****

# TWO HUNDREDTH and FOURTEENTH MEETING OF THE BOARD OF NATURESCOT

## MALDRON HOTEL, GLASGOW – 21 AUGUST 2024

## CONFIRMED MINUTES

## MEMBERS PRESENT

Colin Galbraith Chair

Margaret Davidson Member

Ian Gambles Member

Jaboury Ghazoul Member

James Harrison Member

Peter Higgins Member

David Johnstone Member

Colin McPhail Member

Wayne Powell Member

Heather Reid Member

Jill Robbie 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)

John Donnelly Head of Finance, Planning and Performance (item 8)

Simon Cunningham Member of the Public (observer of non-Official – Sensitive items)

## APOLOGIES

Nikki Yoxall Member

# AGENDA ITEM 1: OPENING REMARKS AND APOLOGIES

1. The Chair opened the meeting by welcoming everyone to the two hundred and fourteenth meeting of the Board of NatureScot. He noted also that it had been a particularly busy and productive time for the organisation.
2. Apologies were noted from Nikki Yoxall.

# AGENDA ITEM 2: DECLARATIONS OF INTEREST

3. There were no new declarations of interest.

# AGENDA ITEM 3: MINUTES AND ACTION POINTS

1. Board members were content to **approve** the minutes of the Board of NatureScot Meeting on the 12 June 2024.

## Action Points

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

**Action Point (03/206)** (Board Members to be consulted on advice to Scottish Government on recommended statutory nature targets.) Members were updated that Ministers are still considering how to proceed with the Natural Environment Bill. 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 an information paper will be available to them during Q2. This action point is therefore **ongoing**.

 **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 (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 they had received an update paper, therefore it was agreed to **discharge** this action point.

 **Action Point 03/209** (Board sub-group to develop refreshed narrative on resilience to climate change.) Members noted that a paper was on the agenda for discussion at this meeting. It was therefore agreed to **discharge** the action point.

 **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. This work is currently underway. This action point is therefore **ongoing.**

**Action Point 04/211** (Consult SG and the National Access Forum regarding consideration of the need for a review of the Access Code.) Follow up on this is expected in Q3 due to the limited number of meetings of the National Access Forum. **Ongoing**.

# AGENDA ITEM 4: MATTERS ARISING

6. There were no matters arising.

# AGENDA ITEM 5: ITEMS FOR AOB

7. David Johnstone requested an AOB to discuss any biosecurity control that NatureScot may have, specifically regarding salmon being moved into fish farms to spend the winter months.

# AGENDA ITEM 6 – CHIEF EXECUTIVE’S REPORT

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

* Recent political changes and potential impacts on the Natural Environment Bill.
* Development of the Global Biodiversity Framework.
* The recent announcement of the potential for a new National Park in Galloway, and NatureScot’s role as reporter.
* Achievement of UNESCO World Heritage status for The Flow Country.
* Introduction of licencing for grouse moor management.
* Celebration event for the Natural and Cultural Heritage Fund project at Corrieshalloch Gorge.
* Potential for NatureScot delivery to be affected by severe budget pressure being experienced by the Scottish Government (SG), and other implications.
* Further roundtable discussion to be hosted by the Chair on 28 August.

9. The Chief Executive updated that Structural Funds were discussed at the Audit and Risk Committee which took place on 20 August, and that a good outturn of reimbursement was expected from the Managing Authority. She also informed that SG had recently published a public consultation on Fisheries Management Measures for Protected Marine Areas, which was seen as a positive move.

10. The Chair acknowledged the effort made in achieving UNESCO World Heritage status for The Flow Country, particularly by Graham Neville, Head of Operations – North. He requested that a letter of thanks be sent to Graham.

**Action Point 01/214**

11. Members queried whether the 2025/26 budget would allow for resourcing the additional work resulting from the introduction of various licences. The Chief Executive informed that the usual pre-budget financial processes would take place, which would include providing SG with advice on options for potential savings in various areas of work as they had requested.

12. Referring to the public consultation on Fisheries Management Measures for Protected Marine Areas, the Board asked whether scientific data suggested a preference towards either full or partial closures of Protected Marine Areas. Nick Halfhide updated that the Board would receive a briefing on the consultation and confirmed that detail on this would be included.

# AGENDA ITEM 7: BOARD COMMITTEE UPDATES

13. The Chairs’ of the Board Committees were invited to give a brief verbal update on recent Committee meetings.

Ian Gambles – Audit and Risk Committee (ARC)

* ARC met on 20 August. Agenda items included reviewing the draft Annual Report and Accounts, the internal audit report on Corporate Prioritisation, a deep dive into the Agri-Environment Climate Scheme (AECS) and the Annual Health, Safety and Wellbeing report, which was approved to present to the Board. The Committee also received a finance update which indicated a good financial position. Lastly, the Committee received their regular cyber-security update, and had a brief discussion on how the Committee operates.

14. The Chair asked for the conclusion of the deep dive into AECS and was updated that this, and there is the need to ensure that nature goals are not confined simply to narrow areas of the countryside. The deep dive concluded that as new agri-environment schemes are introduced, it is important to ensure that land users embrace the new schemes, leading to improvements to nature as a result.

Pete Higgins – Scientific Advisory Committee (SAC)

* The most recent intersessional meeting took place on 27 June, which considered how different tools and technologies can be used to add to the knowledge of the Committee. A separate meeting between Pete Higgins and several other Board members in April covered how the Committee could be more effective. Areas for the Committee to consider were the use of horizon scanning, monitoring the capacity of members who have an increasing number of scientific issues to work on, investigating working with youth based organisations and academic institutions, and looking for opportunities to raise the profile of the SAC with policy makers, partner organisations and the public.

David Johnstone – Protected Areas Committee (PAC)

* The Committee had not met since the last Board meeting but had held 2 intersessional sessions covering marine and terrestrial protected areas and how these will contribute towards 30x30. Criteria for the Scottish Biodiversity Strategy Framework is being developed by SG and NatureScot, and further developments will be communicated to the Board when available.

**Action Point 02/214**

15. It was suggested that progress on the Scottish Biodiversity Strategy Framework could be included in the quarterly performance reports.

**Action Point 03/214**

16. Members discussed how onshore and offshore Marine Protected Areas and Highly Protected Marine Areas may contribute to 30x30 and requested more information on this via a briefing.

**Action Point 04/214**

# AGENDA ITEM 8: Q1 2024/25 PERFORMANCE REPORTS

17. This paper provided members with Q1 progress towards delivery of NatureScot’s corporate priorities as laid out in the Business Plan ‘A Nature-Rich Future for All: Year 3’.

18. At the end of Q1, performance for 13 of the 15 corporate plan objectives were rated ‘green’, as on-track. Resource and paybill budgets were expected to outturn within tolerance overall at financial year end. Full spend was forecast on both Capital and Indirect Capital, and a small overspend was forecast on Project allocations, however it was expected that this would be managed down by financial year end. Two corporate risk scores had changed during the quarter, and Risk 253 (Peatland Management) was de-escalated due to the changing landscape in this area. The People Report showed all 7 indicators as ‘green’.

19. The Board were asked to note the overall performance of the Corporate Plan objectives (Performance Report), the position of the resource and capital budgets (Finance Report), the performance of corporate risks (Risk Report) and the overall performance of the People measures (People Report).

20. Directors were invited to provide an update on highlights and challenges during Q1.

Nick Halfhide – Director of Nature and Climate

* Highlights included work on the newly proposed National Park in Galloway, completion of the Structural Funds projects, Marine Protected Area work and the UNESCO World Heritage site classification of the Flow Country.
* Most of the Nature Restoration Fund has been committed for the current financial year as well as the next.
* National Nature Reserve staff have experienced a busy season with less anti-social behaviour noticed on these areas.
* Concerns included the volume of offshore wind licence applications being received and advised on.

21. The Board asked whether Peatland Action funding was still part of the NatureScot budget. This was confirmed with the caveat that with major pressure on the public purse, attracting private investment on peatland restoration was still being pursued.

22. Members queried whether NatureScot charges for licencing services, especially in relation to renewable developments, and were informed that currently they do not, however the possibility was being investigated with Scottish Renewables.

Robbie Kernahan – Director of Green Economy

* Key issues included demand for wildlife management licences and the development of new licencing systems, high demand on casework for planning applications and complicated offshore wind applications. The Board will be asked to consider how to resource this at the November Board meeting.
* A recent highlight had been the UNESCO World Heritage site classification of the Flow Country.
* Good progress on peatland restoration through Peatland Action.
* Concerns included budget pressures on SG and impact on NatureScot, AECS reform timescales, mechanics and resourcing, potential changes to the Scottish Biodiversity Strategy.

23. Members discussed the mounting demand on licencing applications from the energy industry and asked whether more needed to be done at a strategic level to resource capacity and speed up the licencing process. Robbie confirmed that NatureScot has a seat on the Scottish Government Leaders Group which is working through these issues. The Senior Leadership Team (SLT) has a session planned to better understand the demand for energy infrastructure where they will discuss the issues with various energy companies. The topic will return to the Board by the end of 2024.

24. The Board asked whether an SAC sub-group could be used to provide evidence for offshore wind applications. It was suggested that this would be considered when the topic next returns to the Board.

Jane Macdonald – Director of Business Services and Transformation

* Highlights included work on new ways of working, relocation of the Dunoon office, establishment of the new Project Management Office, progress with leadership capability through 2 members of SLT participating in the Inner Development Goals course, and piloting of ‘Career Conversations’.
* Concerns included resourcing and prioritisation and cyber-risks.
* A benchmarking commission on corporate services in public bodies was submitted to the Cabinet Office in June 2024. This will give NatureScot the opportunity to compare ourselves with other public bodies against various metrics.

Jason Ormiston – Head of External Affairs

* Highlights included opportunities to increase visibility of the NatureScot brand in the public eye through work on the proposed National Park in Galloway, Wildlife Management, Nature Restoration Fund projects and the UNESCO World Heritage status of the Flow Country. Looking ahead, the Natural Environment Bill proves an opportunity to raise the profile of the organisation.
* The ‘Scotland Loves Nature’ campaign led by Scottish Environment Link continues to challenge any change in scope of the Natural Environment Bill.
* Areas of SG work coming up which will impact on NatureScot include the Programme for Government in September, the Autumn Budget Revision in October, culminating in a financial statement by SG before Christmas.
* Other areas of activity included planning the online staff conference for December, and participation in the Helping it Happen awards, and the new Communications Strategy which will be presented to the Board later this year.

People Report – Jane Macdonald

* Steady performance reported.
* Introduction of a new Employee Assistance Programme which can also be used by spouses/partners/dependants.

25. Members asked about the morale of fixed-term appointment colleagues who would be reaching the end of their term by March 2025, and whether they were a specific cohort to experience reduced morale. Jane informed that the organisation was taking a proportionate approach with those approaching their end of term, with controls in place to mitigate any risk. The People and Organisational Development team were considering the impact of these ends of term on the organisation, alongside the trade unions. Colleagues with fixed-term appointments had been aware of the length of employment when they accepted the roles, which had been specifically end dated to ensure that the current year’s ‘better than hoped’ budget was used to achieve additional positive outcomes for nature.

26. The Board also asked about the recent cyber-attack on NatureScot’s NetExtender VPN and whether this was ongoing. Jane informed that the attack was on several organisations including NatureScot, and that steps had been taken to control and monitor this low-level attack.

27. The increased accident and near-miss rates were questioned. Members heard that this was likely due to campaigns to staff to report these as incidents occur. Controls for recurrent incidents such as tick bites are in place.

Finance Report – John Donnelly

28. John provided an update on the Q1 financial position, which included the following key points:

* Work continues towards a 5% savings target (£2m) on paybill.
* Financial data at the end of Q1 showed a predicted underspend, with surrenders required. It was expected that those surrenders would be achieved.
* Additional in-year spending restrictions from SG on e.g. statutory spend were proving challenging.

29. The Board discussed the sustainability of NatureScot funding support for agriculture through goose schemes and others. Robbie added that these schemes were not conservation measures, and as such may be more appropriately managed via SG under plans for agricultural reform.

30. The Board noted the overall performance of the Corporate Plan objectives (Performance Report), the position of the resource and capital budgets (Finance Report), the performance of corporate risks (Risk Report) and the overall performance of the People measures (People Report) and thanked staff for their useful updates on key issues.

# AGENDA ITEM 9: CLIMATE CHANGE ADAPTATION FRAMEWORK

31. This paper responded to a previous request from the Board for an updated core narrative on the relationships between climate change, risks (adaptation) and the state of nature. In addition, the Audit and Risk Committee (9 May 2024) approved a review of the Corporate Risk Register as part of developing NatureScot Adapts (para 23) and sought an underlying narrative for our approach to climate risks. The Board were asked to approve:

* NatureScot’s core message on climate change (paras 20-21).
* Next steps – influencing and advocacy (para 32-37).
* and to note and comment on other aspects of the paper: Progress (paras 24-28); Monitoring (para 29-31).

32. The Board discussed and made the following key points:

* The need to challenge the current risk appetite on adapting to climate change.
* Climate and nature is part of the First Minister’s priorities.
* How to include a systems overview on the response to climate change.
* The importance of challenging and correcting misinformation.
* The nature crisis and the climate change crisis are two separate but intertwined issues.
* The need to embed this adaptation thinking into the next Corporate Plan.
* A balance is needed between mitigation, adaptation and innovation.
* Alterations to the narrative to include the need for urgent action in adapting to climate change.

33. The Board were happy to agree the recommendations.

# AGENDA ITEM 10 – A NATIONAL PARK PROPOSAL FOR GALLOWAY – NATURESCOT’S ROLE AS REPORTER

34. This paper informed on the reporting work required for the new National Park proposal for Galloway, and NatureScot’s role as Reporter. It also considers the role that the Board will play in the process.

35. Eileen Stuart updated that the work has begun following the Scottish Ministers’ statutory proposal for a new National Park to be established in Galloway. The establishment of a project board chaired by Eileen has taken place. In the Reporter role, NatureScot will provide advice to the Scottish Government and Scottish Parliament which will inform their decision on any designation, and then further consultation would take place on detailed boundaries.

36. The advice which NatureScot will provide will include the views of local people and other stakeholders. Detail of the proposal will also be developed by NatureScot, and will include:

* identifying, at a broad scale, what area the new Park should cover.
* options for the new Park’s powers (e.g. planning, access etc).
* governance (e.g. size and make-up of its Board) and operation.

37. Eileen added that at this stage, the proposal is purely that, and that the final decision once taken, rests with the Scottish Government and Scottish Parliament. Timescales will prove challenging to meet, with advice required by the end of April 2025.

38. Members heard that their role in the process was proposed as follows:

* The main Board will discuss NatureScot’s advice in a special Board meeting to be held in Galloway in Q4.
* The PAC will be asked to sign-off the consultation questions paper and review the analysis of the responses and scoping of our advice.
* To ensure the Board remain engaged throughout the process, Jill Robbie has agreed to join the project board as project adviser.
* Through their contacts and network, all Board members have a role to play in explaining this work and championing our approach as Reporter.

39. Eileen was asked whether there is a marine element to the proposed National Park. She clarified that the proposal itself was for a terrestrial area only, however due to the location, it was likely that there would be an extensive coastline included within the boundary.

40. Discussion took place around the question of how to ensure NatureScot's neutral role as reporter on the proposal was respected while enabling the Board and the organisation to continue their role as champions of nature recovery.

41. The possible impact of geographical differences on just transition were highlighted, with the importance of all opinions highlighted, not simply those who reside in the Galloway area.

42. The Board were content to agree the recommendations.

Information Papers

**FORWARD PROGRAMME OF BUSINESS**

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

**NATURESCOT BOARD MEMBER ENGAGEMENT**

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

AOB

45. David Johnstone raised an AOB asking for information on any biosecurity control that NatureScot may have, specifically regarding salmon being moved into fish farms to spend the winter months. He added that Marine Scotland had procedures for offshore biosecurity but not for onshore. Nick Halfhide agreed to follow up with David following the meeting.

**Action Point 05/214**

Date of Next Meeting

46. The next meeting of the Board of NatureScot is planned to take place on 09 October 2024 online.

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

# END