

## CENTRAL SERVICES REPORT

### **Purpose**

1. To advise Commissioners of developments within the FC's Central Services and the progress made to achieve the key actions and priorities as set out in the Cross Border and Forest Research Corporate Plans 2015 -16.

### **Cross Border Activities and Corporate Plan Update**

2. CFS delivered 42 of the 49 key actions listed in its Corporate Plan for 2014/15 and of the ones we failed to deliver, five were delayed until summer 2015, and two are awaiting action by other partners, outwith our control. The delayed key actions have been included in our list for 2015/16.

### **Resilience: Forest Biosecurity**

**We will protect our woodland resource and increase its resilience to pests and diseases so that our woodland continues to deliver a wide range of economic, social and environmental benefits.**

3. Our Plant Health Service is engaged in a One Government at the Border project involving all organisations involved in Border Control. A risk appraisal with Border Force has been completed and wood packaging from Asia now recognised as a commodity to keep under observation. The second phase of this project is now underway and we are involved in an evaluation of a pilot sharing commercial data about imports to better target inspections.

4. At the end of August there had been 57 interceptions of non-compliant material at ports, mostly wood packaging and dunnage requiring destruction. An exception was a consignment of 250 dining chairs from China; these were destroyed because of the finding of another adult longhorn beetle which had emerged inside a property. Import checks on wood packaging associated with a wider range of stone and steel commodities from China have resulted in a slightly higher interception rate than previously although findings are generally non-compliance with standards rather than findings of pests. In accordance with Internal Audit recommendations we are investigating whether the level of checks performed by inspectors is meeting EU targets. At the end of August over 500 consignments of stone and steel from China had been checked.

5. New legislation is in preparation to consolidate national legislation and to implement tighter EU control measures on Asian Longhorn Beetle and Pinewood Nematode. New EU measures on *Xylella fastidiosa*, a cause of bacterial leaf scorch in trees, will bring in controls on a wider range of tree species than before and a pest alert is in preparation. The presence of the strain of this bacterium which is damaging to trees was reported for the first time by France in July 2015 (Corsica). The London Tree Officers Association has been commissioned to carry out surveillance for bacterial leaf scorch as part of their annual plane survey with training provided by Forest Research. Further pest alerts have been prepared or are in preparation or have been commissioned for Oriental Chestnut Gall Wasp, Plane Wilt, Pine processionary moth and *Sirococcus tsugae* (a shoot disease affecting Atlas cedar).

6. A study comparing and valuing the impacts of Oak Processionary Moth in the Netherlands and England is nearing completion. SAC commercial are undertaking the work. The report will consider key lessons from the Dutch approach to tackling OPM. The work is examining all potential impacts (treatment costs, ecosystem service impacts and human health impacts) and comparing different management approaches between the two countries.

7. We have published a paper on "Gamification within plant health in the Forestry Commission". Gamification is the process of adding 'game-like' features, such as point scoring and achievements, in order to make any number of activities more fun and engaging. One result of this work has been a University of Stirling and Forest Research student project applying gamification as an outreach and engagement tool for plant health. This involves tasking players to manage a budget and choosing various treatment types. Further, student projects are being sought in this area in order to explore the wider uses of gamification within the Forestry Commission. This project has involved a collaboration between the University of Stirling and the Forestry Commission, and the full article can be found [here](#).

## Resilience: Climate Change and Ecosystem Services

We will protect our woodland resource and increase its resilience to the impacts of climate change so that our woodlands continue to deliver a wide range of economic, social and environmental benefits.

8. The quarterly statistical release, **Woodland Carbon Code Statistics** (covering data to June 2015) was released on 14 July. The next edition (covering data to September 2014), will be released on 9 October.

9. The main findings are:

- A total of 204 projects were registered under the Woodland Carbon Code at 30 June 2015, covering an area of 15.4 thousand hectares of woodland and projected to sequester 5.7 million tonnes of carbon dioxide.
- Of these projects, 101 projects had been validated by end June 2015, covering an area of 3.3 thousand hectares and projected to sequester 1.6 million tonnes of carbon dioxide.

- Validated projects were predicted to sequester 498 thousand tonnes of carbon dioxide in England, 1,055 thousand tonnes in Scotland, 33 thousand tonnes in Wales and 3 thousand tonnes in Northern Ireland.

## Standards

We will set the standards for sustainable forest management in the UK, within the framework of international agreements, and promote them domestically and internationally.

10. A meeting of CFS and policy leads from the 4 countries was held in July on the way forward for a UKFS revision. It was agreed this should comprise a 'light-touch' to extend the life of the current set and update how the information was published, but not stray into content or open up the UKFS and Guidelines for consultation or wider review. Agreement of the 4 forestry ministers is being sought.

11. The Spanish Government will host the 7<sup>th</sup> Forest Europe Ministerial Conference on 20 - 21 October, in Madrid, to celebrate the achievements of this Pan-European Forest Europe process in promoting sustainable forest management in Europe over the past 25 years. Forest Europe is a voluntary inter-governmental process encompassing the EU and its Member States, Norway, Switzerland, the Post-Soviet States and the Balkan States. Forest Europe promotes sustainable forest management (SFM) and has agreed a common set of non-legally binding SFM criteria. These form the framework for our domestic forestry policies and are implemented through the UK Forestry Standard (UKFS). More details can be found at <http://www.foresteuropemadrid2015.org/>

12. At the 7<sup>th</sup> Conference, Ministers will reaffirm Forest Europe's role as a voluntary high-level political process for dialogue and cooperation on forest policies in Europe and pave the way for the process to be reviewed to make Forest Europe fit for the future, in order that it can continue to respond to ever increasing challenges for forests and the forest sector.

13. The International Arrangement on Forests (IAF) is an intergovernmental arrangement on global forest policy. The effectiveness of the current Arrangement had been under review to enable a strong basis for a decision to be taken on the future of the IAF at the 11<sup>th</sup> session of the UN Forum on Forests (UNFF), in New York, May 2015. FC International attended UNFF11 and we achieved outcomes in line with UK and wider EU objectives.

14. UNFF11 adopted a historic Resolution which strengthens the IAF mandate until 2030 and aims to secure a stronger independent voice for forests at the global level, with the objective of promoting and implementing SFM. It is particularly important that forestry remains a consideration in its own right through the concept of SFM as there is always a danger of it being considered as an adjunct to the policy agendas in biodiversity, climate change and agriculture. The Resolution emphasises that the future IAF must align with the post 2015 Sustainable Development Agenda and its forest-related SDGs and targets, through integrating the SDGs and targets into the UN Forest Instrument and strengthening collaboration with relevant forest-related international and regional organisations.

15. The EU Standing Forestry Committee Working Group on sustainability criteria (relevant to biomass) has now concluded its work and published a Draft Report and annexes on "Sustainable Forest Management Criteria and Indicators".

## Evidence

We will ensure that there is a robust evidence base available to the forestry authorities across the UK to underpin their policies, decisions and advice.

16. The new series of research programmes is now underway and will be providing deliverables towards the end of the financial year. The programmes have been published on the website for stakeholders to view.

17. The Research Strategy Management Board is due to meet at the start of October to discuss progress and to consider implications of the SR15 exercise.

18. Forestry Statistics 2015 and Forestry Facts & Figures 2015 will be published on 24 September, providing the latest statistics on a range of forestry-related topics.

19. Results from the Public Opinion of Forestry surveys, that ran across the UK, in Scotland and in Wales in early 2015, were released on 25 June.

20. Results from the Global Forest Resources Assessment 2015 are due to be released by the UN Food and Agriculture Organisation at the World Forestry Congress in early September. The State of Europe's Forests 2015, based on the latest 4 yearly collection of data for the pan-European indicators of Sustainable Forest Management, is due to be released at the 7th Forest Europe Ministerial Conference in October.

## Forest Research Activities and Corporate Plan Update

21. FR's 2015-16 Corporate Plan was finally approved and cleared by Defra in June and in summary commits FR to delivering 22 key actions and £4.6 million of non-core income this financial year.

22. FR staff are busy initiating the new 4-year science programme (2015-19) to deliver the Science and Innovation Strategy and country policy team research requirements.

23. FR was delighted to have secured Defra approval for a £250,000 (inc. VAT) capital investment in a new sewerage plant for the Alice Holt site. This will enable us to fully modernise the facilities for ourselves and our tenants and to comply with discharge limits. We have already completed the procurement process and expect to complete the works and commission the plant by the end of September 2015.

24. FR recently held its first Science Promotion Board in two years and received positive feedback that the revised process is better and clearer than its predecessor. However, there is always room for improvement and our HR team are undertaking a formal evaluation,

including gaining feedback from staff who submitted applications, to further inform refinements to our new system. Overall we received 29 applications for promotion, 14 staff were interviewed and 8 were promoted.

### FR Science Priority: Protect Our Trees and Forests

25. Observatree was finally formally launched in April 2015 and we are in the process of appointing an Observatree Project Administrator to support the manager in delivering the project. It is worth noting that the value of Observatree has been highlighted through an incidence of Oriental Sweet Chestnut Gall Wasp being found in St Albans (Hertfordshire, a new site in addition to that at Kent) by an Observatree volunteer – and we expect this to increase the profile and activity of Observatree.

26. FR supported two of our entomologists, to attend a practitioners' workshop in June in Toronto looking at Asian Long-Horned Beetle (*Anoplophora glabripennis*) (ALHB) and Emerald Ash Borer (*Agrilus planipennis*) management. The workshop provided a unique opportunity for forest health specialists to share knowledge and experience in the control and management of both pests and brought together experts from Canada, the United States and Europe to look at case studies from the Greater Toronto Area, Ontario, Canada.

27. Joan Webber attended the BES 2015 Symposium on *The Ecology and Evolution of Emerging Plant Pests and Pathogens* held at the University of Exeter Falmouth campus and gave an invited presentation on some of the recent pest and pathogen threats to forest resilience in the UK.

### FR Science Priority: Enhance Forest Ecosystem Resilience and Service Provision

28. A successful bid has been made to Leverhulme Trust (Quantifying carbon accumulation and loss in afforested peatlands) with York, UHI and Aberdeen Universities; the York-based PhD student starts in October and will be at NRS for some of the project.

### FR Science Priority: Ensure Sustainable Management and Adaptation of our Forests to Climate Change

29. As part of the work on breeding resistance to ash dieback FR presented at the Woodland Trust 'Chalara Day' at Pound Farm (one of the ash trial sites) on 16 June. Just over eighty people attended, from a range of backgrounds including FCE, Natural England, Woodland Trust, the nursery trade, arboriculture, the forestry sector, and private landowners. FR's presentations were well received and generated interesting discussion and debate. Questions were posed about the value of the trials (should we just let nature run its course?), population genetics and lack of genetic diversity, and indications of possible chalara tolerance in any of the provenances.

30. A scientist from the Institute of Applied Ecology, Chinese Academy of Sciences is visiting NRS from June to the end of November. She is working on adaptive silviculture of

larch plantation forests and plans to give two short seminars, one in September and one in mid-November.

31. The newly upgraded, validated and documented ForestGALES (version 2.5) is ready for release.

### FR Science Priority: Effect Knowledge Exchange

32. FR will participate in the Small Worlds Initiative – which gives members of the public in the UK an opportunity to work with scientists as part of a global initiative to discover new antibiotics from soil bacteria. The particular project in which we are involved is being led by the Society for General Microbiology, in partnership with scientists at the University of East Anglia and the Norwich Medical School. FC (through Forest Research) will provide soil samples from the public forest estate. The first event will take place on 19, 20 and 21 August in Alice Holt forest.

33. The latest issue of FR News was published in August and is available [here](#). FR's website hits are currently running at 50,000 per month.

### FR Business Priority: Grow Our Business

34. Funding has been secured from the Agriculture and Horticulture Development Board of £50k with a further £20k in matched funding over two years to look at methods of long term storage of oak.

35. FR has agreed a new Shared Service Schedule to the value of £247,800 with NRW for 2015/16.

36. FR's Wales-based colleagues staffed a stand at the Royal Welsh Show (20-23 July). The main theme of the FR stand, and that which generated most interest, was tree health and resilience and all staff on the stand represented us well. Other FR staff were present on the nearby TreeAlert stand and received glowing feedback from the Woodland Trust for their contribution. The four-day show gate exceeded 242,000 people and included attendance in the Forestry Section of a number of dignitaries including: David Cameron PM, Carl Sargeant AM (Minister for Natural Resources), Rebecca Evans AM (Deputy Minister for Farming and Food), Chris Davies MP (Chair of the All-Party Forestry Group) and Dafydd Elis Thomas AM.

## Ways of Working

37. The project to develop a refreshed business model for Forest Research is progressing well. The proposal has undergone external scrutiny by Ian Ross (Chair SNH), who has made some helpful suggestions and is supportive of the proposal generally. Commissioners have also indicated their support and the proposal is currently out for consultation with the FCTU.

38. The WPEP Cross-Border Functions Project has sought approval to bring in a consultant to help evaluate the four shortlisted models. However, the new Forestry Governance Programme Board is now re-examining the wider context around this project and further progress will be made when this is complete.

39. England, Scotland and FR are progressing with the development of their timelines for establishing their new Corporate Service Arrangements. England has recruited a consultant to assist on developing the Business Case for Information Service and are in the process of recruiting a Head of Information Technology and a Head of HR. FC Scotland is working closely with the Scottish Government (SG) on the landing point for forestry in Scotland. SG undertook a fact finding trip to Wales in July to discuss the lessons learned from the establishment of NRW.

40. We are working through a range of service change requests from NRW. This is giving a much better foundation for developing the Business Plans for FY 16/17. NRW have made clear their ambition to sever all requirements for FC Shared Service by March 2017. Additional costs continue to be a source of friction and as a result we have prepared some draft principles for discussion with the countries/FR with the aim of removing them as quickly as possible. There will be an enduring requirement for services from the refreshed FR Agency the detail of which is still under discussion.

## Shared Services

### **Pay Award**

41. The Pay Award for 2015 has been noted by the Scottish Minister and has now been submitted to DEFRA for Westminster sign-off. Once sign-off has been received formal discussion with the FCTU will begin. The Pay Award is effective from 1<sup>st</sup> October.

### **FCTU Consultations**

42. The FCTU have been consulted on the proposal for the Countries and FR to move away from a Shared Service model and establish new corporate service arrangements. The proposal explained that the Countries and FR will move at their own pace and not necessarily to the same timescales. The consultation period has now concluded and the FCTU have confirmed their support for this approach.

43. The FCTU were also consulted in the same period on the specific proposal to set up new arrangements for the delivery of HR Services with effect from April 2016. This will include assimilation of existing staff, where possible, into the new Country/FR structures. The FCTU have confirmed their support for this proposal. The FC will now proceed with a transition project to implement this change.

## **HSE**

44. In Scotland HSE visited a Forest District as a result of a Hand Arm Vibration Syndrome (HAVS) RIDDOR report. SH&E supported the FD through the initial visit and subsequent correspondence. We have also alerted Scotland, England and Forest Research and asked them to review their compliance with the HAVS OGB.
45. In England HSE has continued to investigate an arboriculture accident where a 21 year old contractor suffered serious injuries.
46. FE England reported to HSE under RIDDOR that members of staff and contractors had potentially been exposed to asbestos. HSE are investigating this case.
47. All these investigations could be subject to Fee for Intervention.

## **Diversity Objectives**

48. The external consultation exercise on the FC's draft diversity objectives, which are legally required to be published by April 2016, began in September.

## **Staff Survey**

49. The Staff Survey went live on 7 September.

## **Tax Audits and Tax Working Group (TWG)**

50. A further meeting was held with HMRC on 6 July 2015 to take forward travel-related issues. HMRC advised on the areas where we would need to take action to ensure compliance from both a PAYE and VAT perspective and this is being progressed through the TWG.

51. On the audits themselves, we completed our analysis of FR contracts and the findings have been submitted to HMRC. Although there are some areas where we should have been charging VAT there will be minimal loss to FR overall.

52. It is estimated that the over recovery of VAT in Shared Services is around £800k per annum. Steps have already been taken to remedy this.

## **NRW**

53. NRW has advised us that they wish to come off all FC systems by April 2016 other than those relating to the timber business. They wish to collaborate with FC on developing replacement systems. On completion of this process it will allow the breaking of ties with NRW in terms of information systems.



## **Procurement Services**

54. England have agreed a structure and staffing for the procurement service once it is devolved. Work is ongoing in FE Scotland to identify the scope and quantity of the procurement work that will allow them to put in place an appropriate structure once the service is devolved. A decision on whether to prepare a single or separate Business Case is still being considered however the overarching Business Case recently agreed with the FC Trade Unions will greatly ease the negotiation process.

## **Risk**

55. We have consolidated the risk registers for Cross Border functions and Shared Services into a single Risk Register. The loss of staff due to the uncertainty over the future of FC remains a major risk to the organisation.

Jean Lindsay  
Director Central Services  
September 2015