

**THE SEVENTY-FOURTH MEETING OF THE EXECUTIVE BOARD
HELD IN THE SILVAN HOUSE BOARDROOMS
ON WEDNESDAY 9 SEPTEMBER 2015**

MINUTES

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

Guests: David Felstead (agenda item 11 only) and Steve Meeks (agenda items 9 & 10)

Secretary: Stephen Bennett

Apologies: Simon Hodge

1. Minutes of the previous meeting and matters arising

The minutes of the meeting held on 9 July were agreed.

The following matter arising was discussed:

- **Plant/Tree Health**

This future delivery of this function would be considered via the Business Strategy Group process. Consideration was underway to ensure maintenance of tree health expertise.

2. Forestry Governance Project

The first meeting of the Forestry Governance Project had taken place in August and the second would be held in mid-September. Director Central Services would join this meeting.

Discussions continued on the scope of this project. However, it was expected that the Project Board would settle on examining the potential legislative approaches for the UK and Scottish Governments; finances (cross border funding); Forest Research; and, interdependencies of the various change programmes. Once agreed, these strands would become projects. The cross border project would move out of WPEP and into the Forestry Governance Project. Out of scope was felt to be the FR refresh and shared services projects, forestry functions internal to countries and the Business Strategy Group. Final decisions on the scope would be taken at the mid-September meeting.

3. FC England Change Programme

The Minister was scheduled to meet the Chair of the former Independent Panel for Forestry and the FC Chair to discuss taking forward the recommendations of the Panel's report.

The EU Payments Programme and role of Rural Payments Agency was under further consideration. Issues had been raised about the Business Case by Defra, Natural England and FC.

The transfer of the FC England HR and Finance functions to Forest Enterprise England was underway, and consultation would commence shortly on a plan for the Communications function. The Bristol Office was being re-organised accordingly.

4. FC Scotland Change Programme

The Minister remained clear that she wanted to transfer the powers of the Forestry Commissioners in Scotland to Ministers. It was likely that a paper on options and proposals would be submitted to Cabinet in the next few weeks.

The FC Scotland team were considering how to cope with Spending Review cuts and working through various options.

5. WPEP Cross Border Project

The consultation document for the FR refresh was almost complete. Consultation with the FCTU would commence on 16 September for 30 days. The Head of Corporate & Forestry Support (CFS) had arranged a meeting on 16 September with CFS staff, to present and explain the proposals. After the consultation exercise was complete and responses considered, Head of CFS and Chief Executive Forest Research would drive forward the implementation. Director England and Head of FC Scotland agreed that they would drive forward country decisions, via their Management Boards, on those CFS functions that were not included within the refreshed FR.

Consultation with the FCTU was completed, and agreement had been reached, on the proposal that there would be no central shared service support and that the countries would build their own shared services. Agreement had also been reached on the Business Case for HR Services. The HR Services team had been briefed accordingly.

Although the teams in FC England, FC Scotland and Forest Research were developing timelines for the creation of their own support services, uncertainty remained around completion dates.

6. Spending Review 2015

It was not yet clear what the extent of the impact of Spending Review 2015 would be on the FC but it would inevitably include cuts over the Spending Review period, although it remained unclear how these would be focussed.

The Defra Secretary of State had responded to Treasury with proposals which detailed an integrated Defra approach of savings based on thematic areas within a revised programme. The FC was included under the environment theme and had engaged constructively in this process.

The outcome would not be known for several weeks as the Autumn statement was not due until November. Director England would keep the EB informed.

Action: Ian Gambles

7. Shared Services Update

Director Central Services briefed EB members on the following issues:

- **Pay Award 2015**
The Pay Award for 2015 had been noted by the Scottish Minister and subsequently submitted to Defra for Westminster sign off.
- **Natural Resource Wales (NRW)**
A paper would be prepared for the EB meeting in October setting out the current position with additional costs charged to NRW and exploring options for the future.

Action: Jean Lindsay

8. Holiday Pay & Overtime

The EB was updated on the latest position with regard to Holiday Pay and overtime.

EB members accepted the recommendation from Queen's Counsel and agreed that the FC would incorporate overtime into holiday pay calculations for every member of staff who works overtime. This approach would also be used in the calculation of back pay for 2014-15.

9. Tax/VAT

The FE Chief Executives were once again advised to engage tax experts prior to HMRC Audits of their business.

10. Shared Services Finances

The Executive Board was updated on the current financial position across the Shared Service functions and considered the significant overspends identified.

EB members would consider carefully whether they could meet the overspends as outlined. If these could not be afforded then they would discuss with Director Central Services which aspects of the Shared Service functions they no longer required. These discussions would take place during the Business Planning process.

Action: EB members

11. Disaster Recovery

Executive Board members noted the current position with regard to disaster recovery and agreed the following:

- To support the risk mitigation programme as outlined;
- To tolerate the 'limited assurance' audit position until it was prudent to undertake a full disaster recovery test;
- To approve the continued programme of work until the countries and FR had their own ICT provision;
- To continue to tolerate the connectivity issues until alternative, cost effective solutions can be arranged by the Information Services team with service providers.

The Central Services Management Board would continue to monitor progress and would ensure that no changes would be adopted that would create difficulties for the future split of ICT services.

The process to identify and back up .pst files would be clarified for staff via the Connect Bulletin.

EB members requested details of how to improve from limited assurance to moderate assurance.

Actions: David Felstead

12. Any Other Business

No items of other business were raised.

13. Date of next meeting

The next meeting of the EB was scheduled for 10.30am, Tuesday 13 October, in the West Boardroom of Silvan House.