Forestry and Land Scotland
Coilltearachd agus Fearann Alba

Forestry and Land Scotland (FLS) Executive Leadership Team (ELT) Meeting

7 July 2026

Attendees:
Kevin Quinlan, CEO (Chair)
Graeme Prest, Director of Land Management and Regions
Nicola McBain, Director of Corporate Services and Transformation
Mark Wilcock, Head of Fleet and Buildings
Penny Coles, Head of Estate Development
Brendan Callaghan, Scottish Forestry

Apologies:
Graeme Hutton, Director of Net Zero
David Leven, Director of Commercial Development

Others:
Joanne O'Donnell, Senior Learning & Development Manager
Colin Buchanan, Senior Finance Manager
Michael Hymers, Head of Corporate Affairs, Performance and Engagement
Julie Fitzpatrick, Head of People and OD

Summary of Action Points (AP) from Meeting

Ref.:	Action:	Owner:	Target Date:
1/07	Reflect the lower average timber price assumption in the next BMR and bring back the revised income position.	Colin Buchanan	21 July 2026
2/07	Provide an update at the next finance item on the reporting review and the work to specify the small set of reports the business actually needs.	Colin Buchanan	21 July 2026
3/07	Liaise with Mark Wilcock re update reserve figures for buildings.	Colin Buchanan	21 July 2026
4/07	Reissue the business planning mandate and templates with working links so directors can submit any final comments before ELT sign-off on 21 July 2026.	Michael Hymers	21 July 2026
5/07	Share the Apex layout proposal with the wider Apex user group for consultation, gather comments, and return with a summary before final sign-off.	Mark Wilcock	21 July 2026
6/07	Develop a firmer agreed business solution for visitor handling at Apex as part of the office redesign discussion and revert with it as part of the design sign off rather than leaving it as a later issue.	Mark Wilcock	21 July 2026

1. Review of Minutes

It was agreed that the minutes from the ELT meeting held on 23 June 2026 were a true and accurate reflection.

2. Review of Action Points

A review was undertaken on the action log. Several actions from Commercial Development required refreshed progress updates. These are to be commissioned ahead of next LT. Workforce planning actions due on 12 June were expected to be covered in the next ELT report, now that the baseline had been agreed and the work was moving into a monthly reporting cycle.

The group also reviewed specific dates on the tracker. The paper on community engagement was confirmed for 18 August. One action concerning land matters, shown with a placeholder date of 7 July, was judged unrealistic and was moved to the end of September. NM noted that most other actions were still within timescale, but several items needed direct chasing to secure firmer updates and revised deadlines.

3. Forward Look and Meeting Schedule

KQ reviewed the forward plan for the next cycle of ELT and related meetings. For 21 July 2026 the standard PAB slot was to be replaced by team-building activity. The main formal item for that meeting would be the DP review, and Graeme Prest confirmed that he already had a preparatory session booked. Business planning was expected to continue as a two-part discussion because of director availability, and workforce management and the balanced scorecard for period 3 remained on the programme.

The August schedule was then revised, with PAB/Executive Leadership Team being moved to 17 July, and team building on 18 July 2026.

Looking further ahead, the group confirmed a deep dive on Natural capital, originally pencilled in earlier, was moved to September to take account of required senior availability.

4. Finance and Early-Year Performance

CB provided an early-year finance update, with the caveat that period 1 and 2 were still too early to show strong trends and that a more substantive read-out would follow at period 3. He said Oracle-related work was progressing and that reporting was moving closer to a steadier state, although some deeper work remained around access to information and aligning reports with business requirements.

KQ raised audit readiness. CB said the current audit was under way, the team are prepared, and weekly check-ins were in place to surface issues. He also highlighted a renewables accrual question: an under-accrual that was approx £1.5m but the exact position still needed further analysis. There was a £4.3m under accrual in relation 23-24 that was raised as part of the 24-25 audit but no restatement was required.

The main commercial concern was timber income. KQ reported feedback from the regions that unit prices were softening, and Graeme confirmed that, compared with 12 months earlier, the blended average unit price was around 15 per cent lower. He said the higher-priced contracts at the start of the previous year had now worked through and there was no sign of a market recovery strong enough to reverse the pattern this year. Volumes, however, were holding up better: the target remained about 3.25 million cubic metres, and current performance was on track, with South Region already around 37 per cent through its programme a quarter into the year. GP argued that lower prices should now be reflected in the next BMR, while also preserving volume where possible because reduced throughput would create a double hit against largely fixed overheads.

The discussion then turned to other cost and forecast issues. CB said land management staffing overlays could be absorbed within the current run rate, though workforce planning still required close monitoring. External contractor spend has increased from last year further squeezing profits.

On operating performance, the 25/26 out-turn has moved from £10.8 to £10.2 million pounds, to give a final prior-year cash deficit of £12.3 million. The 26/27 current-year budgeted deficit remains £17 million. Plant and seed supply spend had closed last year at £9.5 million against a current budget of £13 million, so further work was under way to explain the gap and test whether the profile was too heavy. KQ and GP both pressed the need for stronger forecasting discipline, especially around late-year underspends, with GP warning that long-standing caution about declaring savings early was still distorting in-year visibility.

Other points were noted for follow-up. Timber crop compensation continued to rise in importance as power-line and renewable developments sterilised productive land; GP explained that these were capitalised one-off payments rather than annual receipts and needed better tracking because the associated timber volume still had market implications even when it did not pass through normal sales routes. MW also flagged that reserve assumptions for several building schemes looked low.

AP 1/07: Reflect the lower average timber price assumption in the next BMR and bring back the revised income position.

AP 2/07: Provide an update at the next finance item on the reporting review and the work to specify the small set of reports the business actually needs. @Colin

AP 3/07: Liaise with Mark Wilcock re update reserve figures for buildings.

5. Transition to New Directorates

The meeting reviewed progress on the transition to the new director arrangements. KQ framed this in two parts: the structural and systems work already being progressed co-ordinated by Jason, and the softer organisational development work needed to make the new arrangements function well in practice.

JO explained that Jason's update had tried to set out the various strands clearly and had highlighted two questions for ELT feedback. On naming, the group agreed that consistency mattered and supported the use of Forestry directorate and operations directorate, aligning the terminology with the existing pattern used for corporate services and commercial directorate.

MW provided feedback from the perspective of the impact on some members of wider Net Zero team re-enforcing the need for strong change management.

GP stressed that some new detailed reporting lines should not be locked down too far in advance of BC taking up post, because the incoming director needed time to understand the context and shape the final arrangement. Jo added that the operational transition point was expected around 24 August, giving space for BC to form a view while still keeping momentum. The discussion closed with agreement that the wider business logic of the new structure was understood, that communication needed to stay active and compassionate.

The ELT agreed the new role labels were standardised as forestry directors and operations directors and to match the wider director naming convention.

JO then set out the proposed organisational development support around the new leadership structure. The approach covered three layers: tailored support for individuals moving into or across senior roles, facilitation for the new directorate leadership teams, and wider work put in place cross directorate arrangements to optimise collaboration. For ELT, a planned OD package includes support from an external OD expert to include preparatory one-to-one conversations, use of DISC-style profiling to improve understanding of preferences and working styles, observation of the ELT meeting on 17 August, a first half-day development session on 18 August, and a further half-day in September before a fuller session later in the year, now likely to fall in November. The approach was welcomed by all.

6. Business Planning

The meeting discussed the three-year business planning process. MH explained that the mandate was largely a light-touch update of last year's position rather than a reset. Land Management had already done two rounds of planning of programmes within the regions. The assumptions behind last year's mandate were said to remain broadly unchanged, with the main substantive amendment being updated workforce planning numbers. MH also explained the proposed timetable: ELT would aim to sign off the refreshed mandate on 21 July, issue the material at the start of August, allow iterative discussion through the summer, carry out an initial challenge in mid-September, return to ELT at the end of September, and work towards a final deadline at the start of December.

Members discussed the proposed catch-ball style of working, intended to create more iteration between directorates, regions and National Team rather than waiting until late in the process to expose unrealistic assumptions. GP said this was intended to address the same weakness seen last year. The group agreed that the business planning templates should stay broadly as they were.

The final part of the discussion considered a possible gain-share model, under which regions or cost centres might retain part of any savings they identified. While all agreed it was a useful concept, all felt it needed more consideration over the coming year rather than being part of the formal 27/28 business planning process for now. All highlighted fairness and governance concerns, especially between commercially more endowed regions and others, and where national priorities or property investment might otherwise be crowded out.

AP 4/07: Reissue the business planning mandate and templates with working links so directors can submit any final comments before ELT sign-off on 21 July 2026.

7. Apex Works

The final substantive item covered the planned reconfiguration of Apex. KQ thanks MW and the working group for their hard work in developing a proposal that reconciled diverse asks with available resources. MW summarised the position. The proposal would increase the number of traditional screen-based desks by 16, taking the total to 45, increase total sitting capacity to around 100 places, create one new meeting room for up to 10 people, add three extra two-person pods for confidential conversations, improve the sound separation around the existing pods, and set aside quieter areas to support neurodiverse colleagues.

While members recognised the work that had gone into the design, several concerns remained. There were questions on whether desk capacity was sufficient. The balance between proper desks, breakout areas and social space was also challenged, particularly the reduction in the kitchen seating area. MW advised that the layout was constrained by fire regulations and that the working group had deliberately tried to balance quiet working, collaborative use and wellbeing rather than maximise desk density alone. There was also discussion that the Wellbeing Room is generally lighted used, and when used seems to be as an auxiliary meeting room. NM fed back that removing the Wellbeing Room risked being misunderstood by some colleagues.

A separate and stronger thread concerned visitors. KQ, NM, PC felt that the current arrival experience remained clumsy and unwelcoming, particularly where interviewees or other visitors could be left downstairs unsure who to contact. It was agreed this would be looked at further.

The meeting concluded that the design should not yet be treated as signed off. Instead, the current proposal would be shared more widely with Apex staff, in a form that explained both the design and the practical constraints, so that colleagues could comment before the layout was finalised (eg post up large printout of design; email it around; have a consultative meeting).

Members particularly wanted a solution developed on visitor handling. Other issues to test with wider Apex House colleagues included:
- the balance between formal desks and flexible space
- Whether the meeting room provision was adequate noting that colleagues have access to extensive suite of meeting rooms on the ground floor
- Whether the current lunch table should be reduced (good social gather space Vs some staff concerned about noise)
- Whether the wellbeing room should remain dedicated or have a small meeting table to allow it to also be used as a meeting room.

AP 5/07: Share the Apex layout proposal with the wider Apex user group for consultation, gather comments, and return with a summary before final sign-off.

AP 6/07: Develop a firmer agreed business solution for visitor handling at Apex as part of the office redesign discussion and revert with it as part of the design sign off rather than leaving it as a later issue.

8. AOB

There were no items raised under AOB.

The next ELT meeting will be held on 21 July 2026.