





**Quality Assurance**

29. This Submission has been approved by REDACTED, Deputy Director, Future Environment Division.

**Conclusions and next Steps**

30. If you are content to approve, NatureScot would seek to engage its staff in mid-late August on the proposed move and begin to put arrangements in place for

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ENFOR Sponsorship Hub, Future Environment Division

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<b>Cabinet Secretaries and Ministers Copy List</b>	<b>For Action</b>	<b>For Information Portfolio interest</b>	<b>For Information Constituency interest</b>	<b>For Information General awareness</b>
Cabinet Secretary for Net Zero and Just Transition		X		
Minister for Green Skills, Circular Economy & Biodiversity	X			
Minister for Zero Carbon Buildings, Active Travel & Tenants' Rights		X		

<b>Officials Copy List</b>
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## Additional Information

### Context

Following a return to post-pandemic working, NatureScot (NS) is reviewing its office space requirement. This review is aligned to the Scottish Government (SG) place-making approach and Guidance on Asset Management that seeks to rationalise the overall public sector office buildings and develop Work Local Hubs.

Several years before the pandemic NatureScot (NS) introduced modern smarter working environments in its large and small local offices. Hybrid working is now embedded in NS's culture.

There is significant vacant space in all NS offices. REDACTEDREDACTEDREDACTED  
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NatureScot's strategy is to bring the estate to the correct size to manage this significant change in preferred working. This can be achieved by relocating from existing premises to other offices in the public sector estate operated by partners. This approach will significantly reduce costs and carbon emissions and provide opportunities for more collaboration. As a result, some of NatureScot's offices will become surplus to requirement and may be sold.

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### Estates Activity – Savings and Net Zero

NS's office reviews to date have delivered benefits in Clydebank through sharing space with Scottish Enterprise & Forestry and Land Scotland, generating the opportunity to renegotiate its lease onto more favourable terms.

In Edinburgh, NS has recently relocated to Registers of Scotland's building in Meadowbank that has rationalised the public sector estate giving up a private sector lease and downsizing space by two thirds from 650m<sup>2</sup> to 250m<sup>2</sup> (a separate note on this is being prepared).

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NS seeks to consolidate operations in Dingwall and Aviemore to its headquarters building in Great Glen House in Inverness and attract other partners including Scottish Government.

Following recent investment in renewables NS's office in Golspie is its first Net Zero office.

### Battleby Office, conference centre and grounds

Battleby is a campus site with a main house used by NatureScot, a separate building housing Scottish Forestry and Forestry and Land Scotland, and extensive grounds and a conference centre.

The office in Battleby is now surplus to NatureScot's requirements:

- the main house is too large for sole occupancy (require 325m<sup>2</sup> to provide for 22 desks and storage);
- the heating systems are obsolete and spare parts are increasingly difficult to source (latterly the search has had to extend to the USA) so there is a real risk of an all-out failure at any time;
- significant investment is needed to replace the aging biomass and oil back-up systems;
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- location of the site is currently not accessible by public transport (although development plans suggest better public transport links may come in future); and,
- NatureScot continues to subsidise the running of this estate with its extensive grounds and conference centre requiring a team of people and service contractors. These facilities are not part of NatureScot's core business nor essential to delivery of its corporate plan priorities.

There are co-locatees: The building used by Scottish Forestry and Forestry and Land Scotland has a separate biomass heating system to the Main House, and whilst it is also aging and in need of replacement, its condition and back up oil system is currently less vulnerable to all out failure.

NatureScot has also attracted in to the Main House three small co-locatees generating income, and there are other small organisations showing an interest in sharing, however the overall demand is not achieved to fill all the vacant space. Nor are these organisations liable for, nor likely to have funds to help cover the full cost of repairs required.

NatureScot continues to subsidise the running of this estate with its extensive grounds and conference centre requiring a team of people and service contractors. These are facilities that are not core business nor essential to delivery of NatureScot's corporate plan priorities. REDACTED  
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NatureScot considers there is no viable option other than to vacate the premises at least before FY 24/25 to avoid the expenditure profiled, if not before the winter of 2023 which will see increased loading on the failing heating system.

Relocating from Battleby and disposal of the site is expected to deliver the following benefits:

- reduced running costs for NatureScot through downsizing space requirements and sharing office services
- offsetting another partners costs by taking up vacant space in their building with more opportunities to collaborate with strategic partners
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- Improved carbon benefits due to more efficient heating sources and shared accommodation.

### Alternatives – Perth Estate

NatureScot has worked in conjunction with Scottish Futures Trust, Scottish Government and other partners namely SEPA and Perth and Kinross council who have two office buildings in the area with vacant space and are reviewing their estate. They have said that the Battleby site does not meet their current or future requirements and that there is no interest in this building becoming the new hub for the area. Whilst commissioned reports from Savills set out options for the site including its potential to be a public sector hub, to provide modern open plan work space requires a redesign of the interior of the main building. To do this requires significant investment, which would be in addition to that outlined above for property repairs and renewables.

There is currently no Public Estates Strategy for the Perth area and Property Division's consideration of the site is that, given the cost of investment required and the need to make savings in the coming

