

THE SEVENTY-SECOND MEETING OF THE EXECUTIVE BOARD
HELD IN THE SILVAN HOUSE BOARDROOMS
ON WEDNESDAY 3 JUNE 2015

MINUTES

Members: Ian Gambles (Chair), Wilma Harper, Simon Hodgson, Jean Lindsay, Jo O'Hara and James Pendlebury

Guests: Mike Cowan (agenda item 11 only) and Emily Ramsay (agenda item 2 only)

Secretary: Stephen Bennett

Apologies: Simon Hodge

1. Minutes of the previous meeting and matters arising

The minutes of the meeting held on 14 April were agreed, with a couple of minor amendments.

The following matter arising was discussed:

- **Forestry Journal**

Executive Board (EB) members remained concerned about recent content in the Forestry Journal. It was agreed that the Communications Team would make informal contact with the Journal and express the FC's strong disapproval of both their portrayal of women and the health and safety agenda. Distinction would be drawn between the two separate issues. The Team would explore with the Journal's editorial team whether the magazine was prepared to move its position on these issues.

2. **Health and Safety Strategy**

The EB was briefed of the progress made against the FC's Health and Safety Strategy. The results of the recent Health and Safety Climate Tool survey were revisited. The EB was reminded that the most favourable responses from the survey were with regard to organisational commitment and trust.

EB members discussed how to continue to lead by example on the Health and Safety agenda and discussed how they had challenged recent issues and supported their staff in feeling empowered to do so. It was acknowledged that it was important to be open and

supportive of staff who raise health and safety issues and to be seen to be taking the agenda seriously.

3. FC England Change Programme

Director England and the Chair had had positive meetings with the new Defra Minister. At this point, Ministers had not had an opportunity to focus sufficient time on forestry issues to reach decisions on change proposals.

The Defra Secretary of State had met with the Scottish Government Minister for Rural Affairs, Food and Environment. The Ministers had agreed that officials in both departments would review the governance arrangements for forestry.

The Queen's Speech did not contain any reference to forestry issues.

It was possible that Defra would be subject to 5% in-year savings through the July Spending Review. Director England had engaged with Defra officials on the implications for the FC. The Spending Review was likely to be challenging.

4. FC Scotland Change Programme

It was possible that the Minister would make an announcement on further work to move forward the arrangements for forestry before recess at the end of the June.

Director ENFOR and her team were advising Ministers about the future arrangements for forestry issues in Scotland. FC Scotland officials were involved as appropriate and were seeking clarity on the proposed 'landing position' for the future of Forestry Commission Scotland to help planning and to provide some certainty for staff.

Forest Enterprise Scotland had established an organisational development programme to establish a robust FE business model going forward.

A Change Programme had been established to develop corporate services in Scotland, and key roles were being filled. The structure for the HR function had been agreed by the FC Scotland Management Board. Scottish Government would consider this before sign off. Liaison was underway with the Scottish Government on future IT development.

5. FC Cross Border Project

Director Central Services briefed the EB on developments with regard to cross border functions.

The project to refresh Forest Research Agency continued. Proposals on the purpose and vision had been circulated for views and agreed. The country teams would decide which

functions should be within the FR Agency by the end of June with a view to finalising the functions to be included by July. Those functions not included in the refreshed Agency could be devolved to the countries, or become part of the service transition process. It was envisaged that the refreshed Agency structure would be in place from 1 April 2016.

Director England and Head of FC Scotland would be advised of any outstanding issues to support early resolution and agreement.

Action: Wilma Harper

There was also a workstream looking at potential future models for the Agency. Examination of the pros and cons of the models was underway. Options would need to be considered in due course by the WPEP Board and by the Forestry Commissioners.

6. Decentralisation of Shared Services and CFS

EB members agreed that it was necessary to clearly articulate to staff that it was being proposed to decentralise services as far as possible. This was a matter of principle, not a cost reduction exercise. It was accepted that this would incur costs of change.

The rationale for this change was the developing needs of the business. The Forestry Commission had to adapt to ensure delivery of forestry in the 21st Century. The political agenda in both countries had changed; in Scotland significant land reform was underway to ensure a joint/aligned approach to land management in Scotland; and, in England, Government policy remained committed to a separate organisation to manage the public forest estate and for the establishment of shared services for Government Departments.

In considering how best to focus the work of Central Services, particularly in relation to projects, the Central Services Management Board had drawn up criteria by which it would now evaluate the shared service portfolio of work and any requests for new work. EB members agreed that priority would be given to work which was:

- Required for Business Continuity;
- Required for mandatory compliance;
- Supported the devolution agenda;
- Desirable to improve efficiency of existing service within the devolution timescale.

Desirable work to provide a new service or capability would only be undertaken if it was compatible with the direction of travel and resources were available.

Director Central Services would draft a paper for the FCTU setting out the proposal for consultation with the new, temporary Staff Council, which would then pave the way for consultation on detailed business cases.

Action: Jean Lindsay

7. Establishing Corporate Services in England

The EB was informed of the work underway in FC England to establish corporate services.

Consultation with staff and the FCTU would be necessary. Director England would discuss the best approach to this with Director Central Services.

Action: Ian Gambles and Jean Lindsay

8. Developing New Service Arrangements

The EB agreed that while changing from a shared service model to individual country/FR arrangements, it was important to use consistent and positive language to describe the change process.

Therefore, the change process would be described as establishing new Corporate Service arrangements in the countries and FR. The current Shared Service teams would support the transition of existing services, implementation of new services and decommission the old capability/previous services.

EB members also stressed their commitment to co-ordinate their approach to establishing new Corporate Service arrangements in the countries/FR. The Change Support Team would facilitate this co-ordinated effort. However, it appeared unlikely that the countries/FR would be able to move forward on similar timescales although where possible they would attempt to do so.

As the implementation of country/FR Corporate Services had the support of both England and Scotland, the countries shared responsibility for managing the process and would need to explore mutually agreed arrangements and negotiate on costs.

The EB was content with the definitions of Business Continuity and Service Transition as outlined in the paper and agreed the following arrangements to manage on-going business and co-ordinate the four change programmes:

- As the country/FR programmes would seek to co-ordinate their change programmes as far as possible, Central Services would continue to facilitate the

process through the BSG, managed via the Roadmap in accordance with the Change Protocol, Staffing Protocol and good project management principles.

- Central Services would request draft timelines from Scotland, England and FR and use these to:
 - Identify areas where small changes in timing or sequence might result in a reduction of cost or risk across the programmes.
 - Identify any critical risks to business continuity or overall transition management.
 - Then, if required, facilitate discussion between the programmes to seek solutions as appropriate.
- Whilst the countries and FR determined their future requirements and drafted business cases, Central Services would, when invited, provide background information and data to support the discovery processes and provide expert advice on options appraisals.
- A new temporary Staff Council had been established to deal with consultations on service transition. This Staff Council would be chaired by Director Central Services and have representatives from each business area and would therefore facilitate the process of consulting with the FCTU.
- Once change had been agreed Central Services would continue to identify any opportunistic touch-points between the programmes to ease the transition process and to reduce the overall cost and risk.
- Implementation would be managed in accordance with the Change Protocol, Staffing Protocol and good project management principles.

9. Shared Services Update

Due to constraints of time, the EB would be briefed on key projects and issues within the Shared Services at their next meeting, on 9 July.

10. Pay and Reward Strategy

EB members reviewed the draft Pay and Reward Strategy for 2015 – 2018.

When finalised, the Pay and Reward Strategy would be circulated to EB members.

Action: Stephen Bennett

11. Retention Strategy

EB members discussed the possibility of adopting a retention strategy covering the Shared Services and CFS.

The EB was supportive of the following factors to support retention of staff:

- The Central Services Management Board (CSMB) would seek clarification from the country teams in order to establish clear timescales for decentralising services. This would help in addressing the issue of uncertainty facing Shared Services staff;
- Introducing an effective induction process for any new staff joining Shared Services;
- Expectation of length of appointment and changing work environment would now be published in all job advertisements;
- The Change Support Team would continue to work closely with managers and staff across Shared Services to help them prepare for change and continue to feel valued and supported;
- CSMB would continue its commitment to developing managerial capability and would continue to promote uptake of the FC's Management Development Programme;
- Shared Services Managers would optimise the use of Divisional training budgets and take a proactive approach to offering learning and development opportunities to staff;
- flexible working arrangements would continue to be provided; and,
- CSMB would continue to deliver appropriate and effective communications for staff.

Action: Mike Cowan

12. People Strategy

EB members agreed that a new People Strategy would be produced.

It was agreed that this would be an 'umbrella' Strategy which promoted a shared approach to the management of FC staff across the countries but set out country specific initiatives and actions.

13. HMRC Compliance Audits

Executive Board members had received a paper updating them on progress with the on-going HMRC Audits.

As time was limited, this matter would be re-visited at a future meeting of the EB to allow for a full discussion and review.

14. Any Other Business

Two items of other business were raised:

- **Meeting of Senior Staff**

It was agreed that a meeting of the FC's senior staff would not be held on 9 September as tentatively scheduled. This meeting may go ahead later in the year or early next year. Meanwhile, EB members would keep their respective management boards, etc informed of political developments and the implications for the FC and its structure. The senior staff would be informed of this decision at an early opportunity.

Action: Stephen Bennett

- **Staff Benefits**

EB members decided that they would once again subsidise staff Christmas lunches this year up to a maximum of £25 per head, for food only.

Action: EB members

15. Date of next meeting

The next meeting of the EB was scheduled for 10.30am, Thursday 9 July, in the West Boardroom of Silvan House.