

**THE SEVENTY-THIRD MEETING OF THE EXECUTIVE BOARD
HELD IN THE SILVAN HOUSE BOARDROOMS
ON THURSDAY 9 JULY 2015**

MINUTES

Members: Ian Gambles (Chair), Wilma Harper, Simon Hodge, Simon Hodgson, Jean Lindsay and James Pendlebury

Guests: Richard Howe (agenda item 6 only) and Nicky Whitaker (agenda items 6 – 11)

Secretary: Stephen Bennett

Apologies: Jo O'Hara

1. Minutes of the previous meeting and matters arising

The minutes of the meeting held on 3 June were agreed.

The following matters arising were discussed:

- **Pay and Reward Strategy**

Executive Board (EB) members confirmed that they had signed off and agreed the FC's Pay and Reward Strategy for 2015-18.

- **Retention Strategy**

The EB would discuss a Retention Strategy at their meeting on 9 September.

2. Shared Services Update

Director Central Services briefed EB members on the following issues:

- **Health and Safety**

There had been a serious chainsaw accident on a Standing Sale. The Accident and Incident Reporting System showed that in the last 12 months there had been 16 injury accidents where the operator had been using a chainsaw. Of these 16 accidents, eight involved employees, five were on Standing Sales and three were on direct contract sites.

- **Graduates**

A further three graduates would start in July – two in Scotland and one in England.

- **Tax Working Group (TWG)**

The recruitment of a Tax Specialist was underway and an HMRC expert had been engaged to support the TWG, as this group had a key role in co-ordinating professional advice. Director Central Services advised the FE Chief Executives to seriously consider engaging their own tax specialists to advise them. FE representatives would be required on the Working Group examining the implications of tax rules on Travel. The FC would need to develop an agreed, clear line when there would be disproportionate costs in gathering data.

- **Natural Resources Wales (NRW)**

Director Central Services had written to the Chief Executive of NRW seeking proposals on how to reduce costs.

- **Corporate Services Staff Council**

The first meeting of the Council had been scheduled for 28 July. The Council would consider the draft consultation paper on the proposal to build corporate service teams in the countries and FR rather than central support services and also the Business Case to devolve HR Services. Information on FC Scotland's proposals would be provided to support this discussion, if possible.

Action: Nicky Whitaker

3. Pay 2015-16

Executive Board members discussed options for Pay 2015-16.

As last year, departments' pay awards had been limited to an average of up to 1%. All elements which increased the pay bill cost must be included within the 1%. Pay progression remained against Government public sector pay policy.

The EB was reminded of the key operational objectives within the FC's Pay and Reward Strategy for 2015-18. Director Central Services demonstrated how these had been considered and implemented, if possible, within the options outlined in the paper.

4. CS Leadership Statement

In order to promote and embed the Civil Service Leadership Statement across the Forestry Commission, EB members agreed the following recommendations:

- The leadership statement would be promoted and used with the target population of SSG initially. It was important that the leadership statement was promoted as

supporting the FC values. The Director HR would send out a covering note, sharing the CS presentation and promoting the link to the Gov.UK website;

- The statement would be promoted across the wider management population via Management Board meetings where leaders 'sign up' to the expected behaviours. A short session would be delivered by the HR Business Partners;
- The revised CS Competency Framework would be adopted – HR would update recruitment, PMS, and ILP processes, and training courses and assessments such as 360 tools for management programmes;
- The new CS 360 feedback tool would be implemented for all SCS at the end of this reporting year;
- During the review of MDP1, 2, 3, HR would map the Leadership statement against our programmes to identify any gaps/necessary improvements;
- CS Learning would be promoted as a way to support the leadership statement via Connect;
- It would be incorporated into the Graduate Programme as a focus to assess and develop graduates;
- HR would review the 2015 staff survey leadership questions to ensure they encompassed the leadership culture/behaviours expected in the CS leadership statement;
- The Head of L&D would represent the FC on the CS Departmental Network Exchange.

Actions: Jean Lindsay/Alex Hunter

5. SSG 360 Feedback Survey

EB members agreed that the FC would adopt the new Civil Service 360 feedback tool for all SSG for this reporting year.

Action: Jean Lindsay/Alex Hunter

6. Review of the UK Forestry Standard

The EB was informed of the proposals to review and update the UK Forestry Standard. EB members were content to endorse the process of a co-operative project led by Richard Howe, supported by a Reference Group of the main external stakeholders which would be completed by December 2016.

EB members agreed that the review should be 'light touch', and not result in any new 'burdens' or require examination of the UKFS' underpinning guidance.

7. FC England Change Programme

FC officials would engage with Ministers ASAP to establish policy clarity and ensure progress was made on discussions with the Scottish Government about the future of the

Forestry Commission. A Forestry Governance Working Group had been established to facilitate this. The initial meeting had been arranged for August. The WPEP team would provide secretariat support to this Group.

The FC England team had considered the future organisation of the change programme, subject to the views of the Woodland Policy Enabling Programme (WPEP) Board. A change portfolio had been established. The WPEP would focus on the future of the public estate, Forest Services and future of Forest Research. The England Corporate Services Programme would focus on the Business Cases to decentralise shared services and would engage consultants to do so. An IT consultant had been engaged to complete an ICT Business Case for FC England.

The FC England Staff Council had met to discuss the proposed changes to FCE National Office and a consultation with staff had begun. The main proposals discussed were to move the current HR and Finance teams into Forest Enterprise. Proposals on the Communications Team would be ready for discussion in September.

Director England would brief his staff accordingly.

8. Cross Border Plant Health Function

The EB was informed of the work underway to examine the provision of Plant Health functions in England.

9. FC Scotland Change Programme

The EB was informed that the potential changes of governance for forestry in Scotland had generated an increased amount of Ministerial correspondence.

The Minister's announcement about her plans to explore options for the governance of forestry in Scotland had been circulated to staff.

Scoping of the change programme had been submitted to Scottish Government officials for consideration. It was hoped to commence progress on the decentralisation of shared services soon. The Business Case to decentralise HR Services had also been submitted to the Scottish Government for views.

Every second meeting of the Forestry Commission Scotland Management Board would now focus on the change programme.

The Accounting lines had been resolved. The Head of FC Scotland and Chief Executive FE Scotland would receive confirmation letters from the Permanent Secretary in due course.

A framework had been developed for the FE Scotland Organisational Development Programme based on four 'lenses': delivery businesses; support services; integrated delivery at local level; best value. External consultants would be engaged as appropriate. A restructure of the senior team had been announced.

10. 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. The Project Board had reached consensus on which functions should be included within the FR Agency. It was now proposed that all of Inventory, Forecasting and Operational Support would move into FR.

No job losses or compulsory physical moves would be necessary. The views of Forestry Commissioners would be sought via correspondence and then a consultation exercise with staff and the FCTU planned, to end in November. A presentation for the staff involved was being prepared.

Those functions not included in the refreshed Agency would 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.

Looking further forward to future business models, the favoured option being explored by the Project Board was FR as a company limited by guarantee. This model was working well with other major research providers in Scotland. Commissioners would be briefed for their views and the views of the Scottish Government on the effectiveness of this model would also be sought.

Action: Jo O'Hara

11. FC Corporate and Legal Project

Scoping of this project had been delayed until progress had been made on the Forestry Governance Working Group Project.

12. Any Other Business

- **Executive Board - Substitutes**

It was agreed that Substitutes could be utilised under exceptional circumstances when members were unable to attend Executive Board meetings. Substitutes would be fully briefed prior to the meeting to represent EB member views and empowered

to make decisions. There would be certain agenda items when it was not appropriate for a substitute to attend or have a view. In those instances, the EB member would advise the Chair of the EB their views prior to the meeting.

- **SR15**

The SR15 Submission would set out the change programme efficiencies, residual costs, implementation costs and the political decision dependencies. The submission would also set out the need to facilitate the changes already planned and prepared for and seek Government endorsement of the change programme.

12. Date of next meeting

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