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# TWO HUNDREDTH and TENTH MEETING OF THE BOARD OF NATURESCOT

## MEADOWBANK HOUSE, EDINBURGH – 07 FEBRUARY 2024

## CONFIRMED MINUTES

## MEMBERS PRESENT

Colin Galbraith 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

Claudia Rowse Deputy Director of Green Economy

Eileen Stuart Deputy Director of Nature and Climate Change

Stuart MacQuarrie Deputy Director of Business Services & Transformation

Jason Ormiston Head of External Affairs

Graham Boyle Chief of Staff

Sara Lewis Governance Support Manager (minutes)

Jodi Puls Senior Executive Support Manager to Chair & Chief Executive (observer)

Stephen Coulter Planning and Performance Manager (items 8 & 9)

Susan Scott Interim Head of Finance (items 8 & 9)

Vasiliki Katsorida Young Employee Panel (Admin - Sustainable Coast & Seas)

**EXTERNAL**

Ian Davies Member of the Public (observer)

## APOLOGIES

None

# AGENDA ITEM 1: OPENING REMARKS AND APOLOGIES

1. The Chair opened the meeting by welcoming everyone to the two hundred and tenth meeting of the Board of NatureScot, particularly Jodi Puls and Ian Davies who were observing, and Vasiliki Katsorida from the Young Employee Panel.
2. There were no apologies.
3. It was noted that this was the last in-person meeting to be attended by Aoife Martin, Deputy Chair, before her appointment ends at the end of March 2024. The Chair updated that plans to recruit a new Deputy Chair were now underway, and that any Board members interested in being considered for that role should make contact by 23 February 2024. A person specification would be made available.
4. The Chair updated that he was developing plans to enhance the profile of the Board committees (Audit and Risk Committee, Scientific Advisory Committee and Protected Areas Committee), and that this detail would be communicated in due course.

# AGENDA ITEM 2: DECLARATIONS OF INTEREST

5. There were no declarations of interest other than those already declared on the Register of Interests.

# AGENDA ITEM 3: MINUTES AND ACTION POINTS

1. Board members were content to **approve** the minutes of the Board of NatureScot Meeting on the 06 December 2023.

## Action Points

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

**Action Point (01/206)** (Provide an Update on the Development of a Biodiversity Metric for Scotland)Members noted that a paper would be brought to the March Board meeting and therefore the action is **ongoing**.

**Action Point (03/206)** (Board Members to be consulted on advice to Scottish Government on recommended statutory nature targets) Members acknowledged that this had been discussed at the previous meeting. Therefore, this action is **ongoing**.

**Action Point (06/206)** (Next Steps/Draft Plan for Kinloch Castle to be Presented to the Board) Members noted that this agenda item had been scheduled for Q4 2023/24 as an information correspondence paper. Therefore, this action point is **ongoing**.

**Action Point (04/207)** (A paper to be taken to a future Board meeting to update on progress with green finance and natural capital, specifically the development of credit-based systems) Members noted that is expected that a paper will go to the February 2024 SLT meeting, and then be presented to the Board at their March 2024 meeting. **Ongoing.**

**Action Point (01/208)** (Chair to discuss with sub-groups how to raise the profile of the sub-groups within the organisation) Members noted that suggestions had been made to the Executive Office on raising the profile of Board committees, which would be implemented during February. Therefore, this action was **discharged**.

**Action Point (03/208)** (Board wider discussion on the core purpose and role of NNRs to take place during 2024) Members noted that this action point had been scheduled for update/completion by the end of March 2024, therefore the action point remains **ongoing**.

**Action Point (04/208)** (An update to the Board on how the flexible approach of the new organisational model is working in practice) Members noted that an update will be brought to the Board in June 2024, therefore the action point remains **ongoing**.

**Action Point (05/208)** (A paper to be prepared for the Board regarding gaining evidence through systems thinking and innovation in the environmental arena) Members noted that an update paper is expected during Q1 2024/25, therefore this action point remains **ongoing**.

**Action Point (01/209)** (Board to be kept informed of discussions with SG re Structural Funds) Members acknowledged that they had received an online briefing from the Chief Executive on 22 January 2024. Therefore, this action point was **discharged**.

**Action Point 02/209** (Update to the Board on plans for review of licencing functions) Members heard that a commission had been received from the Minister to review the delivery of licencing functions within NatureScot. The review will be ready for external review within 6 months. It was therefore agreed to **discharge** the action point. Robbie Kernahan agreed to follow up with Jill Robbie regarding how the streamlined approach to the licencing function will work in practice for those applying.

**Action Point 03/210**

**Action Point 03/209** (Board sub-group to develop refreshed narrative on resilience to climate change) Members heard that this area is subject to a deep dive by the Audit and Risk Committee (ARC) at their May meeting, and that further work on this action point would take place after that. Therefore, the action point remains **ongoing**.

**Action Point 04/209** (Written update to be provided to the Board on scenario planning for possible Structural Funds decommitment outcomes) Members acknowledged that they had received an online update from the Chief Executive on 22 January, and that the ARC had received a further update at their meeting on 06 February. It was therefore agreed that this action point should be **discharged**.

**Action Point 06/209** (Risk appetite scenarios to be prepared for the Board, and then a ‘futures thinking’ discussion to be arranged) Members received an update that risk appetite had been discussed at the ARC meeting on 06 February, where it was agreed that further work needed to be done before the full Board had another discussion. It was expected that the full Board would discuss risk appetite again after March 2024. This action point is therefore **ongoing**.

# AGENDA ITEM 4: MATTERS ARISING

8. There were no matters arising.

# AGENDA ITEM 5: ITEMS FOR AOB

9. There were no items requested for AOB.

# AGENDA ITEM 6 – CHIEF EXECUTIVE’S REPORT

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

* Confirmation of budget allocation for 2024/25 and possible impacts.
* Recruitment situation update.
* Structural Funds update.
* Key areas for 2024 including delivery of the Scottish Biodiversity Strategy, the Agricultural Reform Programme, and nature finance.
* Transformation programme within NatureScot, and participation in Public Service Reform work.

# AGENDA ITEM 7: AUDIT AND RISK COMMITTEE UPDATE

11. Ian Gambles, as Chair of the Audit and Risk Committee (ARC) gave a short update on Committee work since the last Board meeting. The Committee met on 06 February 2024 and discussed the following items:

* Structural funds challenges.
* Budget and finance.
* Disappointing service received by Mazars (external auditor).
* Risk Appetite.
* Nature finance.
* Public Service Reform.
* Online licencing systems post internal audit.
* Cyber security update.

12. Members asked whether encryption software was used within the organisation. Jane Macdonald confirmed this and agreed to provide members with more detail.

**Action Point 04/210**

*Ian Davies left the meeting.*

# AGENDA ITEM 8: BUSINESS PRIORITIES 2024/25

13. This paper outlined progress in the development of the NatureScot Business Plan 2024/25, tackling the twin challenges of biodiversity loss and climate change. It also included the confirmed budget settlement following publication of the draft Scottish budget. The Board were asked to note progress, as well as the emerging importance of Public Service Reform as a backdrop to next year’s plan. They were asked to agree to the resourcing plan and renewed statement of focus on our core priorities, as well as to the continuation of the Business Plan performance measures used in 2023-24.

14. Stuart MacQuarrie explained how new regulatory responsibilities for NatureScot are expected from the Natural Environment Bill, Wildlife and Muirburn and Hunting with Dogs. These responsibilities will create new demands on the organisation alongside previous specifically funded work which has now been baselined in the core budget. It was acknowledged that while the worst case scenario of budget settlements did not materialise, the medium to long term forecast for public finance dictates a focus on priorities by scaling back or withdrawing from work which is no longer core. Internal efficiencies and transformational change will build on the ‘NatureScot Way’ alongside work with SG and other partners under the Public Sector Reform programme.

15. During discussion, the following points were made:

* The business priorities did not fully suggest ‘transformation’ to members, and it was proposed that agricultural land transformation needed more prominence in the priorities to contribute to meeting 30x30 targets.
* The point was made that NatureScot is only able to measure their own outputs, not those of partner organisations who are also contributing to the four areas of priority stated in the paper. It was queried why the areas of priority did not include private finance, and how to engage with communities on the nature agenda. The Chief Executive informed that while the full 15 priorities are listed in the current Corporate Plan, the four in the business plan are to demonstrate a shift in resources – for example with more resource being used in assessing renewable energy developments.
* What more could NatureScot do to champion ethnic diversity in nature-based jobs?
* Measures of success refining. It was agreed that a sub-group of the Board would work on this before the final draft of the Business Plan is presented to the Board in March. It was also requested that the sub-group look at whether meeting the targets in the plan will be sufficient to meet the objectives, and who the partner organisations are who will also contribute. Members interested in working on the sub-group were asked to make contact.

**Action Point 05/210**

* Members queried how visitor management on National Nature Reserves (NNRs) would be resourced in light of the withdrawal of the Better Places Fund. The Chief Executive confirmed that the fund had been a temporary resource in the wake of the pandemic. All previous recipients of the fund had been contacted regarding the likelihood that there would be no further funding. Funding for small island-based visitor management posts would continue to be financially supported. The Board requested a future discussion on wider Access work.

*Post meeting note –* *this topic has been added to the list for future Board discussions.*

* It was acknowledged that in order to deliver on the Business Plan, sufficient resources are required.
* The Young Employee Panel requested an opportunity to add their input to the final version of the Business Plan.

**Action Point 06/210**

16. The Board agreed the recommendations.

# AGENDA ITEM 9 – Q3 2023/24 PERFORMANCE REPORTS

17. This paper presented Q3 progress towards the delivery of the organisation’s corporate priorities as laid out in the business plan ‘A Nature-Rich Future for All: Year 2’.

18. The Board were asked to approve:

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

19. The report showed performance as being ‘on-track’ for 13 of the 15 corporate plan objectives. The Resource and Capital budgets were expected to outturn within tolerance at the financial year end. Large programmes continue to be managed and monitored to ensure full budget spend is achieved. There was some minor slippage on overall Indirect Capital.

20. There had been two changes to corporate risks during the quarter, both on risk 393 ‘Future Funding of NatureScot’. This increased from high to very high given the uncertainty of outlook during November, but this has now reverted to high following the Budget announcement. In the People report three of the seven indicators were green, and four were amber.

21. Directors gave a summary of highlights and updates since the end of Q2:

Nick Halfhide – Nature and Climate

* Work towards a new National Park.
* Nature Restoration Fund applications.
* Volume of work on marine energy.

22. Areas of concern included:

* Residual risks regarding Structural Funds.
* The amount of new legislation which will require resourcing in order to achieve 2030/45 targets.
* How to maintain momentum on the Scottish Biodiversity Strategy to build a governance structure which ensures delivery for the nature crises.

23. Robbie Kernahan – Green Economy

* Contracts for undertaking over 8500 hectares of peatland restoration have been issued, which, after taking into account operational constraints, is expected to be sufficient to meet the target of 6100 hectares this year.
* Fast paced work on the Wildlife and Muirburn bill, and deer management legislation.
* Challenging numbers of casework regarding onshore renewables.

24. Areas of concern included:

* Pace of legislative work, what it will mean for NatureScot.
* The challenges in bringing land managers and users along on the journey to address biodiversity loss and climate change.

25. Jane Macdonald – Business Services and Transformation

* Continuing work on the Estate Strategy.
* Budget scenario planning.
* Commissioning of a new Transformation and Resourcing Sponsor Group.
* Slippage on ‘A Happy and Resilient Workforce’, however this was considered to be recoverable in Q4.

26. Areas of concern included:

* Continuing cyber risks.
* Pace, workload and capacity to absorb business as usual work as well as the Transformation Programme.

27. Jason Ormiston – Head of External Affairs

* Engagement on the budget settlement.
* Significant media reach through the Scottish Outdoor Access Code and the Make Space for Nature campaigns.
* Mostly stable results from the recent MSP survey results. This will be discussed further in the Political Risk discussion with Board members scheduled for 19 February.

28. Members asked for clarity on the current Equality, Diversity and Inclusion (EDI) Questionnaire open for staff, and whether there was any support in place to achieve the 25% disclosure rate target. Jane Macdonald confirmed that a variety of support groups were in place, including the Young Employee Panel, the Women’s Network, the Disability, Ability, Wellbeing and Neurodiversity Network, a new ‘All Ages’ cohort. She explained that while these do not offer targeted support, the results of the EDI questionnaire will enable more targeted support in the future. Members requested the opportunity to review the ‘so what’ element of the survey results.

**Action Point 07/210**

29. Finance

Members were invited to ask questions on the Q3 financial situation. The key highlights in the report were:

* The end of Q3 financial position is consistent with previous years where minor underspends are expected.
* Resource budget remain on-track, however there was minor slippage on Indirect Capital.
* Capital budget showing as on-track after experiencing minor slippage in Q2.
* The Paybill, Peatlands and Farming with Nature budgets were all on track, with minor slippage on Project Allocation, Better Places Fund, Facility for Investment Ready Nature and the Nature Recovery Fund.

30. The Board queried the resource budget underspend figure quoted in the paper, which was significantly different to the figure provided in the ARC finance update paper. Susan Scott informed that the figure related to core grant-in-aid over/underspends. During February, the position had changed to an amber rating due to project underspend. It was confirmed that ways of utilising the underspend were being actively pursued.

31. Risk

Stuart MacQuarrie highlighted that one risk had its rating changed twice during the quarter. Risk 393 ‘Future Funding of NatureScot’ increased from high to very high given the uncertainty of outlook during November but this has now reverted to high following the Budget announcement.

32. People

Jane Macdonald updated that 4 indicators on the People report were showing as amber. These were staff accident numbers (near miss reports), capacity, staff turnover, retirement profile and the workforce profile. There were not believed to be any significant reasons for the amber ratings, with accident numbers within tolerance. The retirement profile group were working on strategic workforce planning, and capacity was rated amber due to a number of staff needing to use annual leave before the end of March. Of note, was the increase in response rate to the latest Pulse Survey, which stood at 78% of the organisation.

33. Members asked why ‘A Happy and Resilient Workforce’ was rated as amber. Jane Macdonald confirmed that this was due to the minor slippage in work in this area due to the need to prioritise the resource for other areas.

34.The Board agreedthe recommendations.

*Ian Davies rejoined the meeting.*

# AGENDA ITEM 10 – bargeny hill sssi – confirmation of the sssi designation

35. SSSI notification is one of NatureScot’s key statutory functions. This agenda item was presented to the Board on recommendation of the Protected Areas Committee (PAC), due to an objection on the decision to include part of a landowner’s land in the Bargeny Hill SSSI, East Dunbartonshire.

36. After notification, the landowner undertook unconsented operations on the land, causing damage to the feature. Independent expert advice was sought on the condition and restorability of the damaged land, and the PAC recommended that the SSSI is confirmed to include almost all of the objector’s land, with the exception of a small area of hardstanding at its southern boundary.

37. The Board were asked to recommend that the SSSI notification be confirmed, with a minor modification to exclude the area of hardstanding from the SSSI boundary, shown as yellow on annex 2 of the paper.

38. Several areas were discussed, including:

* How damaged notifications affect targets for 30x30.
* The legal position on the Bargeny Hill SSSI damaged land.
* How NatureScot can assist landowners before a notification is made.
* How NatureScot can support the shift from protected areas being undermanaged and in unfavourable condition, to being in the best condition possible. It was suggested that the Board have a wider discussion on this, in the context of 30x30 targets.

*Post meeting note – this topic has been added to the list for future Board discussions.*

39. The Board agreed to confirm the SSSI notification, with the minor modification specified.

Information Papers

**FORWARD PROGRAMME OF BUSINESS**

40. The Board Forward Programme of Business was presented to members. Members had no further updates to make to the programme.

**NATURESCOT BOARD MEMBER ENGAGEMENT**

41. This paper gave a short summary of Board members’ internal and external engagements with NatureScot related work since the last Board meeting.

AOB

42. Members requested an update on the Loch Choire Section 8 Statutory Control Scheme, which they had recommended for presentation to the Minister for Green Skills, Circular Economy and Biodiversity at their December meeting. The authorisation for the Section 8 was sought in order to control deer numbers on the Loch Choire estate.

43. Robbie Kernahan updated that the Minister had ratified the Section 8 request, and subsequent action is being taken.

Date of Next Meeting

44. The next Board of NatureScot meeting is planned to take place on 13 March 2024, via MS Teams.

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

# END