

Forest Enterprise Scotland Management Board Meeting FESHO/ VCs 11 February 2015

Attendees:

Simon Hodge, Chief Executive
Les Bryson, Head of Operations
Michael Hymers, Head of Corporate Support
Alan Duncan, Head of Finance
Donna Hutchinson, Head of Finance (from 17 April)
Jo Ellis, Head of Planning and Environment
Rosetta Forbes, HR Business Partner
Michael Ansell, Head of Forest Renewables
Laurie Tyson, Head of Estates
Dr Bob McIntosh, Director Environment and Forestry (Agenda Items 6 & 7)
Frances MacKenzie (Minute Secretary)

Apologies: Alan Stevenson

Simon welcomed Donna to Forest Enterprise Scotland and to her first management board meeting.

1. MINUTES OF LAST MEETING

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

AP Discharged

AP1.2: Staffing: Rosetta will bring a paper to the Board in February on overtime.

AP Discharged

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

AP Discharged

AP 1.5: Finance Report - 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. Nicky has confirmed that £0.6m is purely for land registration.

AP Discharged

AP 1.6: Finance Report - Alan D to check with Nicky on timing of the £1m for tree disease. Alan confirmed that £1.3m paid to FES on 10 February 2015, split £1m for tree disease and another £0.3m for land registration.

AP Discharged

AP 1.7: Risk Management - Simon to raise with FISA how the industry is equipped to deal with windblow in particular trained competent chainsaw users.

AP Rolled Over

AP 1.8: Risk Management - Les to raise with FCS how the industry is equipped to deal with windblow in particular trained competent chainsaw users. This has been done.

AP Discharged

AP 1.9: Projects Update: Sylvi/Graeme Prest to send IRS Built Asset Strategy to Simon for consideration. In hand.

AP Discharged

AP 1.10: Health and Safety - Rosetta to undertake a review of on-call arrangements. In hand and paper will be presented at the next FESMB.

AP Discharged

AP 10.1: Review Corporate Dashboard - All board members to advise Michael H when commitments are complete. In hand.

AP Discharged

2. FINANCE REPORT

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

The main points are summarised below.

- FCS has approved another £1.3m in cash funding (£1m for Tree Disease work and £0.3m for Land Registration) which was paid over to us on 10 February.
- Timber Supply Income: The latest forecast shows a reduction of £2.5m on Despatched Income and £0.5m on Cashflow. This is as a consequence of high sawn

stocks, a low order book, a degree of discounting making and users reluctant to place large forward orders, and increasing uncertainty in Europe.

- Renewables Income – Delays in signing option agreements will further reduce forecast income for 14/15 by c£0.2m.
- Trial Investment in Renewables project – Forestry Commission Scotland Management Board (FCSMB) and National Committee for Scotland (NCS) to sign off this investment. Michael A to come back to FESMB in Spring with a list of potential candidate sites.

3. RISK MANAGEMENT

Alan D updated the board on risk management and the following was agreed:

Emerging Risks

The following risks to be removed:

5. Production Forecast (2016) – Need to migrate the NFE Production Forecast towards our flat-line production commitment.
7. Amendments to Town and County Planning in respect of Hill Tracks.
8. SEPA classify mulched woody material as waste.

Add:

- SEPA – in future we may have to apply for licences for ops activities and there is some concern about whether water environment standards are being met consistently by all our operators.
- Ability to service Scottish Government strategic needs.

It was agreed that “Devolution of Central Services” should be moved to the full Risk Register.

4. H&S CULTURE CHANGE – REVIEW/FEEDBACK SESSION

Les asked for feedback on how board members and their teams felt the different courses had gone.

- Think Safe Stay Safe: The majority of staff felt they had gained a lot from the course and it had brought home to everyone that, no matter which part of the FC you work in, whether you work on a harvesting site or are based in an office, health and safety is important.

It was suggested that in future it might be better to space out the various courses as they all tended to be very close together. Also that the day was perhaps slightly too long.

- Ryder Marsh: This course was aimed at senior staff and gave tips on leadership culture change for H&S and how to embed it into the culture.

It was agreed that listening to and visiting other sectors, seeing where they are on the H&S journey was most helpful and another visit by the board to a private sector company will be considered for later in the year.

Les advised that a couple of campaigns will be run by the Safety Committee in the near future covering Slips and Trips, Lyme disease and tick bites.

Michael A felt that giving regular updates through the Connect Bulletin was a very effective tool and an excellent way of giving advice to a wide audience and maintaining focus. Michael H felt more support and encouragement should be given to local H&S committees and gave Scottish Lowlands FD as an example. After all the H&S events they took ownership and ran some pilots on chainsaw use and footwear with a paper coming out on footwear within the next week.

Consideration will be given to running a similar campaign with climate tool results.

5. NCS UPDATE

Michael H gave a presentation on Forest Enterprise Scotland – Corporate Plan which highlighted the three “Key” areas:

- Finance
- Indicators/Targets – FCS Generated
- Actions/Corporate Priorities – FES Generated

Indicators/Targets contained in the FES Framework Document for FY 15/16 will be discussed and agreed with the Forestry Commission Scotland Management Board (FCSMB).

Any additional Indicators/Targets for FY 15/16 also to be agreed prior to the above.

FESMB to articulate and subsequently agree, by March 2015, the annual commitments (ie actions) that FES will implement in FY 15/16 in order to deliver the Strategic Commitments.

6. DIRECTOR'S REFLECTIONS

Bob McIntosh reflected on the past few years and how the 3 countries have evolved differently, with Wales now part of Natural Resources Wales and England more aligned with DEFRA. He felt that over the next couple of years things will progress and a decision made as to the future of the Forestry Commission and the landing point for Forest Enterprise Scotland having a different outcome.

7. HR UPDATE (INCLUDING OVERTIME REVIEW AND STAFFING)

Rosetta provided an update on recent case law regarding the inclusion of overtime in holiday pay and also how the current policy is applied in practice throughout the organisation.

Internal Audit carried out a review of overtime in 2010 and made five recommendations. Significant improvements were made at the time, however changes in staff, resourcing levels and business objectives has understandably diverted management attention until recent legal judgements.

FES spend approximately £1.2m per year on overtime and some suggestions were made which could be adopted in an effort to control this including the following:

- HR Scotland team will present a report for scrutiny at FESMB on a quarterly or biannual basis
- HR Business Partner will keep FESMB up to date as case law develops, outlining what this will mean for policy, procedures and operational practice.
- Raise awareness with line managers on our policy, procedures and best practice to encourage overtime as a last resort rather than a first response.
- Board members to discuss overtime with their own management teams and discuss options to reduce it.
- Consider alternative resourcing options such as prioritising time off in lieu or increasing headcount which will also provide greater flexibility

HR Policy Manager is currently preparing a paper which will give clear guidance on the way forward.

AP 7.1: HR Update - Michael H/Zoe Stephens to produce a calendar of management information.

Some general HR information was given out:

Sallie Bailey has been appointed as Forest District Manager of Dumfries and Borders and will replace Bill Meadows on his retirement.

Jim Dewar has been appointed as the Head of Policy.

Cameron Maxwell will take over from Syd House on his retirement.

AP 7.2: HR Update - Rosetta to speak to David Beagley and the resourcing team on how best to communicate HR information to staff.

Priority posts were discussed and the following agreed:

- The Landscape Architect post (currently FTA) to be made permanent.
- The Renewables Work Supervisor post – recruitment agreed subject to a final check on FLO capacity across the country and whether the contract out route makes economic sense.
- The Renewables FLO support post – recruitment agreed subject to a final check on FLO capacity across the country and whether the contract out route makes economic sense.

8. Organisational Development Programme

The board discussed the presentation by Michael H on the Organisational Development Programme and the main points are as follows:

- The changing context of the organisation and the devolution of shared services has provided FES with an opportunity to fundamentally re-evaluate the 'business' and our associated structures, process/procedures, to improve efficiency, use of technology, streamline performance and better meet our objectives.
- The potential spectrum of change is wide, from no change through to complete business process re-engineering.
- In order to consider, scope and subsequently manage the above, it is proposed to set up an 'Organisational Development Programme'.

The programme will sit within Corporate Support and Head of Corporate Support will act as Programme Manager and supported 'functionally' by Sylvi Kerr, Zoe and A N Other acting as Project Managers.

It was agreed that if a suitable date could not be found to discuss the programme then the March FESMB meeting would be devoted to this subject.

AP 8.1: Frances/Rhona to check diaries.

9. PRE-BUSINESS PLAN MEETING FORMAT DISCUSSION

This year's pre-business plan could take on a different format with three regional 'summit type' meetings instead of the usual individual district meetings.

A meeting is to be held on 19 February when format, template and timelines will be discussed.

10. FES SENIOR MANAGERS MEETING UPDATE

The business meeting will take place at Great Glen House, SNH all day Thursday 19 March and will close at 12.30 hrs on 20 March.

11. ORGANISATIONAL/FUNCTIONAL UPDATE

Alan D: A working group has been set up to cover tax and VAT, with the first meeting in January and monthly thereafter. A payment has already been made of £140,000 to cover home to office travel.

FCS have never had a VAT audit and we will now have to start producing guidance for staff. HMRC are currently looking at Forest Research, FC Scotland and FC England with FE Scotland being left till last.

Les: Tender - Les reported that out of 60 lots, 43 had sold with another 8 green log lots under negotiation. SS and red logs sold very well.

Lone worker system: There will be a delay to the planned rollout of the new lone worker safety system. This has arisen as a result of Guardian 24 being sold to a new owner resulting in some potential contractual issues for FC to resolve. The delay may be up to 6 months.

Rockfall on A82: This rockfall was on adjacent land abutting our land where the local authority had been doing rock scaling. FE Scotland staff were first on the scene and helped organise some contractors.

12. AOB

A discussion took place and it was agreed the following meetings would help the board to come to a conclusion on the Business Plan.

- Initial context setting – Senior Managers Meeting – 19/20 March
- Pre-business plan process – submitted by Cost Centre Managers
- Regional meetings where Cost Centre managers pitch within the context we set – semi-approvals?

FESMB 15 January 2015

After the regional meetings the board should be able to come to a conclusion.

The next meeting of FESMB will take place on 11 March 2015 in Silvan House.