



Forestry and Land Scotland Strategic Board Meeting

Date of Meeting: 22 April 2021

Location: MS Teams (Due to COVID-19 restrictions)

Present:

- Simon Hodgson, Chief Executive (Chair)
- Graeme Hutton, Director of Business Services
- Michael Hymers, Director of Corporate Services
- John Mair, Director of Estate Development
- Trefor Owen, Director of Land Management
- Mark Pountain, Non-Executive Advisor
- Lisa Tennant, Non-Executive Advisor
- Pamela Zielinski, Non-Executive Advisor
- Rhondda Salmond, Change Manager (Secretariat)

In Attendance:

- Linda McKenna, Corporate Development Officer (Observer)

1. Welcome and Introductions

Simon Hodgson welcomed everyone to the meeting, noting that the meeting was being held remotely by MS Teams due to the continued COVID-19 restrictions.

Following a brief discussion, minutes of the previous meeting (24 January 2021) were agreed by Board members and approved for publication.

2. FLS/Scottish Government Update

Simon Hodgson highlighted his thanks to staff in their continued efforts to keep the business operating during the continued Covid-19 restrictions. The majority of staff continue to work from home and considerable efforts have been made to provide guidance and services to support managers and staff, with a particular focus on health and wellbeing.

He highlighted that the Scottish elections will be held on 6 May 2021, however based on the manifestos available from various political parties it is not anticipated that the outcomes will have significant impact on the organisation or wider forestry sector.

Simon then provided a short summary of the organisational update, before opening the discussion up for wider discussion.

Mark Pountain reflected that the agency currently holds liquidity reserves to the value of three times our monthly salary bill, highlighting that due to the ongoing impact of Covid-19 some other organisations have increased this to around six. This may be something we may wish to consider should restrictions continue and/or where income streams are impacted.

He also noted that there had been some recent opportunities where carbon capture schemes were being linked to pension schemes/funds, and this may be something we wish to consider as we continue to develop our carbon capture partnership approach.

John Mair highlighted that the carbon capture market pricing remains uncertain at present due to the volume of opportunities available. The associated costs for administering schemes can be prohibitive to ensuring a cost effective approach.

Trefor Owen highlighted that FLS was looking at opportunities to promote the organisation and our offer at the 26th UN Climate Change Conference of the Parties (COP26) in Glasgow later in the year.

Pamela Zielinski suggested we may wish to consider promoting carbon offsetting opportunities tied to travel and attendance at COP 26 rather than carbon capture partnerships.

3. 5 Year Business Planning Approach

Donna Mortimer provided an overview of the organisation shift to a 5 year business planning approach, including scenario modelling.

She outlined that in developing the revised approach work had been undertaken to undertake lessons learned activity from annual financial and business planning exercises undertaken in previous years. This included previous Strategic Board input on including scenario planning and modelling.

Overall, the 5 year business planning approach will begin much earlier in the year with an initial focus on identifying and agreeing national and local priorities and understanding income forecasts before beginning to apply budget allocations.

The Strategic Board welcomed the update and the approach being adopted.

4. Moving to Financial Sustainability – Progress Update

John Mair presented an update on progress of the Business Sustainability Action Plan outlining that activity to identify key actions and potential income/savings was completed, and the business sustainability principles were intrinsic to the new 5 year business planning approach.

He highlighted that a series of staff events had been held to begin introducing the purpose and business sustainability principles to the wider staff group and how that will be integral to directing everything we do an agency going forward.

The staff engagement events were led by the CEO and senior leads, with an emphasis on all staff having ownership and being part of securing the sustainability of organisation. They focused on:

- Outlining the current financial, political and economic challenges
- Introduced the 7 Business Sustainability Principles
- Advised of moving to 5-Year Business Planning Approach
- Advised of changing remit of the organisation (Target Operating Model) and expected future ways of working.

Pamela Zielinski highlighted that the senior leadership team must remain proactive in progressing this work to help staff remain engaged and take them on the journey with us.

5. Preparing for Our Future

Current and Future Political and Economic Environment

Simon Hodgson provided an overview of the range external strategies, policies and ministerial priorities that the organisation was currently having to balance as well as anticipate having to respond to in the near future.

He highlighted that the scope was broad, ranging from climate change and Carbon Net Zero to Land Reform, Mission for Jobs and Strategic Partnerships. All of which came with their own challenges whilst trying to deliver a sustainable commercial business.

Lisa Tennant acknowledged that the scale of what was presented could be overwhelming, suggesting that it would be more beneficial to consider the materiality of any changes and impending strategy changes and focus on a small number at a time. Scenario planning can then be applied to rationalise and test our approach to ensure that organisation has the capacity and capability to absorb and respond.

Road Map to our Target Operating Model

John Mair highlighted that a key action of the Business Sustainability Action Plan was to set the future direction of the organisation, including developing our Target Operating Model.

He provided an overview of the initial scoping of this work and the key elements that had been highlighted for inclusion, seeking the views of the Strategic Board on inform and defining the approach.

The Strategic Board discussed the information presented highlighting that there needs to be a clear “line of sight” that brings together our Corporate outcomes, Business Sustainability Action Plan that supported long term organisation sustainability and growth.

This needs to be underpinned by a delivery mechanism that makes it personal to all staff to gain buy in, with proactive relevant communications and monitoring and reporting on progress.

6. Any Other Business

Field Visits

Michael Hymers indicated that with the easing of Covid-19 restrictions the organisation would like to begin planning future field visits for the Strategic Board to continue to build organisational knowledge and provide the opportunity to engage with staff. The visits will likely take place in late August/early September to avoid peak leave periods.

AP 01/04: Non-executives to provide details of any periods of unavailability during in late August/early September for field visits.

Queen's Green Canopy

Mark Pountain outlined that he was involved in the Queen's Green Canopy scheme, a unique tree planting initiative created to mark Her Majesty's Platinum Jubilee in 2022 which invites people from across the United Kingdom to "Plant a Tree for the Jubilee."

The scheme will be officially launched as part of the virtual Chelsea Flower Show.

Human Trafficking and Modern Slavery

Pamela Zielinski advised that there had been recent announcements relating to Human Trafficking and Modern Slavery increasing the requirements for due diligence, including penalties for organisations that do not meet transparency and legal obligations.

Date of Next Meeting: 25 June 2021.