Forestry and Land Scotland
Coilltearachd agus Fearann Alba

Forestry and Land Scotland (FLS) Strategic Advisory Board

Date of Meeting: 22 January 2026

Location: Apex House, Edinburgh and MS Teams

Present:
Jo O'Hara (JO'H), Chair, Non-Exec
Lyndon Jones (LJ), Non-Exec
Therese O'Donnell (TO'D), Non-Exec
Gio D'Alessio (GD'A), Non-Exec
Maf Smith (MS), Non-Exec
Nicola Gordon (NG), Non-Exec
Kevin Quinlan (KQ) Chief Executive FLS
Nicola McBain (NMc), Director of Corporate Services & Transformation FLS
Graeme Prest (GP), Director of Land Management & Regions FLS
David Leven (DL), Director of Commercial Development FLS
Graeme Hutton (GH), Director of Net Zero FLS
Michael Hymers (MH), Head of Corporate Office
Adam Dearnley (AD), Head of Finance
Julie Fitzpatrick (JF), Head of People & OD
Matthew Henderson, Secretariat Assistant, Minute Taker

1. Welcome, Introductions, Minutes & Action Points

Jo O'Hara thanked attendees and outlined the focus of the meeting. It was agreed that the minutes of the SAB meeting on 16 October 2025 were a true and accurate reflection.

J'OH reviewed the action log; all actions have been completed with the exception of 01/25 which will be addressed under the forthcoming innovation and change theme. No conflicts of interest were declared and no additional AOB items were raised.

In light of this, **AP 01/25 due date revised** such that it can be closed at the next SAB meeting (14 April 2026).

2. CEO update

Kevin Quinlan provided an update on market conditions, political context, and organisational priorities. Timber markets remain flat in the short term, though medium to long term fundamentals remain positive. Cost inflation remains a significant challenge, with cumulative increases of ~48% since 2019. Public sector reform continues to intensify, with FLS comparatively well-positioned. Internally the Corporate Plan and three-year Business Plan represent a substantive shift to integrated planning.

Michael Hymers updated the Board on consultation feedback and next steps. The final drafts will considered by ELT on 4 February 2026, followed by Gaelic translation, Cabinet Secretary submission and publication. Aligning publication timelines was seen as critical for staff understanding and narrative coherence.

3. Insights / Reflections
Non-Executive members reflected on the increased political and public scrutiny, particularly around renewables and the impacts of geopolitical uncertainty on the wider operating environment. The Board discussed the fine line between community engagement and adjudication, the increasing volume of AI-generated objections, and the need for a clearer, positive external narrative.

4. FLS Three-Year Business Plan – "Challenge Session"
The Board undertook a detailed review of the draft directorate three-year Business Plans to test their balance and affordability and identify emerging themes and key priorities. The plan seeks to reconcile strategic priorities, affordability and workforce capacity. The SAB emphasised the importance of visible benefits realisation and convergence of top-down and bottom-up planning.

Julie Fitzpatrick highlighted the risks associated with relying on natural attrition for changes to headcount, the need for strengthened redeployment processes, and proportionate trade union engagement. This was recognised as a critical delivery risk.

Adam Dearnley outlined the consolidated financial position underpinning the Business Plans, highlighting that the forecast improvement is driven primarily by cost reductions rather than income growth, and that delivery risks remain around timber performance, capital phasing and workforce alignment.

AP 01/26: Ensure all papers for the SAB are circulated with a cover paper so there are clear expectations and asks of the Non-Executives.

4a. Directorate Reflections
<u>Corporate Services:</u>
Nicola McBain focussed on the 'enabling' functions, Smarter Working, statutory delivery and digital transformation. She emphasised having clearer milestones and prioritisation, particularly around Aspen benefits.

<u>Land Management:</u>
Graeme Prest discussed the need for prioritising the restocking backlog and reflected on timber under-performance linked to dispatch delays, contract management and market softness.

Commercial Development:
David Leven focussed on the use of conservative renewables income forecasts reflecting policy and market uncertainty, with preparation for increased future income (beyond 3years) requiring clearer articulation.

Net Zero:
Graeme Hutton reflected on digital transformation, fleet optimisation and discussed early-stage AI opportunities, with an emphasis placed on cyber security and data architecture.

5. BREAK

6. Standing Agenda Item – FLS Corporate Balanced Scorecard FY 25/26
NMc confirmed that the Balanced Scorecard will remain a standing agenda item following the change in Director of Corporate Services and Transformation and that future scorecards will include cover summaries highlighting red/amber areas and planned mitigations. NMc presented the November 2025 Balanced Scorecard and data timeline challenged from system lags were acknowledged.

The Board discussed the use of reserves to manage deficits, the impact of delayed timber production on income, and the balance between operational capital necessity and genuine investment capacity.

AP 02/26: Hold a 30m briefing session on Reserves Policy for Non-Executive members.

7. AOB

Forward Look
The next SAB meeting will focus on organisational change management, workforce planning and the maturation of the Fit for the Future programme. KQ and JO'H will meet ahead of the next SAB to shape the agenda.

Date of Next Meeting: 14 April 2026