

Meeting Title :	Forest Enterprise Strategy Board				
Purpose :	Internal Governance				
Location :	Conference Room, Forestry Commission Bristol Office				
Date :	3 February 2016	Start :	10:30	End :	12:30
Attendees :	Chair- Simon Hodgson (Chief Executive, FEE) Paddy Harrop (Head of Marketing, FEE) (<i>by telephone</i>) David Hodson (Head of Finance & Business Support, FEE) PK Khaira-Creswell (Head of Corporate Affairs & Governance, FEE) Keith Oates (Non-executive Commissioner) Mark Pountain (Non-executive board member) Jo Ridgway (Head of HR, FEE) Michael Seddon (Director of Operations, FEE) Mark Street (Head of Estates, FEE) Miranda Winram (Head of Strategy & Insight, FEE)				
Apologies:	None				
Guests:	Tristram Hilborn (<i>Item 5 only</i>)				
Secretariat:	Josie Sterling				
Item	Agenda Item				Materials and Lead
1	Welcome and Apologies Minutes and Actions: The Board approved the minutes of the meeting on 24 th November. The topics of Strategic Plan and Strategic Measures within the rolling actions were to be discussed later on the agenda.				Materials: <i>None</i> Lead: <i>Simon Hodgson</i>
2	Strategic Plan for the Future & Outcomes of Executive Team Away Day The 2013 Strategic Plan has now served its purpose and a new version is needed to take Forest Enterprise forward towards 2020. Preparation is now underway for a new plan to be ready by Autumn 2016. The first part of the process started with the Executive Team's recent Away Day at which priorities were determined and the direction and basis for the Plan was discussed. General priority themes for the Executive Team in 2016 were agreed: 1. Organisational change - to include the movement of corporate functions from Shared Services into FE 2. Improving our business and culture- continuing to make progress on the actions of Releasing Our Potential 3. Developing our teams - coping with staff changes (natural or forced) and making a solid commitment to change programmes 4. Improving governance - further adjustments to management structures such as including another non-executive on the Board 5. More distinctive brand - a distinctive offer for what we are 'about' 6. Improving our financial position - setting an aspiration to survive more on what we earn, generate more profit and maintain a sensible programme through Payment for Ecosystem Services (PES) At the Away Day the Executive Team also considered what we will look like in 20 years' time. Four key areas of strategy were identified to help achieve the objectives of the next 20 years - grow customers, grow active experiences, enhance natural capital and grow commercial value. The work in these areas will take the long term view, focusing on what is attainable but remaining aspirational. The conclusion of the Away Day was a draft vision statement for				Materials: <i>None</i> Lead: <i>Simon Hodgson</i>

	<p>2016, intended to be the elevator pitch for our future Strategy</p> <p>The Board agreed that it should be considered whether there are important linkages between this work and broader FC work, particularly when it comes to discussions with partners. It was commented that the emphasis on 'customers' is key and this should be continually focused on. The Board also agreed it was important to ensure any documents produced are appropriate and externally-facing with a clear and consistent message.</p> <p>The Board will be updated on further progress with the Plan throughout the coming year.</p>	
<p>3</p>	<p>Risk Report</p> <p>The current Risk Register and removed risks for FEE were reviewed. Main discussion points included:</p> <ol style="list-style-type: none"> a. In light of preliminary outcomes of the Spending Review 2015 and a 5 year proposal having been put in place, risk 101/24 (lack of funding through FC/DEFRA agreement) can be reduced from 'significant' to a 'material' risk. The settlement is still in draft but as we know the proposal up to 2019/20 we can plan with a greater degree of certainty than was previously possible. b. To mitigate the VAT & TAX risk (2015/02) PWC has now been appointed as an external partner to look at the VAT issue. Agreed work packages are already in place. c. Removed risk 1011/16 (shared services failing to deliver or support systems) will now be returned to the 'current' list. The risk is now around the transition of CSS to countries. Key issues are; early staff departures from CSS and service collapse, ensuring there is adequate 'receiving' resource at FEE and managing the pace of change, ensuring transition is carried out as swiftly as possible. d. The Board identified Information Services (IS) and the provision of work packages and systems (e.g. financials, helpdesk) as the areas of highest risk currently. Future work for IS will look to outsource systems, modernise and develop new, fit-for-purpose systems. e. It was discussed whether there is a risk around communication for changes and potential failure to convince internal or external parties. This is currently being handled with internal staff 'roadshows' but the Board also agreed it was important to identify any particular levels or areas of resistance in the organisation. <p>Action- David H to reintroduce the risk for 'shared services failure to deliver or support systems', adjusting the risk register accordingly.</p> <p>Action- Paddy H to continue to monitor levels of staff engagement and support for change through the temperature check survey, FEE roadshows and other internal communications channels.</p>	<p>Materials: <i>Paper 01/16</i></p> <p><i>Current Risk Register</i></p> <p>Lead: <i>David Hodson</i></p>
<p>4</p>	<p>Finance Update</p> <p><u>Financial Status:</u></p> <p>Update on the current financial status of FE at month 9 of 2015/16. The main points of the discussion included:</p> <ol style="list-style-type: none"> a. Forecast is currently favourable and above plan with trading in all areas going well. Income for timber, estates and recreation are all currently above plan and the cash position has also improved with the balance higher than plan at month 9. b. There has been some slippage in the capital programme due to various works delays- which will slip into 2016/17 financial year c. We have (so far) had no major adverse impacts of weather on operations this year. d. The Board discussed the reasons for improved recreation income and 	<p>Materials: <i>Paper 02/16</i></p> <p>Lead: <i>David Hodson</i></p>

	<p>agreed concerts had provided considerable, and improved, income in 2015 - with relatively good weather, the variety of marketing campaigns (i.e. Superworm, StickMan) and improved car parking payment facilities all being other contributing factors</p> <p><u>Business Planning:</u> The Board were briefed on the business plan for 2016/17. The key messages included;</p> <ol style="list-style-type: none"> a. There will be creation of an FC England change transition contingency fund which is non-recurrent and is required as Defra have not provided any transition funding yet (discussions ongoing). b. By 2018/19 to 19/20 we need to have all services in FE England and have completed the transition with no residual services from Silvan House; costs will reduce by then if we keep to timelines. c. Market Payment for Ecosystem Services (PES) activity must increase and non-market PES activity cannot increase unless new government funding is made available for that purpose. d. As predicted, we are heading into a tougher medium term period (financial years 2017/18 and 2018/19) but the short term appears affordable. Financial sustainability for the medium term can be achieved if action is taken during financial year 2016/17 	
<p>5</p>	<p>Approval of FE Investment Programme</p> <p>The Board were provided with a paper to update on the work undertaken on the FE investment Programme by Tristram Hilborn since the last Board meeting in November 2015.</p> <p>The paper showed the current position of the programme with a shortlist of what FE proposes for Capital Expenditure (CapEx) next year. This focuses on immediate-term priority (longer-term priorities due to come from the Strategic Plan)</p> <p>The programme received a substantial number of proposal bids - many more than there was funding available for - which provided a good reserve list. The majority of the proposals are visitor-based but with most focusing on improvement to existing infrastructure - the aim is to encourage even more innovative input in the future.</p> <p>The next stage is to think about methods of making delivery more robust, consider economies of scale and to look at some of the programmes that were not accepted this time but could potentially be suitable for external funding</p> <p>The Board unanimously agreed to approve the programme set forward</p>	<p>Materials: <i>Paper 03/16</i></p> <p>Lead: <i>Tristram Hilborn</i></p>
<p>6</p>	<p>Health & Safety Report</p> <p>The Board were provided with an update on the current Health & Safety (H&S) figures for FE. The statistics show accident reporting is increasing which is a sign of greater recognition of H&S and no new concerns around the types of accidents being reported were raised.</p> <p>Since the release of the new FC H&S Strategy in 2013 H&S has been seen to be taken increasingly seriously at all levels, but we are still working hard to ensure accidents are seen as 'events' to be reported and managed, and not seen as somebody's 'fault'</p> <p>There has been a small but notifiable increase in the rate of mental or stress-related illness amongst staff, during the last 3 years; this was highlighted as one area that may need continued attention. The Board discussed possibilities for managing this, such as introducing a 'Mental Health Lite' programme whereby key staff would be trained as Mental Health First Aiders and act as sign posters to appropriate avenues of assistance, acting as</p>	<p>Materials: <i>Paper 04/16</i></p> <p>Lead: <i>Mike Seddon</i></p>

	further resource to staff who wish to discuss their mental health and wellbeing.	
7	<p>HR Update</p> <p>Jo R outlined some of her initial findings and considerations for the future of HR within FE, following the first month of the new 'Head of HR' role. These included:</p> <ol style="list-style-type: none"> Current HR provision is 'responding' rather than anticipating. A change of style is required and this will be led by Jo R A focus upon improving processes, policy and protocols is required in order to better support FE's managers and staff. A more nimble interpretation of all protocols is required by the HR staff It was highlighted that investing in modern technology could help reduce spend and improve staff and manager experience i.e. by the introduction of staff self-service. The Board heard how vital it is for systems to be in place to report accurately and in real time. Jo R expressed her concerns that basic information such as turnover and absence data could not be provided currently. Early consideration is being given to the flexibilities available within the current Civil Service reward package as well as starting to consider what reward packages could be designed for an FE organisation outside of the Civil Service but within the public sector. The area of highest priority was highlighted to be Organisational Development. The Board heard that whilst there have been some excellent initiatives over the years these have not been consistent or comprehensively evaluated. There is a need to focus on a range of areas including skills audits, succession planning, talent management leadership development and the establishment of a culture where the workforce is fully engaged. <p>The Board was provided with reassurance that the current transition of some HR services from Shared Services in Edinburgh was running smoothly and on time but was informed that it was imperative for permanent transitions to Bristol to made for FE, to help maintain an efficient HR service and to begin to reduce the level of SLA payments</p>	<p>Materials: <i>None</i></p> <p>Lead: <i>Jo Ridgway</i></p>
8	<p>Management Information Dashboard Update</p> <p>Review and discussion of the Dashboard indicators and any developments. The Dashboard is now complete and a working, live document.</p> <p>The 'weakest' indicator was highlighted to be indicator 20 for 'volume of media coverage'. A revision of systems for assessing coverage is imminent and should improve the quality of indicator in this area. No concerns or action points were raised by any member of the Board on the performance information presented in the dashboard.</p>	<p>Materials: <i>Paper 05/16</i></p> <p><i>Current Dashboard</i></p> <p>Lead: <i>Miranda Winram</i></p>
9	<p>Releasing Our Potential – Interim Snapshot Progress Report</p> <p>An update on the Releasing Our Potential (RoP) work and progress of the actions was presented to the Board, to provide reassurance of the progress at this point. Key areas of discussion included:</p> <ol style="list-style-type: none"> National actions are being undertaken and are beginning to embed the three focus areas. Progress on how the tasks are progressing varies, as detailed in the paper. Forest Districts are being asked to taking their role in embedding consciousness of the importance of developing clear purpose/value for money/customer focus in how we work and are developing action plans that identify their focus on the three areas identified. Action 2.v.f 'Innovation Group Established' (red flagged for not performing) was discussed and it was highlighted that the Innovation Group had failed to deliver a route to harness and channel innovation at 	<p>Materials: <i>Paper 06/16</i></p> <p>Lead: <i>Miranda Winram</i></p>

	<p>all levels. The learning from this is that future innovation work needs to be more broad-reaching, focus on the culture of the organisation and take a more systematic approach.</p> <p>d. Action 1.ii.a 'Senior team focus on identifying and delivering the top two areas where we can grow net income' (red flagged for not performing) was highlighted as the most important action, and one where other work priorities have meant that no progress has been made</p> <p>e. It was flagged that the RoP RAG rating of progress highlighted natural organisational tendency to prioritise process tasks within existing comfort zones rather than tackle new and more challenging areas. RoP is therefore fulfilling its intention as a programme in flagging and encouraging awareness of cultural change required</p> <p>f. A full progress report will be provided in June to determine how well outcomes have been delivered and provide a programme of actions and tasks for the following year</p>	
10	<p>Strategy and Insight- One Year Into the Role's Establishment Progress Report</p> <p>The Board were updated on progress within 'Strategy and Insight' one year on from the creation of the 'Head of Strategy & Insight' role.</p> <p>It was noted that Corporate Natural Capital Accounting (CNCA) is in progress and will be an account published alongside this year's financial accounts. This will be discussed at the next Board meeting.</p>	<p>Materials: <i>Paper 07/16</i></p> <p>Lead: <i>Miranda Winram</i></p>
11	<p>Review of the Strategy Board One Year On</p> <p>A paper was presented to the Board covering what has been achieved during the Board's first year and the areas of work still requiring further development</p> <p>The Board were asked for their feedback and recommendations. It was agreed that the first year had been very good and some substantial progress had been made but was also highlighted there was still some way to go in moving towards a more commercial organisation and developing a culture of innovation. It was agreed that the Board could focus less on routine reporting and more on strategic development and new business developments</p> <p>It was also discussed how the role of the Board should continue to be challenging of the work being done and that this challenge should also include both executive and non-executive members.</p>	<p>Materials: <i>Paper 08/16</i></p> <p>Lead: <i>Simon Hodgson</i></p>
12	<p>Update and Review of the FEE Framework Agreement</p> <p>The Board were provided with a paper on the FEE Framework Agreement, outlining some of the required changes to arrangements, ahead of a new version being in place for the new financial year</p>	<p>Materials: <i>Paper 09/16</i></p> <p>Lead: <i>Simon Hodgson</i></p>
13	<p>Business Areas Update</p> <p>An opportunity was provided to ask questions on the Business Area Update Report, circulated ahead of the meeting.</p>	<p>Materials: <i>Paper 10/16</i></p> <p>Lead: <i>All</i></p>
14	<p>AOB</p> <p>The Chair (Simon H) acknowledged Keith Oates' last meeting as a non-executive member of the Board and thanked him formally for all his incredibly valuable input to the Board over the last year</p> <p>Future Meetings: 10am on 7 April, 2016- <i>Bristol Office</i></p>	<p>Materials: <i>None</i></p> <p>Lead: <i>All</i></p>