

5th November 2008

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SCOTTISH CLIMATE CHANGE BILL – FCTU INITIAL RESPONSE

1. Yesterday afternoon Malcolm Crosby, Gordon Donaldson, Allan MacKenzie and I met with Michael Russell, the Scottish Minister, to discuss the implications that the consultation on the Scottish Climate Change Bill might have on Scottish forestry and the wider FC. Although It is not possible to draw any firm conclusions from the scant information available at this stage, our initial view is that the proposals could result in significant job losses for staff within FC Scotland, the Business Units and Shared Services, and I therefore want to report the substance of those discussions back to all staff as quickly as possible.
2. **Leases and Cutting Rights:** The consultation seeks to include a 'forestry amendment' in the bill which will enable the Scottish Government to release capital from the Public Forest Estate and reinvest it elsewhere within its climate change programme. Although the consultation covers a number of areas and seeks views on any other proposals that we might have to increase the forestry sector's contribution to alleviating climate change, the most striking proposal is to 'offer leases or cutting rights' over part of the public forest estate (NFE). We started by asking the Minister what these Rights might look like, and how they differ from the current medium and long-term felling contracts that are currently offered to the industry. The Minister explained that they are proposing to offer commercial investors the Right to manage up to 25% of the most commercially viable parts of the forest estate for the next 75 years, in order to release capital to reinvest in other climate change projects. This Capital Fund could be managed by a not-for-profit trust which would reinvest the money in other climate change projects. It should be noted that although the consultation paper indicates that the fund will be used for woodland creation, this is not guaranteed: the Minister was clear that the fund is ring-fenced for climate change projects and not necessarily forestry related ones. He was equally clear that the Scottish Government has no more money to invest either directly in the NFE or to kick-start the flagging grant scheme. We asked for a copy of the business plan for how the project would deliver capital and benefits over the 75 year period without destroying the income stream which the FC relies on for its other work, but were told that this has not yet been prepared, but would be available 'reasonably soon'.

3. **FC Jobs:** We then clearly asked about the implications for jobs, to which the Minister opined that the plan could be 'good news' and might even create more opportunities for employment. When we challenged this notion he indicated that other parties had suggested to him that were the commercial parts of the PFE managed in a different way then more employment could be created - though he was unfortunately unable to expand on who the other parties are, on what basis they believe that more jobs can be created or how many, what type and where those jobs might be. In relation to jobs the Minister offered three commitments which were:
 - a. a guarantee of no compulsory redundancies,
 - b. that all staff who do not wish to transfer will be given priority to transfer into any suitable vacant posts elsewhere, and
 - c. that any remaining staff would be TUPE-transferred as part of the lease (in other words moved out of the FC to the private management entity).
4. It is clear therefore that whilst there may be some positive elements within these proposals the centre-piece element of leasing the most commercial part of the estate to (probably) foreign investors could change the nature of the forestry sector in Scotland and have a profound impact on many of our jobs. There could also be knock-on effects to other parts of the FC. The immediate onus is on the Minister and FC Senior Managers to flesh out what a plan of this sort might mean: it is all very well speculating both that capital will be released and additional income created but we need to see how this all adds up. It is all very well speculating that jobs may be created, but they need to be much clearer of how this will be done and what type of jobs they might be. Over the next few days we shall circulate information on how we intend to respond to the challenge, to input your views into the consultation, and to seek to influence the outcome of what may come down to a vote in the Scottish Parliament. The Minister has agreed to attend a Q&A session with union members over the next couple of months, and given the potential impact of the proposals it is essential that we all take every opportunity to contribute to this process. We shall be arranging meetings in Scotland to enable all members to discuss the proposals, and will be making maximum use of our website to keep you up to date on what is happening.
5. If you have any immediate thoughts or concerns then please do contact us and we shall do what we can to build your comments into our plans; otherwise we shall circulate further information to members via union reps in the next few days.

Edward Shephard
FCTU Secretary