

Agenda Item 7

**Commissioners' Meeting
20 March 2014**

Memo No 05/14

DIRECTOR SCOTLAND REPORT

Independence Referendum

Scottish Ministers have stated that in an independent Scotland, they would expect there to be separate arrangements for the development and delivery of forestry policy, through the creation of a new Scottish forestry body to replace the Forestry Commission. They have also said, however, that they would favour the continuation of a cross-border Forest Research Agency and may be prepared to consider the sharing of other functions and services where this was considered to be sensible. It is expected that any staff surplus thrown up in Edinburgh as a result of the break-up of the FC would be readily absorbed by the expanded Scottish Government that would be necessary in the event of independence. FCS is required to prepare a transition plan setting out the process for achieving, and implications of, a separate Scottish forestry body.

Plant Health

The high level of interest in Tree Health has necessitated a review of the Scottish Tree Health Advisory Group. New terms of reference are currently being circulated to members for review, along with a restructuring of the group into a steering group and three sub-groups focusing on plant production, forest management and forest products.

Helicopter surveys will resume in 4-6 weeks to determine the scale of increase in the spread of *Phytophthora* in larch plantations.

Discussions are being held with colleagues across the Scottish Government to ensure that the two different plant health functions (agriculture and forestry) are effectively aligned and integrated where appropriate.

Forestry Sector Support Measures

Following finalisation of the budget allocations for the next Scottish Rural Development Programme, discussions are taking place on prioritisation. The Pillar 2 budget which funds forestry, agri-environment and other rural development measures has been reduced relative to the last programme and it is intended that improved targeting should take place, with the likelihood that fewer, higher impact measures will be funded. Although the budget for forestry support is continuing at about the same level as in the previous programme, a high percentage is needed to meet the woodland creation targets and careful prioritisation of the remaining budget for woodland management will be required, with fewer measures being funded.

As a result of more helpful than expected transition rules from the European Commission, and some careful management of applications, we have been able to continue with business as usual (almost) during what is usually a hiatus between Rural Development Proposals. This means that, although the new scheme will not open until 1 January 2015 (one year late), we have a fully committed budget for 2014 and are well on the way to securing a significant amount of approved grant applications for 2015 too.

Meanwhile the farming sector is mounting a bid to have the forestry budget much reduced in favour of extra support for farming enterprises.

Productive Woodland Resource

We have experienced a substantial increase in Ministerial business since Christmas, mostly relating to PQs and Ministerial Correspondence on the subject of woodland loss to windfarms and the preponderance of native woodland schemes in the woodland creation programme. This reflects a concern by some people within the forestry sector about the future productive timber resource. The current work on preparing a long term timber production forecast should help to answer questions about the size and pattern of future timber supplies.

Woods for Learning

The outdoor learning agenda has recently been boosted by a recent requirement for all registered teachers (approximately 53,000) to take learning outdoors. We have initiated a collaborative Outdoor Learning partnership in order to bring a closer working between ENFOR Divisional organisations. Having facilitated a high degree of collective commitment, we are now focussing on next steps, including establishing an Outdoor Learning Scotland web portal and app. In the light of this, and changes to FEI in England and Wales, we are currently holding consultative meetings with Scottish FEI cluster groups in order to discuss the transformation and incorporation of FEI into Outdoor Learning Scotland Network.

Timber Transport

Alistair Speedie, the Chair of the Timber Transport Forum (TTF) met Mr Wheelhouse on 12 March to highlight the value of the Strategic Timber Transport Fund (STTF) to the sector. During the meeting the Minister announced the continuation of the fund for 2015/16 to a value of £3m.

STTF spend in 2013/14 will be some £3.6m including £0.8m for the Timberlink Argyll to Ayrshire public shipping service. There are 16 live capital timber transport projects

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supported by the fund with 7 of these on the public road network. Planned STTF spend for 2014/15 is similar.

There remains healthy competition for timber transport funds. We intend to open for bids for 2015/16 in the early summer this year to encourage early planning of projects.

The TTF annual conference was held in Dumfries on 13 March. It was well attended with nearly 100 delegates present, mostly from Scotland. In a re-organisation of the Business Development team, Derek Nelson has taken over responsibility for timber transport from Andy Leitch.

Bob McIntosh
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