

Forest Enterprise Scotland
Management Board Meeting
Inverness / Edinburgh / Dumfries 18 June 2015

Attendees:

Simon Hodge, Chief Executive
Michael Ansell, Head of Forest Renewables
Les Bryson, Head of Operations
Jo Ellis, Head of Planning and Environment
Rosetta Forbes, HR Business Partner
Donna Hutchinson, Head of Finance
Michael Hymers, Head of Corporate Support
Alan Stevenson, Head of Communities, Recreation and Tourism
Laurie Tyson, Head of Estates
Hilda Todd (Minute Secretary)

1. MINUTES OF LAST MEETING & ACTION POINTS

Simon ran through the action points from the previous meeting.

AP 2.1: Laurie to liaise with the Built Asset Management Board and review the proposed capital projects and confirm which would receive capital allocation in FY 15/16.

Rolled Over

AP 3.1: Laurie to present the Estates risk register to the June meeting of the FESMB.

Rolled Over

AP 3.2: Donna will invite, Michael H, Alan and Jo along to the next Risk Management meeting.

Discharged

AP 3.3: Donna to incorporate the overall cost of restocking as a risk in the risk register.

Discharged

AP 3.4: Board members to consider what changes need to be added / removed when the next full update of the Risk Register is carried out in October.

Discharged

AP 6.1: Michael H will circulate all AIRS records to the Board.

Discharged

AP 6.2: Michael H will contact Nicky Whitaker and ensure that Cost Centre 580 staff, based in Silvan House, are made aware of the H&S meetings arranged for FCS/Silvan House staff.

Discharged

AP 6.3: Les will ask Jason Liggins to discuss with Michael how this feedback can be used.

Rolled Over

AP 8.1: Rosetta will look at how FCS/FES handle Partial Retirement requests and produce guidance for line managers / individuals.

Discharged

2. FINANCE REPORT (FY 14/15 & FY 15/16)

Donna presented the End-of-Year finance report for FY 14/15 and confirmed that she would issue electronically an update on the FY 15/16 position (due to annual leave it was not possible to issue in advance of the Board meeting).

The main points of the E-o-Y Finance Report (FY 14-15) discussed were as follows:

- Both expenditure and programme associated with New Planting were below the previous forecast. Elements of both will be carried forward into FY 15/16.

AP 2.1: Donna will clarify carryover cash/programme with Jo/Les so it can be factored into the FY 15/16 Programme.

- Income/Expenditure associated with Capital needs to be clarified / agreed.

AP 2.2: Donna will look into the accrual expenditure for the February forecast and actuals and provide Simon with feedback.

- Estates expenditure is £0.9m above budget / forecast, due to some Forest Districts mis-classifying capital expenditure. Approval routes for this spend need to be clarified.
- The right-down of the Kirroughtree visitor centre features in the accrued full-resource position.

AP 2.3: Donna and Laurie will get back to Simon on the estates variance.

In the absence of a formal update on the FY 15/16 finances, the Board briefly discussed the following known issues:

- Due to an error, the archaeology budget was left with a deficit of £35k and Jo would like to see it increased. The board did not support the variance.
- The recent rock fall above the A82 had used a significant proportion of the FY 15/16 budget and therefore the planned works would require additional funding to proceed as planned (i.e. a variance of £250K) – this would be considered at the next formal BMR review.

3. RISK MANAGEMENT

Donna updated the Board and the following was agreed:

Top risks

The following risks will remain unchanged:

1, 3, 9, 17, 37 and 40.

21. Needs to remain as renewables subsidies will cease as of the 01 April 2016 and as a result FES will need to recalibrate its projected income from renewable energy. The current tranche of schemes will have to compete for a capped amount of support, with only the best schemes going forward. Revenue is down from £90 to £65 per kilowatt hour. As an organisation we are at risk of not meeting the Government target.

24. Donna will report back at the next FESMB.

30. Gordon Archibald has been confirmed as the new land registration project manager for a fixed term. His initial work will confirm the long-term resource requirements.

31. Jo will downgrade at the next revision.

Emerging risks

All emerging risks still pertinent. Enduring risks need to be added to the risk register at the next revision.

AP 3.1: Donna will maintain a list of proposed changes to the main Risk register when it is updated in October.

4. ESTABLISHMENT OF CORPORATE SERVICES WITHIN FES/FCS

Nicky provided an update to the Board of the work of the Business Strategy Group and the current 'workstreams' / associated timelines for establishing corporate services within Scotland.

Alternate FCSMB meetings will focus on organisational change and act as a Programme Board for the various internal / external 'workstreams' (incl. Scottish Government review).

A communications plan is being developed to ensure clear and consistent messages are disseminated to staff / stakeholders. In addition a special Staff Council is being set-up at FC level to specifically discuss the key organisational changes.

The role of the Business Strategy group was also discussed, it was confirmed that the group was an opportunity for the countries to collectively discuss how corporate services would move out to the countries. Ensuring due process had been followed. The group is not approving business cases and/or making decisions, that is the role of individual country boards.

Clear linkages will be established with the FES Organisation Development Programme, through the 'business support services' lens, .

5. IMPROVING DIGITAL SERVICES ACROSS THE RAFE PARTNERSHIP

Michael gave an update as to the work of the Rural Affairs, Food & Environment (RAFE) Digital Group which had been set-up to agree a Digital Intent for those bodies that fall within the RAFE family.

Initial discussions had identified common themes, which all and/or the majority of the bodies represented would benefit from and those would be the focus of the intent.

Further updates will be provided to Board members as the Digital Intent takes shape.

6. CORPORATE DASHBOARD FY 15/16

The National Committee for Scotland (NCS) / Scottish Government (SG) recently confirmed FES's Key Agency Targets, Annual Indicators and Corporate Commitments for FY 15/16.

During the approval process FES confirmed that it would review corporate performance on a quarterly basis using the 'corporate dashboard', RAG rating the individual elements.

The Board subsequently discussed the 'corporate dashboard' focusing on those Targets, Indicators or Commitments that were causing concern:

Commitment 40 & 41 (archaeology) were flagged as amber due to budget issues.

AP 6.1: Board members will feedback prior to the next Board meeting any other Targets, Indicators or Commitments that should be flagged as amber or red, and proposed recovery actions

The Board were also provided with initial feedback as to how discussions with the National Committee would be taken forward in relation to Targets and Indicators for FY 16/17 and a move towards corporate alignment across the RAFE family.

7. HR UPDATE & STAFFING

It was confirmed that the HR Scotland team were continuing to develop the Workforce Plan following the initial exercise involving cost centres. The team would shortly begin clarifying the outputs and in particular discussing hot spots and/or opportunities to create capacity.

Changes to holiday pay/overtime have been delayed until the tribunal process has been concluded.

The All Staff Briefings have generated a significant number of enquiries from members of the FES team, which the HR Scotland team are trying to work through and respond to. Rosetta agreed to keep the Board updated.

8. FES PROJECT ASSESSMENT & STAGES REVISION

Sylvi updated the Board on proposed revisions to the Project Management toolkit and the content of the Intranet pages, making it clearer how it fits with the Scottish Government project and programme framework.

The Board endorsed the changes and the associated roll-out.

The revisions will be highlighted in the FCS News that is published at the end of July.

9. ORGANISATIONAL / FUNCTIONAL UPDATE

Planning: Jo highlighted the work that the Planning team had done with FCS to develop a lighter-touch regulatory approach for land management plans, based on audit findings that demonstrated that nearly 90% of plans submitted by FES to FCS exceeded the minimum requirements of the UK Forestry Standard (a rate significantly higher than the private sector).

Renewables: Michael A recommended that Board re-evaluate the status of two of the residual hydro development sites (i.e. Allt Dearg – North Highland & Allt Londrainn – Lochaber). The board had initially flagged both the developments as amber, due to concerns raised during the LTA process. In both cases those concerns have been

addressed. The Board confirmed that they were happy to change the status to green and therefore FoRe could progress dialogue with the developers.

SSE Renewables have sold the Blackcraig Wind Farm (Galloway Forest District) to Blue Energy.

Estates: Laurie provided an update on the review of Harper Macleod's contract for legal services and confirmed that further information would be circulated to Cost Centres following the conclusion of the re-negotiation.

Feedback from agents, marketing land/woodland sales on FES's behalf suggest that the market has 'cooled' The A&D team will monitor and consider what if any impacts the slow-down will have on current/future sales.

Operations: Les provided an overview of initial dialogue between FES and FEE over changing the governance arrangements for Newton Nursery (currently the nursery is managed and accounted for by FEE). The countries had agreed to review the existing arrangements and pull together a series of options for the two management boards to consider.

Corporate Support/Development: Michael H confirmed that Rhondda Salmond would take up her post as Corporate Development Officer on the 13 July 2015.

Ministerial correspondence -- FES had received positive feedback from the Minister/Scottish Government, the board were thanked and encouraged to keep-up the good work.

Both Michael's reminded the Board as to the next steps in the formulation of the long-term strategic Business Plan and the requirement to complete the functional templates ahead of the additional Board meeting to discuss the subject (i.e. October 2015).

CRT: Alan confirmed that the Vacant & Derelict Land project had now concluded. Given the pressure of meeting the SG's Climate Change targets (in particular new planting targets) it seemed sensible to flag the projects outcomes to the SG.

AP 9.1: Brent to forward details of the outcomes of the Vacant & Derelict Land project to Simon for consideration.

A positive meeting had been held with Scottish Water's Director of Communications to resolve matters relating to health and safety signage. Agreement was reached on a way ahead on signage and more widely on good practice for health and safety management relating to members of the public. It is likely that SW will become members of the visitor safety in the countryside group.

Cancellation of a forest rally stage had been avoided in discussion with event organisers and stakeholders following the identification of a new conservation site immediately prior to an event on the National Forest Estate.

The planning consent / NFLS approval for the Innerleithan uplift project are due to expire in the autumn. A study commissioned by a stakeholder group comprising AimUp, Scottish Borders Council, Scottish Enterprise and Traquair Estates, has ascertained that whilst tourism would benefit from more investment in mountain biking in the area, there are questions about the commercial viability of an uplift development. The AimUp group are reviewing the findings and discussions are progressing on the way ahead.

10. AOB

The Board recorded their congratulations to Bill Meadows on receiving an MBE in the Queen's Birthday Honours.

The next Board meeting is confirmed as the 23 July 2015.