

7. Board members were content to **approve** the minutes of the Board of NatureScot Meeting on the 28 June 2022 subject to a minor amendment.

## Action Points

8. The **actions points** were noted:

**Action Point** (AP13/181) (Future Options for Kinloch Castle) Board members acknowledged that this action remains **ongoing,** with detailed negotiations for the sale continuing.

**Action Point** (03/198) (Board Members Engagement with Staff – Opportunities) The Board noted that arrangements for members to engage with Edinburgh based staff after the October Board meeting were being made. **Ongoing.**

**Action Point** (04/198) (Identify Opportunities for SAC Presentations/Seminars with the Board) Members noted that the SAC Chair had been contacted for suitable topics. **Ongoing.**

**Action Point** (05/198) (Discussion between Claudia Rowse and Nikki Yoxall on Peatland Contractors and Natural Capital Working Groups) Members heard that a meeting had been arranged to discuss forms of governance for this area of work. It was therefore agreed to **discharge** this action point.

**Action Point** (01/199) (Draft Advice to Scottish Government on Capercaillie Proposals to be Sent to Board Members) It was noted that members had received the proposals supplied to Scottish Government (SG), therefore it was agreed to **discharge** this action point.

# AGENDA ITEM 4: MATTERS ARISING

9. Pete Higgins asked whether there would be an opportunity to discuss any updates on the sale of Kinloch Castle as a result of a letter from the Isle of Rum Community Trust (IRCT) to Scottish Ministers, which had been copied to some Board members. Robbie Kernahan informed members that the letter detailed the IRCT’s concern over two elements of the sale, concerning potential changes to access arrangements, and the uncertainty over future power supplies.

10. Robbie Kernahan is to visit the Isle of Rum week commencing 30 August in order to discuss these issues with residents, and will update members following that visit.

11. It was noted that the IRCT does not have the right to veto any sale, and that the Minister is able to decree that a sale should be progressed. The Ministers have supported NatureScot’s cross-agency work with Historic Scotland and Highlands and Islands Enterprise to influence a sustained future for Kinloch Castle.

# AGENDA ITEM 5: NATURESCOT’S ROLE IN DELIVERING THE NEW SCOTTISH BIODIVERSITY STRATEGY (SBS)

12. This agenda item presented to the Board an update on NatureScot’s involvement in shaping the new SBS, and what is needed for the strategy to deliver for nature. The presentation covered the following key points:

* The governance needed to bend the biodiversity curve.
* NatureScot’s long term governance role.
* Previous unsuccessful strategies to avoid.
* Timeline for the next 25 years of the SBS.
* Key conditions for success, including governance.

13. The Board discussion covered the following areas:

* That NatureScot should chair and provide secretariat to the governance of the SBS, however SG should define NatureScot’s lead role. Any governance committee should be UK centric.
* A Ministerial Forum, supported by a range of manageably sized task groups (in turn supported by NatureScot) is needed to deliver this complex programme.
* The relationship between the Sustainable Development Goals and the National Performance Framework and interrelated governance is key to the success of the strategy, but has not yet been included in it.
* Nature needs to have the same prominence as climate, meaning cross-portfolio working.
* An increase in external engagement would help to raise the profile of the nature and climate crises with the general public.
* Clear metrics are needed to enable meaningful reporting on progress in delivery.
* Confirmation that the considerations of the National Strategy for Economic Transformation should be part of the SBS.

14. Des Thompson informed that input from the Board will influence the options paper being prepared for submission to Ms Slater.

# AGENDA ITEM 6: BOARD STRATEGIC DISCUSSION – LIVING WITH WILDLIFE

15. This paper summarised the priorities and set out the key challenges and opportunities in delivering wildlife management corporate objectives. It gave background material for the Board to consider ahead of a presentation given by Donald Fraser.

16. Donald advised that the presentation would ask members to consider the following:

* A steer on NatureScot’s role in modern wildlife management.
* How to help build the dynamic relationship between incentives and regulation in support of wildlife management.
* How to bring about cultural and behavioural change in support of wildlife management.

17. After the presentation and [NatureScot wildlife management video](https://www.youtube.com/watch?v=Cj8lAqKwPHk), members provided the following key points:

* The importance of clear decisions and actions based on sound scientific evidence. Public transparency integral to influencing behavioural change.

*Nikki Yoxall joins the meeting*

* It is crucial to make clear links between nature and climate change, to demonstrate that wildlife management is essential to the success of nature-based solutions.
* Links between food production and wildlife management could be explored between NatureScot and the Scottish Venison Sector’s 2030 vision.
* NatureScot’s role should be one of leadership. In order to help promote behavioural change, easily accessed incentives, communication, legislation and funding are needed.
* The importance of clear communication to the public on why wildlife management is necessary, to attempt to change public opinion in controversial areas such as deer management.
* Route maps showing the short to medium term direction on the different areas of wildlife management would be helpful in planning future strategy, as well as determining a way ahead with local authorities regarding wildlife management on their land.

18. Francesca Osowska informed that Ms Slater is supportive of NatureScot’s regulatory role, as well as wider engagement with land owners and land management.

19. The Board’s comments on NatureScot’s role, wildlife management incentives and regulation, and how to influence cultural and behavioural change were welcomed and will be used to shape the strategy going forward.

# AGENDA ITEM 7 – Q1 PERFORMANCE REPORTS 2022/23

20. This paper presented Q1 progress towards delivery of corporate priorities as laid out in NatureScot’s Business Plan, A Nature-rich future for all: Year 1. It informed on the following key areas:

* 13 out of 15 corporate plan objectives rated as ‘on-track’.
* One corporate risk score had decreased (NatureScot’s responsibilities for delivery of Agri-Environment Climate Change Scheme (AECS) under the Service Level Agreement (SLA) with Scottish Government). One risk had been escalated to the Corporate Risk Register (Lack of support for Fusion Financial and Procurement Modules). Four risks had been deescalated from the Corporate Risk Register (Joint Working, Wildlife Management – Our Ability to Influence Stakeholders, Covid 19 Pandemic – Business Impact, and Strategic Management and Integrity of Land Parcel Ownership/Management Contract Data). These will now be managed at an Activity/Project level.
* Operating and Indirect Capital budgets expected to outturn within tolerance at year end.
* Direct Capital currently forecasted below tolerance but a Capital plan is being produced to outline capital expenditure opportunities for 2022/23.
* The People Report showed nine of ten indicators at green and one remaining at amber from last quarter.

21. Members were asked to decide if they were content to:

* Note the overall performance of the Corporate Plan objectives
* Note the position of the operating and capital budgets (Finance Report)
* Note the performance of the corporate risks
* Note the overall performance of the People Measures

22. Directors provided key highlights on their areas of responsibility:

Nature and Climate Change – Nick Halfhide

* Ongoing Scottish Government commissions concerning 30x30, nature networks and national park plans.
* Nature Recovery Fund funding remains on-track to deliver for nature.
* Work being completed in support of the Scotwind onshore project.
* Work has taken place leading on visitor management of National Nature Reserves at a national level.
* The outbreak of Avian Influenza has resulted in additional pressure on staff resources, with longer term planning needed as the crisis continues to affect birds.
* Taking the opportunity to influence the Natural Environment Bill to deliver on climate change and biodiversity.

Green Economy – Robbie Kernahan

* Increase in deer management activity.
* The impact of carbon on nature with regard to muirburn is currently being contested.
* Influencing the National Planning Framework 4 is going well.
* Demand for advice on onshore wind projects is increasing, due to the impacts on landscape and peatland.
* Increased demand on staff resources to complete casework concerning statutory functions.
* Slow pace on progress with agricultural support reform.
* Meeting of directors to take place week commencing 29 August to discuss concerns that peatland restoration targets may not be met.
* Launch of the Natural Environment Investment Readiness Fund.
* Good progress on the strategic development of the translocation of beavers.
* Successful work embedding natural capital thinking with Scottish Enterprise.

Business Services and Transformation – Stuart MacQuarrie

* High completion rate of mandated cyber-security training by colleagues.
* Enhanced security being sought through the renewal of the Virtual Private Network.
* Recent issues with a lack of internal knowledge in support of issues with Fusion have resulted with a risk being escalated to the Corporate Risk Register.
* Delays in recruitment to the Head of People and Organisational Development post being mitigated by local temporary recruitment.
* The next challenge under the Innovate for Nature programme through CivTech will be launched during August.

23. Members queried whether peatland restoration had improved on the previous year’s slippage. It was confirmed that this was the case, and that although delays had been experienced it is still expected that targets will be met by 2030.

24. Members also asked whether challenges were still being experienced in obtaining funding to cover structural fund payments from the managing authority. They were updated that the two recent outstanding payments had now been paid, but issues would continue while the present underwriting arrangements have the potential to create a cash-flow situation for NatureScot. It was noted that revised processes are in place, and that the submission process for claims had been simplified. While the managing authority are committed to speeding up the rate of reimbursement to NatureScot, only one claim is able to be processed at any one time.

25. The Board commented on the retirement profile illustrated in the Performance Reports which suggested that a future skills gap may be experienced as older staff retire from the organisation. It was confirmed that a workforce plan is being drafted in mitigation, which will include consideration of the skills required in the future, as well as succession planning. In addition, there is strong engagement taking place with the Commission for Land Based Learning Review, which is due to conclude in December.

26. The Board were concerned that the Performance Reports suggest that the organisation is under pressure, and recognised the role of the Executive in prioritising work as a way of addressing this.

27. Francesca Osowska agreed that the organisation was under pressure, and that discussions were underway with the Scottish Government to discuss the areas of work to be prioritised, as well as ways of working differently to reduce that pressure. In order to deliver priorities set by the Bute House Agreement, additional resourcing will be required. Current organisational design work is working towards a more agile and dynamic way of managing staff, allowing resources to be quickly moved around within the organisation to effectively respond to flexing priorities.

28. It was recognised that the most challenging area of performance is around biodiversity targets, which directly link to the SBS, Natural Environment Bill, and statutory targets. The Board requested the opportunity to discuss how targets could be updated to better convey progress made, before they are set in statute. Nick Halfhide confirmed that the Board would be engaged in work to agree meaningful targets which will be embedded within the SBS.

**Action Point 01/200**

29. The key headlines for the remainder of the Performance Reports were:

Finance Report – David Johnston

* An improved position on both the resource and capital budgets since the end of June.
* A build up of demand on project budgets is proving challenging for colleagues.
* Pressure exists on the payroll budget.
* Scottish Government has paused spending on resource, and further requests to provide savings are expected.
* The capital budget position assumes that the funds from the sale of Glencripesdale will be retained by NatureScot.

Risk Report – Stuart MacQuarrie

* One risk has been escalated to the Corporate Risk Register, concerning the recent issues with Fusion, in part due to the lack of support knowledge within the organisation after key staff leaving the organisation.

People Report – Stuart MacQuarrie

* Sickness levels have increased, returning to pre-pandemic levels.
* A steady turnover in staff continues to be seen, providing an opportunity for staff to move within the organisation.

30. The Board decided that they were content to note all of the requested aspects of the Q1 Performance Reports.

# AGENDA ITEM 8 – NATURESCOT FRAMEWORK DOCUMENT WITH SCOTTISH GOVERNMENT

31. This paper was provided to the Board to request that they review and confirm that they were content with the updated Framework Document between NatureScot and the Scottish Government (SG). The document had been drawn up by the Sponsorship Hub in consultation with NatureScot, and confirms our purpose and how the parties are expected to operate.

32. The main changes to the document since 2014 have been the name change to NatureScot; revision of current strategic aims in line with the 2022 Corporate Plan; update of links to standard SG policy & procedures documents; special provision in NatureScot’s delegated financial authority with relation to European Regional Development Fund funded programmes.

33. Members confirmed that they were content with the updated Framework Document.

# AGENDA ITEM 9 – AVIAN INFLUENZA – ORAL UPDATE

34. This oral update was provided to the Board by Eileen Stuart, and gave information on the scale and progress of outbreaks in Avian Influenza, and how NatureScot has responded. Unprecedented, rapid spread of the virus has been seen since June, with a long recovery period expected.

35. Eileen updated that although the spread had been rapid, staff resourcing was moved quickly within the organisation to enable a prompt response. Data was collected weekly on bird species and geographical areas affected, as well as the level of mortality. NatureScot lead the managed response to the virus on National Nature Reserves, also advising land managers and other organisations. The impact of moving resource to this crisis is expected to be seen in the Q2 Performance Report.

36. A Scottish Avian Influenza task force has been set up, including representatives from SG, Marine Scotland, environmental Non-Government Organisations, and the research community. The task force have been providing clear guidance to the public across Scotland, as well as looking at the evidence base collected, and any gaps in research identified.

37. Eileen advised that a sub group of the Scientific Advisory Committee had been set up to assess existing evidence which would be used to update advice given by NatureScot. They are also looking at actions needed to support the recovery of affected bird species.

38. Members requested follow-up briefings on progress with work on Avian Influenza, to support them in any engagement they may have with interested parties.

**Action Point 02/200**

39. The Board wished to offer their sincere thanks to all staff and broader communities involved and affected by the response to Avian Influenza, and appreciated the distress that this will have caused.

# INFORMATION PAPERS

# AGENDA ITEM 10 – CHIEF EXECUTIVE’S REPORT

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

* How to deliver Corporate Plan objectives within existing resource levels.
* The Scottish Biodiversity Strategy.
* Organisational Design progress.
* The response to Avian Influenza.
* Engagement with customers, partners and stakeholders at Loch Leven, the Flow Country, Beinn Eighe, Lochrosque, Oban and Perthshire.
* Statement of Intent agreed with the Green Action Trust.

41. Members noted the contents of the Chief Executive’s report.

# AGENDA ITEM 11: NEW STATEMENT OF INTENT WITH THE GREEN ACTION TRUST

42. This paper gave detail on the high level statement of intent that sets out the key topics which NatureScot and the Green Action Trust will work together on. The Board was asked to agree the recommendations to welcome the development of the statement and to support its implementation.

43. Members were content to agree to the recommendations.

# AGENDA ITEM 12 – SCIENTIFIC ADVISORY COMMITTEE FORWARD PROGRAMME AND WAYS OF WORKING

44. This paper set out a Work Plan for the Scientific Advisory Committee (SAC) in response to the NatureScot Corporate Plan 2022-2026. It incorporates feedback from members of the Board and the Committee, including from the joint Board/SAC meeting in February. The Board was asked to note the work programme and new ways of working.

45. Members noted the work programme and new ways of working for the SAC.

# AGENDA ITEM 13 – DRAFT AGENDA FOR 05 OCTOBER 2022

46. Members noted the draft agenda for the meeting taking place on 05 October.

*Mara MacKay leaves the meeting.*

*Alison MacDonald joins the meeting.*

# ANY OTHER BUSINESS

47. Jason Ormiston drew the Board’s attention to the new NatureScot branding which also now displays the Gàidhlig for ‘NatureScot’.

## Date of Next Meeting

48. The next Board of NatureScot meeting is planned to take place on 05 October 2022 at the Macdonald Holyrood hotel in Edinburgh. Ms Slater is expected to attend.

49. The Chair thanked all those in attendance, particularly Mara MacKay from the Young Employee Panel. The meeting was closed.

# END