

OFFICIAL SENSITIVE

**FORESTRY COMMISSION EXECUTIVE BOARD
MINUTES OF THE 114th MEETING
via MS Teams and in Bristol Conference Room
23 March 2022**

Attendees:

Richard Stanford (Chair)
Anna Brown
Nick Clinton
Jac Davies
Tristram Hilborn
David Hodson
Steph Rhodes
Jo Ridgway
Mike Seddon
Mimi Woods (observer)

Julia Lovell – minute secretary
FC Head of Communications – to present FC Communications strategy item
Governance Manager – to present Strategic Risk update item
Tax Accountant – to present item on Tax Risk Register
HR Project Manager – to present item on Performance Management

1. Welcome and introductions

The Chair opened the meeting. No apologies had been received.

2. Minutes of the Executive Board 26 January 2022 and matters arising

The minutes for the meeting of the Forestry Commission (FC) Executive Board (EB) of 26 January 2022 were agreed as a true and accurate record. All actions points were discharged.

The Chair noted the following matters:

- To be mindful of the situation in Ukraine; the business has limited influence on the matter but the impact on staff will vary;
- The Spring Budget will have an impact on the business;
- Defra is carrying out a review of itself, alongside the ALB review;
- It is unclear how the recently published Nature Recovery Green Paper will impact the FC.

3. Health and Safety update

Head of Training, and Health and Safety provided an update on Health and Safety statistics for the FC. There was one major RIDDOR injury since last report. This was down to a combination of environmental and behavioural factors which are being addressed. The district team will also trial an alternative lone working device as this was identified as an issue in the investigation.

The culture change programme is underway with staff workshops planned between April and July across all districts and business units. Key performance indicators and measures have been drafted for the dashboard.

4. Forestry Commission Communications Strategy

Head of Communications joined the meeting seeking endorsement of the FC brand narrative as part of the FC Communications Strategy. The EB provided the following comments on the brand narrative:

- To test the language with staff
- To add to the opportunities section the public health benefits of forests
- The narrative is not about counting trees and the felling of trees is part of good silvicultural practice.

The EB requested opportunity to provide further comments on the brand narrative via correspondence, including on the FC unifying message.

The EB endorsed putting together a photo library for the Forestry Commission. Head of Communications agreed to initiate the work by pulling together resources already available in Forestry England and Forest Research. The FC EB requested that Head of Communications works across communications teams in the Forestry Commission to identify common lines of engagement for a common voice.

Action 1: Head of Communications to consult with Richard Stanford and then with other EB members on brand narrative.

Action 2: Head of Communications to initiate an FC image library by linking in with images already stored by Forestry England, Forest Research and Forest Services.

Action 3: Head of Communications to look stakeholder and engagement maps for Forest Services, Forest Research, and Forestry England to identify commonalities which may benefit from a collective influence.

Action 4: Head of Communications to propose a digital strategy brief for the EB to review.

5. Performance Management Review update

HR Project Manager presented this item on colleague's behalf, asked the EB to endorse a continuous improvement model of performance management, including the introduction of an on-line system to record those discussions.

The EB were not in favour of introducing an on-line system. They agreed that if a system were to be introduced in the future it should be on the current HR systems (iTrent and Business world).

The EB recognised that longer term, all managers should hold regular one-to-one discussions, and a culture of continuous improvement is something FC should aim for.

The EB agreed that the priority now was to determine the baseline i.e. the results from mid and end-of-year performance reviews should be recorded on iTrent and

Business world. Results can then be made available to the senior management team to determine which areas/managers are not holding mid and end-of-year performance reviews.

Action 5: HR Business Partner to introduce a process where mid and end-of-year performance scores can be recorded on iTrent and Business world.

6. Sharing of information between Forest Research and Forestry Commission

Forest Research is on the Scottish wide area network, which is a different tenancy to the rest of the Forestry Commission. The Forest Research Information Technology team is still working through technical solutions provide an efficient and cost-effective solution. James will update the EB as things progress.

Forest Research will have access to the FC intranet, with the launch planned for mid-April.

7. FC Risk Register

Of the 3 risks transferred to Defra from FC, Defra have accepted one risk they have the authority to mitigate against and (Edward Barker) will work with FC to determine how the other two will be treated. FC will continue to press for the risks to be treated appropriately.

The situation in Ukraine has put inflationary cost pressure on Forestry England, which can be absorbed medium-term but may need a revisit longer-term. There is also an increased risk of fraud due to the scale up of work in grants, but the mitigations in place have kept pace with the work so the overall risk remains managed.

A new issue has been raised by the Nature Recovery Green Paper around maintaining the size of the public forest estate. This will need to be considered for inclusion on the FC Risk Register.

Jac Davies proposed to consolidate the work on budget, risks, audit, and reporting into a wider governance programme for the EB to consider.

8. Tax Risk Register

Tax Accountant alerted the EB to the most recent tax issues facing the FC:

- inconsistency of VAT coding which will be mitigated by streamlining the VAT coding and further staff training;
- IR35 and off-payroll risk – it is now the responsibility of the fee payer to check the workers tax status and this can be done using the online HMRC tool, Check employment Status Tax. This will be mitigated by providing further guidance and training to the business
- the P12 VAT return. This is in progress and will be complete once data is available, likely to be a repayment to FC.

9. Budget and business planning

At the time of meeting the allocations for 2022-23 had yet to be fully confirmed. Defra Executive Committee have yet to approve some funding streams, which will be confirmed later. Defra have modelled a 2.2% on year RDEL saving. The DAD letter will be issued beginning of April, and the corporate plan will flow out from that.

Plant health underspend for 2021-22 had been agreed to be transferred to Forestry England for plant health work. Jac also confirmed that the tree planting programme has underspent this year, we have sighted Defra of this earlier in the year. £3m from Defra (21/22) will be transferred specifically for sustainability/Net Zero work in Forestry England via FC. Forestry England were unsuccessful (as was Defra) in securing funds through SR21 for this work.

10. Functional standards

Functional standards exist to create a coherent, effective and mutually understood way of doing business within government organisations, mandated by the Cabinet Office. As an arm's length body, the Forestry Commission does not have to fully align with all standards, but will report on this in the Annual Report and Accounts. Jac Davies will review and update as part of the larger governance programme of work.

11. Review of assurance recommendations

Governance manager provided a summary of all the actions on recommendations from previous Government Internal Audit Agency (GIAA) reports. There is work to provide a strategic update and steer on these. The EB asked for overdue actions to be resolved and current actions completed by the original estimated completion date. The EB agreed to review assurance recommendations at a strategic level as a standing item at subsequent meetings once overdue actions have been resolved.

Action 6: Julia Lovell to put GIAA recommendations summary report as a standing item for future Executive Board meetings.

12. Defra reform

There are two separate reviews running concurrently, one is focusing on reviewing Defra's arms' length bodies, and the more recent one is looking at how Defra operates. As part of the Defra group, the FC have been asked to feed into the Defra review.

This is a fast-paced piece of work. The EB agreed to support Chief of Staff in pulling together the information as requests arise, with thought going into agreeing definitions ahead of providing information.

13. Nature recovery green paper

The Chair noted that the Nature Recovery Green Paper has been published. At this point it is unclear how the proposal for a reform and restructure of arms' length bodies may affect the FC, including working relationships with other organisations.

14. AOB

- Defra Committee report on Tree planting and Woodlands

The Efra Committee report on Tree planting and Woodlands was published on 21 March 2022. The recommendations are in place confused as to what areas are for Defra or FC to action. Defra will coordinate the response for these recommendations, which are largely already being implemented.

Action 7: Steph Rhodes to put Defra in touch with Mike Seddon to inform the response to the recommendation on Wykeham Nursery.

- FC Travel rates

With the rising cost of living staff are asking more frequently to sign off travel expenses that are above current levels of allowance. The FC matches HMRC rates for fuel, and the EB agreed that this should continue. The EB requested Jo Ridgway to look into benchmarking travel allowance, including hotel booking rates, with the rest of the civil service and to ask the EB to endorse increasing FC rates if feasible based on this.

Action 8: Jo Ridgway to provide the EB with benchmarking of FC travel allowance against other civil service organisations and propose an uplift if it is within guidelines, such as HMRC rates for fuel. To also benchmark against other civil service organisations hotel accommodation rates and meal allowances.

- FC Executive Board

The Chair asked members to provide feedback on how they think EB meetings can be more effective.

Action 9: FC EB to provide feedback to the Chair on how to improve EB meeting effectiveness.