



Forestry and Land Scotland (FLS) Executive Leadership Team Meeting

21 November 2024

Attendees:

Kevin Quinlan, Chief Executive (Chair)
Graeme Prest, Director of Land Management and Regions
Michael Hymers, Director of Corporate Services
David Leven, Director of Commercial Development
Graeme Hutton, Director of Net Zero
Celyn Paton, Secretariat Assistant (Minutes)

Others:

Donna Mortimer, Chief Financial Officer
Julie Fitzpatrick, Head of People and Organisational Development
Colin Buchanan, Senior Finance Manager Financial Systems and Development
Kim Stewart-Hobbs, Deputy Head of Management Accounts
Rob Pengilley, Transformation Programme Director

1. Minutes of last meeting

It was agreed that the minutes from the ELT meeting held on 28 October 2024 were a true and accurate reflection.

2. Action Points

Ref:	Action:	Who:	Target Date:
2/06	Director of Commercial Development to establish enhanced governance of procurement which provides oversight of the Procurement strategy, pipeline, policies, procedures and service improvement plans.	David Leven	18 December 2024
8/08	Head of Digital Services to integrate ELT's comments into FLS' Digital Strategy and Action Plan and provide and update to the ELT.	Dave Exeter	5 December 2024
11/09	Change Manager to incorporate feedback from the ELT regarding Risk Appetite.	Rhonda Salmond	19 November 2024
12/09	Director of Commercial Development and Head of People and Organisational Development to develop implementation plan and communications for Working Time.	David Leven / Julie Fitzpatrick	29 November 2024
17/09	Deputy Head of Finance and Head of Planning and Environment to examine unit cost performance and feedback to ELT ahead of the next BMR.	Jennie Smith / Jo Ellis	5 November 2024
2/10	Change Manager to review the governance structures for Executive Leadership Team meetings and Senior Leadership Team meetings.	Rhonda Salmond	19 December 2024

Ref:	Action:	Who:	Target Date:
5/10	Project Manager to provide assurance around future proofing ASPEN, particularly with regards to integrating coupe level data.	Paul Sutherland	5 November 2024
7/10	Director of Corporate Services and Director of Land Management & Regions to set out tactics to resolve issue concerning Direct Purchasing Order roles.	Michael Hymers / Graeme Prest	5 November 2024
8/10	Director of Land Management & Regions to share stocktake update on progress with the FLS woodland creation programme and next steps.	Graeme Prest	18 December 2024
9/10	Director of Commercial Development to incorporate feedback from ELT regarding Asset Disposals: <ul style="list-style-type: none"> Director of Land Management & Regions and Director of Commercial Development to reevaluate the Land Portfolio Management total figure. 	David Leven / Graeme Prest	26 November 2024
10/10	ELT members to include comments on the Investment Pipeline Proposal spreadsheet.	All	5 November 2024
11/10	Chief Financial Officer to integrate feedback from ELT regarding the Investment Pipeline Proposals: <ul style="list-style-type: none"> Consider tailoring templates for each business case investment category. Design Stage 2 template. Consider the full life cycle costs for any investment. Create flowchart for business case categories in line with policy and framework. 	Donna Mortimer	26 November 2024
12/10	Chief Financial Officer to update Reserves, Investments & Disposal Policy to reflect conclusions on what investment decisions are made where (see blue below and categories of disposals).	Donna Mortimer	5 November 2024
13/10	Director of Net Zero and Director of Land Management & Regions to agree a standardised approach to generic operational assets, such as deer larders, in terms of investment proposals.	Graeme Prest / Graeme Hutton	26 November 2024
14/10	Senior Digital Manager & Head of Communications to present project plan for minimum viable product and circulate by 1 November.	Gwen Hamilton/Natalie Hammond	1 November 2024
16/10	Directors to look critically at vacancies in their respective areas; where these can most effectively be combined, reallocated, outsourced, et cetera.	Directors	5 November 2024
17/10	Directors to research ways to establish a 'bottom-up' workforce management system.	Directors	5 November 2024
18/10	Each Director to optimise and finalise their directorate's scorecard for trial by the end of December, with results to be reviewed by end of January.	Directors	5 November 2024
19/10	c) Head of Marketing and Sales to test if two Komatsu operators can be redeployed with a stop on further	Graeme Prest/Mick Bottomley	December 2024

Ref:	Action:	Who:	Target Date:
	recruitment if redeployment is possible, dependant on the relevant Service Level Agreement(s). d) Head of Marketing and Sales to generate a one-page report on costs and potential income estimates of performance improvement plan.		
1/11	Director of NetZero to revisit the Business Travel Review Project Plan accelerating consideration of the options for future delivery of mechanical engineering services to the organisation.	Graeme Hutton	November 2025
2/11	Chief Financial Officer to include timber sales vs forecast in year, in BMR to enable detailed business analysis and inform appropriate actions.	Donna Mortimer	5 December 2024
3/11	Chief Financial Officer and Director of Land Management and Regions to undertake a 'deep-dive' analysis of cost structure in Central.	Donna Mortimer/Graeme Prest	January 2025
4/11	a) Director of Land management and Regions to carry out cost and market strategy comparison between Galloway and specific sites across England. b) Director of Land Management and Regions to investigate whole tree biomass opportunities.	Graeme Prest	January 2025
5/11	Chief Financial Officer to analyse liquidity reserves to ensure adequate and appropriate levels in place.	Donna Mortimer	5 December 2024
6/11	Chief Financial Officer to incorporate the following into Version two of the Annual Financial Plan: a) Plant Seed Supply and Establishment Costs – explain drivers of cost increases and breakdown of increases in extra programme; input costs, extra labour costs and dependencies; cost comparison of Growing Own vs Buy-in in current market b) Fine tune MES reallocations across regions c) Direct Production - Budget for increase in productivity to 2000 hours per annum d) Interrogate "programme & targets" comparison across regions e) Include National Insurance increase in budgets f) Pay assumption should be greater g) FTE total remains at 1069 – Directors to continue interrogate and investigate pressures behind this. h) Investment process – approved decisions need to be communicated and including in budgets	Donna Mortimer	5 December 2024
7/11	Director of Land Management and Regions to ensure inclusion of overheads from Peatland Restoration, Woodland Creation and Atlantic Rainforest Restoration are charged to correct projects.	Graeme Prest	5 December 2024

Ref:	Action:	Who:	Target Date:
8/11	Head of People and Organisational Development to circulate update on Workforce Planning.	Julie Fitzpatrick	5 December 2024
9/11	Director of Corporate Services to amend agenda for the Audit & Risk Committee in line with feedback from the ELT.	Michael Hymers	22 November 2024
10/11	Director of Corporate Services to amend agenda for the Strategic Advisory Board meeting in line with feedback from the ELT.	Michael Hymers	22 November 2024
11/11	Director of Land Management & Regions to liaise with Head of Technical Services Group to provide a briefing on the Forestry Futures.	Graeme Prest/Doug Knox	22 November 2024
12/11	Director of Commercial Development to provide papers for inclusion in the Strategic Advisory Board meeting.	David Leven	22 November 2024

Action points 4/05, 13/08, 13/09, 14/09, 4/10, 7/10, 9/10, 14/10, 19/10a, 19/10b have been discharged.

2. Financial Reporting

Donna Mortimer updated the ELT on FLS's forecast financial position and performance at P7, recognising that the full forecast outturn for 2024/24 is now a deficit of £15.2m against a planned budget deficit of £22.4m. Donna outlined key areas of movement within the budget for the ELT's consideration.

The ELT discussed the financial forecast and the addition of certain data to provide further understanding and additional analysis, in order to inform appropriate actions.

AP 2/11: Chief Financial Officer to include timber sales vs forecast in year, in BMR to enable detailed business analysis and inform appropriate actions.

AP 3/11: Chief Financial Officer and Director of Land Management and Regions to undertake a 'deep-dive' analysis of cost structure in Central.

AP 4/11a: Director of Land management and Regions to carry out cost and market strategy comparison between Galloway and specific sites across England.

AP 4/11b: Director of Land Management and Regions to investigate whole tree biomass opportunities.

AP 5/11: Chief Financial Officer to analyse liquidity reserves to ensure adequate and appropriate levels in place.

3. Annual Financial Planning (AFP)

The ELT reviewed and discussed the draft 2025/26 Annual Financial Plan, agreeing next steps forward to be included in version two.

AP 6/11: Chief Financial Officer to incorporate the following into Version two of the Annual Financial Plan:

- a) Plant Seed Supply and Establishment Costs – explain drivers of cost increases and breakdown of increases in extra programme; input costs, extra labour costs and dependencies; cost comparison of Growing Own vs Buy-in in current market**
- b) Fine tune MES reallocations across regions**

- c) Direct Production - Budget for increase in productivity to 2000 hours per annum
- d) Interrogate "programme & targets" comparison across regions
- e) Include National Insurance increase in budgets
- f) Pay assumption should be greater
- g) FTE total remains at 1069 – Directors to continue interrogate and investigate pressures behind this.
- h) Investment process – approved decisions need to be communicated and including in budgets

AP 7/11: Director of Land Management and Regions to ensure inclusion of overheads from Peatland Restoration, Woodland Creation and Atlantic Rainforest Restoration are charged to correct projects.

5. Meeting Preparation

Senior Leadership Team Meeting (SLT) – 26 November 2024

The ELT discussed the purpose of the upcoming SLT, which has been amended to a one hour virtual meeting. Graeme Prest explained that the current proposal is to provide a strategic overview of Workforce Planning (WFP), providing updates on progress and timelines as well as answering any questions. Julie raised concerns about the timing and value of this as key areas of work are not due to be completed until January 2025.

Kevin requested that an update be sent out via correspondence to relevant colleagues confirming the process, timetables and any changes to WFP. The ELT agreed to cancel the upcoming SLT.

Audit & Risk Committee (ARC) – 27 November 2024

The ELT discussed the agenda for the ARC, agreeing to move the AFP item to the Strategic Advisory Board meeting so as to allow more time for discussion on other areas.

Strategic Advisory Board (SAB) – 27 November 2024

The ELT discussed attendance at the SAB before reviewing the agenda. Kevin requested a briefing on key points for discussion on the Forestry Futures item. On the renewables item, David confirmed that he would provide any papers for this today. He also proposed holding a round table on Renewables & Estates at some point in the future, and considered how best to utilise the expertise of the Non-Executive Advisors.

AP 8/11: Head of People and Organisational Development to circulate update on Workforce Planning.

AP 9/11: Director of Corporate Services to amend agenda for the Audit & Risk Committee in line with feedback from the ELT.

AP 10/11: Director of Corporate Services to amend agenda for the Strategic Advisory Board meeting in line with feedback from the ELT.

AP 11/11: Director of Land Management & Regions to liaise with Head of Technical Services Group to provide a briefing on the Forestry Futures.

AP 12/11: Director of Commercial Development to provide papers for inclusion in the Strategic Advisory Board meeting.

6. AOB & Reflections

Graeme Hutton outlined ongoing discussions with Dynamic Earth with regards to venue hire and payment, noting that he will continue to explore options. The ELT agreed to reserve the date 27 March 2024, discussing how best to use the venue.

The ELT reflections were discussed earlier in the meeting.

The date of the next ELT meeting is 5th December 2024.