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**THE FORESTRY COMMISSION ENGLAND EXECUTIVE BOARD
MINUTES OF THE 103RD MEETING
Conference Room, National Office, Bristol
22 October 2015**

Attendees:

Ian Gambles
Louisa Aveyard
Mike Seddon
PK Khaira-Creswell (by telephone)
Richard Britton
Sarah England
Simon Hodgson

Josh Roberts – Minute Secretary

Andy Goodsir (Item 6)
Dom Driver (Item 7)
Steph Rhodes (Item 7)

Apologies were received from Richard Greenhous and Steve Meeks.

1. Welcome

Ian Gambles opened the meeting at 10:00.

2. Minutes and Actions

The minutes of the meeting on 21 July were reviewed and agreed as a true record.

Mike Seddon reported that his action to agree a title for the health and safety paper with Mark Funnell was complete and reported that 'Health and Safety Policy for England' had been the final choice.

PK Khaira-Creswell confirmed that work had begun to complete her action to investigate legislative options for a Public Forest Estate Management Organisation (PFEMO) and an initial meeting had taken place. On her return to work she would issue an update to the Board.

ACTION 1: PK to consolidate her previous action from July EEB to investigate legislative options for PFEMO and report back to the Board.

Richard Britton reported on behalf of Richard Greenhous that his action to refine the proposals for the devolution of Corporate and Forestry Support within the context of Spending Review negotiations, including by testing them informally with DEFRA colleagues, was complete.

Sarah England reported that she had not yet completed her action with Richard Greenhous to amend the sensitivity rating of the Corporate and Forestry Support Paper, but would do so immediately after the meeting.

3. FC futures and Defra update

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Ian Gambles updated the Board on the progress of the Forestry Governance Board. He informed the Board that the next meeting would likely be held on 1 December 2015.

Ian also updated the Board on the Spending Review, the prospects for forestry legislation, the progress of EU payments implementation and Defra's current financial position and restructuring programme.

4. Finance report

In Steve Meeks' absence, Ian Gambles updated the Board on the financial position of FC England as at the end of September 2015.

Ian discussed the requirement for £200k in-year savings to contribute to Defra's overall spending reduction. He drew comparison with other bodies within the Defra budget and the position of core Defra within wider government. He noted that the required savings would prove challenging to deliver so far into the year.

Richard Britton raised a risk with the Board that certain expenditure required for CAP delivery and EU payments related pressures currently had no technical assistance funding cover and that this could result in a significant overspend if it materialised. The Board discussed and acknowledged this risk and thanked Richard for raising it.

Richard informed the Board of a slight overspend on the Woodfuel Woodland Improvement Grant currently being offered to the sector. He informed the Board that this was being closely managed to minimise any negative impact but that it represented a very positive response from the industry to the grant offer.

Ian Gambles drew the Board's attention to a £350K pressure arising from continued SR10 exit schemes. This had been met by supplementary provision from Defra in previous years but this year would have to be found from within FC's allocation.

5. Tax

Ian Gambles informed the Board that the tax advisory team was now operational within the FC.

6. Corporate Services for England

The Board welcomed Andy Goodsir to the meeting. Andy introduced Paper 21, highlighting the main points. He discussed the plan, highlighting key dates leading up to the implementation date of April 2017. Andy informed the Board of ongoing discussions which were taking place with both Forest Services and Forest Enterprise to map their high level requirements and that this represented a step on the critical path for the project.

Andy discussed the transition plans for Finance & Procurement, for Human Resources and for Health & Safety technical training. Louisa Aveyard updated the Board on the transition plan for Communications.

Andy raised a discussion on the timing for reforming Internal Audit, which the EEB had decided to defer starting until April 2016. The outcome of this was the assumption by the Board that services would eventually be drawn from the

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Government Internal Audit Agency (GIAA) after 1st April 2017. Simon Hodgson stressed the importance and value to the FC of the expertise currently received from this function.

Andy updated the Board on the progress being made with Information Services and that the workstream was anticipating producing a paper by the end of November 2015 for the board to review by correspondence.

Simon Hodgson updated the board on the Forest Research Refresh meeting which had occurred the day before (21/10/2015) and that the discussions with the Trade Unions had remained positive.

Andy discussed the next steps for the project, which were further engagement with Defra, making progress to enter into the market, addressing resourcing issues and to present options to the Business Strategy Group (BSG).

Andy reported that resourcing issues were preventing the project from progressing more quickly. Richard Britton asked Andy to make the resourcing and timeline issues clearer in the paper.

Ian Gambles rounded up the discussion and asked Andy to focus on April 2017 as a completion date, and to refine the detail of the project plan so that there were clear milestones against which progress could be tracked and the programme could be held to account.

The Board thanked Andy for his paper.

7. Devolution of Corporate and Forestry Support and Changes in Corporate Services: Target Operating Models for England

The Board welcomed Dom Driver and Steph Rhodes for their joint item on the devolution of Corporate and Forestry Support (CFS), Central Services and the Target Operating Models (TOMs) for England. Dom introduced the paper, explaining that the interdependencies of the project were causing delays to progress. He requested permission to put forward the implementation proposal to meet the agreed deadline of April 2016. He informed the Board that he would use this mandate to deliver more detailed TOMs to the BSG in November 2015. He reassured the Board that Inventory Forecasting and Operational Support were out of scope of the proposals.

Simon Hodgson questioned Dom on whether the proposals complemented the expected form and function of Forest Research once it had been refreshed. Dom confirmed they would. The Board agreed that research commissioning would still be most effectively carried out by core Defra regardless of any changes to Forest Research. Dom reassured the Board that his proposals fit with the Forest Services' principle of integrated expertise, even if there were changes to the corporate sponsorship of Forest Services.

Mike Seddon raised a discussion on how the resourcing implications of the transfer would impact on the budget of Forest Enterprise England. The Board agreed that as CFS services were devolved, all costs would need to be clearly identified and clear agreements reached.

Sarah England informed Steph Rhodes that the proposals in the paper to use Defra HR/SSCL moving forward for Forest Services needed greater understanding of what's involved. Sarah confirmed that SSCL would only handle transactional

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HR and that the component parts of Defra HR are made up of different things, i.e. Civil Service Resourcing for recruitment, MoJ for Case Management and Civil Service Expert Services for CS Learning, Civil Service Employee Policy etc. Sarah explained that she'd done a lot of research into this to produce the HR Services Business case and that Forest Services needed to remember that as staff they remained part of the one staff group in relation to their terms and conditions, i.e. these could not be varied. Sarah offered to meet up with Steph to help her understand this area of the proposals and what would be involved to move this proposal forward.

Action 2: Sarah England to meet Steph Rhodes and assist her in working through the HR delivery options arising from Paper 22.

The Board agreed that Dom and Steph should take the proposals to the BSG in November 2015. They also agreed that the project should seek to deliver changes to each of the areas of CFS and Central Services at a pace relevant to each area, and should not let complexities related to devolving one area delay progress in the others. The Board also recommended that the paper make it clearer where savings were being made for the FC and where they were being made for Defra.

The Board agreed that appropriate resources were needed to design and deliver corporate services to Forest Services by the target date. Ian Gambles indicated that he would consider post-filling requests favourably in this respect provided that the resource requirements were fully discussed and agreed with the FCE Corporate Services Programme within WPEP and that both resources and delivery were managed in an integrated manner.

8. HR Update

Sarah England introduced Paper 23 which outlined the progress the team had made to date to shift HR Services work into England. One key item for discussion was enhanced holiday pay for staff members who routinely work and are paid overtime following recent employment tribunal cases. These cases meant that employers were now required to recognise compulsory overtime in terms of pay when an employee takes holiday. Sarah confirmed that this requirement is in relation to the statutory 20 days holiday staff are entitled to under the Working Time Regulations and not their contractual 25/30 days holiday. Sarah updated the Board on the progress made with the Trade Unions and informed the Board that staff affected would receive a letter from HR confirming back-pay in early November. The board acknowledged that there remained inconsistencies across England over how overtime is currently managed.

Louisa Aveyard raised the issue of communicating the implications to staff. The approved wording, which had come from the Head of Policy in HR in the HR Shared Service, was agreed as being very confusing because it contained details of case law. The Board agreed that clear communication with staff on the issue was of the highest importance and that managers needed to be able to explain to staff clearly and concisely why additional payments were being made. The Board asked Louisa to investigate whether a Questions & Answers document could be created.

Action 3: Louisa Aveyard to discuss the communications messages with Alice Cheyne to see if the wording used to inform staff of enhanced holiday pay can be simplified.

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Action 4: Sarah England to raise the Board's concerns with the Head of HR Policy/Interim HR Director over the desire to amend the communications out to staff on holiday pay and the creation of a Q&A document.

9. Resignations & retention Issues

Sarah England introduced Paper 24 which had been commissioned following a discussion raised at the FC Senior Manager's meeting in the summer. The analysis contained in the paper revealed that the actual staff turnover is below the average level for other public sector organisations, standing at 6.4%. The Board recognised that there is a high perception from FC staff that people are leaving for better paid jobs but equally a high proportion of staff leavers were staff who had chosen to retire. Whilst the analysis confirmed there is evidence of staff leaving for better paid jobs, the data did not indicate there was a significant problem at this time. The Board noted, however, that lack of pay progression and pension scheme rules may be causing more people to retire, and that as private sector pay started to pick up again there was an increased risk of pay-related resignations.

The Board also discussed the recent audit findings that a small number of employees who had left the FC and accepted packages during SR10 have been returning to the FC at a later date and that the board needed to be mindful of the perception this created with other staff and the general public.

Simon Hodgson raised the issue that managers may also perceive their staff members moving between cost centres as a loss of expertise.

Action 5: Sarah England to investigate the figures for inter-cost-centre moves by FC staff in relation to turnover within the FC.

Action 6: Sarah England to consider how best to communicate the findings of the analysis in Paper 24 to managers.

10. Communications Quarterly Report

Louisa Aveyard talked through the presentation, drawing out key points for the Board's attention. These included: the 'Making woodlands work' theme being run in Forest Services; Chalara updates and coverage; Countryside Stewardship and the build up to autumn colours. She reported that overall it had been a positive quarter for the FC in the media.

Louisa reported that there had recently been a change of contract in the FC's suppliers of media coverage and analysis. This was because the FC had joined a larger contract with Defra and this should hopefully reduce the cost of getting the FC's media information.

Louisa informed the Board that the team were jointly working with Defra to promote Grown in Britain Christmas trees as a model of sustainable forest management. Simon Hodgson discussed the risks and threats associated with this approach if it was not applied with caution.

Action 7: Louisa Aveyard to re-assess any Christmas tree linked campaigns in the light of the information provided by Simon Hodgson.

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11. Use of hands-free mobile phones – to discuss current policy

Mike Seddon introduced his paper which had resulted from the Cross-Border health and safety group. He informed the Board that the matter had previously been discussed by both the Forest Enterprise England Executive board and the Forest Services' board.

Ian Gambles raised a discussion on how strongly any ban might be enforced. The Board agreed that breaches of health and safety are considered serious issues of misconduct, requiring a disciplinary offence. The Board agreed that this seemed a step too far in this case.

The Board agreed that the correct approach should be to issue a strong message to staff that phoning other members of staff who were known to be driving, and answering their phones while driving, were both seriously discouraged and that they should not place themselves or others in danger by taking their attention from the road.

Mike Seddon was asked to proceed on the basis of this decision in his discussions with the Cross-border health and safety group. It was also agreed that hands-free mobile phones should no longer be retrofitted to staff vehicles.

Action 8: Mike Seddon to report back to the Board on the outcome of discussions with the Cross-border health and safety group.

12. Any other Business

Ian Gambles introduced an item on ministerial submissions, following a paper the Board received from Richard Barker via correspondence. PK Khaira-Creswell gave the Board an overview of the current situation and arrangements for Ministerial submissions with Defra and Ministers.

Ian Gambles discussed the need to improve the quality of submissions and that those wanting to make submissions should send them to Executive Office earlier. This would allow the Executive Office team to work to improve the quality of the submissions. Ian also recommended greater use of the Carltona principle for routine business, and noted that Richard Greenhous was in discussion with Tom Surrey about wider opportunities for policy submissions to come from FC officials.

Action 9: PK and Ian to meet to discuss how to progress quality management and delegations.

Ian Gambles closed the meeting at 13:00

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