

**THE FORESTRY COMMISSION ENGLAND EXECUTIVE BOARD  
MINUTES OF THE 95TH MEETING  
Conference Room, National Office, Bristol  
3 February 2014**

**Attendees:**

Ian Gambles  
Simon Hodgson  
Jean Lindsay  
Mark Funnell  
John Tewson  
Steve Meeks  
Richard Greenhous  
Andrew Smith  
Sarah England  
PK Khaira-Creswell

Paul Snaith  
Anglea Gizzi (items 6 & 7)  
Rachel Kelly (items 6 & 7)  
Rachael Edwards – Minute Secretary

**1. Welcome**

Ian Gambles opened the meeting. No apologies had been received.

**2. Finance report**

Steve Meeks updated the Board on the current financial position, P09 accounts and business planning process.

The resource position was broadly in line with budget, following confirmation of approved Supplementary Estimate bids. There was an overall forecast RDEL variance of £3.1m which equates largely to a £2.8m uncommitted ring fenced balance on the £7m additional funds carried forward from 2012/13.

The £500k admin variance would be offset through a SLA with FEE for direct National Office Services. This would be manageable for FEE without a material impact on cash reserve. The capital DEL on GLOS had reduced by £160k to £40k. The equivalent negative impact on FS RDEL had been factored into the overall forecast. RDPE forecast an underspend of £1.5m on £34.6m budget due to reduced spend on AXIS 1 Woodfuel WIG.

The 2013/14 interim accounts, including the Governance Statement, were being prepared and would be presented to the ARAC meeting on 26 February. NAO had started their initial audit of the accounts.

The Business Planning process was well underway, with senior managers working collaboratively to resolve the residual budget gap following confirmation of budget from Defra.

The settlement from Defra included woodland sales cover of £8m and £0.5m to take forward IPF priority actions. It had also been agreed that the £2.8m forecast carry forward of the £7m additional funding received in 2012/13 could be used to address budget pressures in 14/15. However, there was an additional 1.2%/£470k cut in the budget for 2014/15 reflecting the departmental reductions

announced in the Autumn Statement. There was also an unexpected further baseline cut of 0.5%/£203k.

### **3. Business Priorities**

IG presented a list of top business priorities for comment by the Board. These were to provide a strategic look at what the Board should be focussing on and could be used in briefing the incoming Chair, agenda setting for governance meetings, focus of the corporate plan, job objectives etc.

The Board discussed the proposed top 10 priorities, which were above Business as usual and suggested amendments and alternatives including using the staff survey to shape this and making it more outward facing and more clearly linked to the PIE agenda.

The Board agreed that the priorities should be consistent with, though not the same as, current corporate documents such as the corporate plan. However, it was felt that this list focussed more on how things were done not what was done.

The Board also recognised the links to the Risk Registers and that these documents should be reconciled.

It was agreed that the name of the document would be change priorities to ensure the distinction between this and Business as Usual.

**ACTION: Board members to feed in further comments to IG.**

### **4. Corporate Plan**

PK Khaira-Creswell presented the Corporate Plan and invited the Board to comment on the skeleton structure.

Work still needed to be completed to tie down the link between finance and corporate plan. The structure showed FE and FS as distinct but working towards the same priorities. The document would be more concise than in 2013/14. A review of the KPIs to be included in the Plan was being undertaken, although it was not clear how this might impact on the timetable. Defra colleagues had sight of draft and would also be providing initial comments back on this draft.

The Board agreed that the plan was largely on the right track. It was suggested that reference to woodlands for water would need to be increased as this was a key negotiating position for forestry in next RDPE. It was also important to give more prominence to what we deliver with a lower profile for the way we deliver.

It was suggested that Health and Safety & Equality and Diversity needed greater emphasis. A chainsaw safety case study was being included as a focus for Health and Safety in this document.

The Board considered the audience for the corporate plan and it was suggested that it could be a good engagement tool for staff if it was clear and inspiring. Mark Funnell would look to refresh the Forestry Commission vision so this could be restated at the start of the document rather than go straight in to priorities.

**ACTION - MF to produce a first draft at vision**

### **5. Plant health**

Andrew Smith updated the Board on current plant health issues.

The Board noted progress was being made towards resolving plant health business case funding. This would allow new capacity above and beyond basic pressures. A risk/cost/benefit analysis would take place to determine forward actions. It was expected that this would be confirmed by Defra towards the end of March.

It would be important to bring together CFS, FC England and FR to look at the number of posts internally before starting further discussions with Defra. There was a significant risk with regard to the constraints of post filling procedures and the ability to quickly fill those posts that were identified in this process. The Board supported FC England taking the lead on this activity.

**ACTION: AS to arrange a meeting with CFS and FR representatives to discuss this further.**

There was an outbreak of a new disease called Elm Yellows in resistant elm stock from Italy that had been held in English nurseries. FERA was leading the response, although John Morgan had an outstanding query with the South Forest District who may have taken some stock from the nursery for use in the New Forest.

## **6. Staff Survey**

Angela Gizzi and Rachel Kelly joined the meeting. The results of the staff survey had been positive, especially when the current climate of change was taken in to account. There were some key areas primarily around change management and communications for FC England to take forward.

The Board discussed issues around pay including what was in the FC's gift and what was controlled by Central Government.

Some progress had been made with pay progression and shortening pay bands but this was restricted by the limited financial resources available.

The Board discussed the 3 year pay strategy, which outlines many of the issues of interest to staff. It was important to share this with CCMs so that they can start to explain to staff what the FC would like to do subject to available funds.

**ACTION: SE to recommunicate pay strategy to CCMs.**

It was important that leaders were equipped with the requisite change management skills and attitudes in order for organisation to face the change and challenges ahead of them.

CCMs would need time to consider the response to the survey. The summary charts were helpful in providing quick analysis of the key issues affecting each area.

## **7. Change Management**

Rachel Kelly led a discussion on change management and in particular staff engagement. The Board considered how to keep staff involved in the many changes that were occurring. A key issue was being able to be targeted to different parts of the organisation whilst bearing in mind the single staff group.

Active visible participation of senior managers through the process of change would be important, as would the role of middle managers as communicators and coaches. Individuals would need to make the change. A range of courses were available from L&D to help support people through the change process.

The character and quality of local communication and the explanation of change were key. It was important that managers at a local level were considering this and exposing areas for more attention. It was widely accepted that the best way of receiving information was through your line manager.

It would be key to identify interim targets and communicate these steps clearly. This was particularly relevant to the EU payments and conclusions of the Forestry Functions review projects. Involving people in making the plan as well as just communicating it would also help people accept the position and understand more about the process.

## **7. EU procurement**

SM outlined the changes expected to come in to force in October and the introduction of a mandatory tendering process.

There was currently a small procurement resource in England (1 FTE) providing significant support to the business. This had been recognised as a risk.

The Board considered the paper and discussed the implications for linking with the new PFEMO as this was likely to have the biggest impact on FE and harvesting contracts. Greater centralisation of procurement would provide greater consistency and rigor within Countries but the resources will be quite different for England and Scotland so increasingly difficult for there to be a central team.

The PFEMO team would need to consider this issue quite quickly, although any arrangements would need to be considered in relation to the financial structure of the new organisation. It was also important to consider what services FS would use and how this would be done, including potential alignment to Defra.

The Board asked to see the draft PID before approval for this to be taken forwards. This could be by correspondence.

**ACTION: SM to circulate draft PID when available to Board members for their comment.**

## **8. Non exec engagement**

The Board discussed opportunities for non-executive and senior staff engagement over the coming months to identify where this activity should be targeted.

The new Chair may also have views on the relative priority of the engagements described. The grid compiled by No. 10 should not be seen as a constraint and clearance to attend events from Defra unnecessary.

There would need to be visits to include plant health, including the increased spread of Phytophthora as well as the awarding of long term timber contracts.

**ACTION: Board members to feed in suggestions to MF**

## **9. Stakeholder Networks**

The Board briefly considered the range of Forestry Commission stakeholder networks and ways in which to ensure the most effective relationship possible. The Board considered the different messaging required and the structured approach to how we approach stakeholders. It was important to build on the positive reactions from the stakeholder forum.

The Board noted the efforts of many people in the EWTP network and extended their thanks to those who had been involved.

### **AOB**

The Board noted that resource from the Comms team had been temporarily deployed to the Environment Agency to help with the response to the flooding affecting much of the country. The Board thanked those involved for supporting others in the Defra network during this time of exceptional pressure.

**Next meeting 30 April**