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# TWO HUNDREDTH and ELEVENTH MEETING OF THE BOARD OF NATURESCOT

## VIRTUAL VIA MS TEAMS – 13 MARCH 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

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

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)

Stephen Coulter Planning and Performance Manager (item 7)

John Donnelly Head of Finance (item 7)

Alan MacPherson Health and Participation Manager (item 8)

Simon Brooks Strategic Planning Manager (item 10)

John Uttley Principal Adviser – Nature Finance (item 11)

Graham Neville Head of Operations (North) (item 11)

Eilidh Ross Young Employee Panel (Species on the Edge Communications Officer)

## APOLOGIES

Heather Reid Member

Claudia Rowse Deputy Director of Green Economy

# AGENDA ITEM 1: OPENING REMARKS AND APOLOGIES

1. The Chair opened the meeting by welcoming everyone to the two hundred and eleventh meeting of the Board of NatureScot, particularly Eilidh Ross from the Young Employee Panel.
2. Apologies were noted from Heather Reid (member) and Claudia Rowse (Deputy Director of Green Economy).

# AGENDA ITEM 2: DECLARATIONS OF INTEREST

3. Nikki Yoxall declared that she undertakes consultancy work with Highlands Rewilding, who are in receipt of funding administered by NatureScot from the Nature Restoration Fund. Jaboury Ghazoul declared that he is working with a student who is analysing biodiversity data for Highlands Rewilding. Jill Robbie declared that she has applied for a research grant through UK Research and Innovation to research the governance of peatland carbon credits. She had received a letter of support from NatureScot to accompany her application.

# AGENDA ITEM 3: MINUTES AND ACTION POINTS

1. Board members were content to **approve** the minutes of the Board of NatureScot Meeting on the 07 February 2024.

## Action Points

5. The **actions points** were reviewed:

**Action Point (01/206)** (Provide an Update on the Development of a Biodiversity Metric for Scotland.)Members noted that a paper was on the agenda for this meeting, and therefore the action is **discharged**.

**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 a previous meeting, and staff are currently providing further information to support the SBS Programme Advisory Group.. 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 originally been scheduled for Q4 2023/24 as an information correspondence paper, however as the output from the Minister’s commission to Rural and Environment Science and Analytical Services division will not be available until June 2024 at the earliest. 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 this is an agenda item at this meeting, therefore it was agreed to **discharge** this action point.

 **Action Point (03/208)** (Board wider discussion on the core purpose and role of NNRs to take place during 2024.) Members noted that a workshop session had been scheduled for the October meeting, which will be followed by a paper at the November meeting, 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 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. The action point therefore remains **ongoing**.

 **Action Point 04/209** (Details of 30x30 implementation plan resourcing costs to be provided to members.) Members noted that these details will be included in the 30x30 paper scheduled for the June Board meeting. **Ongoing**.

 **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**.

 **Action Point 01/210** (Streamlined Approach to Licencing.) Robbie Kernahan to follow up with Jill Robbie and Pete Higgins on how the new approach to licencing will work in practice for those applying. **Ongoing**.

**Action Point 02/210** (NatureScot Data Encryption Methods.) Members noted that Jane Macdonald had followed up with Wayne Powell on how NatureScot uses encryption. This action point is therefore **discharged**.

**Action Point 03/210** (Board Sub-Group to Work on Measures of Success.) This work had been undertaken. It was therefore agreed to **discharge** this action point.

**Action Point 04/210** (Final Draft of Business Plan to be discussed with the Young Employee Panel.) The draft had been shared with the panel, and their comments reviewed. It was therefore agreed to **discharge** this action point.

**Action Point 05/210** (Review of Equality, Diversity and Inclusion Survey.) Jane Macdonald will review the ‘so-what’ element of the survey with Nikki Yoxall. **Ongoing.**

# AGENDA ITEM 4: MATTERS ARISING

6. There were no matters arising.

# AGENDA ITEM 5: ITEMS FOR AOB

7. Three items were requested for AOB:

* A summary of the partnership working taking place and how it is linked to the Corporate Plan was requested. The Chief Executive suggested that this could be covered at item 7 on the agenda (Business Plan 2024/25) and then under AOB as needed.
* An update on the muirburn bill was requested.
* Information on how NatureScot handles situations where community groups are subject to risks and liabilities when their project delivery is late was requested.

8. The Chair confirmed that these items of AOB would be addressed later in the meeting.

# AGENDA ITEM 6 – CHIEF EXECUTIVE’S REPORT

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

* Finalisation of the Business Plan 2024/25.
* Senior Leadership Team development.
* Land Management change.
* Attendance of Chief Executive and Chair at the Scottish Gamekeepers Association’s Annual General Meeting.
* Meeting with National Farmers Union Scotland
* Investment in the Scottish Marine Environmental Enhancement Fund

10. Members asked about how successful the recent beaver translocation had been into the Cairngorms National Park. Robbie Kernahan informed that the translocation itself had successfully taken place, but that local opinion appeared to be split between those concerned about possible damage to low lying farmland, and those who believe that more should be done in to support translocations. There is a framework in place designed to give reassurance to farmers, in the longer-term ways of better supporting farmers to underpin nature-based solutions through agricultural reform will be developed.

11. The Chief Executive highlighted the number of successful beaver translocations that have already taken place across Scotland and will provide a list of these to members for reference.

**Action Point 01/211**

# AGENDA ITEM 7: BUSINESS PLAN 2024/25

12. This paper presented the Board with the NatureScot Business Plan 2024/25 for approval. The plan tackles the twin challenges of biodiversity loss and climate change and has a focus on 4 priority areas where it is judged that NatureScot can make the most impact on these challenges. It also included the confirmed budget settlement following publication of the draft Scottish budget.

13. The Chair acknowledged the opportunity to use the positive budget settlement to make a real impact for nature during 2024/25, and to build the case for future years. The Board sub-group who had worked on the plan alongside staff colleagues were thanked for their involvement. The Chair highlighted the flexibility in the plan which would enable various responses to land reform as appropriate.

14. Members highlighted the detail in paragraph 12 of the paper, which described how approximately £1.8m of efficiency savings will be sought from the core paybill in anticipation of tighter budget settlements in future years. They queried whether staff were aware of this direction of travel, and any response. Jane Macdonald explained that staff had been kept informed about the challenging nature of public sector budgets including that of NatureScot on the approach to the recent budget announcement by the Scottish Government (SG). The efficiency savings are expected to be achieved through a combination of natural turnover, the natural end of fixed term appointments and retirement. It was recognised that while the budget settlement for 2024/25 has allowed for additional recruitment of temporary staff, enabling increased pace in several key areas of delivery, this cannot be expected in the coming financial years.

15. The Board acknowledged the importance of data in achieving agricultural reform, and heard of the development of the data strategy as well as the recent data maturity exercise. The strategy encourages front facing data which can be easily accessed by those who need it. There are opportunities for developing how data is managed and stored through the Public Service Reform programme.

16. Members discussed the use of data in evidencing reality, and conversely, considered situations where it may not reflect the true situation or where there are large gaps in the data available. It was requested that the Scientific Advisory Committee (SAC) continue to develop approaches which can be used to help discriminate between evidence and perception or hypothesis in future casework. Nikki Yoxall agreed to assist in the development of that work.

**Action Point 02/211**

17. The Board were content to approve the Business Plan 2024/25, with the request that there is a stronger emphasis on working in partnership with other organisations to achieve the Business Plan outcomes. Members advocated partnership working, which the Chief Executive informed would be included in the individual delivery plans, and that as this develops, Pete Higgins would be kept informed of such partnerships involving science-based organisations.

**Action Point 03/211**

18. The Chief Executive informed that the next step in the Business Plan process is for the plan to be sent to the Minister for approval, accompanied by a letter from the Chair.

*Ian Gambles joined the meeting.*

# AGENDA ITEM 8: SCOTLAND’S ACCESS RIGHTS AND RESPONSIBILITIES – OPTIONS FOR A REFRESH

19. 2025 marks the 20th anniversary of the publication of the Scottish Outdoor Access Code (SOAC). This provides an opportunity to celebrate the success of the Code and look ahead to the next twenty years of access rights in Scotland.

20. The Board were asked to support the proposal to progress discussions on the case and options for reviewing the SOAC, firstly with Scottish Government, and then the National Access Forum.

21. Eileen Stuart updated the Board on the main reasons to approve a review of the SOAC:

* modern day challenges on the detail of the code
* the code is only part of the achieving responsible access,
* good communications are required,
* NatureScot’s responsibility to lead and direct the reform.

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

* The opportunity to review how exclusion in environmentally sensitive zones is facilitated.
* The opportunity to consider what is needed within the code to contribute to 30x30 and improving biodiversity loss.
* Potential issue of local authorities’ ability to follow the code due to reducing resources.
* The scale of impact of the code on commercial works/National Planning Framework 4.

23. Members highlighted the importance of having clear and agreed goals for any review of the code, as well as identifying any issues that need addressing with the current code. They recognised that the review could be resource intensive. Eileen Stuart confirmed that there were some issues with the code, and that whether they warranted a review of the code needed to be considered.

24. It was agreed that there appeared to be value in refreshing the SOAC, with members considering that the views of SG and the SOAC forum would be helpful in determining the need for, and nature of, any review. It was also important to recognise any risks that a review might present and to identify substantive issues to address. After these preliminary discussions are complete, and resources considered, the Board should then be consulted for their agreement on either a refresh or review of the code.

**Action Point 04/211**

# AGENDA ITEM 9 – arc/pac/sac TERMS OF REFERENCE REVIEW

25. This paper gave the Board the opportunity to approve the Terms of Reference of the Audit and Risk Committee, Protected Areas Committee and Scientific Advisory Committee. These documents are reviewed every 2 years, with the last review in March 2022. Minor amendments had been made in consultation with the Committee Chairs.

26. Chair of the SAC stated that they may hold two to three additional meetings per year as stated in the Terms of Reference, and would welcome any Board member who wished to attend as observers. It was highlighted that the SAC had a key role and given the pace of external change including new legislation and new demands on the organisation that the Committee should seek ways to develop its role in future. It was agreed that this would be discussed in the intersessional period.

*Post meeting update: A meeting will take place with Chair, Jaboury Ghazoul, Wayne Powell and Pete Higgins on 02 April 2024.*

*Pete Higgins left the meeting.*

# AGENDA ITEM 10 – preparing a scottish biodiversity metric

27. This agenda item updated the Board on work to develop a Scottish biodiversity metric for use with the planning system through National Performance Framework 4 (NPF4). This will rebalance the planning system by requiring that developments enhance biodiversity rather than deplete it.

28. The Board were asked to consider and agree:

* The increased expectations on the planning system to contribute positively towards tackling the nature crisis, and the opportunity this provides for our work.
* The important role that an appropriately designed Scottish Planning Metric will play in supporting delivery of NPF4, and the linkages this has with other priority work.
* The nature of the task in hand and challenges to its successful delivery.

29. Robbie Kernahan explained that one of the main challenges with developing this area of work was in determining how developers would assess whether planning consents had left nature in a better state than it was found.

30. In discussion, the following key points were made:

* There was appetite beyond planning and NPF4 for large businesses to invest in credit type systems which would benefit nature overall rather than confined to a specific geographical development.
* The need for developers to take any type of nature-positive action to take place now, while the metric is being progressed.
* The potential challenges in aligning different metrics to one single development project.
* The potential for swift improvements to nature to be achieved between the onshore wind sector and peatland restoration.
* The opportunity to learn from others, specifically Scottish Development International, who are currently using Artificial Intelligence to do rapid assessments to mitigate biodiversity loss in developments.

31. Robbie Kernahan informed that this agenda item would return to the Board once SG had discussed a framework and how to achieve consistency in the development of the various metrics required.

*Pete Higgins rejoined the meeting.*

**AGENDA ITEM 11: UPDATE ON PROGRESS WITH NATURE FINANCE AND NATURAL CAPITAL**

32. This paper updated members on work to stimulate private sector investment into nature, due to recognition that public funding and philanthropic funding is not sufficient to pay for the vast investment that nature needs to mitigate climate change and the loss of biodiversity.

33. The Board were asked to reflect and advise on:

* The roles that NatureScot is fulfilling, and other roles that could be a priority.
* The programme of work and progress on the Corporate Plan objective.
* The governance arrangements proposed and the appetite for risk.

34. Graham Neville informed that NatureScot’s activity in the nature finance arena was audited in 2022 by Azets, reporting in 2023. The audit made 15 recommendations to help better implement good governance and risk management. Proposals to implement these recommendations were presented to the Audit and Risk Committee in February, alongside suggested changes to the risk statement. The risk statement was presented to the Board within the meeting paper.

35. Members commented that the involvement of the ARC was helpful in identifying risks and addressing governance. They requested annual updates on the ongoing risks in nature finance.

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

* Members report land managers as wanting to know how nature finance will work, how funding is accessed, how nature restoration can be achieved, and the risk likelihood of nature finance not sufficiently delivering for nature.
* Still unclear where and how investors will receive a return on their investment.
* Nature finance may be considered as being too detached from biodiversity credits/metrics.
* Further clarification is needed on how nature finance links into financial markets.
* What happens in the situation where nature is eventually fully restored – where does investment then come from to maintain nature’s restored state?
* Nature restoration achieved through nature funding needs to be promoted to encourage further investment.

37. The Board were keen to have further discussion on nature funding, which will be added as a potential workshop to a future Board meeting.

Information Papers

**FORWARD PROGRAMME OF BUSINESS**

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

**NATURESCOT BOARD MEMBER ENGAGEMENT**

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

AOB

40. Members requested an update on progress with the Muirburn Bill. Robbie Kernahan updated that stage 3 of the bill was to be debated on 19 March in Parliament, which would conclude that work on that passage. A muirburn code is being discussed, including how the use of fire (a risk) relates to climate change, and responsible access to moorland.

41. The Chair highlighted that this was the last Board meeting to be attended by Deputy Chair Aoife Martin. Aoife summarised the incredible journey that NatureScot had been on during her tenure and looked forward to future engagement with colleagues through her duties with Seafish. Members thanked Aoife for her work on the Board and wished her well for the future.

Date of Next Meeting

42. The next Board of NatureScot meeting is planned to take place on 14 May 2024 between site visits, in Kelso.

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

# END