

**Inquiry into the public forestry estate in Wales**

**Response from the CLA**

Country Land and Business Association (CLA) members own and/or manage a wide variety of woodland areas and types to fulfil a range of objectives. These range from large commercial plantations to small copses, and it is the CLA's role to represent its members' interests across this broad spectrum.

There is no advice or a 'vision' from either Welsh Government or Natural Resources Wales (NRW) as to the direction they want to take state-owned and privately owned woodland nor, it seems, drive to generate or maintain commercially viable forestry in Wales. It seems the ex FCW staff have little interest in promoting/supporting the private sector; it is seen as an irrelevance or competition. But NRW has a statutory duty to promote the forest sector and they are currently ignoring this duty.

Welsh Government needs to value the contribution forestry and woodland make to the landscape, biodiversity, and water and carbon management. What is certain is that if woodland management does not become profitable it will die. There is already a decline in skilled staff in forestry and a lack of job opportunities.

With such a significant portion of the forestry in Wales under the management of NRW, their management policies, priorities and commercial activities have a significant bearing on the profitability and performance of the rest of the forestry industry in Wales. There needs to be greater recognition of this throughout NRW and WG. NRW should demonstrate annually the financial results of the public forest estate against which private foresters have to compete. They must not be permitted to distort the market to the disadvantage of the private sector.

If woodland and forest areas make no financial return for their managers and owners, then it is inevitable they will be under-managed. This in turn will mean the public environmental services will either not be produced or will be significantly under-provided. Welsh Government and Natural Resources Wales need to understand and reverse this spiral of decline.

**The commercial operations and focus of NRW**

- NRW have recently consulted on their Corporate Plan. In compiling responses it has been hard to be positive, with very little detail to digest, and the words woodlands/forestry were notably absent.
- The Plan was swiftly followed by the Welsh Government's consultation on the Environment Bill, which is intended to tie up the many loose ends in environment legislation, and all matters concerning NRW. Again, it is hard to get to grips with any real facts and mention of the forestry industry was lacking. In some ways this is hardly surprising as the UK Forestry Act still reigns supreme, and until WG deals with this, we are in limbo.
- To date, bureaucracy seems to have taken over from the common sense that used to be available via the Forestry Commission private woodland officers, with a number of members feeding in comments along these lines. For example, the treatment of residue standing timber post wind-blow and the full three-month felling licence requirement, despite the practical problems this creates on site.

- The most concerning thing for the private sector is the way the ex Forestry Commission Wales staff seem to have been swamped by their new persona under NRW and by phytophthora. With the inter-play between the private sector and the state regarding timber sales, it is not a happy situation where one party is underselling their hard-won timber at prices that do not reflect the national market, but do impact on private sector sales in Wales. We must also be concerned about the impact of this policy on the NRW budget.
- There needs to be an informed debate about the relationship between the public and private sector which is honest and open. There needs to be much greater transparency with regard to the sale of public estate timber. NRW supply 60% of the conifer market and because they aren't particularly price sensitive they sell almost regardless of price which is something the private sector rarely does. As a result the private sector resource is under exploited and there is a substantial stored volume which doesn't come to the market. Added to this because of a generation of low prices private owners are very dependent on grants to make the woodland account balance. This is costly to the taxpayer so there is a double hit - the public estate needs an enormous amount of public money to stay afloat and the private sector is struggling to make the books balance and rely on public investment. This is not sustainable.
- Regulation is becoming a major issue. The zealous way regulation of the private estate is enforced is becoming a real hindrance to business. Prosecution is seen as the way forward regardless of whether it is in the public interest, for example TilHill mistakenly felled 1.5 ha of mature larch. They had a thinning licence but not a licence to fell. When they realised their mistake they contacted NRW to resolve the problem which is what would have happened in FCW days. Prosecution and a fine of £6000 plus £4000 costs. There is evidence that the regulating team are not applying the same rules to the public estate where undoubtedly there are similar breaches. NRW is claiming crown immunity, which we don't believe to be the case, but even if they do how can the public regulator impose a harsh interpretation of regulation on their competitor and let themselves off? We need clear guidance on the interpretation of guidelines, standards and legislation. A number of NRW staff are being allowed to make up the rules as they choose because there is no leadership and a desire to be seen to be imposing the 'law'.
- The current policy on grey squirrel control on public forestry land does not accurately reflect the threat posed and needs closer focus to reduce their numbers and range.

### **Delivery of business advice and support to the forestry sector in Wales**

- This appears to have gone into limbo and be almost non-existent. Certainly, the NRW website has been reported as confusing and unhelpful, particularly when seeking information about grants and regulations with the exception of felling licences.
- We welcome the commitment given to extend the proportion of the RDP available for woodlands, noting specifically that woodland creation covers a multitude of circumstances from creation of on-farm shelter belts to the establishment of a commercial forest. Whatever the rationale, we believe that the landowner/farmer/forester needs advice and support and would seek a dedicated team of woodland/forestry experts to whom they can refer. Several of our members have, in recent times, commented on the loss of technical knowledge on woodland management within NRW. This being the case, we would urge Welsh Government to use the capacity of professional/experienced individuals to fill this vacuum. Membership comments also indicate that the current delays in the system, largely due to the absence of staff resource and knowledge, are also a barrier to take-up of Glastir Woodland. The traffic

light mapping system is not fit for purpose, the datasets used are out of date and there needs to be a wholesale overhaul of this system. The industry needs support at every level as recent events have further damaged the commercial viability of this sector.

- Certification has become a major burden when the UK Forest Standard compliance should be sufficient.

### **Management of disease outbreaks on the public forestry estate**

- We accept that P Ramorum is a very difficult disease to manage or control and that the distribution of larch in Wales makes this especially so. However, the attempts to manage P Ramorum in Wales were slow off the mark and inadequate. The significant spread of the disease last year was blamed on the weather which was partly true but it also down to the fact that the diseased trees hadn't been felled and therefore there was much greater sporulation.
- The sheer scale of the infections on the NRW estate, 5,000 hectares plus in 2013, has put continued pressure on the harvesting resources, and returns to NRW from this work have been low. We note that NRW are attempting to use Glastir money for some of this work, a totally new departure where Government agencies have never previously been able to tap into "private" grant schemes.
- The revised NRW guidelines for the removal of larch that distinguish between the chronically infected areas (the Valleys) and the occasional infection were welcomed, with the former allowing for less regulation in removal.

### **Progress made by NRW to deliver the recommendations of the Wales Audit Office**

- The recommendations from the Audit Office were established on the premise of the old Forestry Commission set up. As noted earlier, the creation of NRW has diluted the focus on forestry policy and delivery and thus reduced the ability for the new body to deliver on the Audit Office recommendations, namely strengthening core business processes and improving procedures around timber production and forecasting.