

Agenda Item 2

24th September 2010

WNC 28.10

DIRECTOR WALES REPORT SEPTEMBER 2010

RESPONDING TO CLIMATE CHANGE

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

1. I am pleased to report that we are on profile with our approved business plan volumes and income levels. Total volume to the end of August equates to 332 km³ against the business plan volume of 790 km³.
2. We have completed the third of our six open market sales with demand and prices for our timber remaining strong. Despite an increased amount of private sector timber coming on to the market, we succeeded in selling most lots in our July sale. Our next sale will be held in September 2010.
3. The Phytophthora ramorum outbreak will be a major challenge for the operational teams. We have developed an action plan for the felling of infected trees, including a range of marketing options to comply with the felling order, whilst minimising disruption to the timber trade and FCW income forecasts. Staff from the Harvesting and Marketing team recently met with colleagues in Forest Enterprise England, and will attend a cross-country trade meeting in September to explain and invite comment on this action plan, and develop a marketing-group approach to infected material.
4. The infected timber harvesting operations are due to start in mid October and finish by 31 March 2011. The marketing strategy will phase the release of timber to the market rather than release it all at once. The overall harvesting programme for FCW is planned to stay within the current 790 km³. Clearance of infected material younger than ten years old is ongoing, and paid for out of the £600 k grant aid made available from Defra's Phytophthora management programme. 40 ha have been cleared out of the current programme of 130 ha due for completion by 31 December 2010. This area may reduce if we can recover marketable material from vigorous eight to ten year old crops. The main saw mills in and adjoining Wales are now licensed to take infected timber. Smaller mills are being referred to Plant Health Services for licensing.

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

5. The Minister for Rural Affairs announced on 19 July 2010 that the current grant scheme, Better Woodlands for Wales (BWW) would close with all Foundation Plans being approved by 31 December 2011 and all contracts approved by 31 December 2012. From 1 January 2013 grants to purchase public benefits from woodland will be delivered through Glastir and the woodland sector will be treated as Glastir stakeholders. This has led to a significant increase in BWW applications with over 100 requests for mapping being submitted during the summer, which is normally a quiet period. This has impacted on staff resource and we are putting in place several measures to manage

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this, including reprioritisation of workloads, and working with planners to improve the standard of applications. BWW applications now total 57,695 ha of which 31,679 ha has already been approved by FCW. Broadleaved planting totals 283 ha of which 281 ha is native.

6. We have now launched a support scheme similar to that in England to support owners who have been served with a plant health notice. The scheme provides financial support for both professional advice and help towards the costs of felling infected crops.

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

7. Glastir Woodland Creation grants will be a 'stand alone' element of the scheme. Work began on this project in April 2010 and is due to conclude in October 2010. The new scheme will be a simpler system than its predecessor; however, it will continue to provide expert support for applicants as well as improved grant rates. The rates were well received by the forestry and agricultural sectors at the Royal Welsh Show.

Reservoir Safety – *Programme 1: Managing more diverse woodlands*

8. Works have been carried out over the last year on improving the safety of two reservoirs in north Wales, at Hendre Ddu in the Dyfi block and Llyn Goddionduon in the Gwydyr Forest Park. This has involved improving the spillway capacity of both to cope with a one-in-a-thousand-year flood. Forestry Civil Engineering staff based in Wales carried out the design and construction supervision. Both of these works will help FCW comply with the new Flood Management Regulations, which will replace the Reservoirs Act. Works to improve the safety and reduce the capacity of a small reservoir at Cyffty in Gwydyr are planned for this financial year. Issues with maintaining a water supply and an adjoining Special Area of Conservation (SAC) are delaying the process. These works will take the reservoir outwith the new regulations.

Tintern Landslip Remediation – *Programme 1: Managing more diverse woodlands*

9. All works have now been completed on the remediation works at Tintern. The area of risk above the A46 has now been made safe, which removes a large liability to the Assembly Government Woodland Estate. The work has also resolved issues with excess water flowing onto neighbouring land.

Phytophthora ramorum - *Programme 2: Tree protection and health*

10. A cross-Forestry Commission Outbreak Management Team has been formed to provide a clear and consistent strategic direction to the management of *Phytophthora ramorum*. Sector representatives will be engaged in the development and implementation of a control strategy.
11. Further infected Japanese larch stands have been identified on the Assembly Government woodland estate (AGWE) around the outbreak area in the lower Afan Valley and Garw Valley in south Wales. The infected stands now cover over 800 ha of

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larch, resulting in over 180 km³ of infected timber. An infection has recently been confirmed in close proximity to the Bwlch Nant-yr-Arian Visitor Centre. Felling of approximately 60 trees will commence in mid-September to manage the spread of the disease through the stand around the lake. This can be undertaken sensitively without the need to close any of the facilities. A number of other stands are displaying symptoms and will be investigated by Forest Research before needle drop. The survey will be scaled back once the needles drop, at which point the control strategy will focus on ensuring the infected larch timber is not marketed unknowingly as uninfected material. We are investigating how this might be undertaken through controls on felling licences.

12. An infection on private land was identified in August in west Denbighshire, north of Alwen's reservoirs, following initial identification through an aerial survey. The owner felled the trees immediately for use on site as wood fuel. The pathway leading to this infection is unknown. Although no further infection has been confirmed in the private sector, we are investigating a private site near the outbreak on the AGWE in south Wales.

Wind Energy Programme - *Programme 3: Renewable Energy*

13. Progress continues with overcoming the issues that have given rise to Countryside Council for Wales' (CCW) Planning Objection to the Pen-y-Cymoedd Project. Meetings have taken place with local Planning Officers to start considering the S.106 Planning Conditions to allow CCW to remove their objection. The Option Holder hopes to submit their Planning Application to the local authorities by the end of December 2010.
14. FCW continues to work with CCW to resolve environmental issues and a successful event bringing Forest District Managers, Wind Energy Programme staff and key CCW staff together was held on 2 September to provide a platform to develop our relationship.
15. The sale of the Pen-y-Cymoedd Option Holder is progressing with FCW entering into a Confidentiality Agreement to work with the selling holding company and ensure that any prospective purchaser will see the development through to a successful conclusion.
16. Activity across the Programme is increasing as Option Holders aim to put their Planning Applications before the Infrastructure Planning Commission. The SSA-D Option Holder (Airtricity/SSE) at Nant-y-Moch has requested an additional access near the Nant-yr-Arian Visitor Centre which is attracting attention through their lobbying of Ministers, FCW non-executives and senior WAG officials. FCW has an established basis for valuation, accepted by WAG and continues to negotiate with the Option Holder.

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

17. There are now 29 approved grant applications, with a combined value of £632,000. The typical businesses applying for grants are similar to WEBS 1 with the majority

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being either accommodation providers, rural office units or wood working businesses. The WEBS team is focused on recruiting larger applications and will be evaluating a phase 2 application from Clifford Jones Timber for a significant capital project. They are also in discussion on three sites for development of combined heat and power, each of which would be a significant investment.

WOODLANDS FOR PEOPLE

Heads of the Valleys Regional Woodland Plan – Programme 4: Public involvement and enterprise

18. In 2010, the Heads of the Valleys (HoV) Project Officer worked with the Regional HoV Partnership, a Woodland Plan Advisory Group and consultants on the development of a regional woodland plan for this area. The Plan has been adopted as a strategic document by the HoV Partnership Steering Group and Blaenau Gwent CBC Scrutiny Committee (with presentations to the other four Unitary Authorities due shortly). An options appraisal of potential delivery models is currently taking place for further discussion with all partners. The Plan will be considered by the HoV Board at its October meeting. If members endorse it as expected, the Plan will then be fully adopted as a HoV strategic document. Funding proposals can then be made to the Partnership to contribute to delivery of the Plan, and any applicant bringing forward woodland related project proposals to the Partnership will have to demonstrate how those proposals are assisting Plan delivery.

Garwnant Visitor Centre, Merthyr Tydfil - Programme 5: Recreation and access

19. The final visitor centre refurbishment is complete, and the centre was officially opened by our Minister, Elin Jones AM, in July. The centre offers a suite of recreational and conference facilities, enabling external providers' use of the site for meetings and training events. Forest District staff are currently working with the caterers at Garwnant and "The True Taste of Wales" team to promote use of local foods from this centre. In our first three months trading we have secured over 80 conference suite bookings, which have further supported our new catering provider. The day visitor numbers have continued to increase throughout the summer period and we have promoted the centre by a series of weekend events. We have been proactive in our marketing with local tour companies.

Eryri Centre of Excellence - Programme 5: Recreation and access

20. Funding has been awarded to FCW to support the development of a regional centre of excellence in southern Snowdonia, led by Gwynedd County Council. Coed y Brenin Forest Park has been allocated £1.4 million to build on the existing business by widening the cycling customer base and improving all-ability cycling access with 11km of new trails and a new building. The funding will lead to improved health and safety by providing more entry-level facilities; improved quality of experience at the site

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including better access to information; increased retail space and bike hire facilities; and increased income from the site.

Sychryd Gorge Code of Conduct - *Programme 5: Recreation and access*

21. A code of conduct for the Sychryd gorge in the Brecon Beacons National Park has been drawn up between FCW, Brecon Beacons National Park Authority, and Countryside Council for Wales, to advise outdoor activity groups where they can walk and to give clear guidance on environmental best practice. The aim is to protect the gorge's rare habitat, which is a Special Area of Conservation, and safeguard the long term use of the gorge by outdoor activity providers. The activity providers have set up a new group called the South Wales Outdoor Activity Provider Group to administer the concordat and provide an industry voice, training and marketing assistance.

Work Experience Placements - *Programme 6: Woodland based learning and sector skills*

22. We are developing a framework for work experience placements in FCW in order to ensure that young people recognise woodland and timber related careers as a viable choice for them. It will ensure we offer a consistent work experience, fair access for all, and adhere to WAG best practice guidelines. By accrediting our work placements through Open College Network, it will enable students to gain transferable credits in line with WAG policy and the new Credit and Qualification Framework Wales.

DEVELOPING A COMPETITIVE AND INTEGRATED FOREST SECTOR

Forestry Contractor Workforce – *Programme 6: Woodland based learning and sector skills plus Programme 8: Promotion of timber and the development of the forest sector*

23. The Harvesting Resource Strategy predicts that there will be a future shortage of 130 contractors available to undertake wire rope work on the woodland estate. This is due to changes in programme requirements and the current age structure (average 45-48) of the contractor workforce. Taking into account the management of other woodland in Wales, there is a potential for between 250 and 500 jobs to be created in rural Wales.

24. The Funding and Partnership Team have been investigating action to address these issues with JobMatch, a Government funded employment scheme, through an initial course for four trainees working with contractors in the Heads of the Valleys area. JobMatch employ the recruits on the minimum wage for a learning period after which they are employed by the contractor. If successful, further contractors will be sought as hosts.

Controlled Tyre Inflation - *Programme 1: Managing more diverse woodlands*

25. The Wales Forest Business Partnership has recently funded a Controlled Tyre Inflation (CTI) unit for a haulier in Wales, to be trailed over the next six months and feedback provided on its performance in giving operational efficiencies for haulage. The trial

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period will include a number of demonstration events where other hauliers will be invited to see the system working in the forest. Based on feedback from colleagues in Scotland, CTI has worthwhile benefits for the industry. The Wales Harvesting and Marketing team is looking at areas of forest where, due to poor forest roads and rising programmes, the CTI technology may become increasingly utilised in the future.

BUSINESS MEASURES

Investors in People Accreditation – Business Measure 1: Staff satisfaction

26. The Forestry Commission has successfully met the requirements of the Investors in People (IiP) Standard. The IiP reviewers were impressed by the improvements made since the last assessment 18 months ago. In Wales regular, fully bilingual communication via various methods was highlighted as good practice, as was the FCW induction programme which is being developed to be used nationally.

Welsh Language Training – Business Measure 3: Staff training

27. FCW has explored opportunities with WAG to access their Welsh language training and courses provided by Eliesha. WAG is able to offer places to FCW staff on courses where there is not the full compliment of delegates and where the course will run nevertheless. This will be provided at no additional charge to FCW. National Office staff are attending Welsh language training in the Aberystwyth building alongside WAG staff.

Voluntary Early Severance Scheme

28. The FCW Management Board considered whether to participate in the Voluntary Early Severance / Voluntary Early Retirement (VES/VER) scheme in this financial year. Only Mechanical Engineering Services (MES) staff based in Wales will be offered VES/VER as this area is highly specialised with limited transferable skills, and a reduction is needed in resource as part of the business unit review. The increased resource needed in the wind energy programme (a maximum of 39 staff between 2010 – 2014, funded through option fees from developers) informed the decision not to offer a VES/VER scheme to staff across Wales. It is envisaged that all staff will be needed to ensure delivery of the Wind Energy Programme and of FCW's other strategic objectives. Approved early retirement has been promoted to staff, which will only be approved in exceptional circumstances on the basis of the individual being based within a declining area of work requiring no subsequent backfill, and on affordability.

The Shared Operations Initiative

29. Work began on this initiative in April (prior to the Ministers' announcement in July) but is currently in abeyance, pending the initial findings of the Environmental Delivery Options Project. The initiative aims to review the operational delivery work of CCW,

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EAW and FCW, looking for opportunities for closer working between the three organisations. There are three phases: fact finding, the development of options, and implementation.

30. Phase 1 has identified the following areas which could be developed between either two or all three organisations: 1. Strategic advice and development of new policy; 2. Regulation; 3. Delivering and supporting practical management for wildlife, landscape and people; 4. Evidence and Data management; 5. Strategic support for operational projects. FCW can contribute particularly to areas 1, 4 and 5. Phase 1 clearly showed that a good deal of collaboration was already taking place that can be built on further.

Trefor Owen
Director FCW
September 2010