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**REPORT TO: ECONOMIC DEVELOPMENT AND INFRASTRUCTURE  
SERVICES COMMITTEE ON 15 NOVEMBER 2022**

**SUBJECT: NATURE RESTORATION FUND LONG TERM PLAN**

**BY: DEPUTE CHIEF EXECUTIVE (ECONOMY, ENVIRONMENT AND  
FINANCE**

**1. REASON FOR REPORT**

- 1.1 The Committee is asked to approve delegated authority to the Head of Economic Growth and Development to spend grant monies from the Nature Restoration Fund, within the identified priority areas.
- 1.2 This report is submitted to Committee in terms of Section III (F) (11) of the Council's Scheme of Administration relating to exercising functions in relation to parks, open spaces and woodland management and maintenance.

**2. RECOMMENDATION**

**2.1 It is recommended that the Committee:-**

- (i) note the challenge of achieving the full benefit of the Nature Restoration Fund each year, due to the short timescale between receipt of the fund and requirement for all project to be completed;
- (ii) agree to delegate authority to the Head of Economic Growth and Development to spend direct grant monies from the Nature Restoration Fund, within the identified priority areas, for the remaining three years of the fund with annual progress reports delivered to this Committee; and
- (iii) approve the approach outlined in Paras 5.7-5.9 recognising that staffing constraints will limit the Council's ability to develop projects and funding bids to protect and enhance biodiversity.

**3. BACKGROUND**

- 3.1 The Scottish Government's Nature Restoration Fund was introduced in 2021 to address the twin crises of biodiversity loss and climate change. The purpose of the fund is to support actions that help nature recover by enhancing biodiversity and local ecosystems and/or using nature based solutions to mitigate and adapt to the climate emergency and its impacts.
- 3.2 The fund will run for five years across several streams. One stream, the Edinburgh Process, has allocated £5 million each year in the first two years in direct capital grants divided between all Scottish Local Authorities. Other, competitive, streams are administered by NatureScot and are open to local authority applicants working in partnership with other organisations.
- 3.3 Spending areas for the first two direct grant allocations were approved by Planning and Regulatory Services Committee on 16 November 2021 (para 15 of the minute refers) and by Economic Development and Infrastructure Services Committee on 6 September 2022 (para 8 of the minute refers).
- 3.4 The Council has a duty under the Nature Conservation (Scotland) Act 2004 to further the conservation of biodiversity when carrying out their duties and this was reaffirmed by the Council agreeing to sign the Edinburgh Declaration on 10 August 2022 (para 21 of the minute refers). This fund presents a key opportunity to deliver on this commitment and enable the recovery of nature on Council land and other appropriate sites that would otherwise not take place due to budget constraints.
- 3.5 Supporting the recovery of local wildlife is very important to people. Not only has Scotland almost lost 25% of its wildlife, but 11% of our species now face extinction. Pressures include changes in land and sea use, climate change impacts, pollution, over exploitation and invasive non-native species. NatureScot recognises the underlying driver of these combined pressures as stemming from people's disconnect with nature and lack of recognition for its value.

#### **4. PRIORITY AREAS**

- 4.1 Priority areas for the Nature Restoration Fund in 2022/23 included:
- Habitat and species restoration: Management for enhancement and connectivity
  - Freshwater restoration, including restoration of natural flows in rural catchments
  - Coastal and marine initiatives which promote restoration, recovery, enhancement or resilience
  - Control of invasive non-native species (INNS) impacting on nature
  - Urban: Enhancing and connecting nature across, and between, towns and cities.
- 4.2 These may change slightly each year and following the publication of the new Biodiversity Strategy for Scotland, but are fairly broad areas so should not impact the identified priority areas listed below.

- 4.3 Future direct grants received through the Nature Restoration Fund will be used to progress the following project areas:
1. The Council's action for pollinators: living lawns, wildflower meadows, reducing the use of glyphosate based herbicides
  2. Biodiversity enhancement of key nature sites (Millbuies and the Wards, other locations as they are identified)
  3. INNS removal (e.g. giant hogweed and Japanese knotweed along Findhorn, Lossie and Spey rivers)
  4. Actions arising from emerging habitat and species data and the woodland strategy
  5. Rain gardens at schools and council buildings for storm water management
  6. School conservation projects
  7. Community led nature projects

## **5. DIRECT AND COMPETITIVE GRANTS**

### **DIRECT GRANTS – DELEGATION OF AUTHORITY**

- 5.1 At the meeting of this Committee on 6 September 2022, concerns were raised by councillors that the 2021-22 monies were not fully spent (para 13 of the draft minute refers). This is a sentiment shared by council officers involved, and it is felt that these monies are an extremely valuable resource to the council.
- 5.2 Significant challenges have emerged over both years of the fund so far, with limited capacity within services to plan and deliver meaningful biodiversity enhancement within the short cycle between receipt of the funds and the spending deadline at year end. Grant amounts are uncertain year on year, and the requirement for committee approval following announcement of the council's allocation in early summer has therefore limited projects to activities suitable only to late autumn and winter work and are also subject to the availability of external contractors, given limited in-house capacity.
- 5.3 Granting delegated authority to the Head of Economic Growth and Development would enable quick and responsive delivery of the funds as soon as the grant is received, reducing the risk of returning any funds to the Scottish Government. This will also allow planned projects to proceed during the summer months, broadening the scope of possible direct actions and increasing their effectiveness.
- 5.4 There are indications that the remaining three years up to 2025/26 will see a reduced direct grant allocation as the Scottish Government encourage local authorities to work with partners on larger, landscape scale, projects to bid for grants competitively.

### **COMPETITIVE GRANTS**

- 5.5 The competitive strands of the fund include two competitive rounds each year, accepting applications for grants of £25k to £250k, and £250k+ via NatureScot. The requirement this year (and expected in future years) is that

local authorities cannot bid for these independently and must work with partners on landscape scale projects.

- 5.6 It is accepted that existing staff capacity to deliver additional projects is limited. Nevertheless, the costs of inaction on nature recovery are likely to include catastrophic impact on biodiversity, food systems, economy, health and wellbeing, as well as climate change. Taking decisive action now will minimise future costs and should therefore be a priority. Upon weighing these considerations, it is therefore proposed that any potential competitive bids would be sought with partner organisations willing to take a lead role, and would be subject to existing available staff resource. This could involve working with organisations such as neighbouring local authorities, the Scottish Invasive Species Initiative or the North East Scotland Biodiversity Partnership. Such partnership based applications would be subject to committee approval in line with normal practice
- 5.7 Members should note that staff in Strategic Planning and Development and the Economic Growth and Regeneration teams are already delivering on major projects which provide cross cutting impacts relating to the economy, climate, community, place making and biodiversity. These funds include the Moray Growth Deal, the Just Transition Fund, Place Based Investment Fund, Heritage and Place Programme and Rural Tourism Infrastructure Fund and this currently represents in the region of £125m investment in Moray. As referenced in a report to full Council on 29 June 2022 (para 16 of the minute refers), there is still potential through further bidding rounds and new funding opportunities to attract significant further investment in Moray that could match or exceed the existing investments but only if we provide the staffing capacity to continue to develop the strategies, plans and business cases that support funding bids. Potential future funding includes Just Transition Fund, Capital Regeneration Fund, UK Shared Prosperity Fund, Vacant and Derelict Land Fund, Energy and Climate Change related funds.
- 5.8 With the volume of work associated with the existing funding streams and projects these teams have little if any capacity for the development of further bids beyond what has recently been achieved or is in progress. In light of this, should the funding streams set out at 5.7 be prioritised, there may be insufficient capacity remaining within existing staffing resources to enable applications for competitive grants to be pursued. Council is asked to approve this application of a priority based approach, following on from the report to Council in June referenced above.
- 5.9 The approach outlined in para 5.6 is a pragmatic one which recognises that biodiversity needs positive action to mitigate the challenges faced, provides a limited approach to Council involvement in that action and utilises funding readily available without necessarily seeking to maximise the funding to enhance biodiversity due to the limited available staffing resource we now have across the teams involved. Should capacity and identification of an external lead agency suggest a competitive bid can be resourced as set out above, a report would be submitted to council for consideration.

## 6. **SUMMARY OF IMPLICATIONS**

**(a) Corporate Plan and 10 Year Plan (Local Outcomes Improvement Plan (LOIP))**

Enhancing local biodiversity delivers a wide range of social and environmental benefits that will support the corporate and community planning objectives.

**(b) Policy and Legal**

The Nature Conservation (Scotland) Act 2004 places a duty on public bodies in Scotland to further the conservation of biodiversity when carrying out their duties.

Efficient delivery of the Nature Restoration Fund will contribute to the Council meeting its biodiversity duty and align with the Council's Climate Change Strategy aim to 'Work to retain, protect and enhance biodiversity across Moray'.

**(c) Financial implications**

There are no additional costs arising from this report. The proposal is intended to enable more efficient and thorough use of available external grant funding using existing staffing resources and minimise loss of the same, underpinned by a prioritised approach to competitive bids.

**(d) Risk Implications**

If delegation of decision making is not agreed, there is a real risk that the full benefits of this funding are not realised, due to the limited timescales involved.

**(e) Staffing Implications**

Delivery of the grant will continue to place pressure on officers from Strategic Planning and Development who manage the received grant funding and lead on several of the projects within available capacity and workloads, working with officers from Environmental Protection and other departments and agencies where relevant and on a prioritised basis.

**(f) Property**

Proposals are considered to enhance land owned and/or managed by the Council, and within the Moray area.

**(g) Equalities/Socio Economic Impact**

By increasing biodiversity, projects should also contribute to community health and wellbeing and reduce inequalities of access to nature. The impact of this challenge is outlined in para 5.9.

**(h) Climate Change and Biodiversity Impacts**

All proposals will chiefly and directly support mitigation of, and adaptation to, the climate and biodiversity crisis.

**(i) Consultations**

The Depute Chief Executive (Economy, Environment and Finance), the Head of Economic Growth and Development, the Legal Services

Manager, the Open Space Manager, the Principal Accountant, Tracey Sutherland (Committee Services Officer) and Equal Opportunities Officer have been consulted and comments received have been incorporated into the report.

## **7. CONCLUSION**

- 7.1 The Scottish Government's Nature Restoration Fund is currently in year two of a five year commitment, running to 2025/26 and is considered a valuable resource to the council, enabling biodiversity enhancements that would otherwise have been limited, or not taken place.**
- 7.2 Effective delivery of the fund has been challenging as a result of timing of grant delivery, committee cycle and seasonal nature of certain actions.**
- 7.3 The Committee are asked to delegate authority to the Head of Economic Growth and Development to spend the direct grant allocation within the identified areas, for the remaining three years of the fund. Annual progress reports will be delivered to this Committee and to support the prioritised approach to competitive bids proposed.**

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Background Papers:	
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