

15 December 2016

## 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 Forestry Commission England (the Cross Border elements) and Forest Research Corporate Plans 2016-17.

### 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. The Statutory Instrument (SI) for amending the Plant Health Forestry Order to introduce the statutory notification scheme for firewood now has Ministerial approval for England and Scotland and is currently with the Minsters' offices for cabinet write-round.
3. We continue to work with Defra and officials in the Devolved Administrations on priorities for implementation of the new EU plant health regulation.
4. *Ips typographus* was found in traps at Goole and Hull ports in May and June this year. To date we have issued six statutory notices for sawn timber to be heat treated and four notices for wood packaging material to be incinerated.
5. There have been three interceptions of sawn ash material (two at Liverpool and one at Felixstowe) since the beginning of the financial year. In each case the material did not meet the landing requirement referred to on the phytosanitary certificate (bark and at least 2.5cm of the outer sapwood are removed in a facility authorised and supervised by the national plant protection organisation). All three consignments have been re-exported.

## **Resilience: Climate Change and Economics**

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. The number of projects involved in the Woodland Carbon Code continues to grow, with 240 projects registered under the Woodland Carbon Code at 30 September 2016, covering an area of 16.0 thousand hectares of woodland and projected to sequester 5.9 million tonnes of carbon dioxide over their lifetime. Over half of these (127) are validated (3<sup>rd</sup> party checked at the outset) and three projects have become verified (3<sup>rd</sup> party checked at 5 years to confirm carbon sequestered to date).

7. EFTEC (Economics for the Environment Consultancy) has completed an analysis of the wider social and environmental benefits of the Woodland Carbon Code. The report aims to show how tackling climate change by planting trees also delivers benefits for biodiversity, recreation, flood alleviation and removal of air pollution. The report is on the FC website: [www.forestry.gov.uk/economics](http://www.forestry.gov.uk/economics)

## **Evidence**

We will ensure that there is a robust evidence base available to the forestry sector across the UK to underpin its policies and operational decisions.

8. A new group, led by Defra and Scottish Government and reporting to the Forestry Governance Project Board, will be working to develop proposals for the transfer of CFS functions to the countries. Research commissioning and management is one of the functions to be devolved, and the group will be looking at how this can be done in a way which does not disrupt business as usual.

9. We have just let a short contract to assess the impact of the Science and Innovation Strategy and the report will be with us in March 2017. The previous work on this was very helpful in designing the current strategy and will provide a useful baseline to measure our current programmes of work against.

10. A recent meeting with the wider forestry sector in Birmingham explored a new model for collaborating on tree improvement. Following unanimous agreement, the meeting endorsed the development of a National Tree Breeding Strategy to map out what needs to be done in this area of research over the next 10-20 years. A draft framework for this is now being expanded to take into account the many comments raised at the meeting, and a draft action plan for delivering the strategy is under preparation. Once agreed this will provide a single point of reference for work on tree improvement, which should aid collaboration, improve the focus of work, and increase opportunities for new funding sources. In addition, it may provide a blueprint for other areas of research which need more work.

11. Previous work mapping research work against key strategic priorities of the countries is being repackaged into a Research Impact Tool, which aims to present wide-ranging, high-level information about the research programmes in a searchable format. The tool should support programme management by providing context to the research work areas and specific deliverables. In combination with diagrams setting out points of contact from both the research and policy side, the tool should facilitate better communication and knowledge exchange of the programmes.

## **Standards and International**

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

12. We have led on most of the work for the EU Council Working Party on Forests to help Defra determine the UK's perspective, feeding into the EU's position for the ad hoc expert group meeting in Bangkok on the Strategic Plan for the International Arrangement on Forests (IAF). The EU Standing Forestry Committee met on 16 September to discuss the new legislative proposals on Land Use, Land Use Change and Forestry (LULUCF). Mark Broadmeadow (FCE) is leading on LULUCF discussions with BEIS/DECC for the UK.

13. Work on the light touch review of the UKFS and Guidelines is continuing. We had a good and productive meeting with the UKFS Reference Group on 7 November. (The group is comprised of individuals with an interest in forestry from a range of backgrounds and bodies). The group were supportive of our work so far and thought we were on the right track – having struck a good balance between sufficient change to ensure the UKFS was up-to-date and not so much change that the essential import was affected. The group helped with a number of useful suggestions and comments which we shall incorporate before finalising the changes. We have also put together all the changes for phase 2 (Guidelines) and will be holding a meeting of the steering group of the four countries in December.

## **Forest Research Activities and Corporate Plan Update**

14. FR is currently still on target to deliver its 21 key actions for 2016-17.

15. FR hosted a very constructive meeting with Colin Campbell (Chief Executive) and Bob Ferrier (Director Research Impact) from the James Hutton Institute about the political and research landscapes affecting both organisations and our plans for continued collaboration.

16. Good progress is being made on our infrastructure investment at Alice Holt with the whole project due for completion by 16 December 2016. As a result, the Defra Science Estate Capital Portfolio Management Group (the group through which we secured our estate investment) are holding their Quarter 3 meeting at Alice Holt on 15 December to look at what has been achieved.

17. FR had a useful meeting with the Welsh Government in Aberystwyth to discuss FR operating models, remaining cross border functions, IFOS, FR presence and secondments in Wales, and organising a Ministerial meeting or visit.

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

18. Dr Ana Perez, the head of FR's tree health advisory team, was awarded a trophy at the recent Arboricultural Association meeting for the excellence of the Observatree stand and associated practical demonstrations around the meeting campus.

19. FR recently published a report 'Introducing England's Urban Forests' on behalf of the Urban Forestry and Woodlands Advisory Committee's (FWAC) Network and this can be found at: [www.forestry.gov.uk/urbanforestry](http://www.forestry.gov.uk/urbanforestry).

20. The survey of Chalara incidence at 14 ash sites established in 2013 in East Anglia and Kent, which involves the assessment of approximately 150,000 ash plants, has recently been completed and the findings are due to be reported by the end of January 2017.

21. FR co-ordinated a LIFE+ meeting and workshop in September near Inverness on pine-tree lappet & pine processionary moth monitoring, containment and control methods. It is also worth noting that FR has completed *Rhizophagus grandis* releases on all FC sites in England and Scotland and is currently breeding more for the private sector.

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

22. Demand for knowledge exchange around flooding is still strong. In August, FR attended a workshop at the Office of National Statistics in Newport to discuss monetary estimates of flood regulation services and gave a presentation on 'Slowing the Flow at Pickering' to Forest Engineering Group conference on 'Engineering to Stem the Flow' at Newton Rigg on 8 September.

23. FR staff have just completed a season of successful fieldwork in Lochaber, completing 230 interviews in and around Leanachan forest, near Fort William, on social and cultural values, recreation usage and preferences for woodland expansion.

24. An FC Research Note (RN) *Converting planted non-native conifer to native woodlands: a review of the benefits, drawbacks and experience in Britain* was recently published and can be found [here](#).

25. A total of 26 European countries have now signed the Memorandum of Understanding for the new FR led "woodlands for water quality payments for ecosystem services" COST action whose inception meeting was held on 17 October in Brussels.

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

26. FR staff attended the 5<sup>th</sup> International Ecosummit on Ecological Sustainability in Montpellier and presented an invited paper on *Silvicultural Methods for Increasing Use of Mixtures in Planted forests*. FR also contributed to a task force preparing a position paper on the role of mixtures in the future management of planted forests and completed a final draft of a journal paper summarising 40-year results for four long-term nursing mixtures experiments.
27. FR staff attended the world silvopastoral conference (Evora, Portugal) and presented two papers: *Carbon sequestration in trees and soils: what are the projected benefits of new native woodland expansion in Scotland?* and *Can silvo-pastoral agroforestry systems contribute to Scotland's emission reduction targets?*
28. The Forest Mensuration Modelling and Forecasting Group and IFOS staff have reported to Natural Resources Wales on the carbon budget of the Welsh forests.
29. Recently, FR staff gave a presentation on the impacts of climate change on woodlands in the New Forest at 'Ecology and management of the New Forest in an era of climate change'. The event was a one day discussion meeting on the ecology, conservation and management of the New Forest, organised by The New Forest Centre as part of the 'Ecademy' Project and in conjunction with Bournemouth University.

#### FR Science Priority: Publish Official Statistics and Effect Knowledge Exchange

30. A piece on *Everything you ever wanted to know about Chalara ash dieback science and history* by FR's Dr Joan Webber and Prof Allan Downie of John Innes was broadcast on 'Nature's Great Invaders', on BBC Radio 4 on Friday 2 September. This focused on the science of chalara and was acknowledged positively by Nicola Spence, Defra's Chief Plant Health Officer.
31. FR's James Pendlebury chaired the European Forest Institute's Annual Conference in Vienna in late September. Aberdeen has been selected as the venue for the 2018 conference (based on a bid by James Hutton Institute). The conference spent a lot of time discussing the relative merits of the bio-economy versus the circular economy and their core relevance to the developing European research agenda.
32. FR attended the Association of Professional Foresters conference, co-sharing a marquee with FC England and highlighting aspects of FR's work including the updated Yield tables, pests and diseases, and the Observatree project. FR staff gave seminars on Observatree and Small-scale harvesting machinery.
33. [Forestry Statistics 2016 and Forestry Facts & Figures 2016](#) were published on 22 September providing detailed statistics on a range of topics relating to forestry; [Forestry Facts and Figures 2016](#) provides a brief extract of these statistics. The key results are:
- The woodland area in the United Kingdom in 2016 is 3.16 million hectares, of which 1.31 million hectares are in England.

- 1.35 million hectares (43%) of UK woodland area are independently certified as sustainably managed. For England, certified woodland area accounts for 0.34 million hectares (26%).
- 5.5 thousand hectares of new woodland were created in the UK in 2015-16, of which 0.7 thousand hectares were in England.
- 10.8 million green tonnes of UK roundwood (softwood and hardwood) were delivered to primary wood processors and others in 2015, representing a 6% decrease from the previous year.
- Wood products imported into the UK in 2015 were valued at £7.5 billion and included 6.3 million cubic metres of sawnwood, 3.2 million cubic metres of wood-based panels, 6.5 million tonnes of wood pellets and 5.9 million tonnes of paper. Imports of wood pellets represented a 38% increase from the previous year.
- Accident rates in forestry and wood products have tended to decline in recent years, but are still higher than the averages in agriculture and manufacturing respectively. Provisional figures for 2014-15 give total reported accidents per thousand employees of 6.4 for the forestry sector, 8.8 for wood processing and 5.3 for pulp, paper and paper products.
- The Annual Business Survey reported average employment in 2014 of 16,000 in forestry and 27,000 in primary wood processing.
- Gross Value Added (GVA) in primary wood processing (sawmilling, panels and pulp & paper) was £1.39 billion in the UK in 2014. GVA in forestry was £0.58 billion.
- The UK was the third largest net importer (imports less exports) of forest products in 2014, behind China and Japan.

34. Other recent statistics publications include [Woodland Carbon Code Statistics: data to September 2016](#) (13 October) and [Timber Price Indices data to September 2016](#) (10 November).

### FR Business Priority: Grow Our Business

35. FR, together with the Centre for Ecology and Hydrology and Cambridge University, have successfully obtained funding from Scottish Forestry Trust Tree Health Bursary Scheme for a PhD project entitled 'Mapping Impacts of *Phytophthora austrocedri* on juniper' with matched funding from FC Scotland, FR, SNH and RBGE.

36. Income is currently on track and commensurate with progress at this time of year albeit the volume of new opportunities for bids and funding seems to be drying up.

### Ways of Working

37. Progress on the timeline for establishing new Corporate Service arrangements for the countries and FR is as follows:

- The following services have now been established in the countries/FR:

- Business Sustainability
  - HR Services
  - Equality & Diversity
  - Procurement
  - Safety, Health & Environment
- The following services are in the process of transitioning to the countries/FR during the remainder of FY 2016/17:
    - Learning and Development
    - Forest Machine Operator Certification Centre
    - Internal Audit (being outsourced).

38. It was hoped to complete the work to establish the remaining new services and decommission the current ones by April 2018. However, over the summer months we have reviewed the progress so far and it is now clear that the remaining works will not be fully complete to this timetable. Although we still aim to establish the majority of services by April 2018 it is now expected that some of the current shared services will be required beyond April 2018 and that the work to decommission them may take until March 2019.

39. There is considerable work currently underway to develop the high-level plans and detailed technical solutions that are required to complete the remaining work and these are expected to be in place in early in 2017. This change in the timetable will of course have some implications for staff currently in the shared services. At the present time it is not possible to say what these will be but further clarity will be possible once the high-level plans are in place and as we continue to develop the detailed solutions and transition plans.

40. The current Shared Service Cooperation Agreement with Natural Resources Wales is still on course to end on 31 March 2017.

## Shared Services

### **Natural Resources Wales**

41. Further discussions have taken place with NRW to assist them with the development of their Timber Management Package (TMP) to replace the FC SRP system. We have developed a formal 'Disengagement Plan' that outlines how we will remove them from FC systems. The main purpose is to ensure that FC has no ongoing commitment or responsibility after NRW move on.

### **Pay Award**

42. The Pay Award has been implemented.

Jean Lindsay  
 Director Central Services  
 November 2016