

## Sustainable Land Management Group Meeting Minutes

12<sup>th</sup> January 2023, 10:00 – 11:30

MS Teams Meeting



**Chair:** Kerry Waylen - James Hutton Institute

**Coordination:** Julia Clough - Scottish Forum on Natural Capital

### Attended:

Alistair McVittie - SRUC  
Anna Graham - Scotch Whisky Association  
Campbell Gerrard - Crown Estate Scotland  
Catherine Preston – SEPA (Until 11am)  
Eleanor Harris - Galbraith  
Hamish Walls - SAOS  
Harriet Donald - LLTNP  
Jacqui Tait - Scottish Water (Deputising for Jared Stewart)

Kate Hopper - NFUS  
Louise Bond - SEPA  
Marc Metzger - Edinburgh University  
Marina Curran-Colthart - Argyll & Bute Council  
Ross Johnston - ScotGov  
Ross Lilley - NatureScot  
Stephen Young – SLE

Simon Herko, Network Lead, Scottish Nature Finance Pioneers

### Apologies:

Andy Tharme – SOSE  
Anne Gray - Heather Trust  
Bruce Wilson - Scottish Wildlife Trust  
Jared Stewart – Scottish Water  
Jayne Ashley - SOSE

Kirsty Blackstock – James Hutton Institute  
Kirsty Hutchison - NatureScot  
Mark Williams  
Pat Snowdon - Scottish Forestry  
Rory McLeod - GCV Green Network  
Stuart Shaw – NatureScot

## 1. NatureScot update

RL updated the group on the Farming with Nature Programme, Agriculture Bill and National Test Programme, the strategy for the Peatland Action Restoration Fund and 30x30 Networks

### Farming with Nature Programme

The outcome-based approach is being tested to provide a support framework for farmers and crofters in particular. Donya Davidson is working on a Landscape Scale Tool and a QGIS platform will be available in the spring. Data systems for holding level testing and whole farm planning have varying needs. The Biodiversity Audit app is in testing with scorecards. NatureScot are commissioning a digital tool to test under the National Test Programme. Piloting an Outcomes Based Approach in Scotland (POBAS) scorecards testing was completed this quarter – learning feeds into the Biodiversity Audit.

The Biodiversity Audits will look at existing habitats and will inform what support farmers can apply for. The emission tier supports baselining for biodiversity and sustainable food production etc. Audits might identify ground not optimum which can be used to access woodland. Online and data systems can benchmark performance for verification opportunities or as evidence for 3<sup>rd</sup> party funding. Data should allow land managers to understand condition and priority. Could align with carbon code or identify which scheme to approach. Verification or compliance for Scottish Government is not clear yet, but accurate data will be useful.

Local authorities can demonstrate that Nature Networks and NPF4 are embedded in plans. RLUPS are a testbed to set priorities and the optimum landscape scale partnerships. Learnings from the Edinburgh

Network can be shared with local authorities – this covers 30k hectares with 20-30 partners. The Landscape tool will move to digital and be interactive and GIS data will be aggregated.

The programme will inform the future Agriculture Bill (2025) with four tiers of the framework to be rolled out. Tier 1 and 2 conditionality measures first tranche (2026), tier 3-4 will follow later.

### **Agriculture Bill and National Test Programme**

National Test Programme is testing for sustainable farming practice with participants. Biodiversity Climate Measures track 2 - rollout detailed with group of farmers to adopt enhanced conditionality on land and should be available soon. Strategy launched in December and will feed into the Environment Bill – key landscapes and targets for actions in the delivery plan i.e. nature-rich habitats, connectivity at farm and landscape level etc. Consultation underway.

### **Peatland Action**

Helping landowners/land managers pull together data and access the scheme to make funds work. Hunting with Dogs Bill, Muirburn Licensing Bill, and Deer Management legislation to follow.

### **National Restoration Fund**

Application in development. Smaller funds will be available soon for landscape scale restoration projects.

### **30x30 Nature Networks**

Stakeholder involvement and 'what it means' completed. Further engagement planned i.e. protected sites and support for these.

### **Additional comments:**

#### **Scottish Biodiversity Metric**

SRUC have started a Scottish Government project (with NatureScot involvement) to assess and recommended options for a biodiversity metric for Scotland. Possible relevance to on-farm biodiversity audits. Also cross policy interests in natural capital (ecosystem markets), planning and biodiversity reporting. (Project summary available with meeting papers [SLMG Meeting Jan 2023](#)).

#### **CivTech Innovate for Nature Challenge**

SRUC have had contact with the CivTech teams re. [Innovate for Nature - biodiversity credit challenge](#) - reviewing and recommending rather than developing a final product.

#### **NPF4**

NPF4 [National Planning Framework 4 \(NPF4\)](#) (adopted by Ministers on 13th Feb 2023), for the first time brings together planning policies and the national spatial strategy, key policies for biodiversity, blue-green infrastructure, soils etc. and refers to links to Land Use strategy. Local Authorities are responsible for producing Evidence reports as part of their Local Development Plan and Local place. NatureScot are currently drafting frameworks for delivery of [30x30](#) and [Nature Networks](#), following a series of workshops. The public consultation for the frameworks will align with that of the wider Scottish Biodiversity Strategy and Delivery Plan consultation period in late spring.

#### **Other land use initiatives investigating a natural capital approach**

[Scotland Transition Lab - our first steps — North Star Transition](#) and RSGS proposal for a regional net zero land use project which is at early stages of discussion with Loch Lomond & Trossachs National Park

## **2. Scottish Government policy update**

RJ updated as follows:

### **Agriculture Reform Bill**

- Focus is on basic and enhanced payments. The Cabinet Secretary sees this as a priority and farmers are the main delivery point for biodiversity and climate change reforms.
- Resources and advice will be sought broadly. The framework bill sets out what could happen and the work is being done on the detail.
- Key messages are being prepared on how basic and enhanced payments support policy areas.

- Suggestions on potential solutions and contributions will be processed with the Agriculture Vision - enactment planned for 2026/27

### Community Wealth Building

Recent publication of the [Wellbeing Economy Monitor toolkit](#) to test delivering contributions to a wellbeing economy. Natural capital is recognised to deliver ambition as part of a broader approach. Environment is important to communities both urban and rural. It is hoped that advice and supporting information for delivering a wellbeing economy (including a natural capital approach) will be collated at the following hub - [Wellbeing Economy - Scottish Hub For Regional Economic Development](#)

### Land Reform Bill

Work is ongoing on proposals for land management plans and will comply with the Scottish Land Rights and Responsibilities Statement 2022. Work is being done on how a natural capital approach reflects in this and information is being sought on larger estates (3k hectare or above) and transparency.

### Private Investment in Natural Capital

- Preparations ongoing with NatureLabs, Esme Fairburn Foundation, and NHLF for a fund for groups to develop private investment - building on DEFRA funding ideas for additional carbon codes; Hedgerow, Saltmarsh etc. Looking into a larger fund for investment readiness - planned soon.
- UK Government is producing a revised guidance framework for ecosystems finance and standards on private investment and there will be a Scottish response.

### 3. Scottish Nature Finance Pioneers update - progress on Voluntary Biodiversity Credits and the Civtech Innovation Challenge

SH presented slides Biodiversity Credits Update to Scottish Nature Finance Pioneers

- The Pioneers group now has ~400 individual members including project developers and financial organisations UK wide.
- Private financiers have identified blockers to the nature finance market including inadequate regulatory pressures, scarcity of risk-based evaluation, and insufficient funding for opportunity mapping. There is a lack of clarity on what the future market looks like.
- The Pioneers are involved with a UNDP programme to explore a high intensity biodiversity credits market and an international standards body [Biodiversity Credit Alliance](#). A workshop developed the foundational principles for Scotland.
- [CivTech Challenge 8.6](#) – part of the Innovate on Nature programme. Four companies have been awarded places and are in the exploration stage to develop a 'product' to solve the challenge – *How can biodiversity credits be designed in a way that provides simplicity for projects and buyers, and enables investment in Scotland's nature?*
- The challenge is proactively advocating high integrity and 'gold standard'. The 'why' will become clear once until the market exists. Currently there's no mechanism for financial flows of legitimate claims and stacking benefits.
- The definition of high integrity in the Interim Principles for Responsible Investment in Natural Capital need further strengthening. The investment market needs a high integrity 'home' to protect against damage. Rewilding bonds, farm soils etc. Economic opportunity needs to support the vision in Scotland.
- The issue of stacking is yet to be resolved, DEFRA is providing guidance. The proliferation of codes and ecosystem services is difficult to navigate. The CivTech challenge should address this. It's at an open engagement stage and organisations like NFUS can get involved and feed into the next stage test process
- The international [Biodiversity Credit Alliance](#) taskforce are to address the questions around capacity and availability of credits. 100 year commitment to biodiversity and food security and the real effect, i.e. 'reasonable consequences' without compromising priority. The Pioneers can represent interests of the Scottish Forum. Most credits fund 30 years but need performance beyond that.

#### 4. Updates from wider work of the Scottish Forum on Natural Capital

- Marine Natural Capital Forum Scotland (MNCFS) are hosting [Business in the Blue Economy](#) on 27<sup>th</sup> February
- [Open letter to the First Minister](#) sent from the Steering Group urging the government to embed natural capital thinking into the redesign of the agricultural policy, the National Marine Plan, the Biodiversity Strategy.

#### 5. Strategy for connecting with interested members of SFNC and wider networks

There was discussion around the current pattern of meetings and the working group model.

- It was felt the pattern is manageable for individuals navigating across other groups.
- The value is recognisable in the group and it is well connected.
- 'Natural capital and Land' is its USP.
- We would like to expand on the role of the group by inviting more initiatives to give presentations or join the group e.g. TransLab Scotland, Royal Scottish Geographical Society etc.
- Links to an action from the [Public Sector Leaders Roundtable meeting](#) to:  
*"map out initiatives and working groups on natural capital and how they are led or co-ordinated, review and propose a rationalised structure back to this group, to include a group focussed on the private sector".*

#### 6. Discussion on a potential field trip

Suggested by Anne Gray at a previous meeting. There was general agreement for the group to get together in person.

Suggestions included:

- Glensaugh Research Farm
- JHI Hydroglen
- Natural Capital Lab, Loch Ness
- FLS Glen Prosen Sporting Estate
- IRNS Funded projects – business case in development
- Riverwoods i.e. Annan Riparian Restoration Network
- or two sites together

**Action:** JC and KW to progress planning a field trip

**Action:** JC and KW to plan next meeting