

**FORESTRY COMMISSION ENGLAND
EIGHTY THIRD MEETING OF THE NATIONAL COMMITTEE
NATIONAL OFFICE BRISTOL
9 NOVEMBER 2016 AT 13.00hrs**

Minutes

Present:

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

Also present:

Defra Communications (Item 2):
Toby Nation - Interim Head of Communications
Jane Shelley - Head of Performance and Business Management
Alice Holmes - Deputy Director

Steve Scott - Interim Head of Grants and Regulations (Item 7)

PK Khaira-Creswell - Secretary and England SIRO
Richard Barker - Minute Secretary

1. WELCOME AND APOLOGIES

The Chairman welcomed everyone to the meeting, and introduced Julia Grant who had replaced Keith Oates as an England Commissioner. Mark Pountain sent his apologies.

The Chair also welcomed the Defra Communications team members who would be giving a presentation on communications transition in the Defra group before the routine Committee business commenced.

2. COMMUNICATIONS TRANSITION

Toby Nation led the presentation which explained how Defra group communications were being brought together as a single entity and would provide a service across all the participating bodies, including Natural England and the Environment Agency. This would work on a Business Partner Model, which would enable a flexible approach to be adopted. It was expected that integration of the Forestry Commission into the new model would be achieved in February.

In the discussion following the presentation it was confirmed that Forest Enterprise would be maintaining its own marketing and communications capacity to meet its separate business needs and give separation in the same way as in other areas of shared services. However, there would be very close working with Defra group communications and common objectives.

The Committee did have some concerns that understanding and knowledge of the forestry sector and the activities of the Forestry Commission, other than Forest Enterprise, would be diluted by the new arrangements. It was recognised that the change would carry some risks to accumulated knowledge, but it would also provide increased flexibility and greater resources to meet emergency and priority issues. There were further concerns that local 'good news stories' could be lost in the bigger picture, but it was expected that dispersed nature of the new operating model would mean that there was attention given to local issues, alongside the primary campaigns. Group brands were also being maintained as the value of these was recognised, especially by the relevant industry sectors and the public. It was agreed that much of the further engagement with Defra Group communications on developing the service it would provide Forest Services would be through the Forest Services Senior Management group and board.

3. MINUTES OF THE MEETING ON 14 SEPTEMBER 2016

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

4. MATTERS ARISING/UPDATES

Select Committee Inquiries

Ian Gambles advised the Committee that the Forestry Commission had received a direct request from the Environmental Audit Committee to provide written evidence to their inquiry into the future of the natural environment after the EU Referendum. The Commission's Submission had been published by the Committee as had the transcript of the oral evidence session in which Richard Greenhous was questioned by the Committee.

The EFRA Committee's Forestry in England inquiry was less advanced; the Commission had submitted complementary evidence to that submitted by Defra. None of the evidence submitted had been published, and whilst the Forestry Commission was aware of some of the stakeholder submissions it, like everyone else, would need to wait for its publication. It was expected that Forestry Commission officials would be invited to give oral evidence. It was noted that the inquiry was well timed as its conclusions and the information provided in stakeholder submission may be helpful in contributing to the formation of the 25 year Environment Plan.

25 Year Environment Plan

This had reached the near final draft of the framework, which was due to be published for consultation. It was planned that there would be a series of technical workshops as part of the consultation process as well as other engagement activities.

Plant Health

The Observatree reception in the Houses of Parliament had been a great success with a lot of interest in the project. However, the attendance at volunteer training events had in some areas been disappointing.

It had been gratifying to see an increased awareness of the need for and promotion of biosecurity issues by the industry representative bodies. The Woodland Trust were continuing to develop their UK sourced seed and UK grown assurance scheme, which was a valuable contribution as part of wider initiatives to improve biosecurity by the nursery trade.

There were no major developments with ash dieback; although some local authorities had raised issues around the cost saving that could be achieved by felling whole blocks of trees rather than just those posing a safety risk. The FC approach remained that there was no general need to fell ash trees, and that premature felling was unnecessary.

Forest Research recently completed their test on the sweet chestnut from Folkestone. The sample was negative for chestnut blight (*Cryphonectria parasitica*). However, they have identified the fungus *Gnomoniopsis smithogilvyi*. It is the first detection as far as we are aware in the UK.

6 new sites of significant pests with potential for limited spread had been identified: *Neonectria fuckeliana* (4 cases) and *Neonectria neomacrospora* (2 cases).

The Committee expressed concern over the difficulties in trace back where suppliers of infected material had gone out of business and asked if there might be ways to ensure records are retained under such circumstances and access improved, for example by working with the insolvency service. This would be given further consideration.

Exiting the EU

Ian Gambles reported that FC officials were engaged in the various processes at a range of levels as work to prepare for exit increased. It was a substantial challenge for the Department with significant resources being put in place and changes to the leadership structure. Important developments would be notified to the Committee at the appropriate time.

Richard Greenhous added that one of the main issues for the Forestry Commission and the forestry sector was the successor to CAP. Plant health was also a significant issue and its importance was being recognised. It was also noted that a number of representative bodies had already made valuable contributions to the discussions.

FE Strategy Board

The Chair and Simon Hodgson gave an update on the morning Strategy Board meeting. Of particular note was that trading and revenues had been better than expected and that UKWAS Audit had gone well, where the most significant issue raised concerned the record keeping of game shooting tenants.

National Tree Safety Group (NTSG)

Clive Tucker (NTSG Chair) reported that the Group's own web site was now running (www.ntsgroup.org.uk). A potential BSI Standard for tree safety had re-emerged but serious concerns about both the need for a standard and the implications of a standard remained across the industry. The standard may still be developed further, but it was expected to be much less of a concern to the forestry sector than when it was first proposed in a somewhat different form from now.

The Group had considered whether or not its advice held good for Ash trees affected by dieback, in the light of concerns expressed by other bodies. It had concluded that the approach recommended by the NTSG included the need to take into account plant health and so remained appropriate. An evaluation of the development of symptoms of disease does need to be one part of the issues considered in any inspection. .

Richard Greenhous noted that concern was growing amongst highway authorities and others over the cost of dealing with ash trees in public places. This was leading to consideration by some of blanket felling to save costs on road closures etc. an approach that was not encouraged by the Forestry Commission. However, it had to be recognised that felling for genuine safety reasons was exempt from the requirement for a felling licence and that our 'only fell when necessary' approach had to be balanced against financial realities.

5. FINANCE REPORT

Paper 20/16

Steve Meeks highlighted the key points in the paper, including the budget variances. Attention was now on business planning and on handling existing pressures which had to be seen in the wider context of the pressures on the overall Defra Budget. It was noted that across Defra there were a number of ring-fenced commitments which inevitably led to increased pressures in other areas.

6. FC FUTURE OPERATING MODEL

Oral

Ian Gambles advised the Committee that a Paper would be brought to the February 2017 meeting and that this agenda item was to outline some of the major issues that had to be taken into account when considering the future operating model, many of which did not yet have firm outcomes.

Opportunities for change would arise from Scotland's exit from the Forestry Commission and the completion of devolution. The exact nature of the cross-border relationship and cooperation was still the subject of discussions between officials and would be decided by Ministers in the three administrations in due course. There was a low prospect for legislation to create a separate Public Forest Estate Management Organisation, especially given that parliamentary time was likely to be taken up by issues relation to exiting the EU. Alternative ways to complete the process of FC reform and the development of Forest Enterprise would need to be carefully considered.

The changes to the organisation would also need to be seen in the context of Ministers' priorities for forestry and the development of both the 25 year Environment Plan and the Food and Farming Plan. It was increasing clear that the Forestry Commission would become an England only body. As this happened it would need to have a clear and

focussed purpose with a clear operating model, not only for stakeholders, but for the staff who needed some reassurance and confidence in the future.

The Committee welcomed developments and that there would be an opportunity for a more in-depth discussion at the February meeting.

7. GRANT PAYMENTS – PENALTIES, COMPLAINTS and APPEALS Paper 29/16

Steve Scott, Interim Head of Grants and Regulations was welcomed to the meeting. It was explained that the whole issue had arisen out of a change in claim requirements from a 5 year renewal (on multi-year legacy schemes) to an annual claim. The Forestry Commission had to put in place new systems and capacity to handle the new requirement and legacy scheme holders had not been expecting the change. The automatic imposition of penalties for late and the non-receipt of claims had, inevitably, led to a number of complaints and appeals as detailed in the Paper. The approach taken by the Forestry Commission on the sending out of claim forms, handling of complaints and appeals had been aligned with the approach taken by both the Rural Payments Agency and Natural England as all three organisations were responsible for similar schemes.

The Committee noted the position but was concerned to explore whether additional measures could be taken to try and ensure that the scheme holders received claim forms. The basic cost of tracked postage appeared modest given the overall cost of dealing with complaints and appeals that could be avoided might exceed this cost. It was also suggested that some behavioural insight into why people may not have returned their claim forms in time may help future response rates.

Further consideration would be given to these issues in future years.

8. ACHIEVING THE GOVERNMENT’S 11 MILLION TREE TARGET Paper 30/16

Richard Greenhous introduced the Paper and explained that the target was achievable, but there were considerable risks. However, the opening of the Woodland Carbon Fund (on 10 November) was a significant boost to incentives to help achieve and potentially exceed the target. Uncertainties remained over Countryside Stewardship 2017 and 2018. It was hoped these would be resolved shortly by HM Treasury, including support for woodland creation after EU exit. Progress towards a consultation on a proposal to raise the EIA threshold for afforestation was being made and if implemented would reduce this barrier to planting, where it applies.

The Chair considered the Paper to be a good summary of the situation, but was surprised that it did not include any new woodland creation by Forest Enterprise, which was a distinct possibility. It was noted that all woodland creation financially supported by government, where recordable and recorded could count toward the target, but the focus of the paper had been on government grant aided planting. Furthermore, the increased density of recent grant aided planting meant that less land area than under previous incentive schemes would need to be converted to woodland in order to achieve the target tree numbers.

In response to questions on restocking it was noted that the target numbers were for new woodland creation, not restocking. It was also noted that failure or delay in replanting after felling was not considered as significant an issue in England as it was in Scotland.

9. FEE LAND TRANSACTIONS

Paper 31/16

The Committee welcomed the comprehensive update on land transactions and the overall benefits that this would bring to the Public Forest Estate. It was also noted that the A11 mitigation funding would be used for new woodland creation, and not for the purchase of existing woodland. The outcome could be an overall gain in woodland area, on the Public Forest Estate, from this activity, which could add to the delivery of the 11 million tree target (depending on timing).

10. FOREST HOLIDAYS and CAMPING IN THE FOREST

Paper 32/16

The Committee noted the update and were advised that Forest Holidays were optimistic that the revised Delamere planning application would not be called-in. The issues raised by the planning inspector had been fully addressed in the new application.

Simon Hodgson reported that Camping in the Forest was looking at possible sites to expand the business. All sites had the full support of Forest Enterprise.

11. FORWARD LOOK

Paper 33/16

The Committee were reminded that the forward look was a combination of routine business, reasonably predictable activity and some speculative items, particularly in regard to timings. Committee members were welcome to submit suggestions for additional items during the year.

12. AOB

No other business was raised.

Next Meeting: 2 February – Bristol (after FE Strategy Board)
 12 April in Bristol (after the FE Strategy Board)