

Forestry England Board Meeting Agenda

20 July 2022 09:30 - 12:30

MS Teams

Attendees

Forestry England Board: Julia Grant, Amanda Grist, Tristram Hilborn, Peter Latham, Jennie Price, Gurch Randhawa, Mike Seddon, Chris Simpson, Richard Stanford, William Worsley (Chair)

In attendance: Mari Sibley (Item 6)

Secretariat: Rachel Mackintosh

NO. / TIME mins	Start time	ITEM (Materials)	OUTCOME REQUIRED	LEAD
Welcome				
1. 10 mins	09:30	Chair's Welcome and Update		Chair
2. 10 mins	09:40	Declarations of Interest Approval of minutes, matters arising and action log. Matters Arising	For information	Chair
Management Accountability				
3. 25 mins	09:50	CEO report	Discussion & note	Mike Seddon
4. 30 mins	10:15	M3 Finance Report	Approval	Amanda Grist
5. 5 mins	10:45	ARAC Chair report	Discussion & note	Julia
	10:50-11:00	10 min Break		
Items for Approval				
6. 30 mins	11:00	Commercial Sensitive	Discussion & Steer	Chief Executive
7. 25 mins	11:30	Forestry England draft risk appetite statement	Approval	Tris / Rachel

8. 20 mins	11:55	Board effectiveness review and Improvement plan	Discussion & steer	Mike/Rachel
9. 5 mins	12:15	Annual review of Terms of Reference	Approval	Chair
Concluding items				
5 mins	12:20	AOB		Chair

Future meetings:	
19-21 Sep 2022	Meeting and Visit - Forest of Dean
•	Mon 19th - Board meet for dinner
•	Tues 20th - site visits in Forest of Dean
•	Weds 21st - 9am-12noon Board meeting; lunch; 12.45-2pm optimised trading model discussion
6 Dec 2022	Virtual
All proposed visits are subject to Government guidance in place at the time.	



Forestry England board meeting

10 May 2022 16:00 - 18:30

Dalby Visitor Centre and on MS Teams

Attendees

Forestry England Board: Julia Grant, Tristram Hilborn, David Hodson, Peter Latham, Jennie Price, Gurch Randhawa, Mike Seddon, Chris Simpson (via Teams), Richard Stanford, Sir William Worsley (Chair)

In attendance: Mari Sibley, Andrew Stringer, PK Khaira-Creswell, Karen Moore
Secretariat: Rachel Mackintosh

Agenda items

1. Welcome

| Item Lead: Sir William Worsley

The Chair welcomed members to the sixteenth full meeting of the Forestry England board. There are no apologies for this meeting.

Chair's update

The Chair provided the following updates:

- Considerable time has been spent on ALB reform, and although the Nature Bill was not included in the Queen's speech this work would continue.
- Meetings have taken place with the Chairs and CEOs of Natural England and Environment Agency, Minister Goldsmith for the bi-annual Ministerial Performance review, he had attended CONFOR's APPG on forestry and tree planting and the FC senior managers meeting.
- Forest Research: increase in Defra funding for Tree Health welcomed, the opening of the Alice Holt laboratory has increased interest in our excellent research facilities, and FR made a strong contribution to the Institute of Chartered Foresters conference on Climate Smart Forestry.
- Forest Services: update provided on England woodland creation offer, the Urban Tree Challenge Fund, Local Authority Treescapes Fund and Nature for Climate Fund applications and delivery. The Development Woodland officer scheme has opened for those looking to kickstart their career in forestry.

In response to a question Richard confirmed data on breeding waders would be available to Commissioners mid-July.

2.1 Declarations of Interest

The update to Chris's register of interests noted. There were no declarations of interests for this agenda.

2.2 Approval of Board minutes

The minutes of the Forestry England Board meeting held 03.03.2022 and the extra meeting on 05.04.2022 were agreed as a true record, subject to an amendment to the item on 03.03.2022 discussion on stakeholders to reflect the discussion more fully.

Action Items	Person responsible	Deadline
Amend the 03.03.2022 stakeholder discussion minutes, with input from Julia	Rachel	30.06.22

2.3 Actions

The updated action log was reviewed. It was noted that the discussion in action 85 took place the previous evening and the action could now be closed. The rest of the action log was agreed as written.

2.4 Matters Arising

None discussed.

3. The provision and sale of Ecosystem Services | Item Lead: Mari Sibley

Mari led the item, introducing the proposed strategy for expanding nature based finance activity and operating in the ecosystem markets, in context of new legislative obligations to ensure biodiversity net gain that come into force November 2023. The Board was asked to steer and approve the proposed programme of work.

In the discussion that followed the Board were highly supportive of the proposed work programme, comments and steer included:

- The importance of finding the right partners emphasised, with the due diligence process used in our corporate partnership programme to be used in selecting partners.
- Forestry England should aim to be sector leaders, and therefore the need to move at pace to be established as trusted partners by November 2023 as there will be many others in this marketplace.
- In considering the levels of consultancy costs for the pilot it was noted the costs incurred were in line with market prices and provided the documentation for the life of the scheme.
- In considering the capacity and resourcing of the working group, Mari confirmed that two surveyors in the Woodland creation programme will be incorporating this work into their workloads.
- Steer was provided to concentrate resources on the bigger opportunities available rather than many smaller opportunities.
- The importance of strong communications to support and promote that we are entering this market.

The Board approved the programme of work.

4. Biodiversity Plan | Item Lead: Andrew Stringer

Andrew led the item, which is a follow up to the paper the Board received October 2020 when they approved the key principles of the Biodiversity plan: the plan has now been developed and is ready for external launch. The Board was asked to approve the external launch of the plan providing comment on the content and ambition of the launch document.

Andrew noted that 53% of the nation's forests are now managed where a primary objective is biodiversity recovery, this includes all open habitats, ASNW, PAWS, and SSSIs.

The plan and document were welcomed by all, the comment and steer on the document included:

- The intended audience for the communications, recognising this would be a key document for intelligent debate and education; if it's aimed at experts then be upfront in saying this. In addition, it would be good to have an intermediate document between this and a web page for a wider audience and encouraged more story telling aimed at the public, including something tailored for young people. An infographic of key facts was requested so all have figures at their fingertips and can advocate at all levels to NGOs and others. Action: Andrew to take forward
- The focus on measures welcomed.
- A prompt given to weave in the message of timber as a valued material and how that fits with biodiversity plan.
- It was suggested the call to action could be stronger and more visible.
- It was noted it was important to have a proper launch of the plan.

The Board approved the external launch of the biodiversity plan.

Action Items	Person responsible	Deadline
Consider an infographic of key biodiversity figures to equip all with figures to support them in advocacy and influencing.	Andrew Stringer	20.07.22

5. Commercial Sensitive

6. Insight from the staff survey | Item Leads : Mike Seddon / Karen Moore

Karen and Mike led the item which presented the Board with high level results from the staff survey 2022. The Board were asked to identify potential areas for focus within the action plan that would be agreed with SLT the following week.

Recognising that pay concerns are an area for FC focus the other areas flagged as concerning to the Board were results on:

- Senior leadership and the belief that no action would result, the Board emphasised that action must be taken and communicated to staff in response to the survey. It was recognised that there were huge amounts of data that will be drilled down to see what this means for individual teams as well as at organisational level.
- Areas identified of concern were performance management, workloads, whistleblowing, bullying and discrimination.
- It was noted that IT did not feature at all in the survey, whereas in many businesses it would be high on the list of areas of concern, this reflected the fantastic work of the IT team through covid and how appreciative staff were of this work.

Action: Mike to carry Board comments through to SLT meeting

Action Items	Person responsible	Deadline
Take the Boards comments on the staff survey for SLT consideration	Mike	17.05.22

7. M12 Finance Report

| Item Lead : David Hodson

David led the item reporting that 2021-22 represented a good out-turn which meant 2022-23 to start in a good place. These reflected;

- record visitor numbers
- timber volume down but prices up, including impact of storm Arwen
- pay-underspend from staff recruitment difficulties, both new posts in the plan and turnover feeding the vacancy factor, which placed pressures on delivery
- non-pay underspend, contributed to by contractor delays
- Additional Forestry Commission funds to support plant health activity, and the Defra sustainability project funds
- Cash balance at the end of the year was £54m, which allowing for ring-fenced money such as the England Tree Planting Programme (Nautre for Climate) funding; SR21 Biodiversity funds and Defra sustainability, enabled some £18-21m to be utilised for investments into the nation's forests.

The discussion that followed included:

- The disproportionate expenditure in the last quarter. David noted the because of the seasonal nature of the business disproportionate expenditure in the last quarter is to be expected, however excessive expenditure in the last month is a concern, with this year having the highest level of spend in the final month todate. It was noted that the Executive Team have raised a similar concern and that work to understand the position is to be done.
- The basis of the figure of £99M in recreation investment was confirmed as being an indicative figure coming out of the recreation model.
- Confirmation that Defra Investment Committee have accepted that the proceeds of the Forest Holidays sale are to be reinvested in the nation's forests by Forestry England for public benefit, and that there will be no exceptional Treasury oversight of this.
- The risks posed by the recruitment issues, noting the link back to the previous item. Mike noted the work underway to improve the recruitment processes and systems, and identification of main areas of skills gaps.

8. ARAC Chair's report

| Item Lead : Julia Grant

Julia reported on the March ARAC meeting, noting the attendance of Colin Day, chair of Defra ARAC highlighting the risk escalation process and ways of working with Defra. She noted other areas discussed were processes for: sighting the individual Boards of their high priority risks, a whistleblowing case and accounts valuation review. There will be a lessons learned review after the publication of the ARAs.

The discussion that followed included:

- Further detail on the findings of the Accounts payable audit.
- It was noted that lone working audit received moderate assurance, the key point of which was the number of false alarms received.
- Work continues to give managers confidence to provide reasonable times for audit responses and, where appropriate, to challenge findings.

9. CEO report

| Item Lead : Mike Seddon

Mike introduced the report drawing attention to:



- CITF - the expression of interest process was on track and on time, and Chris to help with the sift. CCC in place to provide interim management of the sites this summer.
- Trail Hunting in the nation’s forests had been raised in Parliament, and the minister has confirmed that the decision sat with the Forestry England Board.
- BASC have raised concerns on our approach to woodcock, Mike is meeting their chief executive noting we are confident on our position as set out in the report.
- Sport England - refreshed partnership agreement signed.
- ALB report work continues, there has been a lot of work at pace with Defra and the eventual direction this goes in is not yet determined.

The following issues were raised by members and discussed:

- CITF the potential for future opportunities for camping in the nation’s forests were welcomed whilst noting the priority were the current sites.
- Update on senior staff - interim head of IT in place. New CFO would start on 20th June.

Health & Safety

Tris drew attention to:

- One RIDDOR accident since the last report
- The culture project, which is being connected to the ‘look out, look after’ corporate value was progressing well, and forming part of the staff briefings. The project would be progressed through the remaining staff briefings in the summer, then in the autumn through targeted campaigns, resourcing and monitoring and evaluation.

Performance report

Tris noted:

- The employee turnover rates have increased as discussed earlier in the meeting.
- Visits to Hubs was showing strong demand, but also showed the impact of the storms, linking back to the finances.

The discussion that followed included:

- A question was asked if we should track contractor RIDDOR incidents, and what it would give us, eg contribute to setting standards. Tris to investigate.
- New system for the safeguarding disclosure process noted.

Action Items	Person responsible	Deadline
Consider if we should track contractor RIDDOR incidents and what doing this would offer us	Tris with Clare James	20.07.22

AOB

Jennie raised a query on the opportunities that could be raised by retail spaces such as the Board had seen at Dalby Visitor centre, suggesting if it was worth exploring then consider a pilot with high quality retail advice. Tris noted that the current view is that food and beverage offered better margins, but he and Mike agreed it would be good to ask the question again. Tris to bring a response to the next Board meeting.

William noted this was David’s last Board meeting and thanked David on behalf of the Board for all his work for the Board, Forestry England and Forestry Commission.



Action Items	Person responsible	Deadline
Investigate and respond to the Board's query on retail opportunities.	Tris	20.07.22

It was noted the next meeting will be a virtual meeting on 20 July.

The meeting ended at 18:32



20 July 2022

Paper Title: CEO Report

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



20 July 2022

Paper Title: Forestry England Finance Report

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**



20 July 2022

Paper Title: Commercial Sensitive

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**

BOARD PAPER

Paper Title: Draft risk appetite statement
Author/Presenter: Tristram Hilborn / Rachel Mackintosh

Paper Requirement: To discuss and approve the Forestry England Risk Appetite statement

Decision Required	For Approval	For Steer	Official/Commercial Sensitive
	X		

Executive Summary of key points and action required

The draft Forestry England risk appetite statement has been developed with functional leads and recommended for approval to the Forestry England board by the Executive Team. The statement considers the risk appetite for the main function areas of the business. When looked at overall the predominant risk appetite level within the organisation is cautious to open. The Board is asked to consider:

- a) The risk appetite statement and if they agree with the risk levels assigned to functional areas?
- b) Does the overview of risk appetite levels and the predominantly cautious to open level reflect the level of risk that Forestry England is willing to accept?

How this paper takes forward Forestry England’s strategic aims in Growing the Future

The risk appetite statement forms part of the strategic direction of Forestry England, identifying the level of risk the organisation is willing to take to achieve its strategic aims.

Core messages for the non-executives to promote

Appropriate to functional area, the range of Forestry England’s risk appetite levels ranges from Averse to Eager, however the predominant level of risk being taken within the organisation is a cautious to open level.

Content
1. Purpose and context

Understanding our organisation’s collective appetite for risk enables us to avoid inappropriate risk taking, exposing the organisation to a risk it cannot tolerate; or an overly cautious approach which may stifle growth, development and fully maximising on opportunities and achieving our strategic objectives.

Having this kind of clarity has been shown to be incredibly beneficial to organisations by empowering and informing decision-making and allocation of resources by bringing

Draft risk appetite statement

transparency to our people, stakeholders, and partners. Our appetite has been written to capture and reflect Forestry England's judgement, confidence, and boldness.

Once this statement has been agreed, the ET has expressed the intention to have a visual representation of the statement shared across the organisation to contribute to empowering appropriate decision-making and delegations.

This statement has followed the format agreed with the rest of the Forestry Commission and in line with the recommendations of Governments Orange Book 'Management of Risk'.

2. Discussion

The Board is asked to discuss and consider the following two questions:

- a. The risk appetite statement and if they agree with the risk levels assigned to functional areas?

The full risk appetite statement is attached at **Appendix 1**.

This statement has been prepared and discussed with functional leads across the business, the Risk Management Group and the Executive Team who recommend it to the Board.

Case studies:

The following are case studies of how the appropriate level of risk appetite is applied in our decision making

i. Commercial services

A supplier of a solution is identified who are preferred because they are known to us and have a strong reputation in the wider market. Commercial Services would still take a **cautious** risk appetite approach and manage a competitive procurement process to appoint a new supplier rather than negotiating directly with the preferred supplier.

Whilst taking a cautious approach, this can inevitably add pressure to the process for our people, but the impact of not being seen to procure compliantly with Government standards or regulatory framework could be significant. A cautious approach to this risk appetite would reduce the risk of legal challenge from other suppliers, demonstrate proper use of public money and show a fair and transparent process and protect our reputation.

ii. IT

Staff-members who wish to take external professional qualifications frequently approach us with requests to install exam-proctoring software on their FC device. The pandemic has seen a significant increase in this area of the training industry; proctoring software enables the examining body to assure themselves that an exam taken remotely is scrutinised and that the examinee is subjected to the same levels of oversight as an exam taken in the provider's exam facilities.

However, Exam Proctoring Software comes with significant inherent risks, allowing the exam-proctor to take complete control over the examinee's device, access, software and information without the knowledge of the examinee and for that reason, we take an

Draft risk appetite statement

averse approach and deny the installation on any FC device. We recognise the issues that this may cause the potential examinee and we make available a non-FC device (a device not configured for FC use) for loan to the examinee on which to install such software for use at home, or anywhere that is off-network.

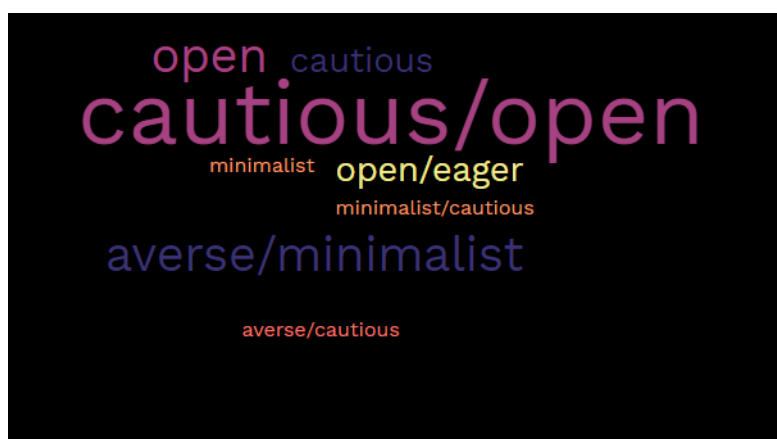
- b. Does the overview of risk appetite levels and the predominantly cautious to open level reflect the level of risk that Forestry England is willing to accept?

The following dashboard at figure 1 provides a visual overview of the risk levels proposed.

Risk appetite levels	Averse	Minimalist	Cautious	Open	Eager
Governance					
Strategy					
Health & Safety, Forestry and land management, recreation					
Forest Resilience and climate driven environment change					
Management of strategic assets and quarries					
Acquisitions					
Commercial Activity					
Legal obligation ourselves					
Legal in defending ourselves against third parties					
Financial					
Commercial and Corporate Partnership					
Commercial Services (public contract regulations - goods / services / construction)					
People: Culture and behaviours					
People: Legal and statutory requirements					
Cyber Security					
Technology & Connectivity					
Information					
Project/Programme risks					
Reputational risks					

Figure 1:Forestry England’s risk appetite dashboard

Whilst the word cloud in figure 2 gives the same overall sense of what the organisational risk appetite levels are in a different visualisation.



Draft risk appetite statement

Figure 2 Word cloud of Forestry England's risk appetite

From these two charts the modal value that emerges is a cautious to open risk appetite, but with all levels of the range of risk appetite levels reflected in the statement. The Board is asked to consider if this feels an accurate reflection of risk appetite that they wish to see for the organisation.

3. Recommendations

The Executive Team recommend approval of the risk appetite statement.

4. Resource implications

No additional resource requirements

5. Risk management

The risk appetite statement will form part of our risk management approach, empowering decision making and identifying those decisions that require escalation should the level of risk identified exceed the levels set out in the statement.

6. Equalities analysis

It is not considered that there is an equalities impact in the statement itself. The equalities impact of individual risks will be considered as part of that individual risk analysis.

7. Communications

Once agreed the risk appetite statement will be communicated to:

- the wider organisation via Roots to inform decision making
- individuals and offices with delegated decision-making authority in an easily accessible format
- to the Forestry Commission ARAC for information on the Forestry England risk appetite.

8. Attachments

Appendix 1 Forestry England Risk Appetite statement

Rachel Mackintosh

Forestry England Head of Corporate Governance & Programmes and CEO office

07.07.22

BOARD PAPER

Paper Title: Forestry England Board Effectiveness Review 2022

Author/Presenter: Mike Seddon / Rachel Mackintosh

Paper Requirement:

Decision Required	For Approval	For Steer	Official/Commercial Sensitive
X			

Executive Summary of key points and action required

This paper reviews:

1. The progress made in taking forward the 2021-22 Board improvement plan, since the mid-year review held March 2022. - **Appendix 1**
2. The results of the 2022 Board effectiveness review - **Appendix 2**

The Board is asked to consider these documents, review the evaluation of its effectiveness and determine the priorities for the 2022-23 Board improvement plan.

The recommendations the Board is asked to consider are:

- a) impact of progress made with the 2021-22 action plan and agree the action around performance measures for Growing the Future rolls forward into 2022-23.
- b) Whether an overall 3 “agree” rating give an accurate reflection of the overall effectiveness of the Forestry England board?
- c) the Board agrees the new actions listed below should form the action plan 2022-23:
 - i. Completion of a benchmarking exercise, comparing Forestry England’s performance against comparable external peers. The first step would be to agree what broad areas of performance the Board wishes to see included.
 - ii. Contribute to improving function of ARAC / Board through working with wider FC on communications, systems and reporting
 - iii. Embed risk appetite approach (to be agreed July 2022) into the organisation’s decision-making processes.

How this paper takes forward Forestry England’s strategic aims in Growing the Future

The Board is central to Forestry England achieving its objective of being an outstanding organisation. The annual Board effectiveness review and resulting improvement plan are the key

Board effectiveness review

mechanism to ensure we continue to develop and improve a high quality successful Forestry England Board.

Core messages for the non-executives to promote

The Forestry England Board is committed to providing high quality strategic leadership to Forestry England. Its annual effectiveness review and improvement plan a key mechanism to ensure continual improvement of its performance and effectiveness by both non-executive and executive members.

Content

1. Purpose and context

The Forestry England Board is committed to ensuring that it provides the highest levels of corporate governance. It does this through:

- Reviewing its performance through an annual self-evaluation exercise.
- Agreeing an action plan for priority areas identified in the effectiveness review for improvement in the following year.

This year the questionnaire has been updated to reflect the latest Cabinet Office guidance issued in April 2022. These have been combined with retaining appropriate questions from the previous questionnaire based on NAO questionnaire for successful boards to provide continuity of data so that trends in responses can be tracked. All Board members have completed the 2022 Board effectiveness review. However, note that the previous Finance Director completed the old questionnaire, so was not asked the new questions, whilst the new CFO was not asked to complete the questionnaire in her first week.

This paper and its attachments set out:

- a) Progress made on 2021 actions and learning for developing and management of the 2022 action plan.
- b) The results of the 2022 self-evaluation exercise
- c) Proposals for the 2022 action plan for the Board to discuss and determine.

2. Discussion

The 2021-22 action plan - Appendix 1

The Board action plan is attached which shows progress on last year's action and the results of this year's effectiveness are attached.

The focus for the plan was on the following areas:

- Performance management
- Stakeholder relations
- Risk Management
- The Boardroom

Action has been taken across all areas. The Board is asked to review this and consider the impact of progress made over the year.

Board effectiveness review

It is proposed that the Board keep the Growing the Future scorecard and KPI report under review during 2022-23 as the latest version is not yet fully operational and embedded. This action would roll-forward to the 2022-23 Action Plan.

Board effectiveness review - Appendix 2

The summary of responses is attached, the Board members responses are greatly appreciated.

Overall, no section of the questionnaire received a combined average score lower than 3, which is “agree”. Certain questions received a greater range of scores than others, the questions with the biggest range of scores were:

- The board are confident that it is always provided with advance notification of all proposed novel or contentious expenditure when these occur.
- The Board is confident that the audit risk and assurance committee has sufficient expertise, support, time and access to key staff and information to enable it to discharge its monitoring and oversight role effectively.
- The board develops and enacts succession planning to ensure long term sustainability of fulfilment of its duties.

The scoring indicates that while there are individual areas where improvements can be identified for prioritisation, overall the Board is functioning at a reasonably high level, with the proportion of questions receiving the highest average score (4 = strongly agree) increasing from 43% to 61%.

Do members feel this is an accurate reflection of the overall effectiveness of the Forestry England board?

The Board are asked to consider specific areas that need strengthening as part of continuing improvement and the actions needed to address this for incorporation into the 2022-23 improvement plan.

It is suggested that actions should include:

- a) Completion of a benchmarking exercise, comparing Forestry England’s performance against comparable external peers. The first step would be to agree what broad areas of performance the Board wishes to see included.
- b) Contribute to improving function of ARAC / Board through working with wider FC on communications, systems and reporting
- c) Embed risk appetite approach (to be agreed July 2022) into the organisation’s decision-making processes.

3. Recommendations

To summarise the Board is asked to consider:

- a) impact of progress made with the 2021-22 action plan and agree the action around performance measures for Growing the Future rolls forward into 2022-23.
- b) Whether an overall 3 “agree” rating give an accurate reflection of the overall effectiveness of the Forestry England board?

Board effectiveness review

- c) Whether the Board agrees the new actions listed below should form the action plan 2022-23:
- i. Completion of a benchmarking exercise, comparing Forestry England's performance against comparable external peers. The first step would be to agree what broad areas of performance the Board wishes to see included.
 - ii. Contribute to improving function of ARAC / Board through working with wider FC on communications, systems and reporting
 - iii. Embed risk appetite approach (to be agreed July 2022) into the organisation's decision-making processes.

d) Resource implications

The Board effectiveness evaluation will feed into the Improvement Plan. Actions within this plan will be led by the Corporate Affairs Team and the Board itself and incorporated into the board work plan for the year.

e) Risk management

Consideration of the results of the self-evaluation exercise and the development of the 2022 improvement plan will enable continued improvement in the functioning of the Board, mitigating risks of poor /weak governance and compliance.

f) Equalities analysis

This will be considered for actions as the improvement plan is developed.

g) Communications

Further sharing of the action plan with the Executive Team and FC governance forum will be considered as appropriate to support in the continuing development of the Board.

h) Attachments

1. Appendix 1 2021-22 Board Improvement Plan
2. Appendix 2 Self-evaluation 2022 response summary

Rachel Mackintosh

Head of Corporate governance & programmes, and CEO office

08.07.22

BOARD PAPER
Paper Title: Annual review of Board Terms of Reference
Author: Rachel Mackintosh
Paper Requirement:

Decision Required	For Approval	For Steer	Official/Commercial Sensitive
X			

Executive Summary of key points and action required

The Board is asked to review the Terms of Reference (ToR) and agree the changes proposed in this paper. The agreed updated TOR will proceed to the Forestry Commissioners for approval.

Recommended updates for approval reflect the changes that have occurred over the past year to: Forest Holidays / CITF, Board's role in future JV's, approval of the Natural Capital Accounts removed, explicitly include supporting the Accounting officer in his duties, the appointment of a Chief Finance Officer replacing the Director of Finance and the post-pandemic Board meeting structure.

How this paper takes forward Forestry England's strategic aims in Growing the Future

A regularly reviewed clear terms of reference for the Forestry England Board is central to providing the highest levels of corporate governance required to be an outstanding and sustainable organisation.

Core messages for the non-executives to promote

The ToR set out the Forestry England Board's role, its responsibilities, make up, its required committees and how it will conduct its business.

Content
1. Purpose and context

The Forestry England Board's TOR and scheme of delegation set out the powers and responsibilities that have been delegated to it by the Forestry Commissioners. The ToR set out the Forestry England Board's role, its responsibilities, make up, its required committees and how it will conduct its business.

In June 2020 the Board agreed to annually review of its Terms of Reference in July each year, in conjunction with the self -evaluation exercise.

Annual review of ToRs

The current ToR are attached at Appendix 1, Item 9 paper 9.2.

2. Discussion

In preparation for this review, the ToR have been circulated in advance to Board members for proposals for update and amendments. The following amendments have been proposed:

- Pg 2 Bullet point 6 rewritten to reflect the changes to Forestry England's relationship with Forest Holidays and CIFT over the year with their cessation of the joint ventures, whilst maintaining the board's role in approving options for future sites.
- Pg 3 Bullet 7 new bullet, keeping in the TORS the Board's role in the exercise of Forestry England's power to enter future joint ventures.
- P3 bullet 13 reference to the Board approving the natural capital accounts is removed as this isn't required and is inaccurate in practice. The NCA is a technical document, populated in line with a set methodology, and is shared with the Board for information rather than approval.
- Pg3 bullet 14 explicitly include the clause that the Board supports the Forestry England Chief Executive in the discharge of their duties as Accounting Officer for Forestry England.
- Pg 3 the change of role title from Director of Finance to Chief Finance Officer is updated
- Pg 4 the meeting arrangements are amended to reflect our post-pandemic blended way of working.

The board is also asked to discuss any further changes proposed and agree a recommendation to the Forestry Commissioners.

3. Recommendations

The Board is asked to agree the proposed changes, in addition to the result of additional changes that result from the discussion and recommend these amendments to the Forestry Commissioners for approval.

4. Resource implications

None.

5. Risk management

- Lack of clarity in roles and responsibilities will lead to unclear and muddled leadership for the organisation.
- Decisions made by the Board would be open to challenge if it is not clear that the power to make the decision is within their ToR.

These risks will be managed through having clear ToR that are reviewed annually.

6. Equalities analysis

The ToR have been reviewed to ensure there is no adverse direct or indirect E&D impact.

7. Communications

The ToR is on the Board SharePoint site for easy access to Board members at all times.

Annual review of ToRs

The ToR is a public document and is available on request.

8. Attachments

Appendix 1 Forestry England Board Terms of Reference, Item 9 Paper 9.2

Author Rachel Mackintosh

Forestry England Head of Corporate Governance & Programme, and CEO Office

Date 07.07.22