

# APPLICANTS' FOCUS GROUP MEETING

## National Motorcycle Museum, Birmingham

### 15<sup>th</sup> May 2014

#### 1. Welcome, Introduction & Apologies

Present:

Caroline Harrison (Confor), Chris McGloin (Community Forests), Julian Ohlsen (UPM and SW-AFG), Neville Elstone (Institute of Chartered Foresters (ICF)), Tim Shardlow (ICF), John Blessington (Local Government Association), Gary Battell (Small Woods Association), Richard Sochacki (ConFor), Andrew Woods (Royal Forestry Society), Rob Green (Natural England), Simon Mageean (Woodland Trust), John Lockhart (Royal Institute of Chartered Surveyors) Mike Seville (Country Land and Business Association) and Jamie Dewhurst (ConFor Nursery Producers Group), Kevin May (Forestry Commission (FC)), Andy Hall (FC), Joe Watts (FC), Mike Render (FC), Alec Rhodes (FC), Simon West (FC), Andrew Smith (FC Forest Services Board).

**Apologies:** Emma Friend (Defra), Huw Thowas (DEFRA), Jon Frampton (Rural Payments Agency), Gesa Reiss (England Woods and Timber Partnership).

Joe Watts welcomed everyone to the meeting. Caroline Harrison introduced Jamie Dewhurst a local nursery manager and member of ConFor Nursery Producers Group as a guest at the meeting.

#### 2. New Actions from this meeting

AP	Action
1	FC to consider what communications they could put in place to better alert applicants to staff changes and priorities.
2	FC to confirm if a Woodfuel-Woodland Improvement Grant agreement is signed that the applicant can be certain the EIA Opinion.
3	FC to share detail of the scoring system for WMG once complete.
4	AFG members where asked to confirm what more information they required on the CAPD releases.
5	FC to consider the best and simplest process to engage at a National level that will also ensure local feedback is collected.
6	Joe Watts will review the membership of the AFG.

#### 4. Review of minutes and actions from previous meeting

Action 7 was closed on the basis FC would not publish its priorities list because these were constantly changing. AFG members expressed concern at this because it left them unsighted on what local FC teams were focussed on which could unnecessarily waste applicant and FC time chasing applications. The group also saw value if FC provided forewarning of Woodland Officer turn-over.

Andrew Smith explained that last year had been an exceptionally busy year (with 1.5 years worth of budget committed) and that the task of recruiting and backfilling woodland officer posts was complicated. However, overall FC agreed to consider what communications they could put in place to better alert applicants to staff changes and priorities.

**Action 1: FC to consider what communications they could put in place to better alert applicants to staff changes and priorities.**

#### 5. Briefing Note (Paper 1)

**EU Timber Regulation (EUTR)** - Mike Seville reiterate CLA's concern (raised at the last meeting) that the English approach to EUTR placed the onus on the land owner who was not necessarily the "operator" under the regulation. Mike was also concerned that the consultation leading to the current approach had not been wide enough.

FC and ConFor (Caroline Harrison) shared the perspective that the current approach endeavoured to implement the regulation with as light a touch as possible. FC advised the AFG that any changes to the approach should be presented to the regulator – the National Measurements Office - and would benefit from a unified position from across the sector.

**UKFS Review** - Andrew Smith confirmed that the findings of the independent review on UKFS implementation would be shared with the AFG once its recommendations had been examined with input from other Government departments and personal information had been redacted.

**Guidance on the Open Habitats Policy** – Tim Shardlow welcomed release of this guidance as soon as possible having found FC and NE to be disjointed in their implementation of the Open Habitats Policy. This was placing HLS agreements at risk of penalty action/reclaim because a felling licence had not been issued.

**Squirrel control** – Mike Seville explained that DEFRA were considering a modified possum trap as a potential control for grey squirrel. The system uses compressed air to reset itself so does not require regular checks. Mike urged FC (both Forest Services and Forest Enterprise) to that ensure DEFRA were clear on their support for this method of squirrel control.

**Forest and Planning Hub** ([www.forestryandplanning.org.uk](http://www.forestryandplanning.org.uk)) - John Lockhart provide further background on the hub's purpose which is to:

- Ensure woodlands value in development is not overlooked.
- Serve as a source of technical information which woodlands created in associated with development might not otherwise benefit from.

The AFG are encouraged to make the most of this resource by passing on news of its release.

**Cross-compliance** – FC clarified that the cross-compliance requirements of NELMS would not prevent tree felling during the bird nesting season. However, the impact on bird habitat and Special Protection Areas would still need to be considered. These are however already considerations covered in the UK Forestry Standard Requirements (the need to comply with legislation of which the Wildlife and Countryside Act 1981 affords protection to all wild birds).

## 6. Transitional and Interim Grant Arrangements

Kevin May set the context for the English Woodland Grant Scheme's transitional arrangements: budget head room has been reduced by last year's demand so FC only have available funding for priority grants (Woodland Creation Grants, Woodland Planning Grant, and Plant Health related Regeneration and Improvement Grant). Kevin confirmed that arrangements can change and that [Operations Note 29](#) is the key reference for applicants.

- **Woodland Management Grant** is now closed. Cases currently being processed must be approved today (15 May 2014).
- **Woodland Improvement Grant (WIG)** is open for **only** plant health related work. In additional **new or existing grant agreements that include standard costs which are ineligible under the new RDPE must be claimed before 30<sup>th</sup> September 2015.**

**Action 2: FC to clarify and communicate this ASAP and identify which EWGS agreements are in this position.**

- **Wood Fuel WIG (WWIG)** is open as usual. Funds permitting, this grant will remain open for applications until the end of September 2014. FC's contract with NGAGE to deliver this grant ends March 2015. FC were asked to clarify the mechanism by which the EIA Opinion for forest roads is confirmed to the applicant. In particular FC were asked if an applicant could assume the EIA Opinion had been given is their WF-WIG contract was approved.

**Action 3: FC to confirm if a WF-WIG agreement is signed that the applicant can be certain the EIA Opinion.**

- **Woodland Regeneration Grant** remains open in 2014/15 and 2015/16 for only plant health related work. New arrangements will come into affect from 2016/17. FC confirmed windblow does not qualify as a plant health issue.
- **Woodland Creation Grant** (WCG) is now closed to new applications. FC confirmed that there would be no window for applications in 2014/15 due to the scale of WCG agreements due for planting in 2014/15. Kevin reminded the AFG that, where Farm Woodland Payment (FWP) is associated with the WCG, the WCG **MUST be claimed by 30 September 2015 or the FWP will be lost.**

FC plan to re-open for new woodland creation applications in early 2015 for the 2015/16 season. The AFG pressed for clarity on when the window would be open for applications but FC could not be specific: FC's plan to allow new applications (in advance of NELMS being available on the new CAP IT system) early in 2015 but this is reliant on the next EU Programme being approved this calendar year. Jamie Dewhurst believed nurseries had sufficient stock to get through this year but Jamie and other AFG members expressed concern at the uncertainty when the window may open. Neville Elstone was also concerned that no Defra representative had been able to attend the meeting to hear the AFG's apprehension about this matter and their views on other issues first hand.

- **Woodland Planning Grant** remains open to application in 2014/15 and 2015/16. During this period a woodland management plan may be submitted on an FC or another template. FC will accept use of the previous FC template until 30 June 2014 after this, where an FC template is used, the new [FC template](#) must be used.

Looking ahead, under NELMS FC will only provide grant aid for completion of a Woodland Management Plan which uses the FC template. Kevin also confirmed that any current plan within its 10 year approval period will be accepted as a live and valid plan, i.e., such plans will meet the plan eligibility criteria for NELMS.

**Interim approach** – Kevin briefly explained that from early 2015 FC were looking at interim arrangements to potentially provide woodland creation grant with the possibility of other priority capital grants also being available. This would basically involve applying, as far as possible, the new NELMS rules on older system (GLOS).

## 7. NELMS Development Update (Paper 2)

Mike Render provided an update on NELMS which highlighted some changes in tack but confirmed the overall principles, ground rules and framework remained the same. Overall the scheme aims to deliver on Bio-diversity 2020, the Water Framework Directive (WFD) and Climate change resilience.

**Woodland Expansion** – Applications for this option must be accompanied with a plan setting out how the woodland will be managed for 10 years after planting. A minimum application area of five hectares is planned. This threshold is proposed to maximise this grant's efficiency without significantly compromising the rate of woodland expansion: applications under five hectares account for 2% of area but 20% applications. There would also be a minimum payment of £1,000.

This change was a concern to some AFG members. Chris McGloin felt that smaller woodlands have value (e.g., delivering the WFD) and explained that larger areas would hard to find in urban areas. The five hectare threshold was also considered inconsistent with the three hectare threshold woodland management plan support. Tim Shardlow advised FC of the need to consider whether five hectares must be planted in a single year to prevent part planting.

Mike Seville felt the five hectare threshold was a backwards step but accepted the rationale for FC taking this position. He advised the AFG that lobbying DEFRA to move more funds from Pillar 1 to Pillar 2 was the solution to increase support for woodland expansion.

Rob Green was concerned that the support for smaller woodlands, which in the past had been supported through Environmental Stewardship, would be lost. Therefore the impact of this change on woodland creation may be greater than FC anticipate. Simon Mageean was concerned that NELMs should provide support for all levels of afforestation from trees up to forest.

Mike Render explained that the woodland expansion option would allow for lower stocking per hectare down to 250 trees per hectare minimum (below this the planting would be classified as agro-forestry). A maximum stocking rate of 2,500 – 3,000 trees per hectare would apply to cap the grant payment.

**Woodland Management Planning** – Provisions for this grant option remain unaltered.

**Woodland Improvement Multi-annual** – Mike explained that prescriptions were needed for this option to support verification and control. This was not straightforward, for example: how can squirrel control be verified? This is outside of the owner's control and we can only measure inputs (receipted invoices not time).

Mike Seville considered the requirement for invoices was a mistake and that cull records were a better measure. Mike also reminded FC that any approach must align with welfare regulations on pest control and suggested further discussion on monitoring was required.

John Lockhart checked if existing plans for pest control would be supported. Mike Render's current understanding was that if the plan included an eligible prescription then the work could be supported into the future.

Neville Elstone highlighted the importance of water in option and prescription design. Neville explained that delivering on water is an over-riding priority for forestry not explicitly picked up in the current prescriptions. This risks lower level of understanding, up take and outcomes.

Mike Render also explained a scoring mechanism is needed to ensure sufficient activity will be under taken to justify the grant payment. Details of the scoring system will be shared with the AFG once finalised.

**Action 3: FC to share detail of the scoring system for the Woodland elements of NELMS once complete**

**Woodland Improvement – Capital**

More work is required to finalise thresholds and the approach to processing. This option can be taken along side multi-annual work/options.

How this option might support restoration of woodland condition was discussed. To qualify there must have been a 20% reduction in forest capacity. This is defined in different ways by different countries. In England it would be 20% death at the stand level (Scotland use holding level, while Wales look at this nationally). Support under this option might include restocking after catastrophic windblow. Addressing reductions in forest capacity due to endemic factor (including endemic windlow) would not qualify.

**Woodland Regeneration**

This option could support three scenarios:

1. Restocking after felling required for plant health risk (possible catastrophic windblow). This recognises that dead trees become exempt to the Forestry Act, plant health notices have no requirement to restock and that it may provide a means to support premature felling where this is appropriate or necessary.
2. Conversion of plantation on ancient woodland sites.
3. Species change above the minimum required to comply with UKFS. To support the additional costs of restocking with an alternative species.

Otherwise restocking is considered an operational cost which cannot be financially supported.

Mike Seville questioned why it was possible to pay additional costs on plant health and PAWS but not for other species change otherwise, for example to create more resilient

woodlands. Mike Render and Andrew Smith confirmed this design reflects priorities in Government policy and that with limited funds Government cannot pay for all of an owner's costs.

John Lockhart expressed concern that his change could lead land managers to restock as cheaply as possible which could compromise the overall aim to secure sustainable woodland management. Other members of the AFG shared this concern: Julian Ohlsen believed this change would be a big turn off and would reduce or stop investment in commercial forestry. Caroline Harrison passed on feedback from ConFor that land owners were unhappy with the proposed change. John and Neville also felt limiting aid through WRG would lead FC to lose influence on restocking decisions which will reduce delivery against Bio-Diversity 2020, WFD etc.

Tim Shardlow said the woodland regeneration option needed to consider other circumstances that drive pre-mature tree felling such as poplar rust and red band needle blight. While endemic, these can lead to premature felling and WRG can help ensure appropriate and effective restocking.

Julian Ohlsen asked if the minimum stocking of 250 trees per hectare would apply (as per woodland expansion). However, normal restocking rules will continue to apply, i.e., sufficient trees will need to be planted to meet sound silvicultural practice.

### **Woodland Infra-structure**

Mike explained that the rate of support under this grant was still to be agreed but that FC were still hoping 60% rate (rather than 40%) would be agreed on the basis the grant was driven not only by economics. Since the time of the meeting the State aid rules have now been finalised and the grant rate will be 40% unless there is free public access on the road in which case it could be 60%.

### **NELMS Implementation**

FC are working with NE on how the scheme will be implemented and the processes that are developed and will feed into the CAP IT system (CAPIS). FC anticipate CAPIS will be open for applications from summer 2015/2015.

### **CAP Delivery (CAP-D) Update (Paper 3)**

A presentation (Paper 3) to update members on CAP-D was provided to the AFG in advance of the meeting and was not presented at the meeting.

**Action 4: AFG members were asked to confirm what more information they required on the CAP-D releases.**

Neville thought there was a lot of detail in the presentation and was concerned how FC would engage with the AFG/sector over the next few months while the details were finalised, e.g., scoring is key. The AFG supported this view.

**Action 5: FC to consider the best and simplest process to engage on NELMS targeting at a National level that will also ensure local feedback is collected.**

## EU Payments

Joe Watts set the scene by explaining the situation to date:

- Rural support is currently delivered across four Government departments.
- Need to simplify and reduce costs and minimise disallowance risk which has led to the decision that forestry payments would be administered by the Rural Payments Agency. FC are looking at technical and transaction options to progress this as effectively as possible.

Caroline Harrison expressed a preference that grants remain with FC. Mike Seville considered that some land owners have wider interest than just woodland anyway so dealt with more agencies/departments but with regards to woodland matters they should all be with or all out of the FC. John Blessington also saw merit in a 'one stop shop'.

Julian Ohlsen considered it essential that FC retained their role approving woodland management plan. Kevin May confirmed FC remain the competent authority for WMP approval. Tim Shardlow believed that monitoring compliance must be by a technical officer while John Lockhart saw that a separation of roles would only result in more costs.

Claire Robinson felt that the functional arrangements - who deals with RLR mapping, inspections, online applications etc. - had not been addressed and this would determine the scope of any transfer from FC. Kevin May added that the tier of grant aid would have a bearing on this but expected forestry options be in the higher tier where technical input would be required.

Simon Mageean suggested the possibility to work on a landscape-scale and look across ownerships was considered.

## Farming and Forestry Productivity Scheme (FFPA)

Mike Render provided an update on this scheme which aims to increase productivity and competitiveness. FFPS will cover a range of things from the forestry wood supply chain to venison marketing and make provision for skills and advisory services. It is development is being headed within DEFRA policy. It will replace provisions under existing schemes such as FFIS and REG and will involve skills and advisory services procurement framework contracts.

Mike explained that the framework contact would require a nationally run tender and outlined his concern that this may disadvantage existing advisors. Caroline Harrison confirmed that advisors could provide a national framework but there was no guarantee who could win because competitive tender bids were required. Neville Elstone advised caution to ensure an opportunity was not missed by being overly concerned about affecting the *status quo*.

AFG members expressed a general view that current procurement arrangements were functioning well though Mike Seville said that the removal of payments for time, e.g. costs of agent supervision, in the grant scheme will be a problem. In response Mike Render explained that the standard costs had increased to cover advisory time.

Advice and mentoring were believed to be effective and have brought significant areas into EWGS, bringing in new leads at no risk because the advisory agent was already paid. The AFG questioned whether it was better to compete for existing business or look for new owners to engage with.

Mike Seville thought that developing woodfuel supply had been big factor in bringing woodland into management in the East of England. Mike Render said options needed to be presented to Ministers which include integrated projects like Woodfuel East and stand alone capital grants.

FC will have a limited role because the scheme will be administered by the RPA, this raised questions as to how FC/AFG could support the sector. Neville explained that a working group was going to be set up to support the scheme and how will it engage with the sector. Simon West confirmed Alison Field (FC Regional Director South East) was leading on this and that the group will draw in a wide reference group. This should be in place or the end of June. Simon also explained FC were looking to support introductory capability, building capacity to access funding and looking to how link up with the Focus group. Neville explain it was important to share information as it develops because it would help LEPS and LEADER.

## **Plant Health Update**

Andy Hall (Plant Health Manager) set out the framework and thinking behind the recent [Tree Heath Management Plan](#) and [Plant Biosecurity Strategy for Great Britain](#). Andy explained we are all on a steep learning curve in how we deal with plant health and that significant change was on the way.

### **Plant Health Bio-security for Great Britain**

This was developed in consultation with stakeholders and provides a high level overview of the activity DEFRA (and the devolved administrations in Scotland and Wales) are undertaking to improve plant biosecurity. It details how this activity will meet the

recommendations of the [Independent Tree Health and Plant Biosecurity Expert Taskforce](#).

The strategy recognises threats have increased with more plant stock coming into the country and predicted climate change creating conditions that increase the risks of pest establishment or currently benign pests having damaging impacts.

The Strategy meets many of the expert task force's recommendations:

- A prioritised health risk register with around 700 pests listed and ranked has been set up and will form to basis of what we do. Jamie Dewhurst commented that this has limitations, providing only a snap shot to the situation that date, it should also flag up unknown risk.
- A Chief Plant Health Officer has been appointed – [Professor Nicola Spence](#).
- Develop implementation procedures to ensure we are better prepared and have contingency plans in place to deal with disease outbreaks. FC (Andy) is involved with this work.
- Review plant health governance and legislation. Caroline Harrison explained her understanding that the new Chief PH Officer would be trying to simplify Governance.
- Strengthen biosecurity to reduce risks at borders and inland.
- Develop a modern user friendly system to collect and share data internally and internationally.
- Address Skill shortages.

Andy explained the Strategy's overarching principles:

- Apply **Risk-based Decision Making** by understand the risks, through enhanced and prompt risk assessment, to stay ahead of pests. Ensuring activity and decisions are risk-based and targeted to deliver the best protection possible. The publicly available [risk register](#) is being developed and includes a lot of threats to trees. Commodity and pathway risk assessments are also required.
- **Raising Awareness and Involvement** - Ensure all those with a role in plant health are more aware of plant health risks and know what they can do to reduce them. Ensure that, where appropriate, responsibility sits with those who benefit from the reduction in risk. Developing with industry a regime for the sharing of costs and responsibility for plant health. Working with industry to improve information sharing.

These principles are under pinned by:

- **Evidence** to ensure activity is informed and value for money and that this information is shared across government, its agencies, industry, NGOs, landowners and the public.
- **Capacity and capability** – ensuring gaps across Government, NGOs and the public need to be filled to ensure to implement the strategy and deal with problems.

Mike Seville felt the approach to plant health placed an onus on the timber grower rather than the cause and that the “polluter pays principle” should apply to dealing with pests and diseases.

Andy said he was reassured by the work he had seen recently at a port visit and how this relates to a biosecurity continuum involving:

- **Pre-border** - Collaboration and sharing of information to get advanced warning.
- **At the boarder** - Checking compliance at boarder and sharing of data using IT systems to inform risk assessments. The high volume of imports and exports make this a major task.
- **Activity Inland** – Steps to ensure the:
  - early detection of pests.
  - ability to respond to outbreaks.

Andy explained his team’s role here through their surveillance work, e.g., aerial surveillance for *Phytophthora ramorum*. Findings this year look promising but things can change.

### **Tree Health Management Plan**

This sets out government’s approach to tree health in England and is in line with the Plant Biosecurity Strategy. It provides updates on specific diseases we are still managing (see below) and sets out how Government and a wide range of other partners are managing new and future threats to the tree population. Andy explained that FC are continuing to undertake aerial surveillance to gather intelligence on Chalara and a range of other diseases.

#### **Chalara ash dieback**

- Continue to take action to slow the spread because there is no known means of eradication.
- Remove infected ash in selected counties ash and take opportunities to restock with alternative species nationally.
- Assess the impact on non-woodland trees.
- Continue research to identify and make use of resistance, identify potential disease management approaches; improve understanding of the pathogen and understand the ecological impacts.

### ***Phytophthora ramorum***

- Continue to fund effective elements of FERA led *Phytophthora* programme for the next two years. Funding for rhododendron removal from woodland will remain in RDP programme while some funding for non woodland site will remain outside RDPE.
- Undertake a review of Government policy on *Phytophthora ramorum* and *Phytophthora kernoviae*.

Mike Seville considered that it was unrealistic to expect government to inspect all sites and that also had a role to play in inspecting for disease along side FC.

### ***Oak Processionary Moth (OPM)***

Control measures appear to have been successful last year and the management plan makes provision to:

- Continue funding the current OPM Programme in 2014/15 to contain the outbreak in South West London, and seek to eradicate isolated outbreaks in other areas.
- Work with the OPM advisory board and the Tree Health Policy Group (THPG) to consider future policy and management approaches on OPM beyond 2015.

### **Other Pests and Pathogens and Future Threats**

Andy outlined the measures in the management plan to combat new and future threats to trees. Andy also recognised the forestry sector are already face other pests and pathogens of concern such as acute Oak Decline (AOD) and Dothistroma Needle Blight (DNB) amongst others not specifically covered in the Management Plan.

Andy concluded by reminding the AFG about [Tree Alert](#) as a means of reporting symptoms of serious threats for further investigation.

Gary Battell reported that Chalara is now widespread in natural regeneration and pole stage woodland in the east of England. Gary added that acute Oak Decline and associated with the *Agrillus* beetle is a major issue and should be treated as a pest in its own right. Andy recognised this concern and acknowledged *Agrillus* is an issue. While AOD/*Agrillus* is not picked up in the Management Plan more is being done to try and understand why the *Agrillus* populations have increased.

Mike Seville advocated greater engagement with the private sector and that work with the Press has helped this. Mike urged FC to work with and use private sector to bring pressure to bear that creates strategies to deal with problems.

Carline Harrison was concerned that merger of the various disease specific Outbreak Management Teams (OMTs) into one OMT could lead to the loss of co-ordinated approach.

## Regulatory Reform / Red Tape Challenge

Alec Rhodes provided a quick update on regulatory reform in relation to forestry.

### Regulatory Reform

[DEFRA Better for Business: Strategic Reform Plan](#) provides an over view of the various projects that are underway to reform environmental regulation. The Plan includes two points relevant to forestry which were originate from the Red Tape Challenge's Agricultural Theme. These are to consolidate the various sets of forestry regulations that relate to tree felling and the EIA Regulations.

The aim of these changes is to tidy the statute book and the Plan sets no timescale for this work. Consolidation of the felling regulations requires abolishment of the Home Grown Timber Advisory Committee (HGTAC). This committee has not convened since 2005 when it was decided (by both the Forestry Commissioners and committee members) that in light of devolution, it would be more appropriate for advice to be received at national level. Abolishment of the committee is subject of a [DEFRA consultation](#) which runs until the 30<sup>th</sup> May 2014. The consultation has not been widely advertised due to the fact the committee has not met since 2005.

The Smarter Environment Regulations Review includes two points relevant to forestry (felling licensing) as part of its smarter data work:

Ref.	Description/action	Current position
73	Explore the longer term option of integrating the felling licence application process into the new CAP online programme (CAP-D)with a view to implanting as soon as possible (by March 2016) if practicable.	At this stage it is uncertain whether CAPD itself will have the ability to administer felling licences but the need for a licence is a consideration in NELMS processing.
74	Exempt thinning activities from requiring a felling licence where an FC approved management plan is in place (due March 2016).	Abolishment of the HGTAC is required before legal changes can be made.

Mike Seville questioned what the real impact of the thinning exemption would be. Andrew Smith confirmed that the change would give an FC approved management plan legal standing but required a legal definition of thinning to be introduced to the Forestry Act.

FC are also engaged with a DEFRA project on Farm Visits Project which aims to establish the reasons for farm visits across DEFRA, and which ones are not necessary. Key objectives will be to ensure:

- Risk-based approaches are used to determine where inspections are needed.

- Farmers are clear on the purpose of visits.
- Data is shared across the DEFRA family so inspections are appropriate, joined up where possible and do not duplicate effort and demands on farmers time.

Alec provided a brief update on continued progress since the one year update to deliver the recommendations of the [Forestry Regulatory Task Force](#). Caroline corrected an error in the slides confirming UKFS was yet to be adopted by the Renewable Heat Incentive and Grown in Britain. Joe Watts confirmed work to implement the task force's recommendations was part of FC's ongoing business and there was no intention to provide further updates.

Finally Alec explained that the Department for Business, Innovation and Skills had recently run a consultation on a proposal to appoint Small Business Appeals champions to work within non-economic regulators such as FC in order to:

- Scrutinise their appeals and complaints processes.
- Make public recommendations for their improvement.

At present FC do not know the outcomes of this consultation and want impact it may have if any.

### **Accountability for Regulatory Impact (ARI)**

Alec also outlined ARI. This is an initiative announced in the Government's 2012 autumn statement which seeks to ensure businesses are not burdened though decisions within a regulator's remit.

ARI introduced a requirement for regulators to consider and acknowledge the impacts proposed changes to operational policies and practices may have on business. It does not apply to changes driven by legislation – these are subject to alternative impact assessment.

Under ARI FC must establish whether a proposed change will result in a significant impact on businesses. It is up to Regulators and Trade Associations to agree what is "significant to business" for their sector.

Where a change is deemed significant, regulators must set out the anticipated impacts and associated costs in a Business Engagement Assessment (BEA) which is shared with the relevant trade associations. This process must provide opportunity for Trade Associations to provide feedback so that the proposals can be modified the impacts upon business can be agreed. If a BEA cannot be agreed the Regulatory Policy Committee determines the best means of resolving the dispute.

The AFG accepted they were an appropriate group for FC to engage with to identify significant impacts and, where necessary, agree BEA.

## AFG Membership

Jamie Dewhurst left the meeting to allow an open discussion. Joe Watts reviewed the AFG Terms of Reference and set the scheme confirming the English Woodland and Timber Partnership (EWTP) was now abolished and that the counsel provided by the AFG was highly valued as it stood. Joe asked the AFG for their views on whether any sectors that are missing and who might represent them without making the AFG too cumbersome to work effectively.

Mike Seville referred back to the AFG's Terms of Reference and emphasised AFG's role was to shape operational practice rather than policy. With this in mind the following observations were made.

- It would be useful to include DEFRA to present an official view and hear what forestry stakeholders are saying. However, the AFG questioned whether the AFG had the power to bring/require people to the group, e.g., DEFRA or EA, especially if the AFG's remit is to discuss operational practice rather than policy.
- Operational practice has a bearing on nurseries so the AFG should have a link to the Nurseries. This point was endorsed by Mike Seville, Caroline Harrison and Gary Battell.
- The wood using industries are represented by CONFOR but beyond this as the focus is on operational practice so there is no need for greater representation.
- Whether the AFG should include a Forestry and Woodland Advisory Committee chair or chairs was discussed.
- Involvement of an agri-environment would be useful because NELMs is a unified scheme but perhaps this role is fulfilled by NFU.

There was interest in improving links with the RPA, especially to advise on the delivery of the FFPS but this was tempered by a desire to balance the number of Government and sector representatives.

There was also support for building a link with the Environment Agency given the role of forestry in delivering the Water Framework Directive. In response Mike Render suggested EA are asked to attend when there is a substantive item on agenda. Involvement of a Natural England Operational Leader or stakeholder was also suggested.

Because the FC is on the cusp of significant change Kevin May suggested it may be best to let those changes run their course before suggesting any radical change to the AFG.

Julian Ohlsen questioned whether applicants were effectively covered? In reply John Blessington made the point that applicants will change over time, e.g., as incentives

change, and that the AFG needs to avoid becoming self-serving (through grants on offer).

John Lockhart felt the AFG's influencing role may increase in relation to regulation so there was a need to engage other sectors. Caroline Harrison suggested involvement of the Tree Council and noted there was no representative from Department of Communities and Local Government to provide a perspective on tree specific issues for central Government.

Joe summarised by confirming the terms of reference still applied and acknowledged there was a consensus across the AFG that the nurseries should be represented on the AFG. Joe took an action to review the membership of the AFG.

**Action 6: Joe Watts to review membership of the AFG.**

## **AOB**

Andrew Woods asked whether the papers issued to the AFG were confidential and asked that information on their handling was made clearer. Joe confirmed that the papers circulated for this meeting were open, though in some cases it should be noted they presented work in progress (i.e., NELMS development). Discussion on EU payments is confidential.

## **12. Date of Next Meeting**

13<sup>th</sup> November 2014 at the National Motorcycle Museum, Birmingham.