

Forest Enterprise Scotland (FES) Management Board Meeting

26 October 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
 Rosetta Forbes, Head of HR Scotland
 Donna Mortimer, Head of Finance and Procurement
 Rhondda Salmond, Secretariat

Apologies:

Nicol Sinclair, Head of Business Services (Acting)
 Brent Meakin, Head of Business Services

Others:

Paul Calderwood (Items 4 & 5)
 Jason Liggins (Item 6 & 7)
 Nicola McKeand (Item 13)

1. Minutes of last Meeting 28 September 2017

The FESMB agreed that the record of 28 September 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	17 Nov 2017
12/07	Present further detail on developing and delivering Manager Capability to FESMB.	RF	17 Nov 2017
2/08	Head of Land Management to work with H&S Team to present proposals to FESMB on addressing weaknesses in the current accident and incident reporting and management process.	TO	17 Nov 2017
3/08	Corporate Support Team to work with H&S Team to ensure that all lost-time accidents are reported to the Board.	MH & NS	17 Nov 2017
8/08	Develop and include timeline of activity in the Financial Strategy & Long-term Financial Plan for presentation to NCS.	DM	17 Nov 2017
2/09	Corporate Support to develop approach to monitoring progress against Programme for Government commitments.	MH	17 Nov 2017
3/09	Head of Business Services to consider risks, and develop	NS	17 Nov

Ref:	Action	Who	Target Date
	mitigation proposals on knowledge transfer to support application migration and delivery.		2017
4/09	Head of Business Services to provide assurance that new data centres comply with green credentials, i.e. use of renewable energy, etc.	NS	17 Nov 2017
5/09	Head of HR to engage with Internal Communications Manager to plan approach to communicating final Workforce Plan.	RF	15 Dec 2017
9/09	Head of Business Services and Head of HR to present a strategic appraisal of L&D business requirements, outlining short, medium and long term priorities.	NS & RF	17 Nov 2017
11/09	Head of HR to incorporate H&S Accident/Incident Investigation tracker in to H&S Dashboard, and circulate for comment.	RF	17 Nov 2017
16/09	Portfolio Office to consider how to support programme/project manager networking across the organisation.	MH	17 Nov 2017
1/10	Internal Communications Manager to amend Long Term Strategic Communications Planner and circulate to FESMB for comment.	MH	17 Nov 2017
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	17 Nov 2017
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	17 Nov 2017
4/10	H&S Team to provide written Q2 H&S update to FESMB, and every quarter thereafter.	NS	17 Nov 2017
5/10	Head of Corporate Support to provide feedback to appropriate Senior Leaders on timely incident reporting and response.	MH	17 Nov 2017
6/10	FESMB members to provide Head of Finance and Procurement with feedback on Internal Audit draft Action Plans.	All	27 Oct 2017
7/10	Head of Finance and Procurement to consider and progress appropriate governance for the Procurement & Contract Management project.	DM	17 Nov 2017
8/10	Head of Finance and Procurement to circulate draft Internal Audit Action Plans to FES Team Leader participants in advance of meeting.	DM	31 Oct 2017
9/10	H&S Team to circulate information on H&S compliance issues to FES Team Leader participants in advance of meeting.	NS	31 Oct 2017
10/10	Head of Finance & Procurement and Head of HR to provide further analysis to FESMB on increase in staffing costs.	DM & RF	17 Nov 2017
11/10	FESMB members to submit information on potential in-	All	17 Nov

Ref:	Action	Who	Target Date
	year investment opportunities to Head of Finance & Procurement.		2017
12/10	Head of Finance & Procurement to amend FES Risk Register (FES5) to incorporate risk on sustaining forest productivity.	DM	17 Nov 2017
13/10	Head of Corporate Support to identify potential opportunities to promote whistleblowing policy and procedures across FES.	MH	17 Nov 2017
14/10	Head of Finance & Procurement to seek FESMB input to approach to Supplier Development Programme.	DM	17 Nov 2017
15/10	Portfolio office to provide updated portfolio resourcing information across all priorities and functions, including the wider business and staff impacts.	MH	17 Nov 2017
16/10	Portfolio Office to develop communications for issue to Cost Centre Managers promoting opportunities to use project management tools and techniques, and what must be submitted to the Portfolio Board for agreement.	MH	17 Nov 2017
17/10	Portfolio Office to review criteria of what is submitted to and monitored by the Portfolio Board, and circulate to FESMB for agreement.	MH	17 Nov 2017
18/10	Head of Corporate Support to circulate details of outstanding all-staff briefing questions to Function Leads for response.	MH	17 Nov 2017
19/10	FESMB members and Function Leads to develop and agree all-staff briefing question responses for final collation and publication.	MH	17 Nov 2017

Action Points: 5/08, 6/08, 20/08, 1/09, 6/09, 7/09, 8/09, 10/09, 12/09, 13/09, 14/09, 15/09, 17/09, 18/09, 19/09, 20/09 and 21/09 are discharged.

The FESMB agreed that a Non-Executive Dashboard will be produced timeously each quarter for circulation to appropriate stakeholders.

3. Chief Executive Update

Simon Hodge advised that he had met with Fergus Ewing (Cabinet Secretary for Rural Economy and Connectivity) and others to consider the Rural Economy and Connectivity (REC) Committee report and recommendations in relation to the Forestry and Land Management (Scotland) Bill.

The Scottish Government (SG) Forestry Devolution Programme Board took place this week, and included discussion on Forestry and Land Scotland (FLS) governance arrangements, staff transfer, Trades Unions engagement, and an update on Brand development.

4. FES Communication Priorities

Paul Calderwood, Internal Communications Manager led a FESMB discussion on strategic communication priorities for the next 18 months.

The FESMB concluded they would like to see communication priorities that include the following high level areas; Organisational Change; Health, Safety and Wellbeing; Delivery (including the role of support functions); Our people; and Business priorities.

AP1/10: Internal Communications Manager to amend Long Term Strategic Communications Planner and circulate to FESMB for comment.

5. FES All Staff Briefing Review

Paul Calderwood presented an overview of the five FES All Staff Briefings held in September and October 2017, and provided details of feedback received from staff and managers.

The FESMB discussed the feedback and how this could be taken forward to inform future events and engagement with staff.

AP2/10: FESMB members to provide feedback to Head of Corporate Services on personal and collective development areas for inclusion in the FESMB Development Project.

6. Future Management of H&S Investigations

Jason Liggins presented a paper to the FESMB outlining a proposal to draw together a panel of 14 trained staff members to undertake H&S investigations.

The FESMB discussed the proposal, highlighting the need to ensure that those staff selected for the panel obtained the relevant level of competency required to undertake H&S investigations. This included softer skills requirements in relation to interview techniques, report writing, communications, etc. Consideration also needs to be given to support requirements, i.e. admin, trained note takers, etc.

The FESMB agreed the proposal subject to minor amendments, and encouraged active marketing promoting the positives of making improvements to H&S across all staff groups and seek nominations for panel members. This role should be reflected in the FJPs of panel members.

The FESMB also agreed that external resources should also be considered to provide subject matter expertise, and to bolster internal resources where required.

AP3/10: Head of Business Services and H&S Team to liaise with Procurement Team to consider options for securing external resources for H&S investigations.

7. H&S Accident/Incident Report

Jason Liggins presented the 2017/18 Quarter 2 H&S statistics highlighting that there had been 17 accidents and 191 incidents during the three-month period, of which six were

RIDDOR reportable. The highest accident and incident rates are associated with slips, trips and fall and chainsaw related.

Staff sick absence data shows that there has been a total of 5 months lost time associated with accident/incident related absences.

Jason also provided an update on accident/incident investigations, and lessons learned which has provided useful insight in to engaging forest user groups in the H&S cultural journey and risk associated with a productive woodland environment.

AP4/10: H&S Team to provide written Q2 H&S update to FESMB, and every quarter thereafter.

AP5/10: Head of Corporate Support to provide feedback to appropriate Senior Leaders on timely incident reporting and response.

8. Internal Audit Report Action Plans

Donna Mortimer presented a paper and draft action plans in response to recommendations in the Internal Audit Reports on Finance Support Visits, Procurement and Contract Management.

The draft action plans are closely linked in recognition of the procurement lifecycle. They will have recommendations on training and cultural issues, and weaknesses around understanding and complying with regulatory responsibilities throughout the organisation.

AP6/10: FESMB members to provide Head of Finance and Procurement with feedback on Internal Audit draft Action Plans.

AP7/10: Head of Finance and Procurement to consider and progress appropriate governance for the Procurement & Contract Management project.

9. FES Team Leaders Meeting Preparation

Michael Hymers advised that a FES Team Leaders meeting had been arranged for 3 November 2017, with the theme of compliance and business improvement challenges. This includes specific requirements in relation to procurement, contract management and finance support; and health, safety and wellbeing

The FESMB discussed and agreed that the outcomes for the day include:

- Working together to explore information and evidence base to develop a way forward;
- Consider the benefits of good compliance culture, including how this helps us to learn and improve, as well as providing evidence and assurance;
- Assurance framework – what does this mean, and how can we translate successes from other legal/regulatory business areas;
- Current issues, and potential solutions in the short, medium and long term; and,
- Potential consequences of non-compliance for the organisation and individuals.

AP8/10: Head of Finance and Procurement to circulate draft Internal Audit Action Plans to FES Team Leader participants in advance of meeting.

AP9/10: H&S Team to circulate information on H&S compliance issues to FES Team Leader participants in advance of meeting.

10. Business Monitoring Report (BMR) & Q2 Finance Dashboard

Donna Mortimer presented the FESMB with an overview of the BMR and dashboard highlighting the current financial position, including £22.4m reserves.

The report highlighted that there is opportunity to review the organisations approach to forecasting, encouraging realistic rather than pessimistic forecasts. This will be explored further at the FES Team leaders meeting in November.

AP10/10: Head of Finance & Procurement and Head of HR to provide further analysis to FESMB on increase in staffing costs.

AP11/10: FESMB members to submit information on potential in-year investment opportunities to Head of Finance & Procurement.

11. FES Risk Register Update

Donna Mortimer presented the updated top level FES Risk Register to the FESMB highlighting amendments following the submission of functional risk registers.

The FESMB discussed the amended top level FES Risk Register, and agreed the additional risk that had been incorporated regarding compliance in response to recommendations from Internal Audit Reports.

The FESMB also agreed that the FES Risk Register needed to consider sustaining forest productivity on the National Forest Estate (NFE), and agreed that risk FES5 would be amended to incorporate this.

AP12/10: Head of Finance & Procurement to amend FES Risk Register (FES5) to incorporate risk on sustaining forest productivity.

12. Organisational/Functional Updates

HR: Rosetta Forbes advised that there has been a marked increase in the number of cases being support by the HR Operations Managers. There have been 101 cases to date for 2017/18, in comparison to 86 in total for 2016/17. There is no clear theme emerging in relation to the increase with support spread across sick absence management, grievance and disciplinary.

HR staff will be attending a session with the Forest District Managers (FDM's) to provide more in depth information on the assimilation process as outlined in the FES Staff Protocol.

The wider Forestry Commission (FC) is promoting the whistleblowing policy and procedure, and is encouraging the countries/Forest Research (FR) to identify and take forward promotion opportunities.

AP13/10: Head of Corporate Support to identify potential opportunities to promote whistleblowing policy and procedures across FES.

FC Central HR have been approached by the Cabinet Office to participate in an initiative to reduce internal fraud across the Civil Service, i.e. where any staff member dismissed for fraud is excluded from further Civil Service employment for five years, and are asking countries/FR whether or not they would like to sign up.

The FESMB agreed that as we are moving towards becoming an agency of Scottish Government we would adopt their approach going forward.

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

SG has reintroduced legislation for business rates on sporting activities, including deer stalking. This will have a significant cost implication for FES in relation to sustainable deer management. This is currently under discussion with SG.

Finance & Procurement: Donna Mortimer advised that the Business Planning submission process closes on 31 October 2017, and some anomalies have already been identified that will require remedial action. Business Plan details will be presented to the FESMB in November for consideration and agreement.

HMRC have now agreed and accepted the FES VAT strategy. This is based on a specific apportionment methodology, and FES is the first government department to gain agreement on this type of approach. Work will continue on developing guidance and ensuring consistent implementation.

Given the challenges faced by many of our service providers in meeting the requirements of the Scottish Procurement Regulations, the Board agreed the benefits of continued engagement with the Supplier Development Programme, which supports small and medium employers (SME's) to access procurement opportunities.

AP14/10: Head of Finance & Procurement to seek FESMB input to approach to Supplier Development Programme.

Corporate Support: Michael Hymers advised that the results of the FC Staff Survey are due for release in November. Results for FES will be shared with the FESMB and National Committee for Scotland in advance of being released to staff.

Community & Visitor Services: Alan Stevenson advised that further work is required to manage liabilities in relation to business failure and civil claims, including supporting staff that may be impacted by court proceedings.

There have been two cases submitted to the Community Asset Transfer Scheme (CATS) for consideration, for announcement in November.

The consultation on the future of the Sign Unit has now concluded, and impacted staff and Trades Unions informed.

13. Portfolio Management

Nicola McKeand presented the FESMB with 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 outlined that there was still with a need for better early mapping and managing dependencies between the different programmes and projects as well as wider business and staff, to resolve dependencies and conflicts at the earliest stage possible.

AP15/10: Portfolio office to provide updated portfolio resourcing information across all priorities and functions, including the wider business and staff impacts.

AP16/10: Portfolio Office to develop communications for issue to Cost Centre Managers promoting opportunities to use project management tools and techniques, and what must be submitted to the Portfolio Board for agreement.

AP17/10: Portfolio Office to review criteria of what is submitted to and monitored by the Portfolio Board, and circulate to FESMB for agreement.

14. AOB

Michael Hymers advised that the general questions asked at the FES All Staff Briefings had now been collated, and there were some outstanding that required a response. These will then be collated and published.

AP18/10: Head of Corporate Support to circulate details of outstanding all-staff briefing questions to Function Leads for response.

AP19/10: FESMB members and Function Leads to develop and agree all-staff briefing question responses for final collation and publication.

The date of the next FESMB is the 23 November 2017.