

**FORESTRY COMMISSION WALES NATIONAL COMMITTEE
MINUTES OF MEETING HELD ON THE 26th NOVEMBER 2010 IN THE ABERDARE
HALL, CARDIFF**

Present: Jon Owen Jones, Chairman
Roger Cooper
Trefor Owen
Clive Thomas
Judith Webb
John Lloyd Jones
Rory O'Sullivan

Also attending: Martin Veale (Finance FCW)
Richard Siddons (Grants & Regulations FCW)
Terry O'Keefe (Secretariat FCW)
Geralene Mills (Secretariat FCW)

Apologies: Peter Garson

INTRODUCTION

1. JOJ opened the meeting. Apologies had been received from Peter Garson.

MINUTES AND MATTERS ARISING

2. JOJ asked that the minutes of the meeting of the 24th September be amended to include an action point for the Secretary to follow up actions from previous meetings and in particular that MV was to provide a more detailed breakdown of the "Other" section of the finance report.
3. RC said that in the second line of paragraph 6 on page 2, "understating" should be replaced by "understanding". The minutes and action log were approved as a true record.

DIRECTOR'S REPORT

4. TMO presented his report and informed the Committee of; the current uncertainty in the timber market caused by the state of the economy and softening demand; that FCW had worked well with WAG Rural Affairs on arrangements to close the BWW scheme to new applications; that there were already more than 30 enquiries for the recently launched woodland creation scheme; that a new urban Plant! site had been identified at Caia Park in Wrexham which would raise the profile of woodlands in north-east Wales; that targeted felling to halt the spread of *P ramorum* was still taking place and that scenario planning was being carried out to guide longer term plans for dealing with the disease. He added the Deer Strategy had nearly been completed and FCW would seek a date for the Minister to launch it in the New Year. He informed the Committee that agreement had been reached on a new access for potential wind-farm development at Nant y Moch in Ceredigion. He added that the N Wales windfarm projects were now progressing

more quickly and that the Environment and Rural Affairs Ministers had recently discussed the FCW led report on small scale renewable energy generation. The Ministers agreed that energy generation and community benefits were the main drivers. TMO informed members that the main board of the Heads of the Valleys Strategic Regeneration Area (SRA) had accepted the FCW woodland plan which would attract increased support and resources from Local Authorities and others. TMO agreed to circulate a copy of the agreed woodland plan to NC members. FCW would now seek further engagement in the Western Valleys SRA.

TMO

Action Point – TMO to share woodland plan for the HOV SRA with NC members.

5. JOJ asked about the future of partners such as Communities First and the valleys Park projects given the current Government budget cutbacks. RO'S said he would provide advice to TMO on the wider WAG position regarding the draft budget.

RO'S

Action Point – RO'S to provide advice to TMO on WAG budget position

6. TMO referred members to the section of his report covering the construction of 5 sustainable houses on FCW land at Dolwyddelan by the Tai Clwyd Housing Association. FCW had now released land for 8 houses to be built for local people and more would follow. He said the houses used the Ty Unnos construction method, used Welsh spruce and were highly energy efficient. RC said that Coed Cymru were organising visitor days to the site on the 13th and 14th of December. JW asked whether the cost effectiveness of the construction method had been assessed and TMO replied that this was a matter for developers as the Ty Unnos construction model was now operating against other systems in the market place. TMO informed members that FCW was working with Forest Holidays on a possible new cabin site in Wales. Three potential sites had been identified at Beddgelert, Maesgwm and Garwnant and a feasibility study was underway at Garwnant with the HOV project to see if a joint investment could be made. He added that the sites were a good business model and were attractive to investors because of their high occupancy rate throughout the year. JW said that she had recently made a field trip in her Commissioners capacity which had included a visit to the Forest of Dean site which was proving a great success, organised by HOV. TMO said that the feasibility study will be considered by the NC and a visit could be arranged to the Forest of Dean to see a new site. RC asked whether the Ty Unnos system could be considered as part of the project and TMO replied that it was a matter for the Wales Forest Business Partnership to engage with the project to gain additional benefit for Wales. TMO informed members of his previous day's appearance before the Public Accounts Committee of the National Assembly for Wales on the issue of the Fynnone & Cilgwyn Woodlands. He said the session had been demanding, with some quite difficult questions being asked and that FCW now awaited the

Committee's report to properly gauge the outcome of this scrutiny.

ENVIRONMENTAL DELIVERY OPTIONS PROJECT (the WAG Review)

7. TMO then updated the NC on the WAG Environmental Delivery Project (EDO) and the progress of the Public Bodies Bill which was being scrutinised by the House of Lords. JOJ set out the various proposals being made by the three GB administrations that could impact on the structure and functions of FC and said that the FC in each country would need to be flexible in order to adapt to whatever came forward in the coming months. The Committee then discussed the potential impacts on FCW and agreed that it was too soon to be able to judge what might happen. TMO described the latest position with the EDO project. The Committee's view was that more work needed to be done on the feasibility study and it would be inappropriate to go any further until the conclusions were supported by rigorous data and balanced argument. TMO thanked the NC for its support and advice.
8. CT said that arrangements for the forestry stakeholders event on the 8th of December to enable them to respond to the Living Wales consultation were well in hand and that the meeting would be addressed by Jon Taylor, Professor Colin Price and Shaun Russell.

FINANCE REPORT

9. FY09/10 - MV informed the Committee that the 09/10 WAO Management Letter had been considered by the Audit & Risk Committee the previous day.
10. He said that following the publication of the WAG draft budget FCW has been notified that it was likely to receive a 6.98% reduction in its cash funding over the next 3 years. He said that this was a smaller reduction than had been expected but it was still a cut and would need to be managed. He said that FCW had been awarded an additional £0.5m of capital funding in this financial year which would be used to purchase a new harvesting machine and light vehicles. He referred members to Appendix 1 of his report which was for a 6 month period as the 7 month figures were not yet available. He explained that he had included an explanation of the corporate costs as requested by the NC. He added that FCW currently had an adverse variance of £371K for the year due to additional BWW grant applications ahead of its closure to new applications. This was a timing issue and would be offset in future years and that expenditure on controlling *P ramorum* currently stood at £400k and a further £1m was included in next year's budget to cover this issue.
11. Moving on to the 2011/12 budget MV reported that the process was well underway with meetings between his staff and Unit managers and said he would provide an update to the next NC. He added that FCW was working with CCW

and EAW on the tendering of 10 contracts and that FCW led on 3 of these with a total value of £761k.

12.MV responded to questions on the cost of felling and income from biomass sales for the Committee and offered to provide a further breakdown of the corporate costs to enable the Committee to see what was included.

Action Point – MV to provide more detailed breakdown of Other costs shown in Appendix 1. **MV**

WOODLAND STRATEGY ADVISORY PANEL REPORT

13. RC presented the report by describing the recent visit to the HOV SRA where the Panel saw some excellent work being done with the local communities. He said that the business meeting had discussed how the Panel could respond to the 'Living Wales' consultation to ensure that it had a market dimension and was based on sound evidence. He said that the Panel believed that the document as currently issued asked lots of questions but provided few answers. He reported that he had attended a meeting of the Newborough Liaison Partnership where the recently completed management plan was presented. There was discussion of a several points in the plan but overall it was welcomed and well received by those present. He also reported that he had attended an interesting FCW/FR visit to Newborough to examine the prospects for alternative species in the forest.

UPDATE ON PHYTOPHTHORA RAMORUM INFECTION OF LARCH

14. RS gave a presentation to update the Committee on the progress of *P ramorum*. He showed members the most recent maps of the spread of the infection which had now been found in locations all the way up the west coast of Great Britain including in N Ireland and the Irish Republic. JOJ asked whether this was as a result of aerial spread and RS replied that it was the result of 2 vectors. Up to 1km spores were spread by air and beyond this distance they were mainly spread as a result of human activity, especially through the plant trade. RS added that the rate of spread could be related to temperature and that rapid action was needed as spores spread rapidly through stands over a period of 2 to 3 years. RS said that research evidence suggested that sporulation took place in the autumn and therefore felling before the end of August could be most effective in delaying the spread of the disease, however there were still a lot of unknowns and that the default would be to fell as soon as identified. JOJ asked if a cost/benefit study had been done on the risk of doing nothing. RS replied that this was not an option as there was currently a statutory duty to fell infected material, however, the management team were considering a range of options to guide the delivery of a disease control strategy.

WOODLAND CARBON CODE

15. CT gave a presentation on the development of the Woodland Carbon Code. JW asked about the running costs and potential complexity of the scheme and whether it would be similar to UKWAS. CT replied that it should be more easily funded than UKWAS as it is 'closer to market' and that the trick on complexity is to develop a credible and robust standard, without choking off involvement by private companies. He saw it as a big opportunity for the private sector and that it should be for them to make it work, not Government, as ultimately the market will dictate the demand. Defra were currently consulting on arrangements for reporting GHG removals and the proposal is the Code will define the standard. CT highlighted that UK Government may eventually have a mandatory framework rather than a voluntary arrangement for companies to report their GHG removals and emissions. He expected the finalised Code to be launched next year and FC would be looking for some other body to manage the wider framework in the medium term. TMO commented that the previous two presentations highlighted the value of research evidence.

CT

FORWARD LOOK 2011

16. TO'K invited members to provide comments to him on the draft forward look for 2011.

ANY OTHER BUSINESS

There was no other business.

Next Meeting – Friday 11th February in the Welsh Assembly Government Office, Cathays Park, Cardiff