

29 June 2017

CENTRAL SERVICES REPORT

Purpose

1. To advise Commissioners of developments within the FC's Central Services and the progress made to achieve the key actions and priorities as set out in the Forestry Commission England (the Cross Border elements only) and Forest Research Corporate Plans 2016-17.

Cross Border Activities and Corporate Plan Update

Resilience: Forest Biosecurity

We will protect our woodland resource and increase its resilience to pests and diseases so that our woodland continues to deliver a wide range of economic, social and environmental benefits.

2. Certain types of controlled timber are routinely intercepted as either carrying pests or not complying with UK landing requirements. Bulk shipments of sawn conifer from the Baltic states and Russia have been most problematic although the number of interceptions is small by comparison with the number of non-compliant consignments of wood packaging material. Last year inspectors made a total of 273 interceptions, an increase of 116 on the previous year and largely due to non-compliant wood packaging material. In this reporting year we have made our first interception of Asian Longhorn Beetle for many years, found in infested dunnage supplied with a bulk steel cargo from China and Vietnam.

3. A new requirement to notify the FC about imports of all types of solid wood fuel into England and Scotland was introduced in January 2017. By the end of last reporting year, 46 companies had enrolled and notified us of nearly 500 imports amounting to approximately 14,000 tonnes of firewood. We have provided training in wood identification for inspectors and made 27 inspections of premises. The findings to date are that this material is mostly compliant and is usually imported to a kiln-dried specification with FSC accreditation. Only minor issues have been detected so far, involving small amounts of bark on conifer kindling and wood packaging material. There has been a marked drop-off in the volumes imported over the summer although we anticipate that annual imports may reach 50 to 60,000 tonnes when trade resumes.

Resilience: Climate Change and Economics

We will protect our woodland resource and increase its resilience to the impacts of climate change so that our woodlands continue to deliver a wide range of economic, social and environmental benefits.

4. Two commissioned reports are at the final draft stage:
 - i. JBA Consulting on "Flood Management and Woodland Creation – Southwell Case Study";
 - ii. Numbers for Good on "Feasibility study into new financial mechanisms for forestry".

Both of these reports will support the case for new woodland creation.

Evidence

We will ensure that there is a robust evidence base available to the forestry sector across the UK to underpin its policies and operational decisions.

5. The National Tree Improvement Strategy was launched at the annual meeting of the Future Trees Trust in Cirencester on 25 May. The strategy covers broadleaved and coniferous tree improvement, and 35 partner organisations have signed up to it. A steering group has been formed, and will meet shortly to discuss the action plan for the strategy. The [strategy](#) can be downloaded from the FTT website, where details of the steering group can also be found.

6. With the impending end of the LIFE+ co-funded Observatree project, the Board has agreed a new business case for a second phase. This will run on from the current project to ensure that there is minimum disruption to the volunteer network and existing staff. The next phase will continue the work of the project, but look to refine and target the volunteer network to where it can deliver the most impact. Lessons learnt from the last four years of the project will make the next phase more effective, and build on the infrastructure and skills now in place.

Standards and International

We will set the standards for sustainable forest management in the UK, within the framework of international agreements, and promote them domestically and internationally.

7. The revision of the UK Forestry Standard was completed in April. Due to the general election and purdah restrictions publication was delayed. We anticipate publication towards the end of June.

Forest Research Activities and Corporate Plan Update

8. FR achieved all of its 21 key actions for 2016-17 including securing £7.404M of non-core income in excess of its target of £7.323M.

9. FR is delighted to have secured a minimum of £2.5M of Defra capital investment to build its new International Tree Health & Biosecurity Diagnostics and Advisory Centre at Alice Holt. Key FR staff, Defra's investment team and Mott MacDonald's engineering team are now busy designing and costing a quarantine level 3 category building. The initial plan is to design and build the facility over the next two years. Once built, this will be a world-leading centre for tree health, advisory and disease/pest diagnostic services to help protect UK forests and underpin the UK's new global trading ambitions.

FR Science Priority: Protect Our Trees and Forests

10. FR continues to support FC England and Animal & Plant Health Agency colleagues in dealing with the current Devon outbreak of sweet chestnut blight, caused by the fungus *Cryphonectria parasitica*.

11. FR has booked a stand and seminar slots at the Horticultural Trades Association National Plant Show to showcase the LWEC Phytothreats project and its early findings and further engage with interested parties. This is a massive annual event in June, well attended by nurserymen and other areas of the plant trade, and represents an excellent opportunity to profile biosecurity threats and engage with a wider audience, not just the forestry sector, on the topic.

12. FR has also launched a consumer survey targeting plant buyers. Responses from 1500 consumers will assist in assessing the feasibility of a nursery accreditation scheme.

13. After several rounds of bid modification, the green light has now been given by Scottish Government for the Centre of Expertise for Plant Health and plans for an official launch are being developed; FR's Chris Quine will be sector lead for forestry and two other FR staff will be part of the strategic advice and response team. In due course there should be opportunities for greater FR involvement by bidding and contributing to funded projects responding to stakeholder needs.

14. FR attended the first meeting of revised FCS Scottish Tree Health Action Group (STHAG) with discussions around plant passports, pest free zones, and statutory plant health notices; Gerry Sadler, the new Scottish Chief Plant Health Officer, attended on his first day in post.

FR Science Priority: Enhance Forest Ecosystem Resilience and Service Provision

15. FR submitted a natural capital report to Natural Resources Wales which covers valuing standing timber, timber extraction, carbon sequestration, air quality and recreation.
16. FR ran a workshop in Cardiff investigating perspectives and understanding of resilience amongst sector stakeholders and a similar workshop was also held in the FC National Office in Bristol.
17. FR staff presented recent work at the Flow Country Research Conference and good feedback was received on our studies, particularly the long-term nature of them, which is something other organisations noted they struggle to do. Staff also attended a meeting of the National Peatland Research and Monitoring Group developing our thinking on monitoring the condition of Scotland's peatlands.
18. FR staff joined the 'Red Squirrel United' first knowledge fair in Belfast, which attracted around 50 volunteers and practitioners. Staff presented the 'attitudes to squirrel control' survey and also ran a focus session to facilitate discussions between volunteers and researchers.

FR Science Priority: Ensure Sustainable Management and Adaptation of our Forests to Climate Change

19. FR has been accepted as a member of the Agricultural European Innovation Partnership (EIP-AGRI) focus group on "New forest practices and tools for adaptation and mitigation of climate change".
20. FR was also invited to an EC Joint Research Centre workshop on development of guidance for construction of Forest Reference Levels (to do with national accounting for Forest Land greenhouse gas emissions) under proposed EU accounting rules post 2020.

FR Science Priority: Publish Official Statistics and Effect Knowledge Exchange

21. FR has now secured funding support from the countries to move to cloud hosting of Forester/Geostore and this is planned to be in place by October 2017 (dual running at this point).
22. The FC Expert Committee on Forest Science held a business meeting and forest visit in Thetford on 18 and 19 May respectively. The meeting was an opportunity to update Committee members on FR's 2016-17 achievements and for the details of the 2017 external review of FR to be agreed (the review will take place at NRS on 6-9 November 2017). The Committee also considered how best to undertake horizon scanning and the progress being made on FC devolution. A number of FR and FC staff attended the forest visit which looked at one of the ash mass screening trials for Chalara

susceptibility, at acute oak decline, under-planting, a European fir provenance trial, *Heterobasidion* treatment with PG suspension, and an emerging species deployment trial.

23. A complete and up-to-date list of all FC Official Statistics releases that have been pre-announced for the next 12 months is available at www.forestry.gov.uk/forestry/infdd-8ujdd3.

24. The following Official Statistics were released in April and May:

- 13 April - Woodland Carbon Code Statistics: Data to March 2017
- 18 May - Timber Price Indices: Data to March 2017
- 18 May - UK Wood Production and Trade: 2016 provisional figures

25. FR participated in UN Economic Commission for Europe and Food & Agriculture Organisation meetings of the Joint Working Party on Statistics, Economics and Management, and the Team of Specialists on Forest Products Statistics on 28-31 March. Key issues covered included:

- A number of changes proposed to the Joint Forest Sector Questionnaire (used for international data collection on wood production and trade) in 2018. This is likely to include piloting of a new questionnaire on engineered wood products.
- Data collection for Global Forest Resources Assessment 2020 which is expected to run from January to September 2018; there should be some coordination between this and the next collection of data for the pan-European indicators on sustainable forest management.

26. FR's National Forest Inventory report on 'Tree cover outside woodland in Great Britain' was published plus an additional summary report and these, alongside an associated series of wall maps, can be found at: www.forestry.gov.uk/fr/bee-h-a2uegs.

27. FR's Ben Ditchburn appeared in a BBC Countryfile piece on the NFI filmed in the New Forest and screened on 2 April.

28. FR and collaborators from Swansea University held a workshop for 30 participants to review the new opportunities for operational forestry derived from satellites. The aim was to show the tools developed by FR and Swansea University using time-series of Landsat and Sentinel-2 satellite imagery to support operational forestry, management of emergencies, monitoring of diseases and infestations, illegal logging, disturbances and in support of research programmes.

FR Business Priority: Grow Our Business

29. FR held a very useful meeting in April with the Northern Ireland Forest Service (NIFS) regarding our SLA with them for 2017-18. It is pleasing to report that NIFS will now be contributing to our Hylobius research programme and extending their support for our hydrology work for another year.

30. FR has agreed an external contract with a German forestry consultancy firm for an assessment of the adaptability of ForestGALES for estimating wind risk of different silvicultural practices in Vietnamese plantations of *Acacia* and other native hardwood species.

31. FR and the other shareholders in C-Cure Solutions Ltd held a meeting with our Dutch stakeholders to discuss a further tranche of support for C-Cure. This was a very positive meeting and we are now awaiting their formal offer in respect of the further investment requested.

32. Two of four outline bids with FR involvement for a NERC call on assessing the effectiveness of natural flood management have been invited to go to full bids.

33. FR has secured some limited funding from the Green Exercise Partnership, for Phase I Interview clinical decision makers in Scotland about NHS greenspace, with possibility of further work.

34. It is also worth reiterating that FR's Steve Lee, Paul McLean and Joan Cottrell had key roles in developing the successful bid with Oxford University into Genomic Selection of Sitka spruce. This is a £1.3M contract worth £300k to FR over three years. Contract starts 1 July.

Ways of Working

35. Progress on the timeline for establishing new Corporate Service arrangements for the countries and FR is as follows:

- By the end of this financial year (31 March 2017) the following services had been established in the countries/FR:
 - Business Sustainability
 - HR Services
 - Equality & Diversity
 - Procurement
 - Safety, Health & Environment
 - Learning and Development
 - Forest Machine Operator Certification Centre
 - Internal Audit (outsourced).

- It is now apparent that the bulk of the changes to finance and IT systems will be taking place in the first nine months of 2018.
- Job Evaluation is currently being transitioned to the countries.

36. Natural Resources Wales exited all FC services on 31 March 2017.

37. A financial settlement for 2017/18 and beyond is now being negotiated with the Welsh Government.

Shared Services

2017 Pay Award

38. Treasury Guidance was received on 21 April. Civil Service pay continues to be capped at 1%.

39. Treasury guidance on pay for Senior Staff and Office Holders was deferred until after the General Election. SSG and Office Holders have been informed.

Gender Pay Gap Reporting

40. Work has commenced on the new Gender Pay Gap reporting requirements. The reporting will be based on an overall Forestry Commission position.

Hosted eSales Service

41. The first major sale in Scotland was successfully completed using the new service on 26 April 2017. Work continues on identifying products for use in the Catalogue Sales phase of the project. It is expected that the various types of permissions sold by FC will figure highly in this development as well as firewood and other well-established products.

Staff Survey 2017

42. The 2017 Staff Survey is due to be launched on the 25th of September and will run for 3 weeks. The FC continues to run biennial surveys.

Jean Lindsay
Director Central Services
June 2017