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| SF_col_landscape_logo | Senior Executive Team Minutes |

**7 June 2024**

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

**Present:**

Paul Lowe, Chief Executive (PL) – Chair

Zahid Deen, Director of Transformation and Corporate Services (ZD)

Alan Hampson, Director of Policy and Practice (AH)

Gary Henderson, Interim Head of Finance and Business Support (GH)

Neil Murray, Improvement and Development Conservator (NM)

Jonathan Taylor, Head of SF Executive Office (JT)

James Aldred, Corporate Support Manager (JA) – minutes

**In Attendance:**

Kevin MacMillan, Head of Project Management Office (KM) – for item 3

Pat Snowdon, Head of Economics & Woodland Carbon Code (PS) – for item 4

Lynne Wilson, Digital Business Partner (LW) – for item 5

Marelle Dalziel, Senior HR Business Partner (MD) – for items 6, 7, 8

**Apologies:**

Helen McKay, Chief Forester (HM)

Brendan Callaghan, Director of Operational Delivery (BC) – NM substituting

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

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**

It was confirmed that the Audit and Assurance Committee notification action point had been completed. Amended job titles for Directors were noted to be corrected.

The minutes as corrected were approved.

Regarding actions arising:

* Timber production forecast: noted that this would be taken forward via a discussion of the interplay between carbon sequestration and timber production at the next National Stakeholder Group in September, with a scoping paper to the July meeting of SET.
* Women in Leadership: noted as on the agenda and closed accordingly.
* CivTech funding: noted that Innovation were in discussions with CivTech around the contract approach, and that £100k had been added to Policy & Practice budgets to cover the expected cost. Closed.
* Tree health update for Ministers: noted as submitted and complete.
* Tree health risk inclusion: Noted a correction from ‘Directorate’ to ‘Director General’s audit and assurance meeting’. Noted as underway.
* Tree health budget pressures: GH to include on SG budget monitoring return. Closed.
* KPI reporting via Annual Report and Accounts: Noted as underway.

1. **Standing item: woodland creation update**

The forthcoming publication of UK woodland creation statistics by Forest Research on 20th June was noted. SET noted, based on operational MI that was available, anticipated woodland creation figures for 2023/24 of approximately 14,100 hectares, with an additional c900ha expected by FLS. A 60% conifer / 40% broadleaf split was expected, and a 50% native / 50% non-native split.

SET noted the huge amount of work done by Conservancies and others to achieve this outcome and voiced their thanks. SET discussed the communications approach to be taken to publicise and celebrate this success, with supportive messages to be sought from key stakeholders. The policy and practice requirements related to the pre-election period were discussed in connection with planned communications and messaging.

SET noted the constrained woodland creation budget for 2024/25. It was confirmed that currently no additional funding was available but discussed whether there was a hard deadline for any additional funding to be received in time to effect additional scheme approvals in 24/25.

* **Action: NM to confirm**

**SET agreed** that a Ministerial submission be prepared and submitted to the Cabinet Secretary for Rural Affairs, Land Reform and Islands and Net Zero and the Cabinet Secretary for Wellbeing Economy, Net Zero and Energy, noting:

* The expected 2023/24 performance.
* The financial position for 2024/25 and expected performance, including the potential to close the scheme to new applications if the woodland creation budget were exhausted.
* The proposed communications approach.
* **Action: BC / AH / JT to liaise and complete.**

**Woodland Creation Route Map (sponsor: BC, presenter: KM)**

KM presented the updated Route Map, noting the development of additional indicators and detail on actions and ownership.

SET noted that while the budget reductions had removed any viable route to achieve the new target of 18,000 hectares of woodland creation for 24/25. However they noted that a wealth of feedback had been provided through the future forestry grant consultation and the woodland creation stakeholder event. Much of the feedback related to potential improvement to SF systems, processes and procedures. It was agreed that the Route Map would be an important tool to articulate the improvement activity planned within SF over the next few years. It was agreed there would be different audiences, the Route Map would provide clarity and reassurance to Ministers and Stakeholders and it was anticipated that a more detailed planning version would sit within SF for monitoring progress and staff communication.

SET discussed the upcoming Programme for Government and what activity and intent should be included in the chapters for RALRI and NZE. It was noted that Ministers had publicly acknowledged that the existing budget settlement was only sufficient to deliver c 9,000 hectares of woodland creation. Currently SG Finance anticipated that the SG capital settlement from the UK for next year would be further reduced, however this was subject to change depending on the outcome of the General Election.

A further potential submission to the Cabinet Secretary in August was discussed, highlighting SF’s position on the 18,000 hectare target and the undeliverability under the existing budget settlement, and noting risks to the £1m forestry training commitment if attempts to source additional funding from the ARE ring fenced budget were unsuccessful.

1. **Woodland Carbon Code Update: short and long term outlook (Sponsor: AH, Presenter: PS)**

PS presented the paper, which provided an update on the Woodland Carbon Code, including current progress and objectives, as well as longer-term issues. SET was asked to review the paper and consider implications for relevant policies and operations in Scottish Forestry and the sector, including finance, grants and operational systems.

In particular, PS noted that the WCC’s core staffing team was part-funded across UK forestry bodies under a cross-border MoU due to be renegotiated by 2026, with 45% of the cost falling to SF. Some temporary additional funding from DEFRA had allowed expansion of the team but this would come to an end. The team was funded via a 5% levy applied to carbon credits, however this was insufficient going forward to fund the full team. A proposed rise to 10% would shortly be considered by the WCC’s governing Nature Markets Strategy Board. PS noted that financial planning was in place to extend existing posts to the end of March 2025, and ZD reported that the Resourcing Committee had requested a long-term funding model for those posts.

In addition, a project had been initiated to manage the retendering of the WCC’s registration and validation systems. SF would lead on a UK-wide basis, with a steering group of UK forestry authorities and DEFRA, and a smaller group to develop the specification and market test. SG Procurement were to lead on the procurement process, and a bid had been put into DEFRA for money to develop the new system.

* **Action: ZD and team to connect with PS to understand project and scope / ownership / roles / resourcing in advance of a dedicated SET conversation to explore.**

1. **Enhancing Scottish Forestry Cybersecurity Measures (Sponsor: ZD, Presenter: LW)**

LW presented the report, noting SET’s declared low risk appetite towards cybersecurity risks and the need to enhance SF’s approach to meet that appetite.

The report proposed a comprehensive cyber assurance approach tailored to the needs of the Agency, and noting its reliance on outsourcing. By combining proactive risk management, robust SLA & vendor management practices, continuous monitoring, and awareness raising/employee training, this approach aimed to enhance cyber resilience while optimising resource utilisation, mitigating potential vulnerabilities, whilst safeguarding sensitive information and maintaining operational continuity.

**SET endorsed** the proposed approach, requesting quarterly updates commencing in September / October, as well as a future agenda item on the developing Digital Strategy.

* **Action: LW to review National Cybersecurity Centre template for questions for Boards to ask around cybersecurity and assess where SF currently stood against them reporting back to SET**
* **Action: LW to scope potential offer for Executive-focused cybersecurity training (previously delivered via Scottish Business Resilience Centre)**

1. **Standing update: Equality and Diversity Action Plan (Sponsor: ZD, Presenter: MD)**

MD presented the report, noting the imminent departure of the current Equality, Diversity & Inclusion Manager and lack of clarity as to how the service would continue to be delivered under the SLA with FLS.

An updated Plan was due to be produced for 2024/25, with the incoming HR Business Partner likely to lead on its development.

**SET noted** the report.

1. **People Survey follow up – key points and actions (Zahid, Marelle Dalziel)**

SET received the report, noting the amount of activity being undertaken to date as well as the need to communicate progress.

* **Action: MD to prepare summary piece prior to next People Survey, taking a 'you said, we heard, we did' approach to include the recognition of issues identified as well as development and implementation of actions**.

1. **Reduction in the Working Week (Zahid, Marelle Dalziel)**

MD spoke to the report, which sought SET approval for the setting up of a working group to enable SF to:

* prepare and implement a reduction in the working week by 5.4%, this will reduce the working week for full time staff to 35 hours per week with effect from 31 March 2025;
* introduce an additional Wellbeing Hour (pro rata for part time staff) with effect from 01 October 2024. The Wellbeing Hour would end when the permanent contractual reduction of working hours was implemented.

In discussion, MD confirmed that an Equality Impact Assessment had been undertaken for the change across the Scottish Government, and that an individual one would be undertaken for SF. It was confirmed that existing leave carry-forwards would be honoured at the end of the current financial year, with new limits recalculated from 1st April.

SET noted the need to review impacts on requirements such as minimum office staffing, phone availability and lone working, as well as the need to manage expectations from Ministers and others regarding capacity and short-notice requirements, as well as overall performance. JT noted the potential impact on regulatory deadlines such as Freedom of Information responses.

**SET approved** the proposed working group, with the addition of the Future Working & Corporate Sustainability Manager.

1. **SET Terms of Reference review (Jonathan)**

Deferred to a future meeting.

1. **AOB**

GH noted that due to issues that had been raised during training on the new WebExpenses system, a contingency approach had been agreed with an option to run the new system concurrently with EEMS, or to delay implementation to August if necessary.

* **Action: GH/KM to draft email from PL to FLS flagging issues and potential continued need for EEMS service and support.**

AH noted potential proposed amendments to the Agriculture Bill allowing Ministers to restrict afforestation, and implement a fixed threshold on EIAs. The case had been made to the Cabinet Secretary that imposing a statutory requirement for EIAs would have a disproportionate impact on native schemes, and that any restrictions should be linked to the loss of productive agriculture.

Papers previously circulated by correspondence: Scottish Forestry Drone Standard Operating Procedure

Noted.

1. **Date of Next Meeting**

Wednesday 24th July, 10am, Saughton House E1 Spur Large meeting room & Microsoft Teams.

**Meeting Action List**

| **Ref** | **Meeting** | **Action** | **Lead / Staff Member** | **Target Date** | **Status** |
| --- | --- | --- | --- | --- | --- |
| 24/3 | Apr 24 | Tree health:   * JN to liaise with Corporate Governance and Planning Manager to ensure inclusion of the noted risks in SF’s corporate risk register and escalation as candidate risk for DG Audit and Assurance. * GH to capture risk around budget pressures from potential outbreak | * AH/JN * GH | TBC | Open |
| 24/6 | Jun 24 | AH/PS to bring outline of National Stakeholder Group framing paper on the interplay between carbon sequestration and timber production. | AH / PS | July SET meeting | Open |
| 24/7 | Jun 24 | Woodland creation: NM to confirm hard deadline for any additional funding to be received in time to effect additional scheme approvals in 24/25. | BC / NM | TBC | TBC |
| 24/8 | Jun 24 | BC / AH / JT to liaise and complete Ministerial submission on:   * The expected 2023/24 woodland creation performance. * The financial position for 2024/25 and expected performance, including the potential to close the scheme to new applications if the woodland creation budget were exhausted. * The proposed communications approach. | BC / AH / JT | ASAP | Complete |
| 24/9 | Jun 24 | Woodland Carbon Code: ZD and team to connect with PS to understand systems retendering project and scope / ownership / roles in advance of a dedicated SET conversation to explore. | ZD / AH / PS | TBC | Open |
| 24/10 | Jun 24 | Cybersecurity: LW to review National Cybersecurity Centre template for questions for Boards to ask around cybersecurity and assess where SF currently stands against them | ZD / LW | ASAP | Open |
| 24/11 | Jun 24 | Cybersecurity: LW to scope potential offer for Executive-focused cybersecurity training (previously delivered via Scottish Business Resilience Centre) | ZD / LW | ASAP | Open |
| 24/12 | Jun 24 | Equality Action Plan: MD to prepare summary piece prior to next People Survey, taking a 'you said, we heard, we did' approach to include the recognition of issues identified as well as development and implementation of actions. | ZD / MD | Prior to next People Survey | Open |
| 24/13 | Jun 24 | Expenses system: GH/KM to draft email from PL to FLS flagging issues and potential continued need for EEMS service and support. | GH / KM | ASAP | Open |