

24 April 2019**Terms of Reference and Ways of Working****Purpose**

1. To discuss and agree Terms of Reference, ways of working, priorities to be reflected in the appointment or recruitment of the remaining non-executives, geographical links, and the future meeting schedule.

Terms of Reference

2. The Terms of Reference at Annex A have been drawn up alongside those for the Forestry England and Forest Research Boards. Together they reflect the functions delegated to each board by the Board of Commissioners, described at Annex B.

Ways of Working

3. It is recommended that the Board also agrees ways of working. Those described at Annex C reflect some of the good practice described by the Civil Service College's current course on 'Essential Board Behaviours'.

Additional Non-Executive

4. The Terms of Reference provide for the Board membership to include 'two additional non-executives either seconded by the Board from within HMG or appointed through open competition'. One of these remains to be appointed or recruited. The Board's views are therefore sought on the priorities they would wish to see reflected in the appointment or recruitment of this non-executive. This include opportunities to:
 - a. Compliment the strengths and help address any weaknesses in the current board membership's knowledge, experience and capabilities.
 - b. Become more representative of and / or strengthen links with Forest Services' key service users and stakeholders.
 - c. Increase the Board's diversity.
 - d. Reach all corners of England.

Forest Services Board

Terms of Reference

This Board is appointed by the Forestry Commissioners to enable them, as 'the appropriate forestry authority' in England to discharge their duties and exercise their powers set out in the Forestry Act 1967 and other relevant legislation, including the Plant Health Act 1967¹.

The Board will also provide leadership for Forest Services by supporting, guiding, constructively challenging, and directing the Forest Services executive team in the development and delivery of its strategy.

Annex A describes the functions that the Board of Commissioners have delegated to the Forest Services Board.

The main duties of the **Forest Services Board** are to:

- discharge functions delegated to them by the Board of Forestry Commissioners;
- set the strategic direction for Forest Service's activities;
- direct the executive in the conduct of business within Forest Services;
- ensure that Forest Services activities contribute to the delivery of relevant Government policy and the Forestry Commission's overall strategic objectives;
- approve the strategy and Business Plan for Forest Services and the consolidated Annual Report and Accounts and Corporate Plan for Forestry Commission;
- promote forestry policy as a means to deliver wider government objectives and provide insight to future opportunities for forestry in England;
- advocate forestry expertise as a means to maintain the Forestry Commission's reputation and achieve Government's policy and objectives;
- regularly receive and review information on financial and operational performance of Forest Services against agreed objectives;
- demonstrate high standards of corporate governance at all times, to help the Board to address key financial and other strategic risks faced by the organisation,

¹ The key relevant powers and duties of the Forestry Commissioners have been summarised in these Terms of Reference, the full text of the various Acts should be referred to for full details of the Commissioners powers and duties.

ensuring adequate systems and internal controls are in place to safeguard resources including by using the independent audit committee;

- ensure that any statutory or administrative requirements for the use of public funds are complied with;
- ensure that effective relationships are maintained and the Forestry Commission's reputation is upheld with stakeholders, customers, suppliers, employees and other government departments across England, including by establishing links with local delivery teams and Forestry and Woodlands Advisory Committees;
- ensure effective communication both internally and externally through focused and consistent messaging showing evidence and accountability for decisions made; and,
- address matters of relevance to the wider Forestry Commission (i.e. Forest Research and/or Forestry England as well as Forest Services) as requested by the England Executive Board.

The Forest Services Board is chaired by a non-executive Forestry Commissioner. The other members are up to two additional non-executive Commissioners, the Forestry Commission Chief Executive Officer, the Defra Director with responsibility for forestry policy, two additional non-executives either seconded by the Board from within HMG or appointed through open competition, Director Forest Services and Forestry Commission Finance Director.

The Forest Services Board will share information as appropriate with the Forestry England Board, the Forest Research Board and the Forestry Commission Executive Board, ensuring collaboration and cooperative working to matters that require decision, resolution or co-ordinated action across the Forestry Commission.

The Forest Services Board will have the ability to escalate issues as appropriate to the Board of Commissioners.

The Forest Services Board may act by three of their number notwithstanding a vacancy in their number.

The Board will usually meet every two months in Bristol, but may elect to meet more or less frequently (but no less than once every quarter) and in other locations at its discretion.

Sub-Committees

Forest Services Audit and Risk Assurance Committee

Functions Delegated by the Board of Commissioners

FUNCTION (listed by legal basis for activity ²)	FORESTRY ENGLAND BOARD (FEB)	FOREST SERVICES BOARD (FSB)	FOREST RESEARCH BOARD (FRB)
Forestry Act 1967 (as amended): Note: The Forestry Commissioners are the 'appropriate forestry authority' in England.			
To manage the land placed at the disposal of the Forestry Commissioners by the Minister (Secretary of State, Defra) for the functions of the Forestry Commissioners, including promoting the interests of forestry, the development of afforestation and the production and supply of timber whilst endeavouring to achieve balancing duty set out in part 3A of the Act.	X		
Promoting the interests of forestry, the development of afforestation and the production and supply of timber and other forest products.		X	
Promoting the establishment and maintenance in England of adequate reserves of growing trees	X	X	
To implement the powers to control tree felling as set out in Part II of the Act		X	
Undertake the collection, preparation, publication and distribution of statistics relating to forestry;			X
Promote and develop instruction and training in forestry	X	X	X

² The key relevant powers and duties of the Forestry Commissioners have been summarised in this list of key functions, the full text of the various Acts should be referred to for full details of the Commissioners powers and duties.

Carry out experiments and research either directly or with others for the purpose of promoting forestry and publish the results of research and disseminate the information on forestry;			X
Exploit any intellectual property or intangible assets arising from the carrying out of any activity.	X	X	X
The establishment and maintenance of regional advisory committees		X	
Countryside Act 1968 (as amended)			
To provide, or arrange for or assist in the provision of, tourist, recreational or sporting facilities on the land placed at the disposal of the Forestry Commissioners	X		
Plant Varieties and Seeds Act 1964:			
The establishment and maintenance of an official seed testing station for silvicultural propagating and planting material and charging powers in respect of seed testing activity.	X		
Plant Health Act 1967:			
The competent authority for the protection of forest trees and timber from attack by pests and diseases, and the power to make orders		X	
Forest Reproductive Material (Great Britain) Regulations 2002:			
The selection, development and marketing of seeds for use as forest reproductive materials, including establishing labelling, marking and record keeping requirements; in particular, they establish a regime for registration of basic reproductive materials and for their regions of provenance. The Regulations implement an EU Directive on the marketing of forest reproductive	X [Application]	X [Regulations]	

material and on external quality standards for forest reproductive material marketed within the EU.			
Environmental Impact Assessment (Forestry) (England and Wales) Regulations 1999 and The Environmental Impact Assessment (Forestry) (England and Wales) (Amendment) Regulations 2017:			
The appropriate forestry body undertake the role set out in regulations, primarily to decide if a project is a "relevant project" and if so grant or refuse consent having followed due process.		X	
Countryside and Rights of Way Act 2000:			
The "relevant authority" for all woodland in England dedicated under the Act for public access		X	

Ways of Working

The following reflects some of the good practice described by the Civil Service College's current course on 'Essential Board Behaviours':

1. The Board's principal duty is to the organisation: Forest Services.
2. The board's purpose is to take high quality strategic decisions to grow Forest Services' value. This means working with the future, taking the big decisions needed to secure Forest Services' sustainable success and leaving other decisions to others (e.g. the Forest Services Executive Team).
3. The lead executive's (Director, Forest Services) role is like a pilot; the Board's is like air traffic control. It's a team game and requires a close relationship.
4. Non-executives' role is to mentor the executives.
5. The Chair's role is primarily to listen not talk; asking individuals for their views and getting all the different views on the table; like getting every instrument in the orchestra to play.
6. Board meetings are dedicated to answering the key questions, not introducing what they are.
7. High quality papers are circulated well in advance and provide all the information required (and nothing more) to make the high quality strategic decisions sought from them.
8. Prepared directors have the knowledge and understanding the board needs, read all the papers before the meeting, come to board meetings with answers to the questions asked of them, and keep in touch with each other between board meetings so as to be fully up to date on relevant issues.
9. Good governance creates the conditions to allow boards to question: why things are going badly, and if things appear too good to be true. These conditions include:
 - a. Situational awareness – the board's relationship with the wider environment and society in which it operates
 - i. Creates the right framework for helping directors meet their duties by understanding the legal and regulatory context in which the board operates and must with which it must comply
 - ii. Accountable, particularly to those that provide the organisation's funding, and appreciate its wider governance responsibilities, seeking to meet the legitimate expectations of other stakeholders
 - iii. Creates a performance culture that creates value without exposing the organisation to excessive risk of value destruction
 - iv. Ensures there is a strategy for building and protecting the organisation's reputation and brand
 - b. Operational readiness – the relationship between the board and the organisation:
 - i. Effective oversight of the development of the business model and strategy

- ii. Directs, monitors, and holds management to account for execution of the business plan
 - iii. Effective oversight of the system for managing risks to strategy delivery, including the controls and compliance framework
 - iv. Ensures sufficient resources are in place to deliver the strategy, particularly people, and that there is a solid succession plan for managing talent
 - c. Reflective Mindfulness – the board’s relationship with itself:
 - i. Possesses the right mix of board skills, experience, knowledge, independence and diversity to address the challenges facing the organisation
 - ii. Demonstrates ethical leadership, displaying and promoting behaviours consistent with the organisation’s purpose, direction, culture, vision and values
 - iii. Creates a clear decision making process, which generates well informed and high quality decisions, based on a clear line of sight into the business and clear authorities
 - iv. Thinks carefully about its governance arrangements, and embraces evaluation of their effectiveness periodically, while reviewing its own performance regularly
10. Good board meetings should be enjoyable but not comfortable. Good board behaviours include:
- a. Raising questions – the ability to challenge constructively, rigorously and appropriately, balancing challenge and support with teamwork.
 - b. Independence – ensuring that independent oversight is being achieved, with members recognising that the principal duty is to the organisation.
 - c. Sound judgement – judging the management team’s capability, its ability to stay on top of challenges, its execution of strategy, its choice of team.
 - d. Collaboration – the ability to build relationships and influence others to achieve outcomes through persuasion, and compromise, willingness and ability to listen.
 - e. Accountability – allocating responsibilities, calling out potential problems quickly, particularly mediocrity, and missed deadlines and key deliverables; supporting the chair.
 - f. Earning trust – displaying behaviours which include integrity, transparency, inclusivity, consistency and reliability, and concerns for the best interests of fellow members.
 - g. Emotional intelligence – demonstrating self-knowledge, humility and empathy
 - h. Forward looking – being in a future state, and reflecting on the big issues, problems and challenges, with a vision of how to create the conditions to make a better future become a reality

- i. Action focussed – growth orientated, competitive, achievement oriented, strategically aligned.
 - j. Versatility – having a broad range of thought and behaviour, and the self-command to use it intentionally, responding swiftly and fully to demanding situations, knowing when to be flexible and subtle, and when to be strong and focussed.
11. Effective boards must work well with volatility, uncertainty, complexity and ambiguity. To do so boards need to engage in scenario planning, horizon scanning, stakeholder management and opportunity identification and seizing. These only work well if the Board avoids Groupthink.
 12. Groupthink can include: illusion of invulnerability, collective rationalisation, belief in inherent morality, stereotyped views of out-groups, direct pressure on dissenters, self-censorship, illusion of unanimity, and self-appointed 'mind-guards'. Its consequences can include: incomplete survey of objectives or alternatives, failure to examine risks of preferred choice or to reappraise initially rejected alternatives, poor information search, selective bias in processing information at hand, failure to work out contingency plans and low probability of successful outcome.
 13. Avoiding Groupthink requires cognitive diversity, which can be achieved by having the right and diverse people, an awareness of the board's psychological blinds spots (including 'Black Swan events e.g. fraud and cyber-crime) and a proactive approach to addressing them, and rewarding appropriate behaviours.

Forest Services Areas



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Forestry and Woodlands Advisory Committees

