



Forestry and  
Land Scotland  
Coilltearachd agus  
Fearann Alba

# RAG Policy

## Site Monitoring Visits and Reporting

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Internal and External Publication

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# 1. Introduction

This policy lays out the rules and procedures that must be followed to deliver a fair and transparent process in the use of RAG as a contract monitoring and compliance tool. The policy is intrinsically linked to section 10 of the standard contract for the sale of standing trees, and FLS Contract Managers and Standing Sale Forest Works Managers (FWMs) must familiarise themselves with the terms and conditions therein.

It must also be applied in the context of Standard Operating Procedure (SOP) “Managing the Standing Sale Contract Lifecycle” menus 3, 4 and 5. All users of the SOP guidance need to possess, or have an understanding of, the necessary skills to undertake the FLS contract manager responsibilities and be competent in understanding their safety/environmental and third-party responsibilities.

You must also understand the Work Plan objectives, key deliverables, outcomes and site standards contained in schedule Part 3 of the contract. For RAG to be an effective, fair and transparent process it is a fundamental requirement that FLS provide detailed information on any constraints, hazards and site specific conditions in schedule Part 3 of the contract at the point of sale and document any agreed working practice(s) and / or mitigation of risk at the Pre Commencement Meeting (PCM)

# 2. Purpose of RAG

Contract monitoring is a statutory requirement of a ‘legal’ sales contract and RAG is the formal process adopted by FLS for monitoring contract compliance and standards.

Monitoring is the process of ensuring that parties comply with the terms of a contract and is the responsibility of the contract owner. FLS cannot opt out of its contract monitoring role, which by default incorporates RAG

Contract delivery is the responsibility of the contract purchaser, through their FWM. RAG is designed to evidence both FWM compliance and breaches with the contract and therefore:

- Can be a definitive condition – Red
- Can be a transitory / temporary condition – Amber / Red
- Can be an escalated condition – Amber to Red
- Can be a ‘warning’ – Amber
- Can be a motivation – Green

In the event of a litigation, RAG and Site Diary evidence would likely be requested and presented by FLS in court

### 3. Who Can use RAG

RAG may be used by any “FLS representative” deemed competent by FLS in the health and safety requirements of specific forestry operations taking place on the Sale Area. Any “FLS representative” must be:

- Formally trained in the use of the RAG System
- Have appropriate knowledge of the Site Specific Contract Conditions
- Be named at the PCM as authorised to allocate ratings under the RAG System

FLS colleagues from other functions are not required to have undertaken RAG training to provide expert advice or make a recommendation to the contract manager / authorised representative on a RAG rating for any potential non-compliance on a site-specific contract condition. They may also accompany the authorised FLS representative(s) on site, by prior arrangement with the FWM.

The FLS Contract Manager or authorised FLS Representative will be the accountable individual for the RAG rating, taking into consideration any advice or recommendation given by FLS colleagues from other functions

### 4. Industry Standards and Compliance

Maintaining Compliance may be influenced by behavioural aspects and management techniques, the biggest driver being the ability of the FWM to supervise and act as a competent leader.

To support compliance monitoring and apply professional judgement and diligence consistently and effectively, FLS Contract Managers must stay on track with changing laws and regulations, seek expert advice from colleagues, and involve specialists to ensure everything is in order where deemed appropriate. Menus 4 & 5 of the Standard Operating Procedure (SOP) “Managing the Standing Sale Contract Lifecycle” is the gateway to the most relevant industry guidance and standards

FLS senior managers must also provide ongoing support to Contract Managers by

- Ensuring employees follow procedures
  - Advise, support and train staff in dealing with change
- Schedule regular internal audits and reviews
  - A ‘safe’ way of uncovering issues
- Use the right resources / tools
  - Make sure that managers and staff are equipped with the resources to remain compliant

## 5. Site Monitoring Visit, Recording and Reporting (Using RAG to apply a Green, Amber or Red Rating)

Section 2 provides some context for a RAG rating. FLS contract managers will adopt fundamental rules and apply a consistent approach when using RAG to monitor Health, Safety, Welfare and Environment Standards and Site-Specific Contract Conditions. Applying these rules consistently will mitigate any risk of accepting FWM liabilities by inadvertently stepping out with our role as a landowner:

- It must never be used punitively
- It should focus on protection of life, the environment and the integrity of the contract (SSCCs)
- FLS must never take on FWM responsibilities unless in an immediate first aid situation to prevent fatal or catastrophic outcome to human life
- FLS should always communicate with the FWM, or their nominated delegate
- FLS must not direct any FWM commissioned contractor or haulier

The contractual obligations of the FWM and the FLS Contract Manager pertaining to site standard visits and reporting are laid out in section 10 of the standard contract for the sale of standing trees and must be consistently adhered to in terms of Health and Safety Conditions, Environmental conditions, and any other sites specific contract conditions.:-

- Within 2 business days of a site monitoring visit by FLS Contract Managers, a Red, Amber, or Green rating must be recorded in the electronic site diary and a site monitoring report sent to the FWM.
- Amber or Red ratings must follow the procedures and timelines laid out in sections 10.8 – 10.11 of the standard contract
- Data entry to the Electronic site diary, any contract file information and the site monitoring report must be accurate and void of opinion, personalities, or subjection

IMPORTANT NOTE (AIRS) - Using the electronic site diary to record site standard visits and reporting of RAG does not negate the requirement to record all serious **health and safety incidents** in the Accident and Incident Reporting System (AIRS). The Health and safety team recording of accidents and incidents is based on our legal duties to both record and investigate significant health and safety incidents. AIRs both records and direct investigations and provides our central database. While this would include Red and Amber H&S conditions, situations do not need to be life threatening to be reportable through AIRS

## 6. Appealing a RAG Rating

The right of appeal for an Amber or Red rating is laid out in clause 10.12 of the standard contract for the sale of standing trees and the decision to uphold or revoke an amber or red rating will rest with the FLS Operations Manager. The decision of the FLS Operations Manager will be full and final and binding upon the parties.

There may be contributing factors as to why a FWM would appeal an Amber or Red rating and the FLS Operations Manager should take this into consideration when reviewing the evidence:

- The grade of condition does not match the severity of the situation?
- Out with the ability of the FWM to apply an effective control e.g., visitor incursions?
- Third party interference e.g., willful damage
- Professional opinion e.g., FWM holds the belief that there is no condition to apply?
- The discrepancy is the first associated with the site e.g., effective delivery blemished by one issue

The list is not exhaustive and is intended as a steer for FLS Operations Managers. The following provides a “Best Practice” framework to ensure a consistent approach is applied throughout FLS

FLS Lead	Key Actions
<p>Operations Manager</p> <p>Seek to Resolve the Issue at this Level</p>	<ul style="list-style-type: none"> <li>➤ Review Circumstances and Evidence associated with the rating</li> <li>➤ Meet with and actively listen to the FLS Contract Manager and FWM</li> <li>➤ Calibrate Rating by referring to training and guidance</li> <li>➤ Formulate your final position on the rating</li> <li>➤ Either Uphold, Downgrade or Remove the rating based on evidence</li> <li>➤ If the Rating is Downgraded or Removed, communicate the reasons to the FLS Contract Manager before informing the FWM</li> <li>➤ If the Rating is upheld, communicate the reasons to the FWM</li> <li>➤ Document in the Contract File and/or Electronic Site Diary – Update AIRS</li> </ul>

## 7. Intent to Terminate and Right to Appeal

The intent to terminate a contract pertaining to Amber or Red ratings is laid out in clause 10.13 of the standard contract for the sale of standing trees

Should the contract holder fail to provide satisfactory resolution of any amber or red ratings, or 2 red ratings have been upheld by the FLS Operations Manager, FLS may suspend a contract and serve a notice of intent to terminate the contract.

The contract holder may exercise their right to appeal any notice of termination through arbitration as laid out in clause 19.1 – 19.4 of the standard contract. Any right of appeal under clause 19.1 – 19.4 must be submitted within 10 Business Days of the date of such notice of termination by FLS

The decision of the arbitrator shall be final and binding upon the parties and the costs of the arbitration shall be within the arbitrator's award.

## 8. Benchmarking and Performance Reporting

RAG calibration through benchmarking will be used to minimise uncertainty and inconsistency by regulating information and evidence. Benchmarking will be exercised through trend analysis of RAG to highlight:

- Safety, environment, and contract trends – what are the top issues?
- RAG awards by category e.g., Environment / Pollution – how consistent is the awarding of conditions by FLS staff?
- Contract / Customer trends – are there any customers consistently failing to deliver?
- Systemic / process issues – is there a problem with the process?
- Seasonality of conditions – are there any seasons that should be avoided?
- Challenges – what where they and lessons to be learned?
- Requirement for oversight – is there a need for more oversight in applying RAG?
- Training – is there a need for more guidance and training?

**Marketing and Sales team will coordinate a quarterly review of RAG ratings and provide summary analysis to the Regional Manager and Operations Manager to include.**

- Number of Red and Amber rating by customer, contract and by the type of occurrence.
- Number of Green ratings by customer and contract
- Red, Amber and Green ratings by Region and Contract manager – Benchmarking purposes

- Operations Managers should discuss the summary analysis with their teams and other functional colleagues. This will help highlight trends and resulting actions for the region or wider FLS and / or industry to consider. This will not only support CMs but demonstrate to the wider industry that FLS is responsible in managing the RAG process.

**The Head of Marketing and Sales team will include the summary analysis as a standing agenda item at Long Term Contract Performance / Review Meetings. Where it is evident that recurring issues exist, a timebound performance improvement plan or the potential to withdraw any option of an extended period may be considered.**

## 9. In the event of Litigation

Paragraph 5 emphasised the importance of data entry to the Electronic site diary, AIRS, contract files, and site monitoring reports being accurate and void of opinion, personalities, or subsection

In the event of litigation, Forestry and Land Scotland may present or be required to present all documentary evidence of red, amber, and green ratings and Sale Area specific reports exchanged between both parties.

FLS contract Managers and other functional colleagues must always be alert to this

## 10. Further Information and Advice

FLS contract Managers that require information and advice concerning the use of RAG and any other RAG related matter should be directed to the Assistant Operations Manager / Operations Manager in the first instance

FLS staff may also access the referenced documents via the following links:

- Standard contract for sale of standing trees
- SOP Managing the Standing Sale Contract Lifecycle
- RAG Training PowerPoint

## 11. Appendix 1 – RAG Process Map

The RAG process Map provides FLS contract managers, FWM and Operations Managers with an easy to follow procedural map and route for escalation for Amber and Red Ratings.