

Forest Enterprise Scotland (FES) Management Board Meeting

21 December 2017

Attendees:

Simon Hodge, Chief Executive
 Michael Ansell, Head of Estates Development
 Alan Stevenson, Head of Community and Visitor Services
 Trefor Owen, Head of Land Management
 Michael Hymers, Head of Corporate Support
 Nicol Sinclair, Head of Business Services (Acting)
 Rosetta Forbes, Head of HR Scotland
 Donna Mortimer, Head of Finance and Procurement
 Rhondda Salmond, Secretariat

Apologies:

Brent Meakin, Head of Business Services

Others:

Linda McKenna (Item 4)
 Alison Grant (Item 6)
 Alan Mooney (Item 11)
 John Ireland (Item 8)
 Andy Sloss (Item 8)
 Nicola McKeand (Item 12)

1. Minutes of last Meeting 23 November 2017

The FESMB agreed that the record of 23 November 2017 was held to be a true and fair reflection of the meeting.

2. Action Points and Matters Arising

Ref:	Action	Who	Target Date
4/07	Develop potential options and timescales for delivery of stakeholder satisfaction KPI.	MH	19 Jan 2018
5/09	Head of HR to engage with Internal Communications Manager to plan approach to communicating final Workforce Plan.	RF	19 Jan 2018
2/10	FESMB members to provide feedback to Head of Corporate Services on personal and collective areas for development for inclusion in the FESMB Development Project.	All	19 Jan 2018
3/10	Head of Business Services and H&S Team to liaise with Procurement Team to consider options for securing external resources for H&S investigations.	NS	19 Jan 2018
7/10	Head of Finance and Procurement to consider and progress appropriate governance for the Procurement & Contract Management project.	DM	19 Jan 2017
10/10	Head of Finance & Procurement and Head of HR to provide	DM &	19 Jan

Ref:	Action	Who	Target Date
	further analysis to FESMB on increase in staffing costs.	RF	2018
1/11	Head of Business Services to provide FESMB with details of changes to Business Services resourcing, including headcount and related costs.	NS	19 Jan 2018
6/11	Head of Corporate Support to consider how future corporate dashboards can be shared with appropriate business leads whilst maintaining commercial/business confidentiality.	MH	19 Jan 2018
7/11	Head of Business Services to present information to FESMB on the type and location of personal information held across the organisation, and options to meet General Data Protection Regulations.	NS	19 Jan 2018
8/11	Head of HR to arrange facilitated FESMB session in early 2018 to discuss and progress actions in response to the Staff Survey 2017 results.	RF	19 Jan 2018
11/11	Portfolio Office to provide Portfolio Board with quarterly resource plans.	MH	19 Jan 2018
12/11	Portfolio Office to present Portfolio Board with a proposal on how to develop a presentation on portfolio information to wider staff group.	MH	19 Jan 2018
1/12	Head of Corporate Support, Head of HR, and Head of FC Scotland Corporate Services to meet with Head of FC Corporate Services to gain insight on previous approach to introducing new governance arrangements.	MH & RF	19 Jan 2018
2/12	Head of Business Services to develop and present FESMB with a Competency Framework proposal.	NS	16 Feb 2018
3/12	Head of Finance and Procurement to implement agreed adjustments to FY17/18 finance position, including investigation and potential double counting.	DM	19 Jan 2018
4/12	Head of Community & Visitor Services to consider how to address CVS funding gap for FY18/19.	AS	19 Jan 2018
5/12	Head of Business Services to define cost of change not currently included in the Business Plan for FY18/19.	NS	16 Feb 2018
6/12	Head of Finance and Procurement to lead discussion on identifying future investment opportunities to inform Business Planning process for FY19/20.	DM	16 March 2018
7/12	Head of Finance and Procurement to develop strategic approach to addressing all audit recommendations across wider business.	DM	16 Feb 2018
8/12	Head of Land Management to engage with North Highland Forest District on future of buildings at Lybster.	TO	19 Jan 2018
9/12	Portfolio Office to engage with Head of Fleet and Buildings to move the Sign Unit buildings in to the Built Asset Management process.	MH	19 Jan 2018
10/12	Portfolio Office to consider strategic portfolio prioritisation methodology and weightings, and present to FESMB for agreement and application.	MH	16 Feb 2018
11/12	FESMB members to remind Costs Centre Managers of benefits of using programme/project methodology,	All	19 Jan 2018

Ref:	Action	Who	Target Date
	including identifying where professional programme/project resources are required.		
12/12	Head of Land Management to engage with West Argyll Forest District regarding submitting the Interconnector Project to the portfolio to consider resourcing requirements.	TO	19 Jan 2018
13/12	Portfolio Office to follow up on review of proposed costs for Glencoe Lochan.	MH	19 Jan 2018
14/12	Head of Business Service to develop scoping for the Business Transformation Programme, and present details to the FESMB.	NS	16 March 2018

Action Points: 11/10, 2/11, 3/11, 4/11, 5/11, 9/11 and 10/11 are discharged.

3. Chief Executive Update

Simon Hodge advised that Stage 2 of the parliamentary process for the Forestry and Land Management (Scotland) Bill is now complete. Stage 3 will now commence to consider and debate potential further amendments.

Public finances remain extremely challenging and many parts of the public sector face budget reductions. The draft Scottish Budget announced on 14 December indicates that FES funding from government will reduce by £1M next year.

4. Forestry & Land Scotland (FLS) Corporate Plan

Linda McKenna presented an overview of the proposed approach to developing the FLS Corporate Plan, in preparation for vesting on 1 April 2019.

The new plan will be outcome focussed with clear links to the Scottish Government (SG) National Performance Framework, and aligned to the revised Scottish Forestry Strategy. It will also be linked to a series of internal documents and products including the National Spatial Overview.

Linda highlighted that the timescales for developing, consulting on and finalising the Corporate Plan would be challenging, and is very much dependent on progress of the Forestry and Land Management (Scotland) Bill and production of the Scottish Forestry Strategy, which is currently being reviewed.

5. FLS Governance

Michael Hymers presented a paper outlining FLS's future governance arrangements, highlighting how input from the SG Public Bodies Unit had informed the approach and ensure that the arrangements align with other SG agencies.

The future governance arrangements will comprise of a:

- Strategic Board, including non-executive members;
- Audit & Risk Committee;
- Operational Board; and

- Stakeholder Panel.

The next stage will to further develop terms of reference to define the specific roles and responsibilities of each element, and then determine appropriate membership. Consideration will also need to be given to the relevant administrative support required to meet the ongoing needs of the governance arrangements.

AP1/12: Head of Corporate Support, Head of HR, and Head of FC Scotland Corporate Services to meet with Head of FC Corporate Services to gain insight on previous approach to introducing new governance arrangements.

6. National Strategic Overview

Alison Grant provided an update on the continuing development of the National Strategic Overview (formerly the National Strategic Plan).

Over the past 6 months she has been engaging with staff from different business areas to embed clarity in to the NSO to support the delivery of corporate priorities and objectives, and reflect constraints and investment challenges.

The development phase has identified some common issue themes across geographical locations, including deer management, roads maintenance and maintenance of existing recreation facilities.

The FESMB discussed the NSO, and sought further clarity on how it will be translated to support day to day delivery, and link to wider strategic approaches including workforce planning, long term business planning and other corporate responsibilities.

It was agreed that the NSO is now at the stage for refinement, including aligning descriptors around public benefits; economic contribution; additional ecosystem services; working with others; and contribution to financial sustainability.

It was agreed that the NSO should be formally incorporated into the corporate planning process for the new agency.

7. Learning & Development (L&D) Update

Alan Mooney presented a paper outlining the emerging L&D Strategy priorities and plans for 2017 to 2019, ongoing development of the Managers Training Academy, and a proposal to procure a Learning Management System (LMS).

The FESMB discussed the Managers training Academy, indicating that further refinement was required on embedding and measuring ongoing competence following completion of appropriate training and consolidation. This would enable and support assurance across a number of business areas.

AP2/12: Head of Business Services to develop and present FESMB with a Competency Framework proposal.

The FESMB agreed the procurement of a LMS.

8. H&S Accident/Incident Report

John Ireland and Andy Sloss presented a paper outlining that there were 49 incidents reported in November 2017, including 8 workplace accidents.

Two lost time incidents were reported. There were two RIDDOR reports submitted during this period, one employee and one contractor. Both of these related to serious tree felling accidents.

Slips, trips and falls continue to be the associated with the highest number of AIRs incidents, approximately 10% of all recorded incidents. Other key issues include lack of Personal Protection Equipment (PPE), work near Overhead Power Lines, and vehicle accidents/incidents.

Following a number of serious chainsaw incidents and accidents, the H&S Team are holding a session with key staff in January 2018 to identify opportunities to eliminate further occurrences. Outputs from this meeting will be shared with the FESMB.

9. LM & C&VS Future Structures Next Steps

Simon Hodge advised that management were still working through the Trade Union's response to the consultation on Future Structures for Land Management and Community and Visitor Services.

A meeting with Trade Unions is planned in early January 2018 to continue dialogue and seek agreement.

10. Organisational/Functional Updates

Estates Development: Michael Ansell advised that disposals of land/buildings were moving to the final stage in the sale process.

Two new staff are due to take up post in January and February, to fill vacant posts for the Agriculture Advisor and Commercial Development Advisor.

Discussions are continuing in respect of costs relating to non-domestic sporting rates, and potential ongoing impacts on deer management.

Land Management: Trefor Owen advised that there were a number of key posts in Forest Management currently without staff due to staff moves and sick absence.

Community & Visitor Services: Alan Stevenson advised that the Glentress Project had been submitted for Local Authority Planning consideration.

Phoenix Equity Partners have acquired a majority shareholding in Forest Holidays.

HR: Rosetta Forbes advised that in preparation for moving to FLS, HR will be engaging FESMB members and business leads on the final stages of devolving Central HR Services.

Corporate Support: Michael Hymers advised that the Brand Manual was currently being updated to ensure that correct terminology was being used both internally and externally, including social media, when describing FC Scotland and FES.

George McRobbie will be leaving his position on the National Committee for Scotland, following a change to his role at BSW Timber Limited which increases the potential for conflicts of interest. He will however continue in his role as Forestry Commissioner for Scotland.

The BBC programme "The Forest", featuring FES staff and filmed in Galloway Forest Park, is scheduled to be shown from 8 January 2018. Details will be released to external media and internally to staff closer to the date.

Finance & Procurement: Donna Mortimer advised that a meeting had been held with Internal Audit to provide an update on progress of the development of the draft Action Plans, and positive feedback was received. They had advised not to focus on ensuring everything is rectified now, but in incorporated in to preparing for our future in FLS.

Donna advised that following the Audit and Risk Committee meeting in November the FES Risk Register would be updated to reflect changes and update details on mitigation for risk FES2.

11. Finance Report

Donna Mortimer presented a paper providing an update on the financial position for 2017/18, progress on the Business Plan for 18/19 and to seek agreement on actions required.

The FESMB discussed the timber income forecast, and following the outcome of the Scottish Government Spending Review adjustments to reflect the £1m reduction in funding. Other than the projects/initiatives where funding has been agreed, no additional large scale investment opportunities have been identified.

AP3/12: Head of Finance and Procurement to implement agreed adjustments to FY17/18 finance position, including investigating potential double counting.

Work continues to finalise the Business Plan for FY18/19. This included identifying the cost of change, predominantly attributable to Business Services and Corporate Support, and salary allocation adjustments across the wider business. This leaves a funding gap of £4.4m against mandate, of which £2.1m relates to Land Management programmes and £2.3m to Community & Visitor Services.

The FESMB agreed to commit additional funding to Land Management roading programme, addressing the £2.1m gap.

AP4/12: Head of Community & Visitor Services to consider how to address CVS funding gap for FY18/19.

AP5/12: Head of Business Services to define cost of change not currently included in the Business Plan for FY18/19.

AP6/12: Head of Finance and Procurement to lead discussion on identifying future investment opportunities to inform Business Planning process for FY19/20.

AP7/12: Head of Finance and Procurement to develop strategic approach to addressing all current audit recommendations across wider business.

12. Portfolio Management

Nicola McKeand presented an update on the portfolio priority programmes and projects, highlighting those with red/amber RAG status in relation to costs, schedule, risks, issues and dependencies.

The FESMB discussed the priority programme and projects, seeking further information and clarity on progress and remove items from the portfolio where all actions were either complete or would be progressed via other established routes.

AP8/12: Head of Land Management to engage with North Highland Forest District on future of buildings at Lybster.

AP9/12: Portfolio Office to engage with Head of Fleet and Buildings to move the Sign Unit buildings in to the Built Asset Management process.

AP10/12: Portfolio Office to consider strategic portfolio prioritisation methodology and weightings, and present to FESMB for agreement and application.

AP11/12: FESMB members to remind Costs Centre Managers of benefits of using programme/project methodology, including identifying where professional programme/project resources are required.

AP12/12: Head of Land Management to engage with West Argyll Forest District regarding submitting the Interconnector Project to the portfolio to consider resourcing requirements.

AP13/12: Portfolio Office to follow up on review of proposed costs for Glencoe Lochan.

Nicol Sinclair presented a mandate to accept the Business Transformation Programme on to the portfolio.

The FESMB discussed the programme, and associated workstreams. Rhondda Salmond outlined where this programme would benefit or support delivery of other programmes and/or projects, and increase efficiencies within current processes.

The FESMB agreed that the programme should be adopted on to the portfolio, and should move to the development stage.

AP14/12: Head of Business Service to develop scoping for the Business Transformation Programme, and present details to the FESMB.

13. AOB

No items were raised under AOB.

The date of the next FESMB is the 25 January 2018.