

THE FORESTRY COMMISSION ENGLAND EXECUTIVE BOARD
MINUTES OF THE 96TH MEETING
Conference Room, National Office, Bristol
23 April 2014

Attendees:

Ian Gambles
Simon Hodgson
Mark Funnell
John Tewson
Steve Meeks
Richard Greenhous
Dominic Driver
Sarah England
PK Khaira-Creswell

Richard Britton (item 4 – via telecon)
Rob Gazzard (item 5)
Kate Debley – Minute Secretary

1. Welcome

Ian Gambles opened the meeting. Apologies had been received from Jean Lindsay.

2. Review of minutes of previous meeting

The minutes of the meeting on 3 February were reviewed and agreed. All actions had been completed, other than 'Board members to feed in suggestions to Mark Funnell in relation to Non Exec engagement'. Mark Funnell advised the Board that he would still like to hear suggestions from members in relation to this.

Action: Board members to feed in suggestions in relation to Non Exec engagement to Mark Funnell

3. Finance report

Steve Meeks updated the Board on the current financial position, progress of annual report and accounts preparation and business planning process.

The 2013/14 outturn position is that a 'soft landing' had been managed, optimising carry forward into 2014/15 in line with the approved business plan.

A first draft consolidated accounts was due to be finalised in the next few days which, with a few minor late adjustments, is expected to confirm decisions taken on 11 April when the 'End Game', and in particular FEE's Annual Subsidy Limit, was finalised.

The resource position was that there had been a £254k underspend across the Westminster Group, being 0.5% of the adjusted £49.4m baseline. This was the targeted level of buffer to cater for any late adjustments from Management & NAO review. There was also an underspend of £500,000 on ring fenced depreciation. A £400k approved overspend negotiated with Defra relating to the only Supplementary Estimate bid not accepted in the Autumn (staff transfers and maternity cover) provided additional flexibility.

The £19.850m FEE ASL included: £8m carried forward to help meet pressures including those associated with plant health on the public forest estate (detailed utilisation is currently under active discussion with Defra); £2.8m uncommitted balance of the £7m received in 2012/13 factored into FC's approved business plan; £340k pilot to cover National Office overhead cost (ahead of 2014/15 SLA) and £910k carry forward representing an underspend across the Group. The latter was largely due to a late surge in income within Forest Research (£500k), improved holiday pay accrual position and marginal savings across shared services. This negated any mitigation action by FEE to offset the software development costs anomaly issue.

In relation to capital DEL, the £800k post Supplementary Estimate/approved budget was underspent by £193k. This largely related to GLOS and had been anticipated. There had been a £255k underspend on £911k Annually Managed Expenditure credit balance due to adjustments to provisions. For RDPE there had been a £33.3m outturn against a budget of £34.6m (Gross). There had been a £1.3m underspend linked to Axis 1 (WIG Wood Fuel) and Axis 5 (Technical Assistance). Axis 2 (Woodland Grants) had been fully spent.

The cash position at end of year was a £2.2m balance for FCE/CS. For FEE there was a £26m balance including £11.7m carry forward (£8m + £2.8m + £0.9m) net £14.3m comprising deferred income, working capital and resources.

Preparation of the 2013/14 annual report and accounts was progressing well and in line with the published timetable. Draft accounts were due to be provided to NAO on 1st May. There is an interim ARAC on 7th May and a full meeting on 3rd June, and NAO would be visiting FC from 6th to 23rd May. Signing of accounts by accounting officers would take place on 3rd June at the ENC, with NO certification due on 6th June. The accounts will be laid and published on 12th June.

The 2014/15 budget has now been approved by the ENC and is in place. In relation to the 2015/16 business planning process, an exchange of letters has taken place between Ian Gambles and Sarah Hendry, and SM has taken Defra Finance through the detailed figures. There is a projected deficit of £5.2m taking account of BTP ending and pay bill increases being offset by churn. This would rise by a further £1.2m to £6.4m due to increased PCSPS employer contributions. FC is pressing Defra strongly to use the £8m carry forward as a bridge to mitigate the pressures until a viable medium term proposition is formulated through WPEP organisational change. This needs to be resolved soon after Q1, given the need to put in place alternative measures by mid financial year.

4. LEPs

Richard Britton joined the meeting via telecon and presented paper 9/14 'Progress Update on Working with Local Enterprise Partnerships'.

This was a useful and appropriate time to take interim stock on progress as a midway point has been reached where draft strategies and plans have been submitted and feedback is awaited from government. Finalisation will take place over the next few months, and plans should be in place by the end of this calendar year.

The Board thanked Richard for the paper and all the work carried out so far by Area teams that it represents. It will be important that local leaders and staff continue to assess priorities and take action. Alongside this, FWAC Chair roles should be developed in order to give senior support to FC Staff in taking forward FC's objectives. Further, a link should be made to the work already being done to reshape field teams.

The Board placed emphasis on the importance of results in relation to the work being carried out with LEPs. It was agreed that the issue should be brought back to the Board at the end of the year, at which point quantifications will be sought.

The Board raised some concern in relation to the perceived poor understanding within BIS of the forestry sector's potential growth role. It was agreed that a co-ordinated effort is required at all levels in order to communicate and emphasise this potential role.

ACTION: Richard Greenhous to work with Ian Tubby to co-ordinate an appropriate approach to BIS

5. Pest and Disease Outbreak Contingency Planning Measures

Rob Gazzard joined the meeting and presented paper 10/14 'Plant Health Pest & Diseases Outbreak Response'.

The Board raised some concerns in relation to the clarity of language in the paper and on this basis were not able to agree the recommendations. The Board requested that the paper be separated into two parts. The first paper should focus on how FC will respond to future outbreaks, leaving aside methods of working with FE. The second paper (or annex) should outline FE's role in potential outbreaks, to be agreed with FE colleagues. Paragraphs 7, 8 and 9 of paper 10/14 should also be reviewed as the Board considered them overly bureaucratic currently.

ACTION: Rob Gazzard to separate paper into two parts (i) focusing on how FC will respond to future outbreaks and (ii) FE's role in future outbreaks. Paragraphs 7, 8 and 9 to be reviewed.

The Board also discussed the need for further definition as to how communications will work alongside operational scenarios in the event of future outbreaks. It was agreed that Rob Gazzard would share the Incident Specific Contingency Plan – Pests & Diseases with Mark Funnell as this may provide some clarity on the issue.

ACTION: Rob Gazzard to share Incident Specific Contingency Plan – Pests & Diseases with Mark Funnell.

6. Forestry Functions

Dominic Driver presented paper 11/14 'Organising Government's forestry functions in England: re-shaping Forest Service (FS) and forestry functions governance decisions'.

The Board discussed the requirement for clear purpose and communications methods for the FS vision. It is important that the vision is communicated to staff as being a foundation that guides re-shaping work. The message should be how important the organisation is, as well as the work that we do, and that both these points are being actively considered in re-shaping work.

The Board agreed the proposed policy development programme, whilst requesting that the programme group regularly report on delivery/progress.

7. Open Habitats: Balancing mechanism and compensatory planting

Dominic Driver presented paper 12/14 'Compensatory planting for open habitat restoration'.

There are implications in the balancing mechanism set out in the open habitats policy for the PFE and it is therefore important that colleagues in districts have sight of, and understand, guidance.

The Board noted that there was no mention of the requirements of UKFS in the paper and it was agreed that Dominic Driver would feedback this point to Rebecca Isted.

ACTION: Dominic Driver to feedback to Rebecca Isted point in relation to lack of mention of UKFS requirements in the paper.

Dominic Driver advised the Board that compensatory planting could also take place via donation to a woodland creation organisation.

The Board noted that this might have significance for the public forest estate in the future, and the idea could be further explored in the context of the establishment of the PFEMO.

8. Cinderford Regeneration Mitigation

The Board briefly discussed this project in the Forest of Dean whereby non forest land is being released to facilitate construction of a new Forest of Dean College. Through the pre-planning preparations it has become apparent that there will be a need for mitigation works to relocate great crested newts and dormice present on the regeneration site. A 7.1ha area of conifer forest has been identified where it is proposed to create 3.4ha of broadleaf (dormice) and 3.7ha of open ground (newts).

The Board agreed that the proposals, which they fully supported, should be put to the England National Committee for endorsement and that PK Khaira-Creswell should brief Sir Harry Studholme on the background to the issue in advance of the next meeting of the ENC.

ACTION: PK Khaira-Creswell to brief Sir Harry Studholme on the background to the Cinderford regeneration mitigation in advance of the next England National Committee meeting.

9. WPEP Gateway Review conclusions and recommendations

Steve Meeks advised the Board on the conclusions and recommendations of the recent WPEP gateway review.

This was the first OGC Gateway Review with the primary aim being to review the outcomes and objectives for the programme and confirm that they make the necessary contribution to Ministers' or the department's overall strategy. The Review also examined how the work strands will deliver the overall programme objectives, and that the programme management structure, monitoring and resourcing is appropriate.

The overall delivery confidence assessment was amber (against a RAG spectrum of green, amber/green, amber, amber/red and red) and the review team made the following recommendations:

- (i) Consider how to make best use of staff expertise and seek training and development opportunities in key PPM skills.
- (ii) Define the overall benefits that the programme will contribute to the future organisations.

- (iii) Review the experiences of the Welsh Government's reorganisation of Natural Resources Wales and ensure lessons learned are applied to the current programme.
- (iv) Consider the use of the OGC 'Management of Portfolios' (MoP) methodology in recasting the whole of the delivery in a more logical thematic approach.

ACTION: Dominic Driver to share with Steve Meeks document outlining lessons learned from Natural Resources Wales.

10. Handling restructuring in 2014-15 – FEE Plus, Reshaping FS

The Board briefly discussed the handling of restructuring in 2014-15 and emphasised the need to maintain momentum despite external factors outside the control of FC.

AOB

Civil Service Diversity Awards

Sarah England advised that nominations are currently being sought for the Civil Service Diversity Awards. Various suggestions were made around the table and it was agreed that some further enquiries should be carried out in order to assess suitability.

ACTION: Simon Hodgson to speak to Mike Seddon and David Williamson in relation to potential suitability for nomination of Forest Holidays and new facilities at Alice Holt.

ACTION: John Tewson to speak to Andy Medhurst in relation to potential suitability for nomination of volunteering projects in Central England district.

Service Level Agreements

Steve Meeks reported to the Board progress in relation to service level agreements. Work is ongoing to establish baseline costs for National Office against major divisional areas. Costs have been apportioned across areas and a draft template produced which Board members should populate by the end of May.

ACTION: Board members to work through and populate draft template by end of May.

Work is also underway with David Hodson on drafting an FC/FEE SLA. It was agreed that the Board would see how this develops before any work begins on drafting an FC/FS SLA.

Simon Hodgson advised the Board that job descriptions for three new senior FEE posts are being finalised and this will assist with the drafting of the FC/FEE SLA.

Health and Safety

John Tewson advised the Board that the FC Health & Safety group had recently met. Issues discussed included the need for work to be carried out on health & safety guidance for staff based in other organisations' offices. There had also been a presentation from the Health & Safety Executive demonstrating a Health & Safety Climate Tool which the FC is purchasing. This consists of a series of 40 questions to be answered by staff and will be used to assess the health & safety culture within the organisation. The Board noted that as cultural change was the

top priority picked up in the health and safety strategy briefings last year, roll-out of this tool will act as positive feedback to staff on this issue.

Next meeting 8th July