

WOODLAND POLICY ENABLING PROGRAMME: AN ALTERNATIVE

KEEPING IT ALL TOGETHER IN 2015



The purpose of this paper is to strengthen the current mandate and work towards a joint union policy on retaining a fully integrated and sustainably resourced evolving Forestry Commission.

This briefing note has been produced by the Forestry Commission trade unions comprising FDA, GMB, PCS, Prospect and Unite. It outlines the FCTU preferred options for the future management, ownership and funding of the forest estate.

It specifically focuses on government proposals to restructure the Forestry Commission England and Scotland and the establishment of a Public Forest Estate Management Organisation (PFEMO). The briefing is structured as follows:

1. Introduction
2. Summary of key union proposals/demands
3. Forestry Commission functions
 - i. PFEMO
 - ii. Devolution / Cross border functions
 - iii. Forest Research and Development
 - iv. Skills
4. Funding
5. Conclusions

1. INTRODUCTION

As is well documented, and in the words of the Independent Panel on Forestry: “The Government’s proposals in 2011 to change the way the public forest estate might be managed led to a public outcry which underlined the importance of woodlands in the day-to-day lives of very many people.”¹

It is not the intention here to revisit history but is mentioned to emphasise the point made by the panel concerning the value and benefits of our woodlands across a range of areas: economic; recreation; health and wellbeing; education; employment; biodiversity; mitigating climate change impacts such as through reforestation and mitigating flood risk. And certainly the embarrassing u-turn enacted by the Government shows the political need to get what follows next, right.

The arguments set forth in the paper are an FCTU alternative to government proposals and are based on the following key documents:

- Independent Panel on Forestry Final Report July 2012
- Government Forestry and Woodlands Policy Statement January 2013
- Woodland Policy Enabling Programme May 2013
- Report by the Regulation task force June 2013
- Review of forestry functions and organisational arrangements for their delivery in England July 2013
- Towards a new Public Forest Estate Management Body 2013
- Government Forestry and Woodlands Policy Statement Implementation Plan – ‘One Year On’ January 2014

It is also informed by various briefings that have been produced by the FCTU and discussions about the government’s proposals.

Since publication of the Government’s response to the Independent Panel’s review², the FCTU have put forward an alternative to the government’s proposals for the future of the Forestry Commission stemming particularly from the *Woodland Policy Enabling Programme (WPEP)* and the *Review of forestry functions and organisational arrangements for their delivery in England*. Namely government proposals for:

¹ Independent Panel on Forestry Final Report July 2012; Executive Summary page 7.

² Government Forestry and Woodland Policy Statement January 2013

- England only forestry body;
- alignment of back office functions;
- establishment of an independent Public Forest Estate Management organisation (PFEMO);
- Forest services forestry functions;
- Cross-border functions.

If taken forward, we believe they will lead to the unnecessary break-up of the FC.

The FC has provided the UK with a verdant rich tapestry of woods and forests which have been enjoyed by the public for nearly 100 years. Whilst there are areas of woodland management for example which require strengthening, the FCTU believe that is only by maintaining a fully integrated and adequately resourced Forestry Commission that our forests and woodlands can be best served. In the area of research, the length of time between commissioning research to support policy decisions, and seeing it put into practice and delivering benefits on the ground can be as low as a few years. This is a direct consequence of the integrated nature of the Forestry Commission with a policy, research, and operational mandate. Under the REF system, academic institutions are very keen to partner with Forest Research to demonstrate delivery and impact. Can the forestry sector afford to lose this synergy?

2. SUMMARY OF KEY UNION PROPOSALS/DEMANDS

For clarity it is useful to state at the outset what the FCTU is calling for; the rationale and case for which is set out in detail below.

- Fully integrated and adequately resourced Forestry Commission.
- Forestry Commission retaining a governance role as an overarching environmental/land management directorate covering England, Wales, Scotland and Northern Ireland (which complements devolved functions);
- Forestry Commission to retain existing functions and include those emerging from the Independent Panel Review;
- Forestry Commission to be answerable to Parliament via sponsoring department such as DEFRA; to the Secretary of State;
- All employees of FC and subsidiary bodies i.e. PFEMO to retain civil service status;
- No privatisation of any FC functions.

3. FORESTRY COMMISSION FUNCTIONS AND STRUCTURE

The FCTU believe that the current structure of the FC comprising component parts of Forest Services, Forest Research and Forest Enterprise remains the best way forward to coordinate expertise, management, research and the testing and development of government policy initiatives.

The strength of the FC is in its integrated nature given the scale and scope of the work it undertakes and need to work across Whitehall departments. We do not believe that disbanding the current elements of the FC to a disparate number of bodies would strengthen the ability to deliver forestry and woodland policy. More that this requires an integrated whole with an overarching body to undertake the governance role required to manage the various sub-departments such as Forest Services, Research, Forest Enterprise and cross border functions.

We reject the conclusions of the Functions Review report July 2013³ which proposes an organisational model on an England only basis through an English forestry body or a reformed Forestry Commission. The Review report says Options 2 – “*Strategic alignment of supporting back office functions with forestry specific functions delivered by a relevant expert body*” and 5 an “*England only forestry body*” are the preferred way forward. Scottish independence aside, the analysis in the report itself raises a number of

³ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/224841/pb13976-forestry-functions-review-130717.pdf

issues concerning the viability of creating a separate England body and splitting central and corporate functions currently provided under the cross-border model. For example, significant implementation costs, increased running costs, and compromised organisational resilience if England only forestry body was too small and isolated (see Functions Review report 6.10 to 6.13).⁴

We welcome the decision not to merge Forestry Services responsible for forestry advice and grants with Natural England or the Environment Agency similar to the merger in Wales with the establishment of Natural Resources Wales. This merger has seen a diminution of importance to forestry which we believe is a retrograde step given the importance of forestry and woodland in terms of combating the threat of climate change, to the economy, in health and well-being, and general recreational and educational purposes. Forestry in Wales is still reliant on service level agreements with the FC for research and cross border functions as well as the IT system for the GB forest estate, creating an artificial cross border market in forestry rather than recognising forestry within an integrated whole which we believe it should be. There is also concern that the privatisation of the administration of woodland grants is a precursor to wider privatisations that could be replicated in England.

The report of the Forest Regulation Task Force⁵ highlights a number of areas where the FC needs to strengthen its regulatory functions. Retention of an adequately resourced Forestry Commission – which includes management of the public forest estate – would better serve to address the concerns highlighted by the Task Force, for example biosecurity and resilience and reduced resources following 25% cut in budget to the FC and need for closer working between different parts of the FC including Forest Enterprise.

i. Public Forest Estate Management Organisation (PFEMO)

*Proposal to establish new operationally independent Public Forest Estate management organisation to hold the Estate in Trust for the nation – charged with greater proportion of its income through appropriate commercial activity and with maximising the social, environmental and economic value of its assets under its care.*⁶

The document *Towards a new Public Forest Estate management body* whilst a ‘work in progress’ immediately raises a number of concerns in terms of the status, remit, functions and duties of the proposed PFEMO.

a) Status

Whilst we await specific details of the proposed PFEMO, we do not support the proposal to create an arms-length statutorily based public corporation with a strong “entrepreneurial” role. With an emphasis to become financially self-sustaining⁷ in the longer term with expanded “commercial freedoms” which would enable the independent body to “delegate its functions”⁸, we believe that this could give rise to a wholly privatised body in future and changes the role of the body as a custodian of a public asset. Similar to other bodies such as the Canal and River trust, this could result in a model that transfers costs in the long term from the “public sector to civil society”.⁹ Such a model raises issues of accountability and the ability of Parliament to directly ask questions and ensure the safeguarding of public assets into the future.

Currently the Secretary of State has powers to dispose (sell-off) of the public estate for “any purpose”.¹⁰ The proposals would confer the same powers to an independent body¹¹ that has no direct accountability to

⁴ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/224841/pb13976-forestry-functions-review-130717.pdf

⁵ [http://www.forestry.gov.uk/pdf/DEFPB13661ForestryLo.PDF/\\$FILE/DEFPB13661ForestryLo.PDF](http://www.forestry.gov.uk/pdf/DEFPB13661ForestryLo.PDF/$FILE/DEFPB13661ForestryLo.PDF)

⁶ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/221023/pb13871-forestry-policy-statement.pdf

- Executive Summary page 5

⁷ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/221023/pb13871-forestry-policy-statement.pdf
See page 27

⁸ [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) - see paragraph 20

⁹ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/183230/Canal-rivers-MOU.pdf - see Annex 8.

¹⁰ Forestry Act 1981 Chapter 39

Parliament (but to the Secretary of State) and therefore no better protects the public forest estate than is currently the case. We therefore assert that any new body should be ‘owned’ by the Forestry Commission, ensuring arms-length ministerial governance and accountability, as well as the integrity of the FC. We firmly believe that public assets should be managed by public servants who are fully accountable to their ministerial departments and ultimately, through them, to Parliament.

As such, all staff should retain their civil service status and current terms and conditions which would allow for the exchange of expertise across the FC, easy transition of staff across the organisation as needed for business reasons, personal development, and career pathways. A statutory charter to outline the relationship to Parliament and the FC as the sponsoring department, remit, functions and duties of the PFEMO would still be required as currently outlined for Commissioners. Therefore the FC would remain the landowner on behalf of government with the PFEMO charged through the charter with its management.

Understandably the central concern of the wider public is the retention of the PFE under public ownership, not the mechanism by which that is achieved. However the question of “independence” of the proposed body against one of accountability through Parliament is an important one.

The proposal to include a role for “Guardians” or “Trustees” to act as a level of accountability is vague and certainly is a diminution of the role envisaged in the Independent Panel report¹² which foresaw a direct accountability to Parliament through the Defra Secretary of State. Proposals that the Guardians could also serve as board members¹³ is a conflict and seemingly unnecessary role. The currently well organised campaign groups both local and national practically carry-out this role of watchdog and no doubt would be soon to raise concerns should there be any deviation from the remit of the PFEMO, particularly with regards to issues of sales. Whilst they are obviously better placed to respond to this point, the proposal as currently written would seem to undermine their current *pressure group* role.

Retaining the PFEMO under the direction of the FC with a charter based in statute better ensures direct Parliamentary accountability and removes the possibility – as demanded by the public response – for the public forests to be at the whim of political interests of the government of the day. Current arrangements for stakeholder engagement seems to as equally serve the purpose as defined for the Guardians and would certainly help to limit potential for conflicts of interest in holding the state accountable.

Indeed in previous consultations under the last Labour government in 2009 it was recorded that respondents placed a “heavy emphasis upon overall management remaining in the public sector, citing that Forestry Commission should retain control”.¹⁴ It seems there is little reason therefore to suggest, that with the proviso of the independent panel review recommendation that PFE management is taken out of politics and safeguarded in statute as a public asset, that the majority public opinion would differ today.

As noted in the document ‘*Towards a new PFE management body*’, the FC “name and brand are well established and popular with many stakeholders”.¹⁵ The FC is trusted and respected. Therefore it is argued that there is little need to change the citing of the governance structure by removing PFEMO from Forest Enterprises under the wider umbrella of the FC, but that as in the case of Scotland, FE has direct accountability to Parliament in order to meet the aim of an independent body called for by the Independent Panel report.

¹¹ [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) - see paragraph 17

¹² https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/183095/Independent-Panel-on-Forestry-Final-Report1.pdf - see recommendations page 51

¹³ [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) - see paragraph 40

¹⁴ [http://www.forestry.gov.uk/pdf/eng-pfe-evidence-part2.pdf/\\$FILE/eng-pfe-evidence-part2.pdf](http://www.forestry.gov.uk/pdf/eng-pfe-evidence-part2.pdf/$FILE/eng-pfe-evidence-part2.pdf) - page 45

¹⁵ [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) paragraph 10

In summary, the FC should retain an overarching governance role as an environmental/land management directorate covering England, Wales, Scotland and Northern Ireland which would retain its current structures of Forest Enterprises and Forest Services. Accountability of public assets should not rest with 'Guardians' but those who were elected to manage them on behalf of the public.

b) Remit, functions and duties

The strong entrepreneurial role accorded to the new body gives a worrying message about its exact mission. As stated above we support a remit of land management and recognise that Forest Enterprise contains a similar entrepreneurial function, however we are concerned about the increasing value assigned to this function and the relative weights assigned to the respective economic, social and environmental objectives. In particular the development of the commodification of natural assets and a market for eco-systems services¹⁶ which again raises concerns about future privatisation aspirations.

The proposed added benefit of the new proposals appears one of a longer term view of reduced cost to government and adding to civil service reduction targets. This is of no surprise in the context of civil service reform however still begs the question of why make unnecessary expenditures to break up the current FC and its operation with the single aim to create a new body when by government's own admission this will not reduce costs.¹⁷

Given the responses to government proposals and the presentation of the "ten core principles underpinning" plans¹⁸ to the National Forestry Stakeholder Forum in January, the first principle underlies what should be the primary remit of any structure: conserve and enhance the estate for the benefit of people, nature and the economy. With an alternative remit of a public interest role for the public forest estate, there is an opportunity here to capitalise in terms of opening up facilities and to develop the woodland economy in a way that fulfils this aim.

The launch of the Woodfuel Strategy in 2007¹⁹ already changed the prospects for forestry in England. The Strategy evolved into part of the Renewable Heat Incentive (RHI), providing market support rather than grant aid to forest harvesting. Small hardwood worth between nothing and £5/ tonne standing in 2006 is selling for £30 in 2014 and in the process has tipped many land managers forestry businesses from the red into the black. With the introduction of the Renewable Heat Incentive (RHI) there is a real prospect here for greater investment that will generate income for the public purse.

We estimate that the present government's failure to pursue the opportunities around wood energy, by focussing hard on bringing more wood to market and accelerating the development of the sector, may well have cost the economy more than they could ever have made from selling the public PFE. Similar has been the case in the renewable sector with the mixed market signals coming from government. The benefits in further developing forestry bio-energy supplies and for example as part of the wood fuel strategy²⁰ may provide additional opportunity for government in meeting greenhouse gas emissions and renewable energy targets.

It is here where the state can play a truly entrepreneurial role, and not least in the transition to a low carbon economy which is seen a key issue by the public in the role played by the PFE. Whilst the private sector may have a role in bringing back into production unmanaged woods, the underlying investment in identifying and incentivising owners of unmanaged woodland and the confidence that the FC generates means there is a critical function for the government, Forest Services and Forest Research in this area. Currently around 50% of England's woods are not in sustainable management and the UK imports around

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/221023/pb13871-forestry-policy-statement.pdf - see Chapter 8 Realising more of our Woodlands' value.

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/224841/pb13976-forestry-functions-review-130717.pdf - see paragraph 6.18

<http://saveourwoods.co.uk/articles/news/its-time-to-get-the-draft-forestry-legislation-into-the-public-domain-for-debate/>

¹⁹ [http://www.forestry.gov.uk/pdf/fce-woodfuel-strategy.pdf/\\$FILE/fce-woodfuel-strategy.pdf](http://www.forestry.gov.uk/pdf/fce-woodfuel-strategy.pdf/$FILE/fce-woodfuel-strategy.pdf)

²⁰ [http://www.forestry.gov.uk/pdf/FCE_WIP_Web.pdf/\\$FILE/FCE_WIP_Web.pdf](http://www.forestry.gov.uk/pdf/FCE_WIP_Web.pdf/$FILE/FCE_WIP_Web.pdf)

80% of our wood products, worth £6.8bn and at cost to the climate. The PFE has a clear role to play here in providing a “best practice” lead to the private sector.

In addition to the obvious ‘green economy’ side to wood use, achieving the Woodfuel Strategy proposal of half – 250,000ha – of unmanaged woodland back in management would almost certainly reverse the decline in woodland birds as a headline biodiversity indicator. Tackling the decline in woodland biodiversity seriously would again provide leadership on a countryside issue which evidence suggests would be popular with the public. This is backed by detailed evidence on public attitudes to forestry and the PFE from a consultation initiated by the then Labour government and published in 2010²¹ and also by the findings of the independent forestry panel. And of course the public demonstrated that they felt very strongly about the importance of forests and woodlands in their rejection of the coalition government’s 2010/11 proposals to sell of the PFE.

ii. Devolution / Cross border functions

As noted in the Review of forestry functions final report and the forestry and woodlands policy statement, “some forestry functions continue to be most effectively and efficiently delivered on a cross-border basis” (see Function review 6.14).

The functions review report raises issues of current cross-border arrangements as creating dual accountabilities which “complicate governance” (see 6.9). We do not believe the answer to this is in breaking up the FC into national bodies. Our proposal is an **FC that retains a governance role as an overarching environmental/land management directorate covering England, Wales, Scotland and Northern Ireland** which better safeguards plant health, woodland and forestry development for example.

Notwithstanding the Scottish referendum outcome, retaining a central governance structure would avoid transitional costs associated with a move to separate England and Scotland bodies. There is already in place separate bodies for FC England and Scotland and whilst there is an issue that FC Scotland reports to the Scottish Parliament, we would advocate that a solution would be for the FC England, and the PFEMO in particular, similarly has a separate line of accountability direct to Parliament as set out above. Equally the experience of the establishment of Natural Resources Wales shows that the separation of parts from the whole creates its own set of transactional costs for example in the establishment of new IT systems and the need to establish service level agreements for paid for services in areas such as forest research.

iii. Forest Research and Development

The importance of the FC research and development function is well understood and supported not least in terms of its role in biosecurity. However the biggest concerns remain the budget and resultant staffing cuts which limit its ability to respond to issues such as the *Chalara fraxinea* outbreak. If we are to seek to expand the forest and woodland coverage this needs to be supported by strong research and development. Adequate resourcing will also be critical to delivering the new Science and Innovation Strategy for forestry in GB over the next four to five years.

The Chairs foreword to the 2012/2013 annual report noted that the “most visible challenge facing forestry at present is that of protecting the trees and forests of Great Britain from pests and diseases”. Undermining the ability of Forest Services to respond adequately to such challenges will also undermine the vital part that forestry plays in the wider economy. As we saw in the 2013/2014 flooding, cuts in the Environment Agency ultimately undermined our ability to not just to respond to flooding but to put in place adequate prevention measures.

²¹ [http://www.forestry.gov.uk/pdf/englandpfestudyfinalreport2009.pdf/\\$FILE/englandpfestudyfinalreport2009.pdf](http://www.forestry.gov.uk/pdf/englandpfestudyfinalreport2009.pdf/$FILE/englandpfestudyfinalreport2009.pdf)

A Defra report *Strategic analysis of Capability and Capacity to Undertake Tree Health Related Research* (September 2013)²² and evidence activity in the UK noted that the possibility for long-term research through the availability of experimental sites was impacted by the “contraction of the public estate”. Clearly this undermines the UK’s leading research role.

It was further noted that “in planning future research resilience in the tree health arena there are a number of significant challenges that need to be addressed”. These include certainty in funding and resources to ensure the ability to respond to future research agenda. Particularly, the lack of an “overarching funding and resource strategy for tree health” and plant biosecurity in general. See page 9/10 on “funding and institutional support”. Further it was noted that uncertainty around the funding and organisational sustainability is “undermining the core capability and capacity of government to respond to tree health and plant biosecurity problems”. Recommendation 2 of this report “Establish and sustain the core capability and capacity” should be of particular note for the need of a future government to respond to questions of organisational and resource capacity.

iv. Jobs and Skills

The forestry sector in its broadest sense provides for a variety of job roles and skills including the science and practice in managing forests and woodlands; in planning, care and maintenance roles to timber processing and associated recreational activities tied to forests. This is further supplemented by the administrative, policy and management roles within government and local authorities overseeing forestry.

The Defra report referred to above, noted the skills gap in the forestry industry which significant cuts to the Forestry Commission since 2010 has helped to fuel. The lack of clarity around a long-term funding and research strategy inhibits development of career paths for experts and leads to long term decline in skills. Whilst the private sector is providing some opportunities for jobs in the sector, for example the *Roots to Prosperity*²³ initiative in the North East, it is only through the state playing an entrepreneurial role that a real boost can be given to both create and safeguard decent jobs and skills development.

A recent rejection by BIS for an Institute of Chartered Foresters (ICF) Employment Ownership Pilot bid of a mere £254k from a pot of £240million was seen as dent to skills development in the sector and met with “disappointment and dissatisfaction” by the ICF.²⁴ The ICF note that England’s forest industries employ over 11,000 people directly who contribute £4.2 billion of GVA annually and support a further 100,000 jobs in downstream industries.

Rural economies especially rely on the forests and woodlands for jobs. Through an integrated FC, the government has a role to play in skills development and fostering job creation in the sector.

4. FUNDING

As government has yet to provide a fully costed model of its preferred delivery option it is not possible to set out a clear response to this. However it’s evident from information released to date, the PFEMO based on the current proposals, will be required to substantially increase its commercial basis and ultimately become fully self-financing. We should say at the outset that our position is for a publically funded and adequately resourced Forestry Commission across the whole of its parts which includes retaining PFEMO within the FC.

It should also be re-highlighted that the forestry functions and organisational arrangement review (July 2013) notes that potential transitional costs of establishing separate England, Scotland and Wales organisational structures “could be up to £25 million over five years” (see paragraph 6.17). Further that

²² report accessible at:

<http://randd.defra.gov.uk/Default.aspx?Menu=Menu&Module=More&Location=None&Completed=0&ProjectID=18436>

²³ http://issuu.com/thecreativebranch/docs/cwl_roots_to_prosperity_screen?e=1971220/6584232

²⁴ <http://www.charteredforesters.org/news/item/232-challenge-to-eop-funding-rejection/>

“organisational changes proposed by this review are unlikely to yield any significant savings in themselves”, and as noted above, any cost savings are likely to result from other measures which will happen in any case.

In Wales, a Conservative Assembly member has challenged the use of public money in establishing Natural Resources Wales (NRW) reported to have cost the taxpayer £17million. Therefore no small irony that a Conservative led government may yet do just that in England by way of establishing an unnecessary separate England body and PFEMO. And considering that Forest Enterprise cost the public purse in subsidy a mere £26m in 2012/2013²⁵ and falling to £19m in 2013/14²⁶ this is small beer against which to make such a drastic change.

a) Timber production

The most obvious or immediate funding source will derive from market based activities around timber production and sales. As noted earlier, returns on timber have substantially increased over the past seven years and further development of timber production and sales from the PFE should be used for reinvestment back into the sustainable management of forestry and woodland. However this is recognised as a volatile income stream both in terms of being at will of the markets and potential risk of disease as highlighted in the Independent Panel’s Report. There is also the issue of ‘peak’ timber production.

b) Woodland carbon code/pending issuance units (PIUs)

In the same way as carbon taxes are urged to be reinvested in energy efficiency programmes, promotion of Woodland Carbon Code/PIUs could be promoted as a revenue stream to offset sustainable forest management costs across the PFE. This could be both those sold to business as part of the public forest estate and/or recycled as a ‘green’ levy on privately managed land. More cost analysis would be required but whilst we have separate concerns around carbon markets, this is part of a growing ‘industry’ which could also be used to incentivise land management and reforestation.

According to the Forest Carbon portal²⁷, the average global price of woodland carbon was £6/tCO₂ in January 2014, albeit they note wide variance depending on the nature of the project. The Forestry Commission reported²⁸ that by the end of 2013, 63 woodland projects had been validated under the woodland carbon code, covering 2500 hectares and projected to extract or sequester 1.2 million tonnes of CO₂ across England, Scotland and Wales. UK companies are now required to report their gross carbon emissions and the WCC allows companies to count offsets.

However whilst this may provide a funding stream for the Forestry Commission/PFEMO, as a payment for ecosystems service, our reservations concerning a creep towards privatisation noted earlier in this briefing remain.

c) Recreational, education and health activities

As the PFE is opened up to more recreational and educational activities some income could be raised from charges on the following basis:

- Forest Holidays: whilst accounted as an investment and financial assets, income derived from this source should be further investigated and enhanced for future opportunities to increase as a revenue stream;

²⁵ [http://www.forestry.gov.uk/pdf/FCAR013.pdf/\\$FILE/FCAR013.pdf](http://www.forestry.gov.uk/pdf/FCAR013.pdf/$FILE/FCAR013.pdf) - see Statement of Comprehensive Income for year ended 31 March 2013

²⁶ [http://www.forestry.gov.uk/pdf/41745HC41ForestryCommissionprintready\(2\).pdf/\\$file/41745HC41ForestryCommissionprintready\(2\).pdf](http://www.forestry.gov.uk/pdf/41745HC41ForestryCommissionprintready(2).pdf/$file/41745HC41ForestryCommissionprintready(2).pdf) – see Statement of Comprehensive Income for year ended 31 March 2014

²⁷ <http://www.forestcarbonportal.com/>

²⁸ [http://www.forestry.gov.uk/pdf/wccjan2014.pdf/\\$FILE/wccjan2014.pdf](http://www.forestry.gov.uk/pdf/wccjan2014.pdf/$FILE/wccjan2014.pdf)

- Educational/training activities: we believe the PFE should remain a free resource open to all regardless of income and ability to pay. However there may be specialist adult educational or corporate activities that could incur a charge such as corporate team building activities.
- Health and well-being: similar to educational income again this could be further explored for possible income streams such as offering mediation or yoga retreats.
- Other activities. National Parks offer a range of charged sporting activities and there should be further exploration into how revenue from these feed back into the public purse.

The FE proposals also set out a number of non-forestry development projects which include: renewable energy, mineral extraction, green burials and built commercial development. We would have serious reservations about the development of these on a commercial basis in terms of how this preserves the public forest estate. The fourteenth round of fracking licensing could potentially open up forest/woodlands to underground drilling for shale gas and oil to which we are firmly opposed.

5. CONCLUSIONS

Given that the current woodland policy says proposed organisational changes are unlikely to yield savings it begs the question why this unnecessary upheaval for something which isn't broken but all can agree needs improving. This only leads to conclude that privatisation of some if not all forestry functions are what lay on the horizon.

This briefing is seeking support from trade union member to inform politicians that a credible alternative does indeed exist in which we:

- oppose any privatisation of the Forestry Commission and its related bodies;
- ensure that the public forest estate remains truly under public ownership with direct accountability to Parliament through a ministerial sponsoring department;
- review and invest in the skills and jobs necessary to deliver the forestry programme;
- emphasise the importance of retaining a cross-border model of research and forest services under an overarching governance as a vital component of climate change programmes;
- continue to ensure that the British public continues to benefit fully from the investment they have made over generations

The economic turnaround of forestry, built on the development of wood energy, can be further exploited as is the use of the forest to meet climate targets enshrined within the climate change act. And whilst RHI has gone well, this government has largely missed the economic opportunity by narrowly focussing on cuts, and with no real understanding (or interest) in the potential for rural economic growth. This is an opportunity for the Forestry Commission which has popular support and for a future government to renew their commitment to the public of the value of forests and woodlands as a national, public, asset.

Autumn 2014