



# FORESTRY COMMISSION SERVICE DELIVERY AGREEMENT 2002 SPENDING REVIEW

January 2003

## ACCOUNTABILITY

- 1 This agreement covers the activities of the Forestry Commission (FC) in England and also its core GB activities. The Secretary of State for Environment, Food and Rural Affairs is responsible for its delivery and has delegated this to the Parliamentary Under-Secretary (Commons) who is responsible for forestry. The operational management of the Forestry Commission is delegated through the Board of Commissioners to the Director General, who is the Forestry Commission Accounting Officer

## DELIVERING KEY RESULTS

### Great Britain

- 2 The GB objective of the Forestry Commission is:

'On behalf of all 3 administrations\*, to take the lead in development and promotion of sustainable forest management and to support its achievement nationally'

(\*these are the UK Government, the Scottish Executive and the National Assembly for Wales)

Key result	Delivery
Sustainable development is advanced through the role of woodlands and forestry	Achieve positive trends in specified <a href="#">UK Indicators of Sustainable Forestry</a> in the SR2002 period <sup>1</sup> .

<sup>1</sup> the indicators (which are monitored as part of a larger exercise which will be reported on separately) are:

- A2 - new woodland creation
- A6 - area of sustainably managed woodland
- D3 - timber production and future availability
- E3 - public awareness

### England

- 3 The objectives for the Forestry Commission in England are expressed in the forestry strategy for England – "[A New Focus for England's Woodlands](#)" which the Government published in December 1998. The Strategy identifies 4 interrelated programmes, in keeping with the Government's wider policy aims:

- Forestry for rural development
- Forestry for economic regeneration
- Forestry for recreation, access and tourism
- Forestry for the environment and conservation

Key result	Delivery
<u>Sustainable development</u> Sustainable development is advanced through the role of woodlands and forestry	Lead the preparation of expressions of the England Forestry Strategy for each region by 2004.
	Create 15,000 hectares of new woodland from 2003 to 2006 <sup>1</sup>
	Promote an increase in the area of woodland certified against the UK Woodland Assurance Standard for sustainable forest management in England from 300,000 hectares (27%) to 350,000 hectares (32%) by 2006.
<u>Rural Development</u> Local economies and rural development are enhanced by the contribution from forests and woodlands	Promote the sustainable utilisation of England's woodland resource by facilitating the harvesting of 38% of the annual timber growth each year until 2006 <sup>2</sup>
	Carry out a baseline study to establish the confidence of woodland and forestry related businesses and set a target for improvement <sup>3</sup> .
<u>Economic Regeneration</u> Disadvantaged urban communities are given new life and investment attracted by improving the environment	Create 2700 hectares of new woodlands in priority areas (eg Coalfield Areas and the 'top' 20% of most deprived wards both as defined by OPDM) from 2003 to 2006.
<u>Access and Recreation</u> People have healthier lifestyles and are more environmentally aware	Expand the area of woodlands with public access by 10,000 hectares over the period 2003-2006 in priority areas established by the 2003 baseline study.
	Increase the number of day visits to woods and forests to 350 million by 2006. <sup>4</sup>
<u>Environment and Conservation</u> Future generations inherit improved biodiversity, landscape and cultural heritage in our forests by conserving and improving woodlands	Bring into favourable condition by 2010, 95% of all SSSIs where the Forestry Commission has statutory responsibilities <sup>5</sup>
	Lead the implementation of the UK Biodiversity Action Plan Habitat Action Plan for woodlands in England for delivery by 2015 <sup>5</sup> .
	Reverse the long-term decline in the number of woodland birds by 2020 as measured annually against underlying trends using the Woodland Birds Index <sup>6</sup> .

<sup>1</sup> Previous new planting performance in England can be seen in table 4 of [Forestry Facts and Figures 2002](#). See paragraph 5 below for details of how value for money in delivering the England Forestry Strategy is ensured.

<sup>2</sup> Maintaining the volume harvested at the current level of 38% will be a challenge in the current market situation but the Commission believes that this is the lowest figure commensurate with its EFS commitments.

<sup>3</sup> The confidence of these businesses is an indicator of their health. The aim is to improve the health of this sector of the rural economy.

<sup>4</sup> The target set for SR2000 was 340 million in 2003-04. This will not be confirmed until the biennial UK Countryside Visitor Survey is published in 2006. The results for 2006 target will be confirmed in 2008.

<sup>5</sup> The timeframe for delivering this target is consistent with those set by DEFRA for parallel targets. FC will report progress through the [UK Biodiversity Action Plan reports](#) for woodland habitats.

<sup>6</sup> The timeframe for delivering this target is consistent with those set by DEFRA for parallel targets. FC will report progress as part of the [UK sustainable development headline indicator for wildlife](#).

4 The objectives and measures align with those expressed in Defra Public Service Agreement (PSA) for SR2002. Each target either contributes directly to a Defra PSA target, supports a range of Defra PSA targets or parallels, for forestry, a Defra PSA target for agriculture.

5 The Annex shows the relationship between the performance measures used in SR2000 and those used in SR2002

## CONTEXT

### *Value for money*

- 6 A scoring system designed to improve value for money in delivering the England Forestry Strategy is in use. Replacing the previous automatic grants for new planting, it scores applications for delivery of public benefits. In practice the very best schemes will score not much more than 20. To ensure that better public benefits are purchased no applications which score less than 9 points are likely to be supported. Those with 13 points or more will be processed first.
- 7 The following efficiency indicators and targets will continue to be used:
  - a. the efficiency of the Forestry Commission's grant administration process will be measured by the cost of delivering £ of grant. The unit cost of administering grant aid will be reduced to 16p/£ by 2006 (at 21 March 2002 it was 20p). It was originally envisaged that 16p/£ would be achieved by 2004. However reductions in planned grant spend will not allow this to be achieved until 2006. The Forestry Commission will maintain a minimum of 85% compliance with the FC Customer Service Standard for the Woodland Grant Scheme (at March 2002 compliance was 70%). ;
  - b. the efficiency of Forest Enterprise's timber production will be measured by the cost of producing a cubic metre of timber on the FC estate This will be reduced to £13.55/m<sup>3</sup> by 2006 ( at March 2002 it was £13.76/m<sup>3</sup>) while increasing the proportion of woodland managed in accordance with low impact silvicultural systems. These systems are, by their nature, more expensive to operate which makes the reduction challenging.
- 8 The Department has already carried out Better Quality Service Reviews of its largest Agency's main functions. The agency, Forest Enterprise, employs 75% of FC staff. The FC has been piloting the EFQM and has a Change Management Team in place to facilitate this and other business improvement projects.

### *Electronic government*

- 9 The Forestry Commission has developed an e-business strategy to deliver its services electronically. By 2005, citizens and businesses will be able to transact all business with the Forestry Commission electronically. The Forestry Commission will continue to transact business in other ways to ensure that services are universally available. The uptake in business to business electronic transactions is expected to exceed 50% by 2005.

### *Fraud*

- 10 The Forestry Commission has well-developed control systems in place to minimise the risk of fraud. The fraud policy statement has been augmented by a risk management policy. Due to the controls in place, the formal risk assessment of loss through fraud is 'low'.

### *Performance Measurement*

- 11 The targets set for the Spending Review period will become part of the corporate plans for both the Commission and its Agencies. These plans will be published and reported against. The Commission also has a statutory duty to report to Parliament annually. It reports performance against the SDA targets through the DEFRA Departmental Report and the Autumn Performance Report.
- 12 The targets are cascaded down from the Corporate Plans to unit plans and into individuals forward job plans. All plans are monitored and reported on at the appropriate level which may be Ministers, the Board of Commissioners, Management Boards, unit managers or line manager. Corrective action is taken at each level when appropriate to ensure that planned outcomes are achieved.

## ANNEX

### Relationship between SR2000 and SR2002 performance measures

SR2000 Performance Measures	Position in SR2002
<b>Sustainable development GB</b>	
<p>Publish in 2001 a National Forest Programme for the United Kingdom based on the forestry strategies for England, Scotland, Wales and Northern Ireland;</p> <p>Develop and publish by 2002 UK and country-based indicators for monitoring sustainable forest management. These will provide new benchmark information against which future progress in the delivery of sustainable forest management can be measured.</p>	<p>Milestone targets which will be completed before SR2002 period starts. New milestone target introduced for GB activity which contributes to new DEFRA PSA target</p>
<b>Sustainable development England</b>	
Area of new woodland planted (ha)	Rolled forward
Area of woodland brought into approved plans for sustainable forest management (ha)	Replaced by a more demanding target which demonstrates through independent certification that sustainable forest management is being practised.
<b>Rural Development</b>	
Area of woodland planted in Rural Priority Areas (ha)	<p>Rural Priority Areas no longer exist as designations.</p> <p>This suite of measures has been replaced by better outcome indicators of the contribution woodlands make to the rural economy and a commitment to develop an enhanced evidence base.</p>
Area of woodland in Rural Priority Areas brought into approved plans for sustainable forest management (ha)	
Volume of timber harvested from FC woodlands (million m <sup>3</sup> )	
<b>Economic regeneration</b>	
Area of woodland planted in Economic Regeneration Priority Areas (ha)	<p>These measures have been amalgamated into one single measure which captures the broader range of ways that woodlands can contribute to improving the quality of life in urban areas.</p>
Area of land previously used for industry, landfill or mineral extraction restored and planted with woodlands (ha)	
<b>Access and recreation</b>	
Increase in the area of woodland with public access (ha)	<p>Measures amalgamated to provide a more comprehensive indicator with a commitment to develop an enhanced evidence base.</p>
Increase in the area of woodland with public access near major urban areas (ha)	
Area of new woodlands in community forests or the National Forest (ha)	
Encourage day visitors (million visitors)	Rolled forward
<b>Environment and conservation</b>	
Increasing area of ASNW with approved plans for sustainable forest management (ha)	<p>Measures replaced by a suite which is outcome focussed and contributes directly to the delivery of DEFRA PSA targets.</p>
Area of new native woodlands planted in accordance with the UK Biodiversity Action Plans (ha)	