

**FORESTRY COMMISSION ENGLAND  
SEVENTY SECOND MEETING OF THE NATIONAL COMMITTEE  
620 BRISTOL BUSINESS PARK, BRISTOL  
04 FEBRUARY 2015 AT 10:30 hrs**

**Minutes**

**Present:**

Sir Harry Studholme (Chair)  
Mary Barkham  
Ian Gambles  
Richard Greenhous  
Simon Hodgson  
Steve Meeks  
Keith Oates (from Item 6)  
Mark Pountain  
Tom Surrey  
Clive Tucker

**Also present:**

Richard Barker  
Mark Funnell  
Josh Roberts (minute secretary)

Ian Tubby for Item 6  
Steve Hunt for Item 7

**1. WELCOME AND APOLOGIES**

Mark Pountain was welcomed to the Committee as the newly appointed non-executive member. Keith Oates would be arriving late due to train delays. Josh Roberts was welcomed as minute secretary.

**2. MINUTES OF THE MEETING ON 19 NOVEMBER 2014**

The minutes of the previous meeting were agreed as a true record.

**3. MATTERS ARISING/UPDATES**

Tree Health

Richard Greenhous and Sarah Hendry to discuss Oak Processionary Moth will be carried forward. Ian will write to local boroughs personally.

## ENC and FESB

Ian Gambles update the Committee on his discussions with Simon Hodgson. It was confirmed that the National Committee would retain statutory responsibility for Forest Enterprise and that the creation of the Strategy Board was an administrative arrangement. The ARAC would retain its current role across the Westminster funded activities, with no separate ARAC for Forest Enterprise. Minutes of the Strategy Board would be provided to the National Committee. The aim was to ensure that there was no duplication between the ENC and the Strategy Board, but the Strategy Board may bring issues to the ENC. It was accepted that the proposed format and remit was correct for the moment, but should be reviewed as it evolves in order to ensure that it was meeting expectations as Forest Enterprise develops.

## CAP Reform

Richard Greenhous provided an update to the Committee on the preliminary grant offer expected to be launched in the week commencing 16 February. He updated the Committee on the internal training and external stakeholder events being run to provide information to staff and customers on the grant offer and reported that these were being well received by customers and stakeholders.

Richard Greenhous reported progress on developing the Rural Payments IT delivery systems for Pillar 2, which was providing some reassurance that the new system would function as required and on time but considerable further work and risks remained, especially for Multi Annual Agreements functionality being available from July 2015.

## Reshaping Forest Services

Richard Greenhous updated the Committee on progress with the implementation of the EU Payments decision to focus grants in the RPA while maintaining the Forestry Commission as the principal source of expert forestry advice. Preparations continued for York based admin hub staff to transfer to the RPA office in York in June. Announcements would be made on 5 February on final decisions following consultation on reshaping Forest Services.

## **4. FINANCE REPORT**

## **Paper 01/15**

Steve Meeks introduced Paper 01/15, highlighting key areas for the Committee's attention and consideration.

The most significant point was the confirmation of 2015/16 budget by Defra. The budget for the coming year meant that there should not be any requirement for radical structural changes due to budget pressures, subject to any in-year amendments. Ian Gambles highlighted the importance of receiving the satisfactory budget for the year, which would allow time for adequate preparation for a spending review.

The Committee discussed the implications of the claw-back of the £8m Defra funding and how this would affect the cash balance of FEE. It was agreed that due to a range of factors, the most important of which was the currently high timber price, that the current financial position of FEE was strong, although it was important to recognise that declining timber volumes would pose significant financial challenges in future years.

## **CORPORATE PLAN**

**Paper 02/15**

The Committee noted that the Plan was significantly more developed at this stage than at this time in previous years. Ian Gambles drew attention to the improvement in the structure and quality of the Plan. The Committee noted the separation of Forest Enterprise and the strategic objectives of People, Economy and Nature but considered that the financial information (Annex A) should be shown against Protection, Improvement and Expansion for both Forest Services and Forest Enterprise.

Tom Surrey confirmed that corporate plans were not expected to be published before the General Election with Parliament rising and purdah beginning 30 March.

## **5. BRINGING WOODLAND INTO MANAGEMENT**

**Paper 03/15**

Ian Tubby (Principal Adviser - Business & Markets) joined the meeting.

Richard Greenhous introduced the topic and reminded the Committee of the government's target to reach 66% of woodland in active management by 2018, and aspiration that it would eventually rise to 80%.

The Committee discussed the various factors which could have the potential to alter the rate at which woodlands were being brought into management, including fluctuations in fuel prices which would impact on the current main driver for bringing broadleaved woodland into management, the use of wood as a fuel. The overall view was that energy markets would remain turbulent and that capitalising on growth in the biomass sector now was a good strategic use of incentives and resources.

The Committee discussed the importance of woodland management and the size of woodlands being targeted. The Committee agreed that the small size of individual woodland ownerships was a significant factor in the barriers to management. There appeared to be value in creating conditions where woodland owners could come together and form cooperatives.

The Committee agreed that economic returns were not the primary driver for many owners of small woodlands, but achieving cost neutrality would support the other benefits of bringing woodland into management.

Setting up conditions to make it simpler for owners to begin managing woodland initially and reduce some of the risks involved would be a positive factor. This might include testing new approaches to regulation. The Committee strongly supported the impact of private sector initiatives on bringing woodland into management.

It was suggested that the increased threat from pests and disease may serve to increase the interest of woodland owners in management beyond those who are not traditionally drawn by economic reasons. This was likely to increase in importance over the next 5-10 years. The Committee supported plans for more targeted segmented customer approaches.

The Committee also suggested that evaluation of how successful previous actions had been in motivating increased woodland management could be helpful. It was also recognised that it would become progressively more difficult to bring woodland in to management as the proportion of managed woodland increases.

Ian Tubby, who with Richard Greenhous would take away the deliberations of the Committee for further consideration, was thanked for his contribution to the discussion.

## **6. CINDERFORD REGENERATION**

**Paper 04/15**

Steve Hunt (Regulations Manger) joined the meeting in order to provide additional information and perspective on the Forest Design Plan amendment and the proposed long-term CRoW closure.

After a short discussion of the key issues set out in the Paper the Committee noted that the proposal was not being given special treatment because it was on FE land and that it had been treated in a similar manner to any other application before being brought to the Committee for endorsement.

The Committee sought clarification from Steve Hunt on how the concerns raised by various stakeholders in regard to the CRoW closure were being addressed, which was provided.

(Keith Oates joined the meeting)

Based on the information provided, the Committee formally endorsed the proposed action to approve a Forest Design Plan amendment and the long-term CRoW closure. The Committee thanked Steve Hunt for his contribution.

## **7. PAYMENTS FOR ECOSYSTEM SERVICES AGREEMENT**

**Paper 05/15**

Simon Hodgson introduced Paper 05/15 seeking approval of the documents that had been revised as a result of the comments made when the Committee had previously considered them.

The Committee welcomed the revised approach being taken with the suite of documents, which were setting a new direction. It was agreed that this was the first step in accounting for non-market benefits and providing increasing clarity over how government funding delivers against policy objectives.

The Committee discussed the extent to which stricter definitions and accounting procedures might benefit the documents in the future, but agreed that the increased work

this would require, considering that the agreement exists *within* a department, would outweigh these benefits and therefore the current level of detail was acceptable.

It was also accepted that there would be a need to build on experience, especially in areas of incentivising efficiency and sanctions for non-delivery of outcomes, but these were issues for the future. It was also noted that the language in the documents made them unsuited for use in engaging with the public and communicating and engaging with stakeholders would be challenging.

The discussion concluded with the Committee restating its support for the revised documents in preparation for the PES agreement to go live in April 2015.

## **8. FORESTRY AND WOODLAND ADVISORY COMMITTEE MEMBER APPOINTMENTS**

**Paper 06/15**

The Committee reviewed the proposed applications and approved all the recommended appointments.

## **9. AOB**

No other business was raised.

**The Chair thanked the Committee and closed the meeting at 13:20.**