

# Y Pwyllgor Cyfrifon Cyhoeddus

PAC(3)-16-10 (p1) : 25 Tachwedd 2010

## Papur Tystiolaeth

### Cyflwyniad

1. Gwahoddwyd Cyfarwyddwr Comisiwn Coedwigaeth Cymru (y Comisiwn), Trefor Owen, i roi tystiolaeth i Bwyllgor Cyfrifon Cyhoeddus Cynulliad Cenedlaethol Cymru (y Pwyllgor) am 1.30pm ddydd Iau 25 Tachwedd 2010. Mae'r Pwyllgor wedi gofyn am y dystiolaeth yn dilyn ystyriaeth o adroddiad Swyddfa Archwilio Cymru '*Forestry Commission Wales – Public Funding of Ffynone and Cilgwyn Woodlands (August 2010)*' yn ei gyfarfod ar 23 Medi 2010.

### Diben

2. Wrth baratoi ar gyfer cyfarfod 25 Tachwedd, gwahoddir y Pwyllgor i ystyried y dystiolaeth y manylir arni yn y papur hwn ynghyd â Chynllun Gweithredu'r Comisiwn a atodir yn **Atodiad 1** mewn perthynas â'r 8 argymhelliad ar Dudalen 7 adroddiad y Swyddfa Archwilio. Mae hyn yn rhoi gwybodaeth am y gwaith sydd eisoes wedi'i wneud gan y Comisiwn mewn ymateb i bob un o argymhellion y Swyddfa Archwilio.

3. Mae'r Comisiwn wedi datblygu a gweithredu canllawiau cynhwysfawr ar gyfer swyddogion ynglŷn ag:

- Argymhellion 2 a 7 y Swyddfa Archwilio – Llywodraethu prosiectau a ariennir o ffynonellau allanol (**Atodiad 2**)
- Argymhelliad 6 y Swyddfa Archwilio – canllawiau arolygu Cydcoed (**Atodiad 3**)
- Argymhelliad 8 y Swyddfa Archwilio – Dull o ymdrin â cheisiadau am grantiau ac arolygiadau (**Atodiad 4**)

### Crynodeb

4. Mae'r Comisiwn yn derbyn yr holl argymhellion a ddangosir ar Dudalen 7 yn adroddiad y Swyddfa Archwilio.

5. Mae'r camau gweithredu a ddisgrifir yn **Atodiad 1** y Cynllun Gweithredu wedi'u seilio ar yr argymhellion yn adroddiad y Swyddfa Archwilio. Gofynnir i'r Pwyllgor nodi bod y mwyafrif o'r camau gweithredu sydd wedi'u hargymell bellach wedi'u gwireddu neu wedi'u hamserlennu i'w cwblhau'n fuan.

6. Caeodd Cydcoed yn 2008, felly nid yw adroddiad y Swyddfa Archwilio wedi arwain at unrhyw newidiadau i gynllun Cydcoed. Mae'r Comisiwn wedi dysgu nifer o wersi ac mae'r rhain wedi'u cynnwys yn y Cynllun Gweithredu.

Mae camau gweithredu 2, 3, 4, 5 a 7 yn argymhellion o ganlyniad i'r gwersi a ddysgwyd ac mae'r Cynllun Gweithredu'n nodi'r hyn y mae'r Comisiwn wedi'i wneud i wella ei weithdrefnau.

7. Mae Cynllun Busnes Ynni Pren 2 yn enghraifft o brosiect newydd a ddatblygwyd gan y Comisiwn ers i Cydcoed gau. Mae'r Comisiwn wedi sefydlu trefniadau clir ar gyfer llywodraethu, gan gynnwys bwrdd prosiect a threfniadau cadarn i awdurdodi dyfarniadau grant.

8. Mae gweithdrefnau i reoli cofrestr buddiannau a chynigion rhoddion a lletygarwch hefyd wedi'u gweithredu gan Dîm Adnoddau Dynol y Comisiwn (argymhellion 3 a 4 y Swyddfa Archwilio).

9. Bydd y Comisiwn yn parhau i weithio gyda pherchnogion coetiroedd Ffynone a Chilgwyn i helpu i reoli coetiroedd mewn ffordd gynaliadwy ac i ymgysylltu'n fwy effeithiol â'r gymuned.

10. Yn eu cyfarfod ar 23 Medi 2010 fe ddatganodd y Pwyllgor Cyfrifon Cyhoeddus eu pryderon ynglŷn â gweithrediadau CCC mewn perthynas â gwerth am arian. Yn dilyn adroddiad Swyddfa Archwilio Cymru 'Operations of the Forestry Commission Wales' (cyhoeddwyd 13 Tachwedd 2008), fe gyhoeddodd y Pwyllgor ei adroddiad ar 25 Mawrth 2009. Mewn ymateb i hyn fe gyflwynwyd a gweithredwyd Cynllun Gweithredu CCC, ac fe amgaeir copi yn **Atodiad 5**. Y Pwyllgor i nodi fod y gwaith i gyd mewn perthynas â'i argymhellion wedi cael ei gyflawni.

Trefor Owen

Cyfarwyddwr, Comisiwn Coedwigaeth Cymru

Tachwedd 2010

	<b><u>ACTION</u></b>	<b><u>COMMENTARY</u></b>	<b>ANNEX 1</b> <b><u>FCW OWNER</u></b>
1.	<p>Forestry Commission Wales (FCW) should work with Calon to explore options for: -</p> <p>a) greater community involvement in decision making for the woodland to include community representation on Calon's board eg as non-executive directors; and</p> <p>b) longer-term protection of the asset for the local community and public purse.</p>	<p><b>Response: Accept</b></p> <p><u>Open.</u> FCW are supporting Coed Lleol (a group managed by the Smallwoods Association) to work with Calon yn Tyfu Cyf (Calon) on community engagement using the proposed Forestry Stewardship Council (FSC) certification of the woodlands as a vehicle for discussions. A number of open community meetings have been undertaken throughout the summer 2010 and more are planned. The FSC requires ongoing engagement to maintain certification.</p> <p>Calon have an existing process that permits members of the co-operative to become members of the board. They are willing to accept new members to the co-operative</p> <p>Options for long term protection of the asset have been explored. Calon maintain that they have no intention of selling the woodland post the Cydcoed contract. They are currently unwilling to change the deeds of the woodland to include further protection as they feel it is not required. However they are willing to dedicate the woodland as access land under the Countryside and Rights of Way Act 2000 once outstanding boundary disputes are concluded. This will provide legal access for all on foot in perpetuity. The timescale is dependent on resolution of the boundary disputes, which are being conducted using HM Land Registry procedures.</p>	<p>Richard Siddons, FCW</p>

2.	Forestry Commission Wales has acknowledged a need for more robust project management of grant schemes using PRINCE2 methodology. Building on this methodology, FCW should ensure that processes are in place to provide assurance that these procedures are being applied effectively for all new and existing schemes at the earliest opportunity.	<p><b>Response: Accept</b></p> <p><u>Discharged</u>. This is set out in FCW Strategic Guidance and Programmes: Level 3 Governance for non-baseline funded projects (copy at <b>Annex 2</b>).</p>	Clive Thomas, FCW
3.	All Forestry Commission Wales staff should be required to complete an Annual Declaration of Interest form which should be reviewed and authorised by a Management Board member to assess implications for future areas of working. Staff should be required to update these during the year when appropriate circumstances arise.	<p><b>Response: Accept</b></p> <p><u>Discharged</u>. FCW staff have been issued with and returned declaration of interest forms.</p>	Emma Bennett, FCW
4.	Guidance should be provided to staff on a periodic basis on the requirements for Declarations of Interest and for Gifts and Hospitality to ensure staff remain aware of their responsibilities.	<p><b>Response: Accept</b></p> <p><u>Discharged</u>. The FCW Human Resources Team have issued guidance to all staff. Managers will be required to monitor all their staff and this action will be undertaken on an annual basis.</p>	Emma Bennett, FCW
5.	Building on the recommendations raised in the Wales Audit Office's national report, FCW should ensure that all staff are given appropriate risk management training on a periodic basis.	<p><b>Response: Accept</b></p> <p><u>Open</u>. FCW Human Resources will implement this recommendation by 30 November 2010. Forestry Commission Wales Learning &amp; Development Plan and Training Needs Analysis.</p>	Emma Bennett, FCW

6.	FCW should ensure monitoring arrangements for the Cydcoed scheme are more robustly applied in the future.	<p><b>Response: Accept</b></p> <p><u>Discharged.</u> The monitoring of Cydcoed schemes has been revised with supporting documentation updated. The inspection programme was completed for 2009/10 and is underway for 2010/11. This is being undertaken by FCW Inspectors and Ffynone and Cilgwyn Woodlands will be inspected again in 2010 due to the high value of this project. A copy of the Cydcoed inspection guidelines for FCW officials is attached at <b>Annex 3.</b></p>	Rachel Chamberlain, FCW
7.	Targets set for future schemes should be robust and challenging to ensure that appropriate value to the public purse is obtained from funds awarded.	<p><b>Response: Accept</b></p> <p><u>Discharged.</u> This is set out in FCW Strategic Guidance and Programmes: Level 3 Governance for non-baseline funded projects (<b>Annex 2</b>).</p>	FCW Management Board
8.	FCW should ensure that risk ratings for Better Woodlands for Wales applications received pre April 2008 are reviewed and updated within the Better Woodlands for Wales grant aid system to ensure the risk ratings are relevant rather than at a default of 'low'.	<p><b>Response: Accept</b></p> <p><u>Discharged.</u> A script has been run in the FCW IT platform that supports Better Woodlands for Wales to correct all the risk ratings that were originally defaulted at low. They are all now set according to the business rules and reflect risk based on claim value, operation type and owners/ agent recent claim inspection history. Guidelines in respect of Better Woodlands for Wales claims for grant have been produced and implemented. A copy is attached at <b>Annex 4.</b></p>	Rachel Chamberlain, FCW

## Forestry Commission Wales Strategic Guidance and Programmes: Level 3

# A Guide to Working with others including Partnership Working

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# 1. Working with Others

## 1.1 Introduction

There are many ways that we can work with others from informal networking through to large strategic partnerships. Working with others is 'what we do' whether with our own teams or with external groups and organisations. This guidance will focus mainly on partnership working, but before we look at what 'partnership working' means it will be useful first to consider some of the several others forms of working together.

Unfortunately partnership has become something of a spray-on word, and you may be called a 'partner' but find you don't really have much say in what is going on. There are other forms of collaboration to share information and offer mutual support that may be better seen as networks and there are cases where we will tender and procure work from others. These methods of acquiring information and benefits must not be confused with or regarded as working in partnership.

EMG has produced a useful decision making framework when working with others<sup>1</sup>. (This is also available on our intranet site.) It identifies some 17 different ways in which we can work with others. Below are some of these 17, for the full list and more details see the table at 1.2 and associated links.

**A Contract** - an agreement between persons, which obliges each party to do or not to do a certain thing.

**A Commercial Arrangement** - a contract or agreement between two parties involving the production of goods with intellectual property or services.

**A Sponsorship Agreement** - a business deal between two or more parties in which one party meets all or part of the costs in exchange for commercial benefit.

**A Franchise** - by which a firm with a product or service (the franchiser) enters into a contractual relationship with other businesses (franchisees).

**Third Party working** - any person other than a direct employee of the Forestry Commission. This will include volunteers, council staff, contractors etc.

**A Community Group** - people/volunteers who come together to pursue a cause or interest to benefit their community, could be geographic or a shared area of interest.

**A Community Management Agreement** - a formal agreement for a fixed duration between the voluntary/community sector and FCW, for non commercial projects.

**Volunteer Permission** - used where the activity is a one-off or of short duration and where a Community Management Agreement is unsuitable.

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<sup>1</sup> Working with Others – Choosing the Right Agreement

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**A Trust** - an organisation that acts as a trustee or agent for individuals and businesses in the administration of trust funds, estates and custodial arrangements.

**A Concordat/Memorandum of Understanding/Statement of Intent** - a declaration of intent or promise usually recognised as a binding code of behaviour, sometimes such agreements can also be regarded as partnership working.

**Public Sector Management Agreement** - a formal agreement for a fixed duration between any public sector organisation and FCW, for non-commercial projects.

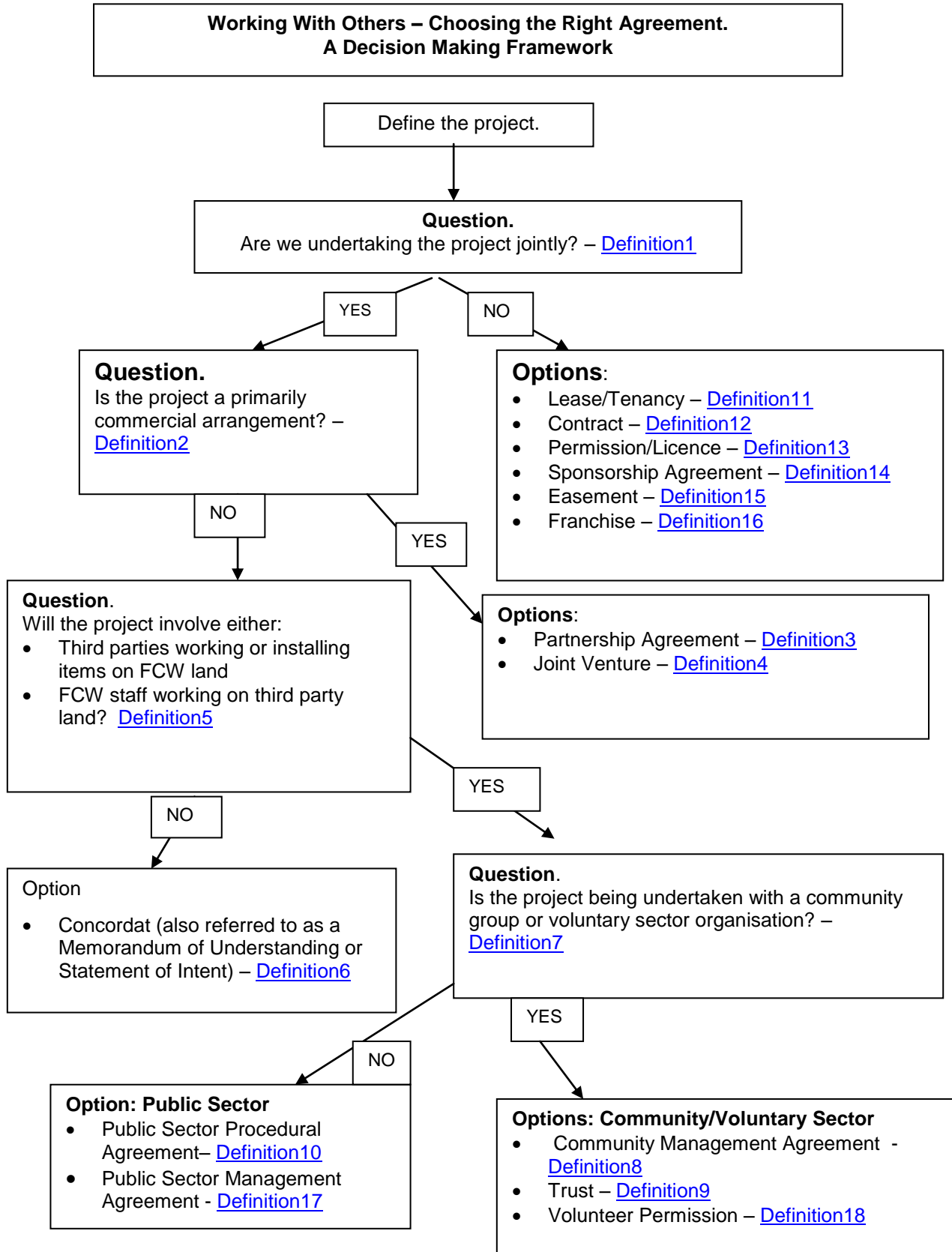
**A Lease/Tenancy** - an agreement between two people concerning the sole use by one of the property of the other. The owner is the landlord or lessor and the person using the property is called the tenant or lessee.

**A Permission/License** - a permission to do something on, or with, somebody else's property which, were it not for the license, could be legally prevented.

**An Easement** - a right of passage over a neighbour's land, such as a right of way, rights to dig under another's land or pass above land with cables, pipelines etc.



## 1.2 Working with others – Choosing the right agreement



## 1.3 An Introduction to Partnerships

The main aim of this guide is help you to understand and be aware of what it means to work in partnership and to offer some guidance in three areas:

- Starting a partnership
- Managing or being involved in a partnership
- Engaging with a partnership 'from outside'.

Depending on where you stand in relationship to the partnership or when you joined will influence what is important to you and this guide tries to take this into account. The guide covers:

1. What are partnerships – the benefits, barriers and challenges
2. Working with others - choosing the right agreement
3. Thinking about partnerships – some models
4. Reality checks and tips
5. Guidelines for Partnerships
6. Key issues
7. Example agreements and templates

## 1.4 What are partnerships – the benefits and barriers

Simply put, a partnership is an agreement to work collectively between two or more independent bodies to achieve a common objective. The key characteristic is that the partners aim to achieve something they could not do alone, by pooling skills and/or other resources. To do this they have to have a shared vision of their goals, and a way of working together which realises this ambition. This may involve a long-term formal structure, or a shorter-term agreement.

Partnership working brings with a number of additional responsibilities, it should not be seen as the 'easy option' as partnership working brings both benefits but also challenges. There are numerous definitions for partnership working. A useful definition is, however, provided by the Audit Commission (1998)

*"Joint working arrangements where parties ... agree to co-operate to achieve common goals, create a new organisational structure or process to achieve these goals, plan and implement a joint programme and share relevant information, tasks and rewards."*

You are likely to come across different types of partnerships, for example:

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- Large 'official' partnerships between the Forestry Commission and other agencies<sup>2</sup>
- Community-based partnerships and agreements with local or regional bodies that involve public and/or private partners<sup>3</sup>
- Time bounded partnership alliances created around a particular project or programme.

If you are involved in or about to embark on partnership working in each situation there will be some benefits and opportunities – and also some barriers, and challenges in making the partnership work. For example:

## **Benefits and opportunities**

- Making one plus one equal more than two – sharing ideas and resources towards common goals.
- Gaining access to the skills of others.
- Mutual support to maintain enthusiasm and commitment.
- Learning from seeing things differently, through others' eyes.
- Ability to secure funding that requires partnership working.

## **Barriers and challenges**

- Suspicion of others involved, and lack of trust.
- Fear of losing a separate identity, weakening of 'brand'.
- Unacceptable inequalities of power and control.
- Failure to recognise different personality types and communication styles.
- Lack of clarity on roles, responsibilities and leadership.
- Confusions about the nature and style of involvement – by representation or participation.
- Time necessary to develop relationships and feasible plans.

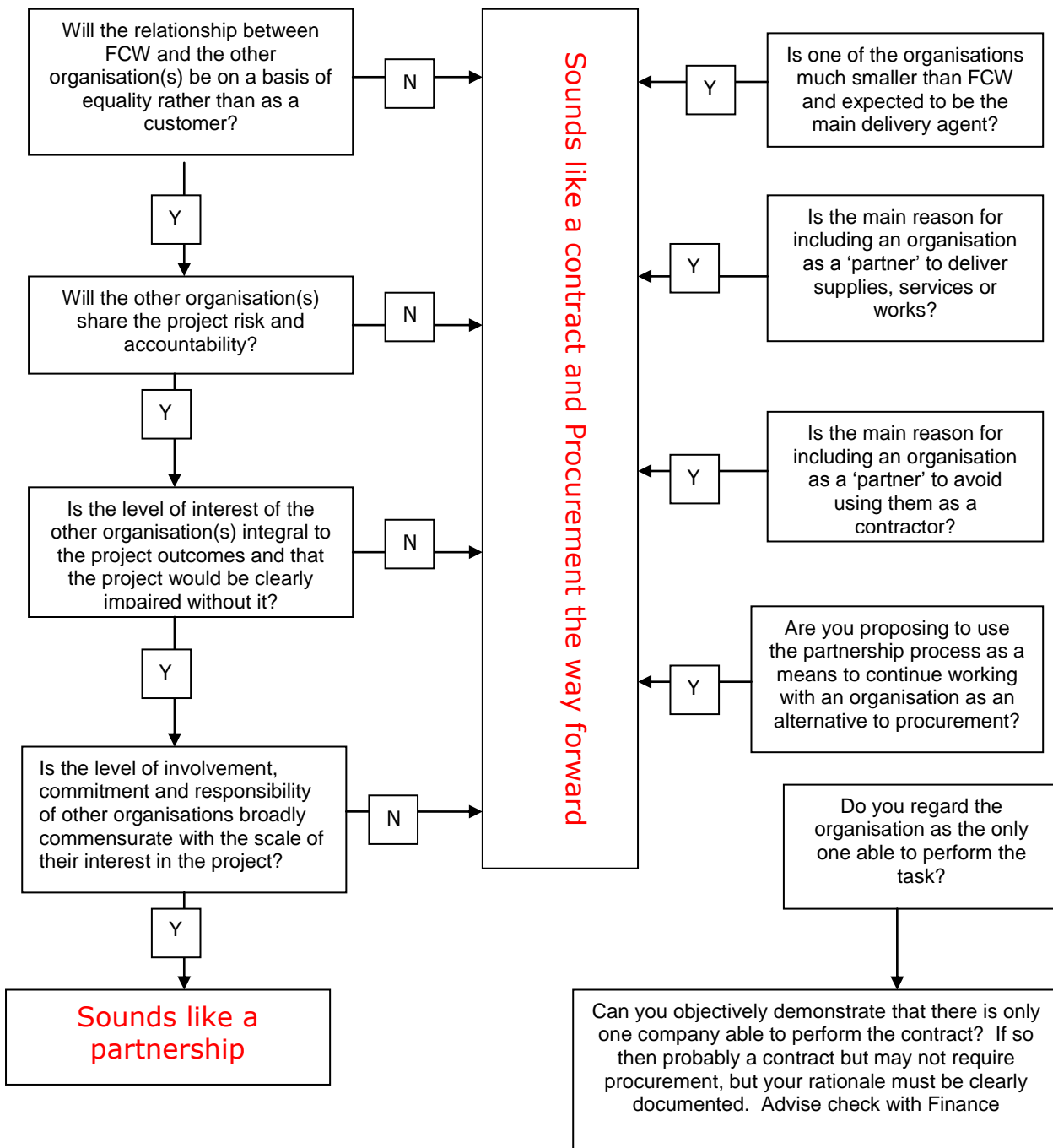
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<sup>2</sup> Memorandum of Understanding between FC, EA, Natural England and other Agencies

<sup>3</sup> Partnership Agreement for the Provision of Additional Police Community Support Officers to FCW

## 1.5 Is it a Partnership or Contract (Procurement)?

Partnership working is normally an agreement or contract to work together towards a common goal, with shared responsibilities and interests in attaining specific project outcomes. To help you determine whether your 'working together' fits within the definition of a partnership consider the following questions:



## 1.6 Thinking about partnerships

In real partnerships the partners have some equality, and are collaborating to do something everyone agrees about. However, it must also be remembered that not everyone will wish to be as involved as everyone else and the level of involvement depends on how important the issue or project is to each partner. How involved people are may also vary over time.

If you are engaging with a partnership, what do you want to get from the partnership? And what is on offer? If you are starting a partnership, what influence are you offering others? Here's some of the things you may hear (or say) and some questions to ask:

"We are in partnership with the community". (Who in the community? What influence/power will they have? What influence/power are we prepared to cede? What help will they get?)

"We want everyone to be involved". (Does everyone want to/need to be involved? Perhaps some people want more involvement than others.)

"We want one or two representatives". (So do they or we really want to be partners or should we consider other ways to help other people to be involved?)

"We don't have time to involve more people". (How interested/committed are you to partnership working? If it is important then make the time - have a planning or other event, perhaps using a facilitator).

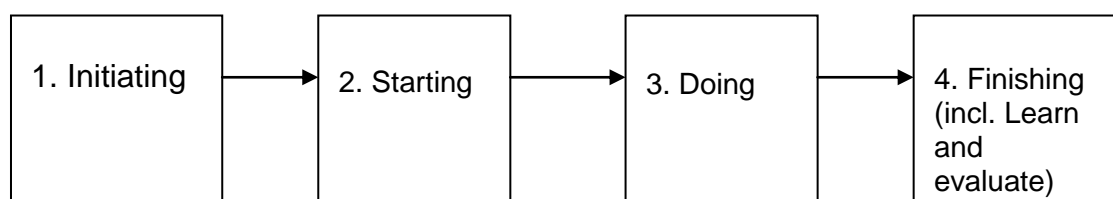
"We really value the volunteers and activists". (Why don't you give them more help and do things in ways they can understand?)

The Audit Commission wrote a paper entitled "A Fruitful Partnership"<sup>4</sup>. Although this paper was written in 1998 it is still a valuable document and is a useful document to refer to when considering partnership working. In addition Lloyds TSM Foundation for Scotland<sup>5</sup> have produced a short guide to Working in Partnership.

### Life cycle of a partnership

Partnerships are best seen as processes to build relationships and get things done – not just formal structures. There will be different challenges at different times in the life of a partnership, whether you are at the start, joining an existing partnership, or getting engaged from outside.

At the outset, it is important to reflect on the benefits and some of the barriers – see above. Here are four key stages in the life of a partnership.



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<sup>4</sup> Audit Commission, A Fruitful Partnership

<sup>5</sup> Lloyds TSB, Learning guide 3, Working in Partnership

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## 1. Initiating.

- Recognise that who started the partnership will influence its initial style of operation... and this may need to change.
- The spark for starting may be, for example, funding... but may not be enough in itself to keep the partnership together in the longer term. See 'visioning' below.
- Reflect from the outset on whether you need a substantial partnership, or a 'lighter' or shorter-term arrangement.

## 2. Starting

- Review what is already happening in the area, and who's who.
- Look at other partnership projects and programmes for ideas
- Get to know your partners, their styles of working and preferred means of communicating.
- Run a 'visioning' workshop to share understanding of problems, projects and activities to meet your goals.
- Set up interim arrangement for making decisions, staffing, administration and project management.
- Develop a business plan that includes, as appropriate, such things as training and support for partners as well as project development, funding, staffing, constitution or partnership agreement.
- Take special care to cover financial, accounting principles and governance<sup>6</sup>
- Draw up and sign appropriate agreement/contract. Make sure it specifies roles, responsibilities (duties of partners), project outline and actions, accountability (financial management and administration), funding arrangements, resources, duration, project management, signatures etc (see appendix 7 for possible template).<sup>7</sup>

## 3. Doing

- Develop and start the partnership project.
- Pay attention to partners and the people involved as well as the projects, with (as appropriate) training, support and socialising.
- Involve others outside the core partnership where they have a stake in projects and/or your overall programme.

## 4. Finishing or Following through

- Reflect on what's working and what isn't. Seek feedback, undertake an evaluation – learn lessons.

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<sup>6</sup> Extract from External Funding Fact File, part of the Money Matters Suite of Guidance

<sup>7</sup> Agreement for Project Partners concerning the partnership for the implementation of the XXX project

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- Plan for the longer-term – or finish. Is your partnership still really needed – is it adding any value?
- Time – build in expected life of project and have exit strategy prepared

## 1.7 Reality tips and checks

To help you decide how much involvement in a partnership you are being offered or want it will be useful to consider the following:

- Is a partnership the right way forward?
- How much participation do you have (or want) in the partnership?
- How much **influence** do you have/are you seeking in the partnership?
  1. Are you recognised and valued as a partner?
  2. Are you seeking/given representative status, and/or involved in decisions in other ways?
- How **inclusive** is the partnership?
  1. Is the diversity of communities affected recognised?
  2. Are equal opportunities policies in place and implemented?
  3. Are unpaid workers/volunteer activists valued?
- How good is the **communication**?
  1. Is communication two-way and suitable to your needs and style?
  2. Are programme and project procedures clear and accessible?
- Does the partnership develop **capacity**?
- Are communities resourced to participate?
- Are understanding, knowledge and skills developed to support partnership working?

### Tips for engaging with partnerships

- Be clear on what you want out of the partnership.
- Check how much influence is offered (where are you on the ladder of participation?)
- Find out who controls the money and who makes decisions.
- Don't end up as a 'token' representative.
- Don't accept committees as the only ways to do things – suggest workshop or other events as well.
- Look for allies – build relationships. Be sociable.

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- Put yourself in other people's shoes – help them get what they want.
- Keep asking yourself 'why'. Is there a hidden agenda?
- Ask for the partnership to communicate in ways you can understand.
- Ask for a mentor who will work with your group if that would help you.
- Build your own 'constituency' and credibility.
- Be honest – build trust.

## 1.8 Guidelines for partnership working

Here are some guidelines that may offer you a way of deciding what sort of partnership you may wish to create, and how to make a start.

- **Clarify your own aims and objectives** in forming a partnership. What are you trying to achieve, and how will you explain that?
  1. Think about partnership as a process of forming relationships to do things, not just a structure.
  2. Check if you really need a partnership rather than a network, or other alliance.
  3. Find out what is already happening in the area, who's who, and who might be a partner or involved in other ways.
- Before approaching potential partners, make sure you have support and **agreement within your own organisation** about working with others.
- **Identify the stakeholders** - the key interests who can help or hinder the project or programme - and put yourself in their shoes. Who holds the power?
- Consider who you really need as partners, and who would really want to be a partner. Some stakeholders may simply want to be consulted.
- Make informal contact with partners to find out about their attitudes and interests before putting formal proposals.
- **Set up interim arrangements for decision-making.** Decide the precise structure after you are clear what it is you are trying to achieve. Then develop a partnership agreement or – if appropriate – constitution.
- **Communicate** with your partners in language they will understand, focusing on what they may want to achieve.
  1. Respect the different personality types of those involved, and their different communication styles. Consider and be prepared to use a mix of methods to communicate.



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2. Be prepared to deal with conflict among partners and members of communities. In doing that focus on outcomes and how to get them to overlap.
  3. Look at options. There is usually more than one way of getting what you want to achieve.
  4. Look outwards as well as inwards. Practice the community involvement you may be urging on other organisations!
- **Plan the partnership process** over time. For example, a new organisation may well take a year to set up.
  - Use a range of methods to involve people - workshop sessions as well as formal meetings. Be sociable.
  - **Encourage ideas from your partners.** Ownership leads to commitment.
  - **Be open and honest.**
  - Organise around tasks and projects, with a leader for each task group.
  - Develop a business plan covering projects, core costs and staffing, funding and structure.

## 1.9 Key Issues

Here are some of the key issues and challenges for partnership.

Accountability: Knowing who is answerable to whom. To help clarify consider, Who can stop someone doing something? Whose permission is needed for someone to act? Who pays or holds the budget? Who is responsible to the 'funding organisation'? Does FCW wish to be the accountable partner?

Added value: Partnerships must be adding some value to what is happening already – or there isn't much point in setting it up. Partnerships can outstay their initial purpose, in which case it may be time to plan an exit. (See the lifecycle above).

Confidence: New settings can challenge anyone's confidence... so make sure new partners are welcome, introduced to the way the partnership works, and given training and support where needed. Expect the same if you are engaging with a partnership. Confidence can be undermined by the use of jargon, and a failure to understand different communication styles. Respect differences.

Control: In partnerships this tends to lie with those who have the money, skills and administration or who have strongly held views – however well intentioned they may be in seeking to involve others. For that reason partnerships formed around existing organisations may seem very unequal to other participants. Ways around this include:

- Checking whether 'partnership' is the right label for what is being attempted. Would consultation or contract be more appropriate?
- Being explicit about accountability and terms of reference.

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- Setting up formal partnerships when the aim is to share control.
- Dispersing control by creating a network structure around projects.

Delivery: Partnerships are about delivering projects or activities that benefit those involved, or others in the community. It is tempting to try and jump straight to the action – recognise that work is needed to get agreement on what needs to be done, and how. (See Lifecycle of a partnership.)

Expectations: Conflicts can arise in partnerships because people are looking for different things, and may not understand each other's hopes and expectations. That's one reason why it is important to see partnership as a process of creating a shared vision, building trust, and learning to communicate. (See Lifecycle of a partnership.)

Learning: A main activity for those involved in partnerships should be learning, for instance how to understand and engage with others, how to deal with new challenges. Reflect on whether the way the partnership operates helps everyone concerned learn and develop new skills and ideas.

Ownership: Partnerships work well if those involved feel some commitment, and that comes from being involved in developing the vision, plans and projects. A sense of 'not invented here' kills partnerships, which is why those who 'own' the partnership at the outset will do well to share that stake with others.

Participation: Is used here to describe a process by which individuals, groups and organisations are consulted about or have the opportunity to become actively involved in a project or programme of activity. Partnerships require participation – but not all participation is a partnership.

Power: Issues of power and control are central to the development of partnerships. For example:

- Do all key interests have an equal ability or opportunity to participate in developing in the partnership if they wish?
- Who designs the partnership building process; to whom are they accountable?
- Who sets the timetable and controls the funds?
- Who makes the final decisions?

The rhetoric of 'partnership' can often be used to disempower people. Partnerships should aim to increase the 'power to' of partners – their confidence and ability to participate and deliver - while avoiding imbalances of 'power over' that are unacceptable to some partners.

Representation: The conventional way to address accountability of the partnership is to elect or appoint people from different interest groups to the partnership. However, this may not be enough to ensure the involvement of wider interests, and it may lead to over-large committees or working groups. It is easy for representatives to become just tokens.

Resources: Are more than money. In starting or running a partnership look for other groups that may be prepared to share premises, equipment, staff, contacts and ideas if there is also

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something in it for them. One of the main reasons for partnerships is to reduce the need for new resources.

Structure: In forming a partnership, there may be a temptation to look for a model constitution, and to think that in agreeing membership, committees, procedures and legal formalities you have created a partnership. These arrangements may be necessary – but the precise structure should be designed to fit the purpose of the partnership. Set up some interim arrangements for decision-making while you work this out, and consider whether you need a new organisation or whether written agreements between partners will be enough.

Time-scale: Partnerships almost always take longer than you think – so draw up a timeline reflecting the lifecycle (see above), mark out the different tasks, see what has to happen before what, and put some dates along the line.

Trust: The heart of partnership working is building relationships and trust. That takes time and more than formal meetings. Work on projects together, however small; socialise; share ideas; be open and honest with your partners; put yourself in their shoes and try and help them achieve what they want.

Values: Together with trust, values are key elements in building the relationship essential for successful partnerships. Values are statements of what we consider important. Since they may be emotive, political, and difficult to express, they are frequently hidden. In groups, where there may be underlying differences of values it is often most productive to concentrate first on what there is in common by discussing outcomes – what you would like to happen at the end of the day – and how you can get there.

## 2.0 Example agreements and templates

Within this paper the following links have been given to two partnership agreement examples:

1. Memorandum of Understanding between FC, EA, Natural England and other Agencies
2. Partnership Agreement for the Provision of Additional Police Community Support Officers to FCW

And five papers that provide additional information and background reading:

3. Definitions for Working with Others diagram
4. Audit Commission, A Fruitful Partnership
5. Lloyds TSB, Learning guide 3, Working in Partnership
6. Extract from External Funding Fact File, part of the Money Matters Suite of Guidance

In addition attached are 2 partnership templates:

7. Partnership Template Agreement
8. Community Management Agreement,

Plus

9. Community Projects Guidance and procedure

# Appendices

## 1. Memorandum of Understanding between FC, EA, Natural England and other Agencies



## 2. Support Officers (PCSO) To The Forestry Commission Wales



## 3. Definitions

**1. A Joint Project** will have all or some of these in common:

- Joint decision making throughout life of agreement.
- Common aims and objectives.
- Access infrastructure built with management liabilities post-agreement completion/collapse.
- Pooling of resources

### **2. A Commercial Arrangement**

A contractual agreement between two parties involving the production of goods with intellectual property or services and is engaged in the endeavour for commercial gain.

### **3. A Partnership Agreement**

A voluntary contract between two or more competent individuals to place their money, effects, labour, and skills in business with the understanding that there will be a sharing of the profits and losses between/among them.

Example:

### **4. A Joint Venture**

A contractual agreement joining together two or more parties/companies for the purpose of executing a particular business undertaking. All parties agree to share in the profits and losses of the enterprise.

Example: Forest Holidays Hyperlink

<http://alpacorn.forestry.gov.uk:7777/pls/portal/docs/PAGE/ECONNECT/FC%20WALES/ESTATES/FOREST%20HOLIDAYS%20NEWS.PDF>

### **5. Third Party working**

Any person other than a direct employee of the Forestry Commission. This will include volunteers, partnership staff where they are employees of the partner, Council staff, contractors etc.

### **6. A Concordat/Memorandum of Understanding/Statement of Intent**

A declaration of intent or promise between bodies or code of behaviour. Setting out how they will work together to achieve joint objectives.

They are generally recognised as binding, even if no legal claim could be based on the rights and obligations laid down in them. To be legally operative, it must (1) identify the contracting parties, (2) spell out the subject matter of the agreement and its objectives, (3) summarise the essential terms of the agreement, and (4) must be signed by the contracting parties.

Please see note 1 for critical additional information

Examples British Horse Society Concordat Hyperlink

<http://alpacorn.forestry.gov.uk:7777/pls/portal/docs/PAGE/ECONNECT/FC%20WALES/ESTATES/HORSE%20CONCORDAT.DOC>

Kennel Club Concordat Hyperlink

<http://alpacorn.forestry.gov.uk:7777/pls/portal/docs/PAGE/ECONNECT/FC%20WALES/ESTATES/KENNEL%20CLUB-FC%20LEAFLEL%20FINAL1.PDF>

## **7. A Community Group**

A group of people who come together to pursue a common cause or interest for the good of their community. This community can be a geographic area or a shared area of interest. They are often run by volunteers, manage themselves and, although they don't necessarily have to have a management committee or set of rules/constitution, many do.

## **8. A Community Management Agreement**

A formal agreement for a fixed duration between the voluntary or community sector and FCW, for non commercial projects to be undertaken on FCW land that involve carrying out specific physical works.

For this to take place, the community/voluntary group must have a formal constitution. Case studies of projects are contained in working with communities' booklet (hyperlink).

Types of projects that have used CMA's have included, community trails & infrastructure, arts projects, training schemes, habitat improvements

Please see note 1 for critical additional information

Example of a completed template

<http://alpacorn.forestry.gov.uk:7777/pls/portal/docs/PAGE/ECONNECT/FC%20WALES/ESTATES/PENYRENGLYN%20WOOD%20COMMUNITY%20MANAGEMENT%20AGREEMENT.DOC>

Template Hyperlink

<http://alpacorn.forestry.gov.uk:7777/pls/portal/docs/PAGE/ECONNECT/FC%20WALES/ESTATES/COMMUNITY%20MANAGEMENT%20AGREEMENT%20VERSION5%20DEC%202007.DOC>

## **9. A Trust**

An organisation that acts as a trustee or agent for individuals and businesses in the administration of trust funds, estates and custodial arrangements.

Please see note 1 for critical additional information

Example: Forest of Dean Sculpture Trust Hyperlink

<http://alpacorn.forestry.gov.uk:7777/pls/portal/docs/PAGE/ECONNECT/FC%20WALES/ESTATES/TRUST%20DEED.PDF>

## **10. Public Sector Procedural Agreement**

A formal agreement between any public sector organisation and FCW, to enable joint working, to define any arrangements for the routine management or maintenance of

facilities on land belonging to the other party and/or shared employment of staff. The agreement may or may not be time bounded but will be subject to formal review.

Please see note 1 for critical additional information

Example Caerphilly Mountain Bike Agreement Hyperlink

<http://alpacorn.forestry.gov.uk:7777/pls/portal/docs/PAGE/ECONNECT/FC%20WALES/ESTATES/CWMCARN%20PROTOCOL%20MOUNTAIN%20BIKING%20JULY%2007.DOC>

Public Sector Procedural Agreement Template Hyperlink

<http://alpacorn.forestry.gov.uk:7777/pls/portal/docs/PAGE/ECONNECT/FC%20WALES/ESTATES/PUBLIC%20SECTOR%20PROCEDURAL%20AGREEMENT%20HEADINGS.DOC>

## **11. A Lease/Tenancy**

An oral or written agreement between two people concerning the sole use by one of the property of the other. A person can lease real estate (buildings, land etc) or personal property (boat, car etc). A lease should cover basic issues such as when the lease begins and ends, the rent or other costs, how payments should be made and any restrictions on usage. The property owner is often called the landlord or lessor and the person using the property is called the tenant or lessee.

## **12. A Contract**

An agreement between persons, which obliges each party to do or not to do a certain thing. Its essentials are; competent parties, an offer, and an acceptance of that offer and consideration.

## **13. A Permission/License**

A special permission to do something on, or with, somebody else's property which, were it not for the license, could be legally prevented or give rise to legal action in tort or trespass. Unless supported by a contract, a license is revocable at will.

## **14. A Sponsorship Agreement**

A business deal between two or more parties in which one party meets all or part of the costs of the project or activity in exchange for commercial benefit.

## **15. An Easement**

A right of passage over a neighbour's land or waterway. Easements are most commonly used to grant a right of way, or for rights to dig under another's land or pass above land with cables, pipelines etc.

## **16. A Franchise**

A form of business organisation in which a firm that already has a successful product or service (the franchiser) enters into a continuing contractual relationship with other

businesses (franchisees) operating under the franchiser's trade name and usually with the franchiser's guidance, in exchange for a fee.

## **17. Public Sector Management Agreement**

A formal agreement for a fixed duration between any public sector organisation and FCW, for non-commercial projects to be undertaken on FCW land that involve carrying out specific physical works. For example, a RAF crash team has been carrying out improvement to roadside verges by removing scrub and small trees.

Please see note 1 for critical additional information

Example – Pen y Pigyn Management Agreement Hyperlink

<http://alpacorn.forestry.gov.uk:7777/pls/portal/docs/PAGE/ECONNECT/FC%20WALES/ESTATES/PEN%20Y%20PIGYN%20%20MANAGEMENT%20AGREEMENT.DOC>

Public Sector Management Agreement Template Hyperlink

<http://alpacorn.forestry.gov.uk:7777/pls/portal/docs/PAGE/ECONNECT/FC%20WALES/ESTATES/PUBLIC%20SECTOR%20MANAGEMENT%20AGREEMENT%20VERSION1%20FEB%202008.DOC>

## **18. Volunteer Permission**

This permission should be used where the activity is a one-off or of short duration and therefore where a Community Management Agreement is unsuitable.

Volunteer Permission Template Hyperlink

<http://alpacorn.forestry.gov.uk:7777/pls/portal/docs/PAGE/ECONNECT/FC%20WALES/ESTATES/VOLUNTEER%20PERMISSION.DOC>

### **NOTE 1**

- a. Are financial transactions involved e.g. collection of car parking monies? If yes, a formal contract to cover this aspect should be included.
- b. Is exclusive occupation of a building or land involved? If yes, a formal lease or tenancy to cover this aspect should be included.



## 4. Audit Commission – A Fruitful Partnership



"4 Audit Commission  
A Fruitful Partnership"

## 5. Lloyds TSB Working in Partnership



"5 Lloyds TSB  
Working in Partnership"

## 6. External Funding Fact File



"6 External Funding  
Fact extract.pdf"

## 7. Agreement for Project Partners concerning the partnership for the implementation of the XXX project.



"Agreement for  
Project Partners conc

## 8. Community Management Agreement.



"Community  
Management Agreeme

## 9. Forest District Community Projects Guidance and Procedure



"Forest District  
Community Projects (

## CYDCOED INSPECTIONS

### Purpose

The purpose of this paper is to establish a method by which Cydcoed Schemes would be selected for inspection and the use of the inspection reporting form (FM13 – Cydcoed Inspection Report).

### Background

Cydcoed (Woods for All) was a £16M, seven year Forestry Commission Wales grant programme funding community groups in European Objective One Wales to use woodland for community development - promoting recreation, learning and conservation; safeguarding and creating jobs; developing community enterprise; improving existing woods; and creating new woods.

The scheme is now closed to new applications. However there is a requirement to inspect the 122 cases that were approved under this scheme. The number and frequency of inspections can vary from case to case. The range is from a single inspection to 9 inspections between 2008 and 2026 – generally the higher the financial input the greater and more frequent the inspections. On average a case will have 4 inspections over an 8 year period.

### Proposal

Each of the cases has been placed into a risk category depending upon the value of the case:

High Risk = cases that involved land purchase.

Medium Risk = cases receiving £100k or more.

Low Risk = cases receiving less than £100k.

The inspection timetable must take into account the risk associated to each case – a high risk case will be inspected every other year during the life of the case, a medium risk case will be inspected twice and a low risk case once. The table below set out the inspection timetable, which will start in 2009.

Year	Inspection Risk			Total Inspections
	High	Medium	Low	
2009	8	-	-	8
2010	2	13	2	17
2011	7	23	-	30
2012	2	2	23	27
2013	6	2	20	28
2014	3	12	11	26
2015	6	11	5	22
2016	2	14	6	22



2017	5	-	-	5
2018	2	-	-	2
2019	5	-	-	5
2020	2	-	-	2
2021	5	-	-	5
2022	1	-	-	1
2023	2	-	-	2
2024	4	-	-	4
2025	1	-	1	1
2026	2	-	1	3

*Risk based inspection timetable*

At the start of each year a list of all the cases due for inspection that year would be identified from the spreadsheet of inspection dates. Sections 1,2 and 3 of part 1 together with section 5 of part 2 of the FM13 (Cydcoed Inspection Report) would be completed and sent, with a copy of the map, to the relevant WOS ready for inspection. The WOS would have until December of that year to complete and return the FM13.

On receipt of the completed FM13 the report would be filed with the rest of the Cydcoed information on the Aberystwyth server. Any failed inspections would be referred to the Ops Manager for consideration. A list of all the Cydcoed cases and their inspection years, by risk, is in appendix 2.

The adoption of the system outlined above would ensure that all cases would have an inspection based upon their risk. Inspections in the high or medium risk would have at least 2 inspections, low risk cases would have a single inspection.

Appendix 1.



# FM13 - Cyd Coed Inspection Report

## Part 1 – General details

When inspecting Cyd Coed funded schemes, you must ensure that the work noted in the Cyd Coed contract is reported. You should not use this form to make general comments on the property

1. Property Name:  2. Cyd Coed Ref N°.:   
 3. Name of Inspector:  4. Date of Inspection:

## Part 2 – Operational Results

This section must be complete for each item to be inspected.

5. Description of work (as per Table 3).	6. Additional clarification of work	7. Inspection result	8. Additional notes specific to work inspected. (do not use this to provide general comments on the site)	10. Map (if failed)	11. Photo (if failed)
				<input type="checkbox"/>	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>
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				<input type="checkbox"/>	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>



## Cydcoed Projects - High Risk Inspection Program

GIS No.	PROJECT NAME	Inspection Years																
		2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
4	Troserch Woods		#		#		#		#		#		#		#			#
9	Coed Tyllwyd		#		#		#		#		#		#		#			
23	Allt Llwyn Dyfrion		#		#		#		#		#		#			#		
26	Blaen Bran Community Woodland		#			#												
34	Coedydd Afan Lleiniog Woodlands	#		#		#		#		#		#		#		#		#
71	Ffynone Woodland Environmental	#		#		#		#		#		#						
80	Holyland		#		#		#											
87	Longwood		#		#		#		#		#		#			#		
94	Mount Wood (Pembs.)		#		#		#		#		#		#			#		

## Cydcoed Projects - Medium Risk Inspection Program

Inspection Years

GIS No.	PROJECT NAME	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
2	Penbryn Community Woodland	#				#												
8	Tonna Bank & Aberdulais Woods	#			#													
18	Parc Cwm Darran		#					#										
19	Upper Sirhowy		#					#										
24	Beaufort Hill Community Woodland		#				#											
29	Cam Nesaf	#				#												
30	Coed Bryn Meurig	#				#												
31	Carreglwyd	#				#												
33	Cynllun Coed Abermaw	#					#											
49	Coed Craig Ruperra Woodland		#			#												
52	Coed Temple Druid			#				#										
60	Cwmaman		#					#										
61	Cwmcarn & Abercarn Woodland Cons.		#			#												
63	Cwmfelin		#					#										
65	Cwm Rhaeadr		#			#												
67	Cynllun Coed Pwllhelli	#					#											
68	Dowlais Cwm Community Woodland		#					#										

69	Ecodyscu Ecolearn		#			#												
70	Fedw Hir Woodland		#			#												
73	Gilfach Goch		#			#												
74	Glan Morfa Rhyl			#		#												
75	Gorseinon		#					#										
77	Gwendraeth																	
79	Hilltop		#					#										
81	Khartoum Tip		#					#										
86	Llynonn Woodland Centre	#				#												
88	Lower Lynfi		#					#										
89	Maerdy New Community		#					#										
91	Menter Bro Machno	#				#												
95	Mumbles Woodland		#					#										
98	North Gower		#					#										
101	Parc Nant-y-Waun Community Wood		#					#										
107	PLTRA		#					#										
108	Pontygwaith Nature Reserve	#			#													
109	Prestatyn	#						#										
112	Seaside		#					#										
113	Swansea Community							#										



114	Tredegar Woodland	#				#												
119	Upper Garw Woodlands		#				#											
121	Webber's Pond & Jack Wood	#					#											

## Cydcoed Projects - Low Risk Inspection Program

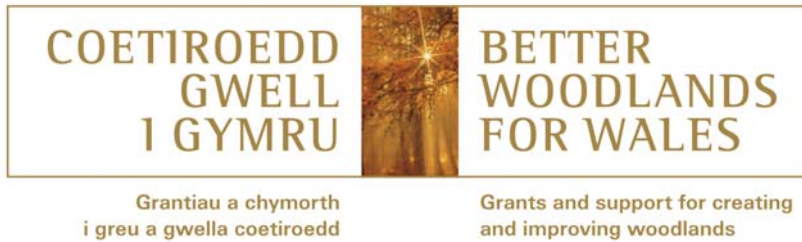
### Inspection Years

GIS No.	PROJECT NAME	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
1	Coedbach Park							#										
3	Wern Woodland Park							#										
5	Coed Nydfwch							#										
6	Ynysmaengwyn			#														
7	Duffryn Woodland Pathway							#										
10	Cynheidre Heritage Project																	#
11	Clegyr Boia					#												
12	Mynediad Agored			#														
13	Cwm Community Woodland			#														
14	Cwm Newyddion				#													
15	Bwlfa Woodlands					#												
16	The Dingle, Colwyn Bay					#												
17	Maesafallen				#													
20	Caerdroia			#														
21	St Paul's					#												

22	Aberkenfig				#													
25	Bettws Nature Reserve				#													
27	Bodlondeb Woods				#													
28	Cae Chwarae Nant Y Glyn				#													
32	Chester Avenue				#													
35	Coed Bach Llangefni			#														
36	Coed Blaenhonddan				#													
37	Coed Ceirw			#														
38	Coed Clase			#														
39	Coed Cwm Lai																	
40	Coedlannau Dolgellau																	#
41	Coed Gwernau				#													
42	Coed Hendrefoilan			#														
43	Coed Knelston																	
44	Coed Llanharan			#														
45	Coed Melin			#														
46	Coed Marros					#												
47	Coed Pennard			#														
48	Coed Penygaer			#														
50	Coedwig Sibrwd			#														
51	Coed Tan Dinas				#													
54	Coed Waunarlwydd				#													
55	Coed Y Werin							#										

56	Coed Ynystawe					#													
57	Croesgoch Woodland Project					#													
58	Crynant			#															
59	Cuckoo Woods																		
62	Cwm Celyn Community Woodlands					#													
66	Cyfarthfa Woodland Classroom					#													
72	Genwern																		
76	Green Walk			#															
78	Hayscastle	#																	
82	Llasgarne			#															
83	Learning Woodland, The					#													
84	Llandre					#													
85	Llangollen Riverside Woodland					#													
90	Maes y Pwll Community Woodland					#													
92	Min Y Don							#											
93	Mir Sufi Centre			#															
96	Neath Abbey Woodland									#									
97	Newbridge Fields Woodland									#									
99	Old Hafodan Woodland	#																	
100	Parc Bryn Bach Forest Camp & School					#													
102	Parciau Mynydd					#													
103	Parc Y Meleniwm							#											
104	Penmaen Centenary Woodland					#													

105	Penmoelallt			#														
106	Plant Natur Woodland				#													
110	Pwlychrochan Woods				#													
111	Ridgeway Loop				#													
115	Trevor Rowson Heritage & Wildlife Park				#													
116	Ty Glyn Woodland Walk			#														
117	Tylorstown					#												
118	Upper Dingle				#													
120	Warren's Way			#														
122	Wilderness Woodland				#													
123	Woodland Endge			#														
124	Mount Wood, Denbigh				#													



# Approach to Grant Claims and Inspections

## Introduction

This note sets out how Forestry Commission Wales (FCW) will determine what schemes will be inspected under Better Woods for Wales (BWW) and how FCW will deal with schemes that fail inspections. The inspection regime used by FCW has been changed to meet current requirements. The main reasons for this are:

- To meet the regulatory requirements of the Rural Development Plan (RDP).
- To ensure selection of cases is based predominantly on risk - an RPD requirement.
- To make best use of the BWW electronic inspections functions.

The new approach to inspections has been designed to take these factors into account and provide a transparent and fair approach. FCW has a responsibility to ensure that Welsh Assembly Government (WAG) and EU funds are properly spent. The inspection regime is a key control that ensures payments are properly made and therefore that the risk of improper use of funds is minimised. EU Regulations and WAG guidance sets out how we must achieve these requirements, and form the basis of this instruction.

## Definitions

A **Formal Inspection** occurs when the Grants and Licences Online System (GLOS) selects a claim for inspection.

**Unintentional failed claim:** work that has been carried out but does not meet BWW specifications.

**Intentional failed claim:** where the work has not been done or has only partially been done.



# Approach to Grant Claims and Inspections

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**Appeal:** A request to review a decision made by Forestry Commission Wales in relation to a Better Woods for Wales contract.

## BWW Processes

### Selecting Claims for Inspection

The selection of claims for inspection has been updated from previous grant schemes to be more robust and transparent. The changes will also enable FCW to meet current EU and WAG requirements.

The Grants and Licences online System (GLOS), based on a random and a risk element, will select BWW claims for formal inspection. FCW will initially aim to formally inspect 5% of all claims each calendar year. The results will be analysed to ensure that the percentage inspected is satisfactory and gives a good indication of what is happening in the field.

### Risk based selection

Claims categorised as 'high risk' will be inspected more regularly than claims categorised as 'low risk'. Risk based selection will apply to 80% of formal inspections. This equates to 4% of the overall population of claims.

Claim value, operation type and owners/ agent recent claim inspection history will be used to populate the risk matrix. GLOS will automatically identify claim value. Operation type will be risk-assessed manually, by Woodland Officers when a case is approved, based on a pre-determined risk factor (high, med or low) for different operation types (see table 1 below).

**Table 1 BWW Operations and risk status**

Operation Group	Risk status
New planting	High
Restocking	High
Tracks & Civil engineering	Medium
Access	Medium
Social (signage & equipment)	Medium
Forest Management	Medium
Environment & conservation	Low
Harvesting (uneconomic thinning/clearfell)	Low
Vegetation management	Low

# Approach to Grant Claims and Inspections

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Owner/agent recent inspection history will be assessed manually by the Operations Support Manager after each inspected claim. All claimants risk status will start as 'low' and will move up or down based on the outcome of inspections.

If an owner/agent's claim fails an inspection their risk status will be increased to 'high risk'. If the next claim is satisfactory the risk will be reduced to medium risk; if the following claim is satisfactory they will revert to low risk. However, if there are two failed inspections one after another, the risk status will be increased to high for the remainder of that 5-year BWW contract period.

The higher the risk the more claims will be inspected. Passed inspections will result in the risk status being lowered.

GLOS develops a matrix based on the above factors to create an 'overall score' for each claim. This will be used to determine a risk category band (high, medium or low). GLOS will then select claims based on the matrix.

## Random inspections

As well as the risk based assessments described above, the G&L online system (GLOS) will randomly select 20% of all formal inspections by value (equates to 1% of the overall population of claims).

## Reported breaches

BWW schemes where irregularities have been reported to FCW by WAG or FCW staff can be assigned 'high risk' status and formally inspected.

## Field Process

There will be clear separation of duties and any FCW officers who have been involved in the preparation of a case will not be involved in formal claim inspections for that case. This will generally be the role of Woodland Officer Support.

## Outcome of Inspections

Formal Inspections without notification are preferred but where the inspecting officer feels there are access or safety issues they can give up to 48 hours notice. The period of notice for a formal inspection given to BWW contract holders will be no greater than 48 hours.

When a claim requires a field inspection, the member of staff will assess the claim against the work as set out in the BWW contract and any relevant BWW business rules and technical specifications. Claims that require inspection will be inspected within 28 days.

# Approach to Grant Claims and Inspections

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The results of BWW claim inspections will be categorised as follows:

- **Pass:** will be used for claims where all the BWW specifications have been met.
- **Passed but deferred:** will be used **only** where the inspector is not satisfied with the quality of the work but where the specifications have been met. Regardless of the inspectors' opinion, this category will not be used for cases where the BWW specifications have not been met. Payment will be made provided that issues are rectified within a reasonable period of time, usually 6 weeks.
- **Failed: penalties apply** (see below), to be used for **all** cases where the work has not been completed and/or the BWW specification has not been met and which are outside the agreed tolerances.

## Tolerances

If FCW have created a mapping or system error that has resulted in a failure then no penalty will be applied. In addition, a tolerance limit of 3% will apply to any claim with operational errors or mapping accuracy errors. This is to allow for minor variations in working specification which do not warrant an amendment.

## Application of penalties

BWW contract holders can only claim for work that is completed as per contract and meets BWW technical specifications and business rules. The claimant takes responsibility on submission that the work is to the correct specification. If a claim is submitted and fails an inspection - the following will apply:

- **Pass:** a penalty will not be applied on a claim for work that has not been completed, if the difference is 3% or less than by value of the claim or there was a mapping/system error created by FCW. Example 1: a fence of 100m is claimed. The eligible grant is £175. Upon inspection – only 96m of fence is present. This represents an over-claim of £5.25 or 3% of claim value, therefore no penalty will apply.
- **Unintentional failed claim:** In these cases we will pay for the completed work minus a penalty equal to the amount of uncompleted work. Example 1: a 10ha site has been planted but the use of poor planting stock has caused failure of 3 ha of planting. We will pay for 4ha of planting (i.e. the 7ha of 'good' planting minus 3ha of 'poor' planting). Example 2: a 100m track claimed, but 20m was washed out. We will pay for 60m of track i.e. 80m of 'good' track minus 20m of 'poor' track.
- **Intentional failed claim:** In these cases no grant will be paid to and the beneficiary will be ineligible to claim any of the same grant type e.g. WIG Social or WIG Environmental grants in the remainder of that calendar year and the following year. You may also be ineligible for other Welsh Assembly Government land based schemes for up to 2 years. Examples of where this would apply are given below.



# Approach to Grant Claims and Inspections

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Example 1: a track with a specification including 100mm of stone has no stone present at time of inspection. Example 2: 300m of fence is claimed but only 250m is present. Example 3: Extensive brush mats have been used so that the site is not fully stocked. Example 4: a track that has been built to the correct length and width but does not include the agreed cross drains, side drains and culverts. Example 5: £10K (by value) of uneconomic thinning work has been claimed but only £8k of work carried out (i.e. £2k over-claim).

A senior officer will first review each case before any application of penalties.

## Post Payment Inspections

After paying BWW claims we will carry out post payment inspections on 1% of all claims based on value. (These are known as Ex post checks).

## Reclaims

Following a post payment inspection, it is found that the work does not meet the specifications for the operation or the quantities claimed from BWW, then we may reclaim all of the grant. Interest will be charged from the date when we notify the beneficiary of our intent to reclaim the grant. A senior officer will review all reclaim cases.

## Senior Officer checks

The BWW system will select 10% of claims that have already been inspected for inspection by an FCW senior officer. This selection will be based on risk/ random selection as described in 3) above. This is essentially an audit check that the actions carried out by the inspecting officer have been carried out competently. We will reclaim and/or apply penalties if schemes have failed.

## Appeals process

Should a beneficiary feel that a penalty has been incorrectly applied to their claim for support from Better Woodlands for Wales (BWW) then they have access to the Department for Rural Affairs and Heritage Independent Appeals Process. This process considers appeals against decisions taken by Officials in Forestry Commission Wales (FCW) relating to grants.

This process is intended to ensure that beneficiaries who consider that Officials did not reach the correct decision on any matter relating to grants have access to a fair and independent appeals procedure. Decisions will be reviewed to ensure that officials have been objective and have applied the rules correctly in reaching their decision.

This process was established under regulation 3 of the '*Agricultural Subsidies and Grants Schemes (Appeals) (Wales) Regulations 2006*' (S.I 2006/3342 (W.303)).

# Approach to Grant Claims and Inspections

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The process consists of two stages:

1. Review by Officials within the group responsible for administering the scheme and agreed by a senior official.

If the appellant does not agree with the findings from Stage 1 then they can proceed to Stage 2;

2. Review by an Independent Panel (which makes recommendations to the Minister for Rural Affairs and Heritage), who in turn takes the final decision to conclude the process.

**The review by Officials (Stage 1) must take place before consideration by an Independent Appeals Panel (Stage 2).**

The role of the Independent Appeals Panel is to:

- Make a report of their conclusions in relation to appeals submitted to them, and;
- Make recommendations to the Minister for Rural Affairs and Heritage concerning those appeals.

Access to the appeals process is via the FCW G&R Operations Office at Clawdd Newydd (Clawdd Newydd, Ruthin, Denbighshire, LL15 2NL, Tel: 0845 604 0845 Fax: 01824 750483, E-mail: [con.nw@forestry.gov.uk](mailto:con.nw@forestry.gov.uk)). An appeal must be received within 60 days of notification of the decision. FCW will then send you the appeals form for completion. This will be acknowledged with stage 1 commencing immediately.

In cases where FC Wales receives an appeal request, the original calculation of interest will be suspended from that date pending either the outcome of the 2 stage appeals process or until such time as the beneficiary accepts liability.

<b>Public Accounts Committee Report</b>	<b>Operations of the Forestry Commission Wales</b>	<b>Annex 5</b>
	<b>25 March 2009</b>	

No.	Recommendation	Status	Target date
3	<p><b>We recommend that FCW adopts a longer term and proactive approach to managing its resources by:</b></p> <p><b>a. developing medium-term corporate Business and Financial Plans linked to the corporate strategy, with a particular focus on wider income generation opportunities beyond timber sales;</b></p> <p><b>b. strengthening controls in procurement;</b></p> <p><b>c. compiling a medium-term capital programme linked to a corporate Asset Management Plan/Strategy; and</b></p> <p><b>d. setting up a mechanism to review the effectiveness of its revised business processes on an ongoing basis.</b></p>	<p>FCW is committed to moving beyond the three year resource planning cycle currently aligned to Government Spending Reviews to longer term planning. The new corporate plan already provides longer-term targets through the development of a “Where to we want to get to by 2025” section in its corporate plan performance measures and over the next financial year work will progress on planning the resource requirements to achieve these targets.</p> <p>Further detail on how the individual elements of the recommendation will be met is as follows:</p> <p>a. FCW has already provided a first draft alignment of its business plan to the corporate programmes and work has commenced on a revision of its core accounts structure to provide direct alignment between expenditure and the new corporate programmes.</p> <p>FCW has been working hard over the years to maximise its income generation capacity within a framework of its wider objectives and has benefited from actively pursuing European Union (EU) funding</p>	<p>Discharged 03/10.</p> <p>Discharged 07/10. WEBS 11 officially</p>

No.	Recommendation	Status	Target date
		<p>to launch, and continue, the Wood Energy Business Scheme (WEBS) designed to promote an active biomass market in Wales. FCW has been able to utilise this additional source of funding for policy delivery.</p> <p>FCW is also playing a key role in the implementation of the Assembly Government's targets for the promotion of renewable energy through its management of the large wind-farm programme on Assembly Government owned land. This is currently securing around £3 million per annum of additional income for the Assembly Government's budget.</p> <p>FCW will continue to look to widen its income generating capacity within the parameters of the Wales Woodland Strategy.</p> <p>b. FCW has established a procurement team which is working closely with Value Wales. This will ensure</p>	<p>launched by Minster for Rural Affairs 25/2/2010</p> <p>FCW Wind Energy Programme is a key strand of WAG's sustainable energy agenda, and will be ongoing over the next 25 years. Discharged 07/10</p> <p>FCW's review of opportunities will be part of the Natural Environment Framework review. Discharged 07/10</p> <p>Discharged 06/09</p>

No.	Recommendation	Status	Target date
		<p>it is legally compliant in this area and will also assist it in achieving best value for the public purse. FCW has already benefited from being included in the Assembly Government's framework agreement for the provision of legal services and is currently investigating the potential for similar arrangements in the area of communications and Welsh language translation.</p> <p>c. FCW has a strong local forest design plan process to ensure the Assembly Government owned woodland estate is properly reviewed to ensure it delivers the multiple benefits required by the woodland strategy. However, in order to clearly establish the future strategic purpose of the public woodland estate, The FCW is currently developing the parameters for a study into its optimal role to ensure this significant portion of the woodlands in Wales is fully utilised to deliver its share of the outcomes described in the strategy.</p> <p>FCW is also now in the process of reviewing its buildings and machinery holdings. This will result in a long term asset management strategy and plan and an investment plan being incorporated into the next round of business planning.</p> <p>d. FCW is subject to regular scrutiny through its internal audit processes and by the WAO which will continue to ensure that the revised business processes are proving effective.</p>	<p>Research Project reported to the Minister September 2010 Discharged 09/10</p> <p>Discharged 11/09</p> <p>Discharged 06/09</p>
5(a)	<b>To address the funding mechanism:</b>	i) The position has been reviewed, and a new	Discharged

No.	Recommendation	Status	Target date
	<p><b>i) the Assembly Government should review the funding mechanism for FCW, in particular FCW's ability to hold reserves, whilst also ensuring that providing additional flexibility for FCW does not disproportionately affect other departments;</b></p> <p><b>ii) FCW and the Assembly Government should agree a long-term strategy to reposition the forest estate; the Assembly Government should consider allowing FCW to hold capital reserves to utilise receipts from sales of surplus woodlands over a longer timescale.</b></p>	<p>funding regime agreed whereby amounts generated from the sale of timber which have not been expended at the end of the year can be retained and carried forward to the next financial year, up to a limit of 20% of the actual level of timber sales income. In 2008/09, this equated to some £2.5m. As part of these arrangements, the Welsh Assembly Government reserves the right to review the level of contribution it makes to FCW on an ongoing basis – to ensure that resources are being used to the best effect across the Rural Affairs MEG. This will be subject to full discussion with FCW. In addition, the level of funding will continue to be reviewed from year to year, taking account of the priorities and pressures on the MEG, and the trading position of FCW.</p> <p><b>ii)</b> As described in the response to recommendation (iii) c FCW has begun work on a study of the public woodland estate to consider repositioning the forest estate. FCW will put a range of options to the Minister for RA who will then decide how she wishes to take this matter forward.</p>	<p>06/09</p> <p>Research Project reported to the Minister September 2010 Discharged 09/10</p>
5(b)	<p><b>To address the global economic challenges FCW should:</b></p> <p><b>i. pursue opportunities to diversify its income streams to accommodate falling income from timber sales;</b></p> <p><b>ii. maintain effective means of</b></p>	<p><b>i)</b> Our view is that the objective here should be to maximise the income generation potential from the assets available and within the parameters of FCW's wider objectives rather than diversification as an objective in itself. FCW has already broadened its income generation through its involvement in the wind-farm programme, the promotion of Bio-fuels</p>	<p>Ongoing with areas such as management of Visitor Centres and agreements with new</p>

No.	Recommendation	Status	Target date
	<p><b>communicating with its commercial timber customers, particularly as regards timber production forecasts and demand for timber;</b></p> <p><b>iii. develop sophisticated risk management arrangements to identify both opportunities and threats arising from the current economic climate, including scenario planning and sensitivity analysis.</b></p>	<p>and in accessing EU funding Whilst a study into the optimal role of the Assembly woodland estate might offer further opportunities, experience suggests that optimal management of assets takes time and can require up front investment to which it currently has limited access. The current economic conditions allow little in the way of opportunities to invest but FCW will continue to seek out opportunities wherever possible without diverting scarce resources away from the delivery of its corporate programmes.</p> <p>ii) FCW will maintain its current effective communications with the timber trade in Wales through its hosting of timber trade liaison meetings and meetings with individual customers as required.</p> <p>iii) Through sympathetic management of contracted commitments FCW are providing support to the forestry sector in assisting them through this difficult period. A package of measures including extensions to existing contracts, negotiating changes to payment profiles, enabling customers to work high value contracts early to improve their cash flow and flexibility in contract uplift to overcome the reduced demand caused by the downturn in construction and manufacturing is in place.</p>	<p>outdoor activity providers being taken forward.</p> <p>Discharged 06/09</p> <p>Comms maintained through regular trade meetings and specific help given as required. Discharged 07/10</p> <p>Discharged 11/09</p>

No.	Recommendation	Status	Target date
		<p>In addition to this, the FCW central procurement team is closely monitoring the activities of all our small and medium sized customers at a UK level to identify trends in these business that might indicate the need for us to provide support to them and also to inform our assessment of the way in which the sector will change as a result of this downturn.</p> <p>In order to properly consider this changing market scenario FCW has also established a project to consider its harvesting and marketing strategy and in particular the amount of its timber production marketed as standing sales, or as felled, round material. This is a key factor in enabling forestry business to respond flexibly to the changes brought about by the economic downturn as well as preparing them for the different management objectives that will result from the implementation of the recently revised woodland strategy and FCW corporate plan that will alter the way forestry businesses operate in the future.</p> <p>FCW will continue to build on these techniques and is working closely with the UK Forest Products Association and the Confederation of Forest Industries, who represent the majority of wood based businesses, to ensure that it remains aware of changes in the sector and is able to provide support when required to ensure these businesses remain robust and competitive.</p> <p>In addition to the short to medium term work already</p>	<p>Discharged 11/09</p> <p>FCW continues to work closely with industry groups Discharged 07/10</p> <p>Discharged</p>



No.	Recommendation	Status	Target date
		<p>undertaken to mitigate risks associated with the current economic downturn we are in the process of reviewing our entire suite of Risk Management processes including governance.</p> <p>The existing Corporate Risk Register is currently being realigned to the Corporate Programmes and Performance Measures contained in the FCW Corporate Plan. This will be the focus of the FCW Management Board. In addition individual risk registers relating to operational business streams that are integral to achieving Corporate Programmes and Performance Measures will be developed and reviewed regularly through the appropriate management level within FCW.</p>	<p>11/09</p> <p>Discharged 11/09</p>