Cyfoeth Naturiol Cymru
Natural Resources Wales

Timber Marketing Plan for the period 2017-2022

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Executive summary

The forests that make up the Welsh Government's Woodland Estate (WGWE) are a valuable national asset. We look after these forests on behalf of the Welsh Government and in doing so we aim to optimise the wellbeing of people, through managing the forest resources sustainably. Timber from the WGWE directly supports thousands of jobs and contributes millions to the Welsh economy, as well as helping us combat climate change by locking up carbon. We're the largest supplier of certified timber in Wales – the independent 'stamp of approval' of our sustainable forestry practice.

This plan communicates our approach to the harvesting and marketing of timber from the WGWE for the period 2017-22. It builds on the approach taken in 2016/17 where we introduced new conditions for some sales and has been informed by a public consultation exercise in 2015.

As managers of 38% of the Welsh forest resource we currently supply around 60% of the harvested timber volume in Wales, making this plan unique in many ways. All of our forests have long term plans setting out how their nature and character will change over the next 25 to 50 years. Timber harvesting and sales are a crucial part of the forest management cycle allowing us to restructure and shape our future forests. This plan sets out how much timber harvesting (thinning and clearfelling) is intended for the next five years.

We remain committed to supporting our customers and contractors through this period. These changes will allow us to respond to the demanding financial challenges ahead and based on a deepening understanding of the supply chain in Wales we will ensure that we follow a more market sensitive and agile approach to our timber sales programme. Key elements of our Plan for 2017-22:

Our **marketing objectives** remain consistent. We aim to secure the best value from the sale of timber by offering it for sale in a fair, open and transparent way that allows as many customers to compete for it as possible.

We will continue to sell our timber with **Forest Stewardship Council** certification. We are committed to achieving best practice including the **UK Forest Industry Safety Accord**, **UK Forestry Standard** and compliance with **Construction, Design and Management Regulations** and the **Timber Haulage Code of Conduct**. We will continue to work with customers and timber contractors to help protect their safety and livelihoods.

The maximum **level of timber** offered for sale each year will remain at 850,000 cubic metres over-bark standing (m^3 obs). We will continue to offer a "baseline volume" of around 700,000m^3 obs in the form of Direct Production or conventional Standing Sales contracts. Up to a further 150,000m^3 obs will be offered in the form of Standing Sales contracts with special conditions, to be referred to as *Standing Sales Plus* contracts, in which the buyer will be responsible for carrying out their own civil engineering work and restocking clearfelled areas to an agreed specification.

We will honour all existing **Long Term Contracts** (LTCs), but we will not automatically replace them, reducing these commitments to 23% of the volume sold by 2021/22 with open market sales increasing to nearly 77%. Any future growth of LTCs is likely to support thinning and where evidence suggests they would support supply chain investment or our wider marketing objectives and policies in the context of the Sustainable Management of Natural Resources.

Roadside sales will decrease to 280,000m^3 or 32% in 2017/18 in order to give us the headroom to offer up to 150,000m^3 of volume in the form of the new Standing Sales Plus contracts. Roadside sales will tend to be concentrated in areas where we believe we need to retain more control in order to meet our responsibilities. However, we will review progress and reserve the right to alter our roadside versus standing sales balance by +/- 25% throughout the period of the Plan but we will work closely with all our customers to keep them informed of our emerging plans.

We will continue to publish an **annual statement** of commitments and the dates of intended sales events in October before the next 12 months sales year and provide further detail at our annual **Customer Liaison Meeting** to be held in January each year.

Information is set out on **sales events**, **negotiated sales** and also how we will respond to **novel and innovative approaches.** Community woodland groups, social enterprises, new entrants and micro-business will stimulate economic development opportunities. Our *Woodlands and you* / Mynediad scheme encourages those wishing to be involved in the sustainable management of natural resources on the WGWE.

We recognise the importance of woodland management and decisions about the use of timber in reducing Wales' **carbon footprint** and explain how we will use a simple 'carbon hierarchy of use' in our approach.

We explain how we will **manage any change** using a 12 month period of notice unless circumstances beyond our control such as tree disease and severe weather dictate that a shorter period is necessary.

We set out our **customer service standards** and explain how we will tell you about our **performance** in delivering this plan through a set of performance indicators to be published on our website.

1. Introduction

This Timber Marketing Plan (TMP) covers the period 1 April 2017 to 31 March 2022. It replaces the interim Timber Marketing Statement published by Natural Resources Wales (NRW) which runs from 1 April 2016 to 31 March 2017. The purpose of this document is to communicate to our customers and contractors what timber we have available to work (harvesting) and buy (marketing). It is therefore a communication document rather than a policy or strategy document.

The Plan explains our approach to harvesting and marketing of timber from the Welsh Government Woodland Estate (WGWE), which we are responsible for managing on behalf of the Welsh Government (WG). The WGWE represents 38% of the Welsh forest resource and currently 60% of the harvested timber volume, so our TMP is unique in many ways.

The WGWE is managed in accordance with the principle of sustainable forest management. Consistent with our purpose, our aim is to maximise the benefits derived from the sustainable natural resource management of the WGWE, and the harvesting and sale of timber is an important element of our overall approach.

This Plan also helps us to maintain our certification to the UK Woodland Assurance Standard (UKWAS) and deliver against the relevant policy objectives set out in the Welsh Government's 50 year strategy for trees and woodlands in Wales known as '*Woodlands for Wales*'. Additional background information on the relevant policy and legislative background is provided in Annex 1.

2. Our marketing objectives

Our marketing objectives are to:

- Secure best value from the sale of timber by offering it for sale in a fair, open and transparent way;
- Offer timber to the market in ways that allows the greatest practicable number of customers to compete for it and in ways that recognises, where possible, the business needs of our customers;
- Offer timber in ways that supports investment in the whole supply chain, from harvesting through to processing and which focuses on areas where that supply chain is weaker;
- Offer timber in ways that encourage its use to best effect to help Wales' reduce its carbon footprint;
- Sell timber in a way that is more flexible and responsive to market and economic conditions during the period of the Plan;
- Be more transparent about how the WGWE is performing (in relation to harvesting and marketing) and the benefits that are being delivered;
- Be more joined up in our approach so it is clear how we support delivering of Welsh legislation and wider WG priorities (e.g. through our selection of Key Performance Indicators); and to,
- Explore opportunities for more vertical integration to deliver better value for money, i.e. a better relationship between NRW's programmes and the timber supply chain in Wales.

3. Our marketing methods

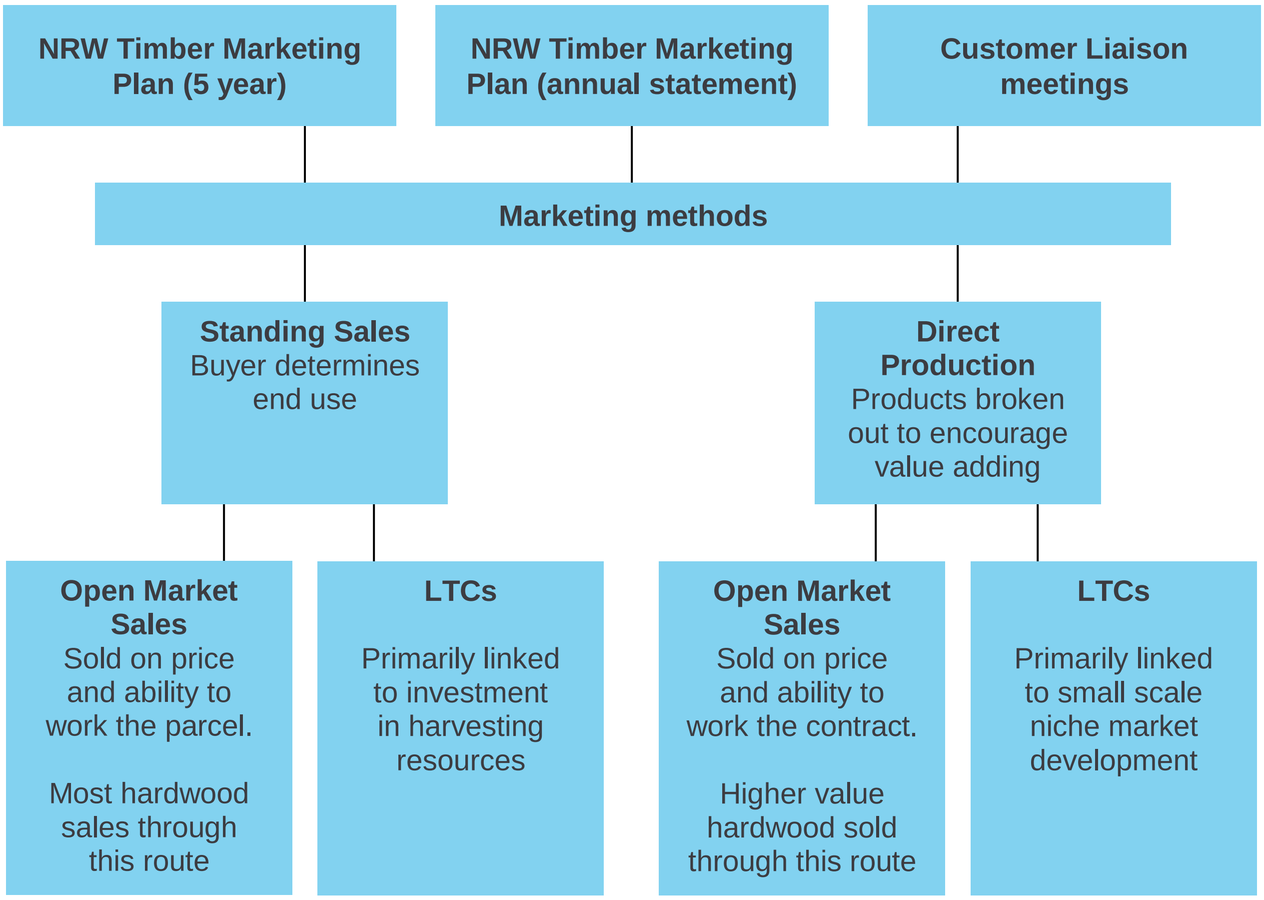
Figure 1 shows a summary of our current marketing approach and methods.

The WG *Woodlands for Wales* Strategy and our Corporate Plan set our strategic aims and objectives. In time it is our Corporate Plan and long term forest plans which will respond the forthcoming Welsh Governments Natural Resources Policy.

The TMP is the sole high level document relating to our harvesting and marketing activities and alongside ongoing changes to our internal structure and lines of reporting, it will continue to be the document of reference that guides our approach for the next five years.

The Commercial Operations team, supported by corporate governance processes, will have overarching responsibility for ensuring that the commitments contained within the TMP are met. The Commercial Operations team is a 'once for Wales' team managed within the North and Mid Operations Directorate.

Figure 1 – summary of current marketing approach and methods



Levels of timber production from the WGWE

We recognise the importance of confirming the levels of expected timber production for our customers and suppliers throughout the supply chain. Our marketing plan takes into account the Production Forecast for the public forest estate in Wales. The level of production is within the projected volumes in the forecast and we believe that this will help us to ensure that production at this level can be sustained over a longer period than would be the case if were to raise production in the short-term. Further information about the Production Forecast is given in Appendix 1.

For the period of this new Plan (2017-22) we will make available a total annual volume of 850,000m^3 over-bark standing (obs) broadly broken down into:

- An annual baseline fixed programme sale offer of 700,000m^3 obs in order to meet our minimum land management remit – our Long Term Contract (LTC) sales commitments and open market offer across Wales; and,
- An annual baseline flexible programme sale offer of 150,000m^3 obs which will be offered either as a traditional or 'conditional' method of sale approach, to be known as *Standing Sales plus*.

We will operate within a range of +/- 15% for the period of the Plan.

The main reasons for a change of approach to our previous headline marketing methods are threefold:

- To respond to the demanding financial challenges ahead;
- Ensure that the costs and income from all tree harvesting operations is supporting our well-being objectives and where sites are challenging, at least covers the cost of civil engineering, replanting, and establishment costs; and,
- To ensure that we follow a more market sensitive and agile approach to the timber sales program.

The proposed figures are shown in **Table 1**.

Table 1: Level of timber volume to be offered to the market for the period 2017-2022

	Thinnings (average m^3 obs)*	**Clearfell Larch** (average m^3 obs)	**Clearfell other** (average m^3 obs)*	**Total 2017 – 2022** (average m^3 obs)	**Current TMS** (average m^3 obs)
Annual Baseline	100,000	270,000	330,000	700,000	700,000m^3 obs
Annual Flexible	80,000	-	70,000	150,000	
Annual Total	180,000	270,000	400,000	850,000	

*It is our ambition to increase the thinning volume offered in preference to clearfell volume within the period of this plan. This would support the policies set out in this document under our overall remit to achieve the sustainable management of natural resources.

The annual baseline flexible offer, *Standing Sales plus,* will be sold on an open market Standing Sales basis without harvesting facilities and infrastructure in place. For these sale parcels in addition we will also consider bids to restock the felled area to specified replanting plan standards.

Most of the Larch clearance programme is contained and delivered within our LTC baseline for the period. The lower level of new disease in recent years and the need to minimise the more expensive restocking programmes associated with larch clearfell, means we will look at some opportunities to slow down the felling progression of Larch species where possible. However, there is an unpredictable nature to disease control programmes so clearly this is an area that we will have to review more frequently.

We will continue to publish an annual statement of commitments and in-year sale intentions in October of the preceding year and in further detail at our annual Customer Liaison Meeting in January each year. The Customer Liaison Meeting is for businesses and individuals who trade with us. We also invite representatives from ConFor and the UK Forest Products Association (UKFPA).

Hardwoods

The annual availability of all hardwood species to be offered to the market for the period 2017 to 2022 will be 5,000m^3 obs. Hardwoods are typified by sensitive working, small lots and narrow contract delivery windows. We will continue to use the full range of marketing methods to successfully deliver this small but important element of overall timber availability.

4. Managing change

Wherever possible, we will give a 12 month period of notice of changes that affect our approach to harvesting and marketing, unless circumstances beyond our control, such as plant health and disease management or a change in our funding situation, dictate that a shorter period is necessary. In the event that a shorter timeframe is required, we will communicate any changes to our purchasing customers at the earliest opportunity to give as much notice as possible.

This Plan anticipates the main areas of change for the plan period including thinning and clearfell volume, sales methods, sales mix and contract types. We intend to explore how to get better value from our remaining LTCs by broadening their scope, to include for example civil engineering and/or restocking opportunities, and will pilot and report on this approach early on during the Plan period.

Where we are piloting new ways of working, such as the offer of sales as ‘standing sales plus’ volume, we will carefully assess performance to make sure that they are capable of meeting the outcomes we seek, provide good value for money and customer benefit. There will be no compromise on performance to sound silvicultural, environment and health and safety standards.

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5. Methods of sale

Overall timber sale approach

We are a public sector organisation and as such are bound by EU Directives, UK legislation and any subsequent requirements of transition from the EU. Our sales contracts and processes must be fair, open and transparent and be awarded on the basis of value for money, taking into account both cost and quality considerations.

We will ensure that a wide a range of open market opportunities are available at regular intervals throughout the Sale year. Our opportunities will be advertised on our own website.

We will actively consider in our sale processes our ability to support additional community and environmental benefits where feasible, for example by formally incorporating community benefit clauses into our contracts where appropriate. In this way, we hope to be able to use some opportunities from the timber programme to support training, apprenticeship and employment opportunities to help address sector skills gaps.

Short term and long term contracts

We will continue to maintain a mix of LTCs and short term open market sales for the duration of the Plan, however the relative proportion of each will change during the five year period as we reflect on the potential additional benefits we require from long term contracts against the opportunities from open market conditions.

Short term sale contracts will be offered to the market annually via a series of at least six published electronic sealed bid tenders. These sales are awarded on the basis of price and the ability to work the parcel or meet the contract specification within the time period required.

In relation to LTCs, we will honour all the existing LTCs throughout the period of this Plan and fully meet our contractual sales commitments. However, we will not automatically continue to offer or extend existing LTCs. The effect of this will be a reduction in our LTC commitment from approximately 419,000m^3 obs (49%) at the beginning of the Plan to 200,000m^3 obs (23%) by the end of the Plan period as LTC contracts naturally expire as shown in **Table 2**.

Any renewal or future growth of new LTCs is likely to arise from additional thinning programmes and where evidence strongly suggests an LTC approach would support supply chain investment by our customers and /or support our wider marketing objectives.

The proposed changes represents a significant change of approach to our LTC and open market sales, mainly due to feedback from public consultation which was reported in 2015, together with the need to be able to take advantage of more favourable markets to contribute to our core funding. Overall, the effect will be to reduce the proportion of our sales via LTCs, which will allow us to adopt a more flexible approach driven by market and economic conditions.

Table 2: Our LTC and Open Market commitments as at 2017/18 and as at 2022.

Sales type	LTC annual commitment (m^3 obs)	Annual programme (m^3 obs)	Programme committed to open market (m^3 obs)
Standing Sales	245,000	570,000	325,000
Roadside log and Bar	84,000	168,000	84,000
Roadside Small round wood	90,000	112,000	22,000
Roadside Totals	174,000	280,000	106,000
Totals as at 2017/18	**419,000 (49%)**	**850,000**	**431,000 (51%)**
Position in 2022 assuming no further LTC contracts	**200,000 (23%)**	**850,000**	**650,000 (77%)**

We remain committed to the principle of LTCs and will be open and transparent during this Plan about the LTCs and the benefits that they deliver across the sector in terms of the investment and opportunities they represent. We will communicate and report these benefits on an annual basis following our annual performance management review of LTC contracts.

During the period of the Plan, we will also explore:

- How to get better value from our remaining LTCs by broadening their scope to include for example civil engineering and/or restocking opportunities and will pilot and report on this approach early on during the Plan period; and,
- The option of offering smaller volume LTCs (< 5,000m^3 obs) to address niche markets, market failures or where wider community benefit gains are achievable. Our plans will focus on broadleaf thinning.

Sales mix (standing sales or roadside)

Both traditionally and during the last period, we had a strategy of achieving broadly a 50:50 mix of standing and roadside sales opportunities to maximise a flexible response to forest and markets conditions. During the first year of this Plan (2017/18), we will decrease Direct Production working (which results in roadside sales) from 380,000m^3 obs (44%) to approximately 280,000m^3 obs (32%). This allows for us to apply the headroom required for Standing Sales plus contracts and it is our intention to monitor this to ensure it is managed at an optimum level. Future direct production will likely be concentrated in areas of high sensitivity such as areas of high recreational use and / or high environmental value where we believe our overall landowner responsibilities will be better delivered by retaining control of production.

We will always retain the option of reviewing the mix of roadside against standing sales so that we can best manage our overall responsibility as a land manager of the public forest estate. We will work closely with all our customers to keep them informed of our emerging plans since it is they who may be most affected by changes in our sales mix throughout the period of the plan.

With a period of 12 months notice, we reserve the right to alter our roadside versus standing sales balance by +/- 25% throughout the period of the Plan. Whilst the economic performance of our direct production and standing sales is broadly similar, the decision to increase standing sales will only be maintained if we can retain good value for money for the Welsh Government timber resource and are able to consistently deliver our other range of programmes on the WGWE. We will therefore not lose sight of the important part roadside sales play in maintaining flexibility and competition in the market place for NRW to achieve best value and deliver our wider remit relating to the sustainable management of natural resources.

Sales events

Information about how to buy timber from us can be found on our website.

We will continue to publish an annual statement of commitments and the dates of intended sales events in October, before the next 12 month sales year (1st April to 31st March) on our website. We will formally present this information at our annual Customer Liaison Meeting which is typically held in January before the start of the new sales year from 1 April.

We have developed a new timber e-sales system and this came into operation on 1st January 2017. The specification for this system allows more flexibility in how many electronic timber sales we offer annually.

We will retain a minimum of six sales points each financial year, and offer a wider range of parcels, through the open market process.

We also aim to simplify sale methods where possible and aim to sell timber closer in line with current demand and economic factors.

We will ensure that SMEs and social enterprises are supported to access electronic sales - either directly through our business support team, our Mynediad team or via colleagues in agencies such as Farming and Forestry Connect.

Sales information

We will publish more detailed information on our website in support of our sales events, to strengthen the overall supply chain by better informing our customers and contractors.

For the period of the Plan, we will publish on our website the intended locations and volumes by thinning and clearfell that we are committing to for each scheduled open market sale point.

This will be done before the start of the future relevant Financial Year (1st April to 31st March).

Negotiated sales

We will continue to sell a small proportion our timber by negotiation. A total ceiling limit of 5000 tonnes per year and an individual transaction value of £5000 or less will apply. We feel this is an appropriate level given that these sales are negotiated and not on the basis of an open market, competitive process

These negotiated parcels will tend to be small amounts of a minor species, timber of unusual dimension or a provision to a niche market where it would be impractical to sell through an open market competition.

We will continue with the existing Firewood Framework Contract as one of the methods for selling small quantities of timber. Information about our approach to small negotiated sales is provided on our website

Auctions

We plan to explore further with customers the option of electronic auctions during the period of the plan, although electronic tenders will remain the main method of offering our timber to the market.

Our customers will be kept informed about our approach to electronic auctions via liaison meetings and our website.

We will ensure that SMEs and social enterprises are supported to take part in auctions.

6. Certification, best practice and Health and Safety standards

We will continue to sell our timber with Forest Stewardship Council (FSC) certification which is recognised and widely accepted as providing full evidence that the timber is sourced legally and from sustainably managed forests. Certification requires compliance with standards of good forestry practice as set out in the UK Forestry Standard (UKFS) and UK Woodland Assurance Standard, (UKWAS,) in addition to meeting statutory legal obligations.

NRW is a signatory of the Forest Industry Safety Accord, (FISA) and we are committed to playing our role in helping to improve standards of safety in forest operations. NRW will fulfil its responsibilities as Land Manager (and where appropriate, Forest Works Manager) and will require customers to fulfil their responsibilities as set out in industry guidance on Managing Health and Safety in Forestry Operations

FSC
www.fsc.org
FSC® C-115912

NRW will play an active role in supporting FISA initiatives to improve safety performance and will expect customers and contractors to take a positive approach to supporting improvements in safety culture and performance.

Customers undertaking civil engineering work as part of Standing Sales Plus contracts will need to meet their responsibilities under the Construction, Design and Management (CDM) regulations.

There will be no compromise on performance to sound silvicultural, environment and health and safety standards on any types of contract.

7. Working with community enterprises

We aim to encourage and support the generation of more and wider benefits from the WGWE, particularly in relation to community enterprises, skills development, and the promotion of well-being. We recognise and welcome the interest from social enterprises and community woodland groups in our approach to timber marketing, and the value of their involvement and support in the sustainable management of natural resources on the WGWE.

Currently, via our *Woodlands and you* / Mynediad scheme, we have concentrated our community enterprise offer on sites that we evaluated as uneconomic to work through our traditional harvesting and marketing activities and where the social, cultural, environmental and local economic value of community enterprise outweighed the wider economic benefit. *Woodlands and You* also give communities, social enterprises and other woodlands users' opportunities to develop and manage projects, events and activities including training and enterprise opportunities on the Welsh Government Woodland Estate.

For the period of this Plan, we will take the following approach:

- We will continue to welcome proposals from SMEs and social enterprises through our *Woodlands and You* scheme (or successor schemes), via our web site and through our place based teams
- SMEs and social enterprises will be supported to access electronic sales and auctions via our local teams
- Expressions of interest for sales that are smaller than lots offered will be welcomed, and we will always explore the relative value of any variant (alternative) bids proposed
- We will continue to sell a small proportion of timber by negotiation, for small quantities of minor species or provision to a niche market
- We will offer a wider range of parcels, more frequently

- *All* work must be undertaken to assist in meeting the outcomes we seek and be undertaken in accordance with approved management plans, to UK FISA and UKFS standards and be consistent with meeting our certification to UKWAS
- Timber arising will be allocated under standing sales agreements at market value.

There may be instances where zero-value contracts may be appropriate. This could be where significant community benefit can be demonstrated, where sensitive small scale or specialist operations are required to meet specific site objectives or to support training initiatives. Operationally challenging sites, such as those with poor access or steep slopes, are often not suitable for community-based opportunities unless the project or activity can demonstrate sufficient capability of balancing the approach outlined with the site circumstances. Where zero-value contracts are awarded, applicants will need to engage and involve local communities, and demonstrate clear local community benefit from the proposed woodland management activities – for example the provision of jobs, accredited training and skills development opportunities for local people, opportunities for schools to learn about woodland management.

8. Carbon management

Woodlands for Wales recognises the importance of woodland management and decisions about the use of timber in reducing Wales' carbon footprint. Effective woodland management and timber marketing can reduce atmospheric carbon dioxide levels by locking up carbon in timber and can contribute to reduced greenhouse gas emissions, e.g. though material substitution. Carbon-conscious management of woodlands and timber can result in an increase in the carbon stored in timber i.e. carbon stocks in both woodlands and wood products.

For the duration of this Plan we will adopt a simple "carbon hierarchy of use" as a way of comparing the contribution of different wood products to reducing greenhouse gas emissions in our marketing.

Carbon Hierarchy of Use

The "carbon hierarchy of use" is a method of comparing the contribution of different wood products in reducing greenhouse gas emissions and supporting the effective storage of carbon. It considers the principles above to determine a products' position in the hierarchy. It is relevant to the whole timber supply chain, not just the scope of our activities in relation to the WGWE.

- Harvesting of timber should seek to produce the maximum possible high grade timber (e.g. for use in construction)
- Timber use should seek to deliver the longest service life of the product possible

- Timber should be promoted as a substitute material for more "high embodied energy" materials
- The utilisation of lower grade timber (e.g. for MDF and particleboard) should be maximised wherever possible
- Incineration, combustion or decomposition of timber can be considered (as timber is a renewable product) but these options are at the lower end of the hierarchy; and that the
- Use of energy in the transport of timber and production of timber supplies should be minimised wherever possible.

In relation to this Plan, the "carbon hierarchy of use" means that for roadside sales, we will continue to:

- Sell and grade out products to suit different markets and encourage the greatest degree of added value in the supply chain, e.g. maximise the availability of timber for use in construction;
- Encourage the production of wood fuel from forest products with low end-value-use in areas close to high value markets and established processing businesses; and to,
- Explore the potential to harvest additional biomass from branches/lop/top and roadside vegetation management programmes, to maximise the use of low-grade timber.

For standing sales, it will be for the purchaser to decide what products to supply to market but we will encourage them, wherever possible, to follow the carbon hierarchy of use.

NRW as a net carbon positive organisation

In 2015, NRW was funded by WG to calculate its net carbon status and to develop a plan to improve the carbon status of the organisation. This work was delivered by the Carbon Positive Project and is linked to NRW's wider delivery against WG's Climate Change Strategy (2010) and refreshed climate change policy (2014). The work of the Carbon Positive Project has informed this Plan and outputs from the project may inform future harvesting and marketing decisions in this or future iterations of this Plan.

9. Performance management

In addition to our commitments on managing change we will also have a focus on:

Retrospective sales performance figures

We have listened carefully to our stakeholders and will be transparent during the period of this Plan about our expenditure and income, where this adds value, supports improved performance across the sector and does not breach commercial confidentiality.

We will work through the Forestry Business Sector Group to agree and develop the following retrospective sales performance figures that will be published on our web pages:

1. Average price information by product on roadside unit income sale values
2. Reporting of end of year outturn by product for our roadside sales so that we can assess recovery against the annual harvested programme
3. Reporting on the accuracy of our valuation and reserve setting against contract award from our future E Sale opportunities
4. Publishing our values obtained in the main sale events
5. Working towards better clarity on publishing end of year expenditure/income and net surplus information for the NRW timber programme
6. Continuing to work with the Forestry Commission in publishing the standing sales index.

Key performance indicators

We will work with the Forest Business Sector Group to agree and develop key performance indicators throughout the duration of this Plan. Our aim is to reflect what we have achieved, where we have direct control of the outcomes, but not duplicate information published elsewhere, e.g. W*oodlands for Wales* Indicators, the National Forest Inventory, Forestry Facts and Figures. These key performance indicators could include:

- Performance against published open market sale events
- Performance against annual programmed volume and income
- A commitment to continue to publish at least 12 months in advance our open market sale opportunities; and
- A commitment to publish a yearly set of financial accounts for forestry starting within the Plan period.

We will continue to develop the marketing section of our website and improve and make available the information on our contracts, sale events, sale results and sale volumes.

10. Customer service standards and communication

Within NRW, we work to our customer care and service standard.

These standards apply to all our areas of work and clearly explain what customers can expect from us and our aspirations for the service we provide. They cover a range of topics including:

- Requests for information (Freedom of Information Act)
- Our Welsh Language Scheme

- The operation of our one-stop-shop “Customer Care Centre”
- How to make a complaint.

In addition, and specifically in relation to timber harvesting and marketing, we will meet the following commitments. These are compatible with the Forestry Commission’s Timber Customer Charter which covers England and Scotland, offering continuity for businesses working across the UK.

11. Timber Haulage

Haulage is a key part of the timber supply chain. We promote the Timber Haulage Code of Conduct and will annually (by end of January) publish a Road Atlas with agreed routes for hauliers working on the WGWE. We are committed to working with the sector to support further improvements in haulage through innovation such as low ground pressure systems and other new technology. We will continue to work with others to find practical solutions in places where timber haulage adversely impacts on communities, our infrastructure and environment.

12. Site security

We recognise that security problems have been a barrier to customers purchasing timber in some parts of Wales. Access to sites secure from criminal activity is important and we will continue to work with customers and timber contractors in order to help protect the safety and livelihood of contractors and customers working on the WGWE, and to ensure compliance with the Private Security Industry Act 2001.

13. Dealing with unforeseen events

We recognise the impact that unforeseen events such as weather, disease outbreak and other factors can have on our customers. Our priority in all such cases will be to keep our customers informed. We will do this by close liaison with the UKFPA and ConFor and through our website and by contacting customers directly where possible. We will also use press releases and other means of communication to ensure that accurate and relevant information is available.

Wherever possible we will aim to deal with the impacts of such events so as to minimise their impact on customers.

In exceptional circumstances only we may decide to negotiate the sale of timber to customers who are able to respond quickly to unexpected events.

14. Outbreak of disease affecting trees, such as *Phytophthora ramorum* in larch

- Where sanitation fellings are necessary we will carry these out efficiently given the prevailing conditions, and aim to make the timber available for customers to purchase if they wish to do so.
- We will try to meet the terms of existing timber contracts in order to minimise the need to invoke the force majeure clause.
- We will minimise the impact on future timber production by substituting the timber from sanitation fellings for planned timber production.
- We will invite long term contract holders to substitute contracted timber volumes with timber from sanitation fellings and will include a condition in future contracts that requires customers to accept an element of such substitution.

15. Severe weather events

- We will aim to minimise the impact on our customers, programme and infrastructure from potential future severe weather periods by ensuring as far as possible that our sales and operational planning takes account of the effects of severe weather.
- We will be clear on our menu of forward sales programme availability in the current and impending year so that our customers can also better plan their wider supply chain and stock management.
- We will not substitute coupes committed through either standing sales or roadside sales where access is restricted due to severe weather.
- We will listen to and support (where the NRW road network is not compromised) customer/contract holder led solutions in the event of severe weather.
- We will require hauliers and contractors, whether retained by NRW or customer/contract holders, to suspend work and operations in event of severe weather where risk assessment of health & safety or environmental incidence is unacceptable to NRW.
- We will manage our Direct Production operations in such a way that production and sold commitments are closely aligned. In times of severe weather where haulage is restricted this will require our suppliers to slow, or pause their work to avoid build-up of uncommitted stocks.

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Natural Resources Wales

Annex 1: Policy and legislative background, and information on production forecast

In *Woodlands for Wales*, WG's stated vision is that "Wales will be known for its high-quality woodlands that enhance the landscape, are appropriate to local conditions and have a diverse mixture of species and habitats." These will:

- Provide real social and community benefits, both locally and nationally
- Support thriving woodland-based industries, and
- Contribute to a better quality environment throughout Wales.

To deliver this vision, there is a core "foundation" theme centred on Welsh woodlands and trees (their management, diversity and creation) as well as four strategic themes:

- Responding to climate change
- Woodlands for people
- A competitive and integrated forest sector
- Environmental quality.

Linked to these themes are 20 high level outcomes, of which the most relevant to this Plan are:

- The forest sector is better integrated and more competitive, supporting the Welsh economy
- More Welsh-grown timber is used in Wales
- Increased use of timber as a key renewable resource
- A thriving, skilled workforce in the forestry sector
- More people benefit from woodland related enterprises
- More communities benefit from woodlands and trees
- Welsh woodlands contribute to reducing the carbon footprint of Wales
- Woodland management achieves high levels of environmental stewardship.

W*oodlands for Wales* emphasises that woodlands and trees can, and do, deliver multiple benefits, at the same time, and in the same place. Delivering a competitive and integrated forest sector (which includes timber customers, the timber supply chain, social enterprises and community groups) sits alongside other desired outcomes linked to climate change adaptation and mitigation, recreation, access, community and regeneration benefits, water and soil management, biodiversity and conversation. Also of relevance are wider WG priorities such as green growth and green jobs, which are particularly important in the context of developing a competitive and integrated forest sector.

Although published in 2009, the vision, themes and outcomes contained within Woodlands for Wales are compatible with two pieces of new legislation in Wales: The Environment (Wales) Act 2016; and the Well-being of Future Generations Act 2015.

The Environment (Wales) Act defines the sustainable management of natural resources as:
".... using natural resources in a way and at a rate that maintains and enhances the resilience of ecosystems and the benefits they provide. In doing so, meeting the needs of current generations without compromising the ability of future generations to meet their needs, and contributing to the achievement of the well-being goals set out in the Well-being of Future Generations Act".

Natural resources are defined in the Act as including:
- Animals, plants and other organisms
- Air, water and soil
- Minerals
- Geological features and processes
- Physiographical features
- Climatic feaures and processes.

Timber (fibre) is a key natural resource derived from woodland ecosystems, and our harvesting and sale of timber from the WGWE is an important part of Wales' overall commitment to the sustainable management of natural resources.

The Well-being of Future Generations Act makes the link between our management of natural resources and the social, economic, environmental and cultural wellbeing we derive from them. The Act has seven wellbeing goals, and all public bodies must work to maximise their contribution to achieving each of these goals:
- A prosperous Wales
- A resilient Wales
- A healthier Wales
- A more equal Wales
- A Wales of cohesive communities
- A Wales of vibrant culture and thriving Welsh language
- A globally responsible Wales.

The way we manage our natural resources now, and in the future, can have a profound effect on their ability to continue to deliver wellbeing benefits. For example, in relation to the TMP, the level we set our harvesting activity at for 2017-22 has implications for the future productive potential of the WGWE and therefore the flow of benefits (such as income, employment, recreation potential etc.) which derive from this resource.

Production Forecast
The Timber Marketing Plan takes into account the Production Forecast that is generated for the Welsh Government Woodland Estate based upon the current long Forest Resource Plans.

Cyfoeth Naturiol Cymru
Natural Resources Wales

The following table and graph from the 2014 Production Forecast identify the volume of *available softwood timber* from the Welsh Government's Woodland Estate. The level of production set out in this Marketing Plan is within the projected volumes in the production forecast and we believe that this will help us to ensure that production at this level can be sustained over a longer period than would be the case if were to raise production in the short-term. This level of production will provide scope for forest resource plans to be reviewed in the light of longer term, policy and strategic considerations.

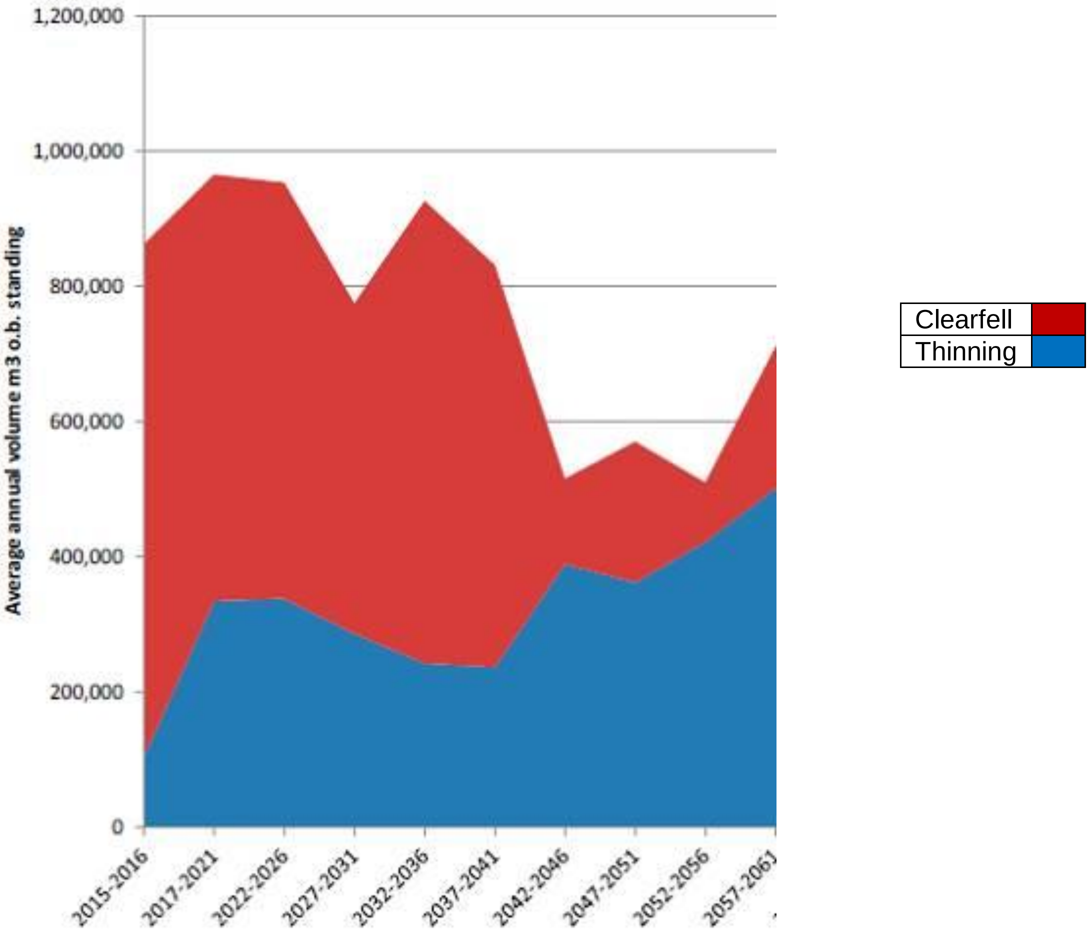
More detailed information is available in reports published on the Forestry Commission website:

- www.forestry.gov.uk/inventory
- www.forestry.gov.uk/forecast

Table: Average annual timber availability for the WGWE

	Volume 000 m^3 obs		
Forecast period	**Softwoods**	**Hardwoods**	**All species**
2015-2016	862	9	871
2017-2021	965	10	975
2022-2026	953	16	969
2027-2031	774	11	785
2032-2036	926	16	941
2037-2041	831	19	850
2042-2046	515	64	579
2047-2051	570	17	588
2052-2056	510	23	533
2057-2061	710	17	727

Figure: Average annual timber availability for all conifers, split by clearfelling and thinning volume.



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