

MINUTES OF THE 911TH MEETING OF
THE FORESTRY COMMISSIONERS
MANSE SUITE, DRYFESDALE COUNTRY HOUSE HOTEL, LOCKERBIE
1ST OCTOBER 2015

Present

Harry Studholme (Chair), Mary Barkham, Amanda Bryan, Ian Gambles, George McRobbie, Keith Oates, Jo O'Hara, Wilma Harper, Jean Lindsay

Also Attending

Fiona Alexander (Minutes)

1. Introduction and Apologies

The Chair opened the meeting and welcomed everyone. There were no apologies.

2. Minutes of 10 June 2015

The minutes were agreed as a true record.

3. Matters Arising

- i) The meeting noted that UPM Tilhill is now part of BSW Timber and will trade as Tilhill Forestry. It was agreed that this did not constitute a material change to George McRobbie's previously declared interests.
- ii) HMRC VAT Audit
Not published as per Section 35 (1)(a) of the Freedom of Information Act 2000.
- iii) Public Liability Cases information was emailed to Commissioners on 13 August - Discharged.
- iv) Statistics on gender split was emailed to Commissioners on 6 August - Discharged.
- v) Chairs of National Committees have added Health & Safety to their respective meeting agendas - Discharged.

4. FC Going Forward

The meeting was given an update on the current work:

- England

Forestry Governance Project – talks between Defra and Scottish Government officials have taken place. These meetings have been constructive and have produced a

pragmatic and focused project (Forestry Governance Project) with three main workstreams:

- i) Legislation: This covers both potential legislation by the Scottish Government as well as potential legislation in Westminster however, any new legislation would require Cabinet approval;
- ii) Finance;
- iii) Research: This workstream follows on from the closed Cross Border Project and has been established to provide advice to Ministers. The new Research workstream is being led jointly by Gemma Harper (Defra) and Linda Pooley (Scottish Government). The project oversight and working groups include a number of Forestry Commission staff, including staff from Forest Research.

All three workstreams are aiming to provide advice to Ministers in March 2016.

The Defra Forestry Minister will attend the Forestry Forum on 15 October.

The meeting also anticipated significant financial pressures facing England in the impending Spending Review. Details of potential cuts are unlikely to be known until January 2016. The meeting acknowledged the difficult time of bringing forward changes against a background of cuts.

- Scotland

Forestry Governance Project – the Scottish Government plans to complete this project by May 2016.

Future Forestry in Scotland is led by Bridget Campbell and is exploring how forestry functions in Scotland might be configured. Discussions will be held with stakeholders over the next few months. It is likely that consultation will take place next year after the May 2016 elections.

FE Scotland's immediate challenge is falling timber prices. The Chief Executive is talking to the Trades Unions and will be writing to staff outlining his plans for making savings in this financial year and next. Additional cuts are likely to be required as part of the Spending Review. The Scottish Government will need to decide on priorities for spending and take account of other pressures before the scale can be known.

- Central Services

Central Services is supporting the countries in the creation of their own new Corporate Services arrangements based on the principle of 'no shared services' in the future. The Business Strategy Group is facilitating the pulling together of the country timelines.

The staff consultation on the FR refresh launched on 16 September and closes on 16 October. The proposal is that Inventory, Forecasting & Operational Support (IFOS), Publications, and Statistics will transfer to FR along with some admin support.

Work continues on the Legal and Corporate Workstream which is looking at a range of issues that will need addressing in the context of the changes to the FC under consideration in the Forestry Governance Project. Work is also continuing on

transitioning and decommissioning with plans being put in place to manage the various aspects.

Commissioners expressed particular interest in the future of Forest Research, which was now under consideration as part of the work of the FGPB, and emphasised that this needed to be approached with care and sophistication and that they should be consulted as the project moves forward.

Action Point Future of Forest Research to be discussed at the Commissioners' Meeting on 10 December; James Pendlebury and Peter Freer-Smith to be invited to attend.

5. Forest Holidays

The meeting was given an update on the progress made to recruit a Non-executive Director to represent FC interests on the Board of Forest Holidays (FH). Following interviews on 18 September, two candidates have been shortlisted for a second interview on 21 October with Peter Phillipson (Chair, Board of Forest Holidays) and Sir Harry Studholme (Chair, Forestry Commission).

The meeting discussed the paper on Forest Holidays Governance and noted the recommendations. The meeting heard that the proposed refinancing of FH debt would not involve the repayment of FC loans.

The changing needs for governance of the Forest Holidays investment was discussed. FC is both minority shareholder and landlord. The meeting recognised that the establishment of the executive Forest Holidays Governance Group provided more effective oversight but some concerns were expressed that this should not become over formal and cumbersome. The impending appointment of a Non-executive Director provides a further opportunity to consolidate FC's understanding of and engagement with the FH business. The FC has drawn up a detailed letter of engagement for the Non-executive Director which clearly specifies the duties and responsibilities of the role.

Action Point Wilma Harper to circulate a copy of the engagement letter to Commissioners

6. Central Services Report

The meeting discussed the report and noted the following:

- i) on-going interceptions of non-compliant material;
- ii) the current version of the UK Forestry Standard (UKFS) will be refreshed in November 2016;
- iii) the Research Strategy Management Board (RSMB) is into the first year of research programmes and is looking at future operating environments;
- iv) the FR Science Promotion Board ran successfully and the process is being evaluated;
- v) Observatree launched in April 2015. Internal Audit is reviewing TreeAlert;

- vi) Pay Award capped at 1%;
- vii) a final offer on Holiday Pay has been made to the Trades Unions which, if rejected, will go to Tribunal;
- viii) Staff Survey 2015 has a response rate so far of approx. 50% and closes on 5 October;
- ix) Natural Resources Wales are due to come off the majority of services by 2016 with complete removal by 2017.

7. England Report

The meeting discussed the report and noted the following:

- i) Releasing Our Potential booklet has been issued with good feedback from staff. The publication establishes FEE+ as moving forward with a distinct future identity;
- ii) Oak Processionary Moth is spreading further whilst Pine Processionary Moth is moving northwards across France. A protection zone has been put in place;
- iii) Lottery funding for red squirrel conservation.

8. Scotland Report

The meeting discussed the report and noted the following:

- i) a meeting on 9 September with Ministers and Trades Unions over future forestry requirements in Scotland;
- ii) a series of meetings on 23 September discussed finance and repositioning, focussing on financial pressures and opening up land to communities. A final report on forestry contribution to the Scottish economy will be issued shortly;
- iii) Long-horn beetles have been discovered in Perthshire. The source is unclear. Although not considered a major pest, as they attack dead trees, there have been incidences of these beetles attacking spruce in Canada;
- iv) Elatobium (spruce aphid) continues to be monitored;
- v) RPP1 committed new planting of 10,000ha with an overall planting target of 100,000ha between 2012 – 2022. These are challenging targets but current expectations are that they will be met. RPP3 is due in December 2016;

9. Any Other Business

There were no items raised.

10. Date of Next Meeting

9 – 10 December in London. There will be no Tour on this occasion.