

Cynulliad Cenedlaethol Cymru
Y Pwyllgor Amgylchedd a Chynaliadwyedd
NRW 2015 – 53
Cyfoeth Naturiol Cymru – Craffu Cyffredinol 2015
Ymateb gan Roger Cooper (Saesneg Yn Unig)

1. I wish to draw the Committee's attention to the lack of sufficiently detailed financial information on NRW's forestry activities and particularly its management of the Welsh Government Woodland Estate (WGWE). These comments draw partly on my experience as a non-executive member of the FCW National Committee from 2007- 2013.
2. The WGWE is a major commercial asset and source of income to NRW and Wales. It is vitally important that the public is able to judge whether NRW's management of this resource is yielding good value for money. My view is that the information currently available makes it impossible for interested parties to reach an informed judgement on this. The only financial information in the Annual Report and Accounts for 2013/14 attributable specifically to forestry activities is as follows:
Income: Table 6: Income analysis.
Timber Income £13 million.
Expenditure: Table 5 Other expenditure
Timber harvesting, marketing and restocking £6.8m
Forest roads £2.8 m
Other forestry costs £0.3m
There is little additional financial information specific to forestry in the business plan, the corporate plan and the publicly available papers presented to the NRW Board.
3. I believe NRW should publish more detailed information on its income and expenditure attributable to its commercial forestry activities. This could possibly take the form of appendices to the Annual Report and Accounts. I believe this would increase public confidence that NRW's management of the WGWE was providing good value for money. It could be argued that NRW's commercial forestry activities should be seen as a profit centre within the organisation and that the annual profit/loss on the operations on the estate should be published based on a full assessment of the income and expenditure attributable to the estate.
Listed below are suggestions of the information that should be published annually.
4. **Income attributable to the WGWE**
Information should be provided for both timber and non-timber income.
The **timber income and volume** figures should be broken down by:
 - a. NRW administrative areas,
 - b. clear fell/thinnings for standing sales,
 - c. product mix for direct production,
 - d. point of sale(standing, roadside, delivered)
 - e. species.
 - f. type of market (sawmills, board mills, energy)Figures for **non-timber** income should include:
 - g. recreation income (e.g. mountain biking, car rallying)
 - h. rental income from leisure companies based on the WGWE and income from NRW visitor centres
 - i. renewable energy income from projects on the WGWE (e.g. wind and hydro)

5. Expenditure on the WGWE

The figure currently shown for timber harvesting, marketing and restocking (£6.8m) should be disaggregated into the three components and further broken down to show:

- a. costs and volumes of timber harvested by type of harvesting (e.g. timber harvester, wire rope), size of coupe, timber size
- b. costs of marketing for standing and felled timber sales
- c. costs of restocking by size of restock area, species, post-restock maintenance

Other expenditure related to the WGWE which needs to be identified includes:

- d. costs of forest management. These costs are presumably aggregated in other figures in the accounts but key costs need to be identified separately. (e.g. costs of tree health, fencing)
- e. costs of managing the licencing system for forestry, including EIA's
- f. costs of the "habitat creation programme" on the WGWE if applicable
- g. costs of running forest based leisure activities (e.g biking, visitor centres)
- h. forest road costs
- i. staff costs attributable to commercial forestry activities.

Roger Cooper

9th April 2015