

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 Cross Border and Forest Research Corporate Plans 2015 -16.

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. Through the Defra Plant Health Risk Group there were 38 new or emerging threats to trees evaluated and added to the register and 8 rapid pest risk assessments (PRA) have been carried out in response to the initial evaluation. A further 10 PRAs are either already commissioned or planned. Pest alerts have been prepared for Plane Wilt, Oriental Chestnut Gall Wasp and Xylella and an alert is in preparation for pine processionary moth (PPM). A Protected Zone proposal for PPM has been submitted to the European Commission. Derogations to allow trade in ash timber from the US and Canada have been agreed.

3. Border control inspectors carried out 2870 documentary and physical checks on imports of controlled wood and bark - there were 4 interceptions of ash from the USA. Interceptions of non-compliant wood packaging material and dunnage continue. The compliance rate with material associated with steel is poor and in some cases live insect infestations have been detected (Ukraine). 92 statutory notices have been served on importers to destroy non-compliant material and 3 for re-export. Involvement in the 'One Govt at the Border' project is continuing.

Resilience: Climate Change and Ecosystem Services

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. We have commissioned Economics for the Environment Consultancy (EFTEC) to examine the social and environmental benefits of the Woodland Carbon Code. This work will

help to show how the Code supports wider policy objectives. It is in keeping with developments in voluntary carbon markets globally where there is increasing interest in showing how tackling climate change supports UN Sustainable Development Goals. The work will be completed by April 2016.

5. We are working with Forest Research and the Environment Agency to assess the economic value of woodlands for flood alleviation. We are aiming to identify a number of catchments in England, Scotland and Wales where flood modelling has recently been carried out and adapt the modelling in order to estimate the benefits of including woodlands. We have identified the first case study, in Southwell, Nottinghamshire and are working with JBA consulting on the modelling of woodlands within the catchment. Guidance on avoiding flood damage costs (such as that used by the Environment Agency) will then be used to estimate the value of woodlands in reducing flood damage. The environment agency has identified a further dozen potential case studies for future analysis. From these we aim to develop values at a national level.

Standards

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

6. Alongside wider Forest Law Enforcement, Governance and Trade (FLEGT) evaluations, the European Commission has undertaken a review on 'the functioning and effectiveness of the Timber Regulation, including in preventing illegally harvested timber or timber products derived from such timber being placed on the market'. The review concluded that because of the short period of time since the Regulation entered into force that it was too soon to fully assess its impact on trade in illegal timber or whether the Regulation is effective in meeting its objectives. The review was critical of the inconsistent and slow implementation and enforcement resulting in an uneven playing field across the EU for operators placing timber on the EU market. Given the UK is recognised for its current efforts in this area and for its good implementation record the criticism and call for increased efforts will not have implications for the UK. Importantly, the EU Timber Regulation remains relevant as an important legislative instrument and has inspired other consumer countries to introduce similar legislative measures.

7. The UK continues to recommend that the European Commission broaden the product scope of the EU Timber Regulation to better improve prevention of trade in illegal timber and timber products. A change in scope would be by Delegated Act and be subject to an Impact Assessment, and would not necessitate a change to the main body of the Regulation. Devolved Administrations have contributed comments to Defra as part of the UK Parliamentary Scrutiny process.

Evidence

We will ensure that there is a robust evidence base available to the forestry authorities across the UK to underpin their policies, decisions and advice.

8. The quarterly statistical release, Woodland Carbon Code Statistics (covering data to December 2015) was released on 14 January. The next edition (covering data to March 2016), will be released on 14 April.

9. Annual surveys of the UK timber industry are currently running to collect 2015 data on UK wood production. Initial results will be released in UK Wood Production and Trade: 2015 Provisional Figures on 19 May. Timber Price Indices: Data to March 2016 will also be released on 19 May.

Forest Research Activities and Corporate Plan Update

10. FR has currently secured £4.6 million of non-core income for the year against a corporate plan target of £4.6 million.

11. FR's CEO and Chief Scientist, along with FC Commissioner Dr Mary Barkham, had a meeting with Stuart Pryde from NERC to discuss their ongoing work and experience of trying to develop new ownership and governance models for NERC institutes such as Centre for Ecology & Hydrology (CEH). They also had a subsequent teleconference with Professor Mark Bailey (Director CEH) to discuss his experience of trying to develop a new operational model for CEH. So far, the process has taken 31 months to get to the point of possibly submitting final proposals to ministers.

12. As a result of positive work and engagement with Defra's Network Estates Team, FR has secured £1.8 million of capital for critical works and £0.4 million for "Invest to Save" works for the period 2016 - 2021. This investment will cover, amongst other things, various refurbishment projects at Alice Holt and NRS.

13. FR is in the process of finalising a deal with Bangor University (BU) to relocate its main office in Wales from Aberystwyth to Bangor. Senior staff in BU's School of the Environment, Natural Resources and Geography (SENRGy) are highly supportive of the proposed relocation. As part of the deal FR will have access to the library and other IT services.

14. The Head of FR in Wales is currently seconded by FR (at full economic cost) to the Welsh Government Forestry Policy Team (WG FPT) for up to two days per week to work on issues surrounding the delivery of the Woodlands for Wales Strategy, PAWS restoration policy and Tree Health. The Welsh Government has recently indicated that they would like this arrangement to continue into 2016 - 17.

FR Science Priority: Protect Our Trees and Forests

15. FR's Chris Quine recently co-authored a [paper on resilience](#) as part of FR's Phase 1 of Future proofing Plant Health contract and this has now been published in Forestry.

FR Science Priority: Enhance Forest Ecosystem Resilience and Service Provision

16. The [final report](#) on Carbon Impacts of Biomass Consumed in the EU, completed by FR's Science Group in collaboration with Alterra, North Energy Associates and VTT Technical Research Centre of Finland, has now been published. The report appendices can be found [here](#).

17. FR staff recently published a co-authored [paper](#) 'Interpreting canopy development and physiology using a European phenology camera network at flux sites' in Biogeosciences.

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

18. All 155,000 seedlings in the field trials to investigate Chalara resistance have been assessed for survival/mortality. The results have been collated and statistically analysed and a report of the findings has been sent to the funders.

19. FR staff attended a number of events, including supporting Defra's SoS, to discuss shared learning from Defra flood risk management demonstration projects especially the Slowing the Flow Project at Pickering in North Yorkshire.

FR Science Priority: Effect Knowledge Exchange

20. A [paper](#) co-authored by FR has been selected as the Editors Choice in Biological Conservation.

21. As part of trialling new ways of disseminating our research, FR staff made a [video abstract](#) for a recent paper in Environmental Research Letters journal.

22. FR's Tree Health Team organised a two-day workshop for Tree Health Forestry Commission Scotland (FCS) which included training on pests and diseases, update on the latest research and review of processes working with FR's Tree Health Diagnostics and Advisory Service.

FR Business Priority: Grow Our Business

23. FR recently completed work on an externally funded Pine Wood Nematode (PWN) / Pine Wilt Disease (PWD) contract for the Federal Research Centre for Cultivated Plants (JKI) in Germany. This work directly applied the ETpN model developed under the recent EU funded REPHRAME project.

24. FR is part of three successful bids to the NERC Green Infrastructure Open Innovation Projects Call – Tools for Planning and Evaluating. The main one is 'Valuing Green Infrastructure through Tree Assessment Tools' with the Open University. While the direct income will be modest this should prove to be an effective way for FR to continue to build its position in this scientific area.
25. FR has also been awarded a further £20K by FE England, FE Scotland and NRW for 2016 - 17 to investigate alternatives to propyzamide. This is linked to FR's work on behalf of the wider forest industry appealing to the Forest Stewardship Council against non-extension of derogation of propyzamide.
26. The Northern Ireland Forest Service has approached FR about a new four-year SLA.
27. FR was recently successful in obtaining a Scottish Forestry Trust Tree Health Bursary for a PhD project entitled 'Epidemiology of *Phytophthora ramorum* on larch and host responses to infection' which will be co-supervised by FR's Sarah Green and John MacKay from the University of Oxford.
28. FR has secured an extension to the ETI contract which will now run until December 2016. The additional contract value is £240k of which £140k will support FR staff.
29. FR is also responding to a Defra tender for Earth Observation Data Integration Pilot, Research Project 9 – Identifying and Capitalising on the Opportunities Sentinel offers for Monitoring and Management of Forests and Woodlands. It is capped at £50k with a completion date of August 2016.

Ways of Working

30. The Central Services Change Programme (CSCP) coordinates and updates the composite timeline for establishing new Corporate Service arrangements for the Business Strategy Group (BSG) and the FC Executive Board. An update on progress is as follows:
- Implementation of changes to the following functions are on track to be completed by 31 March 2016:
 - HR Services
 - Equality & Diversity
 - Procurement
 - FR Refresh
 - Business cases for the following functions are due to be presented to the BSG in March:
 - Learning and Development,
 - Safety, Health and Environment
 - Internal Audit
- (England hope to have their business case for Information Services ready for the May BSG)

- BSG has established 'discovery' processes for IT and Finance Systems, which will provide common baseline information to assist country/FR planning on future requirements and possible delivery options.

31. Work on Cross Border Functions not transferring to Forest Research is going to be taken forward by a sub-group of the BSG with representatives from Scotland, England, Wales and as appropriate Northern Ireland. This Group will have close touch-points with the Forestry Governance Project Board (FGPB).

32. The NRW liability for additional costs is still under discussion and negotiation but the basis for a settlement is nearly agreed with some further work to be done on a settlement figure. NRW preference is to agree a one-off compensation payment that would be paid to the FC early in the next FY.

Jean Lindsay
Director Central Services
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