

MINUTES OF THE 69th MEETING OF THE FORESTRY COMMISSION ENGLAND NATIONAL COMMITTEE, NATIONAL OFFICE, BRISTOL, 23 JULY 2014

Present: Sir Harry Studholme (Chair)
Ian Gambles
Richard Greenhous
Simon Hodgson
Steve Meeks
Keith Oates
Andrew Smith
Tom Surrey
Clive Tucker
William Weston

Also present: Richard Barker – Minute Secretary

1. INTRODUCTION & APOLOGIES

The Chair opened the meeting and welcomed everyone. Apologies had been received from Sarah Hendry and Tom Surrey was attending in her place.

2. MINUTES OF THE MEETING ON 3 JUNE

Subject to some very minor corrections from Richard Greenhous the minutes were agreed as a true record.

3. MATTERS ARISING

Forest Holidays

Simon Hodgson advised the Committee that the outcome of the Delamere Public Inquiry was expected in November. If approved the build time would mean that the cabin site would not open in early 2015 as had been hoped. An update on progress with Christchurch, Fineshade and Houghton was also given. It was noted that the Internal Audit report had not been published; this was because the management response had not yet been completed. It was agreed that the report would be circulated as soon as it was available, rather than waiting for the next ARAC meeting.

4. FINANCE REPORT

Paper 14/14

Steve Meeks introduced Paper 14/14 and reported that the forecast remained as predicted at the last meeting. A meeting was scheduled with Defra finance on 6 August when the pressures would be discussed. The measures that had been put in place to meet the commitments ceiling were detailed in paragraph 6 of the Paper.

It was reported that the 2015/16 budget remained challenging with a projected deficit of £6.4 million before any new pressures were added. This was still under discussion with Defra. A scenario planning exercise was being undertaken across the Defra network to look at the likely impacts of additional budget reductions of 5, 10 and 15%. Tom Surrey added that proposals for 2014/15 were with Ministers and whether or not the commitment ceiling would remain or any other measures put in place should be known within a few weeks.

In response to questions from the Chair Tom Surrey confirmed that the scenario planning was taking place across core Defra and all its delivery bodies. Public spending was likely to remain under pressure and essential activities would be given priority based on economic and human impacts as well as the risk profiles including, for example, the prospect of infraction proceedings.

Risk Management

The Committee was reminded that the Risk Registers had been reviewed at the ARAC on 3 June.

Clive Tucker reported from the CAP Delivery Programme ARAC Chairs meeting including advising that the next release of the CAP delivery IT system was due at the end of July. This would allow some selected users to register and start using the system as a live test. This would then be followed by the full rollout in September. The entire process continued to carry significant risks, although some areas of risk had been reduced whilst others had increased, having a neutral overall affect.

In response to questions on the future income generation by Forest Enterprise Simon Hodgson gave an update on the timber market, which was expected to remain at or above current levels.

Implementation of the SR10 programme had helped improve recreation income, but this still remained very weather dependent. The profitability of the concert programme was also inconsistent. Planning for the new public forest estate management organisation was looking at how to increase income and the stability of that income, but there were no quick fixes.

The loss of planned income from asset sales since 2011 had, so far, been covered by additional funding.. The approach beyond this would be post the next general election and therefore be for the new government, which would also need to take into account any plant health issues that needed to be addressed at that time. In the meantime Forest Enterprise would need to continue to lead the delivery the Government's forestry policies on the Public Forest Estate.

5. WOODLAND POLICY ENABLING PROGRAMME

Oral

Ian Gambles gave an update on the latest developments. Financial pressures remained and any base line reductions would have serious consequences on future delivery options and activities. The scenario planning exercise (covered in the Finance Report) was helping focus attention on the potential impacts of a reduced

budget and there remained very significant pressures in 2015/16 that were still to be resolved.

There were also a number of significant external events that would impact the organisation's future, which were holding back current activities or might otherwise impact on the direction of travel, including the timing of the introduction of legislation to create the new public forest estate management organisation. In this context the Forestry Commission would need to continue to prepare for further structural reform in 2016/17 and beyond.

The next steps would be to progress the development of FEE plus and the reshaping of Forest Services when the decisions on the new arrangements for delivering EU payments were concluded and implemented.

In response to questions Simon Hodgson explained that progress with the new public forest estate management organisation remained stalled by the lack of legislation, but the aim was to see how the PFE management could be improved under the existing legislation. Part of this would see a refreshed relationship between the Forestry Commission and Forest Enterprise and the draft Framework Agreement was expected to be presented to the Committee at the next meeting.

Richard Greenhous added that the changes to Forest Services as a consequence of the new arrangements for EU payments would allow Forest Services to concentrate its specialist forestry expertise all the more on helping to deliver the protect, improve, expand agenda set out in the Government's forestry policy statement.

6. PLANT HEALTH UPDATE

Oral

Richard Greenhous gave a presentation which included a plant and animal health risk matrix which showed some tree health issues at the high end. He described how the additional funding received by FC from DEFRA for plant health was supporting significant improvements in FC's tree health capacity and capability. He also described the emerging tree health communications strategy, set in the wider context of government's wider communications approach. The tree health communications strategy was broadly welcomed, including a more proactive approach to engagement with professionals and others who could play a key role in addressing plant health.

Acute Oak Decline

There remained a lot of uncertainty around AOD as it would take time for science to come up with a full understanding of the causes of the disease. Then, following this it would be necessary to work out the best course of action to manage the problem. However, significant progress was being made by Forest Research.

Oak Processionary Moth

Work was underway to better establish the perimeter of the London outbreak. An update was provided on an isolated infestation and decisive control measures taken in East London.

OPM's health implications were discussed, including the role of Public Health England. It was recognised that this could be a key issue for the London Boroughs affected. The interests of the Mayor of London were also noted. Further work with these key stakeholders was needed to ensure that each played an appropriate role.

Chalara

An updated map was presented showing the latest recorded infections in the wider environment. The Committee was advised of the planned new approach to communicating this information more meaningfully on the basis of the presence (or not) of infection in each 10km square grid across the country. It was also noted that surveillance from the air for *Phytophthora* had also been used this Spring to pick up other plant health issues including *Chalara*.

Other related issues

The Committee were advised that the FC's approach to deer management was being reviewed and this was currently undergoing a period of consultation. Grey squirrel measures were expected to feature in the new RDPE, while other measures would be taken forward, as appropriate, with stakeholders.

The Committee raised the issue of Feral Wild Boar. From the Commission's perspective this was primarily an issue for the Forest of Dean where the Forestry Commission, as a major landowner, had a significant role in delivering the Government's approach to Boar. This policy was that it was for local communities and landowners to decide on what action to take. However, it was also recognised that Boar was present in other areas of the country. England's mixture of woodland and farmland was an ideal habitat for the Boar and without any natural predators could reproduce rapidly. The Committee was concerned by the issue but were reassured that Commission's approach in the Forest of Dean had been endorsed by Ministers.

7. RDPE UPDATE

Oral

Richard Greenhous updated the Committee on the latest developments. Work continued with Natural England to progress the arrangements for delivery of the environmental land management scheme. It had been confirmed that these arrangements would not result in any Forestry Commission staff being transferred to Natural England.

Decisions on where the transactional functions would be located had not yet received final sign off but it was hoped that this might be received soon.

It was highly likely that responsibility for the legacy woodland schemes would remain with the Forestry Commission alongside the Commission's regulatory work. It was also likely that the legacy woodland schemes would be delivered through the CAP Delivery IT system, subject to further work to inform a final decision and from when this might then be implemented.

Communications with staff would continue over the summer, towards a formal consultation in the autumn on reshaping Forest Services. Implementation of the new arrangements was now likely to be from April 2015.

The draft Rural Development Programme has been sent to the European Commission for approval, which was expected to take some time. The expectation was that grant aided woodland creation would be maintained at a minimum 2,000 hectares per annum, targeted on priority areas and that support for restocking would be limited to woodlands affected by plant health issues or natural disasters such as fire or wind blow. It was understood that the regulations did not allow productivity measures to extend to support for secondary processing. The sector was being encouraged to engage with relevant LEADER groups and LEPs as potential sources of funding.

8. AOB

Members who had attended the Forestry Forum on 10 July said that it had been a positive event with good engagement.

It was noted that the new Secretary of State, who had only been in post for a few days, already had some understanding of the Public Forest Estate as there was a large area of Thetford Forest within her Constituency. She had recently undertaken a visit which had largely been led by the Friends of Thetford Forest.

It was agreed that a catch up phone call in August was unnecessary and that the next routine meeting would take place on Wednesday 1 October in Bristol as planned.