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# TWO HUNDREDTH and first MEETING OF THE BOARD OF NATURESCOT

## MACDONALD HOLYROOD HOTEL, EDINBURGH

## CONFIRMED MINUTES

## MEMBERS PRESENT

Mike Cantlay Chair

Aoife Martin Deputy Chair

Margaret Davidson Member

Ian Gambles Member

Jaboury Ghazoul Member

Peter Higgins Member

David Johnstone Member

Colin McPhail Member

Wayne Powell Member

Jill Robbie Member

Nikki Yoxall Member

## IN ATTENDANCE

Francesca Osowska Chief Executive

Nick Halfhide Director of Nature and Climate Change

Robbie Kernahan Director of Green Economy

Jane Macdonald Director of Business Services & Transformation

Stuart MacQuarrie Deputy Director of Business Services & Transformation

Claudia Rowse Deputy Director of Green Economy

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 6)

Carole Wells Head of Workplace Facilities and Services (item 7)

Amy Kidd Licencing Officer (Young Employee Panel)

Lorna Slater MSP Minister for Green Skills, Circular Economy and Biodiversity

Andrew Mackie Head of Environment & Forestry Sponsorship Hub, Scottish Government

## APOLOGIES

Heather Reid Member

Eileen Stuart Deputy Director of Nature and Climate Change

# ENGAGEMENT WITH LORNA SLATER MSP: MINISTER for Green Skills, Circular Economy and Biodiversity

1. The Chair welcomed Ms Slater, Minister for Green Skills, Circular Economy and Biodiversity to the meeting, who in turn welcomed Margaret Davidson, Jaboury Ghazoul and Jill Robbie to their first meeting of the Board of NatureScot. Ms Slater was accompanied by Andrew Mackie, Head of Environment and Forestry Sponsorship Hub for the Scottish Government.
2. In her message to the Board, Ms Slater made the following points:

* NatureScot is Scotland’s answer to the nature emergency, as part of collaborative working with environmental non-government organisations (eNGOs) and SG. NatureScot has unique functions, which only they can offer.
* Aim is to ensure that legislation provides a coherent pathway to tackle the biodiversity and climate crises.
* Scottish Government (SG) remain committed to the Bute House Agreement despite significant financial and resource issues.
* A need for NatureScot to prioritise the top risks, which include avian influenza, and work with iconic species: the decline of capercaillie and the reintroduction of beaver to Scotland. Also, to concentrate on areas which will provide the greatest positive impact on nature, including deer management and peatland restoration.
* The need to determine what restored nature will look like in 2045, and how the Scottish Biodiversity Strategy will enable this.

1. Members discussed with the Minister how both land and marine users should also provide input to legislation alongside the eNGOs. The challenges in the marine environment were recognised, alongside the need to take an ecosystem approach rather than a species approach. Highly Protected Marine Areas were seen as a key tool in integrating marine with land based nature restoration methods. Achieving the addition of blue carbon into overall carbon accounting would contribute to this, while reducing the need for costly carbon accounting from other sources.
2. During discussion, the Chair raised that he anticipated NatureScot taking a more advisory role on the Agri-Environment Scheme. Ms Slater advised that recent research had indicated where farmers obtain their advisory information, and that NatureScot could tap into those areas to target advice to farmers. Claudia Rowse was asked to send to Members the result of that research.

*Post meeting note – Claudia Rowse supplied details of the research findings to the Executive Office for transmission to the Board.*

1. Members asked the Minister what NatureScot could do to ensure that the new agricultural bill encourage land to be both nature-rich and productive. Ms Slater informed that the approach by government is towards income over productivity. This is demonstrated by the shared aim of both the land reform bill and the agriculture bill is for mixed tenancies, without loss of subsidies. In practice, this allows for land to be used for both agriculture and forestry combined, and access to both areas of subsidies.
2. The Board queried how they could help ensure that these bills are aligned. Ms Slater responded by asking the Board to point out any challenges or new issues as they occur, including any evidence of stakeholder input which highlights best practice. The SG led delivery plan will direct resources appropriately, however Ms Slater requested that the Chief Executive meet with her to ensure that eNGOs are not duplicating effort.

*Post meeting note – SG confirmed that Ms Slater’s office will contact the Executive Office to arrange a meeting with the Chief Executive.*

1. Robbie Kernahan asked for the Minister’s thoughts on NatureScot taking a stronger approach to its use of legislatory powers on deer management. Ms Slater advocated full use of legislative powers, and suggested that the nature restorative effect of this was monitored.
2. Members commented that NatureScot’s identification and assessment of risk should be informed by the Minister. This would enable the organisation to prepare for, and manage it. A joint risk plan, which could be reviewed quarterly as part of the Corporate Risk Register was suggested. It was acknowledged that the biggest risk is that of delivery, due to the current resourcing situation within SG. Private investment was seen as the key to addressing this once the right financial mechanisms were in place. The importance of investors being able to clearly see the benefits to both nature and communities was recognised, with a potential role for NatureScot in providing quality approval to the nature benefits of any new green finance investment model.
3. The lack of commonly recognisable metrics in calculating benefits to nature was acknowledged, along with the need for mainstreaming advice to the building sector on nature positive building. Claudia Rowse informed that the Department for Environment, Food and Rural Affairs (DEFRA) had introduced bio metrics which are able to assess biodiversity net gain – and that this could be made relevant for use in Scotland. Ms Slater will look at where progress stands on a similar metric system for Scotland. The importance of metrics being used to release outcome based payments to land users was stated, but while increasing efficiencies and reducing contractual complexities.
4. It was stated that legislation should be future-proofed to ensure their relevance beyond 2045, and that in particular the new agriculture subsidy scheme should be adaptable to new and emerging technologies. Ms Slater agreed to check with officials that the agricultural subsidy was compatible with new technologies.

# AGENDA ITEM 1: OPENING REMARKS AND APOLOGIES

1. The Chair opened the meeting by welcoming everyone to the two hundred and first meeting of the Board of NatureScot, particularly new members Margaret Davidson, Jaboury Ghazoul and Jill Robbie, and Amy Kidd from the Young Employee Panel.

12. Apologies were noted from Heather Reid and Eileen Stuart.

13. The Chair updated that in light of new members joining, the Board Committee membership had been reviewed, with proposals sent to individual members. Members confirmed that they were content with the proposals, which would now take effect.

# AGENDA ITEM 2: DECLARATIONS OF INTEREST

14. There were no declarations of interest.

# AGENDA ITEM 3: MINUTES AND ACTION POINTS FROM 24 AUGUST 2022

15. Board members were content to **approve** the minutes of the Board of NatureScot Meeting on the 24 August 2022 subject to a minor amendment.

## Action Points

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

**Action Point** (AP13/181) (Future Options for Kinloch Castle) Board members acknowledged that this action remains **ongoing.** Robbie Kernahan updated that missives had been exchanged and that detailed negotiations for the sale were continuing. Robbie had recently visited the Isle of Rum to discuss the sale with both island residents and the Isle of Rum Community Trust.

**Action Point** (03/198) (Board Members Engagement with Staff – Opportunities) The Board noted that arrangements for members to engage with Edinburgh based staff after this meeting had been made. It was therefore agreed to **discharge** this action point.

**Action Point** (04/198) (Identify Opportunities for SAC Presentations/Seminars with the Board) Members noted that the SAC Chair will discuss suitable topics with the Committee during the next meeting, scheduled for 15 November. **Ongoing.**

**Action Point** (01/200) (Engage the Board in Considering Targets for the Scottish Biodiversity Strategy Delivery Plan) This item was discussed during a strategic discussion held on 04 October, therefore it was agreed to **discharge** this action point.

**Action Point** (02/200) (Follow Up Briefing to Board on Progress with Avian Influenza) Members noted that they had received follow up material to update on progress. It was therefore agreed to **discharge** this action point.

# AGENDA ITEM 4: MATTERS ARISING

17. There were no matters arising.

# AGENDA ITEM 5: FUTURE RESOURCING

18. This paper presented the high level impacts for delivery of the corporate plan and future resourcing as a result of an anticipated grant in aid settlement. It detailed the areas impacted and the next steps to confirm the operational and financial position for 2023/24. Stuart MacQuarrie informed that in order for NatureScot to deliver the ambition of the Bute House Agreement, additional funding would be required.

19. The Board were recommended to note the impact and actions to be taken on proposed future resourcing.

20. Members requested clarity on whether funds were available for the continuation of agricultural work, particularly on the development of Piloting an Outcomes Based Approach in Scotland (POBAS). They were informed that presently funds were available, however as with all funding, this could be subject to change.

21. After discussion, the Board were content to give their broad endorsement to the proposal for future resourcing.

22. Jane Macdonald updated members on the current situation with pay negotiations for 2022/23, having previously circulated a paper via email.

23. The Board agreed to submitting a case to SG for any underspend from programmes of work to be reallocated to the paybill budget.

24. Jane also confirmed that the non-compulsory redundancy agreement would not be removed in the short to medium term.

25. Members discussed the need to recruit and retain good staff with the necessary skills, and recognised the effect of pay and conditions on the morale of staff.

# AGENDA ITEM 6: NATURAL ENVIRONMENT BILL

26. This paper gave the background to the Natural Environment Bill, and asked the Board for views on targets which should feature in it. These views would contribute to the advice given to SG on this new legislation. The bill will drive much of NatureScot’s ambition under the 25 year Scottish Biodiversity Strategy.

27. Further context was given in a presentation by Des Thompson. Following the presentation, the following points were made:

* The need to ensure that the UK does not transfer any environmental liability abroad when exporting products.
* The importance of having flexibility to change targets if there is a chance that they will become outdated.
* The need for robust cross government support in creating the Natural Environment Bill.

*Francesca Osowska leaves the meeting.*

* NatureScot to understand the behavioural change needed in different sectors to increase contributions to biodiversity. Once this is achieved, metrics can be developed. Work on this is ongoing through meeting with stakeholders, but challenges remain in how sustainable production and consumption can be achieved.
* There is a need to agree on what restored biodiversity looks like to enable an assessment of progress in the lead up to 2045.

28. Nick Halfhide informed that the Board will be updated again once firmer proposals on Natural Environment Bill targets have been made, to allow for further discussion.

# AGENDA ITEM 7 – NATURESCOT ESTATES STRATEGY – PROGRESSING THE 10 YEAR PLAN FOR OFFICES

29. This paper provided an update on this strategy, which they requested at their June meeting. It updated on the context and actions which underpin NatureScot’s Estate Strategy and follow on 10 year plan for offices being implemented by the NatureScot Way Workplaces Programme Board. The programme board is reviewing offices developing the ‘Work Local Hub Homeworking’ model described in the paper. The strategy is directly connected to NatureScot’s ambition to reach their Net Zero stretch target by 2035, and compliments work on transforming how they work.

30. The Board were asked to set the direction on key issues which included:

* How wedded is NatureScot to having an office presence – particularly in the digital age, and assuming that the majority of staff will continue to work from home for more than 60% of the time?
* How comfortable is the Board with the concept that the workplace offer in future will vary between locations?
* To what extent should NatureScot take the lead in being a hub owner across key locations, and to what extent do we benefit from others taking a lead?

31. The Board was recommended to:

* Note the progress made and prioritisation of business options appraisals.
* Note wider Scottish Government (SG) analysis and expectation of savings through estate rationalisation.
* Note potential for further savings and timings are tied to success of wider Government plans.
* Endorse the underpinning change in appetite towards asset divestment and consolidation (i.e. sharing fewer offices with partners more of which will be owned and operated by others), with this having implications for all NatureScot offices.

32. It was confirmed that the strategy sought savings by selling some properties, and in doing so reduce yearly running costs. Members queried whether productivity had been affected as part of the move for staff to work from home either occasionally, regularly or permanently. Stuart MacQuarrie informed that there were no indicators in the performance metrics to suggest any decrease in productivity and in some places evidence to the contrary.

33. Other key points made were:

* A perceived difference in interaction between staff when this happens physically rather than virtually.
* Some local offices play a local role in community engagement.
* Recognition of the need to scale down the estate in light of budgetary constraints.
* The possible negative impact on vulnerable staff in remote rural locations when working away from an office.
* Members were supportive of a review of the larger offices particularly, based on low levels of occupancy, and potentially use of community hubs instead.
* The opportunity available in selling office buildings in areas under pressure from insufficient housing.

34. Members were content to agree the recommendations.

*Wayne Powell leaves the meeting.*

# AGENDA ITEM 8 – TRANSFORMING AGRICULTURE TO DELIVER OUTCOMES FOR NATURE

35. This paper set out NatureScot’s ambition for supporting nature within the future framework of agricultural support. It detailed how nature-rich low-carbon Scottish farms is not a choice between nature and food production, but supporting farmers and crofters to be at the forefront of restoring nature and meeting climate change targets alongside sustainable food production.

36. The Board were asked to decide how strongly, and to what timeframe NatureScot should push for nature in response to the consultation on the Agriculture Bill including deciding on specific questions raised in the paper:

* Agree to the overarching principles to frame NatureScot’s response to the consultation on the Agriculture Bill.
* Decide on the timescale for implementing transformative change that puts Scotland on target to reduce biodiversity loss by 2030. Recognising opportunities and challenges, what pace and scale do the Board recommend, bearing in mind Just Transition and biodiversity needs?
* Framing NatureScot’s position on the nature climate crisis, where the Board want NatureScot positioned in terms of a climate change focus? Do members agree with the suggestion that NatureScot’s primary focus is on improving nature outcomes?
* Agree to the proposal to discuss detail with a sub set of Board members.

37. Claudia Rowse explained that the key principle in this area of work is to integrate food, climate and nature, with opportunities to create resilient and profitable businesses. The consultation on the agriculture bill ends in November, which will be followed by NatureScot’s advice to SG.

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

* Concerns over resource constraints associated with POBAS and any wider roll out of the Biodiversity Assessment and App
* NatureScot’s opportunity to robustly influence the agricultural bill is now.
* The need for regular reviews of the new subsidy system to ensure it continues to deliver.
* One of the biggest barriers to transformational land use change relate to the constraints of the significant public investment in the current audit and payment system, which may limit SG’s ability to change from the status quo. This needs to be addressed to ensure a nature-positive result.
* An additional challenge was stated as SG’s aspiration to remain part of the European Union – which is broadly aligned with the Common Agricultural Policy. SG should be encouraged to find an alternative which meets their political needs while supporting transformational land use change for nature-positive results.

39. The Board were content to agree the recommendations, with the direction to be firmer in the push for transformative land use change, and to move into a more advisory role on the agri-environment scheme.

# INFORMATION PAPERS

# AGENDA ITEM 9 – CHIEF EXECUTIVE’S REPORT

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

* Welcoming 3 new Board members to NatureScot.
* Resourcing situation.
* Plan with SG for delivery of majority of Bute House Agreement, while moving to a risk-based approach.

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

# AGENDA ITEM 11: DRAFT AGENDA FOR 07 DECEMBER 2022

42. Members noted the draft agenda for the meeting taking place on 07 December.

# ANY OTHER BUSINESS

43. Members asked for clarification on whether NatureScot would be represented at COP15 in Montreal. They were updated that Ms Slater planned to attend.

## Date of Next Meeting

44. The next Board of NatureScot meeting is planned to take place on 07 December, via MS Teams.

45. The Chair thanked all those in attendance, particularly Amy Kidd from the Young Employee Panel. The meeting was closed.

# END