

Forestry England Board Meeting Agenda

22 September 2021 9:00 - 12:15 @ The Crown Manor House Hotel,
High Street, New Forest, Lyndhurst, SO43 7NF

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:

In person: Rosie Bailey (Item 2), Hayley Skipper (Items 7 & 8), Mari Sibley (Item 8)

Online: Mat Maguire and Mike Graham (Item 8) and Jim Lee (Item 9)

Secretariat: Rachel Mackintosh

NO. / TIME mins	Start time	ITEM (Materials)	OUTCOME REQUIRED	LEAD
Welcome				
1. 5 mins	09:00	Chair's Welcome and Update		Chair
2. 15 mins	09:05	Declarations of Interest Approval of minutes, matters arising and action log		Chair
3. 30 mins	09:20	Commercial Sensitive Item	Discussion & note	Rosie Bailey
Management Accountability				
4. 30 mins	09:50	CEO report	Discussion & note	Mike Seddon
5. 15 mins	10:20	Finance report	Discussion & steer	David Hodson
6. 10 mins	10:35	ARAC verbal report	Discussion & steer	Julia Grant
	10:45-11:00	15 min Break		
Items for Approval				
7. 20 mins	11:00	Commercial Sensitive Item	Discussion & steer	Hayley Skipper
8.	11:20	Commercial Sensitive Item	Approval	Mari Sibley, Mat

20 mins				Maguire, Mike Graham and Hayley Skipper
9. 20 mins	11:40	Commercial Sensitive Item	Discussion & steer	Jim Lee
10. 10 mins	12:00	Terms of Reference	Approval	Chair
Concluding items				
5 mins	12:10	AOB		Chair

Future meetings:

7 Dec 2021	Virtual
3 Mar 2022	Virtual
9-11 May 2022	Meeting and Visit - Venue TBC
20 July 2022	Virtual
19-21 Sep 2022	Meeting and Visit - Venue TBC
6 Dec 2022	Virtual

All proposed visits are subject to Government guidance in place at the time.



Forestry England board meeting

7 July 2021 9:20- 12:20

@ The Sill, National Landscape Discovery Centre, Hexham NE47 7AN

Attendees

Forestry England Board: Julia Grant, Tristram Hilborn, David Hodson, Peter Latham, Jennie Price, Gurch Randhawa, Mike Seddon, Chris Simpson, Sir William Worsley (Chair)
In attendance: Chris Hardy, James Simpson, Hayley Skipper, Bruce Rothnie, Sam Jones, Mari Sibley
Secretariat: Rachel Mackintosh

Agenda items

1. Welcome

| Item Lead: Sir William Worsley

The Chair welcomed members to the twelfth full meeting of the Forestry England board, and the first in person meeting since March 2020, thanking all involved in the arrangements for this successful visit to North District.

Chair also extended his congratulations to Mike and Tris for managing the challenges that the organisation faced through lockdown.

Chair's update

The Chair provided the following update:

- Richard Stanford's official start date is 9 August, but he has been very engaged with the organisation in this lead up period.
- Update on his stakeholder meetings with ministers, Defra officials, Chairs of Natural England and Environment Agency. He noted a robust challenge that had taken place on grey squirrel management which he will bring to the discussion at the next Commissioners meeting.
- He was very pleased to now be able to get out, and finally meet people. Last week he visited Delamere, Forest of Dean and Westonbirt.
- Forest Research update:
 - Continuation of National Forest Inventory of Great Britain, with 18 actions to implement over a 3 year period.
 - Result of research evidenced the benefits of connecting with the natural environment, but a polarised picture of experience through the pandemic was emerging.
 - New models of production forecasts developed.
 - The Holt (Quarantine) Facility is due for completion at end of July.
- Forest Services update:
 - Implementation planning of England Trees Action plan under way with Defra and FS is aligning behind that.
 - England Woodland Creation Offer opened in June and was well received by Stakeholders, with applications starting to be received and its promotion being increased.
 - FS growth: 85 out of the 152 roles due by end of 2021/22, now recruited.

- Tree Health - IPS Typographus found in Kent, an incident management team is leading the response.

There were no apologies.

Declarations of Interest

William is stepping down from the Gravetye Trust. Peter is taking his place as Trustee. Gurch noted he has been appointed Deputy Lieutenant, Bedfordshire.

Approval of Board minutes

The minutes and the sensitive minutes of the Forestry England Board meeting held 21.04.21 were agreed as a true record.

Actions

The updated action log was reviewed and agreed as written.

Matters Arising

A discussion took place stemming from action 56 on the recruitment of a diverse staff:

- It was noted the need to balance high visibility with high impact: recognising the gains from high visibility as beneficial but different to the impact achieved on the ground from other approaches being taken. Mike took the point and will consider further.
- Linking into Forestry England's highest weighted risk on loss of staff, it was noted that this movement of staff could be seen as a rare opportunity to recruit at scale a more diverse staff group. Other questions were also raised about the recruitment of foresters from the continent, partnership working with Colleges, and options for transport / accommodation of staff to work in the forests.

Action Items	Person responsible	Deadline
Take forward the discussion on Race for nature apprenticeships	Mike	22.09.21
Consider options for working with colleges to support a diverse workforce	Mike	22.09.21

2. CEO report

| Item Lead: Mike Seddon

Mike introduced the report drawing attention to:

- Three items not in report:
 - Tree Health - Phytophthora ramorum has been found in the woodland surrounding Wykeham nursery. Work is ongoing to assess the extent and implications for sapling dispatch.
 - Ips Typographus located in Kent, including sites in the nation's forests. Sanitation felling would be taking place.
 - Defra has commissioned a team to address how they may achieve NetZero, we will stay close to this work.
- Within the report he noted:
 - ARA was laid in House of Commons on time.
 - CITF - there is no further update for Board at this point.
 - Corporate partnerships - this was launched as a 3 year pilot project. Now two years in it has been decided by ET to make this a permanent programme.

The following issues were raised by members and discussed:

- A paper on partnership strategies was requested at a future meeting - agreed.
- A paper on procurement requested for a future meeting - agreed.
- Jennie reported back on engagement she had been having with the Active Forest partnership and made recommendations on greater analysis of data, co-creation and using the language of engagement with communities which she confirmed had been discussed with the team, with Mike to take forward.
- The disabled cycling access provided at Alice Holt was recognised as a great facility.
- A question was asked on the scope for involvement of Forestry England as part of the Queen’s Jubilee tree planting celebrations. Mike noted that Bedgebury and Westonbirt were already signed up, we are supplying broadleaf saplings to each C of E diocese and promoting the Forestry England woodland partnership scheme to the lord lieutenants.
- A question was asked if remedial action plan was in place if the organisation was subject to a cyber-attack. David noted that various teams and personnel were involved in managing this, with oversight from the Security Risk Forum. Disaster recovery has received scrutiny through ARAC and at the right time it was requested that business continuity be considered by ARAC or Commissioners.

Risk report

Mike drew attention to the risk dashboard, the following discussion noted:

- the new risk regarding changes to the reservoir legislation. It was noted as having a potential significant impact on resources and that CRT are also recognising this as a significant risk. The immediacy of the risk depends on timing of changes to legislation, and intelligence suggests this is not imminent.
- the Pensions risk level will decline, as people take choices about retirement.
- following the visit to Kielder a question was asked if there was a wider corporate risk over water supplies and the potential liabilities. Mike confirmed Kielder was the largest supply on the estate, with the risk managed by the district.

The chair was pleased to note the number of risks with improving assessment levels.

It was requested that at a suitable moment the Board received a report on Forestry England’s property portfolio and potential liabilities, e.g. reservoirs, heritage sites and residential property strategy.

Performance report

Tris drew attention to the visitor numbers to the whole estate that represented a 35% increase on the 2020 numbers. The Board expressed appreciation to the whole team for managing this volume, the changes this required and asked about learning from this. Tris noted that the numbers were now levelling off but still up a marked level from previous years.

Action Items	Person responsible	Deadline
Add the following papers to the forward look: <ul style="list-style-type: none"> • Procurement • Property portfolio • Corporate Partnership Business continuity to ARAC/Commissioners	Mike / Rachel	22.09.21

Take forward recommendations on the active Forest programme with the team

Mike

22.09.21

3. Finance Report M2

| Item lead: David Hodson

David led the Board through the finance report and a supplementary report. He noted that the supplementary report set out the variations since the Board approved the budget in February. The main variation came from the decision to postpone the 2021 Forest Live concerts to 2022.

In terms of the M2 report he drew attention to:

- Two months in the finances look healthy - main variation is that timber is behind profile, due to a new contract in North District not yet started. Timber prices remain up.
- Expenditure is slightly behind due to a new civil engineering framework in place, but work is now beginning to come through and assurance given that they will get on top of the back log.
- Forecast is positive. The cost pressures coming through are afforded through forecasted increased in income. This enables Forestry England to protect its reserves for investment and growth.
- There are new tables in the report for cash management, investment pipeline and woodland creation.
- The table shows the cash balance as large, but this is about timing of money receipts for Woodland creation scheme, and the gateway process for the Investment programme.

In the discussion that followed included:

- Lack of use of a balance sheet discussed and understood.
- The reason for the largest variation in professional services. David will investigate and report back.
- Whether there was a separate budget for plant health and if it was sufficient. David confirmed there was, Tris confirmed as it was unknown where it would be needed and how much so this was managed centrally.
- What is built in for inflation in the budget. David noted the biggest area impacted was civil engineering, but it was difficult to disaggregate increase between inflation and wider market change.
- The Chair asked to understand the legacy costs at Silvan House. Mike to take this forward with him.

Action Items	Person responsible	Deadline
Investigate the variation in professional services	David	22.09.21
Brief the chair on the legacy costs of Silvan House	Mike	22.09.21

4. ARAC report

Item Lead: Julia Grant

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

- Review and recommendation for approval of the FC and Forestry England annual report and accounts, and review of process
- Internal audit report provided good assurance for the 2020-21 year, and programme for the 2021-22 year
- Risk discussion, including the new Forestry England risk of changes to the reservoir legislation.

The Board discussion included:

- The ARA approval timetable needed to be reviewed on the timing to allow appropriate Board discussion time, and to get correct sequencing in a controlled timeframe well before the Defra deadline. Mike and David took the action.
- It was noted that this year there was an issue with a system upgrade that caused problems and that a lot of manual data entry had to take place. Two points were noted from this, the ARAC weren't aware of the problems and would like this to have been shared this with them earlier, and impact of IT system upgrade and were plans in place to manage this. Both points were noted.
- A comment was made that perhaps ARAC was not being seen as the friend it could be, and this relationship needed developing.

Action Items	Person responsible	Deadline
Review and plan the ARA approval timetable for 2021/22	David	22.09.21

5. Health & Safety 6 month report

Item Lead: Clare James

Clare presented the Health & Safety report and dashboard, noting that this was a general update, the update on the culture project would come when phase 1 was completed later in the year. She drew attention to the importance of communications to get engagement with all and is being supported by Josephine Lavelle and the communication team to resource and improve that engagement.

The Board welcomed that report and in the discussion that followed covered:

- Accident data by forest district was welcomed with the question asked is there was lessons and learning across the areas. Clare noted the Communication team were helping with engagement, there were difficulties as many incidents were unique. Tris reported that a while ago it had been identified there were a large number of biking accidents which resulted in a targeted safety awareness campaign. He agreed communications were essential, as was having the data to lead this.
- Two issues were raised around benchmarking:
 - a request was made that in Q3 if the report could include insight on benchmarks. Clare agreed this will come out of the culture project and will bring more detail.
 - Wider benchmarking across the sector and other groups would be useful to report. It was noted that Forestry England offers adventurous activities in the nation's forests; how does this compare with other providers?
- An update on the firearm accident was requested and provided.

6. Official Sensitive Commercial

7. Official Sensitive Policy

8. Official Sensitive Commercial

9. Board Self-evaluation

Item Lead: Chair

William led the item summarising the results of the annual Board self-evaluation, which was the same exercise carried out this time last year. He noted that meeting in person will address and advance many of the issues raised but welcomed the general improvement in the responses given.

In the discussion that followed the Board welcomed the overall improvements in its performance.

- Suggestions were made on improving survey format but it was agreed the same questions to be asked next year.
- A request was made to update paper headers to clearly identify the strategic aim / area that is being covered, this can then be monitored at the end of the year.

The proposed actions were agreed to be taken into an action plan with a six month review.

Action Items	Person responsible	Deadline
Prepare a Board action plan from the recommendations in the Self-evaluation paper and plan a six monthly review of progress	Rachel / Mike	March 2022
Review paper headings to include areas of strategy covered	Rachel	20.09.21

10. Annual review of Terms of Reference

Item Lead: Chair

William led the review of the Board's Terms of reference. The discussion that followed noted:

- The addition of ensuring an inclusive working and recreational environment was agreed.
- The proposal to include ensuring the highest level of corporate governance is maintained was considered and felt needed further exploration and tightening. This was agreed to be brought back to the next meeting.
- There was a discussion on clarity of what needs to come to the Board, taking the term from Managing Public Money it was discussed that the Accounting Officer should bring anything considered novel or contentious. It was suggested there be a clear schedule of delegations. Mike and Rachel to take forward.

Action Items	Person responsible	Deadline
Review how the responsibility for maintaining the highest levels of corporate governance is reflected in the Terms of reference and bring to September meeting	Mike / Rachel	20.09.21
Develop and propose a schedule of delegations	Mike / Rachel	20.09.21



AOB

There were no items of AOB

The meeting ended at 12:45



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**



22 September 2021

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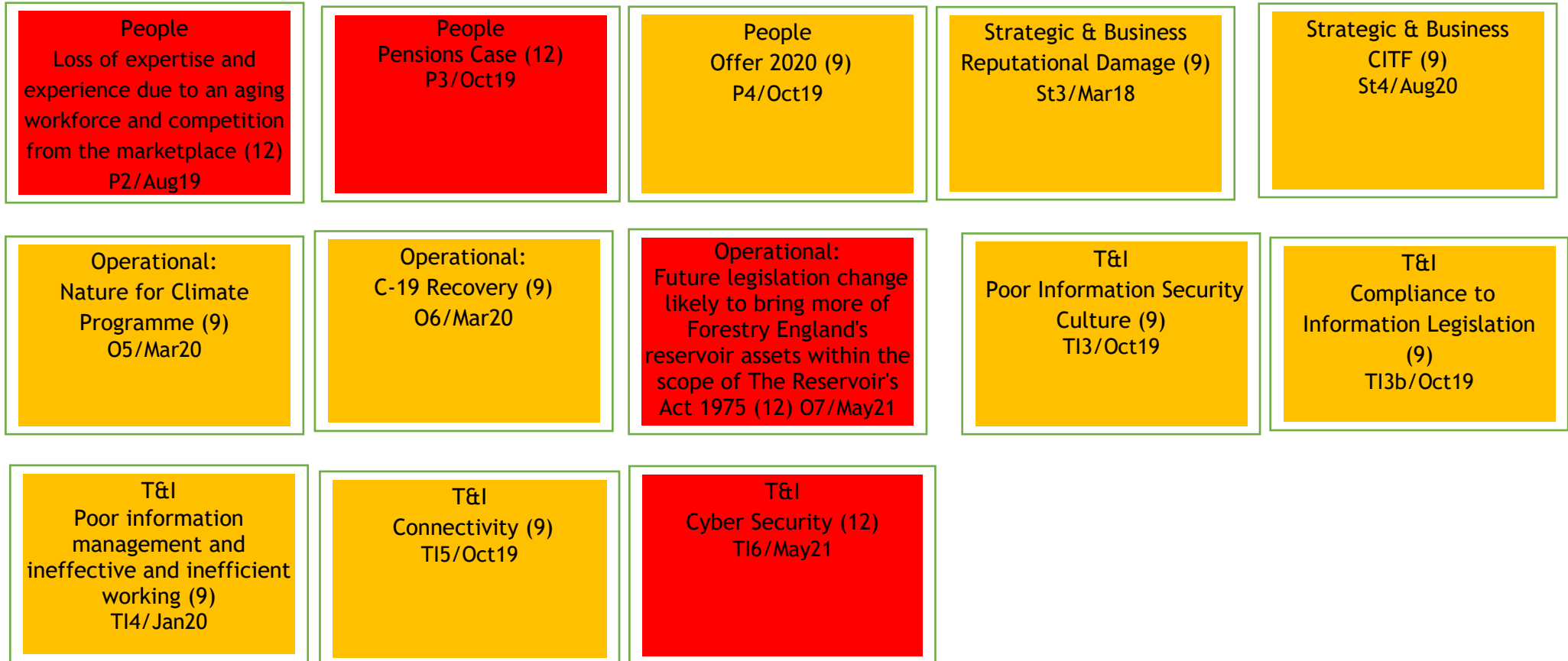
Forestry England Risk Reporting Dashboard

September 2021



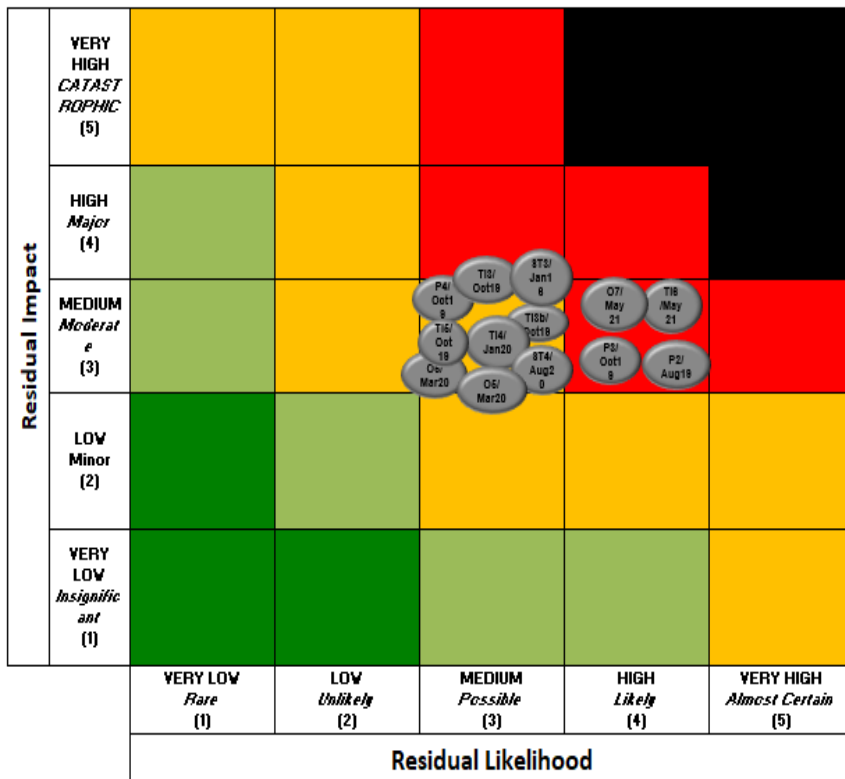
Forestry England Risk Reporting Dashboard

Forestry England Active Risks - at a glance



Forestry England Risk Reporting Dashboard

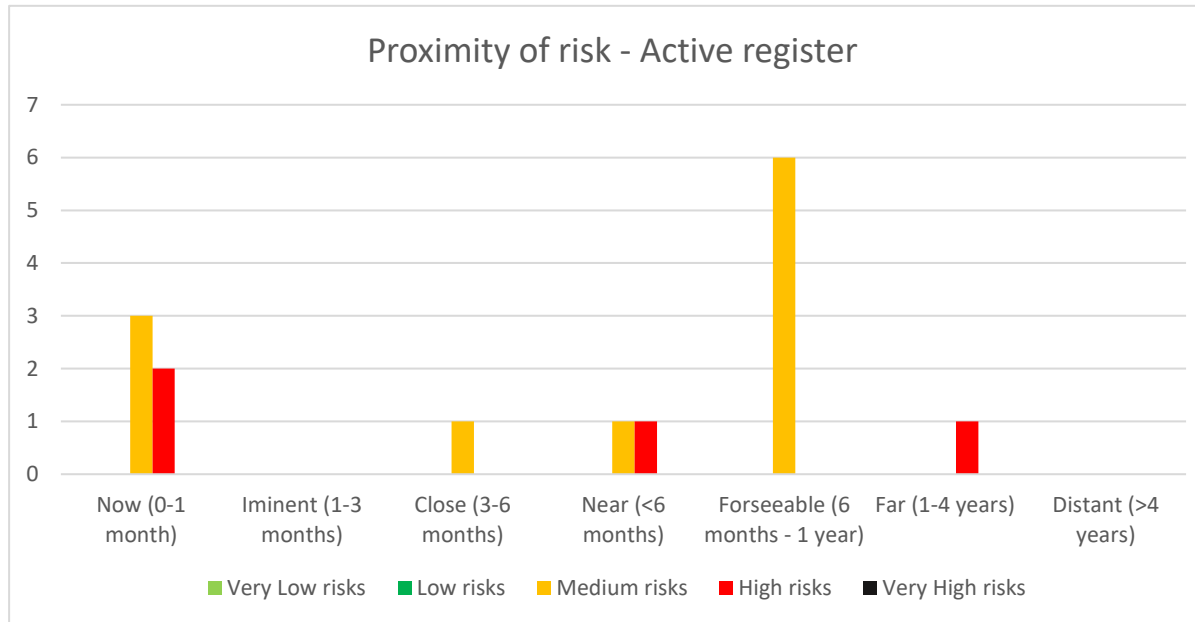
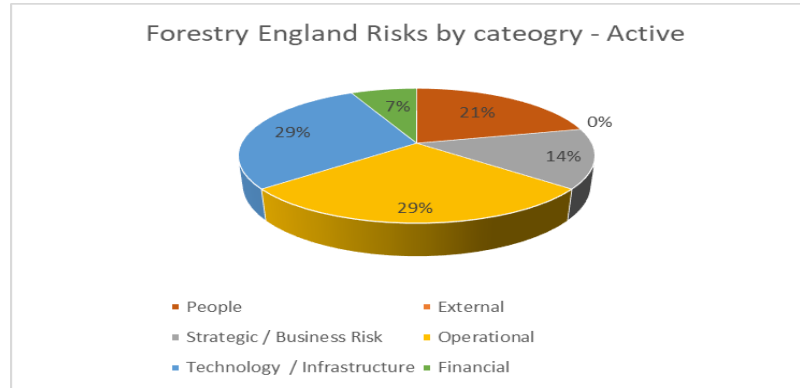
Risk Matrix of active risks



Risk Categories	
<u>External</u>	<u>Operational</u> O5/Mar20 - Nature Based Solutions/ Nature for Climate Change programme - AMBER O6/Mar20 - C-19 Recovery - AMBER O7/May21 - Impact of legislation change - Reservoir Act 1975 - RED <u>Strategic / Business Risk</u> ST3/Jan16 - Reputational Damage - AMBER ST4/Aug20 - CITF - AMBER <u>People</u> P2/Aug19 - Aging workforce - RED P3/Oct19 - Pensions Case - RED P4/Oct19 - Delivery of Offer 2020 - AMBER
<u>Financial</u>	
<u>Technology / Infrastructure</u>	T13/Oct19 - Information security - AMBER T13b/Oct19 - Information legislation compliance - AMBER T14/Jan20 Poor information management and ineffective and inefficient working - AMBER T15/Oct19 - Connectivity - AMBER T16/May21 - Cyber Security - RED

Forestry England Risk Reporting Dashboard

Assessment of risks



Forestry England Risk Reporting Dashboard

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	Loss of expertise and experience due to an aging workforce and competition from the marketplace.	Paul Johnson	16	12	9	Worsening
P3/Oct19 People	Pensions Case, greater number of staff may opt for early retirement feeding into red risk P2/Aug19.	Paul Johnson	16	12	6	No change
P4/Oct19 People	Failure to deliver some element of the Offer 2020 business case with a positive result.	Paul Johnson	16	9	4	No change
St3/Mar18 Strategic and Business	Reputational Damage that will result in loss of public/stakeholder support and loss of confidence from Defra.	Josephine Lavelle	12	9	4	No change
St4/Aug20 Strategic and Business	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

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
O5/Mar20 Operational	Nature for Climate programme has three main areas of delivery risks. 1) Longer terms funding 2) Conflict associated with land use change 3) The untested nature of the leasehold model.	Tristram Hilborn	12	9	6	No change
O6/Mar20 Operational	C-19 Recovery's risk level is rising but not to previous red levels, but careful watch is being kept on this. In terms of response, due to learning of last 18 months, the organisation is in a good position to be able to respond. An area to watch, in commercial services, is the impact on the supply chain, in some cases tenders are not receiving any bids and greater understanding is needed to understand the causes.	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.	Josh Howe	16	12	9	No change
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 & Eleanor Shipley	12	9	4	Improving

Forestry England Risk Reporting Dashboard

Risk ID & Strategic Objective	Risk	Risk owner(s)	Inherent risk score	Residual risk score	Target risk score	Risk Trend
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 & Eleanor Shipley	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 & Eleanor Shipley	16	9	4	No change
T15/Oct19 Technology/infrastructure	Poor networks speed and inadequate connectivity risks those new technologies and ways of 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

For ARAC to note:

Changes made to risks on the active register:		
ST3/Mar18	Reputational damage	Following consideration of the context in which Forestry England is working, and because of how emotive these issues are to the public, the Executive Team have raised the target level to amber as it is unreasonable to expect a target level of green at any one time.
New risks to the active register:		
New	The future of trail hunting activity in the nation's forests	<p>A decision on the future of hunting will need to be made following the final outcome of the legal case. This carries political, internal operational, stakeholder and reputational risks for the organisation.</p> <p>The ET agreed on 7/9/21 for a new risk regarding the future of trail hunting activity to be added to the register. It is anticipated that all likely trail hunting outcome scenarios will impact multiple areas of the business.</p> <p>Proposed risk assessment and mitigation levels: Inherent: VHM=16 Residual HM =12 Target: MM=9</p>
Active risks that have moved from active to tolerated register:		
01/Oct19 Operational	Falling demand for Forestry England timber could destabilise our financial position.	<p>This risk has moved to the tolerated register. Timber price continues to perform well and we expect volume to meet programme targets. European Spruce Bark Beetle continues to show low levels. There are challenges with other tree diseases (e.g. P.ramorum), with the impacts of this currently being assessed. Actions and processes are in place that monitor and manage risks of fluctuations in levels of demand.</p> <p>Risk assessment and mitigation levels have reduced: Inherent levels: HM=12 Residual levels: MM=9</p>
F3/Sept20 Financial	Recreation income from ticketed activity on the estate due to reoccurrence of enforcement of national or local restrictions.	As the 2021 programme has now been rescheduled to 2022 and has been a very small number of refund requests, the risk trend is being managed and this has moved the tolerated register under a watching brief. Inherent levels: MM=9 Residual levels: ML=6



22 September 2021

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BOARD PAPER

Paper Title: Annual review of Board Terms of Reference

Author: Rachel Mackintosh

Strategic Objective: Being an outstanding organisation

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 recommend any amendments for approval by the Board of Commissioners.

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

Following the discussion at the July Board meeting, the ToRs have returned to this meeting as requested for further review and approval.

The proposed amended ToRs are attached at Appendix 1.

2. Discussion

At the July Board meeting it was agreed to insert the work inclusive into the eight bullet point.

It was proposed that the phrase “ ensuring the highest levels of corporate governance are maintained” is inserted into the opening paragraphs. This amendment has been made in the attached proposed ToRS.

3. Recommendations

Review of the Terms of Reference

The Board is asked to consider the proposed amendment and agree the updated ToRS for approval by the Board of Commissioners.

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

8. Attachments

Appendix 1, Item 10 Paper 10.2 Forestry England Board Terms of Reference

Rachel Mackintosh

Forestry England Compliance, Risk and Parliamentary lead (CEO Office)

Date 10.09.21