**SCOTTISH FORESTRY EXECUTIVE TEAM**

**Minutes**

**22 February 2023, Silvan House, Central Meeting Room 1 and Teams Meeting**

**SET Attendees:**

Dave Signorini (DS)

Zahid Deen (ZD)

Jonathan Taylor (JT)

Brendan Callaghan (BC)

Ross MacHardie (RM)

Alan Hampson (AH)

James Aldred (JA) – minutes

**In Attendance:**

Helen McKay (HM) – for items 3 and 4

Marelle Dalziel (MD) – for item 3

Bob Frost (BF) and Amy Nicolson (AN) – for item 4

**Apologies:**

(none)

1. **Minutes and actions of previous meeting**

The January minutes were approved.

On actions arising and outstanding:

* AP1/May 22, staff wellbeing discussion – noted as closed as incorporated into ongoing wellbeing actions and Staff Survey outcomes.
* AP2/Nov 22, FGS expenditure position – RM noted that the agreed position had been included in budget updates and forecasts and communicated to Scottish Government Finance. Closed.
* AP4/Nov 22, Business Continuity Plan – noted as still open due to staff absence/leave, with a deadline of the next SET meeting.
* AP1/Jan 23, part-funding proposals for backfilled Woodland Officer recruitment and student placement scheme expectations – BC noted that this would be conditional on the agreement of the 2022/23 budget, but that most conservancies should be able to offer some savings dependent on individual circumstances. For review in March.
* **Action: JT to explore possible alternative venues for the April SET meeting.**
1. **2023/24 budget setting discussion**

RM presented the paper, noting the increased expected budget for 2023/24, mostly due to increases in woodland grants but also an uplift in general running costs.

Key factors under consideration included expected one-off and project costs; relocation and dilapidation costs relating to the Silvan House vacation; and projects relating to the renegotiation of the Service Level Agreement with Forestry and Land Scotland, including the finance and HR system implementations.

SET noted the indicative costs for 2023/24 and proposed planning timeline.

ZD reported that a business case was being produced for the SLA transition, which would allow the separation of these costs from the general improvement programme budget. In addition, some 2022/23 improvement programme costs were expected to straddle into 2023/24 given implementation delays.

In response to a query from DS as to the expected programming of projected savings, RM noted that potential half-year savings from the Silvan House vacation were yet to be factored in, but that the additional project management resource required would be a linked short-term cost, together with the potential inflationary uplift on the SLA. Dilapidation costs relating to Silvan House were also expected to be paid in line with the vacation. ZD noted that savings from the HR procurement were likely to be realised from 2024/25. DS summed up that with limited investment capital available, if savings did not come on stream in 2023/24, this might restrict SF’s capacity to meet all its stated aims.

BC noted that the woodland creation and other grant allocations were likely to be higher than necessary even if all creation targets were met, and that surpluses in resource budgets could potentially be used for other priorities such as rainforest protection and deer management. AH noted that expected underspend in the FDP budget could also potentially be released to fund needs elsewhere.

RM noted that cost centre-level feedback on requirements, agreed projects, etc. was expected before the end of March, and this would then be updated against available budgets.

On staffing, RM noted the limited scope available for new posts at present at current risk tolerance levels, and that the agreed student programme would represent an additional pressure.

SET discussed the current approach to recruitment to permanent posts falling vacant, noting the uncertainty around transition costs and existing pressures on the pay bill. **It was resolved:**

* To add no new posts until greater clarity was available regarding the expected one-off transitional costs in 23/24.
* To retain the current process for recruitment to vacant permanent posts, but to additionally ask cost centre managers to keep a record of post replacements approved and why the post was considered necessary to be filled.
* To undertake a formal review at SET of approved posts and pipelines twice a year.

**SET agreed** the proposed baseline and budget, subject to input from cost centres and the clarification of one-off transitional costs, and undertook to finalise budgets at the April meeting.

Key messages to staff were agreed as 23/24 being a period of both consolidation and change:

* Consolidation in staff numbers after previous expansion, with no additional expansion proposed for the first six months of 23/24
* Change in relation to office moves, new systems and services, aiming to put the organisation in a stronger position and release savings.
* **Action: SET members to communicate decisions and key messages to staff, beginning at the March SOG meeting.**
1. **Equality Diversity and Inclusion Action Plan: implementation update**

MD introduced the report, noting that several actions had been completed since the agreement of the Action Plan, including additional “engaging the bystander” sessions, the inclusion of EDI in business plans, and the inception of the employee passport scheme. Analysis of SF’s workforce composition was still to be completed and would be taken forward through the Equality Mainstreaming Report.

On staff demographics, ZD noted the cited benchmark for ethnic minority population was from 2011, represented a doubling from the previous census, and was a Scotland-wide figure, indicating this population was likely to remain underrepresented in Scottish Forestry’s staff complement.

* **Action: MD to explore benchmarking of ethnic minority representation among staff against other public sector, and if possible third sector, environmental organisations, via their published mainstreaming reports in the first instance.**

**SET agreed** the proposal to bring forward the agreed gender equality focus groups to April/May, with engagement designed to produce useful, actionable information and limit the perceived burden on staff, **and** **approved** the proposed International Women’s Day panel discussions.

Noting the difficulty in acquiring staffing information, SET voiced a strong request that the specification for the new HR system include clear management information requirements.

1. **FGS Enhancements – Community Engagement and Benefits**

BF and AN introduced the report, noting that the proposals were part of the agreed FGS enhancement approach and would be presented by the Minister at the March 14th National Stakeholder Meeting. The proposals under discussion comprised improvements to the SF website; a review of the existing guidance on consultation to improve clarity and consistency; and amendments to the FGS scoring criteria to emphasise community engagement and benefit.

On the amendments to the FGS scoring criteria, AN noted that the proposal was for a minimum level of consultation to involve the notification of the local community council, neighbours and other local groups, with an 8 week period given for those notified to signal a desire to engage in subsequent consultation.

HM noted that community councils might have limited capacity to respond to such consultation, and queried whether this might disadvantage applicants as a result. AN noted that the requirement was for notification, not necessarily for a response.

JT noted that similar consultation requirements for Forest Plans could help support outcomes, and queried whether guidance was planned for SF staff and forestry agents on recording consultation activities and maintaining a consistency of approach. BF reported that the latter was being worked on.

On the report’s recommendations:

* The draft content for the new webpage on local stakeholder and community engagement and consultation **was approved**, **subject to the inclusion of a summary of the differences between FGS processes and the planning system.**
* The proposed approach to revising the Forestry Consultation Procedures document **was approved.**
* The amended scoring criteria for woodland creation application to the FGS **was approved.**
* A decision as to whether the minimum engagement level required should apply to all FGS woodland creation applications, no matter the size, or whether small schemes below a certain size (to be determined) should be excluded from this requirement **was deferred subject to a further recommendation to the Minister after stakeholder consultation.**
* The suggested approach and timeline for introduction/launch of the different measures, and engagement with external stakeholders on proposed changes via the CRG, **was approved.**
1. **Update and potential further decision-making on Edinburgh office location**

RM presented the updated option scoring and updated on developments, noting that formal notice had been served to vacate Silvan House and that an exit was likely to be required in July to allow mitigation work to be undertaken to reduce dilapidation costs. Regarding connectivity, RM reported that the option of a virtual LAN was being explored to avoid the need to hardwire network connections in a new office.

SET discussed the shortlisted options, noting the pros and cons of each option, including accessibility and the adaptability of the available office space, and taking into account the responses received in the staff survey. RM confirmed that Apex House was the only option expected to attract dilapidation costs on a potential future exit.

**SET agreed** the shortlisting of Saughton House and Meadowbank, and undertook to make site visits in the next week ahead of a final decision by special meeting.

1. **AOB and items by exception**

MD noted that the final cut of data for the Mainstreaming Equality Report was expected on 1st March, and undertook to review and circulate the final version of the Report thereafter.

Other items were agreed to be taken by correspondence.