



Forestry and Land Scotland (FLS) Strategic Advisory Board

Date of Meeting: 23 May 2024

Location: Apex House, Edinburgh and MS Teams

Present:

- Kevin Quinlan, Chief Executive (Chair)
- Michael Hymers, Director of Corporate Services
- John Mair, Director of Commercial Development
- Graeme Hutton, Director of Net Zero
- Graeme Prest, Director of Land Management and Regions
- Mark Pountain, Non-Executive Advisor
- Jo O'Hara, Non-Executive Advisor
- Clea Warner, Non-Executive Advisor
- Therese O'Donnell, Non-Executive Advisor
- Lyndon Jones, Non-Executive Advisor
- Sophia Christopoulos, Secretariat Assistant (Minutes)

Others:

- Donna Mortimer, Chief Financial Officer
- Nicola Waters, National Services Scotland (NSS)

1. Welcome and Introductions

Kevin Quinlan welcomed everyone to the meeting and outlined the agenda. There were no conflicts of interest declared. He introduced Lyndon Jones, who has joined as a new Non-Executive Advisor for FLS, and Nicola Waters from National Services Scotland, who is supporting the Organisational Transformation.

2. Matters Arising

Minutes and Action Points

It was agreed that the minutes for the last meeting held on 14th December 2023 were a true and accurate reflection. The Strategic Advisory Board (SAB) also met on 26th March 2024 as part of a joint meeting with the Management Board. This was a non-business meeting and was not minuted.

Action Point Update:

- **AP6/23:** Update – results of the Staff Survey were circulated by email to the Non-Executives on 14 December 2023
- **AP7/23:** Update – nominations were sought from the Non-Executives, with Therese O'Donnell joining the Transformation Programme Board.

3. CEO Update

Kevin Quinlan gave a presentation in which he reflected on his time at FLS so far, outlining his understanding of the organisation and its mandate. He acknowledged the challenges FLS is facing and the need for a clear set of priorities and overarching purpose. He also noted the external factors influencing FLS's role in wider Scottish Government (SG) and Public Sector Reform, illustrating the environmental, social and economic responsibilities of FLS.

FLS's financial position was discussed, with work underway to understand the net position of various value streams from a geographical perspective. Jo O'Hara highlighted the possibility for manoeuvrability in value streams such as wildlife management, noting that these activities receive grants in the private sector.

AP 1/24: Director of Land Management and Regions to consider fundamental gross margins to UKFS level and to develop a better understanding of peer benchmarking.

4. Organisational Transformation

Kevin continued his presentation, focusing on Organisational Transformation. He highlighted the need for joined-up governance as well as strategic and tactical approaches to change management.

Nicola Waters provided background on her experience in organisational transformation and outlined her role in facilitating change at FLS; she reflected on the inaugural Senior Leadership Team meeting earlier in the week and the themes that were raised during the workshop. She emphasised the importance of collective ownership and in developing a clear programme of change. The Directors echoed the benefits of the workshop and Kevin thanked Nicola for her input.

Jo O'Hara advised Kevin to engage with external stakeholders to understand the wider corporate environment, particularly given recent ministerial changes. She stated that it would also be beneficial for him to understand FLS's role in Public Sector Reform.

Mark Pountain referenced the Corporate Plan, suggesting that a 'supportive, safe and inclusive organisation' and a 'high performing organisation' be reframed as enablers as opposed to outcomes. He commented that these are fundamental aspects of the business that bring about the environmental, social and economic outcomes of the organisation.

AP 2/24: Chief Executive to engage with external stakeholders to gain clarity on wider context in Scottish Government and Public Sector Reform.

AP 3/24: Director of Corporate Services to reframe 'supportive, safe and inclusive organisation' and 'high performing organisation' as enablers, not outcomes.

5. Adapting Our Governance Model, including the Role of SAB

Jo Ellis presented a paper on the current governance model, explaining the purpose of different meetings and how they interconnect. Kevin commented that he hopes this revised model will catalyse accountability for performance within FLS and embed this in the organisation's culture going forward. The Non-Executives considered the challenges of this and the current political context.

Kevin sought clarity on the role of the Non-Executives as advisors and how to better utilise their specialist knowledge. He underlined three primary themes to focus on; strategic development, organisational transformation and organisation performance. He requested that the Non-Executives consider the issues raised in the paper and feedback five key areas they feel should be prioritised.

The Non-Executives identified their areas of expertise and areas that they would focus on; Lyndon Jones on programme management of transformation and AI/digital; Therese O'Donnell on change management, people and communications; Jo O'Hara on industry knowledge and land management; Clea Warners on assets and estates; and Mark Pountain on the Audit and Risk Committee (ARC) and people.

AP 4/24: Non-Executives to select five priority items from the "Potential Work Programme Themes and Approach" paper.

AP 5/24: Chief Executive to confirm which Non-Executives are to participate in the Audit and Risk Committee going forward.

6. Approach to Reserves and Investments

Donna Mortimer presented a paper, providing an update on the organisation's approach to reserves and investments. She explained that reporting and monitoring are key, and that the governance around reserves and investments is being updated.

In order to develop a coherent programme of investment and to maintain FLS's going concern status, Donna highlighted the need for clear narratives informed by data collection. Mark Pountain noted that he would discuss FLS's going concern status with the external auditors, Grant Thornton LLP, to establish a longer term view.

Jo O'Hara sought clarity on whether the Forestry and Land Management (Scotland) Act 2018 protect the restricted reserves set aside to fund land sales, or if this is referenced in the Framework Document.

AP 6/24: Director of Corporate Services to confirm whether land sales are protected by the Forestry and Land Management (Scotland) Act 2018.

7. Developing our Performance and Management Information Approach

Donna Mortimer began by explaining that the ASPEN Project is the impetus behind the development of FLS's new performance and Management Information approach. The project currently only encompasses financial information, however this will be expanded upon.

Michael Hymers emphasised *how* data is presented is as equally important as the data itself, as this significantly influences decision making. Therefore the management of data is currently being reviewed. Mark Pountain remarked that this holistic overview is very helpful and advised that this information should be made readily available throughout the year so that corrective action can be taken.

Jo O'Hara cautioned against duplicating work between the SAB and the ARC by being clear about what information is brought to each board and what feedback is expected from the Non-Executives.

8. AOB

There were no areas of AOB raised.

Date of Next Meeting: 3rd September 2024