

To: All FBU Staff

## **Forestry Business Unit (FBU) Review Briefing Note 5**

1. On 23 June 2010 the EB accepted in principle the recommendations of the Jarrah Report regarding the MES workshops and fleet management and asked for further investigation into market outsourcing to be carried out.
2. As previously communicated, work has been carried out to determine how the MES outsourcing exercise should be structured. Following an analysis of options the MES opportunities have been split into three categories: light vehicles; harvesting/specialist machinery; sundry machinery.
3. The outsourcing exercise for the light vehicle fleet will be progressed through a government-wide OGC procurement framework, which is currently out to tender and due to complete around March 2011. Once the government framework is in place we will then run a mini competition.
4. However given high uncertainty over future Country requirements, last week the EB agreed in principle that the MES function should be split out to the Countries. This will assist Countries with their wider change planning by allowing maximum flexibility for dealing with specific scenarios as they evolve. The expectation, based on initial information, is that this move will simplify Country changes as dictated by each governing body's strategy (DEFRA/WAG/SG).
5. For harvesting and sundry machinery, a devolved but collaborative approach between Countries is considered to be the best solution.
6. The EB has requested further information on the cost implications of this proposal. In requesting this information it is recognised that the MES function provides cost efficiencies across the 3 Countries and that these must be maintained. The way in which these efficiencies are maintained will be discussed once further information has been collated.
7. The proposed change would therefore involve the transfer of all maintenance, workshops and country management, including the management of light vehicles to the Countries. In addition there would be an ongoing requirement for a central team to deliver some core functions.

8. The timescale for these changes needs further consideration and the next step is for further information to be presented to the EB and a full project plan will be developed as part of Workstream 2. This will be shared as early as possible with TU colleagues in and around the FBU Forum. We encourage staff to feed in any comments to their TU representatives, through their line management or directly to myself.

A handwritten signature in black ink, appearing to read 'Frank MacCulloch', with a long horizontal flourish extending to the right.

Frank MacCulloch  
Director Forestry Business Units  
10 November 2010