FORESTRY COMMISSION ENGLAND
NINETY FOURTH MEETING OF THE NATIONAL COMMITTEE
WOOD NORTON HOTEL
20 SEPTEMBER 2018 AT 09.30hrs

Minutes

Present:

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

Also present:

Richard Barker - Secretary

1. WELCOME AND APOLOGIES

The Chairman welcomed everyone to the meeting. Shirley Trundle had sent her apologies.

2. MINUTES OF THE MEETING ON 12 JULY 2018

Subject to a minor amendment to Item 10 the minutes of the previous meeting were agreed as a true record.

3. MATTERS ARISING/UPDATES

Sheffield Street Trees Programme

Richard Greenhous updated the Committee on the investigation which was nearing completion. However, until the work was complete it was no possible to make a final judgment on whether or not, in the opinion of the Forestry Commission, exemptions to the need for a licence had been properly applied. Nevertheless, and separately from any answer to that question, what had been observed was a lack of consideration of the alternatives to felling, which consideration might be considered good practice. The forthcoming Urban Tree Manual would draw together existing good practice. There were therefore links to be made between this and any publicity surrounding for the outcome of the investigation. Wider lessons might also be learned that might help inform potential improvements to control of felling legislation.

The Committee noted the update, and asked whether the FC's investigation had also addressed the question of whether the Council might be argued to have acted *ultra vires* in letting the contract under the terms it did. Richard Greenhous advised the Committee that the FC had limited its investigations to matters within its own statutory remit, and any consideration of the Council's vires was a matter for the courts.

Environment Bill

Richard Greenhous reported that the scope of the Environment Bill currently was still to be determined, but it remained primarily for the creation of the new environmental principles and oversight body. It may provide a vehicle for the manifesto commitment to introduce a duty to consult on felling street trees, to update the felling regulations and to respond to the outcome of Dame Glenys Stacey's review of farm inspection and regulation, which was due to report by the end of December.

Richard also reported two recent successful prosecutions for illegal felling, which was a good result and demonstrated how the FC was willing to initiate action through the courts, although the penalties imposed were disappointing.

Tree Champion

Richard Greenhous confirmed that Sir William Worsley had been appointed as the Government's Tree Champion. His appointment provided an additional interface with the sector and influence on trees, woodlands and forestry policy development in government. He was already working closely with the Forestry Commission and it was agreed that he should be invited to a future ENC meeting.

FS regulation of FEE

The amendments suggested had been implemented apart for from notification to the certification bodies of any warning letters. This was because Forest Services did not notify the certification bodies of any felling licence breaches by private owners and therefore notification of FE letters would go beyond the broadly equivalent approach to regulation sought.

Woodland Creation Update

Richard Greenhous was pleased to report that woodland creation under Countryside Stewardship could now be applied for year round and the forthcoming planting season was looking better than previous years with around 3 million trees expected to be planted. There were proposals for a total of 13.2 million trees known to the Forestry Commission and past experience was for around 73% to progress to planting. However, additional caution needed to be applied due to the risk that some landowners might respond to current uncertainty, about EU Exit and what it would mean for them, by adopting a wait and see approach. Nevertheless, the 11 million tree target remained achievable.

In response to questions it was acknowledged that there was not a full understanding of why potential planting was not always implemented. There was also some concern over the availability of nursery stock which had a long lead in time. It was recognised

that a stable woodland creation environment and sustained demand were key to giving the plant supply chain confidence.

Elm Zig Zag Sawfly

Richard Greenhous drew the supplementary briefing on the Sawfly to the Committee's attention; the only action currently underway was the continuation of surveillance, the results of which would inform any decisions on further action.

4. FINANCE REPORT Paper 23/18

Steve Meeks drew attention to the key elements of his report, the main concern being that late approval of funding, especially activities that needed to be underway early in the year. Overall, the financial situation was as expected at this stage in the year.

Looking forward future business planning for 2019/20 with the Defra Group would be a challenging period, with ongoing pressures on the budget and all areas expected to make contributions to savings.

Ian Gambles confirmed his engagement with the outcome systems group and the pressures Defra was facing. Simon Hodgson advised that currently timber sales income was ahead of target, but there was always a need for caution.

5. CORPORATE SERVICES ESTABLISHMENT PROGRAMME Paper 24/18

Steve Meeks introduced the paper and highlighted the fact that the update was a high level summary which did not fully reflect the work that had gone into resolving many complex and challenging issues faced by the programme. As explained in the paper the target date for completion had moved, partly due to the larger than expected IT user base.

In answer to questions it was confirmed that the new desk top rollout was progressing well, and had improved with experience. There were still some challenges with connection speeds at some sites and this was of concern to the Committee as were the disaster recovery and business continuity issues. It was noted that this was an issue that was on the Internal Audit Plan and the Committee asked for an end of transition update on disaster recovery and resilience arrangements.

Richard Greenhous added that the PSN issue was proving hard to resolve as a result of factors external to FC, and Steve Meeks added that the initial issues over expenses had been worked through.

Ian Gambles expressed his thanks to all those involved for what they had achieved at a low cost to the organisation compared to equivalent changes elsewhere. These thanks were endorsed by the entire Committee.

AGRICULTURE BILL and POLICY PAPERS

Richard Greenhous reminded the Committee that this would be the primary legislation for enabling future support for the forestry sector, giving wide powers to Ministers to implement support schemes across the forestry and agriculture sectors. It would also help with the orderly close down of CAP support.

The Committee expressed concerns about a range of issues and asked for these to be taken into account by officials that were dealing with future support mechanisms for the forestry sector in association with Defra officials. These concerns included:

- The lack of clarity on what constituted 'public goods' which had been promoted as the key outcome delivery of the new support mechanisms. Forestry was always seen as delivering high levels of public goods but if the definition was too agriculture focused then forestry could miss out.

- Support should have an approach focused on outcomes, moving away from the current system that focussed too much on inputs. The scheme should also be much simpler than the current highly complex arrangements.

- Recognition of the risk that pressure groups and stakeholders in the agriculture sector may aim to marginalise forestry interests and that this may also put at risk support for non-farming landowners, for example conservation charities.

- The demand on resources in the Forestry Commission to help develop the new support mechanisms, while also continuing to run the existing ones in parallel, especially in the context of the expected challenging next spending review.

- A focus on encouraging co-operation between landowners to enable landscape scale positive change, rather than the somewhat piecemeal approach there now is.

- That the Public Forest Estate should not be directly disadvantaged by the support mechanisms provided to the private sector.

- The IT systems to deliver any new support mechanism should be developed in parallel with the new support mechanisms, taking on board the lessons that should have been learnt from the introduction of the current system.

Richard Greenhous explained that the issues raised by the Committee were recognised and some were already being addressed, for example work was underway to help define 'public goods', the staff resource issues were being addressed to some degree, and the challenge that late decisions would bring to designing and implementing an IT delivery system was recognised.

It was agreed that preparations for the spending review would be discussed at a future meeting.

6. FOREST HOLIDAYS and CITF UPDATE Paper 25/18

Simon Hodgson reported on the performance of the businesses over the summer, which had seen a good year for Camping in the Forest and a more challenging period for Forest Holidays, which had been typical for the sector.

The opportunity to end the Evans involvement with the business had not proceeded and the opportunity to improve the terms in the Framework Agreement on the back of this had been lost. However, it was expected that improved terms on new sites could still be achieved.

Defra had commissioned an Internal Audit (GIAA) investigation into the processes followed in relation to past and present commercial agreements between the Forestry Commission, Forest Holidays and its investors. In response to the report (which had been made to Defra and would be considered by the Forestry Commission ARAC at the next meeting) Defra was planning a governance review involving UK Government Investments (UKGI). Despite the difficulties experienced over the summer months, the FC's relationship with the business had remained positive. Forest Holidays would be concentrating its efforts on the development of the sites where it now held planning permission.

Ian Gambles added that the focus was on the future and that there was no suggestion that past actions of the Forestry Commission would be unpicked. The governance review was a positive move and should help clarify the issues where there was a clear difference of view between GIAA and the Forestry Commission, notably including the required and appropriate extent of Ministerial involvement in decisions.

The Committee, whilst acknowledging that the report made uncomfortable reading, considered that in some places it lacked balance and did not fully reflect the discussions and decision making processes within the Forestry Commission. The Committee welcomed the proposed governance review and was keen to engage with the process, once the terms of reference were known. The opportunity to clarify the terms of the future relationship between the 'new' Forestry Commission (England) and Ministers and Defra in order to reduce the risk of future misunderstandings would be a welcome step forward.

7. CENTENARY PROGRAMME – CHELSEA GARDEN Paper 26/18

The Chairman introduced the Paper and provided some additional background and an update on the sponsorship situation. Whist generally supportive of the project the Committee had some concerns on issues including value for money if the Forestry Commission's underwriting was called on. Also how realistic the audience figures and costings were and that some of the materials required were not available in the UK. This could create presentational challenges when plant health was a major issue of concern.

The Chairman provided reassurance that the concerns raised by the Committee were being addressed; in particular there would be rigorous processes to ensure biosecurity which would be agreed with the UK Chief Plant Health Officer. The quality

of the product and the people involved with it would help ensure that it would have a high profile and would substantially raise the profile of resilience issues with the media and the public.

The Committee agreed, provided their concerns were fully addressed through the planning and completion phases, that the Forestry Commission should, to demonstrate commitment and ensure influence over the project, provide up to £70k in support if insufficient sponsorship income was generated to meet the full costs of the project. The Committee welcomed the fact that sponsorship is being proactively and energetically pursued; in addition to £228,000 private sector and charitable sponsorship already secured, APHA and a consortium relating to Tree Health had committed up to £50,000.

8. MEETING DATES 2019-20 Paper 27/18

The final meeting of 2018-19, was agreed as 7 February 2019. The Committee was advised that the future meeting dates were expected to remain as proposed, but until the future organisation arrangements and Board composition were in place it would not be possible to confirm which meetings members would be expected to participating in.

9. AOB

None.