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| SF_col_landscape_logo | Senior Executive Team Minutes |

**24 January 2024**

**Saughton House, E1 Meeting Room and Microsoft Teams**

**Present:**

Alan Hampson, Head of Policy and Practice (AH) – Chair

Brendan Callaghan, Head of Operational Delivery (BC)

Zahid Deen, Head of Operational Services and Transformation (ZD)

Jonathan Taylor, Head of SF Executive Office (JT)

James Aldred, Corporate Support Manager (JA) – minutes

**In Attendance:**

Helen McKay, Chief Forester (HM)

Gary Henderson, Senior Finance Manager (GH)

Marelle Dalziel, HR Business Partner (MD) for items 6-8

Kyle Usher, Head of Innovation (KU) for item 5

**Apologies:**

Paul Lowe, Interim Chief Executive (PL)

Ross Machardie, Head of Finance & Business Support (RM)

1. **Welcome and declarations of interest**

The Chair welcomed everyone to the meeting. No new declarations of interest were made.

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

The minutes of the previous meeting were approved.

On actions arising from previous meetings:

* Capacity and resource for Estates support: noted as closed as proposals had been put forward.
* Career Progression for Woodland Officers: noted as open and awaiting update.
* Outstanding posts for approval: noted that the Improvement Conservator post had been appointed to. Resourcing of other posts had been paused given the decision at the December SET meeting to return to a pipeline and approval model. ZD noted that a Resourcing Group had been set up with a first meeting planned for February and that urgent posts would come to that meeting.
* Woodland Carbon Code:
	+ AH reported that the Head of Woodland Carbon Code was to produce an annex to the submission to the Cabinet Secretary which would set out clear intentions regarding carbon funding and grant monies, meaning that both governance and funding would be actioned.
	+ On governance issues, AH had met with Confor and agreed to engage the relevant Confor working group with the next WCC advisory group to review options. Noted as closed.
* Woodland creation – AAC notification of operational amendments: noted as in train.
* Strategic Timber Transport Fund: AH reported that the budget for 2024/25 had been confirmed at £2m and information had been included in the budget submission. There was limited flexibility in the budget for 2024/25 due to Timberlink and electric lorry trials; however, the Timberlink contract had a break clause in 2024/25 which could allow further flexibility. Noted as closed.
* Women into Leadership: actions noted as ongoing.
* Expenses system demonstration: completed and closed.
* Minute publication: JT noted the intention to publish SET, SAG, SOG and AAC minutes but not the accompanying papers, and to include a summary of decisions in staff briefings. GH noted the need to capture SOG in the annual accounts and provide minutes and papers to external auditors for review. Resolved to close the main action and note an action for BC and JT to liaise regarding resourcing of SOG support.
1. **Standing item: woodland creation update / post-budget discussions (BC)**

BC reported that a submission was being prepared for the Cabinet Secretary, outlining actions already taken in response to the budget settlement and proposed actions for which agreement would be sought.

In terms of actions taken, the claims deadline for 2023/24 had been extended to 17th May, aiming to maximise spend in 2023/24 and reduce pressure on 2024/25 budgets. This had been discussed with the Customer Representatives Group and Confor and was expected to reduce slippage and allow a harder line on variation requests. In 2022/23 20-25% of projects were not claimed and sought variation into 2023/24, whereas sectoral feedback was that the extended May deadline would both reduce slippage and allow some 2024/25 projects to be brought forward into 2023/24.

In discussion, SET noted the need for a final accrual figure to be confirmed by mid-May for the purposes of accounting, and for the provision of data for UK forestry statistics by the end of May, and **approved** that the claims extension be presented as exceptional for 2024/25 but that the possibility of extension in future years was being explored.

On woodland creation to date, BC reported that 5,700 hectares, including 4,200ha of native woodland (enough to meet the Bute House commitment) had been approved so far for 2024/25. This left a headroom of £11.6m grant remaining for woodland creation and £3m for woodland management, compared to £24m of woodland creation applications submitted and £30m in development for the 24/25 claim year. As a result, the decision had been taken to pause the January clearing round to take stock and make best use of the available funding. The preferred future approach was to move from monthly clearings to a scoring-based approach.

**SET approved** the pausing of future clearing rounds until the 2024/25 budget had been approved by the Scottish Parliament.

On the allocation of funding, **SET approved** the broad continuation of the current allocation to woodland management grants of between £6-8 million per annum, given links to the Forestry Strategy and other strategic objectives.

On the remaining £11.6m headroom for woodland creation on 2024/25, SET discussed options for its allocation, and noted that while native woodland creation targets were likely to be met, overall woodland creation targets were not on the basis of this funding level, as recognised by the Cabinet Secretary in recent statements.

On the alignment between woodland creation and the Woodland Carbon Code, BC noted the aim to formalise a methodology for projects to take into account additionality rules and reach a balance between future timber income, carbon credit income, and woodland creation grant income. There were currently 5,000 hectares of projects in this category and it was estimated that this could reduce grant funding to these projects by 30-50%. **SET approved** this approach and its targeting at projects of over 50 hectares.

Under the current scenario, BC noted that 2024/25 woodland creation approvals were expected to be around 9,000 – 9,500 hectares, stretching to 10,500 – 11,000 hectares given the approved actions.

1. **Finance and budget update – RM (sponsor), Gary Henderson (presenting)**

GH presented the paper, which noted an expected 53% reduction in SF’s capital and 7% reduction in resource budgets from 2023/24 to 2024/25. There was therefore an expectation of a £2.5 million overspend in 2024/25 budgets, taking into account agreed additional staffing posts and a 5% vacancy assumption.

SET discussed the potential to reallocate resource funding to capital expenditure, for example on staffing and buildings related to woodland creation. Other options under consideration included drawing down monies from an Agriculture training fund to cover some training costs, and seeking to fund woodland grants to farmers with livestock from within the Agriculture ringfence.

On costs, SET noted the potential release of £200,000 from the UK Forestry Strategy Implementation Fund, which could balance additional pressures in the tree health budget, and the potential for incorporating a lag time into the approval of new posts to allow a 10% vacancy assumption.

On resourcing, SET noted that a reduced woodland creation workload was unlikely to result in immediate reductions in Conservancy workloads due to a backlog of statutory and other work that had resulted from the frontloading of processing woodland creation applications.

Taking these into account, an outstanding cost pressure of £1m remained; SET noted that a key message to Ministers and SG Finance would be that SF would be carrying a staffing pressure and would need to develop options for managing that pressure to avoid the organisation being overstretched.

1. **Next Stages of Civtech / Possible Funding – ZD (Sponsor), Kyle Usher (presenting)**

KU presented the report, which sought a decision from SET on the funding of a Pre Commercial Agreement stage for the development of a solution for the use of remote sensing technologies to undertake tree health surveillance. The two options under consideration were a project using satellite imagery to identify pest/disease symptoms in trees, and another using high-resolution imagery from fixed-wing aircraft to identify pest/disease symptoms from complex forest stands.

The Scottish Government’s CivTech procurement programme had approved support of up to £975,000 of match funding at a ratio of 3:1.

SET noted the significant budget pressures previously discussed, but that the proposals represented a potential invest-to-save approach through reducing the use of increasingly expensive helicopter surveys. In addition, both options had the potential to be used for other business needs in the future, including identifying established new woodland creation, monitoring Woodland Carbon Code sites, and identifying potential illegal felling.

SET requested clarification as to whether the cost figures were inclusive of VAT.

* **Action: KU to clarify VAT position with regard to costs.**

SET noted potential overlap with a Forest Research project seeking to use algorithms to assess satellite imagery and identify tree planting and restocking, which had been unsuccessful to date due to the inability to identify with sufficient confidence. KU noted that the Pre Commercial Agreement represented a de-risked approach and that the satellite provider would be using higher quality imaging and a different methodology from the Forest Research project.

* **Action: GH/BC to follow up regarding ongoing funding to the Forest Research project**

After discussion, **SET approved** a approves provisional funding level of up to £190,000, subject to the development of proposals and exploration of the potential for funding over multiple financial years.

* **Action: KU to bring back proposals to SET as appropriate.**
1. **People Survey Results 2023 – ZD (sponsor), Marelle Dalziel (presenting)**

MD introduced the report, which presented a high level summary of the 2023 People Survey results and examined key themes to help identify priorities for action planning at an Agency level.

Key points included:

* On learning and development, anecdotal feedback was that staff were waiting for delivery rather than being proactive, indicating a need to encourage staff to investigate the learning available.
* On pay and benefits, the survey had been issued prior to confirmation of the most recent pay award, but there had been a small increase in positive responses nonetheless.
* On leadership and change, there had been a reduction in the positive response, with free text responses showing staff want to be more involved in reviewing systems and processes and reviewing what we do.
* On recruitment, actions were planned to ensure those participating in recruitment exercises have undertaken equalities training and understand selection criteria and processes.
* On behaviours and culture, anecdotally, issues had been reported with staff being exposed to inappropriate communication and/or behaviour, and feeling that managers might not address this or support staff. SET noted the need to put effort and resource behind addressing these issues.
* Money worries had been mentioned by staff, indicating a possible additional need for signposting to organisations providing help and support.

In discussion, SET noted that the refreshed Corporate Plan would provide an opportunity to restate the organisation’s strategy and objectives.

* **Action: MD to pick up proposed action plan with PL on his return, with a possible item on next steps at the next SET meeting.**
1. **Resourcing Mentoring and Forestry Skills: re-employment of former staff – ZD (sponsor), Marelle Dalziel (presenting)**

MD introduced the report, which noted that Forestry and Land Scotland has established a programme to enable the organisation to access additional professional technical forestry skills by engaging former staff via a recruitment provider, and proposed that SF set up an arrangement whereby the Agency notified retiring professional technical staff of the opportunity to register with the provider, should they wish. This would enable the Agency to draw upon the knowledge and skills of retired staff, as and when required, to provide specialist knowledge, carry out a specific piece of work, or support the development of less experienced staff.

In discussion, SET noted that the proposed single-provider approach could risk challenge from other agency providers, and queried whether other providers should be given the opportunity to bid to undertake the necessary provision.

SET noted that the proposals should not be limited to Conservancies but should be extended across the organisation, and should focus primarily on skills and technical knowledge rather than mentoring, which should be undertaken within the organisation.

**SET approved the proposals** subject to these points of clarification as made and subject to budget availability.

1. **Equality and Diversity update: ZD (sponsor), Marelle Dalziel (presenting)**

The report was taken as read.

1. **Proposals for all-staff meetings (Jonathan)**

**SET approved** the proposals in principle, with a steer for a September/October date, request to minimise expenditure as far as possible, and to seek to co-create with staff.

1. **AOB**

Regarding the deferred decision on expenses approach, this was again deferred for the provision of further detail.

1. **Date of Next Meeting**

9th April 2024, 1pm, Saughton House W1-2 Meeting Room & Microsoft Teams.

**Meeting Action List**

| **Ref** | **Meeting** | **Action** | **Lead / Staff Member** | **Target Date** | **Status** |
| --- | --- | --- | --- | --- | --- |
| 24/1 | Jan 24 | CivTech funding: * KU to clarify VAT position with regard to costs.
* KU to bring back proposals to SET as appropriate.
* GH/BC to follow up regarding ongoing funding to the Forest Research project
 | * ZD/KU
* ZD/KU
* GH/BC
 | TBC | Open |
| 24/2 | Jan 24 | People Survey: MD to pick up proposed action plan with PL on his return | ZD/MD | Next SET meeting | Open |