

Title of Meeting :	Forest Enterprise Strategy Board				
Purpose of meeting	Internal Governance				
Location :	Conference Room, National Office, Bristol.				
Date :	23 April 2015	Start :	10:30	End :	12:30
Attendees :	Simon Hodgson (Chair) Richard Barker Paddy Harrop David Hodson Ian Gambles Mark Pountain Michael Seddon Mark Street Miranda Winram Sir Harry Studholme				
Apologies:	Sarah England, Keith Oates				
Secretariat:	Nadia Balasco				
Item	Agenda Item				Led by
1	Welcome and Apologies - Chairman's introduction Simon Hodgson welcomed everyone to the second FE Strategy Board meeting and guests Sir Harry Studholme and Ian Gambles. Apologies had been received from Keith Oates and Sarah England. - Minutes and Actions The Board approved the minutes. The actions were discussed and updated.				Simon Hodgson
2	FEE Management Organisation Transition & FEE Governance Overview <ul style="list-style-type: none"> Review of the organisational change process. With a short presentation Simon Hodgson updated the Board on the changes since the last meeting and explained that there is a lot of complexity to the overall programme, including shared services who are progressing the road map for change. Staff have been given the opportunity to become more directly involved in the change process through the Innovation Group headed by Miranda Winram. There will be internal branding workshops with staff in May and June focusing on what the new organisation will look and feel like, what is the new brand. Although the "Change Process" does not have a single overseer appointed to manage, the Executive Team are all responsible for overseeing and running the process.				Simon Hodgson

<p>3</p>	<p>Strategic Plans and Reports</p> <ul style="list-style-type: none"> Releasing our potential – discussion and agreement on the “skeleton” proposal for the Strategic Prospectus. <p>Miranda Winram introduced paper 04/15, the first draft of the document “Releasing our Potential” (the working title of the Strategic Prospectus) which will help set out how FEE will develop to operate as a more autonomous organisation.</p> <p>It was agreed that the document was a good foundation but that commerciality is not emphasised enough and that greater emphasis on organisational financial sustainability was needed. It was also noted that the organisation’s creativity should be mentioned as it is another positive aspect that the organisation thrives on.</p> <p>A number of suggestions were made on Page 6/23 “Our Bold Vision for Our Forests”; the cloud diagram, including making sure that each statement had a clear link to the relevant people/nature/economy element of the vision. There was a general consensus that the document needed to be as specific as possible in identifying actions within each focus area, and should be more organisation specific, reflecting that there are remarkable people doing remarkable things. For example, if it is to be continued, the volunteering project is an important item for the future and should be specifically mentioned. The document also needs to reflect what is needed to be achieved with leadership provided from the Executive Board.</p> <p>The Board discussed the “focus areas” on page 7/23 and was content with them. It agreed it is important to be clear about the purpose of the organisation and ensure that the areas of focus would deliver the strategic goals.</p> <p>It was agreed that Miranda Winram would take away the comments and reflect on these as the document was progressed to the next stage including how best to incorporate the “personality” and “creativity” of the organisation into the document. Action: Miranda Winram.</p> <p>Miranda Winram introduced paper 05/15 and asked for feedback.</p> <p>The Board agreed that identifying what public benefit outcomes it should expect to see from the delivery of the People, Nature and Economy Mission was important. It agreed that we should identify and deliver measures of these outcomes, and that in some cases this would be an external piece of work that is only feasible to deliver periodically (say every 3, 4 or 5 years).</p> <p>The Board also needs to receive more regular management information that indicates whether or not these larger scale outcomes will be achieved. This was described as a ‘dashboard of indicators’, and identified the information that the Board would expect to see monthly / quarterly to check that FEE was on track to deliver the bigger People/Nature/Economy outcomes.</p>	<p>Miranda Winram</p>
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	<p>Budgets and plans need to be informed by the need to achieve the public benefit outcomes across the people/nature/economy Mission.</p> <p>There is an additional overarching importance to ensure clarity on the organisation's financial situation, recognising that finance is at the heart of ensuring the organisation is sustainable and viable in delivering its Mission. It was noted that certain outcomes will be agreed and expected by Government in return for the any public money provided, when FEE received funding directly from government is it expected that this will take the form of a PES Contract.</p>	
<p>4</p>	<p>Capital Expenditure Programme 2015/16</p> <p>Michael Seddon introduced Paper 06/15 with a presentation to show some of the completed capital investments and works in progress or planned on various sites on the PFE.</p> <p>It was noted that the Capital Programme is not just about developing existing visitor sites, but also about acquiring land with future potential; for example the purchase of Uphill Farm, Wendover, and maintaining the assets on the estate; for example the modernisation of Bellever Farm and other properties. Future capital investment will also be directed to vehicles and machinery, moving away from leasing and, modernisation and expansion of Lobslack (Delamere) nursery will secure future plant supplies.</p> <p>It was recognised that capacity, knowledge and skills within the organisation to deliver the capital programme were reduced after many years of limited capital availability. Attention was therefore being given to reskilling the organisation and getting the right resources to support delivery of the larger schemes in the programme (whether internal or external). To help ensure delivery, recruitment was underway for an Investment Manager to oversee the process.</p> <p>It was agreed that when considering future investments, the Board wished to be aware of the expected return on investment being planned.</p>	<p>Michael Seddon</p>
<p>5</p>	<p>Financial Report</p> <ul style="list-style-type: none"> • Discussion of year end outturn. <p>David Hodson shared the PowerPoint highlighting successes and achievements against plan. Income was higher than plan with strong timber prices being a significant contributory factor. The good weather and the Gruffalo campaign increased Recreation income above plan and Estates also generated a higher level of income than plan. Total costs were below plan.</p> <p>The internal cost accounts for Ecosystems services, which are not subject to audit, showed a £12.5 million surplus on trading activities for 2014/15. The figures show how the surplus is used to bridge the gap between the £21.7m net cost of providing 'public' services and the funding provided of £8.8m.</p> <p>The Board looked at appendix 5 Outturn 14/15 which shows how finances have regularised over the period of the spending review.</p>	

	It was observed that expenditure in Land Management had reduced in 2012/13, while the 2015/16 plan was higher than the 2014/15 outturn. Action: David Hodson to provide explanation to Ian Gambles and the Board.	
6	<p>Risk Report</p> <p>Consideration was given to the risk register where there have been no significant changes to report and updates were made.</p>	David Hodson
7	<p>Business Areas Update</p> <ul style="list-style-type: none"> • Updates from the individual business areas, Operations, Marketing, Estates and Business Support. <p>The Board noted the summary of significant updates from each business area.</p> <p>In response to questions, Mark Street provided an update on the A11. At present, approval of the scheme rests with the minister. The surrender of documents agreement is fixed and in before the election and signed off.</p>	<p>Michael Seddon Paddy Harrop Mark Street David Hodson</p>
8	<p>AOB</p> <p>None.</p>	All