

## **Environment and Sustainability Committee**

**E&S(4)-05-12 paper 2**

### **Inquiry into the Business Case for the Single Environmental Body – Evidence from Forestry Commission Wales**

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### **SUBMISSION FROM FORESTRY COMMISSION WALES TO THE ENVIRONMENT AND SUSTAINABILITY COMMITTEE OF THE NATIONAL ASSEMBLY FOR WALES**

#### **Introduction**

Forestry Commission Wales (FCW) welcomes the opportunity to participate in the Environment and Sustainability Committee inquiry into the Business Case for the Single Environmental Body (SEB). Our evidence sets out our role in the production of the Business Case for the period July 2010 to November 2011.

#### **Current Legal Framework**

The Forestry Act 1967 (as amended) and the Forestry Act 1979 set out the principal legislative framework within which the Forestry Commission (FC) operates. They also set out the duties and powers of the Forestry Commissioners.

The Forestry Act 1967 gives Commissioners powers to manage the national forest estate in each country, dispose of the timber produced on the estate, acquire and dispose of land placed at their disposal by Scottish, English or Welsh Ministers, provide support and advice for woodland owners, give grants, and undertake forest research, as well as some other functions such as providing forest statistics.

Under the Plant Health Act 1967, the Commissioners are the competent authority for the protection of forest trees and timber from attack by pests and diseases.

Yn gwarchod ac ehangu coedwigoedd  
Cymru a chynyddu eu gwerth i'r  
gymdeithas ac i'r amgylchedd.

Protecting and expanding Wales' forests  
and woodlands, and increasing their  
value to society and the environment.

The FC is considered to be a Crown Body. There are a number of reasons for this, including that:

- it performs functions of government;
- it has responsibility for advising Ministers on matters of forestry policy;
- it has powers to make statutory instruments (e.g. in relation to felling).

FC is also regarded as a government department, albeit a non-Ministerial government department.

Since devolution the Commissioners have been required to exercise their functions separately in England, Scotland and Wales and are accountable, and report separately to the Secretary of State for Environment, Food and Rural Affairs, Scottish Ministers and Welsh Government.

Under section 2(3) of the Forestry Act 1967, the Commissioners have delegated a significant proportion of their responsibilities to the National Committees in each country and it is here that the devolved business takes place. National Committees are comprised of non-executive and executive members and they oversee the work of each country, making decisions about country forestry strategies and policies.

### **FCW Involvement in the Single Environment Body Business Case**

The Phase 1 review looked at 6 options between July 2010 and January 2011. This was mainly a desk-based approach. The FCW Director was a member of the Programme Board.

Ministers subsequently authorised further work to be undertaken on the option of establishing a single environment body, broadly comprising the functions of the Countryside Council for Wales, Environment Agency Wales and FCW. This work was concluded in November 2011. The FCW Director was a member of the Phase 2 Programme Board. Forestry interests were represented on a Programme Steering Group, by two non-executive Forestry Commissioners. The Chair of the FCW National Committee is a member of the Minister's ongoing Single Environment Body/Natural Environment Framework Reference Panel.

FCW also provided expert staff resources to provide timely and comprehensive data/information for both the Programme executive and all the work-streams.

FCW facilitated a number of stakeholder events to engage forestry stakeholders in the business case process.

FCW input into the business case process was characterised by expert technical input and constructive challenge, especially on potential risks for the efficient and effective delivery of forestry outcomes in Wales. The business case acknowledged a significant number of these risks in the final version that was submitted to the Minister for the Environment and Sustainable Development in November 2011. The Director FCW asked for the following additional risks to be conveyed to the Minister and recorded in the Minutes of the final Programme Board meeting on 18<sup>th</sup> November 2011.

- Concern over the assumption that FC, and possibly the Environment Agency, will continue to provide IT services at current costs to a SEB.
- Concern over the assumption that Wales will continue to benefit from Defra funded forest research at nil cost in the future.
- Concern over the additional risks and dependencies raised by the IT work-stream that have not been costed, or included in the business case.
- Concern over no cost provision in the business case to cover the risk of FC break up being triggered by the creation of the SEB.
- Concern that FC GB will not have sufficient capacity, especially in ICT, to enable transition within proposed timescale.

Some of these risks were raised by the Forestry Commission's Chair, FCW National Committee Chair and FC Director General.

On the basis of the Business Case and the conveyance of the above additional risks, FCW is satisfied that the Minister was in possession of full and comprehensive advice in respect of the Welsh Government's forestry interests to inform his decision.

### **SEB - Implementation**

Immediately after the Minister's decision to proceed with the establishment of a SEB on 29<sup>th</sup> November 2011, the FCW Director issued a note to all staff to confirm that the time for debate had ended, exciting new opportunities and an unambiguous commitment to making changes happen effectively. See Annex 1 for the full version of the Director's note.

The FCW Director has also engaged representatives from the forestry business sector post-decision to provide reassurance and guidance to maintain business confidence and explore new opportunities.

FCW has subsequently provided the Welsh Government's SEB Implementation Programme with senior staff to lead some of the projects and additional technical staff to provide expert input. Other adjustments have been necessary to maintain business continuity. The FCW Director is a member of a FCGB Governance and SEB Programme Board that will address the

transfer of shared services from FC to the new body in Wales. This Programme will work closely with the Welsh Government's SEB Implementation Programme.

Trefor Owen  
Director, Forestry Commission Wales  
13<sup>th</sup> January 2012

**Message to all FC Wales staff from Trefor Owen – 29 November 2011.**

**Single Environment Body – Ministerial Announcement**

Today, the Minister for Environment and Sustainable Development, John Griffiths AM, has announced his decision to create a new single environment body for Wales.

Forestry Commission Wales is to be a part of this new body, alongside Environment Agency Wales and the Countryside Council for Wales. This means that forestry in Wales will transfer from the Forestry Commission into the new Welsh body and Wales' three environment bodies will work together to ensure the sustainable management of the natural resources in Wales, both now and in the future.

This represents a real and exciting opportunity for us to bring our expertise, 'can do' approach and positive attitude to the new organisation. Our commercial acumen and land management skills and experience will be crucial to future success, ensuring better outcomes for Welsh people, businesses and the environment as we continue to deliver the Welsh Government's forestry policy.

After a long period of development, involving all three bodies and Welsh Government in preparation of a detailed and robust business case, the debate is finally over and we can look to the future, fully committed to making this change happen effectively.

The Business Case and Executive Summary will be available online later today at [www.wales.gov.uk/SEB](http://www.wales.gov.uk/SEB). There will be a public consultation at the start of next year which will be looking at the functions and governance of the new body, followed by a further consultation on duties and legal powers but the decision has been taken to proceed with formation of a new body and the transition will now begin.

This will be a challenging period for us but we are committed to making this work and will be fully involved in the transition phase. The SEB Programme Team are considering the expressions of interest to be a part of this work and aim to have project teams in place before Christmas.

I will be calling my senior team together very soon and will also be arranging to see all staff through a series of briefing sessions and hope to see all of you over the next few days. Details of venues, days and times will be issued shortly.

Once again, I thank you for your patience, continued hard work and dedication to delivery. These qualities remain an essential part of who we are and what we do and will continue to be valued.

**Trefor Owen**  
Director, Wales