

DIRECTOR WALES REPORT JULY 2010

WELSH WOODLANDS AND TREES

National Assembly for Wales Debate on the Woodlands for Wales Action Plan

1. The National Assembly for Wales (NAW) held a short debate in May to support the recently published Woodland Strategy Action Plan. The NAW acknowledged the benefits that woodlands provide to the people of Wales and supports the actions set out in the Action Plan. The Minister for Rural Affairs highlighted the actions in support of her Department and those that contributed to other areas of the Assembly Government's work such as in education, health, economic regeneration and climate change. The debate focussed on the Minister's recent announcement of her plans to create 100,000 hectares of new woodland in Wales over the next 20 years. The NAW voted 36 to 0 to support the Welsh Government's Action Plan, with 9 Conservative AMs abstaining.

RESPONDING TO CLIMATE CHANGE

Harvesting & Marketing - *Programme 1: Managing more diverse woodlands*

2. To the end of June 2010 we have harvested 220k cubic metres of timber, which keeps us on profile against our clearfelling and thinning programmes and is in line with the annual sales plan of 790k cubic metres. Demand for timber is good across all products, although all sawmills (with the exception of the Biomass sector) continue to report that the continuing weak pound and current low level of imported material is driving the demand for round timber supply. The market demand for finished product remains competitive and sawmillers need to work hard to maintain acceptable levels of sales.
3. We held the first electronic tender sale of the new financial year in May 2010 where we presented 63k cubic metres of timber to the market place. The sale was successful with all 48 lots sold. The market demand for timber from the Assembly Government woodland estate remains strong, with limited private sector activity.
4. The volume of timber in larch stands infected with *Phytophthora ramorum* is now estimated at 150k cubic metres. Planning is underway to determine how much of this material could be incorporated into the current sales plan and how much will need to be additional to the existing programme. Initial indications are that it may be difficult to substitute more than 40% into the existing programme. The scope to market the remainder as additional to programme may be constrained by the limited market for Japanese larch and the fact that timber processors in Wales have not yet become licenced to process infected timber. As a result we may not be able

National Committee

to market all the material this year and are now developing options to deal with this challenge.

Woodland Creation - *Programme 1: Managing more diverse woodlands*

5. The project to ensure that Better Woodlands for Wales (BWW) is aligned to start delivery of the Minister's woodland creation target is underway. Revised grant rates have been agreed and submitted to the European Union for approval. In order to avoid any delays in applications coming forward we have agreed that all woodland creation projects carried out from 2010/11 onwards can be paid at the higher rate. The project team has met with several stakeholders to gain their experience of working with farmers and is looking to develop a joint approach to promoting the benefits of woodlands on farms. We are close to agreement with the Countryside Council for Wales (CCW) in producing strategic maps where site-based consultation will not be required for new native and mixed woodlands, reducing the bureaucracy for all parties.

Better Woodlands for Wales - *Programme 1: Managing more diverse woodlands*

6. The number of approved BWW cases now covers a total area of 31,435 ha and approved broadleaf new planting stands at 288 ha. Some of these new woodlands will be created in the Heads of the Valleys strategic area and deliver landscape benefits, public access provision and linked wildlife habitats.
7. Over the past month we received 12 reports of illegal felling and issued three Restocking Notices and two warning letters. As part of the effort to tackle illegal felling my Grants and Regulations team is producing a basic leaflet outlining the law on tree felling, aimed at building organisations and local authorities. Grants and Regulations staff will inspect all felling licences and BWW cases before approving the case/application for clear felling or thinning larch affected by *Phytophthora ramorum*.

Grants for non-agricultural Owners – *Programme 1: Managing more diverse woodlands*

8. A thorough evaluation of BWW has shown that the scheme has been successful in supporting delivery of some public benefits with non-agricultural private woodland owners. The integration of woodland support into Glastir will develop new woodland options for launch on 1 January 2013 along with the Glastir Targeted Elements. Woodland elements will be accessible directly to woodland only owners or farmers that have not entered the Glastir All Wales Element, and a range of grants will be available to allow purchase of outcomes that will support the delivery of *Woodland for Wales*.

National Committee

Read Report Seminar - Programme 1: Managing more diverse woodlands

9. FC Wales and Forest Research jointly hosted a seminar in May in Llandrindod Wells to present the findings of the Read Report to an audience of both private and FC practitioners. Over 100 people attended and the presentations from the six Forest Research scientists were all very well received.

Phytophthora ramorum - Programme 2: Tree protection and health

10. The infection has been found and confirmed by laboratory testing in the lower Afan Valley and Garw Valley in south Wales on the Assembly Government woodland estate. FC Wales has been issued with instructions by the FC Plant Health Service under the Plant Health (Forestry) Order 2005 to fell the infected areas identified and plans for felling are now underway. Only public woodlands have been confirmed as being infected with *Phytophthora ramorum*, however if it is found in private woodlands, the Forestry Commission will use its GB wide regulatory powers to compel owners to fell infected trees. The Forestry Commission has just announced a £600k fund to support woodland owners in managing the outbreak. FCGB, WAG, Fera, FC England and FC Wales are working closely together to deliver a joined up strategic and operational approach to disease management.
11. Surveys covering public and private sector woodlands are ongoing and surveyors may be in contact with private landowners to gain access.
12. We have started the process of visiting mills in Wales that may be interested in becoming licenced to receive and process infected material in the future. We will shortly initiate discussions with trade organisations to agree a trade briefing seminar (likely to be in early September) to develop an appropriate marketing strategy.

Wind Energy Programme - Programme 3: Renewable Energy

13. Activity across five of the six Strategic Search Area Projects is intensifying. At SSA-F (Pen-y-Cymoedd) in South Wales, the Option Holder continues to refine the Management Plan to remedy the Planning Objection lodged by CCW. We are working closely with the Option Holder to remedy a further Planning Objection raised by the Local Authority on the grounds of local economic impact from the closure of a main cycle route. Once these objections have been addressed the Option Holder will be able to progress its formal response to Department of Energy and Climate Change (DECC). We are monitoring closely the sale of the Option Holder by its current holding company to ensure that FC Wales' and WAG's interests are fully protected.
14. Public consultation has commenced for Project SSA-D (Nant-y-Moch). The main issue is the request for additional access at Nant-yr-Arian, specifically for abnormal

National Committee

loads. We are determined to ensure that the commercial value of this additional access is recognised and thus the Option Holder has been unable to include a definitive statement on how access will be achieved in the consultation process.

WOODLANDS FOR PEOPLE

Bwlch Nant-yr-Arian – Programme 5: Recreation & access

15. The Visitor Centre Café has now been brought under FC Wales management. There was a seamless transition in customer service with no negative publicity. Additional support was provided by existing staff who volunteered to assist during one of the busiest times of the year, demonstrating excellent team work and customer focus, which safeguarded FC Wales' reputation.

Royal Welsh Show - Programme 5: Recreation & access

16. The theme for 2010 is Climate Change, demonstrating the way trees play a vital role to help fight climate change by offering interactive activities in the FC Wales marquee. My Grants and Regulations team will be located in the Welsh Assembly marquee and be promoting the range of grant schemes and projects they are responsible for delivering.

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

17. My Woodlands for Learning Team is currently preparing for its annual conference, entitled "10 years of Forest School in Wales." It will take place in Cardiff in October and offer the chance to celebrate the development of Forest School in Wales. The event will include a choice of field trips, workshops and skill shares, and a presentation of the recently completed research into the long-term benefits of Forest School. Finally, delegates will have the opportunity to discuss the direction Wales will take Forest School in the next 10 years.

DEVELOPING A COMPETITIVE AND INTEGRATED FOREST SECTOR

Wood Energy Business Scheme (WEBS) - Programme 3: Renewable energy

18. There are now 140 registered schemes, of which 23 have been approved for grant, with a combined value of £542,000. In terms of numbers of projects approved, WEBS is within its original forecast, however in terms of value of grant offered we are behind target and have agreed a re-profile of spend with the Welsh European Funding Office to reflect the longer lead time of some of the larger schemes. The team will focus their attention on bringing forward some of the larger schemes within this financial year.

PMG & SCES Technical Appraisals – Programme 8: Promotion of timber

19. The Processing and Marketing Grant Scheme (PMG) and the Supply Chain Efficiencies Scheme (SCES) come under Axis 1 of the RDP. The schemes are administered by the Food, Fisheries & Market Development Division (FFMDD) of Rural Affairs. FC Wales has carried out appraisals on projects with a total project value of £3.75m, with a total PMG and SCES grant value of £2m. Most applications have been from forestry contractors looking for assistance in the purchase of machinery, mainly harvesters and forwarders. Other projects assessed have included firewood processing equipment, sawmilling equipment, an extension to a cold store at a forest nursery, a project to improve the supply chain for low value Welsh timber and a Knowledge Transfer PMG which will deliver fundable training to the forestry, trees and timber sector. This work has resulted in closer working links with other Divisions in the Department of Rural Affairs.

BUSINESS MEASURES

All Staff Meetings - Business measure 1: Staff satisfaction

20. Building on the evaluation of the two All Staff Meetings held in May, the Management Board has agreed to convene two All Staff Meetings in May 2011.

Investors in People - Business measure 1: Staff satisfaction

21. Investors in People interviews took place across the FC in June. FC Wales had 4% of staff interviewed from all grades and disciplines within the organisation.

Recruitment Freeze

22. Staff have been given a clear briefing on the implications of the civil service recruitment freeze. All recruitment and extension to contracts are currently reviewed via a business case process, and external recruitment will be avoided. The Staffing Action Plan is currently under review by a working group comprising of members from operational, policy, human resources and trade union roles. This will provide a map for the organisation going forward and will be aligned with the proposed themes of the FCGB People Strategy.

Trefor Owen
Director FCW
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