

FES Corporate Performance Report

2018/19 Quarter 1

April - June 2018

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Definitions

Red, Amber, Green (RAG) Ratings

| | |
|--------------|---|
| RED | Target will not be met |
| AMBER | Target is unlikely to be met without intervention |
| GREEN | On Track |

Trends

| | |
|---|---|
| ↑ | Status has improved since last quarter/year |
| → | Status remains the same since last quarter/year |
| ↓ | Status has deteriorated since last quarter/year |

LAND MANAGEMENT

1. KEY PERFORMANCE INDICATORS

| KPI | TARGET | RAG | TREND |
|---|------------------------------------|-----|-------|
| Volume of timber brought to the market | 3276.7km ³ obs (+/- 5%) | | → |
| Area of Woodland Creation | 650 ha | | → |
| Area of Land awaiting restocking | Reduce from April 2018 value | | ↓ |
| Area of Native Woodland | 51,528ha | | ↑ |
| Proportion of notified features on designated sites within the NFE in favourable or (unfavourable) recovering condition | 94% | | → |

2. OPERATIONAL PERFORMANCE INDICATORS

| OPI | TARGET | RAG | TREND |
|---|---------------------------|-----|-------|
| Harvesting Surplus of Clearfell | £11.58m ³ obs | | ↑ |
| Volume of wood fuel supporting renewable initiatives (commercial) | 167.72km ³ OBS | | → |
| Volume of wood fuel supporting renewable initiatives (domestic) | 41.52KM ³ obs | | → |
| Roadside harvesting cost | £12.99m ³ obs | | ↓ |
| Proportion of restock achieved against targets | 6,193 ha | | → |

2.1 Performance Indicator Overview

Amber Rating: Please see below for further information on Amber RAG status for 'Proportion of notified features of designated sites'.

3. PERFORMANCE EVALUATION

3.1 Overview of Progress

Notified feature condition:

Last year's figure was 92.1%, and some sites which are currently classed as 'Favourable' are at risk of going into 'Unfavourable' status. Investment is currently being made to improve and maintain condition across a number of sites. In addition, scrutiny of the data underlying this indicator has revealed concerns about the way the condition of sites is recorded; we are currently working with SNH to ensure that we are only held to account for features which are under our control, and are not penalised where other joint owners of sites are not working with us to undertake actions to bring sites into favourable condition.

Restocking Programme:

- FES restock budget is 6,205 ha and the Integrated Forestry Contracts restock budget is 80 ha (total 6,285 ha).
- FES actual to date is 2,099 ha (mostly carry-over of the 17/18 programme planted in April-June), and IFC actual is 20 ha (Roseburn, M&AFD), total actual is 2,119 ha.
- FES EOY forecast is 7,172 ha including carry-over, and IFC 80 ha (total 7,252 ha).

3.2 Key Achievements

- **Restocking:** District FM teams and the plant supply team did very well to manage the plant uplift/delivery and planting issues related to the prolonged and severe winter weather (Jan-March 2018), rolling programme into early 18/19 as necessary.
- **Native Woodland:** Total net native woodland has seen a significant increase since April 2018 value with an increase of ~1,100 ha. This is largely a reflection of the focus on restocking carry over from 17/18 planted in the Q1 April – June period.

3.3 Opportunities for Improvement

None provided.

ESTATES DEVELOPMENT

1. KEY PERFORMANCE INDICATORS

No KPIs for Estates Development

2. OPERATIONAL PERFORMANCE INDICATORS

| KPI | TARGET | RAG | TREND* |
|---|--------|-----|------------------------------|
| Value of Community Benefit payments for renewables on the NFE | £3.2m | | On track |
| ED Net Income | £9.6m | | Expect to exceed plan |
| Cost/Income Ratio | 32.4% | | On track |
| NWIP Disposal Income | £5m | | Expect to exceed plan |
| NWIP Acquisition Net Ha | 600 Ha | | Expect to exceed plan |
| NWIP Acquisition Cost/Ha | £6,167 | | Expect cost to be below plan |
| Renewables Cumulative Installed Capacity MW | 1.1GW | | On track |
| Cumulative NFE Titles submitted to Registers of Scotland | 1,750 | | On track |

*Please note that Trend will be available next quarter as targets have been reset.

3. PERFORMANCE EVALUATION

3.1 Overview of Progress

- Issue with persistent stock trespass being addressed together with districts
- Non domestic business rates for shootings and deer forests issue continues to be worked on with Scottish Government and Scottish Assessors Association/Local Authorities.
- Almost in a position to commit to a conditional purchase agreement with SMRT for restored former opencast land at Mainhill, South Lanarkshire.
- Focusing on developing interest from Scottish Government in further renewable energy, housing and wider commercial opportunities on the NFE.

3.2 Key Achievements

- £1.1m YTD disposal income
- 880 titles cumulatively submitted to Registers of Scotland
- Facilitated Mental Health and Wellbeing workshop with FESMB

3.3 Opportunities for Improvement

- Conclude on the land acquisitions to achieve both the Ha and Cost/Ha targets
- Continued impetus to submit titles to Registers of Scotland despite the time delays in titles being formally registered by Registers of Scotland. Check resource availability versus requirement.

COMMUNITY AND VISITOR SERVICES

1. KEY PERFORMANCE INDICATORS

| KPI | TARGET | RAG | TREND |
|---|--------|-----|-------|
| Number of Areas Leased, Management Agreements or Partnership Working with Communities | 60 | 46 | → |

2. OPERATIONAL PERFORMANCE INDICATORS

| OPI | TARGET | RAG | TREND* |
|-----------------------------------|--------|-----|--------|
| Visitor Centre Net Promotor Score | +0 NPS | | n/a |

*Please note that Trend will be available next quarter as targets are new or have been reset.

3. PERFORMANCE EVALUATION

3.1 Overview of Progress

- Our role in Scottish Tourism was marked by our annual participation in the Visit Scotland Expo and also attendance at the delayed Scottish Tourism Alliance conference – both in Glasgow.
- We continue to engage positively with colleagues within Scottish Government most especially with the tourism team which has undergone a period of significant turnover of staff.
- We helped to facilitate a visit by Ms Hyslop to the UCI World Cup event at Fort William which is hosted on the Estate. This was a useful follow up to the round table discussion on the event which the Cab Sec hosted in February. The weather was particularly good and it provided her with a really good opportunity to meet stakeholders and learn more from them about the event and mountain biking's contribution to the Lochaber Visitor Economy.
- The visitor economy remains buoyant and this has been reflected by a number of enquiries on potential tourism developments on the Estate.

3.2 Key Achievements

- The Scottish Cabinet held a meeting within the Clyde Gateway and Ministers undertook a number of local engagements. The First Minister and the Cabinet Secretary for Health both visited Cuningar Loop Woodland Park. Ms Sturgeon met Lord Smith of Kelvin the Chair of Clyde Gateway together with partners including FES officials and local organisations. She undertook a photo call with schoolchildren whilst Ms Robison visited the mountain bike skills area and met with local stakeholders. Both visits were well received by Ministers who recognised and appreciated the significant role we play and the contribution we make across Scotland.
- We have secured additional resources via Scottish Government programme for Government Forest Tourism commitments amounting to £500k which is complemented by a similar sum for marketing which Visit Scotland are investing in enhanced marketing including forest tourism opportunities on the Estate across south Scotland visitor destinations.

3.3 Opportunities for Improvement

- There is an interest by Ministers to make improvements to the local economy a priority in the South of Scotland. This has been given impetus by the establishment of the South of Scotland Economic Partnership which will in due course be replaced by a new economic development agency. Given that FES is a major land manager and makes significant contributions to the rural economy through forest management, supply of timber, renewables and is a key player in the visitor economy we are seeking to both highlight these and seek opportunities for development and improvements in our contribution. We have an opportunity to participate in the Borderland Inclusive Growth Deal and this is being actively explored in collaboration with Forest Enterprise England via the development of potential forest tourism investment projects as part of Destination Borderlands.
- The implementation of Organisational Redesign which is now underway will provide a new focus for the Community and Visitor Services function. The uncertainties for staff with this period of considerable change have placed extra demands on the organisation whilst we continue to strive to maintain our business as normal for visitors and communities. The process of making appointments to populate the new structures has commenced and this will help to pave the way for improvements.

CORPORATE SUPPORT

1. KEY PERFORMANCE INDICATORS

There are no KPIS for Corporate Support.

2. OPERATIONAL PERFORMANCE INDICATORS

| OPI | TARGET | RAG | TREND |
|--|--------|----------------|-------|
| % of requests for information (FOI) processed on time (within 20 working days of receipt of the request) | 85% | Green | ↑ |
| % of MACCS queries responded to within agreed timescales | 95% | Yellow | ↑ |
| % of complaints closed at frontline resolution stage (stage 1) within 5 working days | 80% | See note below | |
| % of complaints closed at investigation (stage 2) within 20 days | 80% | See note below | |

2.1 Performance Indicator Overview

Amber Rating: There were 4 MACCS cases during Q1. The deadline was missed by one day for one of the cases, due to a delay in receiving information required from Scottish Government.

Other: Over Q1 it was identified that further work is required in order to effectively capture information on response rates to complaints. No reliable information for response rates is available for Q1.

3. PORTFOLIO

| Ongoing Programmes / Projects | RAG | Trend | Comments |
|--|--------|-------|---|
| Internal Audit Project | Green | → | Good progress continuing. PID for contract management has been agreed. The Assurance Framework returns have now been reviewed. Work continuing on communications. |
| Health, Safety and Wellbeing Programme | Green | ↑ | The wider programme is now on hold with 9 projects progressing to delivery and focussing on outcomes. The wider programme will be reviewed in April 2019. |
| Forestry and Land Scotland Project | Yellow | → | All PIDs agreed except for internet and office administration. Project costs and delivery outcomes for day one still being refined. |

4. PERFORMANCE EVALUATION

4.1 Overview of Progress

The main area of focus for the Corporate Support team continues to be the work associated with the Forestry and Land Scotland Project. Work continues on the development of the Corporate Governance Framework for FLS, with the drafting of governance and board arrangements. A timeline has been developed with some key work areas being brought forward including the development of the draft Framework Document.

4.2 Key Achievements

- Assisted in the development of the Annual Report and Accounts for FES
- Developed timelines and approach to Corporate Governance Framework for FLS
- Developed and agreed draft 'Purpose' for FLS
- Worked with functions across the organisation to revise operational performance indicators for FY 18/19
- Developed and published the FLS Roadmap and Digital Journey communications
- Enabled the FESMB with the Development and Improvement Plan in response to the Staff Survey and Vision, Culture & Working Environment report – now in implementation phase
- Co-developed the Collaborative Leadership Programme, including leading on the tendering for a Board Development supplier
- Developed draft Terms of reference for the new FLS Governance arrangements
- Appointment of 3 new project specialists (1 x Project Manager for FLS, 1 x Project Manager for Future Structures, and 1 x Programme Manager for Glentress) increasing capacity to support key projects across the business.
- A review of the portfolio took place in June with FESMB to review projects which will be undertaken over the next period, alignment to priorities and capacity to deliver. The portfolio will be aligned to new governance arrangements.
- Project Initiation Documents agreed for all FLS workstreams except for intranet and office administration. Key communication was issued highlighting the FLS Roadmap.

4.3 Opportunities for Improvement

- Work is required to improve the process for new projects coming into the portfolio – this will be initiated over the coming months. Effort will also be focused on improving communication across project and identification of dependencies. (*note: the structure of the portfolio has recently been reviewed and next quarterly update will reflect the revised approach.)
- Further work is required to ensure the organisation can effectively record timescales for responding to complaints in order that FLS can meet the requirements of the SPSO from day one of FLS.

BUSINESS SERVICES

1. KEY PERFORMANCE INDICATORS

No KPIs for Business Services.

2. OPERATIONAL PERFORMANCE INDICATORS

| OPI | TARGET | RAG | TREND* |
|--|--------|--------------------|--------|
| Salary Bill against overall turnover (£) | <35% | | n/a |
| Turnover per employee (£) | TBC | Currently £8664 | n/a |
| Provision of H&S support to FES FCS (% enquiries responded to in 5 days) | 90% | | → |
| L&D request completed (number) | 75% | | n/a |
| L&D learning outcomes met (%) | 90% | | n/a |
| E-Learning completions (number) | TBC | Currently 5032 | n/a |
| Number of people trained(number) | TBC | 442 ¹ | n/a |

*Please note that Trend will be available next quarter as the OPI is new or targets have been reset.

2.1 Performance Indicator Overview

Red Rating: L&D will be categorising requests to help identify competent requests that require prioritising and exploratory enquiries that require further discussion to fully develop the request. This current figure/RAG status included requests which were incomplete and required additional work to determine the true ask.

Amber Rating: There were significant resource demands on the H&S team in Q1 associated with improving FES systems for the management of vibration exposure, and supporting the delivery of technical chainsaw user / supervisor events across Scotland. This impacted on the ability of the team to deal with business as usual in line with KPIs. However, all enquiries / requests were 'triaged' and urgent/high risk issues addressed effectively. Resource pressures on the H&S team are not likely to reduce until late Q4 as the work on vibration management moves into the delivery and implementation stages, and the new FES Chainsaw SOP is launched. The team will continue to triage requests and support for urgent / high risk issues will provided within appropriate timescales.

¹ 397 FES, 45 FCS

3. HEADCOUNT FIGURES

| Full Time Equivalent Staff | April 2018 | May 2018 | June 2018 |
|-----------------------------------|-------------------|-----------------|------------------|
| Business Services | 119.61 | 128.94 | 133.45 |
| C&V Services | 18.00 | 16.00 | 16.00 |
| Corporate Support | 14.54 | 12.54 | 12.54 |
| Estates Development | 23.72 | 19.41 | 19.41 |
| Land Management | 655.20 | 649.25 | 653.92 |
| Grand Total | 831.07 | 826.14 | 835.32 |

Headcount Figure at end of June 2017: 877

Supporting Comments:

Business Services has increased in this period due to the continued establishment of services such as Finance, Procurement, HR, L&D and H&S. The figure for Land Management includes all Forest District staff.

4. PERFORMANCE EVALUATION

4.1 Overview of Progress

Key issues for the Business Services Teams were as follows:

Health and Safety

- Move chainsaw project to completion including supporting the delivery of multiple chainsaw workshops across districts
- Lead work to address HSE's Crown Improvement Notice.
- Completed the AIRs nudge campaign.
- Supported L&D delivery of chainsaw supervisor training.

Learning and Development

- Collaborative leadership programme and Management Academy launched.
- FES Future Structures Skills Gap Analysis online tool for PB 1- 4 launched July. Project plan prepared for PBs 5-7.
- Low Loader training close to final proposal for solutions to meet fatal accident recommendation and incorporates working at heights on machines, basic hydraulics and electrics, First Aid +F and base unit training for several members of the MES team. The requirement is now for 47 FES colleagues.
- Ten new modules in development for Senior Leaders and Manager Academy.
- Tender for technical Operation Training, First Aid and Driver Training with peer group before publication.

Finance

- The annual accounts have been produced, clearance has gone ahead with Audit Scotland and accounts will be signed off at ARC meeting at the end of July.
- The Management & Control team have been focussing on the Annual Financial Plan (APF) guidance (please note the change of the title from *Business Plan*), preparing the investment portfolio (please note the change of the title from *investment slate*) and delivering Quarter 1 BMR.
- System & Development team preparing for go live of finance systems in new data centre.

Procurement

- The Procurement Annual Report is now in draft form and will be published at the end of July.
- Communications for the Procurement Pipeline have been circulated and the governance is now in place.

Fleet and Buildings

- Engagement with FES asset owners and operators to develop and align asset strategies across the organisation continues.
- Buildings Managers Training course in development with L&D. Course content and delivery methods all agreed. To be rolled out during autumn.
- Working with procurement to agree delivery of Durriss Office and Tummel Deer Larder. Tummel Deer larder has been particularly problematic with finding a value for money solution.

Digital Services

- A communications strategy across the organisation has been launched with a set of videos highlighting forthcoming changes to the Digital Services provision (*Changes to IT and telephony*). Very positive feedback from staff.
- Digital Services Transition Project is progressing to schedule against the project plan, with the project status remaining unchanged (minor changes within agreed tolerance).
- Both permanent and temporary teams are now fully recruited. Transfer of all staff assimilated from IS took place, to schedule, for 1 July.

Records and Data Protection

- Work ongoing with Procurement and Harper Macleod identifying and amending contracts related to personal information for GDPR compliance.
- District visits in progress to discuss data protection and records practices and to provide advice.
- Liaising with National Records of Scotland to understand Records Management Plan requirements.
- Liaising with Scottish Government and Food Standards Scotland to investigate the appropriate way forward for implementation of the ERDM.

4.2 Key Achievements

Health & Safety achievements over the quarter are:

- Crown Improvement Notice complied with.
- 3 civil claims managed to satisfactory completion.
- Provided training to HSE Inspectors on H&S in forestry.
- Supported development and delivery of FESMB mental health awareness session.

Human Resources

- Good progress has been made in improving the diversity of our workforce. 30% of the workforce is female which has increased from 25% for the same period last year. In addition, there has been an increase in the number of young people with 4% aged below 24 and 19% below 34. Changes are in part to the growth in Business Services, albeit not exclusively.
- There has been a reduction in the number of working days lost due to sickness absence (c1, 000 days). This has been, in part, due to HR and Managers working closely together to support staff and progress through the sickness absence procedure.

Learning & Development

- Site Safety and Maintenance Supervision course piloted in CVS.
- Chainsaw Supervisor Courses delivered to meet current demands with plans for the future delivery and development in place
- FCS – Skills Gap Analysis completed and work being conducted on the population of Skills Matrix and consideration being given to identify appropriate training solutions.

Finance & Procurement

- Investment Portfolio established, discussed at FESMB
- Annual financial planning mandate developed and agreed at FESMB

Procurement

- Procurement pipeline governance now in place and comms put out to that effect.

Fleet and Buildings

- Successful recruitment of a replacement Compliance Officer and a Building Surveyor (West). The recruitment process will be re-run for a Building Surveyor (South).
- MES Workshop South is now recycling its plastic via Solway Recycling and used to produce agricultural equipment and storage. This will potential be rolled out to other workshops.
- Installation of EV charging points being finalised for C&T.

Records and Data Protection

- ERDM Project Manager now in post working with Records and Digital to establish project.
- Personal data inventories across organisation created.

4.3 Areas Requiring Improvement

Health & Safety

- Improving the culture of compliance to ensure that H&S standards are maintained.
- Improving awareness of the importance of considering H&S at the planning stage of operations / projects.
- Improving the processes and systems supporting the apprenticeship program.

Learning & Development

- A revised chainsaw supervisor course is required to meet the varying needs of this staffing group. A total of 85 FES employees have submitted requests for this training.
- Team and customer communications.

Fleet and Buildings

- Quinquennial revaluation process for buildings has hit the MES cost centre with an unexpected write down of £400K. Mary Lindsay (ED) is working with finance on the process of capturing revaluations at the end of projects.

Digital Services

- The business has acknowledged resourcing issues in relation retaining specialist knowledge and an understanding of the business processes associated with the SRP application. Whereas this does not have a direct effect with the technical migration of the system from FC to Pulsant, it does impede the ability to provide appropriate UAT. Discussions are ongoing between Digital Services and Marketing and Sales to resolve.

Records and Data Protection

- Awareness across organisation of key GDPR areas and risks.
- Guidance and communications.
- Consistency of records management practices.