**SCOTTISH FORESTRY EXECUTIVE TEAM**

**Minutes (Approved)**

**Tuesday 27th October 2020**

**SET Attendees: In Attendance:**

Dave Signorini (Chair) Marelle Dalziel (MD)

Brendan Callaghan (BC)Marliese Richmond (Minutes)

Rosetta Forbes (RF) Bob Frost (Item 4)

John Dougan (JD)

Ross MacHardie (RM)

Alan Hampson (JH)

Jonathan Taylor (JT)

**Summary of action points**:

| **Ref:** | **Action** | **SET Lead/Staff Member** | **Target Date** | **Status** |
| --- | --- | --- | --- | --- |
| AP 65/August | MD and AH to work together to develop detailed mentoring proposal.  | MDAH | ASAP | Outstanding  |
| AP 68/October | Work with FLS to review options for managing extensive areas of  *P.ram.* | AH | Next SET |  |
| AP 69/October | Consider option of re-entering an arrangement with FLS, rather than continuing working with SGLD. | AHRMcHBC |  |  |
| AP 70/October | Grade, advertise and recruit for post of professional support for Chief Forester | MD |  |  |
| AP 71/October | Review Strategic Risk Register  | JT/MR |  |  |
| AP 72/October | Update EDI Plan to incorporate action around options to increase opportunities at more senior level and enable more diversity | MD |  |  |
| AP 73/October | Plan how to update and communication progress on implementation of Scotland’s Forestry Strategy with staff/SAG/external stakeholders | AHBF JTLauren Szylarski |  |  |
| AP 74/October | Establish critical time point for grants when planning work around EU Exit and obtain clear statement on what is required from SGLD. | BCBFAHRMcH |  |  |
| AP 75/October | Submit project plan for sustainability reporting  | MRJT |  |  |

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

The minutes were approved. The action points and matter arising from the last meeting were discussed.

* AP 63/August - Equality, Diversity and Inclusion Action Plan. On agenda.
* AP 64/August - Sharing equalities information on iTrent. There is a booklet coming out next week on the intranet. Managers will be asked to bring attention to it, and encourage staff to complete information.
* AP 65/August - Mentoring proposal. Still outstanding, MD/AH to take forward.
* AP 66/August – SPHN and FLS – AH met with FLS to discuss the issues around the management of *P.ram.* A site visit highlighted the challenges the management of the disease. A zoned approach is mainly effective when it involves only small areas. Options are being considered and reviewed for extensive areas, and will be presented back to SET.
* AP 67/August - Quantify legal costs over last 2 years. The spend on legal costs this financial year is double that of 19/20. This is due to cases SF has had to take on, one in relation to procurement. AH/RMcH/BC to consider the option of re-entering an arrangement with FLS, rather than continuing working with SGLD. Action to explore this – AH/RMcH/BC to do this.
* Matters arising – Records Management Policy. MR/JT and Alison Wilson will reflect on the comments provided by BC - particularly around the need to take into account the other digital platforms which SF uses. DS clarified that the platforms we use must be seen as tools towards compliance. The Policy and Plan will be updated to accommodate these. The Policy and Plan will then be taken forward for submission to NRS following final approval from DS.

**2. Standing Items**

**HR Management Information (includes item on support to Chief Forester) - Marelle Dalziel**

MD highlighted that during the month of September the Contractor Head Count reduced by one, (1 FTE). The post-holder secured a permanent position with SF. The Agency had 3 new starts (3 FTE). Two employees (2 FTE) left the Agency. One due to the end of a temporary contract and one due to resignation.

Two Contractors forecasted to leave on 30 September will remain with SF until the end of November (Corporate Communications Manager and Project Support Officer). This will allow the recruitment process to be completed to fill these positions on a permanent basis

The Corporate Communications Manager post has been advertised, with interviewing next week. The 40+ applications has meant that shortlisting took longer, but positively, many good quality candidates have come forward.

It was clarified that there are 2 contractors in South Conservancy, who carry out SPHN work, as a contract is better suited to the peaks and troughs associated with this work. It was agreed that this could be done in a different way, and options will be considered.

It was clarified that employee headcount includes people on a career break and people on maternity/paternity leave. Future HR MI will also capture the positions of Chief Forester and the Non Execs.

Vacancy information was captured in a spreadsheet. Points discussed include:

* Although information presented was clear and helpful, it was felt the information should be presented in the same way as the other HR MI.
* MD and RMcH to work on presenting costs to enable forecasting and decision making.
* Vacancies filled internally needs to be captured.
* Processes need to be improved for capturing information – at the moment, rely on Cost Centre Managers feeding back and manually working on information. AH suggested looking at the SNH model.
* Decisions made by SET on staffing need to be recorded.

The professional support to the Chief Forester was discussed. It was agreed that administration support can be provided by the Executive Office Team. There was some discussion around the key requirements of the post at the moment – building capacity and capabilities – but it was acknowledged this may change and evolve in the future. It was agreed that a permanent post should be advertised, and the person should be managed and supported to meet the demands of the job as it changes. As it is a new post, the grade of the post will need to be assessed.

**3. Midyear Finance Update – Ross Machardie**

RMcH confirmed that the funding available for the year was set at £44.4 million. The allocation for programme and running costs has been reduced from £17.9m to £17.5m. Staff salaries represent around 50% of this expenditure (£8.4m). This is likely to increase into the future to ensure we have enough resource to meet increasing demands on the agency and rising woodland creation targets.

The net budget position shows forecast expenditure of £52.125m which is £225k in excess of SG funding (£51,900k). However the expenditure forecast also includes a £470k contingency fund. Although there is a funding pressure of £400k against staffing in 2020-21, forecast expenditure falls within available net budget by £175k.

The following points were discussed.

* In terms of woodland grants, just over £9M of the total budget has been spent, and it was queried whether the full amount available will be spent by year end. It was reported that historically, there is a slow start to the spend in this area. It is a complex spend profile, relating to accruals from the previous year; and it takes a long time to feed everything through. This financial year, there are backlogs relating to around 1200ha, affecting £5-6M. An underspend is anticipated because of the limited staffing capacity within conservancies.
* The budget for the recruitment of the new AWO/WO’s has not yet been factored into the budget. Discussions with Cost Centre Managers indicate that there may be sufficient funds available within existing salaries budget to cover AWO costs for the remainder of 2020-21. There will be additional costs for the remaining Woodland Officer posts. 10 new WOs starting in January will increase salaries by around £200K. When appropriate, SET will need to assess the appetite for recruitment at this level and agree sufficient budget.
* Agency costs were originally allocated £218k but forecast has been revised upward to £298k, to cover the contract extensions of the Corporate Communications Manager and Project Support Officer until November, as well as the additional cover required in South Scotland.
* Accommodation costs do not differ much to previous years, as costs are wrapped up in MOTOs with FLS. There will be some savings associated with reduced use of Silvan House. Adjustments will be made in year end.
* Discussions with Cost Centre Managers indicate that admin savings may be possible, as well as savings on heating and lighting, although figures have still to be confirmed.
* Although the FDP has a low spend across the first 6 months, the aim is for full commitment and spend. There will be some monies returned to contingency from Tree Health due to the disruption to survey work arising from covid.
* Extra funding is expected from DEFRA of up to £1M but detail yet to be confirmed.

Budget forecasting exercise has resulted in the view that there may be an underspend, but it is not possible to estimate the extent of this underspend so it will not be declared at present.

**4. Strategic Risk Register – Marliese Richmond, Jonathan Taylor**

MR and JT presented a paper on the Strategic Risk Register. They emphasised that the Internal Control Checklist and the auditors require a robust risk management process to be in place. Risk should be part of management discussions on a regular basis and embedded within the organisation. One of the key recommendations from the 19/20 Internal Audit Report is that we need to ensure are aware of risk management policies and procedures in place.

There was then a discussion on the contents and format and the following points were noted.

Overall, it was agreed that the risks broadly capture what the SET is concerned about. However, work needs to be done on the characterisation and wording of these. There was discussion on the following points.

* The Strategic Risk Register should be updated and presented to SET on a regular basis, agreed as quarterly.
* There needs to be better descriptions of the mitigation measures in place, and links to risk management processes for operational and tactical programmes and projects which mitigate the strategic level risks.
* There needs to be a better, simpler system which enable SET members and other members of staff to define and escalate or feed in tangible strategic level risks.
* There needs to be recognition and capture of the numerous ways in which risk is discussed and addressed, in addition to the register, such as through the Business Continuity Plan.
* It may be helpful for the Strategic Risk Register to sit as an overarching document – with the detail sitting elsewhere, as part of the projects and programmes in place to mitigate the level of risk. It would also provide the SET with an opportunity to scrutinise, consider and collectively address, at a strategic level, the challenges which SF faces currently which are not being managed at project or programme level.

It was agreed that JT/MR will consider the feedback from the SET on the risk register and review it accordingly.

*BC left the meeting.*

**5. Equality, Diversity and Inclusion Action Plan - Marelle Dalziel**

MD presented the Equality, Diversity and Inclusion Action Plan, the purpose of which is to ensure the implementation and monitoring of actions to enable Scottish Forestry achieve its objectives in relation to mainstreaming equality and ensuring compliance with the Equality Act 2010 (Specific Duties) (Scotland) Regulations 2016. In addition it aims to link the activities undertaken in relation to the mainstreaming of equalities with objectives contained in the SF Improvement Plan. The SET were requested to review the content of the Action Plan, agreeing SET leads and timescales. The following feedback was received.

* BC has responsibility for reviewing processes for raising concerns regarding inappropriate behaviours. It was suggested that MD follow up with him individually to talk through and secure his commitment to this action (as he had left the meeting by this point).
* There was considerable discussion around the need to create more opportunities at a more senior level, to diversify representation at this level. Developmental roles (to build up people’s skills ready for a senior role) need to be in place. Changing the organisational structure (eg having more conservancies) could provide more opportunities at a senior level. It was agreed to that the EDI Action Plan should feature an additional action around “Explore organisational capacity to develop opportunities at a senior level and have a more diverse workforce in the future”.
* The timescales of the Plan need to be reviewed.
* Once complete, circulate EDI Action Plan to staff.

*JD/RF left the meeting.*

**6. Update on monitoring of Scotland’s Forestry Strategy Implementation Plan – Alan Hampson and Bob Frost**

Bob Frost and AH set out the proposed approach to the monitoring of Scotland’s Forestry Strategy (2019-2029) progress indicators and the delivery of the actions set out in the Strategy’s Implementation Plan. The indicators will be presented to the SET every 6 months, to enable progress to be tracked.

The approach developed balances staff time inputs with the level of detail captured. It aims to keep administration costs as low as possible and not to divert resources from delivery. It requires time inputs from action leads, a co-ordinator to present the information and to manage the indicator development and reporting process.

The majority of the measures are drawn from on-going officials statistics, although there are two bespoke indicators in relation to 1. the area of forest and woodlands under management and 2. community groups owning woodland. It was noted that of the 30 new actions in the Implementation Plan (12 led by SF and 18 led by other delivery organisations), the majority of actions have been delayed. The main reason for delays is the impact of Covid-19 and the re-prioritisation of resources. Discussions with stakeholders are scheduled to take place to confirm whether actions are still deliverable and if so, what the delivery timeline will be. They are engaging with individual leads through a ‘plan on a page’.

It was agreed that:

* The proposed reporting is appropriate – high level, but more detail if required. It was agreed SET should be updated every 6 months. Reports will be internal initially.
* It was suggested that a high level updated also be provided to SAG every 6 months. Staff should be updated through the National Managers Meeting, using a similar report to that presented for SAG.
* BF to discuss with JT and Lauren Szylarski how to communicate with other stakeholders on progress.

**7. EU Exit and Beyond Jan 20 - AH**

AH gave an update on the EU Exit and beyond. There is still a huge amount of uncertainty around many issues. It is emphasised being by SG and UK Gov colleagues that the EU Exit will be an ongoing issue which will last at least 3-12 months regardless of deal or no deal situation. At present, many things are outwith our control, but Policy and Standards are pushing forward with what they can.

Of primary importance is the continuation of the payment of grants. Discussion to be set up with BC/BF/AH/RMcH to establish the critical time point for grants. Also require a clear statement on what is required from SGLD.

**8. Developing our approach to meeting statutory Sustainability Reporting – Marliese Richmond**

MR presented a report on the need to produce a Public Bodies Climate Duties Annual Report, summarising information from 3 areas of action and plans: our Climate Change Plan, Adaptation Plan and Net Zero Plan. It has been clarified bu SG that the report for 20/21 will be voluntary.

The SET members advised MR to:

* Submit a report for 20/21 as it will provide an opportunity to test our approach; and demonstrate our commitment to tackling climate change.
* SET advised MR to produce a project plan and provide a necessary knowledge base drawing from across the organisation, and to keep the SET updated.
* Use the Flexible Working SWLG format to encourage other staff members from across the organisation to become involved.
* Follow up with AH on the potential overlap with activities in the timber low carbon construction programme.

*MR left meeting.*

**9. Mid Year Reviews**

There was a discussion amongst the SET about the importance of conducting Mid Year Reviews and everyone was encouraged to schedule these.

**10. End of quarter 2 monitoring of Forestry Development Programme**

AH stated it was not necessary this item following the budget discussions earlier in the meeting.