

MINUTES OF THE 916TH MEETING OF
THE FORESTRY COMMISSIONERS
PRIVATE ROOM 5, RADISSON BLU EDWARDIAN, LONDON
15TH DECEMBER 2016

Present

Sir Harry Studholme (Chair), Mary Barkham, Amanda Bryan, Ian Gambles, Julia Grant, George McRobbie, Jo O'Hara, Jean Lindsay

Also Attending

Keith Jones (Agenda Item 7), Peter Nixon (Agenda Item 8), Roger Coppock (Agenda Item 9), Fiona Alexander (Minutes)

1. Introduction and Apologies

The Chair opened the meeting and welcomed Julia Grant, the new Forestry Commissioner for England, to her first meeting of the Board of Forestry Commissioners. There were no apologies.

2. Minutes of 29 September 2016

The minutes were agreed as a true record.

3. Matters Arising

There were no matters arising from the meeting of 29 September 2016.

4. HMRC Tax/VAT Compliance

The meeting heard that the VAT audits for the Forestry Commission are complete, with the exception of those for Forest Enterprise. The work on capturing information for income tax purposes i.e. vehicle mileage logs for FC cars/vans and staff travel is nearing completion and HMRC are content with the FC's approach and action.

The meeting thanked Jean Lindsay and Meirion Nelson for their continuing hard work and effective management of the project.

5. Forestry Governance Project Board

The meeting heard that there has been slow progress with the project, mainly due to waiting on the outcome of the forestry consultation in Scotland.

The issue of tri-section funding has not yet been agreed and whilst the sums involved are not large, the issue is linked to cross-border functions which could have wider consequences.

There has been some progress with Forest Research, developing an outline strategic and economic business case. The Defra Commercial Business Unit has provided valuable advice and input to this process and suggested areas for the group to consider such as seeking an independent review of potential external market growth.

6. Outcome of forestry consultation in Scotland

The consultation on forestry closed on 9 November 2016 with over 600 responses received and published on the Scottish Government website. Formal independent analysis of the responses is now being carried out and is due to be completed by February 2017. The Scottish Government is not required to give a response to the consultation response but will seek to address concerns raised and mitigate any risks to the progress of legislation. The next stage is likely to be an introduction of draft legislation which needs to be introduced by June 2017. FC Scotland is working closely with Scottish Government on drawing up legislation.

Action Point Item to be added to the Agenda for March meeting

7. Development of Stobart Forestry

The meeting was updated on a project being developed by the Stobart Group to a Stobart Forestry arm. This initiative aims to bring undermanaged woodland (principally broadleaf) in England into management. During 2017 it is expected that the project will develop to be fully operational. Stobart Forestry will be required to produce management plans for the woodlands to be managed and will also require felling licences; both will be approved by Forest Services England and all will comply to UK Forest Standard Guidance.

8. Forest Holidays Board Report

As per the Freedom of Information Act 2000, part II Exempt Information, s43(2) (prejudice to commercial interests), this paragraph has been withheld.

9. Mobilisation of Research Funding

The meeting heard that over many years there has been a decrease in forestry research funding in the UK and the current model is not sustainable in the long term. Other countries have adopted different models to attract industry funding and some of these appear to be successful, in particular in New Zealand where there is an industry levy. In the UK, industry's main contribution has been in kind although the exact level has not been evaluated. There is a need to explore further to see how industry contributions can be increased but also how other sources of funding can be developed and coordinated.

The meeting discussed the new model which proposes to use forestry research funding from the government as a hub which would act as a vehicle to encourage funding from industry and other sources, including leveraging funds from research councils, academia etc. The meeting felt that the proposed model had resilience and would achieve progress; it was a dynamic model with a strong centre and a long-term forward look. A Steering Group, chaired by someone from industry, would be

established to co-ordinate activity, develop a strategy and pull together an action plan.

Recent meetings with the sector and Steering Group gave unanimous agreement for the proposed model which was subsequently endorsed by the FC Executive Board and industry in October 2016.

The meeting agreed that the proposed model was a good way forward. It is a long-term process needing buy-in from all stakeholders including industry at the outset. The meeting agreed that progress should be maintained on moving it forward.

10. FC Centenary

The meeting heard that plans are coming together and noted that there is an opportunity to talk to other organisations, including those involved in research, to garner interest and support. The meeting agreed that this was not a single project but more a series of different events celebrating various aspects of forestry. Each country would be taking forward its own centenary initiatives appropriate to the context. There was a strong common interest in celebrating 100 years of British forestry.

Action Point Chair to write to HRH Prince of Wales regarding the celebrations

11. Scotland Country Report

The meeting discussed the report and noted the following:

- i) Over 10,000ha of new planting applications now under development under the Forestry Grant Scheme for 2017/18 and 2018/19;
- ii) The Mackinnon report has been published with the recommendations accepted in principle;

Action Point Fiona Alexander to circulate a copy of the report to Commissioners

- iii) Scottish Government has announced its draft budget which includes additional spend on forestry grants realised from savings elsewhere.

12. England Country Report

The meeting discussed the report and noted the following:

- i) The Woodland Carbon Fund (WCF), developed by FC England and Defra, was launched successfully and is now in place. It is anticipated that the WCF will impact positively on conifer planting;
- ii) Oral evidence and submissions were provided to two parliamentary Select Committees;
- iii) The meeting agreed that letters of commendation should be sent to three members of staff. The Commissioners expressed their thanks to the staff concerned;

Action Point Fiona Alexander to draft letters

- iv) Funding reductions for FC England and cross-border functions for 2017/18 have been agreed with Defra. Final figures will be agreed by end December 2016 and notified via the business planning process;

- v) The EU exit has created a substantial amount of work for Defra who are recruiting extra staff to manage the additional workload. FC England have made a business case for a small number of extra staff, although it is not yet clear if and when funding will be available. FCE and CFS staff are providing support to Defra with work on the Repeal Bill, in particular looking at areas where there are operability implications.

13. Central Services Report

The meeting discussed the report and noted the following:

- i) There continues to be interceptions of packaging materials at ports;
- ii) The lack of progress with the FGFB is impacting on FR and Central Services staff morale;
- iii) FR infrastructure project is progressing well;
- iv) The report on Chalara trials is due in January 2017;
- v) The Central Services programme is progressing well with many services already moved out. The remaining services e.g. IS, Finance are more complex however, new teams are being established in the countries;
- vi) The Pay Award was implemented in November 2016;
- vii) A new Statutory Instrument for importing firewood comes into force on 1 January 2017. Approx. 10 importers have signed up to the scheme;
- viii) Natural Resources Wales will come off FC services by 31 March 2017.

14. Any Other Business

George McRobbie advised the meeting that he had received a complaint regarding allocation of seed and the investment by FE England in updating its nursery facilities. The meeting agreed that while it is essential to maximise public benefit and provide support to the private sector, FE must be permitted to and prepared to invest in its own operations. The meeting further noted that the seed store is on FE England land and, on completion of devolution, Scotland would still have an interest in the seed store. The meeting noted that this issue needed addressing.

Action Point George McRobbie and Ian Gambles to liaise so that a reply can be provided on behalf of the Commissioners

15. Date of Next Meeting

21 – 22 March 2017 in Edinburgh. There will be no Tour on this occasion.