

## **MINUTES OF THE 70th MEETING OF THE FORESTRY COMMISSION ENGLAND NATIONAL COMMITTEE, NATIONAL OFFICE, BRISTOL, 1 OCTOBER 2014**

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

Andrew Smith (Item 6)  
Crispin Thorn (Item 7 – by phone)

**Also present:** Mark Funnell  
Richard Barker  
Kate Debley – 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. Richard Barker was attending as interim Head of Executive Office while PK Khaira-Creswell was on maternity leave.

### **2. MINUTES OF THE MEETING ON 23 JULY**

The minutes were agreed as a true record.

### **3. MATTERS ARISING**

#### Forest Holidays

The Internal Audit report had been circulated and the Committee asked that their thanks be passed on to the Internal Audit team. The Chair advised the Committee that he was arranging an introductory meeting with the new Forest Holidays Chair.

The Committee requested a paper on future options for the FC's relationship with Forest Holidays and it was agreed that Simon Hodgson would provide this at the appropriate time.

Simon Hodgson then updated the Committee on planning issues. The outcome of the Delamere Public Inquiry was now expected in December. At Fineshade, Forest Holidays had withdrawn the planning application, due to technical issues, but a revised application had been resubmitted.

## RDPE Update

Richard Greenhous updated the Committee on the latest developments, including the expectation that agreement would soon be reached on establishing the minimum thresholds for woodland creation. The next Countdown to CAP update to all stakeholders was expected in late October / early November.

Work remained ongoing on the IT systems required to deliver CAP. Richard Greenhous advised the Committee that contingency plans were being put in place to ensure that woodland grants could continue to be processed and paid should CAP IS experience any delays to or other difficulties.

A decision in principle had been made that the location of transactional functions for the New Environmental Land Management Scheme should be York.

## **4. FINANCE REPORT**

### **Paper 15/14**

Steve Meeks introduced Paper 15/14 and reported that the main change to the forecast presented at the last meeting was the decision by Defra's Finance Panel to recoup the £8m provided at the end of the last financial year. This was to address other departmental budget pressures. This had had a material impact on the RDEL forecast position, with Forest Enterprise England's (FEE) ASL falling from £12m to £4m. FEE would now draw upon the £8m held in its cash balance to support its 2014/15 operations.

In all other respects the forecast remained as reported at the last meeting, with the £0.9m utilisation of provisions being the primary RDEL variance matched by an equivalent offsetting RAME CR. These values would form part of the Supplementary Estimate bids this autumn, along with a bid for £200k capital funding of the vehicle finance leases.

The additional Annex setting out FEE's financial position in more detail was welcomed by the Committee.

## 2015/16 Budget

Work was progressing on the 15/16 business plan across FCE/Central Services in line with our stated position following the submission of the 5/10/15% scenario planning proposals to Defra. FCE's position was that a partial reinstatement of the £8m to address the known £6.4m budget gap in 15/16 would be required and, that whilst any 5/10/15% adjustment was unacceptable, a 2.5% saving subject to the lifting of the current year commitment restriction could be accommodated. It was noted that Defra were unlikely to be in a position to confirm 15/16 allocations until early/mid November 2014.

The Chair highlighted the fact that the budget gap reflected an historic structural anomaly within FC's baseline which needed to be addressed. Ian Gambles commented on the importance attached to a pre-election strategic SR exercise being conducted within FC given the state of public finances. The exercise was firmly in the context of planning for WPEP restructuring and repositioning prior to the election

in May 2015. However, he stressed that FC cannot make savings through structural change without legislation which would not happen until after the general election. It was agreed that FC should continue to draw the structural anomaly matter to the attention of senior Defra officials and Ministers.

## **5. FEE PLUS AND FC GOVERNANCE DOCUMENTS**

**Paper 16/14**

Simon Hodgson introduced paper 16/14 and advised the Committee that the three draft documents annexed (Framework Agreement, Agreement of Payments for Non-Market Ecosystem Services on the Public Forest Estate and Memorandum of Understanding of the Non-Market Ecosystem Services on the Public Forest Estate) would eventually form part of a suite of six documents that would frame the relationship between FEE and the FC.

Ian Gambles emphasised that these documents were very important and formed the substance of initial preparations for a new management organisation. The proposed structure starts to make explicit the possible dependencies, relationships and costs. Ian expressed his gratitude for all the work that had gone into the documents by the FE senior management team.

Questions were raised by the Committee in relation to the proposed scope of the document set. Various points were made in relation to legal status and the specific language used. Ian Gambles explained that the draft Framework Agreement would update and replace the existing agency framework agreement. Simon Hodgson advised that the MoU was currently an informal internal document that would be used to describe the relationship between FEE and FC. Richard Greenhous drew attention to those sections in the MoU that described how the FC would regulate FEE+'s forestry activities, putting them on more of a level playing field with other similar forestry bodies. The Committee were being asked to approve the wider general principle of the document set as opposed to a final version. The creation of the Forest Enterprise England Strategy Board (FEESB) would provide Committee members with an opportunity to be involved with the process in a more detailed way. The first meeting of the FEESB had been planned to take place on 4 February 2015 and membership of the Board would be confirmed at that meeting.

The Committee agreed that whilst in broad terms this was a very worthwhile process, the documents were not yet at a final version that could be agreed. It was agreed that Simon Hodgson would present a revised version at the meeting of the ENC in February. In the meantime Committee members were asked to provide their further comments directly to Simon.

## **6. OAK PROCESSIONARY MOTH**

**Paper 17/4**

Andrew Smith joined the meeting and introduced paper 17/14. Full results of the survey would be collated into a longer document in due course, but pressure from press and partners to publish results to date had led to production of this interim document.

Mixed results from this year's programme had been reported so far and there was still work to be done to disaggregate the possible effects of enhanced surveillance

techniques employed this year from genuine increased spread. Outer boundaries of infestations were now somewhat better understood due to the setting of 300 pheromone traps further out from the core. Two school premises had reported human impact to the Health Protection Agency, with approximately 40 children affected. Contractors had been the most severely affected people so far, but FC had not been made aware of anybody suffering anaphylaxis to date. FC had also not been made aware of any large scale defoliation to date.

It was noted that these interim results were based solely on FC results due to the fact that information from partners was still awaited. In response to concerns raised by the Committee that the interim report may be communicating an inaccurate picture of the position, Andrew Smith agreed that this concern should be taken into account; given the pressure from the media and stakeholders and the length of time that it would take for the final report to become available it was preferable to publish an interim report soon. The final report would be published as soon as the full results were available.

The Committee then discussed the FC's appropriate role and responsibilities in controlling OPM given the wider known spread and limited financial and human resources available. It was agreed that a Submission should be sent up to Ministers as soon as possible to set out the position in detail. This would offer them the opportunity to make the decision as to the most appropriate next steps.

## **7. EWGS DISPUTED CASE (WALL SHIELD, NORTHUMBERLAND) Paper 18/14**

Crispin Thorn joined the meeting via telephone and together with Richard Barker presented paper 18/14. Because of his potential further involvement in the case as a Defra official advising the Forestry Minister, Tom Surrey took no part in the consideration of this item.

The Committee discussed the paper and its various annexes and maps, together with the North East England Forestry and Woodlands Advisory Committee's (FWAC) report and recommendations and photographs of the site. It was agreed that as the information in the report was based on the detailed local knowledge and expertise of the FWAC there was no reason why the Committee should not accept the recommendation to approve the application which it had considered. It was further agreed that a site visit would not be necessary.

The Committee approved the scheme considered at the FWAC meeting and it was agreed to go ahead with the next step which was to seek views from the Minister on the proposal. Approval was on the basis that:-

- (i) Considerable efforts had been made by the applicant to accommodate stakeholder concerns, including a significant reduction in area from the initial application.
- (ii) Photographs viewed by the Committee at the meeting from the landscape visual impact assessment (which had concluded that the impact was not significant) appeared to confirm that the landscape effect was not significant and did not compromise the general landscape in that area.

- (iii) Extensive site visits had been made by FC staff, as well as the North East England FWAC who were the Committee's representatives 'on the ground' and they had given the objections full and fair consideration.

The Committee noted their thanks to the North East England FWAC for their work on this case and their comprehensive report.

## **8. BUSINESS SUSTAINABILITY PROGRAMME**

**Paper 19/14**

Richard Barker presented paper 19/14 and in response to a question relating to finance and resources it was confirmed that both the business sustainability activities themselves and the proposed reorganisation were expected to result in cost savings.

The Committee agreed the proposed refreshed approach to business sustainability set out in the paper, and in particular:

- The Business Sustainability Strategy for Forestry Commission England as set out in Appendix 1.
- Developing a Carbon Management Plan (CMP) for England.
- Embedding Business Sustainability into Forest Enterprise as the England lead following the ending of support from Central Services.

## **9. FORESTRY FUNCTIONS GOVERNANCE PROJECT**

**Paper 20/14**

Richard Greenhous presented paper 20/14 and due to time constraints invited Committee members to provide comments on this and in particular the joint FC-DEFRA policy programme, within a week of the meeting.

## **10. ANY OTHER BUSINESS**

There was no other business noted.