

**FORESTRY COMMISSION ENGLAND
EIGHTY FIFTH MEETING OF THE NATIONAL COMMITTEE
NATIONAL OFFICE BRISTOL
12 APRIL 2017 AT 12.30hrs**

Minutes

Present:

Sir Harry Studholme (Chairman)
Mary Barkham
Ian Gambles
Julia Grant
Richard Greenhous
Simon Hodgson
Mark Pountain
Shirley Trundle
Clive Tucker

Also present:

Jenny King – Agenda Item 6

Richard Barker - Secretary and England SIRO

1. WELCOME AND APOLOGIES

The Chairman welcomed everyone to the meeting. Steve Meeks had sent his apologies.

2. MINUTES OF THE MEETING ON 2 FEBRUARY 2017

The minutes of the previous meeting were agreed as a true record.

3. MATTERS ARISING/UPDATES

25 Year Environment Plan

Shirley Trundle explained that there had been further delays, but this would not prevent the planned engagement workshops from going ahead. These were expected to help bring out the differences of views and opinions on key issues.

Plant Health

Richard Greenhous gave a brief update, noting that seasonal survey work was about to get underway and updating the committee on the Sweet Chestnut Blight outbreak in

South West England. The OPM 'season' was about to commence, with caterpillar emergence starting.

Bio-security would be a theme at the Arboriculture Association Conference and would be the subject of a spring campaign aimed at recreational visitors to woodland.

Observatree 2 had been agreed and FC England was working with Observatree partners to ensure that lessons learned from Observatree 1 were implemented, with the objective of increasing its effectiveness and value for money.

Ian Gambles provided an update on engagement with Defra. Plant health was in a different outcome systems group (Animal and Plant Health) to forestry policy and delivery (Natural Environment and Rural) which meant that there were two separate engagement processes being followed. FC was now represented on the APH outcome system group, as and when it considers tree health issues, as well as NER. Ian also reported that plant health was a substantial concern post Brexit and that Corporate and Forestry Support were doing a lot of work on border biosecurity issues.

Clive Tucker reported on the discussion at the South West FWAC on sweet chestnut blight and the issue of on-site processing and the handling of arisings. It was noted that this was not a big issue where only a small number of trees were affected but would need further consideration if large-scale sweet chestnut blight findings became more widespread.

Health and Safety Report

Simon Hodgson had considered the frequency of reporting and suggested that twice per year was acceptable, but timing should be changed to the first meeting after the year end (May-June) and then October-November which would enable the Committee to consider year on year change as well as in year events. It was added that FESB was taking a very close interest in Health and Safety issues.

The Committee agreed the recommendation, with the next report being made to the 1 June meeting.

4. FINANCE REPORT

Paper 01/17

Ian Gambles reported that end of year work was progressing as expected and that discussions were ongoing with Defra on the tax issues, including additional cover for retrospective liabilities.

The Efficiency Review, outlined in the Paper, was at a very early stage, but it was likely that all elements of the Defra group would need to make a contribution to the savings that could be required.

It was noted that the main issue remaining with the HMRC compliance audits was the business/non-business classification of FEE activities. This was continuing to be a difficult area, not helped by the quality of the engagement by HMRC. The future handling and the risks would be discussed directly with the Permanent Secretary at Defra in early May. In response to questions it was explained that the Forestry Commission's compliance audit appeared to be more advanced than any comparable

organisation, which meant that there was a lack of other public sector organisations' experience to draw on.

Business Plans

The Committee approved the Business Plans (Paper 06/17) that had been sent to members on 31 March.

5. ARAC ANNUAL REPORT

Paper 08/17

Julia Grant presented the Report, noting that the main change in the Committee was that she took over as Chair during the year from Clive Tucker. The coming year would be affected by the move from FC Internal Audit to the Government Internal Audit Agency (GIAA), as well as the challenges outlined in the Report.

The Committee accepted the Report and thanked Clive and Julia for their work as Chairs.

6. CORPORATE PLAN

Paper 09/17

Jenny King joined the meeting and updated the Committee on progress with the Plan, which had been subject to minor revisions and had now been submitted to Ministers. It had also been sent to the designers in preparation for publishing.

The Committee expressed some concerns over the performance indicators. This was because some of them did not appear particularly relevant to the organisation's current objectives. Whilst it was acknowledged that consistency was needed in order to monitor change over time there was also recognition that a revision was needed. It was agreed that this should be taken into account in the new operating model, whilst recognising the risk of removing some indicators which may be seen as a way of covering up a lack of achievement.

The Committee agreed, subject to Ministerial endorsement, the final draft of the Corporate Plan as presented and its publication, which was expected in June.

7. EFRA COMMITTEE INQUIRY ON FORESTRY

Paper 10/17

Richard Greenhous reminded the Committee of the background to the inquiry which had been encouraged by the sector's representative bodies. The evidence submitted to the Committee and which had been published gave a useful insight into both organisations' and individuals' thinking on forestry.

The formal response to the Committee was being prepared by Defra officials, supported by the Forestry Commission. This was due to be considered by Ministers in late April, with the response due by 20 May.

It was noted that the Countryside Stewardship issues were not new, and this had been raised in other fora. However, the need to comply with EU requirements would remain for some time and there would not be fundamental changes in systems in the short term.

There was some discussion of the sector's demands for a one-stop shop, although it was not entirely clear what this actually meant. In particular it was noted that grant applicants' engagement with forestry experts continued to be with Forestry Commission staff, and in principle the organisational location of the support function should have no impact on applicants. Most of the current difficulties experienced by customers arose from a range of systems issues, which the Defra Group was striving to resolve. The Committee agreed that it had to be accepted by the sector that forestry could not be separated from a wider land use policy and support mechanisms, especially post Brexit.

8. FE STRATEGY BOARD REPORT

Oral

Mark Pountain reported on the morning's FESB which had considered the Internal Audit report on the Board and Executive Team, the Risk Register and the management performance dashboard, which gave a much more detailed picture of FE's activities than the performance indicators published in the Corporate Plan. The Board had also considered the statement on modern slavery, brand development and the FEE strategic framework.

9. FWAC MEMBER APPOINTMENTS

Paper 11/17

As part of the stop-gap arrangements, which were briefly recapped, the Committee endorsed the proposed member move and approved the appointments listed in the Paper.

10. FOREST HOLIDAYS and CAMPING IN THE FOREST

Paper 12/17

Simon Hodgson drew attention to the good financial performance of Camping in the Forest, which was expected to see borrowing repaid in 2017, clearing the legacy of the original Forest Holidays business. This would help the business move forward with a more pro-active approach to site development, reducing the reliance on the challenging sites in the New Forest. The Sherwood planning application was expected to be submitted before the end of April.

Forest Holidays was a more complex business and the same financial information was not available to the Committee at this point in the year, summary information will be provided at a future ENC meeting when available from Forest Holidays. The refusal of the new planning application at Delamere for Forest Holidays and the visitor hub redevelopment was likely to be appealed. All the issues for the previous application had been addressed by the new application. Ongoing site selection work was progressing well.

The complexities of the Framework Agreement continued to be addressed, looking at the issues caused by the separation of NRW and the plans for devolution in Scotland.

