

Scottish Forum on Natural Capital – Sustainable Land Management Group Meeting

February 03, 2022. 1000 – 1200.

MS Teams meeting

Chair: Mary Christie (NatureScot)

Coordinator: Rory McLeod (SFoNC) / Paul Richardson (SLE)

Attendees: (confirmed so far) Pat Snowdon (Scottish Forestry); Alistair McVittie (JHI); Marina Curran-Colthart (Argyll and Bute Council); Kirsty Hutchinson (NatureScot); Louise Bond (SEPA); Anne Gray (Heather Trust); Jared Stewart (Scottish Water); Hamish Walls (SAOS); Rory McLeod (Scottish Forum); Kerry Waylen (JHI); Paul Richardson (SLE); Eleanor Harris (Galbraith); James MacKessack-Leitch (SLC), Andy Tharme (SOSE), Brian Grogans (RLUPs), Kate Hopper (NFUS), Campbell Gerrard (Crown Estate Scotland), Stuart Shaw (NatureScot), Ross Lilley (NatureScot), Ross Johnston (ScotGov).

Apologies: Kate Bellew (Crown Estate Scotland), Jayne Ashley (SOSE), Sarah Cowie (NFUS).

Purpose:

- To update on policy, projects, events, and research links pertinent to group members
- To identify how the group can support RLUP stakeholder engagement and pilots

Agenda:

1. **Welcome & update on SLMG** – (Mary Christie)
2. **ScotGov policy update** – (Ross Johnston)

Main policy development for natural capital is the imminent publication of the National Strategy for Economic Transformation. Cabinet are meeting to discuss on the week of the 7th February, likely to give a much firmer commitment to a natural capital approach to the economy in general and specific commitments to developing a market for responsible investment in natural capital (in Scotland). This should provide a firmer basis for stakeholders in terms of what we want to see in Scotland.

Responsible investment is something which has become much higher profile for ministers, given the financial gap to meet policy commitments and therefore the need to engage with the private sector. Developing principles for responsible investment (linked to UN principles) and responsible land management (linked to SLC work). The aspiration is to match data management with policy development. There are also options for a Scottish carbon fund – tender is about to be agreed and likely to be publicised in the next week or so.

3. **RLUP Community Engagement Proposal, ScotGov update** – (Brian Grogans)

Several RLUPs are now in the later stages of phase one finalising their board composition, however May local elections could have an impact on timescales. Phase two, Regional Land Use Framework development will start soon, with an evaluation of the RLUP pilots going to Ministers around March 2023 to help decision making on a second phase of RLUP pilots. Fairly free reign for RLUP pilots to take their own regional approach as they see fit.

There are plans for a modest increase in budgets for RLUPs to develop their RLUFs, as they straddle two financial years. Regional Spatial Strategies, NPF4 etc. will be included in the RLUP pilots.

4. **South of Scotland RLUP pilot, progress update** – (Andy Tharme)

Andy Tharme kindly updated the group on the progress of the South of Scotland RLUP pilot, with specific challenges and opportunities unique to the South of Scotland. Andy's presentation is included with these minutes.

5. **Principles for responsible practice: natural capital investment & land ownership** (James MacKessack-Leitch SLC)

The principles are a work in progress and subject to change. They are likely around the end of Feb or soon thereafter. There are currently six principles which will feed into government policy development: 1. Investment that delivers integrated land use. 2. Delivering public, private and community benefit, contributing to the wider Just Transition. 3. Integrity and values led investment. 4. Investment that is sensitive to land ownership / supports diverse land ownership. 5. Investment that has transparency – who is investing, use of established codes to maintain standards, and that any sequestration is additional. 6. Investment that demonstrates engagement and collaboration.

6. **ESCom event summary** – (Rory McLeod)

Event outputs to follow from JHI. This was a catchment and landscape partnership event. ESCom = Ecosystem Services Community Scotland and is a working group of the Scottish Forum. The event sought to discuss how cross-sector partnerships can work together at the catchment and landscape scale to support nature-based solutions, the green recovery and achieve policy implementation. There were a number of speakers, including the Spey Catchment Initiative, Poole Harbour Catchment Initiative, and Scottish Wildlife Trust (Riverwoods).

The event had UK wide input during the comprehensive breakout sessions, including colleagues from Wales and Northern Ireland. Key themes include a genuine interest in developing catchment and landscape scale partnerships, de-risking (both for investors and on other sectors of society), working with the private sector and the need for regulation of markets.

7. **Natural capital pilot programme (NCAPP)** – (Ross Lilley)

NatureScot are running a series of pilots to inform post-CAP support in Scotland, testing ways and means using two main principles: natural capital approaches and an outcomes-based approach, at the landscape, farm / landholding, and field scale. They are hoping to build resource to support RLUPs and other landscape partnerships with their natural capital approaches.

At the landholding scale, they have developed a natural capital assessment template for farmed landholdings, which is being trialled on around 50 farms with consultants. There are three different scenarios to complete the assessment: Farmer-led (with telephone support), farmer and adviser working together, and finally adviser led. They are aiming to finish the trial and report at the end of March. There are challenges with the available mapping data, therefore there needs to be some ground-truthing.

The other project at the farm scale is to develop a biodiversity audit template for land managers to carry out themselves to get a biodiversity baseline of their holding and go

on to assess this against the biodiversity targets for their holding. It is likely that future support funding will consist of an element for farmers to carry out baselining, supported by capital and management funding. More detail will be in the Agriculture Bill.

8. **Natural capital– rural advisers’ perspective, Galbraith** – (Eleanor Harris)

Eleanor provided an update on the work of Galbraith with respect to their advisory services. Eleanor’s role as Natural Capital and Carbon Leader is a newly created role at Galbraith.

Eleanor explained that the Woodland Carbon Code and Peatland Code are now only relatively small parts of the wider investment opportunities that they are starting to see in the green economy. They are working with a variety of stakeholders including landowners, community groups, national parks etc.

There is also a developing interest in de-carbonising supply chains as part of the transition to a de-carbonised economy. There is however a risk of collateral damage if businesses are not challenged and encouraged to do this responsibly.

All – please follow up with Eleanor separately if there are any questions.

Eleanor.Harris@galbraithgroup.com

9. **Discussion of SLMG topics for 2022**

- Value chains. There was enthusiastic support for this from the group. **Hamish Walls – will share what is already being done around supply chains.**
- Outdoor event. Anne Gray is happy to lead on arranging an outdoor event. **Anne will be in touch separately re arranging event.** There is the possibility of seeing the natural capital assessment template being carried out on-the-ground.

10. **Outputs / Actions**

Chairperson. **Kirsty Blackstock and Kerry Waylen (JHI) will take over the Chair** going forward.