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# TWO HUNDREDTH and fIFTH MEETING OF THE BOARD OF NATURESCOT

## CALLANDER YOUTH PROJECT TRUST, CALLANDER, PERTHSHIRE

## 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

Heather Reid 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

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)

Jessica Findlay Moorland Licensing Project Manager (item 5)

Yvonne McIntosh Planning and Performance Manager (item 7, via Teams)

David Johnston Head of Finance, Planning and Performance (item 7 via Teams)

## APOLOGIES

None

# AGENDA ITEM 1: OPENING REMARKS AND APOLOGIES

1. The Chair opened the meeting by welcoming everyone to the two hundred and fifth meeting of the Board of NatureScot.

2. There were no apologies, however Robbie Kernahan was expected to arrive in time for agenda item 6.

3. The Chair highlighted the excellent staff conferences that had recently taken place in both Aviemore and Edinburgh. He added that every Board member had attended a conference and congratulated the organisers on the events’ success. The Chair also informed that Professor Colin Galbraith had been appointed by the Minister as the next Chair of NatureScot, and that it was hoped that he would be in post for the next Board meeting on 22 June.

# AGENDA ITEM 2: DECLARATIONS OF INTEREST

4. There were no declarations of interest.

# AGENDA ITEM 3: MINUTES AND ACTION POINTS FROM 05 october 2022

5. Board members were content to **approve** the minutes of the Board of NatureScot Meeting on the 15 March 2023, subject to a minor amendment.

## Action Points

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

**Action Point** (AP13/181) (Future Options for Kinloch Castle) Board members acknowledged that the potential buyer had decided to terminate his interest in acquiring the castle, and that conversations are continuing with Scottish Government about the next steps for the future of the castle. A ministerial visit is planned for 12 May. It was agreed that the original action point had been achieved, therefore this action point was to be **discharged**.

Further to the action point, the Board were reminded of the current physical state of Kinloch Castle, and of direction from the Scottish Government that managed decline was not an option to consider for the castle’s future. The anticipated costs of £500,000 per year purely to keep the castle stable was acknowledged. Members requested an agenda item on this issue at their next meeting in June, which should concentrate on the possible reputational damage that this issue could cause NatureScot, and the level of finances involved in both an investment plan, and keeping the castle and contents in a stable state.

**ACTION POINT 01/205**

**Action Point** (01/203) (More Detail to the Board on Land and Sea Use Priority Action) Members noted that this action point remains **ongoing**, and that the draft delivery plan for the Scottish Biodiversity Strategy was now expected in July. Consultation was well underway.

**Action Point** (01/204) (Strengthening of Business Plan Measures) Members noted that the Business Plan had been finalised, and that there would be a meeting with Directors later in the month to discuss how the development measures will be used. This will then be discussed with Jill Robbie and Nicki Yoxall who have been collaborating on the Business Plan with colleagues. It was agreed that this action point was **ongoing**.

# AGENDA ITEM 4: MATTERS ARISING

7. There were no matters arising.

# AGENDA ITEM 5: NATURESCOT ESTATE STRATEGY UPDATE – YEAR 1 REVIEW

8. This paper provided an update on the first year of NatureScot’s Estate Strategy and follow on 10-year plan for offices implemented by the NatureScot Way Workplaces Programme Board. The strategy directly connects to the organisation’s net zero ambition, and also complements work on transforming how NatureScot works.

9. The Board were asked to:

* Provide a strategic steer on key issues

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| * Affirm the progress made in the first year of the NatureScot Way Workplaces Programme which has delivered a reduction in annual running cost. * Note potential for further savings but that timings are tied to success of wider Government plans. |

10. Stuart MacQuarrie updated the Board on progress with this strategy since the last update, which included reducing floor space in offices, and agreeing the relocation of the Edinburgh office. Despite significant challenges, has made significant savings. However at achieving net zero ambitions at some offices would be extremely challenging due to the fabric of some building.

11. During discussion, members made the following points:

* Discussion on the distance considered to be acceptable for travel to work (30 miles). Use of an ‘excess fares allowance’ was also discussed for distances greater than this.
* Whether strategy work on multiple locations could gain traction rather than each location in isolation. This was challenging due to the multiple points of contact needed for the different sites, which causes a capacity issue. Increased progress was envisaged now that an additional member of staff has been allocated to this work for the next 2 years.
* The importance of careful and considered communications to colleagues over changes to office locations.
* Whether the Estates Strategy was addressing the future proofing of hard to fill roles – Stuart MacQuarrie informed that the organisation had changed in terms of recruiting the skills the organisation needs over where we need office space to be. Indeed, the flexible approach to working, including access to office ‘hubs’, headquarters and homeworking is seen to attract candidates.
* The importance of considering both cost and emissions when making strategic decisions about the estate.

12. Members were content to agree the recommendations of the paper.

# AGENDA ITEM 6: LEGISLATIVE OPPORTUNITIES TO SUPPORT MODERN APPROACHES TO WILDLIFE management LICENCING.

13. This agenda item set out the risks and opportunities presented by the wildlife management and muirburn bill to help ensure that moorland management contributes to addressing the nature/climate crises.

14. Following a presentation from Jessica Findlay on the role of licencing, stakeholder views, conflicting advice over muirburn, and NatureScot’s increasing regulatory role, the Board were asked to provide views on the following questions:

* The key opportunities and risks, presented by the Wildlife Management & Muirburn Bill to deliver for biodiversity and net zero.
* The impacts of the Bill in contributing to Transforming Land use in Scotland and the associated change of Ministerial portfolios.
* The complicated evidential basis for issuing licenses for muirburn and how those risks can be managed.

15. During discussion, Board members made the following key points:

* NatureScot’s role in influencing the wildlife management and muirburn bills.
* Unknown level of demand for future licences, alongside lack of clarity on where any additional resourcing will come from.
* Scientific Advisory Committee are reviewing often conflicting evidence on the use of muirburn, while conscious that licences will be needed for specific purposes.
* The potential to use opposing parties views to develop the bills.
* NatureScot’s role in leading in the development of evidence based apps which can be used to feed into scientific data.
* Risk of the licencing policy overly focused on conservation rather than restoration of nature.
* Codes of practice need to be clear in all respects, to enable and incentivise land managers to act for wider nature restoration and make land more resilient.
* The involvement of scientific advisors within Scottish Government in considering the evidence on which the bills will be based.

16. Robbie Kernahan informed that there will be an independent review of NatureScot’s licencing functions to ensure that any additional demand as a result of the bills can be dealt with efficiently and effectively.

17. The Board requested that this agenda item returns to a future meeting for a further update.

**ACTION POINT 02/205**

# AGENDA ITEM 7 – QUARTER 4 PERFORMANCE REPORTS

18. This paper presented Q4 progress towards delivery of the corporate plans as laid out in year 1 of NatureScot’s business plan. The main highlights were:

* Performance for 14 of the 15 Corporate plan objectives were rated as ‘on track’.
* The score for one corporate risk had reduced, and there were no new corporate risks for escalation or de-escalation.
* Both the resource budget and direct capital were expected to outturn below tolerance due to factors beyond NatureScot’s control, as well as some large projects slipping into 23/24. Indirect capital was on track for full spend.
* The People Report showed 8 out of 9 indicators as ‘green’, with one at ‘amber’.

19. The Board were asked to:

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

20. Stuart MacQuarrie updated that this report which reflects the end of the first year of the business plan, showed significant progress on nature restoration, peatland restoration green finance, use of Artificial Intelligence, and the passing of the Hunting with Dogs bill. Substantial effort had been put into the sale of Kinloch Castle, before the prospective buyer withdrew their interest.

21. Each Director highlighted the key areas from their directorates from the performance reports.

Nature and Climate – Nick Halfhide

* Significant progress made on the Scottish Biodiversity Strategy and delivery plan, which would go out for consultation in July.
* Well received advice to Scottish Government on 30x30, Nature Networks and plans for the new National Park(s).
* Good level of projects being progressed by the Nature Restoration Fund.
* Natural Cultural Heritage Fund nearing completion, with projects being finalised.
* Successful work with translocating beavers, and preparations for reintroducing the wildcat.
* Challenging areas of work included Highly Protected Marine Areas, offshore wind, and seabirds.
* Concerns included the practicalities of resourcing delivery work, the implementation of 30x30, complex work on offshore wind, and the challenge of achieving holistic multi-legislations.

Green Economy – Robbie Kernahan

* Green finance deal secured with Hampdens, Lombard Odier and Palladium.
* Facility for Investment Ready Nature in Scotland fund launched.
* Increasing demand for licences – 5000 generated during 2022/23.
* Influencing the development of National Performance Framework 4 to enhance nature.
* Peatland restoration rated amber. An update document on the range of work ongoing in this area will be provided to Members.

**ACTION POINT 03/205**

22. Members commented that regarding agricultural transformation, little clarity had been provided to the Agricultural Reform Implementation Oversight Board (ARIOB) on the programme to develop a biodiversity app for land managers. They requested that ARIOB receive more information on what colleagues are working on, how the app will provide tangible impacts, and any challenging areas of work.

**ACTION POINT 04/205**

23. Members queried the peatland restoration entry on the corporate risk register. Claudia Rowse informed that the return of monies related to the amount which was handed back to Scottish Government after they had allocated that additional amount to NatureScot for peatland restoration. As that additional work was not achievable in-year, the money was handed back to Scottish Government.

24. Discussion took place around whether the measures being used in the performance reports were challenging enough to respond effectively to climate change and biodiversity loss.

Business Services and Transformation – Jane Macdonald

* New operational model live from April, currently being embedded.
* Network infrastructure changes have taken place to respond to issues with the network performance. Work now taking place to move the electronic records management system to the Cloud.
* Progress in both the Estate Strategy and Net Zero Strategy, Golspie is the first NatureScot office to become net zero.
* New People Strategy work has been taking place, consolidating all of the People policies.
* Main concern is the risk of cyber-attack.

Finance – David Johnston

* Final financial movements were taking place following the end of the financial year.
* An underspend on the resource budget of has been approved by the Scottish Government in recognition of their delays in allocating budgets, and additional funding being received at budget reviews which was unachievable to use within the remainder of the financial year.
* Full expenditure on grant-in-aid funding expected.
* An underspend on ring-fenced funding was expected due to the addition of budget transfers from Funding with Nature and the Better Places Fund, as agreed with Scottish Government.
* An underspend is anticipated on the Capital budget due to funds received from the sale of Glencripesdale, and delays to projects within Great Glen House.

Risk – Stuart MacQuarrie

* There had been no change to the risk profile.

People Report – Jane Macdonald

* Work had been taking place on the demographic profile, particularly on retirement projections.
* Increased visibility of learning and development opportunities was planned, to further highlight the organisation’s investment in staff.

25. The Chief Executive added that the headcount of full-time employees had been increasing, which it may help colleagues to understand as part of any discussions on resources needed to deliver the corporate plan.

26. The Board were content to approve the recommendations.

# AGENDA ITEM 8 – CHIEF EXECUTIVE’S REPORT – OFFICIAL SENSITIVE

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

* Changes in Ministerial appointments.
* First Minister’s reassertion of commitment to the Bute House Agreement.
* External engagements focussed on land use change.
* Gaining traction on the role of nature in meeting climate objectives and wider benefits.
* New business plan and operating model live from 01 April.

28. Members queried the possibility of income generation from leasing office space or from renewables. The Chief Executive informed that any income generation should be forwarded to the Scottish Government.

**AGENDA ITEM 9 – FORWARD PROGRAMME OF BUSINESS**

29. The Board Forward Programme of Business was presented to members. Graham Boyle thanked those members who had contributed to suggestions for future agenda items. Members had no further updates to make to the Forward Programme of Business.

AOB

30. The Chief Executive commented on this being Mike Cantlay’s last Board meeting as Chair. She offered thanks on behalf of Board members, the Senior Leadership Team and the organisation for his excellent stewardship, leadership, and wise counsel over the last 6 years.

## Date of Next Meeting

31. The next Board of NatureScot meeting is planned to take place on 22 June 2023, at Scottish Enterprise in Glasgow, after a green infrastructure site visit on 21 June.

32. The Chair thanked all those in attendance. The meeting was closed.

# END