

FUTURE OF THE FORESTRY COMMISSION – PROJECT UPDATE (1)

Purpose

1. To update the Board on progress to delivering the Future Forestry Commission (FFC) project.

Recommendations

2. EEB is asked to:
 - a. note the progress to date;
 - b. comment on the draft Terms of Reference for the revised Board structure;
 - c. note the future FC executive leadership arrangements approved by the ENC; and,
 - d. note the work being undertaken on the developing a suite of project documentation.

Progress Overview

3. The main focus since the February EEB meeting has been on:
 - assigning project roles and responsibilities
 - drafting terms of reference for the new Boards and their sub-committees
 - drafting Non Executive Commissioner role and person specifications to enable recruitment to be taken forward in good time by Defra's Accountability and Governance Team
 - agreeing executive leadership arrangements to better align with the revised governance arrangements

Project Roles and Project Initiation Document

4. Since the February EEB, I have taken on the project management role of implementing the suite of FFC proposals on behalf of Ian Gambles, Project SRO. I will be working with the following colleagues who will be driving through the necessary changes within their individual business areas:
 - Forest Enterprise: Simon Hodgson
 - Forest Services: Rachael Edwards
 - Forest Research: Meirion Nelson
5. The PID for the project is attached at [Annex A](#).
6. The project team will work closely together to avoid duplication of effort and ensure that the ownership of decisions rests with the relevant FC business entity.

New Boards

7. New boards are to be established for Forest Services, Forestry England, and Forest Research. Each will have an Audit and Risk Assurance Committee, with the FS ARAC also addressing cross-cutting risks and issues on behalf of the Commissioners.
8. Draft TORs for the three new boards have been developed and are attached at Annexes B1 – B3, along with TORs for the three ARACs at Annexes C1 – C3. They incorporate comments made at the ENC on 19th April 2018.
9. The extant TOR for ENC is also attached at Annex D for information.

Non-Executive Appointments

10. A number of new Commissioners and other non-executives will need to be appointed in the course of 2018-19; Commissioners are public appointments and will be made by HM the Queen on the advice of the Defra Secretary of State following a recruitment campaign run by Defra's Accountability and Governance Team (AGT), while other non-executive appointments will be made by FC.
11. The FC Chair met with the AGT to initiate the non-executive recruitment in time for having shadow boards in place before Christmas 2018. The first working level meeting with AGT has been arranged for 1 May 2018 with Kate Debley, FCE Corporate Governance Manager and I representing the FC. Non-executive recruitment is a critical element of the project and poses a significant challenge, not just in meeting the timetable, but in attracting individuals with the right blend of skills, competencies and experience.

Executive Leadership

12. The FFC document stated that executive leadership in FE, FS, and FR, and at FC level would be reviewed over the course of 2018/19 so as to better align with the revised governance arrangements. The Chair and senior executives have met to consider various options. They agreed that the critical success factors for new arrangements were:
 - clarity of financial accountability
 - clear and well-focused ministerial engagement
 - coherent, respected and well-focused senior-level relationship with Defra
 - strong leadership and autonomy for FE/FS/FR
 - affordable and lean
 - scope to address succession planning issues
 - credibility with external stakeholders
 - realistic workload expectations for Chair and senior executives
13. The option approved by the ENC is to replace the role of Director England with the role of Executive Commissioner (and the Director's Office with the Commissioners' Office), The emphasis for the postholder would shift increasingly away from operational matters towards ministerial, Defra Group, wider Civil Service, stakeholder and parliamentary representation, integration of FC strategy, line management and management of intra-FC relationships, cross-organisation workforce and succession planning, and Accounting Officer and senior budget-holder responsibilities. While the postholder would normally

attend all board meetings, s/he would do so as a commissioner with these special responsibilities rather than as the lead executive on the board, which would be the head of FS, FE and FR as appropriate.

Project Plan

14. A full project plan based on the implementation plan presented to the EEB in February is being developed, incorporating the five main work streams which are:
 - a. Board appointments
 - b. Brand identity implementation
 - c. Working Together protocol
 - d. Scope of future central corporate functions
 - e. Documentation (Framework Documents, SLAs, Board and ARAC ToRs etc)
15. A working draft of the plan will be circulated to EEB in the near future by correspondence, along with a Risk Register and Highlights Report.
16. The overriding aim will be to complete as much of the work as possible by the end of 2018.

Resource Implications

17. Project resources have been drawn from the Director's Office and each FC business entity. As Finance Director and FFC Project Manager I will maintain oversight of the resource impact of the FFC changes on our baseline to ensure delivery of net savings and that project delivery costs are kept to a minimum.

Risk Assessment

18. The forthcoming FFC project risk register will flag risks to project delivery and mitigating actions.

Equality Impact Assessment

19. The Future Forestry Commission proposals will not as such have any equality impacts. Equality duties will be considered – including by way of formal equality impact assessment where appropriate – in the context of the implementation of individual elements of the proposals.

Communications

20. Updates to points of importance to staff will be provided through the usual channels. No external comms are planned at this stage, except in support of non-executive recruitment campaigns.

Steve Meeks
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