

Environment and Sustainability Committee

E&S(4)-06-12 paper 3

Inquiry into the Business Case for Single Environmental Body – Evidence from Maelor Forest Nurseries Ltd

To assess whether the business case put forward for the creation of a single environment body takes sufficient account of the broad outcomes set out in the Natural Environment Framework.

Sustainable development is the central organising principle of the NEF. (We assume the basic aims of the NEF will not alter from the plans already shared when the Green Paper is published on Jan 30th.) The business case does appear to support this principle, however it is the details that will matter; whether every employee of the new SEB will have sustainable development ‘delivering positive environmental change, not just conserving what we have’ (John Griffiths, 2011) as their common goal. Conservation has a role within environmentalism, but if Wales is to truly aim towards sustainable development (in order to maximise the delivery of ecosystem services and to reduce its dependency on imports), the new body should understand the difference.

The business case does state that all project managers involved in the transition will be asked to ‘act in the best interests of SEB Wales regardless of past affiliations and moralities’. However, our concern is that conflict will inevitably occur due to the broad nature of the role the SEB will play.

Will the SEB really manage ALL aspects of the Welsh Natural Environment? For example, farming and fishing? The current Glastir vs FCW influence on forestry is challenging, often producing difficulties and we are concerned that this does not continue to occur.

Forestry in Wales is a vital rural industry because it employs 18,500 people (directly and indirectly), and contributes over £841million to the Welsh economy (CEBR, 2006). The proportion of total country GVA (gross value added) generated in the forest industries is larger in Wales (2.1%) than anywhere else in the UK (Scotland second highest with 1.1%; UK average 0.7%).

However, this economic significance is based on unsustainable harvesting and planting in recent years; the conifer area in Wales has shrunk by 13,000 ha since 2001. This represents a loss of approximately 5 million tonnes of commercial timber which is not being replaced. At the same time the area of broadleaf woodland has been increased by 8,000 ha; this is unlikely to ever produce any value except for fuel wood. There is overall a net woodland loss of 5,000 ha (Welsh Assembly Government, 2011).

We are currently planting 200 ha / yr compared to the target of 5,000 ha per year set by Welsh Government in 2010.

In addition to the economical benefits, forestry alone could abate half of Wales’ annual CO₂ emissions by 2050, if Wales achieves its carbon reduction targets (Read *et. al.*, 2009).

To analyse whether the business case takes sufficient accounts of the potential risks associated with the creation of a single environment body including:

– Financial and economic risks,

Freeing resources by minimising duplication is a primary reason for creating a new SEB but it will not happen automatically. Other options should be considered e.g. in forestry; planting applications could be initially approved by meeting UK Forestry Standards, which comply with many international forestry certification standards. Any special issues on the site would be identified and appropriate action taken.

Does Forest Research count as a 'core activity best delivered once for the whole of the UK'? (e.g. flood forecasting and emissions trading). If the SEB intends to buy in Forest Research skills, has this contribution been costed for the private sector in Wales as well as public sector? How will private businesses access Forest Research resources?

-Performance risks,

Our main worry, as already stated, is that overall performance may well be compromised by conflicts of interest within the SEB. This is currently the case between the existing bodies (e.g. Bryn Brawd proposed planting scheme attached). We feel the current lack of structure presented in the business case means these conflicts of interest could continue. Although the business case repeatedly acknowledges this risk, there are no detailed solutions (e.g. prioritising interests, conflict resolution protocols) explained hence our concern. What or who will decide the outcome of internal conflicts?

This concern is particularly pressing to us as we believe forestry will be overlooked despite its sustainable economic potential as described previously. Our beliefs in this area are drawn from current experience of forestry in Wales being focused on recreation and conservation with productive forestry on the margins. Many of the larger charitable organisations are able to voice opinions on where they feel policy direction should focus. This can lead to policy being focused on these areas and the bigger picture (i.e. sustainable economic development for Wales) being missed.

We raised our concerns with Lord Dafydd Elis-Thomas during his visit to the nursery on January 6th 2012, and they are summarised in the booklet presented.

- Accountability and transparency risks

We feel there is currently a lack of clarity regarding the type of body that will be created, its exact aims when in operation, and the procedures by which it will achieve those aims.

- Reputational risks.

We don't foresee any problems providing common goals are met transparently. Any improvement in the meeting of goals from the current situation (e.g. in terms of meeting planting targets) provides an improvement to reputation.

To assess whether the business case take sufficient account of the views of key stakeholders affected by the creation of a single environment body.

As a company employing ~40 full time staff, we have had the resources to attend many consultation meetings and feel we have had adequate opportunity to develop and express our viewpoints. 80% of forestry businesses employ <10 people and therefore are relatively isolated from political events and struggle to contribute effectively to consultation processes. This is particularly evident in comparison to larger organisations more practiced and effective at these processes.

In many cases, the business case does not go into enough detail to determine whether views expressed were taken into account.

REFERENCES

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