

# Forestry England Board Meeting Agenda

14th May 2019 12.45 - 15.15

National Office, Bristol

## Attendees

Forestry England Board: **Ian Gambles, David Hodson, Peter Latham, Jennie Price, Gurch Randhawa, Mike Seddon, Sir Harry Studholme (Chair)**

Apologies: **Julia Grant**

Guests: **PK Khaira-Creswell (part), Jose Lavelle (part), Mari Sibley (part), James Simpson (part), John Stride (part)**

Secretariat: **Rachel Mackintosh**

NO. / TIME mins	Start time	ITEM (Materials)	OUTCOME REQUIRED	LEAD
<b>Welcome</b>				
1. 15 mins	12.45	Welcome and Introduction Approval of Terms of Reference and Scheme of Delegation Declarations of Interest Approval of Strategy Board minutes	Approval	Chair
<b>Main Agenda Items</b>				
2. 20 mins	13.00	CEO report	Discussion & note	Ian Gambles
3. 20 mins	13.20	Director of Finance Report	Discussion & note	David Hodson
4. 15 mins	13.40	Forest Holidays – Further Funding	Decision	Ian Gambles
5. 20 mins	13.55	Delivery Performance	Approval	John Stride / Mike Seddon
6. 20 mins	14.15	Brand Update	Discussion	Jose Lavelle



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7. 20 mins	14.35	Land Acquisition Strategy	Shape & Steer	Mari Sibley /James Simpson
<b>Future agenda items</b>				
8. 15 mins	14.55	Future agenda items discussion	Shape & Steer	PK Khaira- Creswell
<b>Closing remarks</b>				
	15.10	AOB		Chair
<b>Date of Next Meeting: 17<sup>th</sup> July Alice Holt Forest</b>				

## Papers:

- Item 1: 1.1 Ways of Working and Terms of Reference (*also included in Induction Pack*)
  - 1.2 Strategy Board Minutes 28.02.19 for Approval
- Item 2: 2.1 Business Area Update for CEO report
- Item 3: 3.1 Budget and 5 year plans
- Item 4: 4.1 Forest Holidays - Further Funding Paper
  - 4.2 The Forestry Commission and Forest Holidays Background Paper
  - 4.3 Further Funding Notice - Forest Holidays Paper
- Item 7: 7.1 Draft Land Acquisition Strategy for Woodland Creation

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Apologies: Julia Grant

Guests: PK Khaira-Creswell (part), Jose Lavelle (part), Mari Sibley (part), James Simpson (part), John Stride (part)

Secretariat: Rachel Mackintosh

## Agenda topics

### 1. Welcome and Introduction

| Item Lead: Harry Studholme

The Chair welcomed Board members to this first meeting of the Forestry England Board. Apologies were received from Julia Grant.

### Approval of Terms of Reference and Scheme of Delegation

The Board discussed Board paper 1.1 Ways of working and Terms of Reference. It was noted that the Terms of Reference set out the powers delegated to the Board from the Forestry Commission Board, with Annex B setting out the basis of the statutory powers being delegated.

The Board approved the Terms of Reference and Scheme of Delegation subject to submitting the following change requests to the Forestry Commission Board:

i. in bullet point 7 amend to:

*determine Forestry England's risk profile, ensure controls and mitigations are implemented, ensure a safe and healthy working and recreational environment, ensure value for money and compliance with statutory or administrative requirements of a Public Corporation and Executive Agency;*

ii. amend the quorum to:

*The Forestry England Board may act by three of their number, notwithstanding a vacancy in their number, consisting of a mix of non-executive and executive members. If the Chair is not one of the members present, then the meeting chair will come from one of the non-executive members present.*

iii. The titles of the Forestry England executive members to be amended as follows:

- a. The Director of Operations for Forestry England to be changed to **Chief Operating Officer for Forestry England**
- b. The Head of Finance for Forestry England to the **Director of Finance for Forestry England**

The Board asked for guidance on the appropriate publication of Board papers accompanying meeting minutes. It was agreed advice would be sought from the Commissioners' office to ensure consistency of approach.

#### Declarations of Interest

Board members confirmed that they had completed their annual declarations of Interests. No interests were declared for the business of this meeting.

#### Approval of Strategy Board minutes and matters arising

The Forest Enterprise England Strategy Board was the internal board set up to prepare for the transition from Forest Enterprise to Forestry England. It has now been replaced by this Board. Board members who were also members of the Strategy Board approved the minutes of its last meeting held 28.2.19.

All matters arising are covered in the agenda items of this meeting.

Action Items	Person responsible	Deadline
Submit terms of reference change requests to Secretary to the Commissioners.	Rachel Mackintosh	30/6/19
Seek advice from the Secretary to the Board of Commissioners on the appropriate publication of Board papers accompanying the minutes.	Rachel Mackintosh	30/6/19

## 2. CEO report

| Item Lead: Ian Gambles

Ian Gambles presented Board paper 2.1 and explained that the aim was to develop the content and structure of the CEO's report with the Board over the coming months so that it supported the role and purpose of the Board. The accompanying paper is for Board information and discussion.

Points of note discussed were:

- The effect of severe drought on seed supply and tree production with confirmation of resulting actions.
- CEO provided further update on ips outbreak The beetle has re-emerged as expected on the initial site, and sites further afield. Work taking place on eradication.

Action Items	Person responsible	Deadline
Continue to develop CEO / BAU report, linking with performance measures	Rachel Mackintosh / John Stride / Mike Seddon	30/6/19
Add Risk to standing agenda	Rachel Mackintosh	30/6/19

## 3. Director of Finance Report

| Item Lead: David Hodson

David Hodson presented Board paper 3.1 explaining for the first meeting he was providing an overview of the budgets and 5 year plans rather than regular reporting and monitoring. The budget and plans had been approved by the last Strategy Board meeting 28.2.19.

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Three tables were provided in the report:

i. Income and expenditure

David explained this shows the outturn for 2018/19 and budget for 2019/20, plus the following 4 years to show trends. A wide ranging discussion supporting new Board members to understand the budget followed.

ii. Cash and Capital

David Hodson explained that the bottom line figures are good with a secure cash position supported by strong timber prices. There is a debate to be had on whether there should be more cash reserves to protect the organisation against commodity price cycles - currently the £7m cash floor represents only 30 days of running costs - as well as investments for consideration.

iii. Underlying position

This shows if the position is static or dynamic. If timber price increases the cost base doesn't change and the funds are used for investment.

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#### 4. Forest Holidays - Further Funding

| Item Lead: Ian Gambles

Under the freedom of information act 2000, minutes noted under this heading have been withheld from publication as per Section 43(2): Prejudice to commercial interests.

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#### 5. Delivery Performance

Item Lead: **John Stride / Mike Seddon**

Mike Seddon provided the Board with the background that the organisation had had performance measures developed for a different stage in the life of the organisation and were not helpful to current needs. Therefore a new approach is under development to provide the Board with measures under the 5 Objectives, along with statutory measures. The aim is to develop a scorecard approach and input from the Board was requested.

The format was discussed with Board members asked to send any further thoughts to John.

Action Items	Person responsible	Deadline
Board members to send through further thoughts on Performance Delivery reporting.	Non-executive Board members	1/6/19
Use feedback received to further develop reporting scorecard.	John Stride	30/6/19

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## 6. Brand

| Item Lead: Jose Lavelle

Jose Lavelle presented to the Board the brand changes to Forestry England, the reasoning behind it and next steps, explaining the aim was to embed it this year within the organisation, developing the story and consistency of message for the public launch planned for next year as the Centenary project is this year's priority.

The video made for staff briefings was shared with the Board.

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## 7. Land Acquisition Strategy

| Item Lead: Mari Sibley / James Simpson

Mari Sibley presented Board paper 7.1 explaining there is now the need for a strategic acquisition policy for the nation's forests. The Board was asked to consider the options for increasing the size of the nation's forests through both freehold and leasehold options.

**Decision:** Following a wide ranging discussion the Board approved that all options should be pursued, including exploring leasehold options, initially on a small scale to test responses to this approach.

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## 8. Future agenda items

| Item Lead: PK Khaira-Creswell

PK Khaira-Creswell asked for dialogue on developing future agenda items together.

Suggestions:

- These needed to be strategic issues where the Board can add value, and limit number per meeting to enable reasonable discussion.
  - Issues where external input will have most impact, not internal issues that are already in control of the organisation.
  - Board will provide signal to organisation about direction and framework.
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## AOB

None raised.

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Meeting closed 3.15pm

Nest meeting 17<sup>th</sup> July Alice Holt Research Station



### BOARD PAPER 1.1

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Paper Title: Ways of Working and Terms of Reference  
Author: Rachel Mackintosh  
Presenter: Sir Harry Studholme

#### Paper Requirement

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Decision Required	For Approval	Steer required	Information Only
	X		

#### Executive Summary

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*Summary of key points and action required by Board*

This paper was also included in the Induction Pack. It includes the following:

- Ways of Working - sets out agreed meeting practices for the Board
- Forestry England Board Terms of Reference and Scheme of Delegation - as approved by the Forestry Commission
- Essential Board Behaviours - summary of practice guidance from Civil Service training
- Glossary - for further development

The Board is asked to agree the Ways of Working, following any amendments agreed at the meeting.

The Board is asked to accept the Terms of Reference, noting that any amendments requested will need to be agreed by the Forestry Commission Board.

The Board Behaviours and Glossary are included for discussion and development to support the quality of Board meetings.

#### Content

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# Terms of reference and ways of working

## Purpose

1. To discuss and agree Terms of Reference, ways of working, and the future meeting schedule.

## Membership & definitions

2. **Membership of the Forestry England Board is:**
  - Chief Executive of Forestry England [Agency Accounting Officer]
  - Chief Operating Officer (formally Director of Operations) for Forestry England
  - Head of Finance for Forestry England
  - Forestry Commission Chief Executive Officer
  - Up to four other non-executive Commissioners
  - Non-executives, as appropriate to add strength to the Board and appointed by the Forestry Commission.
3. **Definitions**
  - **Executive member** - Board member who is an employee of the Forestry Commission with senior management responsibilities.
  - **Non-executive member** - Board member who is not an employee of the organisation or affiliated with it in any other way. Term does include a subset of Commissioners.
  - **Commissioner** - Appointed by the Crown to sit on the Forestry Commission board, and allocated by the Commission to the Forestry England Board.

A Glossary of other terms in common use within Forestry England is attached at Annex D. This is a live document which can be expanded as required.

## Authority

4. The creation of the Board of Commissioners of the Public Forest Estate was announced by the Minister for Forestry 7 November 2017. This Board is now known as the Forestry England Board (the Board). It came into existence 1 April 2019, the same day that Forestry England came into being as an executive agency of the Forestry Commission. The authority of the Board is derived through the terms of reference and delegated powers given to it by the Forestry Commission Board, these include the delegated rights and powers such that relate to the Public Forest Estate given to the Forestry Commission in the Forestry Act 1967 (as amended).

## Terms of Reference and Scheme of Delegation

5. The Terms of Reference at Annex A have been drawn up alongside those for the Forest Services and Forest Research Boards. Together they reflect the functions delegated to each board by the Board of Commissioners, described at Annex B.



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## Ways of Working

6. It is recommended that the Board also agrees the following ways of working.

### **Board papers**

The Board Secretariat will send out Board papers 7 clear days in advance of a Board meeting. Board members are expected to have read all papers in advance of the meeting. This preparation enables the meetings to have maximum impact through engaged discussion of the agenda items.

There is an aim to move towards paperless meetings taking advantage of new technologies. The preference is to send papers electronically to an agreed email address until other solutions are available. However hard copies of all papers are always available on request either to be sent in advance to an agreed postal address or at the meeting.

### **Minutes**

The minutes of the meeting will be taken by the secretary to the Board. A draft of the minutes will be approved by the Chair and Forestry England CEO with the aim will be to circulate to all Board members within 14 days of the meeting.

The minutes will be formally approved at the next Board meeting.

The approved minutes are public documents and will be published on the Forestry England website, with any confidential information redacted.

### **Managing Conflicts of Interest**

It is anticipated that conflicts of interests for Board members may arise during the course of a meeting. This is not a problem with an agreed procedure for managing this which is transparent and maintains the integrity of the Board.

Board members will have completed a Register of Interests on appointment and this will be reviewed and updated annually or if there is a change in circumstances.

At each meeting the Chair will ask if there are any interests to be declared on any of the agenda items. If a declaration is made, the Board member will leave the room for the discussion and any vote on that agenda item unless the remainder of the Board deem this is not necessary. The declaration and subsequent actions taken will be recorded in the meeting minutes.

### **Essential Board behaviours and the seven Nolan Principles of Public Life**

All Board members are expected to adhere to the seven Nolan principles of Public Life and are encouraged to adopt the Essential Board Behaviours included in Annex C that reflect some of the good practice described by the Civil Service College's current course on 'Essential Board Behaviours'.

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## Work plan

7. The aim of Forestry England is to have an actively engaged and motivated Board who lead the strategic direction of Forestry England, make a positive and tangible impact on its performance and development, and provide expert support, guidance and challenge to the CEO Forestry England and the Executive Team.

The role of the Board is to provide strategic leadership and bring their expertise for support and guidance of the CEO and Executive Team. It is not the role of the Board to make management decisions: that is the role of the CEO and Executive Team.

To enable the Board to have maximum impact the aim is to fully engage the non-executive members in the breadth and variety of work delivered by Forestry England. Where possible board meetings will be held in Districts and combined with a site visit or attached to another significant event, particularly in this centenary year.

The intention is that a longer visit to the North of England can be arranged as soon as practicable so that Non-executives can experience the wide range of forests and the commercial and recreation activities that take place within them.

In addition and in consultation with the Board we want to explore ways that the organisation can use and benefit from the expertise that the non-executives bring. The way forward will be developed through 2019 as the relationship between the Board and the rest of the organisation develops.

## Next meetings

8. Members have been asked to hold the following dates in diaries for further Forestry England Board meetings in 2019/20:
  - a. **17th July 2019** Alice Holt - following the Commissioner Induction
  - b. **TBC September 2019** Bedgebury Pinetum - attached to the Centenary Book launch event
  - c. **10th December 2019** Devon - attached to the Centenary Tree Planting Celebration
  - d. **13th February 2020** Location tbc

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## Annex A

# Forestry England Board - Terms of Reference

This Board is appointed by the Forestry Commissioners to enable them, as 'the appropriate forestry authority' in England to discharge their duties and exercise their powers set out in the Forestry Act 1967 and other relevant legislation, including the Countryside Act 19681.

The Board will set strategy for Forestry England, provide leadership through setting the standards for how Forestry England does its work and the culture it promotes, and supporting the Forestry England executive through constructive challenge and guidance.

Annex A describes the functions that the Board of Commissioners have delegated to the Forestry England Board.

The main duties of the Forestry England Board are to:

- discharge functions delegated to them by the Board of Forestry Commissioners;
- set the strategic direction for the activities of Forestry England;
- determine, agree and promote the values of Forestry England; agree the priorities that inform and contribute to Government's policy on forestry;
- ensure excellence in forest and land management, including ensuring that UKWAS Certification is maintained;
- ensure sound financial management of Forestry England; ensure commercial objectives are met, approve the allocation of finance in line with its functions and priorities;
- monitor and steer the performance of Forestry England, ensuring clear, consistent, comparable performance information is used to drive improvements;
- determine Forestry England's risk profile, ensure controls and mitigations are implemented, ensure value for money and compliance with statutory or administrative requirements of a Public Corporation and Executive Agency;
- ensure Forestry England has the expertise to deliver current and future needs through management and succession planning;
- ensure that effective relationships are maintained with stakeholders, customers, suppliers, employees and other government departments and that reputation is upheld;
- communicate the work of Forestry England to staff, volunteers, the public, partners and the media; and,

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<sup>1</sup> The key relevant powers and duties of the Forestry Commissioners have been summarised in these Terms of Reference, the full text of the various Acts should be referred to for full details of the Commissioners powers and duties.

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- approve the Business Plan, Annual Report and Accounts and the Annual Natural Capital Accounts, and other key corporate documents relating to Forestry England.

The Forestry England Board is chaired by a non-executive Forestry Commissioner. The other members are the Chief Executive of Forestry England [Agency Accounting Officer], the Director of Operations for Forestry England, the Head of Finance for Forestry England, the Forestry Commission Chief Executive Officer and up to four other non-executive Commissioners appointed for their specific relevant expertise.

The Forestry England Board will share information as appropriate with the Forest Services Board, the Forest Research Board and the Forestry Commission Executive Board, ensuring collaboration and cooperative working to matters that require decision, resolution or co-ordinated action across the Forestry Commission.

The Forestry England Board will have the ability to escalate issues as appropriate to the Board of Commissioners.

The Forestry England Board may act by three of their number notwithstanding a vacancy in their number.

The Board will usually meet every two months in Bristol, but may elect to meet more or less frequently (but no less than once every quarter) and in other locations at its discretion.

#### Sub-Committees

Forestry England Audit and Risk Assurance Committee

## Annex B

### Scheme of Delegation

#### FUNCTIONS DELEGATED BY THE BOARD OF COMMISSIONERS

FUNCTION (listed by legal basis for activity <sup>2</sup> )	FORESTRY ENGLAND BOARD (FEB)	FOREST SERVICES BOARD (FSB)	FOREST RESEARCH BOARD (FRB)
Forestry Act 1967 (as amended): Note: The Forestry Commissioners are the 'appropriate forestry authority' in England.			
To manage the land placed at the disposal of the Forestry Commissioners by the Minister (Secretary of State, Defra) for the functions of the Forestry Commissioners, including promoting the interests of forestry, the development of afforestation and the production and supply of timber whilst endeavouring to achieve balancing duty set out in part 3A of the Act.	X		
Promoting the interests of forestry, the development of afforestation and the production and supply of timber and other forest products.		X	
Promoting the establishment and maintenance in England of adequate reserves of growing trees	X	X	
To implement the powers to control tree felling as set out in Part II of the Act		X	
Undertake the collection, preparation, publication and distribution of statistics relating to forestry;			X
Promote and develop instruction and training in forestry	X	X	X
Carry out experiments and research either directly or with others for the purpose of promoting forestry and publish the results of research and disseminate the information on forestry;			X
Exploit any intellectual property or intangible	X	X	X

<sup>2</sup> The key relevant powers and duties of the Forestry Commissioners have been summarised in this list of key functions, the full text of the various Acts should be referred to for full details of the Commissioners powers and duties.

assets arising from the carrying out of any activity.			
The establishment and maintenance of regional advisory committees		X	
<b>Countryside Act 1968 (as amended)</b>			
To provide, or arrange for or assist in the provision of, tourist, recreational or sporting facilities on the land placed at the disposal of the Forestry Commissioners	X		
<b>Plant Varieties and Seeds Act 1964:</b>			
The establishment and maintenance of an official seed testing station for silvicultural propagating and planting material and charging powers in respect of seed testing activity.	X		
<b>Plant Health Act 1967:</b>			
The competent authority for the protection of forest trees and timber from attack by pests and diseases, and the power to make orders		X	
<b>Forest Reproductive Material (Great Britain) Regulations 2002:</b>			
The selection, development and marketing of seeds for use as forest reproductive materials, including establishing labelling, marking and record keeping requirements; in particular, they establish a regime for registration of basic reproductive materials and for their regions of provenance. The Regulations implement an EU Directive on the marketing of forest reproductive material and on external quality standards for forest reproductive material marketed within the EU.	X [Application]	X [Regulations]	
<b>Environmental Impact Assessment (Forestry) (England and Wales) Regulations 1999 and The Environmental Impact Assessment (Forestry) (England and Wales) (Amendment) Regulations 2017:</b>			
The appropriate forestry body undertake the role set out in regulations, primarily to decide if a project is a "relevant project" and if so grant or refuse consent having followed due process.		X	
<b>Countryside and Rights of Way Act 2000:</b>			
The "relevant authority" for all woodland in England dedicated under the Act for public access		X	

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## Annex C

### Ways of Working

The following reflects some of the good practice described by the Civil Service College's current course on 'Essential Board Behaviours':

1. The Board's principal duty is to the organisation: Forestry England.
2. The board's purpose is to take high quality strategic decisions to grow Forestry England's value. This means working with the future, taking the big decisions needed to secure Forestry England's sustainable success and leaving other decisions to others (e.g. the Forestry England's Executive Team).
3. The lead executive's (CEO Forestry England) role is like a pilot; the Board's is like air traffic control. It's a team game and requires a close relationship.
4. Non-executives' role is to mentor the executives.
5. The Chair's role is primarily to listen not talk; asking individuals for their views and getting all the different views on the table; like getting every instrument in the orchestra to play.
6. Board meetings are dedicated to answering the key questions, not introducing what they are.
7. High quality papers are circulated well in advance and provide all the information required (and nothing more) to make the high quality strategic decisions sought from them.
8. Prepared directors have the knowledge and understanding the board needs, read all the papers before the meeting, come to board meetings with answers to the questions asked of them, and keep in touch with each other between board meetings so as to be fully up to date on relevant issues.
9. Good governance creates the conditions to allow boards to question: why things are going badly, and if things appear too good to be true. These conditions include:
  - a. Situational awareness - the board's relationship with the wider environment and society in which it operates
    - i. Creates the right framework for helping directors meet their duties by understanding the legal and regulatory context in which the board operates and must with which it must comply
    - ii. Accountable, particularly to those that provide the organisation's funding, and appreciate its wider governance responsibilities, seeking to meet the legitimate expectations of other stakeholders
    - iii. Creates a performance culture that creates value without exposing the organisation to excessive risk of value destruction
    - iv. Ensures there is a strategy for building and protecting the organisation's reputation and brand
  - b. Operational readiness - the relationship between the board and the organisation:
    - i. Effective oversight of the development of the business model and strategy
    - ii. Directs, monitors, and holds management to account for execution of the business plan
    - iii. Effective oversight of the system for managing risks to strategy delivery, including the controls and compliance framework
    - iv. Ensures sufficient resources are in place to deliver the strategy, particularly people, and that there is a solid succession plan for managing talent

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- c. Reflective Mindfulness - the board's relationship with itself:
    - i. Possesses the right mix of board skills, experience, knowledge, independence and diversity to address the challenges facing the organisation
    - ii. Demonstrates ethical leadership, displaying and promoting behaviours consistent with the organisation's purpose, direction, culture, vision and values
    - iii. Creates a clear decision making process, which generates well informed and high quality decisions, based on a clear line of sight into the business and clear authorities
    - iv. Thinks carefully about its governance arrangements, and embraces evaluation of their effectiveness periodically, while reviewing its own performance regularly
10. Good board meetings should be enjoyable but not comfortable. Good board behaviours include:
- a. Raising questions - the ability to challenge constructively, rigorously and appropriately, balancing challenge and support with teamwork.
  - b. Independence - ensuring that independent oversight is being achieved, with members recognising that the principal duty is to the organisation.
  - c. Sound judgement - judging the management team's capability, its ability to stay on top of challenges, its execution of strategy, its choice of team.
  - d. Collaboration - the ability to build relationships and influence others to achieve outcomes through persuasion, and compromise, willingness and ability to listen.
  - e. Accountability - allocating responsibilities, calling out potential problems quickly, particularly mediocrity, and missed deadlines and key deliverables; supporting the chair.
  - f. Earning trust - displaying behaviours which include integrity, transparency, inclusivity, consistency and reliability, and concerns for the best interests of fellow members.
  - g. Emotional intelligence - demonstrating self-knowledge, humility and empathy
  - h. Forward looking - being in a future state, and reflecting on the big issues, problems and challenges, with a vision of how to create the conditions to make a better future become a reality
  - i. Action focussed - growth orientated, competitive, achievement oriented, strategically aligned.
  - j. Versatility - having a broad range of thought and behaviour, and the self-command to use it intentionally, responding swiftly and fully to demanding situations, knowing when to be flexible and subtle, and when to be strong and focussed.
11. Effective boards must work well with volatility, uncertainty, complexity and ambiguity. To do so boards need to engage in scenario planning, horizon scanning, stakeholder management and opportunity identification and seizing. These only work well if the Board avoids Groupthink.
12. Groupthink can include: illusion of invulnerability, collective rationalisation, belief in inherent morality, stereotyped views of out-groups, direct pressure on dissenters, self-censorship, illusion of unanimity, and self-appointed 'mind-guards'. Its consequences can include: incomplete survey of objectives or alternatives, failure to examine risks of preferred choice or to reappraise initially rejected alternatives, poor information search, selective bias in processing information at hand, failure to work out contingency plans and low probability of successful outcome.



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Avoiding Groupthink requires cognitive diversity, which can be achieved by having the right and diverse people, an awareness of the board's psychological blinds spots (including 'Black Swan events e.g. fraud and cyber-crime) and a proactive approach to addressing them, and rewarding appropriate behaviours.

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## Annex D

### Glossary of terms in common use in Forestry England

- ARAC - Audit and Risk Assurance Committee
- ASNW - Ancient Semi-Natural Woodland
- AUC - Assets under construction
- BCIS - Building Cost Information Service
- BS EN ISO - British, European and International Standards
- CETV - Cash Equivalent Transfer Values
- CITF - Camping In The Forest
- CRoW - Countryside and Rights of Way act
- EMS - Environmental Management System
- FSC - Forest Stewardship Council
- GDPR - General Data Protection Regulation
- IAS (41) - International Accounting Standards
- IFRS - International Financial Reporting Standards
- LTFM - Long term Financial Model
- NCA - Natural Capital Account
- NCAHFS - Non Current Assets Held For Sale
- ODP - Organisational Delivery Plan
- OME - Office Machinery and Equipment
- PAWs - Plantations on Ancient Woodland sites
- PEFC - Program for the Endorsement of Forest Certification
- PFE - Public Forest Estate
- SSRB - Senior Salaries Review Board
- SSSI - Sites of Special scientific interest
- UKAS - United Kingdom Accreditation Service
- UKFS - United Kingdom Forestry Standard
- UKWAS - United Kingdom Woodland Assurance Standard
- VAQAS - Visitor attraction quality assurance service
- VME - Vehicles Machinery and Equipment
- YOGA Year of Green actions



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**BOARD PAPER 1.2**

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**Paper Title:** Forest Enterprise Strategy Board Meeting Minutes 28.02.19  
**Author:** Nadia Balasco  
**Presenter:** Sir Harry Studholme

**Paper Requirement**

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Decision Required	For Approval	Steer required	Information Only
	X		

**Executive Summary**

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*Summary of key points and action required by Board*

**The main items the final Forest Enterprise Strategy Board considered:**

- Finance Performing and Business Planning - paper coming to this meeting
- Brand - paper coming to this meeting
- Preparing for Forestry England - paper coming to this meeting
- Future Agenda Board items - discussion on shaping future Forestry England Board, discussion continues in this meeting

The update action log is contained at the end of the meeting.

The minutes are attached for approval by Board members who were present at the previous meeting.

**Content**

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# FOREST ENTERPRISE ENGLAND STRATEGY BOARD

## MEETING MINUTES

28 February 2019, 13.00 - 15.00

Bristol Conference Room

Conference Room, Forestry Commission, Bristol

### ATTENDEES

Chair- Ian Gambles

Alice Mayne

David Hodson

Jose Lavelle

Jo Ridgway

James Simpson

Julia Grant

Mark Pountain

Michael Seddon

Mari Sibley

Sir Harry Studholme (Forestry Commission Chair)

PK Khaira-Creswell

Rachel Mackintosh

**Guests:** John Stride

**Apologies:** None

**Secretariat:** Nadia Balasco

### AGENDA TOPICS

1. *Welcome and Introduction review of rolling actions* | **Item Lead:** Ian Gambles

#### Minutes of 15 November 2018

The Strategy Board agreed that the minutes of the 15 November 2018 were a true and accurate record and the actions were updated and completed.

As this was the last meeting of the Forest Enterprise Strategy Board, Ian Gambles updated the board on the governance arrangements. The Strategy Board was instituted deliberately as a lead in to the Forestry England Board and also as a process of familiarizing the Executive Team to working with non-executives. While the new Board will be very different, the Strategy Board had provided a valuable foundation. The new Forestry England Board will have a non-executive Chair and a new agenda which will aim to focus on the big issues, such as business planning, the future of the brand and measuring and managing performance.

The first Board meeting will be on 14 May 2019 and there are now two new commissioners confirmed for the Forestry England Board with one further new non-executive member. Ian Gambles is delighted with the new appointments and also informed the board that Rachel Mackintosh will be the new Forestry England Board Secretary. Ian thanked Mark Pountain for his valued contributions to the Strategy Board.

#### **Action Items**

None

#### **Person responsible Deadline**

N/A

N/A

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## 2. Executive Report

/ Item Lead: *Ian Gambles*

The Board reviewed the Business Areas Update document and considered whether the format and information contained in the reports is the right format and whether the information is of value to the Board.

It was agreed that the document should continue to be offered to the new board in approximately its current form, with some consideration to providing a more tightly structured template for those contributing to the report.

### Action Items

### Person responsible Deadline

Format of the Business Area Update reports to be reviewed.

Rachel Mackintosh May-19

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## 3. Finance Performing and Business Planning

| Item Lead: *David*

*Hodson*

David Hodson updated the Board on the finance report relating to the end of month ten. The financial position is favourable and has been heavily driven by the positive trend in timber income. The year to date report shows a pay underspend which is mostly due to a number of vacancies in the organisation and also because of transition (agency contract workers). The non-pay elements show largely favourable positions because of budget phasing. An underspend in IT and telecoms means that it will be half a million under the budget.

Ian Gambles commented that, in contrast to the forecasts for the full year, the monthly budgeted figures showed significant variance from actuals. David Hodson explained that this is the first time that the Forestry Commission has looked at YTD positions by month – something made possible with the new finance systems – and the process will be refined over time.

The Board reviewed the appendices and in particular appendix 3. It was agreed that more narrative was needed on capital with the inclusion of a high level summary on capital.

**Action: David Hodson (Andy Venn) to include a high level summary on capital for the next Board meeting.**

The Board discussed appendix 4 – balance sheet for Forest Enterprise and it was agreed that the report (which has not been reported on previously) is essential in showing the business operations .

The Board reviewed Andy Venn's paper on the Investment Programme 2019/20 which provided an update on the proposed projects and total value. There are a number of schemes that are currently in development and are expected to show in next year's capital budget.

It was noted that budgeted timber income was based on current prices but incorporated known volume reductions. The board noted the good work led by Wally North in maximizing timber income and maintaining accurate forecasts.

Julia Grant queried whether some of the bigger forecast uplifts in income were sufficiently hedged, as they were vulnerable to pressures around bad weather and economy. Michael Seddon advised that both the income and expenditure forecasts were prudent and based on a district level analysis; there was room to cope with contingencies and possible scope for further surpluses to finance future investment.

The Board approved and agreed the investment budget.

## Action Items

The finance papers to include a high level summary on capital for the next Board meeting.

## Person responsible Deadline

David Hodson (Andy Venn) Jun-19

### 4. Brand Lavelle

| Item Lead: Jose

Jose Lavelle updated the Board on the brand process, key points noted were that all signs and pin badges will be made from FSC wood and for those without Forestry England clothing, pin badges will be made available in the interim until the new corporate clothing is available. New clothing has unfortunately been delayed by procurement issues; a launch date is still unknown.

Forestry England document templates are now available on the Roots intranet pages which also includes a short guide to writing. There are new leaflets available with the trail leaflets expected to be signed off today. The vehicle livery is being tested over the next week and there will be consistency of the brand colour of vehicles over the next few years. It was commented that the staff in the New Forest are very pleased with the new brand.

The technical brand work is on track, design and membership (local membership schemes) will be rolled over the next six months. Current focus is on the dialogue with volunteers to ensure that the re-brand is used as an opportunity to change the messages e.g. who are Forestry England, who are we going to be and what's the difference between Forestry England and Forest Enterprise.

Jose Lavelle talked through the presentation which The Big Kerbang have been working on to turn the Forestry England brand into a story as brands that have a stronger story gain more and stronger recognition than brands without one.

Jose Lavelle talked through the draft proposal with the Board, who expressed strong support for the new branding. Sir Harry Studholme expressed a concern about the use of the word "landscaping" as this could have negative connotations arising from the history of the Forestry Commission. The terminology needs to have a sense of authenticity.

Julia Grant commented that the constant development of people and skills could be incorporated more to better show that Forestry England are an active organisation rather than an organisation that is conserving.

Jo Ridgway observed that the presentation could better represent the diverse communities that Forestry England engages with and suggested that health and wellbeing be emphasized in the proposal which would set Forestry England apart from other organisations but also give more edge as a brand.

James Simpson, having sat on two district presentations of the brand update said that it was received much more positively than anticipated. Districts also found the word 'landscaping' quite challenging but liked the combined impact of words and images together.

Jose Lavelle thanked the Board for their comments and emphasized that this is very much a draft proposal and the session was an opportunity to receive feedback.

Action	Person responsible	Deadline
Update on the Brand process at the next Forestry England Board	Jose Lavelle	May-19

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**5. Preparing for Forestry England****| Item Lead: Michael Seddon/John Stride**

Michael Seddon informed the Board that work has been underway in developing Forestry England. This session is to consider what still remains to be done and how the Board can be clear in setting the direction for the organisation and define the success factors.

A presentation on The Forestry England Delivery Plan was shared with the Board which showed the strategy and emphasized that it should be in the background of everything that is done and the intention is to build a set of destinations; superb forests, increasing natural capital value, being an outstanding organisation, high quality investments and sustainable finance and telling our story.

If the Board are clear on the strategy and objectives, and work towards these is considered in the context of Forestry England's leadership behaviours, brand and values; then it is also important to be able to track progress.

John Stride talked through the proposed new approach of the balance scorecard which will work to help Forestry England measure progress towards the agreed strategy and objectives. The Board agreed that is a fresher approach going forward and that linking to the five key outcomes is not only a better approach but could potentially be quite powerful. The scorecard should include monitoring of important issues that are driven inside organisation such as health and safety. It was noted that John Stride would be looking at the distinction between official statistics and what is/should be reported to the Board.

<b>Action Items</b>	<b>Person responsible</b>	<b>Deadline</b>
Update to be provided on the distinction between official statistics and what is/should be reported to the Board	John Stride	Jun-19

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**6. Future Agenda Board items****| Item Lead:***Chair*

Ian Gambles referred back to items 2 – 5 on the current agenda and confirmed that these would appear on the agenda of the first forestry England Board. The new agenda will need substantially more attention and explanation. There will be opportunity for the current Board to say now what are considered as the priority issues for the new Board to engage with in the first three meetings.

Mark Pountain commented that the new Board should identify, quantify and qualify Forestry England risks and that should be a standing item.

Julia Grant and Ian Gambles's preference would be to include risk at every other meeting with a one page strategic note and for the audit and risk committee to review the full register. It was agreed that:

- A review by the commissioners of the risk register (when they meet for tours every six months) would be very useful.
- Spending time with colleagues within the organisation and in the districts e.g. holding meetings in various locations would enable better and stronger understanding of the organisation for the Board.

- The new non-executives will need to learn about the business, so the meetings will focus on the BAU of the organisation as well as strategic items.
- A Forestry England Strategy Away Day will take place annually, this will help in good team bonding and provide opportunity to stand back and review the strategy.

<b>Action Items</b>	<b>Person responsible</b>	<b>Deadline</b>
None	N/A	N/A

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**7.**    *AOB*    **| Item Lead:**  
           *Chair*

- The new Forestry England Board will take effect from 1 April 2019 with the first meeting date now confirmed as 14 May in the National Office and 14 May location to be confirmed.

<b>Action Items</b>	<b>Person responsible</b>	<b>Deadline</b>
None	N/A	N/A



**Updated Action Log - post February 2019**

<b>Ref No.</b>	<b>Meeting</b>	<b>Action / Issue</b>	<b>Person Responsible</b>	<b>Target Timing</b>	<b>Outcome</b> <i>(If ongoing activity, then latest progress)</i>
29	Feb 19	Format of the Business Area Update reports to be reviewed.	R Mackintosh	May 2019	Report has been redesigned into the strategic aims of the Forestry England Delivery Plan and completed for Forestry Board meeting 14.5.19.
30	Feb 19	The finance papers to include a high level summary on capital for the next Forestry Board meeting.	D Hodson (Andy Venn)	May 2019	Agenda item 3 14.5.19
31	Feb 19	Update on the Brand process at the next Forestry England Board	J Lavelle	May 2019	Agenda item 6 14.5.19
33	Feb 19	Update to be provided on the distinction between official statistics and what is/should be reported to the Board	M Seddon (J Stride)	June 2019	Being addressed in the wider look at reporting performance to the Forestry England Board. Agenda item 5 14.5.19



Paper Title:            Business Area Update

Under the freedom of information act 2000, exempt information this paper has been withheld from publication as per Section 43(2): Prejudice to commercial interests.

If you wish to request this paper please contact Rachel Mackintosh at;  
[Rachel.mackintosh@forestryengland.uk](mailto:Rachel.mackintosh@forestryengland.uk)



Paper Title:              Budget and Five Year Plans

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**Paper Title:            Forest Holidays Further Funding Notice**

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# Forestry England Scorecard Delivery Performance

Forestry England Board - May 2019

Mike Seddon - COO

John Stride - Policy & Insight





## Purpose

To secure and grow the economic, social and natural capital and caring for the Nation's forests for the people of England

## Strategy

Connect everyone with the Nation's forests by creating and caring for our forests for people to enjoy, wildlife to flourish and business to grow

## Objectives

### Superb Forests

The Nation's forests are at the forefront of contemporary Worldwide forestry management

### Increasing Natural Capital Value

The Nation's Forests natural capital value is increasing

### Being an Outstanding Organisation

We are excellently led, motivated and skilled people. We are supported to deliver and act with integrity.

### High Quality Investments & Sustainable Finance

The Nation's forest estate is financially sustainable, standing on its own feet

### Telling Our Story

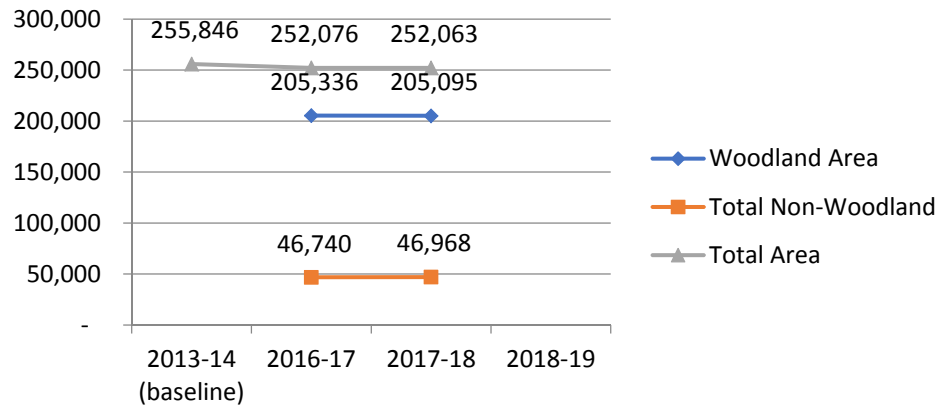
What we do has a positive influence beyond the Nation's forests and is recognised as being first class

## Measures

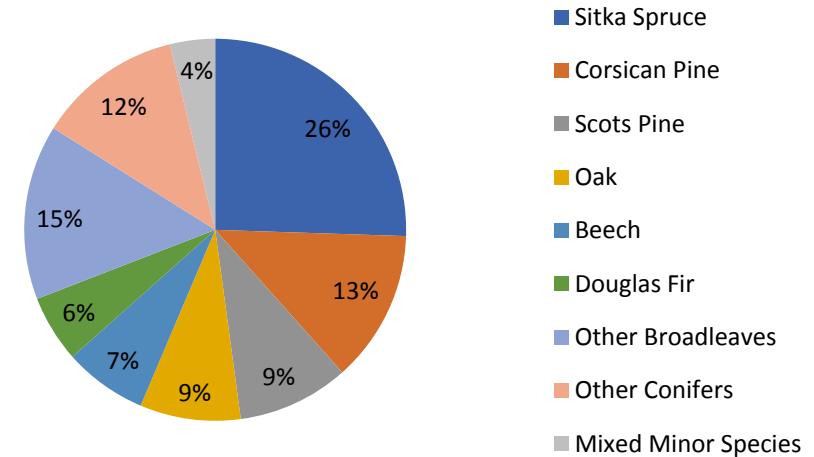


The Nation's forests are at the forefront of contemporary Worldwide forestry management

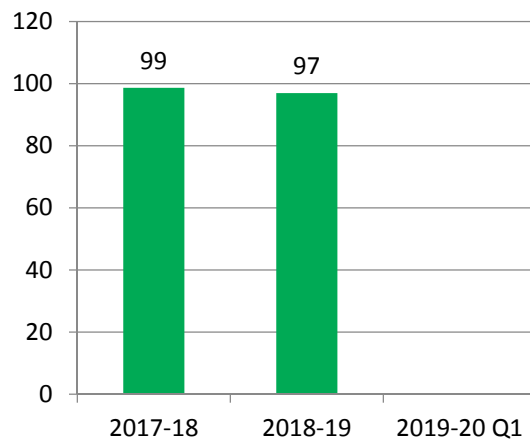
## Woodland Area and Size of Estate (Ha)<sup>1</sup>



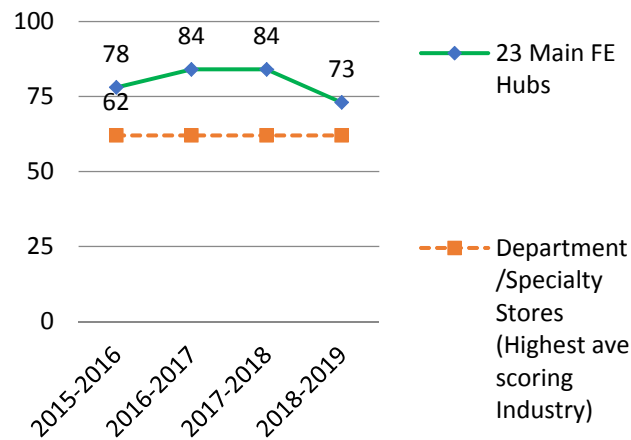
## Tree Species Diversity<sup>3</sup>



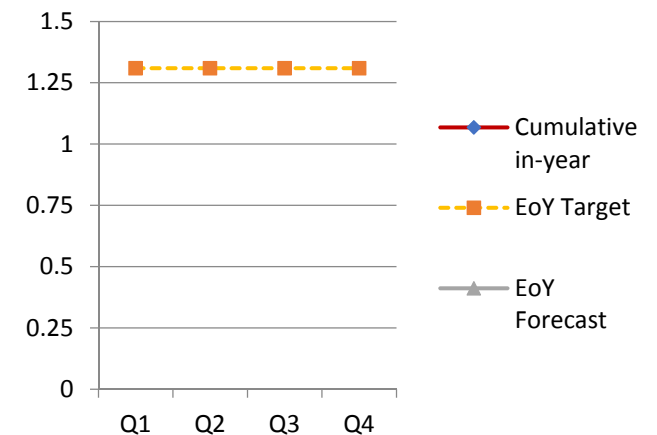
## Number of volunteer work years<sup>2</sup>



## Visitor Experience Net Promoter Score



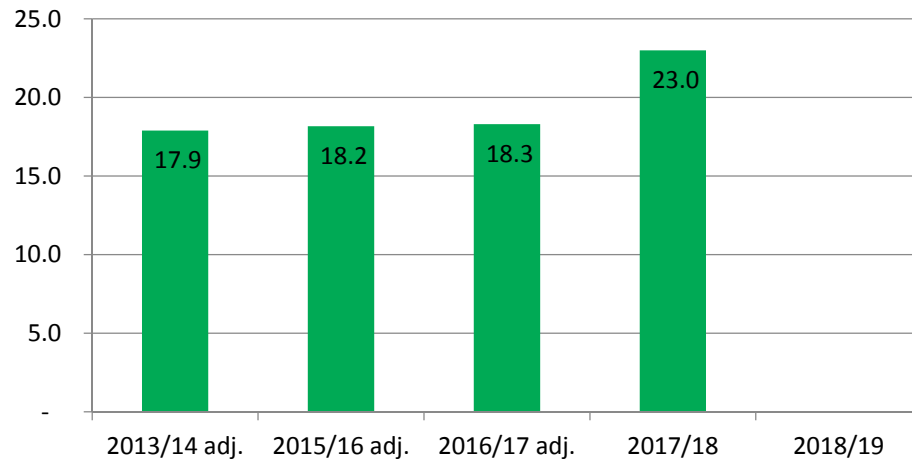
## Timber Production (MIL. m<sup>3</sup>)



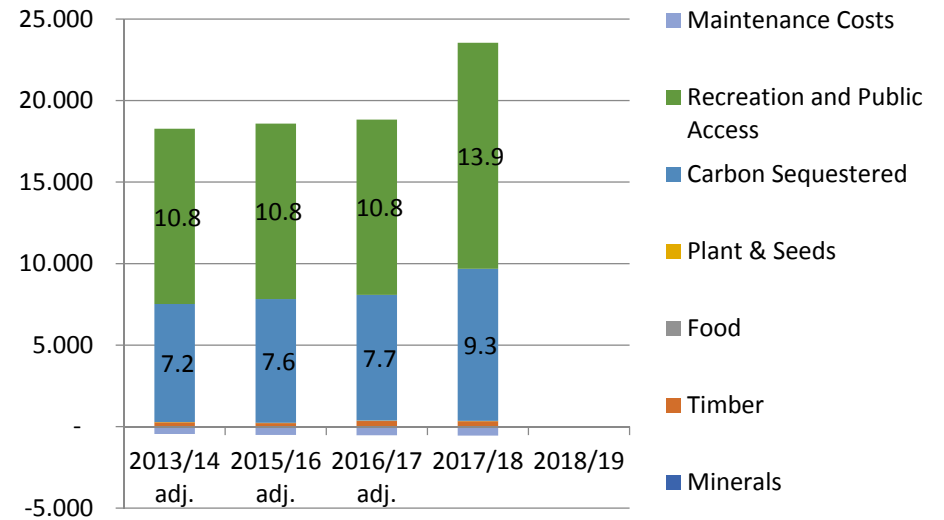
# Increasing Natural Capital

The Nation's Forests' natural capital value is increasing

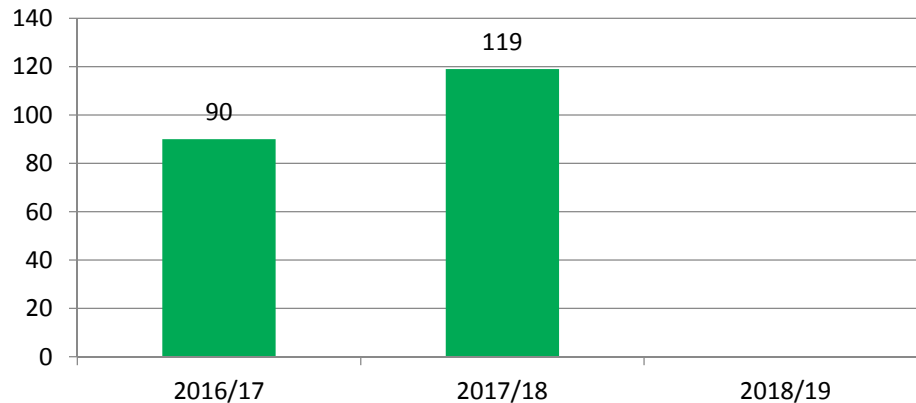
### Total Adjusted Natural Capital Value (£b)



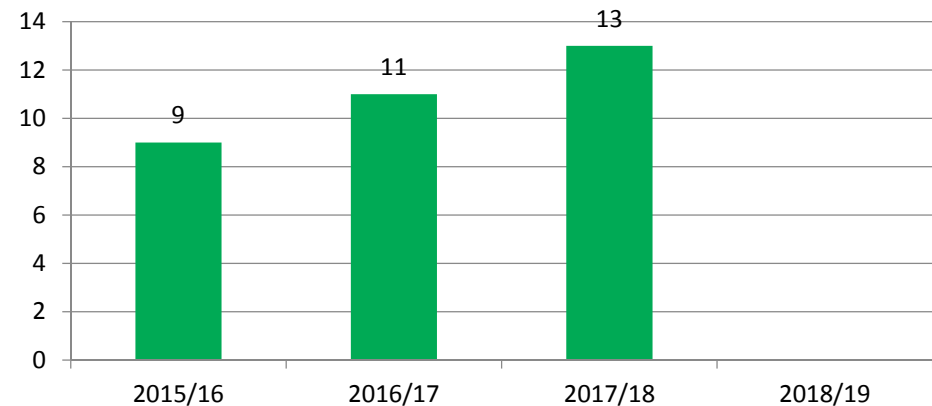
### Sources of NC Value (£b)



### Number of Items in Natural Capital Account Asset Register<sup>4</sup>



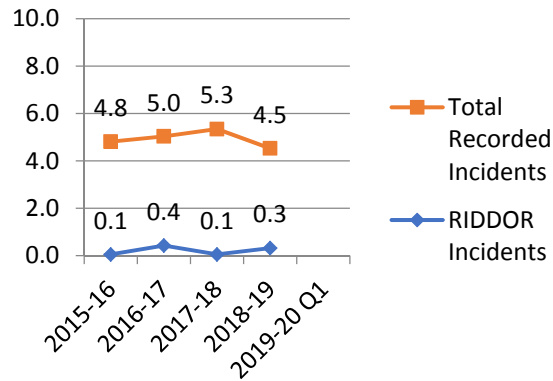
### Number of Items in Natural Capital Account Monetary Flow Account



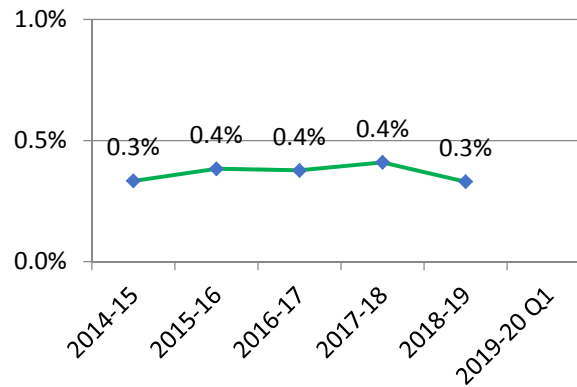
# Being an outstanding organisation

We are excellently led, motivated and skilled people.  
We are supported to deliver and act with integrity.

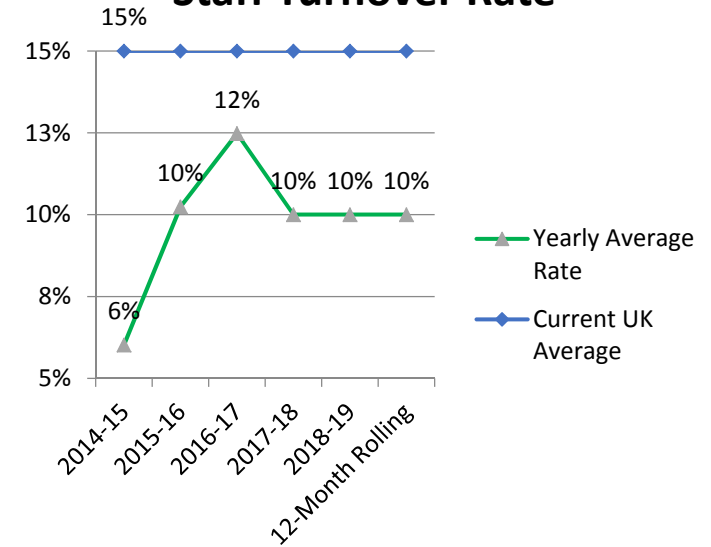
### Staff Safety - Accident Rate per 100,000 Hours



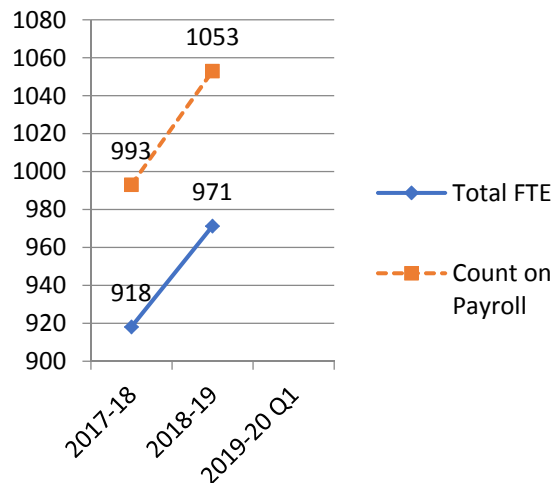
### Public Safety (Rate of reported incidents per total annual visits)



### Staff Turnover Rate

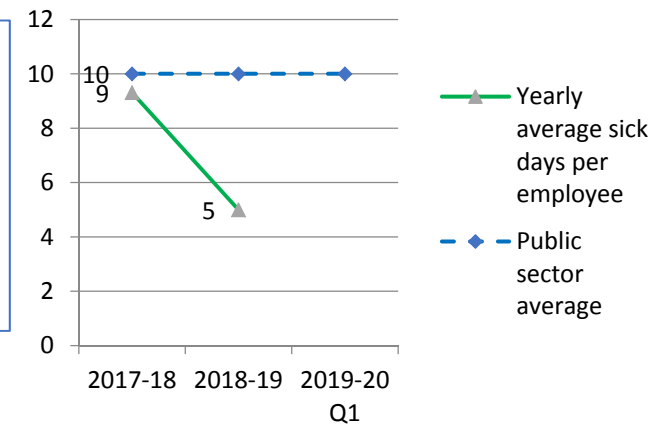


### Staff Head Count



Current Vacant Posts.  
iTrent system requires maintenance before this can be reported.

### Staff Sickness (ave. days per employee)

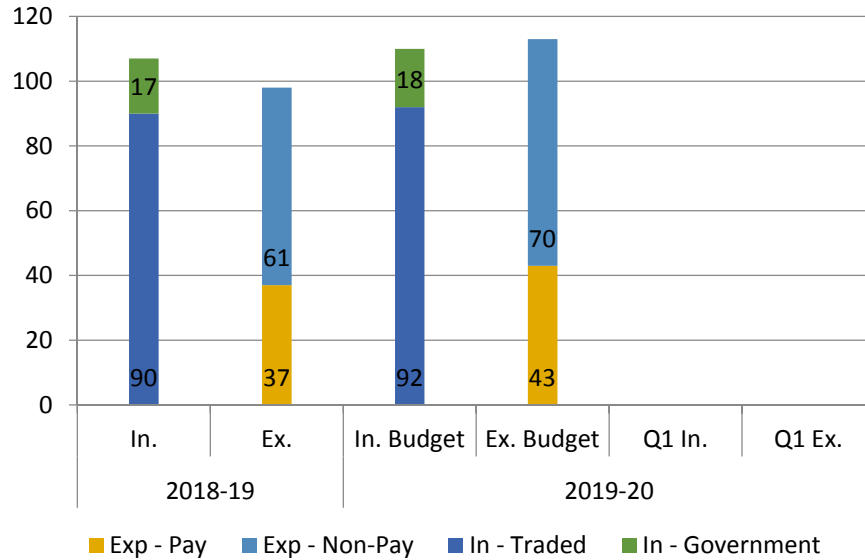




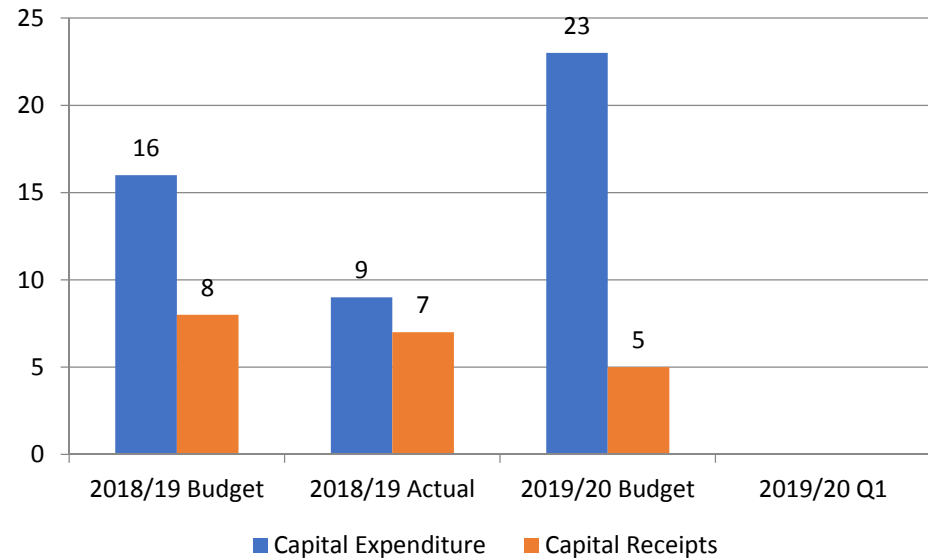
# High Quality Investments & Sustainable Finance

The Nation's forest estate is financially sustainable, standing on its own feet

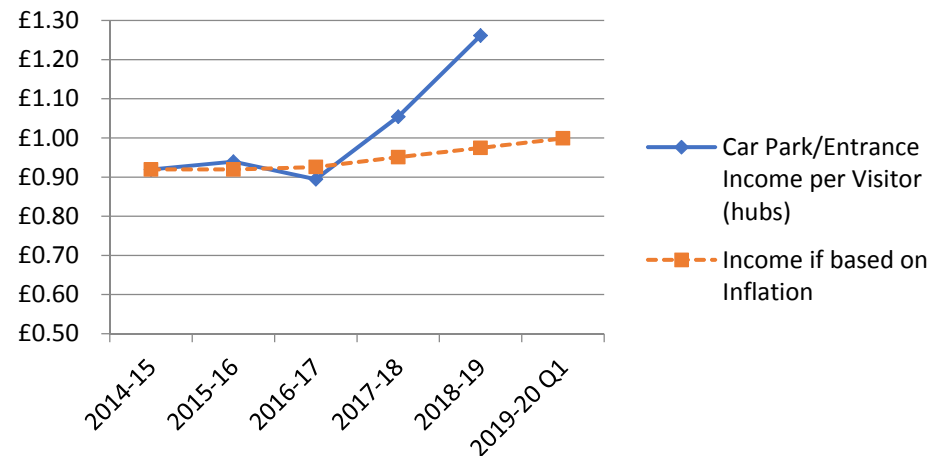
### Income & Expenditure (£m)



### Capital Investment (£m)



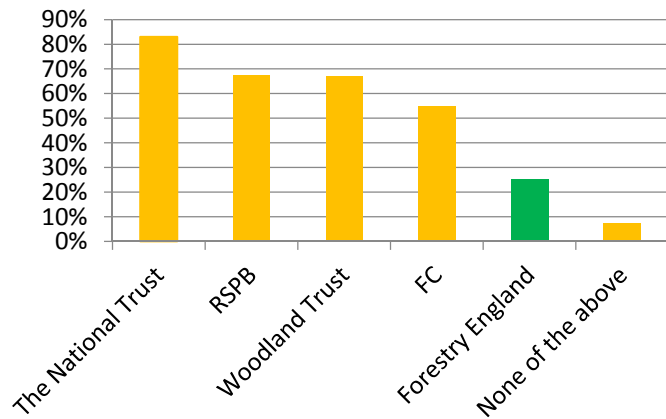
### Entrance Income per Visitor



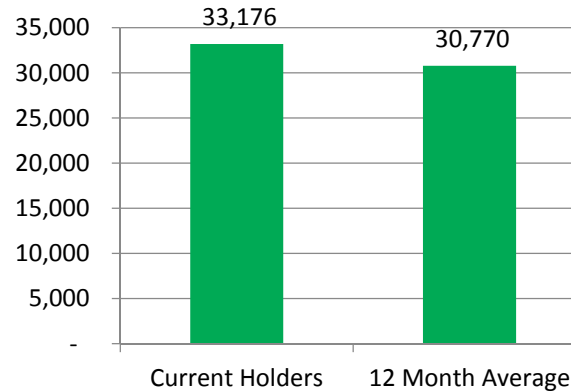
# Telling Our Story

What we do has a positive influence beyond the Nation's forests and is recognised as being first class

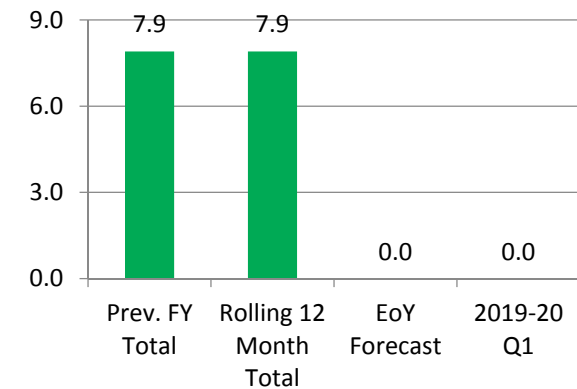
## Brand Awareness of Leading Land Managers<sup>1</sup>



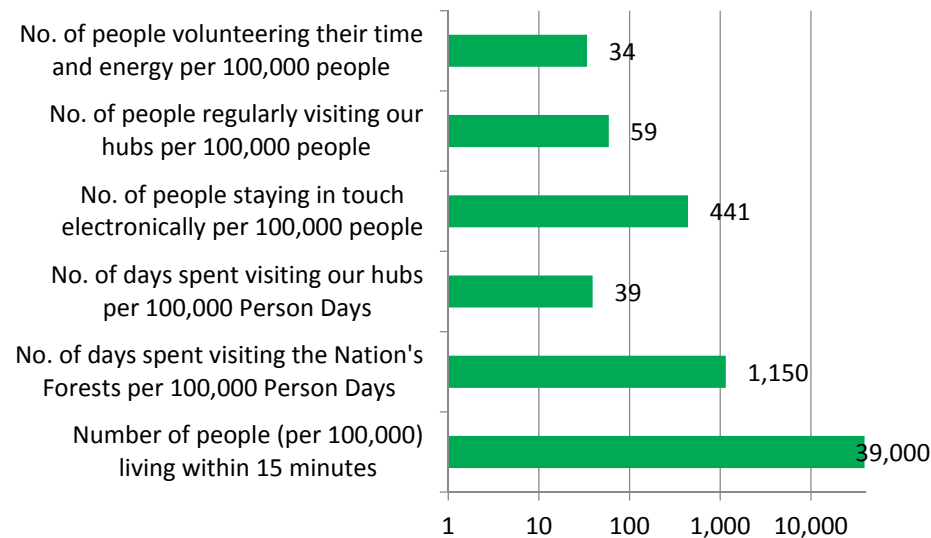
## Supporter Loyalty - Discovery Pass Holders



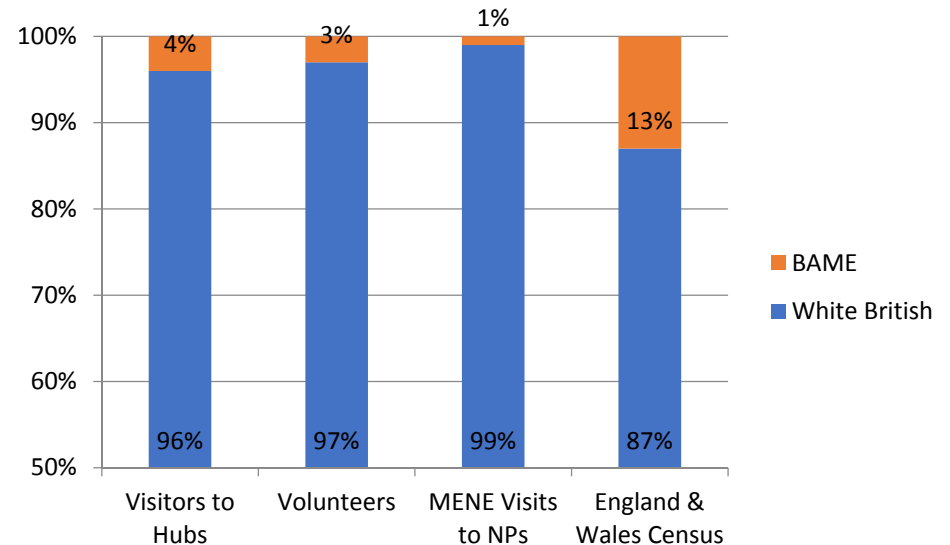
## Visits to Main Hubs (m)



## Connection Choices



## Ethnic Diversity of Connected People





Paper Title: Land Acquisition Strategy for Expansion of the Nation's Forests

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