

Forestry England Board Meeting Agenda

7 December 2021 10:00 - 13:15

MS Teams

Attendees

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

In attendance: James Simpson (Item 6), Darren Broadhead from Broadhead Global (Item 6), PK Khaira-Creswell (Item 7), Mathew Maguire (Item 8), Mari Sibley (Item 8)

Secretariat: Rachel Mackintosh

NO. / TIME mins	Start time	ITEM (Materials)	OUTCOME REQUIRED	LEAD
Welcome				
1. 10 mins	10:00	Chair's Welcome and Update		Chair
2. 15 mins	10:10	Declarations of Interest Approval of minutes, matters arising and action log.	For information	Chair
Management Accountability				
3. 30 mins	10:25	CEO report	Discussion & note	Mike Seddon
4. 35 mins	10:55	Finance report and Business Plans	Discussion & steer	David Hodson / Tristram Hilborn
5. 10 mins	11:30	ARAC report	Discussion & steer	Julia Grant
	11:40-11:55	15 min Break		
Items for Approval				
6. 20 mins	11:55	Commercial Sensitive Item	Discussion & steer	James Simpson and Darren Broadhead

7. 20 mins	12:15	Commercial Sensitive Item	Discussion & steer	PK Khaira-Creswell
8. 20 mins	12:35	Commercial Sensitive Item	Approval	Mari Sibley and Mathew Maguire
9. 15 mins	12:55	Commercial Sensitive Item	Discussion & steer	Chief Executive
Concluding items				
5 mins	13:10	AOB		Chair

Future meetings:	
3 Mar 2022	Virtual
9-11 May 2022	Meeting and Visit - Yorkshire TBC
20 July 2022	Virtual
19-21 Sep 2022	Meeting and Visit - Forest of Dean TBC
6 Dec 2022	Virtual
All proposed visits are subject to Government guidance in place at the time.	



Forestry England board meeting

7 December 2021 10:00- 13:15

On MS Teams

Attendees

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

In attendance: James Simpson, Darren Broadhead, PK Khaira-Creswell, Mari Sibley, Mat Maguire

Secretariat: Rachel Mackintosh

Agenda items

1. Welcome | Item Lead: Sir William Worsley

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

Chair's update

The Chair provided the following updates:

- The joint Natural England and Forestry Commission conference was held 2 December on the shared objectives of the two organisations.
- Chair gave the closing address at the Trees for the Future Event in Birmingham.
- The biannual ministerial review had taken place with Chair FC CEO and Lord Goldsmith which set out the FC priorities.
- Forest Services updates provided on current plant health outbreaks, stakeholder engagement, the England Woodland Creation Offer, and enforcement of Regulations.
- Forest Research updates provided on the inaugural science seminar, meeting with the Russian COP26 delegation and the Alice Holt lab has now been handed over.

2.1 Declarations of Interest

The Chair noted that various updates to the Register of interests had been received and these would be reviewed at the Board of Commissioners on 9 December.

There were no declarations of interests for this agenda.

2.2 Approval of Board minutes

The minutes of the Forestry England Board meeting held 22.09.21 were agreed as a true record.

2.3 Actions

The updated action log was reviewed and agreed as written.

2.4 Matters Arising

Mike drew to the Board’s attention the additional information provided around delegated authority following the action from the July Board meeting. He noted a meeting on this had taken place with Chris Simpson in September the outcome of which was to share these documents at the December Board meeting.

In the discussion that followed it was noted:

- The additional information was helpful and should be included in the induction pack for all newly appointed non-executives.
- A gap was identified around a financial management strategy connected to the financial delegations. Mike suggested this be considered in light of the business plan item scheduled for March 2022.
- Regular review of the Framework Agreement was required to reflect any change to key objectives and KPIs. It was noted the document has a three yearly review requirement.

Action Items	Person responsible	Deadline
Include the additional briefing on delegation and Framework Agreement in the Induction pack for newly appointed non-executives	Rachel	31.12 21
Consider financial strategy as part of business plan discussion, March 2022	Mike / Rachel	3.3.22

3. CEO report

| Item Lead: Mike Seddon

Mike introduced the report drawing attention to:

- Additional items not in the report:
 - His meetings with potential new partners in taking forward Forestry England’s aims for woodland creation and wilding.
 - The impact of Storm Arwen in the North, particularly in Cumbria and Kielder. The priority was the safety of staff, the public and local communities, ensuring there was utility access for local communities and supporting our team in the North District. Assessment of the damage was underway, early indications are that it is locally significant. Going forward Forest Plans would have to be rewritten, there would be an impact on the timber market and income. The March report will provide a clearer picture.
- Within the report he noted:
 - Progress made with the Forest Holidays Framework Agreement and CITF business case
 - The commitment to end the purchase of peat for use in the nurseries by the end of the current parliament in 2024, testing of alternate solutions is underway.

The following issues were raised by members and discussed:

- Storm Arwen: the update was welcomed. It was noted that the Forestry England response keeping people safe had received a positive response in the local press.
- Partnerships: there was a discussion of appropriate funding and resourcing of Forestry England’s ambitions for partnership work. Mike noted decisions around this would be part of the business planning discussion. He noted the external funding in place for specific partnerships.
- Volunteering: the discussion focused on recognising the dependence the organisation had on its 3000 plus volunteers, and the resource to manage them. It was felt there was a strategic discussion to be had by the Board. Mike agreed to



add a discussion on volunteering to the forward plan. He also noted that resourcing volunteering was another of the choices for the business plan.

- Dams and reservoirs: in response to a query Tris provided further detail on the incident at Lower Cannop Dam, noting an internal enquiry was underway. On a national level we had an engineer dedicated to our reservoirs who was concluding an assessment and triage of all the reservoirs on the estate, the report was coming to ET in the new year. It was requested the engineer was asked specifically about seismic risk, Tris to take forward.
- Social media: the current perception of Forestry England on social media was largely due to the impact of the trail hunting verdict.
- Shortage of foresters: concern and response to the shortage of foresters was discussed. Mike noted the development of the trainee and apprenticeship offer that had taken place and continued to be expanded in response, this was also a focus of the business plan.
- Visits: The question was asked what was being done to build on what was good about the pandemic, noting the return to more formal visits than those seen during the pandemic. Mike noted that the casual visits arose from people having nowhere else to go so not surprised there was a bounce back, he would investigate this further.
- Motor Sports: following a question it was discussed the approach taken was the results of the 2020 Motorsports review that concluded that motorsports would continue whilst minimising environmental impact.
- Forest Resilience: Peter noted his attendance at the Forest Resilience conference and how informative he found it. The discussion was on the balance of top down standards to combat plant health with the ability of local areas to identify bespoke solutions. Tris noted that the model was to provide the tools to enable local solutions.

Health & Safety

Tris drew attention to:

- One new RIDDOR incident reported - the team are confirming that the risk assessment and response was in place.
- New software was in place to support the discharge of statutory duties under COSHH.
- Electricity Guidance on awareness of underground / overhead supplies is being refreshed in response to a number of incidents in the sector.
- Apprenticeships are thriving. 15 out of the current 21 apprenticeships are forest operatives, which is key for our early careers' development programme. Each place attracts massive demand, the aim would be to extend the programme.

A question was asked if volunteers were included as staff or public in incident reported, and to consider separating them out. Tris to confirm they are in the staff figures and noted the recommendation

Performance report

Tris noted:

- The employee turnover rates were tracking at normal levels, this was masking the current issue around recruitment and retention of foresters.
- Membership numbers are buoyant and doing well, but the transfer of Bedgebury friends to membership has inflated December figures.
- Visitor to hubs figures are strong and showing growth on last year's high figures, current expectation is that they will be even higher this year.

The discussion that followed included:

- Request to have a drill down item on people issues
- Several comments on improving the data and how it is represented to support the Board’s work.
- Update provided by Richard on Your Offer.

Action Items	Person responsible	Deadline
Include a strategic discussion on volunteering to the forward plan	Mike / Rachel	3.3.22
Raise seismic risk with reservoir engineer	Tris	3.3.22
Consider what was happening with nature of visits post-pandemic	Mike	3.3.22
Confirm where volunteers appear in the accident figures and consider separating them out	Tris	3.3.22
Include a session on staff issues on the forward look	Mike/Rachel	3.3.22
Consider suggestions on improving data and its presentation on scorecard	Tris	3.3.22

4. Finance Report and Business plans

| Item lead: David Hodson /
Tristram Hilborn

David led the Board through the finance report. He drew attention to:

- Overall the position is healthy with a significant improvement in the budget.
- There are various issues that impact on where the finances will go. These will become clearer in the M9 report and for the next Board report. These include:
 - Price inflation for contractors and supplies. However, noting improvement with contractors now coming forward for tenders.
 - Exceptional tree health issues, which can be afforded through income.
 - Storm Arwen - impact will be clearer over coming months.
 - Impact of the new light event at Delamere.

David noted the business plan paper updated on the outline approach being taken, the objective was to get to a sound underlying financial position.

Tristram noted that there was a lot of cost pressure in the plan, whilst strong growth in recreation income with some off set due to timber income levels. Allocation has been made to deliver Growing the Future aims, but there were pressures and difficult choices in the plan, noting the pressures between staffing for critical programmes with investment in infrastructure. He also noted that the impact of Storm Arwen and Your offer were currently not in the plan, both would pose additional cost pressures.

The discussion that followed included:

- Sustainable finances: it was discussed what was meant by this and what was the aspiration. David noted for him it was not to return a underlying deficit, and to hold £7m in the bank.



- Use of public funds. It was noted Commissioners needed to see more explicitly what the public funding was allocated to and the long term aim for this money. Mike noted that this being written into the business plan commentary.
- Stewardship of the nation’s forests: it was noted that this was a big issue that needed more thought and must not be lost. Mike agreed that we needed to consider what does financial sustainability look like in terms of stewardship of the estate, and where the government funds fit into that context, and the impact on relationships this would have in the medium to long term e.g if there were no public funds how that influences the public duty.
- Functionality costing. Request was made for presentation of figures and forecasting by functionality/ area. David agreed this could be prepared.
- Business planning objectives: although the Board had seen and signed off the current business plan objectives, it was requested that this given more discussion time for the next round.

Action Items	Person responsible	Deadline
Include allocation of public money in the Business plan	Mike	3.03.22
Include strategic financial direction discussions in forward plan	Mike / David	3.03.22
Prepare functionality costings	David	3.03.22
Board to approve next business planning round objectives	David / Tris	

5. ARAC report

Item Lead: Julia Grant

Julia, Chair of ARAC, reported on the November ARAC. She reported that the main items of discussion were:

- Covering the strategic finance resource personnel issues. She thanked David for his extra work in covering this. She noted that an interim appointment to FC Finance Director had been made to start in January.
- The following internal audit reports were noted:
 - End user device - very positive report
 - Health & Safety - she noted the ARAC’s discussion on the moderate assurance given, noting that GIAA had considered but not duplicated the management actions that were already under way. There was an explicit link into the strategic risk register until those actions were completed.
- Annual report and accounts. Early milestones were being watched, but currently planning to lay them pre-recess.
- Risk: the FC register had been reshaped to bring closer to the Forestry England risk register, and for the purposes of escalation to Defra. There were a few tweaks to the Forestry England risks.
- Assurance mapping: it was decided to use this strategically as a tool where management felt it would add value.

6. Health & Safety Culture

Item Lead: James Simpson / Darren Broadhead

James provided background to the project.

Darren from Broadhead Consultancy outlined the approach taken and next steps taking the project forward.

The discussion that followed included:



- **Engagement:** this was key. James outlined plans to move quickly with a series of face to face workshops in 2022. Aim is to take four actions to the workshops and then co-create next steps with that wider engagement and discussion within teams. Senior leadership engagement is critical.
- **Impact:** a discussion on how we would know if we had made a difference and use of qualitative and quantitative data to do this.
- **Reporting:** the approaches taken to overcome the reluctance to report on colleagues were discussed, noting the elements needed to create the culture for the ability to speak up. Also considered was the encouragement of self-reporting but essential to this was having the culture of trust and reward for reporting, responding with learning, not blame.
- **Wider culture changes:** it was noted that this culture change project was not happening in isolation, and that there were wider culture discussions taking place in FC.
- **Messaging:** Daren and James noted it would take time to get new messaging across, it was necessary to reach everyone whether at start or end of career. They noted that it will take time for the new messaging to replace the old messaging that has been in place for many years.

The Board supported this important work and agreed with the direction of travel.

7. Official Sensitive Commercial

8. Official Sensitive Commercial

9. Official Sensitive Policy

AOB

The proposed visits for 2022 to Yorkshire and Forest of Dean were agreed

The meeting ended at 12:57



7 December 2021

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
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Forestry England Board Risk Reporting Dashboard - December 2021



Forestry England Risk Reporting Dashboard

Forestry England risks escalated to FC register - at a glance

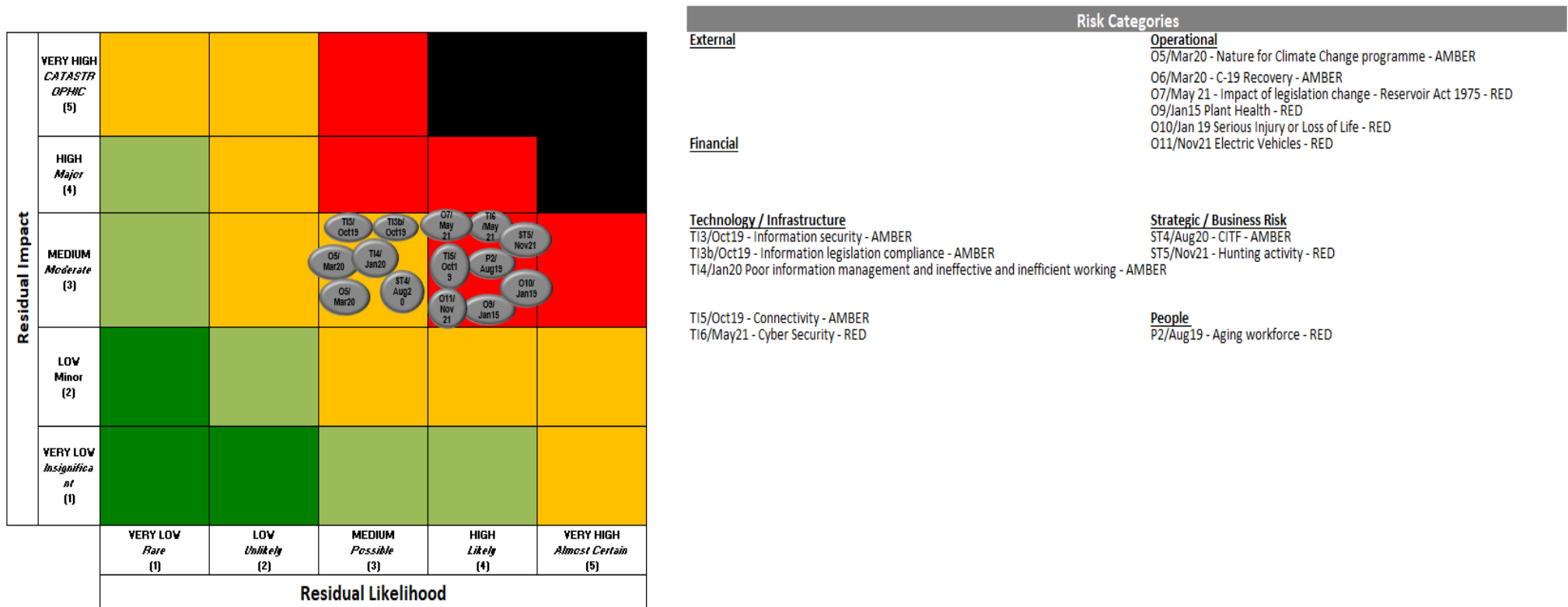
People
Your Offer (9)
P4/Oct19

Forestry England Active Risks - at a glance

<p>People Inability to attract and retain experienced staff (12) P2/Aug19</p>	<p>Strategic & Business CITF (9) St4/Aug20</p>	<p>Strategic & Business Hunting Activity (12) St5/Nov21</p>	<p>Operational: Nature for Climate Programme (9) O5/Mar20</p>	<p>Operational: C-19 Recovery (12) O6/Mar20</p>
<p>Operational: Future legislation change likely to bring more of Forestry England's reservoir assets within the scope of The Reservoir's Act 1975 (12) O7/May21</p>	<p>Operational: Plant Health (12) O9/Jan15</p>	<p>Operational: Serious injury or loss of life (12) O10/Jan19</p>	<p>Operational: Electric Vehicles (12) O11/NOV21</p>	<p>T&I Poor Information Security Culture (9) TI3/Oct19</p>
<p>T&I Compliance to Information Legislation (9) TI3b/Oct19</p>	<p>T&I Poor information management and ineffective and inefficient working (9) TI4/Jan20</p>	<p>T&I Connectivity (9) TI5/Oct19</p>	<p>T&I Cyber Security (12) TI6/May21</p>	

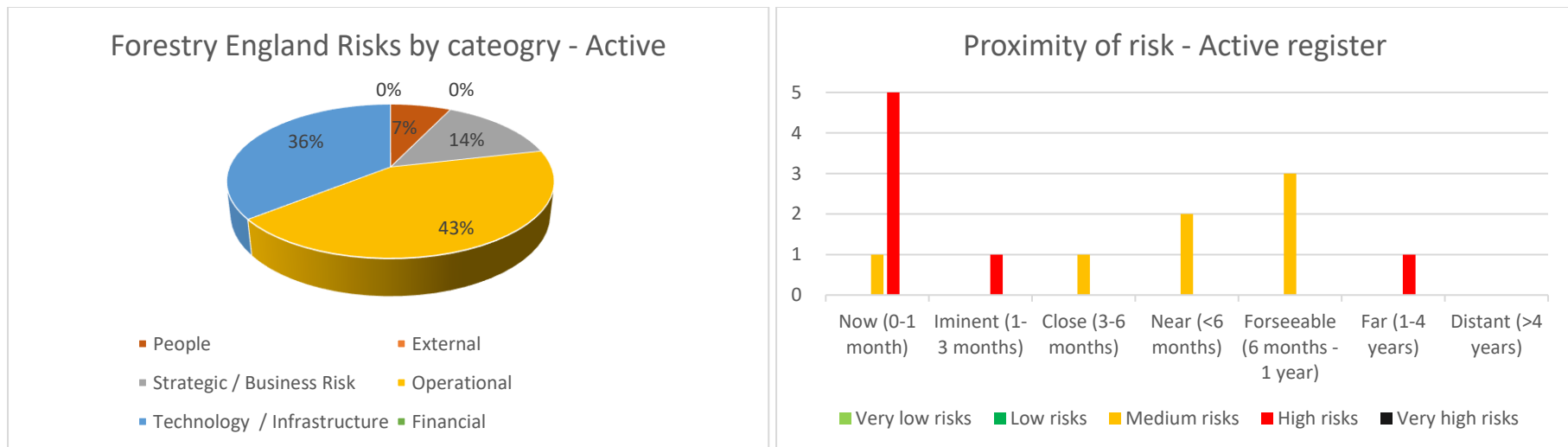
Forestry England Risk Reporting Dashboard

Risk Matrix of active risks



Forestry England Risk Reporting Dashboard

Assessment of risks



Forestry England Risk Reporting Dashboard

Forestry England Risks Profile for risks escalated to FC register:

Risk ID & Strategic Objective	Risk description (in terms of event, cause and impact)	Risk owner(s)	Inherent risk score	Residual risk score	Target risk score	Risk Trend
P4/Oct19 People <i>Escalated to FC</i>	Failure to deliver some element of the Offer 2020 business case with a positive result.	Paul Johnson	16	9	4	No change

Forestry England Active Risks Profile:

Risk ID & Strategic Objective	Risk description (in terms of event, cause and impact)	Risk owner(s)	Inherent risk score	Residual risk score	Target risk score	Risk Trend
P2/Aug19 People	Inability to attract and retain experienced staff. (Board to note change of risk title, previously 'Loss of expertise and experience due to an aging workforce and competition from the marketplace').	Paul Johnson	16	12	9	Worsening

Forestry England Risk Reporting Dashboard

Risk ID & Strategic Objective	Risk description (in terms of event, cause and impact)	Risk owner(s)	Inherent risk score	Residual risk score	Target risk score	Risk Trend
St4/Aug20 Strategic and Business	CITF. There are reputation, financial and operational risks around camping on the estate following CCC's indication that they wish to sell their share in the business and of the longer term sub-optimal financial and delivery outcomes associated with a new partner not aligned with Forestry England objectives.	Mike Seddon	12	9	4	Improving
ST5/Nov21 Strategic and Business	The future of trail hunting activity in the nation's forests <i>(Trail hunting activity)</i>	Mari Sibley	16	12	9	New
O5/Mar20 Operational	Nature for Climate programme has three main areas of delivery risks.	Tristram Hilborn	12	9	6	No change
O6/Mar20 Operational	Further waves of the C-19 virus or new variants would represent a risk on staffing levels, wellbeing and resilience, operations, and finances and on the supply chain.	Tristram Hilborn	16	9	9	No Change
O7/May21 Operational	Future legislation change is likely to bring more of Forestry England's reservoir assets within the scope of The Reservoir's Act 1975. Risk that the current conditions of our dams and reservoirs may result in potentially significant risks to the organisation.	Josh Howe	16	12	9	No change

Forestry England Risk Reporting Dashboard

Risk ID & Strategic Objective	Risk	Risk owner(s)	Inherent risk score	Residual risk score	Target risk score	Risk Trend
09/Jan19 Operational	Serious injury or loss of life. New actions have been identified in order to comply with our governance and also link to the culture improvement programme and this risk has moved on to the active register (see below).	James Simpson	16	12	8	Active
10/Jan15 Operational	Plant Health - the potential substantial impact on forest management programmes due to the increase in the various plant health outbreaks which will result in both unplanned additional expenditure and loss of timber income. This risk has moved to the active register as this is currently requires more active management.	James Simpson	12	12	6	Active
O11/NOV21 Operational	Electric Vehicles (EV) There is a risk of not achieving our electric vehicle targets, due to electric vehicles not being available because of the global supply chain / semiconductor shortages.	Hayley Skipper	16	12	6	New
T13/Oct19 Technology & Infrastructure	Poor Information Security Culture risks leading to a loss of trust in Forestry England's ability to protect information, increased risk of cyber security attack and an inability to conduct core business leading to reputational damage, commercial loss and significant fines.	PK Khaira-Creswell	12	9	4	Improving

Forestry England Risk Reporting Dashboard

T13b/Oct19 Technology/infrastructure	There is a risk of non-compliance with information legislation potentially resulting in reputational damage and significant fines	PK Khaira-Creswell	12	9	4	Improving
T14/Jan20 Technology/infrastructure	There is a risk of ineffective and inefficient working practices due to poor information management.	PK Khaira-Creswell	16	9	4	No change
T15/Oct19 Technology/infrastructure	Poor networks speed and inadequate connectivity risks those new technologies and increased organisational demands for blended working to be embedded, because they cannot be used by everyone in the business.	Andy Goodsir	9	9	4	Improving
T16/May21 Technology/infrastructure	There is a high likelihood of a cyber security event. The impact could be a loss of data, financial loss and reputational damage.	Andy Goodsir	16	12	9	Improving

Forestry England Risk Reporting Dashboard

Main changes since Forestry England Board - September 2021:

Risk escalated to FC Strategic Register		
P4/Oct19	Your Offer (formerly Offer 2020)	This risk is escalated as it is managed by the FC project team.
Closed risk:		
P3/Oct19	Pensions Case	This risk has been mitigated and the McCloud pension case/remedial data requests have been completed for the FC. Staff briefings and explanatory materials are now on Roots and all data sought under the wider civil service review has been forwarded to MYCSP in Qtr 4 of 2021.
New risks to the active register:		
ST5/Nov21	The future of trail hunting activity in the nation's forests (<i>Trail hunting activity</i>)	There is a risk that the response to the decision required on trail hunting following the court case will result in significant impact across the business including political, stakeholder, and public engagement; reputational risk; resource pressure and staff wellbeing. Risk assessment and mitigation levels: Inherent: HH=16 Residual MH=12 Target: MM=9
O11/NOV21	Electric Vehicles (<i>EV</i>)	There is a risk of not achieving our electric vehicle targets, due to electric vehicles not being available because of the global supply chain / semiconductor shortages. There is risk of suppliers not being able to guarantee supply and delivery of new vehicles caused by impacts of C-19. Risk assessment and mitigation levels: Inherent: HH=16 Residual MH=12 Target: LM=6
Risks moved from active to tolerated register:		
ST3/Mar18	Reputational damage	Both RMG and ET considered this risk and agreed to move it onto the tolerated register. Any specific subjects that require significant active management and would have an effect on the achievements of Forestry England's objective will appear on the active register as a specific risk that needs active management e.g., see above new 'trail hunting activity' risk.

Forestry England Risk Reporting Dashboard

Risks moved from tolerated on to active register:		
07/Jan19	Serious injury or loss of life	<p>New actions have been identified in order to comply with our governance and also link to the culture improvement programme.</p> <ul style="list-style-type: none"> • Management at all levels to undertake proactive monitoring (as part of BAU) to ensure and advocate that <u>all</u> staff are adhering to the H&S policy. This includes completion of risk assessments and PPG (for all business areas) • Mapping exercise (GIAA leading) in progress to identify levels of assurance in place at all levels within the organisation. <p>Starting to see an increase in RIDDOR reports due to more frequent reports of Lyme disease and so the incidents of RIDDOR reporting is increasing. Greater levels of assurance (as noted above) will help to mitigate.</p> <p>Risk assessment and mitigation levels: Inherent: HM=12 Residual MH=12 Target: ML=6</p>
09/Jan15	Plant Health	<p>The risk description (during the bi-annual deep dive review) has been updated to reflect the potential substantial impact on forest management programmes due to the increase in the various plant health outbreaks which will result in both unplanned additional expenditure and loss of timber income. This has moved to the active register as this is currently requires more active management.</p> <p>Very significant specific plant health outbreaks will continue be noted on the issues log, captured through the BMR.</p> <p>Risk assessment and mitigation levels remain the same: Inherent: HH=16 Residual MH=12 Target: ML=6</p>



7 December 2021

Paper Title: Forestry England Finance Report

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ARAC Chairs Report

Board Paper

Agenda Item 5

Forestry England ARAC Chairs Report

Paper 5.1/Dec 21

Paper Title: FC ARAC Chair Report to Boards

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