



SEPTEMBER 2009
DIRECTOR FC WALES REPORT

RESPONDING TO CLIMATE CHANGE

Harvesting & Marketing - Programme 1: Establishment and silviculture

1. The timber harvest achieved up to the end of July 2009 equates to 320km³. This buoyant uptake is circa 9% above budget. Our current forecasts predict a high likelihood of meeting our full sale plan volume in both thinnings and clearfell operations (180km³ and 590km³ respectively).
2. Improved activity by our customers is seen across Wales in the traditional sectors of construction, fencing and particleboard manufacture but in addition the biomass activity is particularly buoyant. Customers other than those in the biomass sector urge caution and report that the increased demand for our wood is due to the lack of material from the private sector and the stocking of DIY outlets for Spring and early Summer retail demand. The actual construction industry remains flat, therefore the sustainability of the current increased demand will be closely monitored.
3. The third of our six open market tender sales was successful with 98% of lots being sold. We have seen a modest recovery on price but on a year-on-year basis we remain circa 30% down on sawlog prices at July 2008.
4. My staff have finalised a Harvesting Resource Strategy that looked at how best to resource the harvest on the Assembly Government woodland estate up to 2016. This report has identified where shortfalls in contracting resource will lie. As a result we have already opened discussions with the trade and funding providers in WAG on ways to take forward new investment in machines and labour resources.
5. We met with the Confederation of Forest Industries (ConFor) and UK Forest Products Association (UKFPA) in July and have agreed that FC Wales will now withdraw the framework of support offered last winter during the economic downturn. Both parties agreed that the range of measures were a good example of a collaborative approach to minimising the impact on the industry during a very difficult period.

Better Woodlands for Wales - Programme 1: Establishment and silviculture

6. Demand for Better Woodland for Wales (BWW) remains strong. To date 1151 BWW cases have entered into the scheme and are at foundation stage or beyond. Of these 574 cases have been approved totalling 19,215 ha with an average size of 33 ha.
7. BWW Smallwoods, which is a streamlined approach for land-owners who want to plant or manage woodland up to 20 ha, was successfully launched at the Royal Welsh Show and early indications are that this approach will prove popular with farmers.

8. We have started to review BWW grants to ensure that this policy instrument is in line with the revised Wales Woodland Strategy.

Glastir Agri-Environment Scheme - Programme 1: Establishment and silviculture

9. My staff are working closely with the Glastir Project Team and providing technical advice and support on the inclusion of trees into the available options. Most of our work to date has been on the development of the entry level All Wales Scheme, where landowners in Wales will be able to access support to plant and manage trees and small woodlands, as part of an entry level agri-environment scheme. The team is also involved in the development of the higher level scheme where we are promoting the development of a woodland package. This will provide significant support for landowners to create and manage woodlands.

Better Woodlands for Wales - Programme 2: Tree protection and health

10. The initial £100k ringfenced for rhododendron clearance where *Phytophthora* has been identified has been allocated. We are looking to provide an additional £150k of funding during 2009/10.

National Forest Estate Wind Farm Programme - Programme 3: Renewable energy

11. The Programme remains on course, with minimal risks to the organisation. The NFEWFP team, Assurance Roles and Project Board have considered an early draft of the first Planning Application which is due to be submitted (SSA F in Coed y Cymoedd Forest District), and will be issuing a full response to the developer for their consideration. A Minerals Consultant has now been appointed and is considering the first formal application for quarries on FCW land. Community Consultations are now active in SSA D (Nant yr Arian), SSA A (Clocaenog) and SSA F (Coed y Cymoedd Forest District). The Procurement Project has been closed and a Closure Report will be circulated.

Wood Energy Programme - Programme 3: Renewable energy

12. The recruitment for the Wood Energy Business Scheme 2 project team is completed. Ten applications for small scale heating systems have been received. The evaluation procedures are currently being "road tested" against these first applications. FC Wales is in discussions with Welsh Health Estates to address concerns over security of fuel supply to the new hospital sites in South Wales.

Hydro Schemes - Programme 3: Renewable energy

13. Following the desk exercise to establish potential 'run-of-river' sites on the Assembly Woodland government estate, we will shortly be undertaking a site by site analysis of the top 25 potential sites assisted by guidance from CCW and EA. Once the exercise has been completed we will liaise with our colleagues in WAG departments over the best means to promote hydro schemes, particularly at the community level.

Wind Energy Developments on Third Party Land - Programme 3: Renewable energy

14. We are commencing negotiations for access agreements for potential wind farms on third party land. They are principally within the TAN 8 Strategic Search Areas and

these developments will support the Welsh Assembly's target for renewable energy generation.

WOODLANDS FOR PEOPLE

Better Woodlands for Wales - Programme 4: Public involvement and enterprise

15. We are funding a pilot study to evaluate the requirements for community consultation in community managed woodlands seeking to enter BWW. The aim is to develop a framework approach that can be used in these situations.

Pathfinder Project - Programme 4: Public involvement and enterprise

16. Pathfinder is an FC Wales initiative to explore the legal and managerial implications of higher-level community involvement across the Assembly Government woodland estate. The eligibility criteria, assessment process and broad terms of lease have been drafted and are being consulted on. A potential lease project with the community woodland enterprise group in Llanrwst is being progressed, and the range of alternative ways in which community groups and enterprises can be involved in woodland management are being investigated. My staff has also met with WAG and the Big Lottery about the new Asset Transfer Programme to discuss woodlands and buildings being valuable community assets, and took part in the consultation process for the developing programme. The Development Trusts Association Wales has been consulted about the Pathfinder proposals and is actively involved. FC Wales is reviewing how its own grant programme can support the aims of community woodland groups.

Affordable Housing - Programme 4: Public involvement and enterprise

17. Powys County Council has now supported the potential disposal of the Ceinws site in mid Wales to Gwalia Housing Association. A number of other sites across Wales have been identified by our planning consultants as being potentially suitable for affordable housing.

Garwnant Visitor Centre - Programme 5: Recreation and access

18. The Garwnant Visitor centre programme remains on target, with the site partially open to the public since mid-July, in time for the summer holiday period. Visitors to the centre can enjoy the facilities of access to the woodland, cycle trails, and walks, as well as toilet facilities, and a temporary refreshment provision is on site.

Health and Wellbeing - Programme 5: Recreation and access

19. Following on from the recently agreed policy position on the *Health and Well-being Benefits from Welsh Woodlands and Trees*, we have been invited to give a presentation at a seminar hosted by HRH Prince Charles at his home near Myddfai in October. The theme is 'Sustainable, Rural Wellbeing and Health - An Integrated Agenda for Everyone'. We will be promoting the positive contribution that woodlands can make to this and seminar, which is being co-ordinated by HRH's Foundation for Integrated Health in conjunction with the Institute for Rural Health.

Woodlands for People - Programme 6: Woodland based learning and sector skills

20. The work of my Woodlands for Learning Team has been recognised by the gaining of a Special Primary Award from the Education Business Partnership. The award was in recognition of providing an extensive menu of woodland-related activities for primary and secondary age children. It also recognised the significant increase in teacher training events that have also taken place to develop outdoor teaching skills. The award was presented by John Griffiths AM, Deputy Minister for Children, Education, Lifelong Learning and Skills, in front of 150 representatives of business and education.

DEVELOPING A COMPETITIVE AND INTEGRATED FOREST SECTOR

Wales Forest Business Partnership - Programme 8: Promotion of Timber

21. We have agreed that the Wood Fuel Wales (WFW) initiative should be part of the Partnership. A funding bid has been submitted to WEFO and the Partnership will employ and manage field staff and administration of the programme. The WFW Steering Group members are key individuals from the private sector involved in the wood supply chain, the installation and maintenance of wood fuel stoves, boilers and flue systems.

22. WFBP and ConFor joined forces at the Royal Welsh Show to host a session introduced by the Finance Minister, Andrew Davies AM. The intent was to raise awareness of the need to connect the consumer and the grower. The initiative will build on the outcome of a Supply Chain Action Plan, which is currently under development.

IMPROVING ENVIRONMENTAL QUALITY

Tintern Landslip - Programme 9: Restoration and management of native woodlands and open habitats

23. The remedial work was completed on site and the Wye Valley Road fully opened on schedule for the start of the school summer holidays. My Area Land Agent had a very positive site meeting with David Davies MP to show him the completed work.

Red Squirrel Conservation Plan for Wales - Programme 10: Site based biodiversity, heritage and landscape

24. Our Minister and Jane Davidson AM, Minister for the Environment, Sustainability and Housing, agreed the Red Squirrel Conservation Plan for Wales last month. This plan will enable us to focus our efforts more effectively in the agreed focal areas identified for Anglesey and Clocaenog. Work remains to be done to agree the third focal area in mid-Wales and we have commissioned FR to use their modelling to help complete this exercise.

Deer Strategy for Wales - Programme 10: Site based biodiversity, heritage and landscape

25. In July our Minister agreed to recommendations from FC Wales on the commissioning of a Wales Deer Strategy and Action Plan to develop the necessary co-ordination required to deliver the vision that Wales benefits from its wild deer population,

addressing the need to develop a co-ordinated approach to managing the impacts of deer. The production of the strategy will be commissioned by FC Wales with partner support from CCW and WAG Nature Conservation Branch.

BUSINESS MEASURES

Corporate and Business planning

26. Work on aligning Business and Corporate planning is currently underway, with a new set of accounts under development that reflect our newly developed corporate programmes. Work should be complete in time for the business planning round in the autumn.

Communications

27. We have seen a significant increase in the level of internal and external communication activity across all units. My communications team have been monitoring and evaluating our media coverage and we are consistently achieving over 60% beneficial coverage. A review of skills/competencies required by our staff is underway and recommendations on media training provision have been made.

People Issues

28. Testing is taking place for the Forestry Commission's new e-recruitment system which will enable our recruitment and selection process to be undertaken online in future. We are ensuring that the system fully meets our bilingual requirements.

Environment Agency Wales

29. I reported earlier in the year the positive meeting I held with Chris Mills, Director of EA Wales resulting in a 12-month placement of a member of their staff at our Resolven office. This placement will focus on forestry related aspects of the Water Framework Directive.

Relocation to the new WAG Office in Aberystwyth

30. Departments will start to relocate in September, with FC Wales staff moving in November. There is a significant amount of timber used on the internal and external cladding and in signage and external furniture. The heat source for the hot water system is a biomass boiler. The fuel supply contract was awarded to a mid Wales company, whose business was supported by the original WEBS scheme. The relocation will significantly reduce the carbon footprint of our National Office function, provide an enhanced working environment for our staff and facilitate closer working with our colleagues in WAG, especially DRA.

**Trefor Owen
Director FCW
24 August 2009**