

**MINUTES OF THE FORESTRY COMMISSION SCOTLAND
JOINT STAFF COUNCIL MEETING
SILVAN HOUSE**

WEDNESDAY 19 DECEMBER 2007

Present:

Official Side - Bob McIntosh(Chairman), Hugh Insley, James Simpson
Paul Snaith, Nikki Johnstone (Secretary)

Union Side - Malcolm Crosby (Vice Chairman), Susan Darcy, Gordon
Donaldson, Donald MacLeod, Alistair Gillies, James
McDonald, Donald McNeill, Colin Watret, Edward
Shephard

1. Welcome and Introductions

Bob McIntosh welcomed everyone to the meeting. He commented on the length of time that had passed since the last meeting, which was hopefully a good sign. He added that today's meeting provided a good opportunity to catch up on a number of items.

Introductions were made round the table.

2. Apologies

Apologies were received from Jean Lindsay, Hazel MacLean and Robert Beaney. Donald MacLeod was attending in place of Hazel.

3. Minutes of the Last Meeting

The minutes of the last meeting held on 11 September 2006 were accepted as a true and accurate record. Malcolm Crosby confirmed that all the action points had been executed.

4. Finance Update

Paul Snaith circulated an outline summary of the spending review settlement, which had yet to be finalised. He stated that Westminster's settlement had been very tight and this had passed onto Scotland, with the overall allocation not as generous as it might have been. There had however been some recognition of the problem with the rising value of the forest estate and additional funding had been allowed for this.

Paul went through the allocations in more detail. The slight rise in allocation for Forestry Department (Silvan House, policy and support team) was a reflection of additional staff and other costs. He pointed out that the £21m allocated for Grants was misleading in that it represented the original baseline

and that the indicative figure in the SRDP was £37m, including the Farm Woodland Premium. A modest increase was welcomed for developing partnerships with the Forestry Development Fund. Ministers had also been convinced to extend the Timber Transport Scheme for a further 3 year's, at £5m per annum. On the FE side, the £23m represents the net position but with changes to capital arrangements from 2009, together with a hidden turnover of £130m, Hugh Insley was confident FE could live within the budget line, although ultimately it would also depend on the timber market.

Paul went on to explain that the other key area of the settlement was the desire of Ministers to pursue acquisitions and new planting on the Forest Estate to help fulfil the climate change agenda. This equated to £15m/year and 2000ha of planting compared to 100 ha in 2007. This would result in a considerable work programme for FE. The programme would involve the purchase of good quality farms funded by a series of disposals of land/properties that were not contributing to our objectives. Although this would mean some net losers and gainers for the districts, overall it was very positive for the organisation and Management urged the TUS to convey this message back to staff.

Edward Shephard requested an update on progress with the current budget and spending. Paul said that, as with every year, there was constant need to juggle the funds with the aim always to be able to balance the books. He went on to explain that in general terms the FE side had been in a balanced position all year. Timber income was £2m to £3m up, attributed to rising prices as opposed to volumes. £2.5m had been invested in vehicles and machinery and a further £7m on acquisitions. This money was sourced from disposals and utilising the 'cup' facility. Money had also been drawn from this for grants but because the forecast had since dropped, £3m will be returned to Ministers. This can be recouped in April should there be a turnaround in the grants situation. Concern was expressed over the likely removal of the end of year flexibility offered by the 'cup' mechanism. However, in anticipation of this happening, money had been withdrawn for extra grants and to kick start the acquisitions and replanting programme.

There was further discussion on a number of other finance related topics including the recent slow down in timber prices; capital costs and effect on the value of the Estate and the potential of extra income from re-newables. Malcolm also asked whether there were any high profile Minister visits in the pipeline. Bob cited several upcoming events including a January visit to NRS on climate change and species choice; the public meeting of the Scottish Forestry Forum in March and a parliamentary event in May. Bob added that since devolution there had been more regular contact with the Minister, who was always supportive and keen to listen.

5. SRDP

James Simpson summarised the highlights and lowlights, which have arisen through the construction process from policy ideas to implementation for plan approval by Brussels. The highlights included;

- the unexpected rush to acquire grants before the closure of SFGS which built up a huge commitment of £33m. As a result of this and following discussions with the delivery Partners, FCS acquired a baseline commitment of £38m, the largest amount ever available for forestry activities;
- in addition to core activities we can now extend what is on offer to support sustainable businesses;
- access has been gained to generic activities across SRDP which was previously lacking;
- it has placed FCS Conservancies firmly on the map for administering the scheme.

The lowlights included the length of time it has taken to receive approval from Brussels, which was now to be considered at the January Committee (some 13 months after the proposal was due to commence) and the complexity of the business of delivering SRDP.

The current timetable, subject to approval, would see the outline application or statement of intent available at the end of February and full proposals by the beginning of April. Some slippage has arisen from the development of the IT system. A 'bumpy' ride was expected in the first year of its staged delivery but James expressed his confidence in the ability of staff to deliver it.

Donald MacLeod said the regular updates were appreciated by staff and requested an update on the latest developments since the last bulletin. These included the conclusion of the first inter-service consultation in Brussels and the finalisation of requirements for the first part of the computer service. Following on from the co-ordination workshops, which had been well received and provided helpful feedback, a training needs analysis will take place next. James also confirmed that the RPAC boundaries did not match those of the Conservancies. Instead, they matched single or groupings of local authorities and community planning areas. This means some Conservancies will work within the boundaries with which they are familiar while others may be dipping into three RPAC areas. James further clarified that due to the requirement of the paying agency for the separation of duties, payment inspections could not be performed by the case officer for the proposal. However, it would be permissible for the inspector to originate from the same organisation.

Concern had been raised from Conservancy admin staff who perceived reduced workloads under the new system. James felt these fears may have originated from the case officer workshops but in reality there had never been an admin system which did not involve a team approach. His expectation was the Conservancies would deliver with the same amount of resource as had been utilised with the previous scheme.

The £21m minimum spending settlement for grants would allow most money to be available for forestry activities but it was recognised there would be a need to encourage rural development contracts. It was estimated 8000ha would be provided by the private sector, while the FE aspiration was 2000ha. The aim would be to encourage enough applications to come forward since it was not transferable to FE.

SEARS

James provided an update on SEARS, which is now fully operational following the Minister's approval. One milestone is the 2008 Highland Show at which the Minister wants to present a number of achievements. This will involve taking over the conditions assessment of SSSI's from SNH and simplifying the consultation arrangements for forestry grant schemes. A further proposal is for FCS to take over from SEPA the inspection of engineering works that involved water works and this would require staff training. The fact that work is coming our way as opposed to being taken away, also portrays a positive message. It was recognised that this may push staff capacity and should this prove to be the case, it would be made known to the organisation off loading the work.

6. Communications Meetings

Malcolm Crosby said it was important to recognise this initiative which was supported by the TUS. To date, staff have found the meetings to be both interesting and informative. Positive feedback had also been received from field staff on their open and honest approach. Bob welcomed the support given to this first attempt of meetings, which he would like to repeat at more regular intervals. Hugh added that he would have however liked more vigorous and widespread questioning at the events. The use of microphones and style of facilitating were cited as possible intimidating factors. Bob explained that much had been learned from the first meeting. While microphones were required for larger venues, management also took stock at the end of each meeting to look at ways of improving the format of the next one.

7. Staff Survey

Malcolm requested an update on the next staff survey, scheduled to take place in 2008. Paul said that the timescales had not yet been confirmed but it was unlikely to take place before the summer. Malcolm expressed staff concern over the previous survey's style of questioning, which did not ask what staff wanted to answer. Human Resources would be looking into this and more information would be fed back when it was available.

8. AOB

Malcolm asked about the timetable for the roll out of the Management Development Programme (MDP) to PB5's. Bob said FCS had agreed to take the whole notion of MDP to different grades and were leading the field. GB was catching up but the programme was on hold until GB reports back in January. Scotland is committed to moving it forward, however, whether it is a GB venture will depend on how quickly they catch up.

Hugh Insley will also contact Malcolm in the New Year to arrange a meeting to discuss forest district structures and boundaries.

9. Date of Next Meeting

17 December 2008