**Forestry and Land Scotland Strategic Board Meeting**

| **Date of Meeting**  | Wednesday 30th October 2019  |
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| **Time**  | 10.00 am  |
| **Location**  | Central Boardroom, 4th Floor, Silvan House  |
| **Attendees**  | **Present:** * Simon Hodgson, Chief Executive (Chair)
* Graeme Hutton, Director of Business Services
* Michael Hymers, Director of Corporate Support
* 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
* Linda McKenna, Secretariat

 **In Attendance:** * Sallie Bailey, Regional Manager (South)
* Jo Ellis, Head of Planning and Environment
* Rosetta Forbes, Head of HR
* Donna Mortimer, Head of Finance and Procurement
* Paul Minto, Regional Manager (West)
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# Welcome and Introductions

Michael Hymers welcomed everyone to the meeting and initiated roundtable introductions. Michael advised that the minutes of the August meeting would be circulated following the meeting and agreed by correspondence.

# Long-Term Approach to Managing Scotland's national forests and land

Jo Ellis delivered a presentation highlighting the work taking place on developing a long term approach to managing the national forests and land. This was an update on the work taken place since discussion with the Strategic Board earlier in the year. Work is progressing and it is hoped that the ‘Current Outlook’ will be completed by the end of 2020 and will be able to inform the development of the next FLS Corporate Plan.

Following the presentation, discussion took place around timelines; the importance of scenario planning (internal and external factors); the need to set out how the approach will help FLS to deliver against its Corporate Outcomes; and importance of communicating key messages from the work. It was agreed that consideration should be given to a scenario planning exercise early in the new year.

**AP 1/10: CEO and Functional Leads to give consideration to undertaking a Scenario Planning exercise in early 2020.**

# FLS Strategic Priorities

John Mair delivered a short presentation in support of the accompanying report, which shared the draft ‘Strategic Priorities’ for FLS. He advised that the work on this commenced at a leadership development meeting for the Executive Team in May, when members agreed priorities that would provide a ‘lens’ for decision making in the organisation. John advised that it had been agreed that a working group would be established to further develop the priorities, but wanted to hear the Strategic Board’s thinking before the work of the group began.

Feedback from the Non-Executive Advisers covered the following areas:

* ‘Priorities’ need to have alignment with the Corporate Plan and in particular the Corporate Outcomes
* ‘Maintaining UKWAS Certification’ could be changed to for example, ‘Quality’ which would allow for other things to be included that are operational or tactical
* Inclusion of a reference to climate change
* Consideration of moving away from the term ‘Strategic Priorities’ to ensure consistent language and messaging
* More work is required in relation to financial sustainability and priorities

Following discussion it was agreed that further information on this topic should be brought back to the Strategic Board for discussion in the new year.

**AP 2/10: Director of Estate Development to provide an update on progress of the development of ‘Priorities’ to the Strategic Board in early 2020.**

**AP 3/10: Director of Land Management to arrange for a presentation on UKWAS to be provided to the Strategic Board at a future date.**

# FLS Strategic Financial Objectives

Donna Mortimer presented an overview of the current financial planning process and the new process proposed for next year. Also shared was the SWOT analysis undertaken, financial objectives and operating principles.

Simon Hodgson provided information on some of the challenges facing the organisation in relation to financial planning including the inability to forecast the annual subsidy limit and issues with current financial management system. He also advised that the costs relating to the transition from FES to FLS had to be absorbed by FLS, eg the staff pay increase.

The non-executive advisors raised concerns about the need for more urgency in relation to decisions around financial sustainability and offered a number of suggested actions. These included embracing an entrepreneurial ‘Challenge and Build’ approach.

Donna advised that the next steps were to agree a sustainable baseline for financial years 20/21 and 21/22. A facilitated session with the Senior Leaders group is to be scheduled to help develop an action plan to take steps to ensure better financial sustainability. The action plan would be shared with the Strategic Board for discussion in 2020.

**AP 4/10: Head of Finance and Procurement to arrange for financial sustainability action plan to be shared with the Strategic Board for discussion in 2020.**

(**Note:** Simon Hodgson and Michael Hymers left the meeting at this point)

# FLS Procurement Strategy

Donna Mortimer delivered a short presentation on the draft Procurement Strategy. She advised that FLS is required by legislation to publish an annual report on procurement activity and this offers an opportunity to conduct some analysis of where opportunities for improvement in the supply chain may exist.

Discussion took place on the draft strategy, during which it was proposed that more strategic alignment was required through the process/strategy (i.e. linking to the Corporate Plan). Further information was also required on the implementation of the strategy to provide assurance of delivery to the Strategic Board.

Linking with earlier discussions, the non- executive advisors shared concern around the need to make decisions to ensure the ongoing financial sustainability of the organisation. They offered the Executive Team their backing and support in taking bold decisions.

**AP 5/10: Director of Corporate Services to arrange for management information in the style of a bulletin to be shared with non-executive advisors in advance of future meetings. Information should also include procurement information as appropriate.**

**AP 6/10: Director of Corporate Services to issue Corporate Performance Reports to non- executive advisors as they become available.**