

**National Assembly for Wales
Environment and Sustainability Committee
NRW 2015 – 93
Natural Resources Wales – Annual Scrutiny 2015
Response from UPM Tilhill**



UPM TILHILL

**Environment and Sustainability Committee
Annual Scrutiny of NRW**

UPM Tilhill's interaction with NRW is extensive but confined mainly to Forestry activity as both a customer and supplier to NRW throughout Wales and as an organisation whose activities are regulated by NRW. As a customer we are buyers of timber from the Welsh Government Estate (WGE) managed by NRW and users of Grants and Regulation services. As a supplier we undertake a range of Forestry based contract activity. Such exposure to NRW in differing capacities does we think give UPM Tilhill a unique insight into Forestry activity within NRW

UPM Tilhill recognise the positive steps taken within NRW to engage with the Private Sector in general and UPM Tilhill in particular. We welcome regular access to Senior NRW staff to meet with the Private Sector and with UPM Tilhill. The willingness to listen to our concerns is encouraging. We recognise the positive action Wales Harvesting and Marketing (WHaM) within NRW have taken to ensure that the customers' requirements are met. This has included establishment of a working group to discuss contract performance and the annual customer liaison meeting. Productive customer level meetings have also been held in order to resolve contract level issues. Although there are still contractual issues to be resolved there is now a clear line of communication between the customer and NRW.

UPM Tilhill recognise that the policy not to advertise vacancies outside of NRW is very restrictive. This restriction means that vacancies take time to be filled and can be taken up by inexperienced staff and especially staff lacking in Forestry experience. This delay often results in harvesting contracts taking longer to progress due to the workload on existing staff and in overly strict interpretation of "rules and regulation" where in the past experienced individuals were able to exercise their own judgement.

As an industry we need to promote the benefits of a Forestry career and NRW should be pivotal to this in order to attract new entrants. Forestry students within Wales do not currently have an opportunity to apply for a career with NRW which we believe to be counterproductive to the future of the industry in Wales. This has the potential to deepen the gulf between the state organisation with a "diluted" Forestry experience and the Private Sector who continue to recruit Forestry staff with the necessary competencies.

Is it good for the future of NRW to restrict qualified applicants from outside the organisation to apply for vacancies? We do not think it is.

A member of the UPM Group

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The Civil Engineering element of the harvesting operations within NRW is an issue. Contracts are often 'On Stop' due to either the lack of resources or misunderstanding of the requirements from the Civil Engineering Department. This delay in repairing roads or even constructing internal infrastructure causes unplanned shortage of timber to both the sawmill and adds cost to the general harvesting operation. As previously mentioned, UPM Tilhill recognise the positive moves made by NRW in relation to contract management but immediate attention should be given to the Civil Engineering department to ensure contract obligations are met.

UPM Tilhill welcome the initiative put in place in partnership with Local Authorities and the Private Sector to allow use of WGE Forest Roads by the Private Sector to reduce the impact of timber traffic on fragile rural roads and communities. This is an example of all parties working together and NRW using the WGE for the tangible benefit of local communities. The continued development of such initiatives would be very welcome.

UPM Tilhill welcome the move towards Civil Sanctions as a way of managing relatively minor unauthorised felling. We welcome the apparent recognition within NRW that a "heavy handed" approach is not conducive to managing the Private Sector Estate. We also believe NRW need to be seen to be even handed in how they apply regulation to the WGE

UPM Tilhill are long-time supporters of the WG Strategy "Woodlands for Wales" but we remain concerned in the way it is being interpreted by NRW. Support for WfW Wales is based on a balanced approach and our concern is that elements are being pursued in an uneven fashion when the strategy is that certain actions can only be taken if compensated for elsewhere. This one-sided approach has the potential to undermine the consensus status of WfW. It is not always clear what actions are being taken on behalf of WG and what is simply an NRW agenda?

We have concerns that there is not a level playing field between the Private Sector and NRW when it comes to forest management. This is a concern because NRW compete with the Private Sector in timber production but operate under a different regulatory regime. In particular the WGE is managed under long term Forest Design Plans (FDP) which provide approval for felling for 5 years with options for amendments within that time. The Private Sector has no such long term approval and requires to apply for a Felling Licence for each felling or thinning operation. One area where this 5 year approval is likely to prove contentious is in acid sensitive catchments where there are limits on the amount of felling which can be undertaken within fixed periods. If NRW have the advantage of longer term approvals than the Private Sector they have the potential to prevent or delay Private Sector felling and give themselves an unfair advantage. This issue could be overcome by giving Private Sector plans certified as complying with the UK Woodland Assurance Standard (UKWAS) similar status to NRW's own FDPs? This is an example of the perception that NRW don't play by the same rules and we believe addressing this issue would greatly improve their image.

In summary although issues remain to be overcome, and we are only too aware that some of these are out with the control of NRW, we are very encouraged by the willingness to engage at all levels with the

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Private Forestry Sector to try and find solutions and we look forward to continuing work with NRW to secure a sustainable future for the Forestry Sector in Wales for the benefit of all

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