



25th September 2013

Updated response to FCE's consultation on new PFEMO

Our Forests (OF) submitted its interim response to the consultationⁱ on Forestry Commission England's (FCE) draft proposal: **Towards a new Public Forest Estate management body on 28th August.**ⁱⁱ The consultation deadline was set for 17.00 hrs. 25th September 2013, but "*earlier responses*" were "*encouraged as these will help inform work in progress.*" And further that "*Feedback by 28th August would help inform the stakeholder workshop planned for early September.*" Hence, Our Forests submitted the interim response reiterated below.

Our Forests also attended the 'stakeholder workshop' held on 4th September. Despite the latter, occurring a month on from making our interim response, our concerns remain and in some cases have increased.

Summary:

- The draft proposed structures and governance for the Public Forest Estate Management Body (PFEMO) do not reflect those recommended by the Independent Panel on Forestry chaired by Bishop James.
- A Parliamentary Charter is critical for rebuilding public trust and demonstrating accountability, enshrining the PFE as being held in trust for the nation in perpetuity and setting out the overriding objectives of the PFE to provide and maximise its provision of public benefits as defined by the Panel. That Charter to be reviewed and renewed no earlier than every 10 years, no later than 25 years.
- Public and grassroots protest saved the PFE from wholesale disposal and therefore the public and grassroots groups ('Big Society') must be represented and have a real say in the on-going management of the PFE. That was the instinct and impetus behind the Panel's Forest Guardians acting as the trustees and overseers of the PFE and its management. **Our Forests** supports the principles and general model put forward by the Panel, whereby the Guardians are the Trustees and Board of the new PFEMO – the latter being the executive management team (Not comprised as proposed of non-executives appointed by the Secretary of State alongside the senior staff) charged with delivering day to day on the objectives set down in the Charter and overseen by the Guardians.
- The costs of running the PFE are currently outweighed to the tune of 20:1 by the broad-ranging public benefits provided by the PFE (£20m costs for £400m annual public goods and services). The Guardians and its management body need to characterise and promote the PFE as being the exemplar of ecosystem service delivery and pioneer of

natural capital accounting and valuation – championing these ‘new’ concepts to both government and the private sector.

- The consultation paper (Para 20) defaults to an outdated and inappropriate framing for seeking to justify continued public funding. It reads as little more than the ‘business as usual’ short-sighted government department mantra to **‘sweat the assets’** – i.e. explore and exploit every means to make money from the PFE, however unsustainable that might be or out of keeping with its obvious attributes and greater potential to be the exemplar, test-bed and bench-mark for sustainable development, ecosystem services delivery and natural capital accounting:
 - The PFE already covers 70% of its costs by the market through revenue generating activities and outputs on the estate.
 - 70% of operations undertaken on the PFE are contracted out to private firms.
 - The Arm’s Length Bodies Review 2010 and the Treasury’s Operational Efficiency Programme 2009 recognised that the Forestry Commission was managing the PFE as best it could under the then current requirements made of it and public support provided - concluding that *“the public forest estate cannot generate any further significant savings in running costs.”*
 - The Government’s own Impact Assessment in 2010 of the disposal proposal concluded that there would be, *“Possible non-monetised costs’ that “may include a reduction in social and environmental benefits (public goods) and increased costs to government of providing support to deliver such benefits (i.e. the government may have to pay new owners more than they pay the FC at present for public goods).”*

Had the Government succeeded in selling off or transferring ownership of the PFE to the private sector and the few NGOs interested in taking on some public woods, it would have been obliged under existing law to pay them for continuing to provide a level of public benefits (wildlife habitat management, public access) that would certainly have been inferior to and costlier than that provided by the Forestry Commission: *“On-going costs of providing public goods – the new private, NGO and community owners would be eligible to grant payments. This additional grant expenditure could amount to between £8m and £22m per year.”*

This last bullet is a somewhat pedantic way of pointing out that there is complete justification for the new PFE and its management body to be in receipt of public funding to deliver the public goods and services that – if it didn’t exist – the Government would still be obliged to pay out to others to provide those under existing law.

So it is disingenuous of the Government to suggest that the new body should be able to function with less or even without public funding and be forced to ‘sweat the assets’. It also appears to demonstrate a lack of conviction and confidence in the future role and remit envisaged for it by the Panel and the public, that the current FC is not pushing harder to get Government to understand that it already offers excellent value for money and if the Government is serious in its interest in natural capital accounting, here is a body that delivers in spades (20:1)!

Since Our Forests submitted its response on 28th August, it is notable that other bodies have publicised their concerns as to the apparent ‘direction of travel’ by Government and officials for the future of the PFE and its PFEMO:

- **Wildlife and Countryside Link** representing over 40 national conservation bodies has stated, *“Link does not support the current proposals for the new Public Forest Estate management organisation, because they do not meet all of the recommendations and principles set out by the Independent Panel on Forestry (IPF).”*
- **Hands Off Our Forest (HOOF)**, the Forest of Dean grassroots campaign group, which was in the vanguard of public opposition to the Government’s original proposal for 100% disposal of the PFE has set out its concerns in its detailed response paper, chief of which is the proposed diminishing of the powers of the Panel’s proposed Forest Guardians, *“The Guardians as envisaged by the IPF would have a much stronger role to play as overseers of forest management than the latest Government proposal. It waters down the role of the Guardians to that of little more than a toothless watchdog...”*

Here follows Our Forests earlier and extant response of 28th August:

FCE: Does the draft document ‘Towards a New Public Forest Estate management body’ adequately reflect the conclusions of the ‘Government Forestry and Woodlands Policy Statement’?

OF: The key test for the public, grassroots campaigners and those 534,000 people who signed up to the 38 Degrees’ ‘Save Our Forests!’ on-line petition is not whether the draft document reflects the Government’s Policy Statement, but whether it reflects adequately and convincingly the recommendations put forward by the Independent Panel.ⁱⁱⁱ

The Government’s policy statement in response to the Panel’s report and recommendations made some welcome commitments as to the future of the PFE and the arrangements for its sustainable management on behalf of the nation – but there were notable omissions and changes in emphasis of concern to **Our Forests** and others. Some of those omissions and changes of emphasis remain and appear to be reinforced in this draft document.

The core concerns have been well- expressed by the chair of the Independent Panel, Bishop James in his recent public statement provided to **Our Forests’** member and chair of HOOF^{iv}, Rich Daniels:

“As Bishop James said when he met with you he would not be content with any proposals about the future of forestry which contradicted the recommendations of the Independent Panel. In particular, the Bishop would be unhappy if the Government

- ***abandoned the proposal to establish a Parliamentary Charter***
- ***if it marginalised the proposed Guardians to the point that they become ineffectual***
- ***if it failed to establish a distance between the Government and the management and development of the Public Forest Estate.***

These were all key elements of the Panel’s report and recommendations. The Government would be unwise to provoke a public reaction by failing to follow through on the Panel’s recommendations.”

FCE’s draft document is couched in somewhat technocratic Whitehall/Civil Service language – that is understandable in terms of it providing the summary framework from which to take forward the legislation to establish the new PFE management body and governance arrangements. However, it fails to reflect any of the passion and vision for our woods and forests that inspired hundreds of thousands of people to stand up for their particular part of

the PFE and for the general principle that a national body of public woods and forests should be sustained in perpetuity.

In contrast, the Panel's report, its recommendations, language and tone reflected and 'understood' the power and significance of that public protest on behalf of the PFE – but much of that was edited out in the Government's response statement of 31st January 2013 and appears wholly absent in this draft document.

FCE: In what way does the new management organisation reflect the conclusions of the policy statement?

OF: As above, the test is whether it reflects the conclusions and recommendations of the Panel's report, rather than the Government's policy statement.

The Panel proposed a Parliamentary Charter renewed every 10 years as the basis for ensuring the public benefit mission provided by the PFE and through the statutory duties of the PFEMO were delivered. The Government's policy statement downgraded the Panel's Parliamentary Charter to '***a public-facing charter that summarises how the body will deliver its statutory remit***' and the FCE draft also only refers to '***a public facing "charter" which would provide a vital touchstone for the new organization, summarizing its commitments to stakeholders and the public***'.

Our Forest's view is that the Charter is a critical mechanism for rebuilding public trust and demonstrating public accountability. It would also provide the common reference source for the principles, mission and objectives for the 'Forest Guardians' and the PFE management team to work to. As per the Panel's recommendation, our view is that the Charter should be a Parliamentary Charter, at least created through and enshrined in the legislation – and that the Guardians have the responsibility and authority to ensure the Charter is delivered on by the management team.

The role of the Guardians needs revisiting to reflect the real powers and authority as envisaged by the Panel. The Guardians should oversee the PFEMO as proposed by the Panel. It is the Guardians, who are the Board of the new body – with the management team/ executive responsible for the day-to-day running of the PFE.

FCE: What are your views on the proposed mission and objectives for the new organisation (see Annex A of the draft document)?

OF: Dry, technocratic and lacking in vision or inspiration. There is none of the passionate vision and urgency of purpose set out in the Panel's report, especially as in Bishop James' foreword:

"We need a new culture of thinking and action around wood and woodlands, and a new way of valuing and managing the natural and social capital of our woodland resource, alongside the timber they contain.

Our forests and woods are nature's playground for the adventurous, museum for the curious, hospital for the stressed, cathedral for the spiritual, and a livelihood for the entrepreneur. They are a microcosm of the cycle of life in which each and every part is dependent on the other; forests and woods are the benefactor of all, purifying the air that we breathe and distilling the water of life."

The FCE document needs some injection of that vision to communicate to the public that here is a new organisation with a clear sense of its renewed purpose to deliver a much needed and publicly valued mission.

Those charged with taking forward the new body should hold in their hearts and minds the fact that without the public's passionate protest and support they would not have had the opportunity to create this new body and carry forward that mission.

There has been a none too subtle change of emphasis, both in this draft document and the Government's earlier policy statement, in prioritising simple economic measures, as opposed to the broader, less readily monetized public goods and services provided by the PFE. Those same broader benefits that the Panel warned the Government needed greater recognition: ***"The value of the benefits they [woods and forests] provide to people, nature and the economy has not been recognised in public policy, and successive Governments have simply not seen them as a priority for public investment."***

And which the Panel noted, ***"does not lend itself to simple expression in pounds and pence."***

FCE: What are your views on the significant assets and disposals arrangements set out in the document?

OF accepts that the new PFEMO should have the flexibility to sell some assets on the basis and principle purpose of improving the overall delivery on its mission to maximise public and environmental benefits from the PFE. But given the recent and longer history of PFE disposals - all and any proposal to dispose of assets should be cleared first by the Guardians

Size is only one criteria – current/previous PFE disposals (i.e. 'routine' adjustments to the estate to meet the objective of a greater area of the PFE in proximity to urban populations, as well as the forced measure of selling woods to cover a diminishing settlement from Government) were screened through a 'portfolio analysis toolkit' comprising of a broad matrix of criteria: public access/useage; environmental/ecosystem services; annual timber income etc. Such a system – open to public scrutiny - needs to be in place to justify any future disposals.

FCE: It is proposed that the new body will have clear statutory duties, powers and functions focused on maximising the economic, social and environmental value of the Estate, including a requirement that it should improve the financial sustainability of the Estate. What are your views on how the new organisation could improve the financial sustainability of the Estate?

OF: This is an example of where the emphasis has been changed by the Government to reflect their prioritisation of old school economics above all else, rather than the public good priority as set by the Panel in tune with the public's valuation of the PFE in more than mere monetary terms.

The PFE is financially sustainable – depending on the economic lens one is looking through: 70% of the annual costs of running the PFE are met by commercial activities and outputs

occurring on the PFE. As such it already meets the definition/terms of a public corporation in covering a significant % of its costs from revenue-raising activities.

The short-fall is due to the provision of public goods and services that are not currently easily monetized – but which according to economic analyses carried out by the previous government outweigh the costs by at least 6:1 and according to some analyses by a far higher factor. As the Panel report highlighted, public funding for the 250,000 hectare PFE was around £20m in 2012/13 - equivalent to just 90p per household or 38p per person per year. A £20m 'cost' which, according to the Panel's referenced sources, produced £400 million's worth of public goods and services annually.

Our Forests noted and support Bishop James's introductory comments at the launch event for the Government's formal response to the Panel report on 31st January 2013, "**public benefits merited public funding**".

Key to demonstrating the financial sustainability of the PFE is, as the Panel emphasised, to ensure that a comprehensive accounting approach consistent with new economic thinking on the value of ecosystems services and natural capital is adopted. The input and influence of the Natural Capital Committee is crucial to ensure that the huge, but less immediately monetizable, value of the PFE is incorporated into its accounting and that this is understood by Treasury officials and others sceptical or ignorant of the Natural Capital model.

FCE: It will be necessary to give the new body a new name because Forestry Commission is established in law as a cross-border body. Do you have any ideas on a suitable name?

OF: Our Forests

This suggestion comes not from the vanity of the 7 individuals who formed **Our Forests**^v as a platform, uniting our eclectic interests in and passion for trees, woods and forests, to contribute our bit to preventing the disposal of the PFE – but through the in-depth analysis of the overall public campaigning for the PFE and the cultural and psychological impulses behind it carried out by Oxford MSc student, Julian Cottee^{vi}: "***This line of thinking did, however, put me on the trail of researching a related concept that I had noticed from the very beginning of my work on this subject, the idea of the public forest estate as 'our forest'. This has been a common motif in discourse around the issue, reflected across the issue network in names like saveourwoods.co.uk, the 'Our Forests' group and #saveourforests hashtag on twitter.***

One of my interviewees summed it up: "It comes down to the fact that they're our woods. That's all I hear. You can't take our woods away from us. I felt that this got to something at the heart of why the issue was so politically potent. Analysing the original unprepared text for mentions of 'our' using the IBM Word Tree reveals a large number of mentions: "our forests", "our country", "our heritage", "our land", "our countryside"

"...this is OUR birthright as the British people." "...the forests belong to the people. They are not for the government to sell..."

"Who would have thought it? In just a few months Britain has united behind timber - and our woods have been elevated to the cultural level of cathedrals, castles and other national treasures. They are ours; cry people of all political persuasions, seeing their public space disappear, their libraries closed and the poor penalised. Geroff our land!"^{vii}

FCE: What are your views on the arrangements proposed for the new organisation's accountability to Parliament?

OF: Parliament should be the line of accountability i.e. minimising the influence and opportunities for intervention by ministers with specific political party allegiances and prejudices. The chain of accountability should run per the Panel's recommendations: **Parliament < Charter < Guardians < PFEMO**. The Guardians are the 'Board' to which the PFEMO reports to

FCE: What are your views on the proposed Board's remit, size and composition?

OF: We have concerns over the proposals re: The Board, especially its powers and authority in relation to the Guardians.

The Panel's recommendations were that the Guardians would 'oversee' the PFEMO, with the latter reporting up to the Guardians. From the hierarchy graphic set out on page 50 of the Panel's report, it is clear that it is the 'Guardians/Independent Board of Trustees' who are the Board of the new body – NOT the PFEMO, or as the Panel then termed it, the '*English forest management organisation*'.

Our Forests supports a similar structure, where the Guardians are the Board to which the PFEMO, the day-to-day management committee, reports. The line to Defra, the 'sponsoring department', should run between the Guardians/Trustees not from the PFEMO to Defra (the latter appears to retain if not strengthen the control Defra Ministers have over the new PFE and its management body).

We agree, as stated in the FCE document, that there '***should not be a second Board for the new organisation***' - but our concern is that the governance structure as set out in the consultation document puts all the real power with a Board of Non-Execs appointed by Defra Ministers.

Whilst the Code of Practice for Public Appointments^{viii} offers some protection, it is hard not to conclude that this would be seen by many forest campaigners and community groups as Government attempting to 'fix' the Board and retain direct control – whilst presenting the structure as being along the lines of the Panel's recommendations. There needs to be clear recognition that it is the Guardians, who have the authority, as the de facto Board, over the management team/executive of the new body.

Grassroots/local community representation among the Guardians/Board needs to be set down in the legislation – with one local community Guardian elected from each FCE District – elected by 'voters' registered as having a proven interest in 'their patch of the PFE' such as 'Friends of Forests groups' etc.

The Guardians should include representatives of the areas/objectives prioritised by the Panel: environment/conservation/ecosystem services; access/recreation/cultural heritage/education; local community/grassroots; natural capital accounting/green growth; timber/forestry industries; wider wood culture. We accept that could make the Guardians, a large and unwieldy body of people and interests. An alternative would be for a smaller body of Guardians – but still including and reflecting some of the above areas – to decide the

selection criteria for Non-Executives to be co-opted onto the management team via the normal public body appointments process.

One or more representative of the Guardians should be present at all the scheduled regular meetings of the management team.

FCE: What are the most important things to put in a public charter for the new organisation?

OF:

- PFE held in trust in perpetuity for the Nation
- Purpose of the PFE is to sustain and maximise the public value of the estate, as per the Panel's list of priorities – wildlife, access, recreation, education and cultural heritage.
- To maximise the natural capital value and secure sustainable yields from the asset of the PFE over the long term as per the sub-sets i – vii set out by the Panel.

FCE: Do you have any general comments that you believe would be of assistance in creating the new organisation?

OF: This is 'a once in a timber rotation' opportunity (50-100 years) to lay down the foundations for a new public woods and forestry body - one that will be the first, large-scale, practical manifestation for delivering on the sustainable development, well-being and natural capital accounting agendas.

The language and tone of communications are crucial to rebuilding public trust and inspiring people's engagement with and support for the new body pioneering those agendas. See Panel report and also **Our Forests'** document, 'A Vision for England's woods and forests'^{ix}.

OF Additional comments:

FCE document's point 10, page 4 re: the '**range of commercial freedoms**' to help the new organisation '**generate income**', second bullet point: '**The ability to undertake non-forestry activities, e.g. renewable energy, mineral extraction, agriculture and industrial lettings of land and premises.**'

If the PFE and the new body managing it are indeed to become a showcase for and exemplar of the 'Green Economy', for creating '**a coherent and resilient ecological network at a landscape scale**' and for building '**greater resilience to climate change**' then any such 'non-forestry activities' must be consistent with that mission and vision, as per the Panel's recommendations.

There is no place on, in or under the PFE for any form of extractive, non-renewable, climate-change exacerbating, wildlife habitat destructive activities. The PFE should be a no-go area for mineral extraction, Fracking etc.

ⁱ Woodland Policy Enabling Programme - update and request for feedback
Consultation ends in 51 days (25/09/2013)

ⁱⁱ [http://www.forestry.gov.uk/pdf/Towards-a-new-PFE-management-body_290713.pdf/\\$FILE/Towards-a-new-PFE-management-body_290713.pdf](http://www.forestry.gov.uk/pdf/Towards-a-new-PFE-management-body_290713.pdf/$FILE/Towards-a-new-PFE-management-body_290713.pdf)

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https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/183097/Independent-Panel-on-Forestry-Press-Release-4th-July-2012.pdf

^{iv} See: Bishop James unhappy with Government's Forest Plans; <http://www.handsoffourforest.org/>

^v **NB – Our Forests** will disband as soon as it is clear that our public woods and forests are protected in perpetuity – as much as that is possible through available legally-binding means on future governments.

^{vi} ANATOMY OF A CONTROVERSY, A research journey into the woods, September 2011
Oxford University School of Geography and Environment, MSc Nature, Society and Environmental Policy, Julian M Cottee; Supervisor: Dr Paul Jepson

^{vii} *The Guardian, 18th February (Vidal 2011)*

^{viii} Public appointments Code of Practice 2012.
<http://publicappointmentscommissioner.independent.gov.uk/wp-content/uploads/2012/02/Code%20of%20Practice%202012.pdf>

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http://www.forumforthefuture.org/sites/default/files/images/Forum/Blogs/Our_Forests_vision_2012_low%20RM%2011%201%2012.pdf