1. Minutes of Scottish Forestry Strategic Advisory Group meeting held on 29 February 2024

**At E1, Saughton House and on Microsoft Teams**

**Present:**

Paul Lowe, CEO (PL)

Alan Hampson, Director of Policy and Practice (AH)

Jonathan Taylor, Head of Scottish Forestry Executive Office (JT)

Brendan Callaghan, Director of Operational Delivery) (BC)

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

Helen McKay, Chief Forester for Scotland (HMcK)

Eleanor Ryan, Non-Executive Advisor (ER)

Phil Taylor, Non-Executive Advisor (PT)

James Stuart, Non-Executive Committee member (JS)

Richard Morris, Non-Executive Committee member) (RM)

Marliese Richmond, Corporate Planning and Governance Manager (MR) (Minutes)

**In Attendance: (for specific agenda items)**

Marelle Dalziel, HR Business Partner (MD)

**Apologies:**

Ross MacHardie, Head of Finance & Business Support (RMacH)

1. **Welcome and declarations of interest** 
   1. No interests declared.
2. **Minutes and actions of previous meeting**

**2.1** The minutes for SAG Meeting 11.12.23 were accepted as a record of the meeting, taking into account one outstanding amendment to be made re oak trees suggested by AH.

**2.2** Updates were provided on other existing action points summarised below:

* AP14 Dec 23: Woodland Creation MI – JF/MA to Develop MI to take into account feedback from SAG members. Update requested for mid/late 2024 to come back to SAG.
* AP15 Dec 23: JT/MR to meet with JS to discuss Risk Management. Suggested that since Risk Appetite Workshop has taken place (will also be taken to AAC), this action **agreed to be closed**.
* AP16 Dec 23: Women into Leadership discussion – ER/HMacK. A note is going out to attendees and seek opportunity for more feedback. Some follow up discussion taken place internally on next steps, delayed by staff absence. Engaged with EDI lead. PL to be SET Champion for women’s issues. Some consideration being given to dedicated Women’s Network and Action Plan. ER/HMcK to present a paper on Women into Leadership to SET. MR/JT to ensure actions on both Women into Leadership and Values/Behaviours to be reflected in Corporate Plan and Strategy. Scoping for additional resources. Info going into Annual Report and Accounts. **Agreed to close this action**, but come back to SAG with an update in 6/9 months time.
* AP17 Dec 23: Corporate Plan and Strategy - rewording of Purpose to remove repeat of ‘effective’ in future iterations of Purpose will be reflected in final version. **Agreed to** **closed**
* AP19 Dec 23: Management of the bark beetle (Ips Typographus) - AH/Head of Tree Health taking foward feedback from discussions with SAG members. The implications of an outbreak is estimated to be £500K in first year vs increase surveillance to avoid outbreak £100K. An outbreak is seen as being inevitable but surveillance would reduce the risk. Finalising paper for SET to consider and go back to Scottish Ministers on this topic. **Agreed to closed**

1. **Forest and Woodland Biodiversity – Alan Hamspon (AH), Director Policy and Practice and Helen Sellars, Head of Sustainable Forest Management (HS)**

AH and HS informed the SAG on the work ongoing to deliver the strategic objectives for woodland and forest biodiversity. There are some key global targets relating to biodiversity, including the restoration of 30% of all degraded ecosystems, conserve 30% of land, waters, and seas and reduce the introduction of invasive non-native species by 50% and minimise their impact.

They presented a draft paper on Improving Biodiversity across all forests and woodlands which to be presented at the National Forestry Stakeholder Group Meeting on 17.4.24. AH and HS sought input and advice on their proposed approach on this discussion with the National Forestry Stakeholder Group including the paper and framing the discussion topics.

The purpose of the meeting is to ensure cross-sector forestry stakeholder involvement in Scotland’s Biodiversity Strategy, find out what the different stakeholder priorities may be and how these may differ. There will be an opportunity to discuss improving biodiversity through active woodland management for ecosystem health, managing (deer) grazing, and resourcing.

At the event, new research and metrics will be referenced, including the forthcoming Woodland Ecological Condition scores. Stakeholders will be reminded of the tools available for the practical management of woodlands for biodiversity which includes the Forestry Grant Scheme, Long Term Forest Plans, UK Forestry Standards and the UK Woodland Assurance Scheme.

There was some discussion around forests and woodlands and the relationship with biodiversity.

* The forestry industry and efforts of SF specifically are not recognised as other sectors are. Despite generating 4000ha of new native woodlands a year, we need to raise our profile on this. Potentially, we could link in with Scottish Ministers on this.
* Amongst stakeholders there is tension around commercial production of certain tree species. Issues to discuss would include what level of commercial woodland spatially is acceptable (eg 30%) and try to define this. Also highlight that some flora and fauna thrive in commercial woodlands, such as insects.
* Collection tools such as eDNA will be able to measure which species are in woodland. This will demonstrate that all forest species have the potential to make a contribution to biodiversity and change perceptions.
* Ancient woodlands represent a baseline for biodiversity and can provide a benchmark for resilience of native woodland in the future.
* We need to demonstrate benefits of forestry to different audiences and make it clear why we are doing certain activities – such as the planting of sitka spruce; or the development of community woodlands.
* Deer management is an issue which stakeholders can hold strong views on. Stakeholders can come from entirely different perspectives, and for some, the management of deer is part of a deeply embedded culture which represent generations of people’s lives. It will be essential to find some common ground in order to make progress on breaking down those barriers.

The SAG members offered advice on the presentation of biodiversity information to the National Forestry Stakeholder Group and the how to obtain the feedback they are seeking.

* **Make it punchy:** It is likely that they are dealing with audiences who will not have time to read lengthy reports. Put the key information and messages as bullet points at front of report.
* **Key Asks:** What are the questions you need answered? At present, the questions seem very broad. Restructure the paper, narrow your questions and put your key asks front and centre.
* **Input of Stakeholders:** Clarify where in the process does this meeting sit and what difference the people in the room can make.
* **Radical Change Required:** Emphasise that radical change is required and that we are moving into a new realm of forestry. Use statistics in a hard-hitting way and put forward options which may be controversial but which will demonstrate the change necessary to reverse biodiversity loss (for example, halve the deer population). Focus on the human interventions required (such as fences around protected areas) and the difference these could make.

**Action/s:**

* **AH/HS to take into account the feedback from the SAG members in the presentation of the information and questions posed to the forthcoming National Forestry Stakeholder Group.**

1. **People Survey – Zahid Deen (ZD) (Director Operational Services and Transformation) and Marelle Dalziel (MD) (HR Business Partner)**

MD and ZD provided an overview of the results generated by the annual People Survey where staff are given the opportunity to provide their views as to what is working well and what needs to improve in SF. It ran for 6 weeks across September and October in 2023, but results were not available until December 2023.

The survey was characterised by good levels of participation: 85% response rate. It is a priority in our communications, and a charitable donation per survey completed is made. It provides an opportunity to take a temperature check of how staff were feeling when survey was run. Areas which scored were My Work; Organisational Objectives; and My Team. This is very positive as these are the corner stones of any organisation, and these results are a reflection of how teams are working.

There areas which need to be improved are Learning and Development, Pay and Benefits, and Leadership and Managing Change. In terms of Pay and Benefits, pay award has now been improved – SF is limited in what is possible.

In terms of Leadership and Managing Change, there will be further analysis of what is driving this by pulling out the themes in the free text. Change Management training has been rolled out. There has been good feedback from participants, but the learning indicates that there is a series of actions which needs to be implemented. At a leadership level (wider than that of SET), there needs to be a single voice, greater clarity and increased visibility.

At a local level, the HR Business Partner has been meeting with Cost Centre Managers regarding their area, and encouraging meetings between local teams to discuss results and actions to be taken. Ideally, SF should be working towards a multi year People Plan with longer term themes and monitoring.

The SAG discussed the following points:

* **Communication and Representation:** It was queried whether the People Survey is the right methodology to engage with staff, and what are we trying to achieve by collecting that data? In some ways it is quite an old fashioned way of engaging and there may be better, less constrained options available. It was questioned whether it is a representative set of data as it may be that particularly happy/unhappy people complete it; and/or it represents how a staff member feels on a particular day. It is limited as single source of truth. It was clarified that the People Survey s part of an overall engagement journey. Later in the year, an All Staff event will be taking place. It was felt, despite the constraints, it is a useful source for Line Managers to draw on.
* **Use Alongside other Data:** It was suggested that other sources of data could be used to validate the results, tying together different evidence to deepen our approach. This could be statistics such as retention numbers. Equalities, Diversity and Inclusion data fundamentally links in to this area and actions should be integrated. MD confirmed they are.
* **Broaden Engagement and tell a broader story of actions:** Other methods to engage with staff could be used. Try to include the employee voice by asking them to select different questions they would like to know more about. Conduct ‘pulse’ surveys, asking staff for feedback on a single question regularly. Move away from a single, annual round of engagement. JS offered to share the work he has been doing with Sports Wales on their THRIVING environment framework. This alongside using other data could help develop a wider story of the themes/improvements that matter to staff and also the actions we are taking to address them.
* **Leadership:** It was highlighted that management and leadership are very different things and leadership is far trickier to nurture. The People Survey, particularly the local Heat Maps which are shared with Cost Centre Managers can flag up issues, and can propel difficult conversations which challenging but which need to happens.

The SAG thanked MD and ZD for the presentation.

**5. Forward Look and Budget Planning**

PL gave the SAG an overview of the Budget for the short and mid terms, as it stands at present. The outlook for the 24/25 budget remains challenging. Key points are:

* £900k actual resource cut / c £32M capital reduction
* Pay deal pressure of c 1M plus inflationary pressures plus new post pressures
* Agreed fixed Cross border costs cannot be met due to budget cuts
* Resource budget does not allow existing work to be undertaken to same levels

Decisions taken so far include:

* Maintaining £2M Timber Transport (as instructed by ministers)
* Reducing Forestry Strategy Implementation Fund to balance pressures on Tree Health budget.
* Introducing Staff Resource Committee to manage requests for staff.
* Consideration will need to be given to options for managing invasive beetle Ips Typographus.

Detail was provided on the Forestry Grants Budgets available for 24/25.

* The budget has been reduced from £77.2m to £45.4m
* There is a total of £32m contracted commitments for FGS for 2024/25. 6,000ha WC has been approved and there is the budget to approve another 3-4,000 ha in 2024/25. There is already 8,000ha FGS WC applications submitted for 2024/25.

There was a discussion of our current and future key drivers. There is an evolving picture of maximising Woodland Creation through public and private funding – the Woodland Carbon Code and other carbon schemes and how this can supplement grant funding. We will be leading on reshaping FGS in the longer term, whilst maintaining sector confidence. We also need to respond to the wider policy space – net zero, landscape, biodiversity, compliance – and anticipate how this will shape our work longer term as well.

Finally, the presentation ended on discussing our strategic approach to future work.

Our Corporate Plan and Strategy will be an anchor during this period, describing our objectives and priorities on the funding of woodland creation and our broader activities beyond that. It will link with two key connected documents: our Woodland Creation Route Map, which focuses on the WC activity by SF and stakeholders; and Scotland’s Forestry Strategy, which covers the broader activity of SF and stakeholders.

The SAG members discussion covered the following points:

* **Engagement with the Sector:** SF is providing support by extending approval data to mid May to provide more time to plant trees. It was agreed that SF will have no scope for slippage now – so over approvals seems prudent, taking legal advice on any pre approvals where the contract is subject to funding being available. Applications vs approvals are different and consider the presentation of un-met but validated demand for Scottish Ministers. A new Director of EnFor is coming in and it will be important that they engage in budget discussions.
* **Carbon Market:** SF will need to decide what role we want in shaping, driving and supporting the growing carbon market. In practice, the WC role we play is to address a market failure - what more can we do to build the market so we play a smaller and smaller role? Is the definition of successful forestry where we operate solely has regulator and to ensure tree health – the commercial sector delivers societal and environmental benefits? The WCC is currently the primary mechanism for natural capital investment that is helping to reduce the forestry sector dependency on grants. Natural capital investment will help realise the value of carbon and biodiversity. SF needs to be able to demonstrate that we have thought through potential of carbon markets and have a clear stance and proactive approach.
* **Corporate Plan and Strategy** – Our Corporate Plan and Strategy will stabilise our work and provides an overview of the broader scope of what we do. The aim will be to publish this document in time for our All Staff event. It provides an opportunity for all staff to think about the longer term as considerable time has been consumed by short term issues (woodland creation and budget). Our Business Plan will be essential to drive our workforce and resource planning.

1. **AOB**

N/A

1. **Date of Next Meeting**

2 July 2024

Suggested topics for next and subsequent meetings (along side other standard topics):

* Discussion on SG programme of Public Sector Reform and what it might mean for SF.
* Possible visit to a Conservancy office to hear of current work and meet local team