



Forest Enterprise Scotland Management Board Meeting FESHO/ VCs 15 January 2015

Attendees:

Simon Hodge, Chief Executive

Les Bryson, Head of Operations

Alan Stevenson, Head of Communities, Recreation and Tourism

Michael Hymers, Head of Corporate Support

Alan Duncan, Head of Finance

Jo Ellis, Head of Planning and Environment

Rosetta Forbes, HR Business Partner

Zoe Stephens, Corporate Development FES (Agenda Item 7)

Michael Ansell, Head of Forest Renewables

Laurie Tyson, Head of Estates

Sylvi Kerr, Project and Programme Support Manager (Agenda Item 5)

Frances MacKenzie (Minute Secretary)

1. MINUTES OF LAST MEETING

The minutes of the meeting held on 18 December 2014 were agreed as a true and accurate record.

AP 1.1: Health and Safety: Review of H&S Leadership Event – All Board Members to review and evaluate in January.

AP Rolled Over

AP 1.2: Staffing: Rosetta will bring a paper to the Board in February on overtime.

AP Rolled Over

AP 1.3: IS Service Provision – Michael H to liaise with David Felstead/IS in the preparation of a gant chart which will demonstrate how all the IS projects interlink and their associated timescales.

AP Rolled Over

AP 1.4: Residual Renewables Sites – LTA 'Lite' Michael Ansell to progress.

AP Discharged

AP 1.5: Health and Safety – Les to remit query on recording concerns and incidents on AIRS in respect of driving on public highways to the Safety Committee.

AP Discharged

AP 1.6: HR Update and L&D Tech Training Review - Rosetta to co-ordinate devolution of Technical Training.

AP Discharged

AP 1.7: Frances to check with James MacDougall on list of invitees to MSP Reception on 28 January.

AP Discharged

AP 1.8: Zoe to canvas senior managers regarding visits by the Minister to the NFE. Michael H now dealing with this item.

AP Rolled Over

AP 1.9: Alan S to explore potential briefing for Minister on recreation and car parking. Comprehensive report will be given after final project board meeting.

AP Discharged

2. FINANCE REPORT

Alan D provided the FE Scotland Management Board with an update on the financial position for 2014/15 and to agree figures to be reported to FC Scotland.

This was a high level exercise and the main points are summarised below:

- Cashflow: FCS have allocated £0.6m this month to assist with land registration and tax payments. Approved cash funding has therefore increased from £20.8m to £21.4m. Another £1m from FCS has been approved for tree disease work, and is likely to be paid during this financial year.
- Reduction in timber income cash receipts of £2m.
- Cash Reserves: A number of items ie coal bond, website cash are ring fenced. Despite the reduction this month in the amount held as reserves, there is still sufficient cash to balance next year's budget, but further reductions will impact on next year.

AP 2.1: Alan D to clarify with Nicky Whitaker on whether the £0.6m allocated from FCS is for both land registration and tax payments or just for land registration.

AP 2.2: Alan D to check with Nicky on timing of the £1m for tree disease.

3. RISK MANAGEMENT

Alan D updated the Board on risk management and asked functional leads to let him have any amendments to the risk register by the middle of February.

Top Risks

It was agreed to add 'and wholesale electricity prices' to Risk 21 (Potential reduction in Renewables income as a result of reduced Government support).

Emerging Risks

It is expected that the following emerging risks can be removed next month:

1. Potential cost of long term restoration of windfarm sites and obtaining cover from developers.
2. Production Forecast (2016) – Need to migrate the NFE production forecast towards our flat-line production commitment.

Jo said that the wording for emerging risk 7 on hill tracks should be amended as follows:

'Potential reputational risk if we fall foul of the new regulations, and likely cost in terms of staff time to adhere to them, but as there is currently a considerable lack of clarity about the mechanism through which planning authorities will implement the regulations (and it may be different around the country), these risks cannot yet be quantified and are difficult to manage'.

A couple of districts had reported sporadic windblow due to the recent gales. Harvesters can't be used for sporadic windblow and therefore we have to rely on skilled chainsaw operators. Not all chainsaw contractors have the necessary windblow competencies and it was agreed that Simon would raise this as a general issue with FISA and Les with FCA.

AP 3.1: Simon to raise with FISA how the industry is equipped to deal with windblow in particular trained competent chainsaw users.

AP 3.2: Les to raise with FCA how the industry is equipped to deal with windblow in particular trained competent chainsaw users.

4. STRATEGIC BUSINESS PLAN

A lengthy discussion was held on the strategic business planning project. The board agreed that it would be opportune to widen the remit of this group given the increasing focus on decentralisation of FC Central Services.

5. PROJECTS UPDATE

Sylvi Kerr updated FESMB on the status of projects and programmes and the work of the programme office.

Projects causing some concern are as follows:

- Cuningar Loop: Delay in awarding the contract for the pedestrian bridge outwith our control but aims to be finished by the Autumn when the Minister will open it.
- Peatland Action Fund: The Project Team are pushing to get contracts finalised, invoices and closing reports completed by the year end.
- Procurement Reform: Recruitment ongoing in Scotland and England.
- West Highland Way Paths Project: Pressure being exerted on contractor to secure an end date in March. Work is of an exceptional quality but quite slow.
- Ben A'an Path Project: Harvesting yield much greater than previously thought resulting in delays in getting the hill path re-established.
- Strontian Outstation: Tight construction timetable with a pre-start meeting scheduled for 21 January and a completion date of 23 March.

Concept Projects:

- North Kyle Regeneration – Restoration of land following the collapse of two coal operators. The Board **agreed** to Sylvi's request that this project needs to be worked up as a business case or PID in order to deal with all the risks.
- Inverness, Ross and Skye Built Asset Strategy – Rather than this project come to the Board Simon asked that it be sent to him and he will look it over, taking Laurie's advice on where this sits in our wider management building investment priorities.

AP 5.1: Sylvi/Graeme Prest? to send IRS Built Asset Strategy to Simon for consideration.

6. HEALTH AND SAFETY

Les reported on recent accidents and incidents. The H&S meeting on 14 January had to be abandoned due to adverse weather conditions and will be re-scheduled for late February/

early March. It will include a major session on slips and trips which accounts for 50% of accidents and incidents on the National Forest Estate.

Les asked that functional leads remind their teams to complete the safety survey.

Trade Unions in Scotland have expressed concern over on call arrangements which vary from district to district. A review to be undertaken by Rosetta to gain an understanding of the position at the districts.

AP 6.1: Rosetta to undertake a review of on-call arrangements.

7. NATIONAL STRATEGIC DIRECTIONS – MID-POINT REVIEW

A discussion took place on progress so far as we are at the mid-point life of the document. Zoe and Michael H to look at all the comments and decide where we need to focus.

8. HR AND STAFFING

Rosetta updated the Board on various aspects of HR as follows:

- PMS – Trade unions have requested that HR undertakes regular audits and report findings back to them. This request has been agreed by Jean Lindsay.
- Engaging with cost centre managers on workforce planning, looking at allocation of resources, requests for recruitment etc
- Substantive slot at a future FESMB to discuss how we focus on creating headroom to allow progress
- Priority List: It was agreed that 2 STTA's can be added to the list for Cuningar Loop
- Priority List: It was agreed that 2 FLO FTAs can be added to this list
- Priority List: Discuss and agree a process for strengthening the Recruitment Panel gateway. Consider if all vacant posts have to pass through RP in order to create much needed headroom
- Opportunities list needs to be re-examined and updated

9. ORGANISATIONAL/FUNCTIONAL UPDATE

Alan S: A meeting has been held with Loch Lomond and The Trossachs National Park regarding the new byelaws. Whilst FES support the byelaws we have no resource available for camping facilities and cannot therefore proceed until funding is sourced and facilities in place. We await a response from LL&TNP.

Les: Most districts reported sporadic windblow through various compartments with volume being dealt with through the sales plan. North Highland and Inverness, Ross and Skye

reported a couple of big areas affected by the gales which will require mechanised harvesting. Safety is of paramount importance and staff were advised not to go into the forests without appropriate risk assessment.

Laurie: We now have a new tenant for the starter farm at Achamoine.

Michael A: Partnership for Renewables (PfR) achieved planning consent for their first Scottish wind farm, West Benhar near Shotts on 16th December. GHR also achieved planning consent for their Allt Seannbhaile hydro scheme in Gleann Urchadain.

Jo: A review of planning and environment surveys is taking place, so as to be able to give a national steer on how best to allocate limited resources to surveys.

10. REVIEW CORPORATE DASHBOARD

The Board reviewed the corporate dashboard on an exceptions basis. Board members to confirm to Michael H when commitments are complete.

AP 10.1: All board members – advise Michael H when commitments are complete.

11. AOB

Simon advised that Bob McIntosh would be attending the February FESMB.

The next FESMB meeting will take place on 11 February 2015.