

DIRECTOR 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 2014 -15.

Cross Border Activities and Corporate Plan Update**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.

2. This has been a particularly active period with a number of issues requiring submissions to Ministers. The first submission relates to further plant health interceptions of non-compliant dunnage associated with steel consignments from the Ukraine. Enhanced inspection of wood packaging and shipping dunnage is a priority action funded through enhanced Defra funding for plant health. In 2014 there were 139 interceptions of non-compliant material and there is recent evidence that live insect pests were present in the dunnage associated with four bulk steel consignments from the Ukraine. In the most recent case the enforcement action was escalated from the destruction of material to re-export of all non-compliant dunnage in response to the potential pest threat. Further measures under consideration are actions targeted against importers of infested dunnage, including a temporary hold of consignments and rejection of non-compliant material, with the possibility of a more systematic approach if problems persist. In view of the broader sensitivities in this case, we are also engaging with officials in FCO and BIS. This case has also prompted helpful discussions with the Maritime and Coastguard Agency about the safe disposal of intercepted dunnage, to reduce the risk of illegal discharge at sea.

3. The trade in solid fuel wood has also been recognised as a potential risk pathway. The monthly biosecurity meeting (MBM) conclusions accepted that the potential pest risk from imported firewood warrants a statutory notification scheme in order to monitor this material. We are seeking approval to consult on this proposal.

4. We have also received agreement to the revocation of The Watermark Disease (Local Authorities) Order 1974, which is no longer used by local authorities. It is due to be signed on 4th March. We are also seeking approval for the consolidation of The Plant Health (Fees) (Forestry) Regulations 2006 and its amendments. Both these measures will help meet the

Red Tape Challenge initiative aims to reduce the amount of current legislation.

5. The launch of the new TreeAlert application for reporting pests and diseases through a common portal will take place on 12 March together with a low key launch of the Observatree project.

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.

6. Whilst ambitious, a new global climate change agreement to be signed at a global summit in Paris in December 2015 is looking more and more likely. With strengthened scientific certainty and increased knowledge of climate change and its impacts, some of the more influential countries such as USA and China have been gradually shifting their approach in recent years. Paris will build on the outcomes of the 2014 UN Climate Summit in New York where the 'New York Declaration on Forests' stated that "Forests represent one of the largest, most cost-effective climate solutions available today" and committed to achieve a number of outcomes in partnership with governments, companies, business associations, indigenous peoples and civil society, organisations and multilateral institutions. The Paris agreement is expected to focus less on top down targets and focus more on flexible, innovative national level actions.

Standards

We will set the standards for sustainable forest management in the UK and promote it domestically and internationally.

7. The European Commission and Member States hope to conclude on the proposed draft Multi-Annual Implementation Plan to deliver the new EU Forest Strategy by the end of March 2015. This will then be presented to the new Commissioner for Agriculture for endorsement. A revised draft version will be provided by the Commission as soon as possible once the European Parliament (EP) has had its say and implications from EP Reports addressed. We have led on the issue in the EU Standing Forestry Committee to represent the UK position and have also worked with Defra to provide MEP briefings and table amendments to EP Draft Opinions.

8. This year, work will get underway in earnest on the revision of UKWAS, which forms the basis of certification in the UK. Both CFS and country representatives sit on the UKWAS steering group and will contribute to the process. On the UKFS, we shall be giving consideration as to when, if, and if so how-best-to update it, as the current version will have been in place for four years by Autumn. Any updating will, of course, be very much a four country and CFS exercise.

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.

9. Progress towards developing the new set of FR research programmes to deliver the Science and Innovation Strategy is steady. Seven new programmes of research have been commissioned, and working groups are setting out the detail of the work to be done in the coming years. A meeting in Birmingham in February allowed country policy leads and others to see the outline of each of the programmes for the first time, and how they relate to each other to provide an interdisciplinary research approach. The draft programmes will go to the Expert Committee on Forest Science shortly for peer review, and will then be presented to the Research Strategy Management Board.

10. We had a useful meeting with RGB Kew recently, where the drafting of a revised MoU was agreed, and a number of research options explored to enable closer working between CFS, FR, and Kew.

11. We are well engaged with Defra on the One Business evidence workstream and have positioned the SIS research programmes as a proxy Network Evidence Action Plan. The aim is to ensure that the research we are undertaking is visible to the rest of the Defra network and open up opportunities for collaborative projects.

12. The quarterly statistical release, Woodland Carbon Code Statistics (covering data to December 2014) was released on 15 January. The next edition (covering data to March 2015), will be released on 9 April.

Ways of Working

13. The Cross-Border Functions Project Report (Phase 2) was made available to staff in January and this was supplemented with team meetings for affected staff. A project plan for the next stage is currently being prepared. Alongside this a separate project is also underway to make recommendations on which of the existing cross-border functions should be included in a refreshed research agency with the remainder being transferred to the countries using the processes and protocols agreed as part of the shared services roadmap.

14. Since the Shared Service Roadmap was published last Autumn, Scotland and England have been considering their resource requirements for developing the first phase of work. England are in the process of recruiting a consultant to help develop a set of strategic outline business cases. The consultant will work with key staff to develop a strategic view of how services should develop in England. The business cases will also take into account developments from the Defra 'One business' programme – including the new Network Corporate Services directorate – which is considering how the different organisations within the Defra network can work more closely together. Scotland is also in the process of identifying additional staff resource to take forward the first phase of work.

15. We are in the process of making a number of significant changes to the range of services which FC provides to NRW in time for the start of the next financial year: this includes former FCW staff being migrated off FC computer equipment and the termination of a range of financial services. The IFOS team met with NRW counterparts on 25 February to discuss NRW's future use of FC's Forester and production forecasting services. NRW have intimated a desire for an ongoing 'partnership' arrangement and the nature and form of this partnership is now under active discussion.

Change to the Forestry Act

16. The Order provides that abolition of HGATAC is now with the Minister for signature and will come into force the day after it has been signed.

Forest Research Activities and Corporate Plan Update

17. FR is on target to secure its planned non-CFS income target of £4.8 million.

18. Shireen Chambers has taken up post as FR's first ever non-executive director and has attended a number of board and other meetings in her new role.

19. FR is on target to achieve all of the 21 key actions listed in its 2014-15 Corporate Plan.

Corporate Plan Priority 1: Protect Our Trees and Forests

20. A special issue of *Forestry* on "Evolution, ecology and tree health: finding ways to prepare Britain's forests for future threats" is now available [online](#). This series of papers emerged from the Living With Environmental Change GRIPP project. Several FR staff were involved in this LWEC pilot project.

21. FR co-organised (with the University of Hull) a two-day conference on "Invasive Insects and Trees: detection, management and Policy" on 19 - 20 February 2015. This conference included the Expert Meeting on Oak Processionary Moth and five presentations from FR's entomology team.

Corporate Plan Priority 2: Enhance Forest Ecosystem Resilience and Service Provision

22. FR recently published a Research Report and Research Note on potential 'nudge' policies to encourage woodland creation – see [http://www.forestry.gov.uk/PDF/FCRP023.pdf/\\$FILE/FCRP023.pdf](http://www.forestry.gov.uk/PDF/FCRP023.pdf/$FILE/FCRP023.pdf)

23. A PhD studentship is to be funded by Edgehill University and the Scottish Forestry Trust. The project will undertake a new round of biodiversity assessments in a post-harvest chronosequence of plantation stands 20 years after the original assessments (which formed the basis of the original Biodiversity Research Programme by FR).

Corporate Plan Priority 3: Ensure our Forests adapt to Climate Change and deliver wider environmental resilience

24. Work is continuing on cataloguing accessions in FC's Forest Gardens and smaller arboreta as part of developing a unified database on lesser-known species. The unified catalogue will be developed for on-line access.
25. Items on past and present species research and profiles of selected 'novel' species have been presented at field meetings of foresters at Westonbirt Arboretum, Cyril Hart Arboretum (Forest of Dean), Swinley Forest, Alice Holt, Weston Common and Kilmun Forest Garden, Argyll.
26. FR staff recently published a paper on "Using thermal time models to predict the impact of assisted migration on the synchronization of germination and shoot emergence of oak (*Quercus robur* L.)", *Annals of Forest Science* DOI 10.1007/s13595-014-0454-5 (2015). In this paper, a thermal time approach is used to provide insight into the germination and shoot emergence mechanisms that constrain regeneration to safe windows, enabling forest managers to predict the impact and associated risks of migrating southerly provenances northwards as part of their climate change adaptation strategy.
27. FR has developed several of the adaptation indicators for the Climate Exchange Centre (CXC) and Adaptation Sub Committee (ASC) Adaptation Indicators workstream, which is the independent monitoring of Scotland's Adaptation Programme. Indicators include species diversity, wind risk, species suitability, decision support use. These will be published online via CXC and the ASC.
28. FR is involved in a European Cooperation in Science and Technology (COST) action "PROFOUND" which aims to evaluate and improve the ability to project the consequences of environmental/climate change for European forests using different types of currently available models to determine robust projections for sustainable forest management in the future.
29. FR has recently completed a comprehensive and sophisticated modelling exercise, commissioned by the EC, which quantified the potential impacts on forest carbon stocks due to different scenarios for forest management and increased consumption of wood within the EU region for bioenergy and/or material wood products. The scope of the modelling includes the individual representation of forest sectors in EU Member States, and also of countries outside the EU that may potentially supply wood to the EU, notably Canada, USA, Latin America and Eastern Europe, including the Russian Federation. This work is now being incorporated into a more complete life cycle assessment and is due to be reported to the European Commission imminently.

Corporate Plan Priority 4: Effect Knowledge Exchange

30. A refreshed [FR website](#) was launched in December 2014. Research seminars (from NRS) can also be accessed from the web (as webinars) and this has been popular and both increased and broadened the audience(s).

31. FR is working with the BBC to film a year in the life of an oak tree. Using innovative filming techniques, the programme will celebrate Britain's most iconic tree, revealing its complex and fascinating biology and the lengths it goes to just to survive. FR visited the Wytham woods in August 2014 to laser scan a 400 year old oak tree using the imaging technique Light Detection and Ranging (LiDAR). We will revisit the tree in early 2015, re-scan it with no leaves, and gain an accurate reconstruction of its woody structure to provide us with estimates of its standing biomass and carbon sequestered during its life. The programme will be aired in late 2015, with progress being reported on YouTube.

32. In collaboration with Edinburgh Napier University, FR has a PhD student researching "Advanced assessment of four minor GB conifer species". This study is investigating the timber potential of Norway spruce, western red cedar, western hemlock and noble fir. To include environmental variation, samples were collected in Wales, England, and Scotland. A total of 108 trees were felled, from which battens, small clears and discs were obtained. The preparation of battens and clears is complete and samples will be destructively tested from February 2015. This project is due for completion around October 2016.

Corporate Plan Priority 5: Grow Our Business

33. A number of FR scientists were successful in applying for pilot funding to link with China under the Newton Agritech programme (funded by the Dept for Business, Innovation & Skills); a requirement is that the projects are represented at a workshop in Beijing in early March to identify research for the following four years.

34. FR has bid successfully with NRW to carry out Opportunity Mapping work for woodland planting to reduce diffuse pollution in the Dyfi, Rhondda and Tawe catchments.

35. Overall FR has been involved in a number of other bids since mid-December including: two joint bids with Fera for Defra Framework for Economic Modelling; six EoIs for Oak and Phytophthora Defra LWEC3 competition; Kew Evaluation of the "Grow Wild HLF Project" and; a joint bid with Ricardo-AEA to Decc Framework for energy experts.

Shared Services Update

Human Resources

Payroll

36. The Payroll project is currently on track for a target go live date of April 2015. The system is currently being run in parallel with the Rebus payroll

Pension Reform

37. Work is progressing on the implementation of Civil Service Pension Reform. The Payroll and Pensions teams are meeting the implementation deadlines set out by the

Cabinet Office and the project is on track. Approximately 1,500 employees will be migrated to the new Alpha pension scheme in April.

Whistleblowing

38. HR Directors across Civil Service Departments received a letter from Cabinet Office dated 17 December 2014 with a detailed list of the PAC recommendations and requested that HR Directors work with their Permanent Secretaries to ensure that these recommendations are implemented.

39. Following on from the NAO report on whistleblowing and the PAC's subsequent series of recommendations, the FC is taking steps to ensure that these recommendations are effectively implemented.

40. In the revised procedure, it will be clarified that the Director of Central Services will have overall responsibility for whistleblowing practices within the FC, and will ensure that whistleblowing practices are effective and support the proper treatment of whistle blowers.

Holiday Pay

41. On 4 November the Employment Appeal Tribunal (EAT) decision on holiday pay and overtime was announced. The case challenged the application of the Working Time Regulations 1998 in UK legislation and determined that non-contractual overtime could be included in the calculation of holiday pay.

42. The Government have introduced legislation, which came into force in January 2015, placing a two year limit on claims made by workers for unfair/unauthorised deduction from wages in respect of holiday pay, which will apply to claims presented on or after 1 July 2015. Any claims made prior to 1 July 2015 can date back to 1998 when the Working Time Regulations (WTR) was introduced, although a three months' break period between blocks of annual leave will break the chain for claiming.

Staff Survey 2015

43. The Staff Survey will run in September 2015. A cross organisation working group is being established in March 2015 and the procurement of the survey suppliers is being managed by L&D.

Health and Safety

44. As the result of an accident, a contractor in FC Scotland died while working on a Forestry Commission site. The contractor (an employee of a haulage company) was struck by a Low Loader ramp when it was being deployed. The accident occurred on 24 December 2014 and with investigations into the exact details still in progress, it is inappropriate to comment in any detail. However we do know that the task being undertaken was an "in field" repair and involved hydraulic circuits. These issues have been highlighted to staff.

45. The Forestry Commission launched its Climate Safety Tool survey on 12 January. The Survey was open until 20 February and 70% of staff completed it on-line. Once analysed, the results will help us to understand what staff think about our current health and safety culture. The results will provide us with a local and national picture. From this we can decide where we need to focus our efforts to make a difference. We can also benchmark our progress with future surveys.

46. The Scottish Government Rally Safety Review Group has now published their report and this has implications for the Forestry Commission. The review was set up following the death of three spectators at the Jim Clark road rally in May 2014. The Forestry Commission has a Master Agreement with the Motor Sport Association (MSA.) Rallies on the Public/National Forest Estate fall under this Agreement. Clubs also get specific Permission from the Forest District. The Forestry Commission are meeting with MSA and representatives from the Review Group on 11 February. Following this meeting we will review the Master Agreement with MSA.

Finance

HMRC Audits

47. Discussions are ongoing with HMRC on their PAYE and VAT Audits. We are looking to agree a settlement for the major issues during this financial year. The first meeting of the Tax Working Group (TWG), that was set up to look at all issues arising from the audits and other tax matters, took place in January 2015. The TWG approved the tender for the employment of Tax Advisors that is currently being processed.

Natural Resources Wales

48. We are on track to disengage NRW from the remaining areas where they are using our financial ledgers at the end of February 2015. The only enduring services in the finance area provided by FC will be in commercial activities such as timber and wildlife management.

Procurement Services

49. The new England and Wales Public Procurement Regulations will become law on 26 February 2015 and this will bring additional statutory obligations on FC England, the Central Services teams and Forest Research. New guidance is currently being written and a review of the communication and training requirements is underway. Similar changes in Scotland will not come into effect until late 2015.

50. Work has commenced internally on the devolution of procurement activities from Shared Services to Countries. This is included on the Roadmap for devolution of services and has a target implementation date of 1 April 2016.

eFinancials Start Again

51. Management arrangements have been agreed to take forward this major redevelopment of our financial systems that will provide each part of FC with their own

accounting ledger rather than the single ledger currently in place. Each Country will identify their requirements across a wide range of areas by no later than 30 September 2015 in order for the new ledgers to be configured for testing, training and implementation in April 2016.

Jean Lindsay
Director Central Services
March 2015