



## Forestry and Land Scotland Strategic Board Meeting

<b>Date of Meeting</b>	<b>Friday 19<sup>th</sup> June 2020</b>
<b>Time</b>	<b>11.00 am</b>
<b>Location</b>	<b>Teleconference (Due to COVID-19 restrictions)</b>
<b>Attendees</b>	<b>Present:</b> <ul style="list-style-type: none"><li>• Simon Hodgson, Chief Executive (Chair)</li><li>• Graeme Hutton, Director of Business Services</li><li>• Michael Hymers, Director of Corporate Services</li><li>• John Mair, Director of Estate Development</li><li>• Trefor Owen, Director of Land Management</li><li>• Mark Pountain, Non-Executive Advisor</li><li>• Lisa Tennant, Non-Executive Advisor</li><li>• Pamela Zielinski, Non-Executive Advisor</li><li>• Linda McKenna, Corporate Development Officer (Secretariat)</li></ul> <b>In Attendance:</b> <ul style="list-style-type: none"><li>• Donna Mortimer, Head of Finance and Procurement</li></ul>

### 1. Welcome and Introductions

Simon Hodgson welcomed everyone to the meeting, noting that the meeting was being held on the telephone again due to the continued COVID-19 restrictions.

Following a brief discussion, minutes of the previous meeting (16<sup>th</sup> April 2020) were agreed by Board Members and approved for publication.

### 2. SG/FLS COVID-19 Update

Simon Hodgson provided an overview of the current work being undertaken by FLS and wider Scottish Government in relation to COVID-19 and 'restart' activities with the easing of restrictions. This included the restart of FLS forestry activity, with additional safety measures in place. FLS has been integral in the development and testing of health and safety guidance, working with regulators to ensure a united approach to safe working. The guidance has been shared across the industry and other organisations have thanked FLS for leading this work. More work is taking place in relation to the visitor and tourism side of the business, whilst we await the move to Phase 2 and 3 of the Scottish Government's route map through and out of the crisis.

Executive Directors provided information relating to the restart from their perspective. This included information on the financial impact and the development of guidance to open buildings and offices in a safe way.

### **3. Moving to Financial Sustainability – Introduction**

John Mair provide a brief overview of the work that has been taking place in recent months in relation to developing priorities for the organisation, which included the development of a paper setting out the need to have a detailed discussion around ensuring financial sustainability.

### **4. Moving to Financial Sustainability – Background/Scene Setting**

Linda McKenna presented background information to inform the later discussion and to highlight that FLS is a product of its history and incremental political, legislative, cultural and technological changes. Information within the presentation included the move from the initial singular organisational objective of the Forestry Commission in 1919 to maintain timber supplies, the expansion of priorities to include conservation and recreation by the 1960s; and the addition of research activity and development of woodland in urban areas in the 1990s. The presentation also touched upon the implications of Scottish Devolution for the organisation, leading to the creation of FLS in 2019. Information was also presented on the challenges for the new organisation, including the increased costs, the increase in legislative requirements and move to an outcomes based approach. It concluded by setting out the steps taken so far by FLS to implement the new Corporate Planning Framework and some timelines/requirements to be considered in the further development of FLS priorities.

There followed a brief discussion of some of the issues covered within the presentation.

### **5. Moving to Financial Sustainability - Discussion**

John Mair and Donna Mortimer set out further information in relation the current financial position and trajectories. There followed an in-depth discussion which covered the following issues:

- the need to develop a plan, based on clear business principles to ensure future financial sustainability for FLS;
- consideration of ongoing costs that we may not be able to control (eg COVID-19 implications, future timber value);
- engagement and communications with staff and stakeholders;
- plan to retain reserves but also plan for dealing with unexpected windfalls should they arise; and
- the need for a whole business conversation – not just focus on Regions etc.

Following the discussion, it was agreed that now was the time to develop the plan, setting out the key steps that the organisation would take each year (and quarter if possible) as to achieving long-term financial sustainability by 2025, with no reliance on the Annual Subsidy Limit (ASL). This would not be a financial plan at this stage, but rather a high level plan that will help the organisation move forward in relation to financial sustainability, All members of the Strategic Board agreed that they were committed to the development of a plan based on the issues discussed.

It was further agreed that with progress made by the Executive Team on this work would be reported to the Strategic Board at its next meeting.

**AP 1/06/20:** A Plan is to be developed in relation to reaching Financial Sustainability by 2025.

**AP 2/06/20:** Progress on the development and implementation of the Plan is to be reported to the next meeting of the Strategic Board.

**Date of Next Meeting:** Tuesday 22<sup>nd</sup> September 2020

