

Agenda Item 2**November 2010****WNC 32.10****DIRECTOR WALES REPORT NOVEMBER 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 October equates to 464 km³ against the business plan volume of 790 km³. In volume terms we are therefore on profile.
2. We are currently forecasting a final outturn of 770 km³ with the shortfall in volume attributed to a reduction in thinning performance due to resources being diverted to dealing with the Phytophthora infection in south Wales. We are on track to complete our clearfelling programme.
3. We have completed the fourth of our six open market sales with most large lots selling, but smaller, less attractive lots have become more difficult to sell without negotiation. Demand has slowed in recent weeks, with most sawmills and the trade bodies reporting unease and increased uncertainty until at least spring 2011. In response to this we will keep close liaison with our customers and we have agreed to continue with six main sale events. This will enable customers to track the market more closely and give increased flexibility and opportunity to buy material. During 2008 we formed a group with the trade to consider measures to reduce the impact of the then economic downturn; we do not believe at this stage it will be necessary to do this again but it is something we will consider should the market deteriorate further.

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

4. New applications for Better Woodlands for Wales (BWW) have increased significantly since the announcement that the scheme will close. Since August 2010 an additional 430 new applications have been processed, resulting in a delay in mapping existing applications. My Grants & Regulations staff will clear the backlog after 17 November when new applications will no longer be accepted. Forecasts show that the BWW grant budget will be fully utilised for 2011/12, but we will start to show a cash-saving of around £150 k in BWW support and Grants and Licences Online System (GLOS) development costs.
5. The Grants and Regulations Team has put in place transition arrangements, which include deadlines for the different stages of the BWW management plan process to ensure approval of right-first-time applications by 31 December 2011. This includes reviews and re-prioritising of FCW casework to ensure that we meet our

deadlines. The team is providing regular advice and updates to Management Planners to help them to achieve these deadlines. As part of BWW transition, a window to re-schedule operations within approved plans has been agreed during 2011/12 to give owners and agents a final opportunity to re-plan work that is not going ahead in the agreed claim year.

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

6. The Glastir Woodland Creation scheme was launched on 21 October 2010 on a farm in Pembrokeshire, and was well attended by members of the forestry and farming sectors. The Minister for Rural Affairs planted a downy birch tree outside the farmhouse before touring the farm to view a selection of woodlands at different stages of growth. Since the launch there has been over 30 new enquires from landowners interested in woodland creation.

Glastir Woodland Management - *Programme 1: Managing more diverse woodlands*

7. 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. The Grants and Regulations team has begun work on the design and implementation of woodland management through Glastir, with the aim of delivering benefits in the areas of public policy that are linked to *Woodlands for Wales* outcomes.

FUTUREforest – *Programme 1: Managing more diverse woodlands*

8. The FUTUREforest project, addressing the impacts of climate change on forestry across Europe, is about to enter its third and final phase. This was marked by a major conference in Cardiff on 18 and 19 November. The draft final report was initiated and delegates were shown a series of good practice guides that has been the result of intense inter-regional co-operation between the partner regions during phase two. The final phase, called 'Transfer to Policy,' will include the transfer of policy instruments between the regions, EU public authorities and key stakeholders, plus the publication of the final report. The closing conference will take place in Brussels in late spring 2011.

Plant! – *Programme 1: Managing more diverse woodlands*

9. The proposed Plant! site in Caia Park, Wrexham was given the go-ahead by the County Council in early November, and will be planted during this planting season subject to tenders being arranged. FCW will work with Wrexham Council and provide approximately £100,000 to establish the site over five years, which will contain approximately 7,000 trees. Following a consultation process there will be strong community involvement. Local schools and youth groups will be involved in the public consultation, tree planting and after care.

National Committee

Phytophthora ramorum - Programme 2: Tree protection and health

10. The cross-Forestry Commission Outbreak Management Team has continued to develop a consistent strategic direction to the management of *Phytophthora ramorum*, given a rapidly changing scientific and operational understanding of the disease. FCW's Harvesting and Marketing Unit (WHaM) is working closely with Forest Enterprise England and has established a marketing group to focus specifically on the challenges of the outbreak. FCW has learned important lessons from colleagues involved in dealing with disease in south west England. FCGB Plant Health colleagues are working closely with the processing and haulage sectors in Wales to ensure appropriate licences are issued and address bio-security issues. FCW has briefed other agencies such as National Parks, the Environment Agency and Countryside Council Wales on the spread of the disease, and the current management and controls that are being put in place.
11. No further infected Japanese larch stands have been identified on the Assembly Government woodland estate (AGWE) beyond the lower Afan Valley, Crynant and Garw Valleys in south Wales. The survey is now being scaled back after needle drop, with the control strategy focussing on ensuring the infected larch timber is not marketed unknowingly as uninfected material. No felling licences for larch are being issued to the private sector until spring 2011 to allow infected trees to be identified when they have flushed in the spring, and therefore prevent unintentional spread of the disease.
12. The infected stands now cover over 800 ha of larch, resulting in 90 km³ of infected timber. The strategy remains one of felling and selling 40% by March 2011, with the remaining 60% being felled ready for subsequent marketing in the next financial year (April 2011 – March 2012). The felling programme is going well and infected sites are becoming operational on a weekly basis. WHaM is confident that all identified areas will be felled and compliant with the plant health order by March 2011.
13. Felling of approximately 60 trees at Bwlch Nant-yr-Arian Visitor Centre was completed in September.

Deer Strategy - Programme 2: Tree protection and health

14. The draft strategy and action plan has been written, and stakeholders have had the opportunity to comment. The strategy was well received with only minor suggestions and comments on delivery of the action plan. The final revisions are being made and the strategy will be submitted to our Minister in December, and launched in 2011.

National Committee

Wind Energy Programme - Programme 3: Renewable energy

15. The Countryside Council for Wales (CCW) has now formally withdrawn their Planning Objection to the Pen-y-Cymoedd Project (SSA-F). FCW has played a significant role in facilitating the mitigation and discussions between the option holder and CCW. The Option Holder aims to submit a Planning Application to the two local authorities before the end of January 2011.
16. Negotiations on the quantum relating to the Nant-y-Moch Project (SSA-D) Option Holder's request for an additional access at the Nant-yr-Arian Visitor Centre have successfully been concluded. Work is now ongoing on the Heads of Terms to secure the necessary safeguards to minimise impact on the Visitor Centre which is important to the economic infrastructure of the area. FCW is working closely with the Option Holder regarding the announcement of this sensitive issue and the attention this will attract when the Option Holder commences the full public consultation phase of their Infrastructure Planning Commission (IPC) Planning Application at the end of November.
17. Activity across the Programme continues at pace with Option Holders determined to submit their Planning Applications before the IPC is replaced by another body. FCW is currently finalising its position on applications submitted for SSA-G: Brechfa and SSA-A: Cloceanog. SSA-B: Dyfnant is running slightly behind but it is clear that the Option Holder is intent in making up ground and this project will see considerable activity over the next four months.
18. The FCW Wind Energy Programme Team has successfully agreed in principle to work with Dwr Cymru, our landlord at Llyn Brenig, to develop a 50 MW+ wind farm. We have demonstrated the capability that we have developed across the other five SSA Projects and Dwr Cymru wishes to buy into this expertise. Work is ongoing on drafting an agreement for the services FCW will provide before we enter into negotiations over the nature of the relationship between our respective bodies and the sharing of potentially significant proceeds from this development. The relationship will have to be considered in terms of the restrictions placed on Dwr Cymru by their charter.

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

19. There are 32 approved grant applications, with a combined value of £640,000. There are a further nine projects for which the team has received full application forms and is undertaking assessment and checks. The WEBS team has made a recommendation to the Welsh European Funding Office (WEFO) to support new 6 MW biomass boilers at a sawmill in mid Wales. This would be an excellent flagship project; however, WEFO authorisation is required as the company is not a Small or Medium Enterprise (SME). The team is continuing to work with applicants for some of the other larger schemes but none have reached an adequate stage for approval to date.

Small-Scale Renewables - *Programme 3: Renewable energy*

20. FCW collaborated with Environment Agency Wales and Countryside Council for Wales to prepare a joint paper on small-scale renewables, for use as the basis of a discussion between senior staff of the three organisations, Welsh Assembly Government Directors, and Ministers on 8 November 2010, to consider the barriers to a more accelerated delivery of small-scale renewables in Wales. The Ministers' main concern at the meeting was regulatory barriers, particularly in relation to hydro energy. In relation to facilitation and delivery (more applicable to FCW), Ministers wish to see more opportunities for communities and for social enterprise. They have tasked FCW to facilitate an accelerated level of activity on the Assembly Government Woodland Estate, particularly before the current high incentive levels of 'Feed in Tariffs' are reviewed in 2012. FCW will also be meeting the Department of Environment, Sustainability and Housing (DESH) to discuss the feasibility study undertaken by Forest Renewables for FCW on the potential for community-scale wind energy.

WOODLANDS FOR PEOPLE

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

21. My Heads of the Valleys (HoV) Project Officer has been working with the HoV Strategic Regeneration Area Partnership over the past year on the development of a regional strategic Woodland Plan. A spatial targeting tool and database have been developed with the close involvement of a range of statutory and third sector partners. Woodlands and sites for new planting that have the greatest potential for delivery of multiple benefits (economic, environmental and social) have been identified as investment priorities. The Plan has now been adopted as a strategic document by the HoV Board and Steering Group, and all partner organisations.
22. Consultation on potential Plan delivery models is now underway, with all partners in agreement that active co-ordination and facilitation will be essential. The HoV Partnership is strongly supporting development of a woodfuel supply chain as an early element of Plan delivery and as a key contributor to the HoV Low Carbon Zone. This is being actively progressed – well managed, productive woodlands are fundamental to Plan aims, along with job creation and enterprise opportunities, and generated resources to plant and maintain new woodlands.

Western Valleys Woodland Plan – *Programme 4: Public involvement and enterprise*

23. Work on a regional plan for this Strategic Regeneration Area has now started and an Advisory Group is being established. Valleys Regional Park (Convergence) funding has been secured to support a Valleys Regional Park Officer, who will be

National Committee

co-ordinating Plan development and wider partnership work in the region over the next two years.

Communities First Partnerships – *Programme 4: Public involvement and enterprise*

24. My Woodlands for Wales Policy Team has been working with Wales Council for Voluntary Action and Communities First Partnerships in north and south Wales to raise awareness of the potential contribution that trees and woodlands can make to regeneration programmes. This work supports WAG's 'Programme Bending' agenda – encouraging WAG departments and other agencies/service deliverers to target their policies and programmes at Communities First areas.

Affordable Housing - *Programme 4: Public involvement and enterprise*

25. The Ty Unnos project at Dolwyddelan in north Wales is nearing completion, and will have tenants in occupation by December 2010.



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

26. Education experts from across Wales gathered in Cardiff in October for the Woodlands for Learning Team's annual conference. To celebrate ten years of Forest School in Wales, the team organised a two-day event mixing presentations, workshops and speakers representing the past ten years with innovative ways of collating thoughts on how Forest School could develop in the next ten years. Research from the first year-long programme run by FCW was launched at the conference. A full report with suggestions for future development will be available shortly.

LANTRA - *Programme 6: Woodland based learning and sector skills*

27. Working towards the delivery of Action 5 (Consider, develop and refine our approach to skills and career development for the sector, support the development of new skills and staff support structures) my Woodlands for People Policy Team recently met with LANTRA, the trees and timber sector skills council, to discuss our involvement with work experience placements, the Welsh Baccalaureate, 14-19 Pathways, Careers Wales, the contractor workforce and Modern Apprenticeship schemes. A very useful discussion was held and the support of LANTRA in delivering our Corporate Programmes is welcomed.

DEVELOPING A COMPETITIVE AND INTEGRATED FOREST SECTOR

Wales Forest Business Partnership - *Programme 8: Promotion of timber and development of the forest sector*

28. The Wales Forest Business Partnership (WFBP) is rolling out a series of events aimed at the promotion of timber, in response to the findings of their 'Bridging the Gap' workshops. Events include Timber Cladding Installation and Designing with Wood. The Partnership is directly supporting the Eryri Centre of Excellence projects. It met with the architects to advise on recent developments in Welsh Timber Construction, and it set up 'Meet the Architects' events for potential suppliers. The Wales Forestry Hub has been established at the WFBP Offices in Machynlleth, providing office facilities for the range of community groups in the area supported by FCW, as well as outstation facilities for FCW staff.

IMPROVING ENVIRONMENTAL QUALITY

Newborough Management Plan - *Programme 10: Site based biodiversity, heritage and landscape*

29. Progress has been made at Newborough towards putting an approved management plan into place and resuming thinning operations after a period of at least five years. The management plan includes similar felling plans to the Forest Design Plan that could not be approved in 2009. The felling area in the initial period represents less than 5% of the area of the forest, but this will not be implemented until the science review has concluded that this would be appropriate. An area of thinning is being marketed with the aim of thinning taking place over the winter. The plan also includes under-planting of an area that will form a more resilient boundary for the forest in the longer term. The review of the science has been undertaken but has now gone to arbitration as there are issues being disputed by local stakeholders and Countryside Council for Wales. FCW is acting as an observer on the review and the ongoing arbitration will not impede FCW's ability to resume management of the forest.

BUSINESS MEASURES

Bilingual Skills Strategy – *Business Measure 5: Welsh language competence*

30. The bilingual skills strategy has now been approved by the FCW Management Board. An equality impact assessment has been completed together with a comprehensive communication plan designed to ensure effective engagement with staff. All posts within FCW have been mapped to establish the required level of Welsh language ability. The strategy identifies a variety of interventions and solutions in order to address skill gaps and improve the Welsh speaking capacity of the organisation.

Staff Self-Declaring Disability – *Business Measure 2: Staff diversity*

31. The percentage of staff declaring a disability has reduced since several staff have left the organisation over the past quarter. There has been no external recruitment to provide any potential to change this position. FCW Human Resources will be working with the FC Equality and Diversity team to identify possible barriers, together with solutions and actions, to encourage staff to self-declare a disability.

Redeployment Process

32. A FCGB redeployment process has been implemented to address the challenges in supporting and placing surplus staff across the organisation. There is a dedicated team in Human Resources Shared Services, Edinburgh to support Human Resources and managers in the countries with facilitating all aspects of the redeployment process. Key points of note are: the mobility clause will be invoked for grades of Pay Band 5 or above; an approved vacancy will remain as a redeployment opportunity right until the closing date; FCW Human Resources will place individuals into the GB pool only when all the internal processes to place individuals laterally in FCW have been fully explored.

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Director FCW
November 2010