

**6th ESP Europe
Conference
2026**

Is Natural Capital fully embedded in Scottish Government policy?

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Scotland



The James
Hutton
Institute

Our research on Natural Capital (NC)

- 5 year mixed methods project studying if and how NC data or tools can support decision-making across sectors
- In Scottish public sector:
 - 2 x surveys of familiarity /use of NC, in 2023 & 2025
 - 2 years of qual study with agricultural policy-makers
 - Discussions with key contacts



NC in Scotland

- Scotland as a pioneer



Policy and planning function

United Kingdom

- Department for Business, energy and Industrial Strategy (BEIS)
- Department for Digital, Culture, Media & Sport (DCMS)
- Department for Education (DfE)
- Department for Environment, Food and Rural Affairs (Defra)
- Department for Transport (DfT)
- Department of Health and Social Care (DHSC)
- HM Treasury
- Ministry of Defence (MoD)
- Ministry of Housing, Communities and Local Government (MHCLG)

England

- Environment Agency
- Homes England
- Marine Management Organisation
- Planning Inspectorate

Scotland

- Agriculture and Rural Economy Directorate
- Economic Development Directorate
- Housing and Social Justice Directorate
- Energy and Climate Change Directorate
- Environment and Forest Directorate
- Health Finance Directorate
- Learning Directorate
- Marine Scotland Directorate

Wales

- Economy, Skills and Natural Resources Group
- Education and Public Services Group
- Health and Social Services Group
- Planning Inspectorate

Northern Ireland

- Department for Infrastructure
- Department of Agriculture, Environment and Rural Affairs, incl. Northern Ireland Environment Agency
- Department of Communities
- Department for the Economy
- Department of Education
- Department of Health

Local

- Local authorities

Regulatory function

United Kingdom

- Civil Aviation Authority
- Department for Business, energy and Industrial Strategy (BEIS)
- Department for Digital, Culture, Media & Sport (DCMS)
- Department for Education (DfE)
- Department for Environment, Food and Rural Affairs (Defra)
- Department for Transport (DfT)
- Department of Health and Social Care (DHSC)
- HM Treasury
- Ministry of Defence (MoD)
- Ministry of Housing, Communities and Local Government (MHCLG)
- Office of Gas and Electricity Markets
- Office of Rail and Road (ORR)
- Oil and Gas Authority (OGA)

England

- Environment Agency
- Marine Management Organisation
- The Water Services Regulation Authority

Scotland

- Agriculture and Rural Economy Directorate
- Economic Development Directorate
- Housing and Social Justice Directorate
- Energy and Climate Change Directorate
- Environment and Forest Directorate
- Financial Strategy Directorate
- Health Finance Directorate
- Learning Directorate
- Marine Scotland Directorate

Wales

- Economy, Skills and Natural Resources Group
- Education and Public Services Group
- Health and Social Services Group
- Natural Resources Wales
- The Water Services Regulation Authority

Northern Ireland

- Department for Infrastructure
- Department of Agriculture, Environment and Rural Affairs, incl. Northern Ireland Environment Agency
- Department of Communities
- Department for the Economy
- Department of Education
- Department of Finance
- Department of Health

Local

- Local authorities

Financial function

United Kingdom

- Department for Business, energy and Industrial Strategy (BEIS)
- Department for Digital, Culture, Media & Sport (DCMS)
- Department for Education (DfE)
- Department for Environment, Food and Rural Affairs (Defra)
- Department for Transport (DfT)
- Department of Health and Social Care (DHSC)
- HM Treasury
- Ministry of Defence (MoD)
- Ministry of Housing, Communities and Local Government (MHCLG)

England

- Environment Agency
- Marine Management Organisation
- Rural Payments Agency

Scotland

- Agriculture and Rural Economy Directorate
- Economic Development Directorate
- Housing and Social Justice Directorate
- Energy and Climate Change Directorate
- Environment and Forest Directorate
- Financial Strategy Directorate
- Health Finance Directorate
- Learning Directorate
- Marine Scotland Directorate

Wales

- Economy, Skills and Natural Resources Group
- Education and Public Services Group
- Health and Social Services Group
- The Water Services Regulation Authority

Northern Ireland

- Department for Infrastructure
- Department of Agriculture, Environment and Rural Affairs, incl. Northern Ireland Environment Agency
- Department of Communities
- Department for the Economy
- Department of Education
- Department of Finance
- Department of Health

Local

- Local authorities

Operational function

United Kingdom

- Heritage Lottery Fund
- Ministry of Defence (MoD)
- The Crown Estate
- The Oil and Pipelines Agency
- UK Financial Investments Ltd
- UK Government Investments

England

- East West Railway Company
- English Heritage / Historic England
- Environment Agency
- Forestry England
- High Speed Two (HS2) Limited
- Highways England
- Homes England
- LocalED
- London and Continental Railways Limited (LCR)
- National Forest Company
- Network Rail
- Planning Inspectorate

Scotland

- Forest Enterprise Scotland
- Network Rail
- Scottish Futures Trust
- Transport Scotland

Wales

- Economy, Skills and Natural Resources Group
- Natural Resources Wales
- Planning Inspectorate

Northern Ireland

- Department of Agriculture, Environment and Rural Affairs, incl. Northern Ireland Environment Agency
- Northern Ireland Transport Holding Company (Translink), incl. Ulsterbus, Metro and Northern Ireland Railways

Local

- Local authorities
- Crossrail Ltd
- Ebbsfleet Development Corporation
- National Parks UK
- The Royal Parks
- Transport for London (TfL)

Technical and advisory function

United Kingdom

- Agriculture and Horticulture Development Board
- Civil Aviation Authority
- Industrial Development Advisory Board (IDAB)
- Joint Nature Conservation Committee
- National Infrastructure Commission
- Office of Gas and Electricity Markets
- Office of Rail and Road (ORR)
- Oil and Gas Authority (OGA)
- Regulatory Policy Committee
- Sea Fish Industry
- The Committee on Climate Change
- UK Government Investments
- Universities

England

- Building Regulations Advisory Committee (BRAC)
- Drinking Water Inspectorate
- Forest Commission England
- Natural Capital Committee
- Natural England
- Planning Inspectorate

Scotland

- Convention of Scottish Local Authorities (COSLA)
- Forestry Commission Scotland
- Local Government and Communities Committee
- Scottish Natural Heritage (SNH)
- Transport Scotland

Wales

- Building Regulations Advisory Committee for Wales (BRACW)
- Drinking Water Inspectorate
- Natural Resources Wales
- Planning Inspectorate

Northern Ireland

- Department of Finance
- Northern Ireland Building Regulations Advisory Committee
- Northern Ireland Local Government Association (NILGA)

Local

- Transport for London (TfL)



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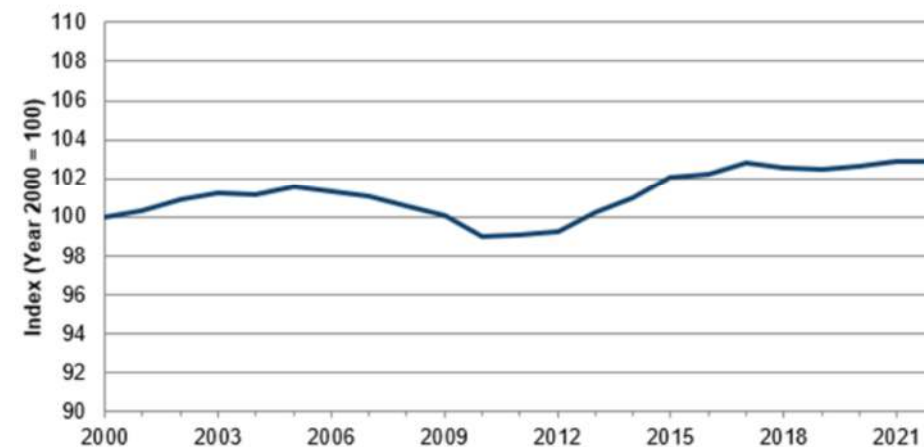
Maes et al, 2020. Accounting for natural capital has cross-cutting relevance for UK public sector decision-making, <https://doi.org/10.1016/j.ecoser.2020.101127>



National NC stats – x 2

- NC Accounts
 - Valuation following UN-SEEA
 - Includes some marine (fish) & non-renewable resources
- NC Asset Index – NCAI
 - Based on terrestrial ecosystems' condition & extent
 - Non-monetary indicator

Overall Natural Capital Asset Index 2000 to 2022



ENCA – toolkit & data

- Supplementary guidance for cost-benefit appraisals
- Made by public sector, open to anyone – esp. relevant to public sector analysts

www.gov.uk/guidance/enabling-a-natural-capital-approach-enca

Guidance

Enabling a Natural Capital Approach (ENCA)

Guidance for policy and decision makers to help them consider the value of a natural capital approach.

From: [Department for Environment, Food & Rural Affairs](#)

Published 22 January 2020

Last updated 18 July 2023 — [See all updates](#)

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Contents

- [ENCA guidance](#)
- [ENCA assessment template](#)
- [ENCA services databook](#)
- [ENCA assets databook](#)
- [ENCA featured tools](#)
- [ENCA case studies](#)
- [Contact](#)

Staffing and structures

- 2-person NC team within Scottish Government
- NC network – monthly cross department /agency meetings
- NatureScot - staff to develop NC landscape tool and developing farmers' NC appraisals



Agricultural reform

- NC mentioned in vision for Agri reform¹
- Farmers will be required to appraise NC as part of Whole Farm Plans

“support outcomes that restore nature, benefit our natural capital and promote the natural economy” ...

“adopt a natural capital and just transition approach to land use change” ...

1. Scottish Government (2022). Delivering our Vision for Scottish Agriculture. Proposals for a new Agriculture Bill, <https://www.gov.scot/binaries/content/documents/govscot/publications/consultation-paper/2022/08/delivering-vision-sco;sh-agriculture-proposals-new-agriculture-bill/>

Other commitments

- Commissioning research
- ‘Regional Land Use Pilots’ to take NC Approach¹
- Focus on enabling & governing nature markets
 - Natural Capital Market Framework²
 - New Ecosystem Restoration Code³
 - The Facility for Investment Ready Nature in Scotland⁴

1. Glass et al, (2025). Natural capital approaches to decision-making for collaborative landscape governance <https://doi.org/10.1016/j.envsci.2025.104133>

2. Natural Capital Market Framework <https://www.gov.scot/publications/natural-capital-market-framework/> 3. Ecosystem Restoration Code (ERC) <https://www.gov.scot/publications/ecosystem-restoration-code-erc-competent-model-private-investment-nature-restoration-scotland/> 4. FIRNS - The Facility for Investment Ready Nature in Scotland <https://www.nature.scot/funding-and-projects/firns-facility-investment-ready-nature-scotland>

Achieving influence

- Are these concepts fully integrated?



Any integration into policies?

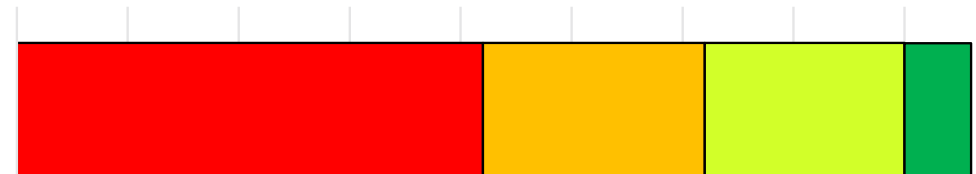
Not much

- Separate to pre-existing environmental policies
e.g. RBMP, FRMPs, N2K, Biodiversity Strategy
- Occasionally mentioned in strategic docs:
but rhetoric not (yet) reflected in any substantive
goals or instruments – including agriculture

Influence of ENCA within Scot Gov?

■ Completely disagree ■ Somewhat disagree ■ Somewhat agree ■ Completely agree

I am familiar with ENCA N=43



I feel able to apply the ENCA guidance N=43



I consider myself an expert on ENCA N=42



0 5 10 15 20 25 30 35 40 45 50

Count of Respondents

Other influence of NC info?

- NC info is accessible but not high profile
 - Efforts to repackaging and make info salient¹
- Some staff awareness but often not seen as related to their own work



See for example www.gov.scot/publications/importance-natural-capital-scottish-economy/

Not much effect on much of public sector

Policy and planning function	Regulatory function	Financial function	Operational function	Technical and advisory function
<p>United Kingdom</p> <ul style="list-style-type: none"> - Department for Business, energy and Industrial Strategy (BEIS) - Department for Digital, Culture, Media & Sport (DCMS) - Department for Education (DfE) - Department for Environment, Food and Rural Affairs (Defra) - Department for Transport (DfT) - Department of Health and Social Care (DHSC) - HM Treasury - Ministry of Defence (MoD) - Ministry of Housing, Communities and Local Government (MHCLG) <p>England</p> <ul style="list-style-type: none"> - Environment Agency - Homes England - Marine Management Organisation - Planning Inspectorate <p>Scotland</p> <ul style="list-style-type: none"> - Agriculture and Rural Economy Directorate - Economic Development Directorate - Housing and Social Justice Directorate - Energy and Climate Change Directorate - Environment and Forest Directorate - Health Finance Directorate - Learning Directorate - Marine Scotland Directorate <p>Wales</p> <ul style="list-style-type: none"> - Economy, Skills and Natural Resources Group - Education and Public Services Group - Health and Social Services Group - Planning Inspectorate <p>Northern Ireland</p> <ul style="list-style-type: none"> - Department for Infrastructure - Department of Agriculture, Environment and Rural Affairs, incl. 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- Maes et al, 2020. Accounting for natural capital has cross-cutting relevance for UK public sector decision-making, <https://doi.org/10.1016/j.ecoser.2020.101127>

Conclusion

So: a scattering of references and initiatives,
but so far NC is not fully embedded in ScotGov.

Frustrating given the framing is intended to make
nature salient across sectors.

Conclusion

- Do current policies/laws fall short in integration?
 - Yes
 - But not for want of trying
 - May underpin further future changes?



Conclusion

- Are there conceptual /methodological challenges?
 - Conceptual – how to judge what is ‘good enough’ given NC is not the only environmental concept, let alone other concepts and goals that policy makers must work for
 - Methodological – Access to policy development and policy makers: Formal policy texts useful but insufficient¹

1. Blackstock et al, 2023. Agency and Constraint in Environmental Policy Coherence, <https://doi.org/10.2458/jpe.3055>

Conclusion

- Next step for us: transdisciplinary discussion
 - Transformations framework¹ to diagnose levers and ‘deep’ leverage points for change?
- But also... is NC framing part of the challenge?

1. Abson et al, 2017. Leverage points for sustainability transformation
<http://dx.doi.org/10.1007/s13280-016-0800-y>



www.hutton.ac.uk/project/galvanising-change-via-natural-capital/



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