

**The Forestry Commission
in Scotland**

Corporate Plan

2003 - 2004

The Forestry Commission in Scotland

Corporate Plan 2003-2004

Contents

Foreword by Allan Wilson	3
1. Introduction and key tasks for 2003 - 2004	5
2. Maximising the value of Scottish wood	11
3. Developing the forest resource for the future	15
4. Making a positive contribution to the environment	21
5. Creating opportunities for more people to enjoy trees, woods and forests	26
6. Helping communities benefit from woods and forests	31
7. Efficient use of Resources	35
8. Report on Progress in 2002-03	45

Foreword by Allan Wilson

This Corporate Plan contains details of the Forestry Commission's programmes in Scotland for 2003 - 2004, and reports on progress during 2002 - 2003. The programmes are related to our strategic directions set out in the Scottish Forestry Strategy, to:

- maximise the value of the wood resource;
- create a diverse forest resource for the future;
- make a positive contribution to the environment;
- create opportunities to enjoy trees, woods and forests;
- help communities benefit from woods and forests.

The Corporate Plan also sets out details of our spending commitments related to Forestry Commission activities over the coming three years.

In addition to this, we are helping to support the implementation of the strategy through the activities of a number of other departments of the Executive, and the work of its agencies. We are supporting the Scottish Forestry Grants Scheme: Farmland Premium, expenditure by Scottish Natural Heritage (which includes core funding of the Central Scotland Forest Trust) and expenditure by Scottish Enterprise on the work of the Scottish Forest Industries Cluster.

Forestry is a crucial component of Scotland's economy, employing 10,000 people directly, and particularly important for underpinning the social and economic fabric of rural Scotland. Forestry delivers economic, environmental and social benefits; and is well placed to make contributions to the spending priorities identified by the First Minister, in relation to:

health (forests for enjoyment, physical activity, and well-being);
education (forests as classrooms and for learning about sustainability);
transport (encouraging innovative solutions to the challenge of timber transport, and providing networks for cycling); and,
jobs (particularly in rural Scotland).

Forests provide a vehicle for environmental justice, making contributions to the sustainability of our environment through mitigating the effects of climate change, contributing to air quality, and providing an alternative to fossil fuels through renewable sources of energy (woodfuel and windfarms). Woodlands also provide a means for delivering benefits to communities, whether helping to tackle fuel poverty, or by providing a focus for community action, development and volunteering, or land essential for development.

These wide ranging benefits are in addition to the more obvious forestry areas such as biodiversity, conservation of our natural and cultural heritage, rural development and everything connected with the wood chain from seed to forest product. The Executive intends to seize the opportunities provided by forestry in Scotland, and this plan sets out the actions the Forestry Commission will take.

Following the conclusion of the Forestry Devolution Review a number of changes are being made to the way that the Forestry Commission in Scotland serves as the Executive's forestry Department, bringing it closer to the rest of the Executive. We now also have a mechanism to discuss forestry matters reserved to Westminster but which affect domestic policy. Through the Ministerial Committee of forestry Ministers,

I discuss with colleagues the emerging UK line on international issues and in partnership approve the Forestry Commission's research programme.

A major task this year is this greater integration of the Forestry Commission's work with that of the Environment and Rural Affairs Department, and other departments in the Executive. To ensure that the policies of Scottish Ministers are more easily implemented through management of the national forests of Scotland, this will become the responsibility of a separate Scottish agency, reporting through the Forestry Commission in Scotland to Ministers. The necessary consequential restructuring will largely be completed this year, and will lead to enhanced delivery of sustainable forestry in Scotland, in line with our policies. I welcome the appointment of Dr Bob McIntosh as Director of the Forestry Commission in Scotland, and look forward to working with him and his staff in implementing our Strategy.

Our overall approach is one of working together to create a rural Scotland that offers a good quality of life based on environmental, economic and social sustainability. Implementation of the various tasks set out in this Corporate Plan will help us achieve this.

Allan Wilson
DEPUTY MINISTER FOR ENVIRONMENT AND RURAL DEVELOPMENT
31 March 2003

Introduction
and key tasks for
2003/04

The Forestry Commission

The Forestry Commission serves as the forestry department of the Scottish Executive, advising on, and implementing forestry policies. We are answerable to the Scottish Executive for our activities in Scotland. Since devolution, the Commission has operated as a cross border public body. This has allowed Scotland to benefit from the economies of scale that a GB-wide body is able to offer. This includes support services such as forest planning, finance, personnel and IT skills; expertise on matters such as climate change, biodiversity, forest protection and industry development; and access to shared resources such as economics, statistics and forestry training services.

The Forestry Devolution Review undertaken by a working group (from the Forestry Commission, the Department of Environment, Food and Rural Affairs, Scottish Executive, the National Assembly for Wales, the Cabinet Office and the Treasury) considered the devolution arrangements for delivering sustainable forestry policies in England, Scotland and Wales and the UK's international forestry commitments. The group reported in May 2002 and Ministers agreed to the following:

- the current organisational arrangements need to be updated, without legislation, to achieve greater integration of forestry with other rural policy work whilst retaining a collaborative approach to common issues;
- the establishment of a new Ministerial Committee bringing together the forestry Ministers in England, Scotland, Wales and Northern Ireland;
- expansion of the Whitehall Forestry Group to include officials from the Scottish Executive and Welsh Assembly Government;
- integration of policy development and delivery between the Forestry Commission's National Offices and the rural affairs departments;
- establishing an agency in each of the countries to manage Forestry Commission land;
- the continuation of Forest Research as a GB-wide agency, but with an enhanced role for the devolved administrations through the National Offices in setting research priorities and programmes; and,
- the appointment of Directors to head all the Forestry Commission's work in England, Scotland and Wales.

The Forestry Commission's programmes in Scotland will continue to be directed and financed by Scottish Ministers to whom the Commission is directly accountable. Meanwhile, a number of the Commission's functions will continue to be operated on a GB basis and funded by Westminster (with total funding of over £20 million in 2003-04). We work closely with colleagues to ensure that Scotland's interests are safeguarded and promoted in these areas:

- European and International Forestry Policy - the Forestry Commission's international policy staff (working with other departments) formulate UK policy

in international negotiations, develop the UK's National Forest Programme, and advise on implementation of international and European obligations. The Executive is represented on the International Forestry Group which is an interdepartmental group (previously the Whitehall Forestry Group), and the UK Forest Partnership for Action, a partnership of government with industry and environmental organisations;

- Forestry Research - the Forestry Commission's Executive Agency, Forest Research, with a major research station at Roslin, Midlothian, is carrying out research on issues such as silvicultural practice, insects, pests and other threats to tree health, ways of measuring the social and environmental benefits of woodlands, and the restoration of derelict land. The Forestry Commission in Scotland will have a much greater part in recommending what the research programme should comprise, and in commissioning research once the programme has been agreed by the Forestry Ministers' Group;
- Plant Health and Forest Reproductive Materials - the GB-funded Forestry Commission Plant Health Service operates throughout GB with the vital task of preventing entry of harmful pests and diseases from overseas. We also control the marketing of forest seed, cones, cuttings and plants by approving, registering and certifying reproductive material and inspecting the nursery trade. Plant Health staff work closely with colleagues in the Scottish Executive Environment and Rural Affairs Department to secure integrated action;
- Setting and Monitoring Standards of Sustainable Forest Management - the Forestry Commission's policy and practice experts are responsible for developing the UK Forestry Standard setting out how the principles of sustainable forest management will be delivered in practice, against internationally agreed criteria. This work includes monitoring the state of the UK forestry sector, through a suite of indicators of sustainable forestry, and supporting the UK Woodland Assurance Scheme which provides for the independent certification of forest management in the UK.

The Forestry Ministers' Group provides a mechanism to discuss reserved matters (such as international issues and tax), research and other matters (such as setting standards for sustainable forest management) where a common UK approach makes sense. The details of how these are being pursued by the Forestry Commission in Scotland are set out in this Corporate Plan.

Role of the Corporate Plan

This Plan explains what we in the Forestry Commission will do during 2003/04 to take forward implementation of the Scottish Forestry Strategy. It sets specific actions for the coming year and gives details of the resources needed to meet these targets. It also reports progress against commitments made in last year's Corporate Plan. A formal Annual Report (with audited accounts for 2002/2003) will be laid before the Scottish Parliament later in the year.

The Forestry Commission in Scotland

The Forestry Commission's National Office for Scotland, and GB headquarters functions, are both located in Silvan House, Edinburgh. The six Scottish Conservancies, covering the Highlands, Grampian, the Perth area, Strathclyde, South West Scotland and Lothian & Borders, carry out our regulatory and grant support functions. (The location of headquarters staff for the new agency in Scotland is subject to a review, under the Executive's relocation policy instituted whenever a new agency is formed.)

Forestry Commissioners have delegated to the National Committee for Scotland responsibility for giving strategic direction to all of the Forestry Commission's activities in Scotland on behalf of Scottish Ministers including;

- approving Scotland's corporate plans and annual reports;
- setting and monitoring the performance targets for the management of Scotland's national forests;
- grant-aiding and regulating forestry activities on privately owned land;
- taking decisions in respect of Scotland-specific forestry developments;
- identifying the resources required to meet objectives and monitoring financial performance;
- ensuring the safeguarding of resources through internal control systems;

all within the terms of the Forestry Devolution Review.

How we operate

We will deliver the Scottish Executive's forestry policies - as set out in the Scottish Forestry Strategy - through:

- working in *partnership* with others to promote the interests of forestry;
- managing *the national forests of Scotland* for public benefits, developing and demonstrating good forest practice;
- encouraging good forest management which optimises public benefit by providing *targeted grant-aid for woodland owners*;
- regulating *forest practice* through consultation over new planting and felling and through environmental impact assessments.

In carrying out this work, we are guided by the **principles** that underlie the Strategy. The over-arching principle for the Strategy is **sustainability**. Scottish forestry must contribute positively to sustainable development, and meet internationally recognised standards of sustainable forest management. The other principles are:

- **integration** - forestry should fit well with other rural activities in Scotland, such as agriculture, conservation, deer management, fishing, recreation and tourism;
- **positive value** - forests and woodlands should contribute to the well-being of the people of Scotland. This contribution may be in social terms, in economic terms, or in environmental terms - and there should be benefits that clearly exceed costs;
- **community support** - forests and woodlands should be managed in ways that enjoy broad public support. Complete agreement might not always be possible, but there should be mechanisms for participation, to share and explain views, and to work towards consensus;
- **diversity and local distinctiveness** - it is important to protect, manage and enhance the rich and varied range of woodland habitats and species, recognising that different types of forest will provide different benefits and suit different places.

Our prime objective

“To increase the economic, environmental and social benefits of Scotland’s woods and forests through implementation of the Scottish Forestry Strategy”

Key tasks for 2003/04

The following tasks will be undertaken in 2003/04 to help implement a wide range of priorities identified in the Scottish Forestry Strategy:

- establishing a Scottish agency, as part of the Forestry Commission in Scotland, to manage the 660,000 hectare national forest estate in a way which is sustainable for future generations and provides multiple benefits for people today, and conclude by end 2003 where it should be located;
- introducing the new Scottish Forestry Grants Scheme in summer 2003, providing support for improving the ecological, social and economic value of Scotland’s 800,000 hectares of privately owned woodland and encouraging expansion to meet Scottish Forestry Strategy priorities;
- working closely with local authorities who are actively engaged in developing Indicative Forestry Strategies, and where appropriate introduce local area premiums on the grants, reflecting local interest in the planting of woodlands as mediated through these Strategies; we will also be supporting the launch of the Loch Lomond & Trossachs National Park Local Woodland and Forestry Framework along with our partners, SNH, and the National Park Authority. This will help guide the location and type of new woodlands and the management of existing woodlands so as to help deliver the National Park’s own objectives.

- working with the Scottish Forestry Forum Steering Group to monitor the progress in implementing the strategy (of individual priorities and the principles) and determine where extra actions are required;
- developing stronger links with other parts of the Executive's work to ensure that forestry makes a full contribution to implementing the Executive's wider policies, for example in relation to National Parks, Land Reform, Renewable Energy, Quality of Life through health, education and social inclusion.

These are cross-cutting tasks. Other tasks, relating more specifically to particular Strategic Directives are set out in subsequent sections of this Plan.

Comments

Anyone with comments on this Plan, or suggestions for next year's Plan, is welcome to write to Richard Broadhurst at the Forestry Commission's National Office for Scotland, 231 Corstorphine Road, Edinburgh EH12 7AT (email: richard.broadhurst@forestry.gsi.gov.uk).

Maximising the value of Scottish wood

The Scottish Forestry Strategy set a strategic direction:

To maximise the value to the Scottish economy of the wood resource becoming available over the next 20 years

The Strategy included an analysis of the forestry and related primary wood processing industries, which together annually contribute about £800 million to the Scottish economy. Based on this analysis, the Strategy specified the following five priorities for action for this strategic direction. They are:

- improve competitiveness by developing a strong forest industries network (MV1);
- secure continuing investment in wood processing (MV2);
- develop the timber transport infrastructure (MV3);
- promote more use of timber (MV4);
- develop products that meet market needs (MV5).

These tasks needs sustained effort over many years.

We will work with the Forest Industries Cluster to explore all opportunities to maximise the contribution to the economy from Scottish wood, and will work closely with our partners to help promote the development of the wood processing industries. We see opportunities at the small and medium scale (as well as the more elusive large scale) operations, which could bring benefit to particular locations. We will continue to encourage representatives from industry, the local authorities and Enterprise agencies to attract investment. One of the considerations in the investment decision is security of supply. About 60% of timber harvesting activity takes place in the national forests, and the Forestry Commission will continue to supply timber on a planned basis, a proportion of it in long term contracts.

Timber transport continues to be a major challenge which we will continue to address working in strong partnership with local authorities and the forestry industry. We will continue to develop the system of "agreed routes" and to make use of other innovative solutions such as forest (non-public) road networks, and more rail and sea transport. The Timber Transport Groups provide the mechanism for developing local solutions, and the Timber Transport Forum enables the spread of best practice. Recent innovative work on the Rimsdale/Kinbrace road will allow 15,000 tonnes of timber to be harvested each year over the next 5 years, from forests that would otherwise have been landlocked. The North Loch Arkaig Transport Management Programme involved the construction of 7 kilometres of forest road linking national forests. In conjunction with Highland Council, land and material provision for the upgrade of existing low grade public road has been secured, therefore allowing access to other woodlands in private ownership and a shared approach to the challenge of timber transport. By agreeing routes, further progress has been made in many parts of the country.

The increasing production must feed into further use of timber in construction, which from the point of view of sustainable development is an attractive proposition. Wood is a renewable and recyclable resource. With the growing awareness of the need to

consider whole life costs when considering alternatives, wood should become the benchmark in many cases. Its production and use in building reduces atmospheric carbon while providing great advantages to the energy efficiency of buildings through their life. Yet, despite the increasing availability of supply from our woodlands, wood has been losing out to competition from less sustainable materials. We will continue to work with UK and overseas producers in *wood.for good*, a commercial promotional campaign which aims to increase the market for timber by changing perceptions towards the use of sustainably grown timber and to provide information to consumers and to people involved in specification, design and building. Working with architects, engineers and other specifiers will contribute to greater understanding of the potential for the use of wood.

The forestry sector can also contribute to reductions in greenhouse gas emissions through the production of wood fuel, which can help to offset emissions from burning fossil fuels, as well as encouraging greater use of wood - with its lower embedded energy - in construction. We are working closely with local authorities and the industry to explore where the greatest gains can be made.

Tasks for 2003/04

We will help take forward the Strategy Priorities (referenced as MV1-MV5) by:

Improving competitiveness and ensuring continuing investment (MV1, MV2)

- working with the Scottish Forestry Industry Cluster, serving on the cluster leadership group; seconding a staff member to Scottish Enterprise as a Forest Investment Adviser and supporting the work of local Forest Action Groups;
- work in partnership with industry to progress the plans of the Forest Industries Cluster to develop a strong and competitive network of forest industries, and to support the Forest Industries Development Council's sustainability strategy *Naturally Wood*;
- selling 3.0 million m³ of timber from Scotland's national forests in accordance with published production forecasts;
- encouraging investment through marketing 65% of timber supply, from Scotland's national forests, through long term contracts;

Developing the timber transport infrastructure (MV3)

- supporting the work of the Timber Transport Groups and the Timber Transport Forum; and helping the industry and local authorities to develop proposals for a Strategic Timber Transport Fund;
- taking forward local projects (such as the Argyll "Timber Haul Route Network", the North Loch Garry Transport Management Programme, the integrated timber transport system for the national forests in Galloway, and innovative engineering solutions on the Rimsdale/Kinbrace road;

Promoting more use of timber and developing new markets (MV4, MV5)

- working with the Scottish Forest Industries Cluster and the newly established Centre for Timber Engineering at Napier University to bring innovation, research and education closer together;
- promoting Scottish wood as 'fit for purpose' to building industry; running three further CPD events for architects and specifiers in Scotland, with follow up visits to industry within 2003-2004;
- promoting the use of wood through events in Scotland: supporting the organisation and delivery of the Scottish Wood Fair in Perth during May; and developing plans in partnership with others for a promotional initiative, a year of timber;
- commencing work on international co-operation project to promote external timber cladding in partnership with Highland Council;
- exploring with Norway areas for mutual co-operation on sustainable construction;
- concluding the first phase of the three year, £9 million partnership campaign ("wood.for good") involving the Forestry Commission at GB level, and the UK and Nordic timber industries, to promote greater use of wood by changing perceptions towards the use of sustainably grown wood and providing information to consumers and to people involved in specification, design, building, and development, reaching agreement on future similar work;
- establishing a Scotland wide woodfuel co-ordination group; running three further seminars, in partnership with others, to promote the use of wood for fuel;
- supporting research to improve predictions of wood quality from existing crops and improve our understanding of the way future crops can be managed for wood quality; fostering collaboration to this end between Forest Research and other organisations such as the Building Research Establishment;
- supporting the development of hardwood markets, completing the study into developing a hardwood grading system for UK and Eire, (based on plank appearance); commissioning a publication on the use of green oak in construction; and arranging two hardwood marketing, value and grading days through the Forestry Commission's Forestry Training Services;
- exploring further the possible promotion of a centre for excellence in furniture design and manufacture in timber (with Moray Council);

**Developing
the forest resource
for the future**

The Scottish Forestry Strategy set a strategic direction:

To create a diverse forest resource of high quality that will contribute to the economic needs of Scotland throughout the twenty-first century and beyond

Sustainable forest management is delivered through appropriate management of the national forest estate, through regulation and through grant-aid to woodland owners. The Scottish Forestry Grants Scheme (SFGS) is the main way in which we support tree planting and woodland management on private land. There are also statutory controls relating to tree felling, environmental impact assessment of forestry operations (afforestation, deforestation, forestry roads and forestry quarries) and the marketing of forest reproductive material. Felling and planting in the national forests is regulated through approved Forest Design Plans.

The UK Forestry Standard sets out essential requirements for sustainable forest management, including the creation of new woods and forests. Compliance with the UK Forestry Standard must continue.

The entire Forestry Commission estate in Scotland has now been independently certified, through the UK Woodland Assurance Scheme (UKWAS), which is also recognised by the Forestry Stewardship Council. However, owners of small woodlands remain concerned about the costs of certification. The Forestry Commission is working with partners to address these concerns with the aim of making independent certification open to all who wish to demonstrate that they are managing their woodlands sustainably. One of the challenges is to reduce the bureaucracy involved whilst maintaining the standards.

Private owners will continue to be encouraged to prepare Forest Plans to allow them to adopt a strategic approach to the management of their woods and forests. These Plans can be used by owners to help demonstrate sustainable management to the independent certifiers.

Following the World Summit on Sustainable Development held in September 2002, in Johannesburg, the UK Forest Partnership for Action has promoted discussion on actions which can be taken to support sustainable forest management. We are working closely with colleagues in other departments of the Executive on issues related to sustainable development and timber procurement.

One outcome of the review of the Woodland Grant Scheme and the Farm Woodland Premium Scheme was the recognition of the importance of management of our existing woods and forests, to bring economic, environmental and social benefits - now and in the future. In the new Scottish Forestry Grants Scheme, the commitment to woodland expansion remains - with the planting of the "right trees in the right places" and integration with other land uses - this activity should be supported by about half the grant expenditure, with the balance supporting improved management (and associated replanting).

The following Priorities for Action were identified in the Strategy:

- expand the area of well designed productive forest (FFR1);
- improve timber quality, by following good forest practice (FFR2);
- develop more mixed forests (FFR3);
- exploit non-timber outputs and benefits of woods and forests (FFR4);
- tackle deer problems (FFR5).

We will continue to promote sustainable forest management, in accordance with the UK Forestry Standard; and work with and encourage local authorities in developing Indicative Forestry Strategies.

Tasks for 2003/04

We will help take forward the Strategy Priorities (referenced as FFR1-FFR5) by:

- introducing the new Scottish Forestry Grants Scheme in summer 2003 (with further training for Forestry Commission staff, owners, agents and consultees);
- developing the grant application process for electronic input, online and using disk; and by:

Expanding the area of forest (FFR1)

- committing £1.85 million for locational premiums in parts of West Lothian, Falkirk, Lanarkshire, East Dunbartonshire, Ayrshire, Aberdeenshire, Moray, Shetland and Orkney to target extra help where woodland establishment, management or improvement are considered a priority for environmental, economic or social reasons;
- recruiting a project co-ordinator to work with the three Ayrshire Councils and other partners in the delivery of the recently published Ayrshire & Arran Woodland Strategy;
- working with the Central Scotland Forest Trust on a revised strategy for the Central Scotland Forest, and subsequent introduction of a locational premium to reflect the aims of the strategy;

Improving timber quality (FFR2)

- continuing (through Forest Research) further work to assess factors affecting timber quality, including an extensive survey of the stem form of Sitka spruce, development of models to predict the timber quality of plantation forest grown conifers, and collaboration with other organisations (such as the Building Research Establishment);

- thinning the national forests to improve the quality of the remaining crop, adding to the economic value while also delivering benefits for the environment and for recreation, with a programmed harvest 449,200 m³ over-bark standing;

Developing more mixed forests (FFR3)

- reviewing Forest Design Plans to maintain cover for 80% of the national forest estate, linking these with Strategic Plans for each Forest District;
- publishing a toolbox of mechanisms, for consulting more effectively on Forest Design Plans for the national forest estate;
- introducing a forest management strategy for the national forests on Arran, designed to reduce the inherent economic penalties associated with island forestry, whilst at the same time improving the conservation value of the forests and their attractiveness to tourists. This will be achieved by a gradual but substantial increase in the broadleaved and native conifer content of the woodlands and increased access opportunities;

Exploiting non timber benefits (FFR4)

- making available the results of a study into the (non-market) social and environmental benefits of forests;

Tackling deer problems (FFR5)

- working with the Deer Commission to co-ordinate and deliver relevant research; supporting the work of the joint working group to ensure close co-operation and liaison; monitoring impact at sites where deer pressure is an issue; and developing best practice guidance;
- working in partnership with local Deer Management Groups to develop sustainable deer range management plans, which cover all the interests within the deer range; continuing with the five year programme of deer larder refurbishment in the national forests; and registering these for inspection under the new Scottish Venison Quality Assurance Scheme;

In addition to addressing these Strategy Priorities we will continue to:

- control felling; around 450 felling licences are issued each year and about 40 cases of alleged illegal felling are investigated each year;
- require environmental impact assessment of relevant projects; last year (by the end of February) we accepted 7 environmental impact assessments (year end figures will be published in the annual report)
- protect our trees, woods and forests from pests and diseases; and,
- support and encourage the forest industries to increase the volume of certified timber.

Plant Health

The Forestry Commission's Plant Health Service operates throughout GB and, with support from Forest Research, has the vital task of preventing entry of quarantine pests and diseases from overseas, and controlling the spread of any that become established. Its principal task is to carry out inspections of imports of certain wood and wood products to ensure compliance with the statutory landing requirements. This is generally carried out at the port of entry. Because of the higher level of risk associated with wood packaging material, which accompanies most kinds of goods, greater emphasis will be placed on targeting this commodity in the future. New legislation, following European Community implementation of a recent International Standard for a Phytosanitary Measure is anticipated during 2003.

Much of GB, including all of Scotland, enjoys 'protected zone' status under the EC Plant Health Directive. This enables us to maintain quarantine controls on wood, mainly softwood, from other parts of the Community, including other parts of GB where certain pests occur. To maintain this protected zone status it is essential that we provide evidence of continuing freedom from the pests concerned. We do this by means of a programme of surveys at a number of dedicated forest sites.

Specific threats include:

Dendroctonus micans (the Great Spruce Bark Beetle). This pest was first detected in Great Britain in 1982, near Ludlow, Shropshire. Since then, statutory controls to prevent its spread have been in place and, with the exception of a fresh and possible unrelated outbreak discovered in Kent in 1996, it has remained confined to Wales and adjoining English counties. However, in 2002, it was discovered in the Lake District where it is now thought to have been present for between 3 – 5 years. This discovery necessitates a change in the area delimited as the protected zone for this pest, that is, the part of the country where it is believed to be absent. The Plant Health Service has carried out surveys in the North-east of England and the Scottish borders and no evidence of the pest has been found in either area. At the end of the year we had begun implementing changes to our control strategy, and the protected zone boundary following consultation with stakeholders. We plan a further review in 2006.

Anoplophora glabripennis (Asian Longhorn Beetle). Following adoption of EU measures, based on emergency action taken in 1999 by the Forestry Commission, we have been monitoring for the presence of this pest, especially in wooden packaging material from China. While it is unlikely that the beetle, which attacks a wide range of hardwood and fruit trees, could survive in many parts of Scotland, our Pest Risk Assessment indicates that it might establish in some of the milder areas of the country. A number of surveys have been carried out on trees in higher risk areas and no signs of infestation have been recorded.

Phytophthora ramorum (the cause of 'Sudden Oak Death'). In 2002, the first case of this disease, caused by a newly-identified pathogen, was detected on rhododendron plants at a nursery in West Sussex. The disease has caused the deaths of many thousands of trees in coastal California, including 3 species of oaks not grown in Europe. In all, a total of thirteen species of trees, shrubs and other woody plants

have been found to be susceptible there. We now know that a different mating strain of the same fungus has been affecting rhododendron and viburnum in Germany and

the Netherlands since about 1993. The Forest Research Agency, working closely with scientists in the Central Science Laboratory, are investigating a number of aspects of this disease, including determining the susceptibility of our own native oaks and related genera. The main emphasis of our strategy, drawn up in collaboration with SEERAD and Defra, is the surveying of possible host trees in the vicinity of nurseries where infected plants have been found by horticultural and plant health and seeds inspectors. Statutory controls were introduced in May and June banning the importation of plants, wood and bark of host species from the USA. These were modified in November to align with emergency EU measures which additionally require controls on rhododendron and viburnum plants moving anywhere in the Community. While it is too early to draw firm conclusions, initial research indicates that our own two native oaks, *Quercus robur* and *Q. petraea* are more resistant to the disease than their American cousins. While the disease has now been reported from a number of other EU countries, there has been no evidence of its presence on any trees anywhere in Europe.

Making
a positive contribution
to the environment

The Scottish Forestry Strategy set a strategic direction:

To ensure that Scotland's trees, woods and forests make a positive contribution to the environment

The Strategy recognises that ensuring compliance with the UK Forestry Standard and activities under the Biodiversity Action Plans will do much to ensure that Scotland's trees, woods and forests make a positive contribution to the environment. It also stresses the importance of existing commitments to the UK Biodiversity Action Plan (BAP) programme, with its Habitat Action Plans, Species Action Plans and Local Biodiversity Action Plans. These now include Scottish targets.

The remaining area of semi-natural woodland covers just 2% of our land area. Its conservation and enhancement is clearly vital.

The following priorities for action were identified:

- improve management of semi-natural woodlands (PCE1);
- extend and enhance native woodlands by developing Forest Habitat Networks (PCE2);
- increase the diversity of the farmed landscape (PCE3);
- aid recovery of acidified rivers and lochs and improve riparian habitat (PCE4);
- encourage alternatives to clear-felling (PCE5); and,
- contribute to a radical improvement in the quality and setting of urban areas (PCE6).

We will continue to promote good environmental practice in the management of Scotland's forests and woodlands. We will also continue to play our part in helping to achieve UK Biodiversity Action Plan targets (referenced below as BAP). We have the lead responsibility for action plans for native woodland habitats and for species associated with woodland.

We will manage Scheduled Ancient Monuments on FC land through plans agreed with Historic Scotland in line with our revised national agreement.

The way we manage our business, and follow sustainable principles and aim for particular targets, makes a contribution to this strategic direction, but is discussed on pages 39 & 40 under the section on effective use of resources, e.g. in relation to fuel consumption, recycling, water use, minimisation of waste, and sustainable procurement policy.

Tasks for 2003-04

We will help take forward the Strategy Priorities (referenced as PCE1 - PCE6) by:

Improving the management of semi-natural woodlands and enhancing native woodlands (PCE1, PCE2)

- managing the contract to review and further develop the Caledonian Pinewood Inventory with a view to publishing the results in 2004;
- in association with SNH, provide training (for 15 woodland officers and operations managers in 2003-04) on semi-natural woodland condition monitoring;
- develop work with the Scottish Forest Alliance project: taking forward two major projects with £1.9m funding from BP, starting to implement new native woodland programmes at Clashindarroch Forest (500 hectares) Aberdeenshire and Kinloch Hills (600 hectares), Isle of Skye. In addition, to add value through involving partners to improve woodland diversity, involving local people and providing opportunities for access, interpretation and learning;
- publishing (with SNH) guidance explaining the role and use of Forest Habitat Networks;
- implementing the programme for the restoration of ancient woodland sites (which are within planted forests on the national forest estate), taking account of forest habitat networks and Habitat Action Plan priorities;
- managing, through the Caledonian Partnership, the Core Forest Sites LIFE project in support of Atlantic Oakwoods, Tilio aceron and riparian woodlands;
- developing the draft Habitat Action Plan for Upland Birchwoods and assist completion of the draft Habitat Action Plan for Lowland mixed deciduous woodlands, (and seek the endorsement of the Scottish Biodiversity Forum's Action Plan and Science Group);
- working with partners at national and local level, leading the implementation of Habitat Action Plans for the following key native woodland habitats: native pinewoods, upland oakwoods, upland mixed ashwoods, wet woodlands;
- leading on the implementation of Species Action Plans for the Scottish wood ant, Wilson's pouchwort and fulfilled relevant actions in other Species Action Plans;
- working with, and seek to encourage, a wide range of native woodland initiatives. We contribute core funding to Highland Birchwoods, the Cree Valley Community Woodland Trust and Grampian Woodlands; and work very closely with the Clyde Valley Woodland Partnership;
- launching a guide on 'Woodland Networks for Wildlife & People' in partnership with SNH promoting the concept of Forest Habitat Networks;

- setting up various pilot exercises across Scotland including Highland Perthshire and the Angus Glens investigating the potential for introducing Forest Habitat Networks into woodland expansion and management planning;

Increasing the diversity of the farmed landscape (PCE3)

- working with Perth and Kinross Council, NFU Scotland, and the Environment and Rural Affairs Department, in support of the Breadalbane Initiative on Farm Forestry;
- publishing guidance on farm woodland design in Scotland;
- delivering a premium on the Scottish Forestry Grants Scheme in the Northern Isles which will assist with diversifying the farmed landscape in Orkney and Shetland;
- organising, with Historic Scotland, a seminar for Forestry Commission staff to raise the awareness and understanding of the value and management of the historic environment;

Improving riparian habitat and water quality (PCE4)

- working with colleagues in SEERAD and SEPA on the implementation of the Water Framework Directive, and assisting in the development of catchment management plans through involvement in partnership projects;
- participating in an EU LIFE project to demonstrate techniques to protect and enhance water quality and aquatic biodiversity in areas of extensive forest, with an international conference being held in Stranraer in May 2003, to disseminate results, prior to the project concluding in June;
- completing the project development of a £6.5 million Scottish LIFE Atlantic Salmon bid, with The Association of Salmon Fishery Boards and submit to the European LIFE fund by October 2003;

Encouraging alternatives to clear-felling (PCE5)

- using Forest District Strategic Plans and Forest Design Plans to establish large scale trial study areas for alternatives to clear fell on the national forest estate;
- establishing a large scale trial site in the national forests at Morangie near Tain;

Improving the setting of urban areas (PCE6)

- arranging, jointly with SNH, a conference to promote the exchange of recent research, policy work and best practice in managing woods in and around towns

Enhancing biodiversity

- publishing (with SNH) guidance on the management of woodland SSSIs;

- working with colleagues in Scottish Executive, SNH, RSPB and landowners on the £4.5 million EU LIFE Capercaillie Project (managed by Highland Birchwoods) to safeguard Scotland's declining capercaillie population; developing guidance for foresters and rangers in the national forests on practical measures to minimise disturbance during the breeding season;
- supporting the Black Grouse Recovery Project in Argyll, in partnership with RSPB, Scottish Natural Heritage and Scottish Power;
- working with SNH to prioritise woodlands for red squirrel conservation and improve information on distribution and abundance through survey and monitoring, in support of the Species Action Plan;
- working with the Scottish Executive and others to plan the implementation of the Scottish Biodiversity Strategy;
- implementing the five year EU LIFE project (commenced April 2001) on the Restoration of Blanket Bogs in Caithness and Sutherland;
- completing the restoration of Longbridgemuir, the most important of the northern Solway Mosses, to lowland raised bog;
- launching the first Butterfly Conservation reserve site in Scotland, in the national forests at Loch Arkaig. The site which will include a trail, leaflet and seasonal interpretation, is also part of a research project to study how clear-felling and restocking in adjacent woodland impacts on the population levels of key BAP species;
- developing the Geographic Information System, 'Forester', to enhance management decisions, evaluation and reporting on the contribution towards the Biodiversity Action Plan on the national forest estate;
- developing a new suite of training courses, through Forest Training Services, on biodiversity and conservation; and,

In addition to addressing these Strategy priorities, we will continue to:

- work with partners on the UK Forest Partnership for Action to seek to agree a common approach for timber procurement from sustainably managed forests.

**Creating opportunities
for more people
to enjoy
trees, woods and forests**

The Scottish Forestry Strategy set a strategic direction:

To create opportunities for more people to enjoy trees, woods and forests in Scotland

The Strategy explains that all Forestry Commission land is open for access, and contains a wide range of facilities. Grants are available to private owners to help with the cost of facilities. Legislation is being introduced to create a right of responsible access to land in Scotland. Local authorities are taking the lead in developing local access strategies, in some cases using the local access forum, and working closely with the Forestry Commission and woodland owners.

The following Priorities for Action were identified in the Strategy:

- provide woodland recreation opportunities near towns (ETWF1);
- improve the availability of information about opportunities (ETWF2);
- increase forestry's contribution to tourism. (ETWF3).

Given the increasing importance of the internet as an effective communications tool we have completely redesigned our website to make it more accessible and easier to use, to increase the amount of information available and to enable more of our customers to carry out business with us electronically. The redesigned site adopts recognised best practice for Government websites. Although we expect to expand information on all our activities, significant early additions to the site have included a comprehensive database of forests to visit and things to do; new educational resources for teachers and children will be added soon.

Tasks for 2003/04

We will help take forward Strategy Priorities (referenced as ETWF1-ETWF3) by:

Providing opportunities (ETWF1)

- implementing and promoting the new arrangements for access, in line with the Land Reform (Scotland) legislation, working closely with local authorities, Scottish Natural Heritage, sportscotland, VisitScotland, private landowners, and others promoting access and recreation;
 - developing a package of advice for Forestry Commission staff
 - working with the national Access Forum, to refine guidance prepared in the Scottish Outdoor Access Code
 - working with governing bodies of sport, associations and clubs to identify future areas of priority
 - supporting the work of the Local Access Forums
 - working with local authorities to identify suitable Core Path Networks, that contribute to the needs of residents, visitors and tourists

- providing training in the management of forest recreation for landowners, and others who wish to encourage more recreation
- discussing, with local access officers and interested parties, opportunities for woodlands to contribute more to the new arrangements for access in areas close to towns, and where forestry could make a larger contribution to tourism;
- developing a package of information and advice to support private owners in welcoming visitors to their woodlands, in line with the new arrangements for access and the need to support rural tourism, to build on the existing Walkers Welcome scheme;
- working with the Paths for All Partnership in identifying opportunities for extending woodland paths and access networks close to where people live, for enjoyment and health;
- holding a conference on Woods In and Around Towns, following the conclusion of a joint project with SNH, looking at the quality of woodlands, and opens spaces with trees, in and around our towns;
- developing support for Forestry Commission recreation staff, including a package of advice for front line staff; a system for monitoring visits to the national forests; bringing together case studies and sources of web based advice; and arranging training courses through Forest Training Services to include: disabled access awareness; managing recreation and safety; trail planning and design;

Improving information (ETWF2)

- extending our improved website with comprehensive and up-to-date information on recreation opportunities, ensuring appropriate links with other (such as tourist-related) websites;
- working closely with VisitScotland and other partners to integrate our provision of information about opportunities for recreation and access in the national forest;

Increasing forestry's contribution to tourism (ETWF3)

- maintaining the Treefest brand, supporting quality events which celebrate Scotland's trees, woods and forests; working with VisitScotland and the forestry sector in jointly promoting autumn colours as an excellent time to enjoy Scotland's forests and outdoors; promoting the 100 heritage trees of Scotland;
- working with VisitScotland to optimise the contribution made by forestry to tourism, through development and implementation of the tourism framework for action;
- working with the Tourism and Environment Forum to make the most of the contribution that forests make to wildlife watching opportunities;

- reporting on the survey work to explore the role forests and woodlands play in supporting recreation and tourism in the local economy; through GB Forestry Commission, publishing the results of a study into the role of forests in tourism;
- working with SNH to pilot their proposals for a "Sustainable Visitor Management System" at Glentress Forest and assess its suitability for use at other Forestry Commission sites;
- working with our partners to implement the Scottish Cycle Tourism Strategy developed during 2002/3;
- constructing purpose built contour trails through Leanachan Forest to host a cross-country mountain bike event as part of the World Cup Downhill Mountain Bike Event which is returning to Fort William in 2003;
- consulting with local stakeholders, businesses and communities on the proposal to develop a new Forest Park in national forests in the Great Glen;
- working with other partners in taking forward the £1.8 million project 'Perthshire: Big Tree Country' as an exemplar of cooperative working between forest managers and tourism interests to promote the area's outstanding tree and woodland heritage to visitors, building on the success of the 'enchanted forest' project;
- extending the range of recreation and tourist facilities in Scotland's national forests, including the completion of the refurbishment and expansion of the Forest Holiday cabins site at Strathyre;
- spending £3.5 million on the provision and maintenance of visitor facilities;
- working with partners to establish the South of Scotland as a UK and international mountain bike destination, through implementing the European partnership ERDF project;
- completing the construction, within the year, of more than 57 kilometres of cycle trails at five forest centres in the south of Scotland. This work, in the Tweed Valley and at Newcastleton, Dalbeattie, Kirroughtree and Glentool, is part of the 'Seven Stanes' mountain bike project and is a partnership project with European funding. It was commissioned in the aftermath of the Foot and Mouth Disease outbreak, with the aim of strengthening the tourist industry in south-west Scotland;
- developing, in partnership, plans to deliver the aims of the new Cairngorms National Park, to ensure that the existing visitor attractions and services provided in the national forests meet international standards;
- working with partners to upgrade recreational facilities in the Queen Elizabeth and Argyll Forest Parks, in the Loch Lomond and Trossachs National Park with additional support from Objective 1 and Objective 2 European funding, as well as Scottish Executive funding;

- reviewing the condition of mountain access paths through forests, and developing an action plan with the Mountaineering Council for Scotland for improvement to important access routes to Munros, Corbetts and local key hill tops;

**Helping communities
benefit
from woods and forests**

The Scottish Forestry Strategy sets a strategic direction:

To help communities benefit from woods and forests

The Strategy recognised that most forestry jobs are in rural areas, where they provide an additional opportunity for employment. For some communities, such employment is the major priority. For other communities, forestry is perceived in different ways and primary concerns may be in relation to general consultation, to closer involvement in forest management, and notably for recreation in areas closer to where people live.

The following priorities for action were identified:

- create wider employment opportunities (CB1);
- increase opportunities for community consultation (CB2);
- provide opportunities for greater community involvement in forestry (CB3);
- support community ownership where this will bring local benefits (CB4).

Our Forestry for People Advisory Panel has considered and contributed to a wide range of proposals for enhancing the delivery of greater benefits to communities. We will continue to use the Panel to help shape the way we develop work in this area, and promote greater community involvement in forestry, recognising the contribution that forestry can make to rural (and in some cases, urban) development, e.g. through crofter forestry. The Panel is due to complete its term of office, and is currently considering options to recommend to the Forestry Commission for the future of this work.

During 2002-03 we have worked with the HIE Community Land Unit to put together a bid for EU funding on a project with three strands to it: sawmill diversification, rural tourism and support for community woodlands. If successful the project would commence for three years from 2003-2004.

We will encourage greater activity through the Forest Education Initiative (FEI), which provides scope to increase young people's understanding of the local and global importance of trees, woodlands, forest environments and the wood processing industries. The initiative is supported by a partnership of the British Trust for Conservation Volunteers, the Field Studies Council, Forest Industries Development Council, Forestry Commission, the Forestry Trust for Conservation and Education, Groundwork, the Timber Trade Federation, the Tree Council, and the Woodland Trust and with advice from the Council for Environmental Education.

Tasks for 2003/04

We will help take forward the Strategy Priorities (referenced as CB1, CB2, CB3, CB4) by using our Forestry for People Advisory Panel to help us develop our approach (through the continuing work of the Panel's sub-groups on projects:

- examining the extent to which legislation constrains the scope for greater community involvement in the management of Scotland's national forests;
- reviewing the experience and role of Forestry Commission staff in consultation and community involvement; and by:

Creating wider employment opportunities (CB1)

- contributing to environmentally and forest based tourism partnerships in support of rural development;
- working in partnership to initiate a project to realise the rural development potential of small woods in the south of Scotland;
- supporting the three Local Development Projects in the national forests, in partnership with other stakeholders (North Sutherland Community Forest Trust, Minard Community Woodland Trust in Argyll, and Balloch Wood Community Project in Galloway) through our Rural Development Advisor;
- working with North Highland Forest Trust to provide benefits for communities in Caithness and Sutherland;

Increasing opportunities for consultation (CB2)

- working with the Panel to improve communication between the private sector and communities, using the new provisions in the Scottish Forestry Grants Scheme as the mechanism to encourage greater recognition of community interests, greater use of appraisal and engagement techniques, and partnership working;
- consulting local communities on Forest District Strategic Plans and Forest Design Plans for the national forests;

Providing opportunities for involvement (CB3)

- facilitating and providing opportunities for the involvement of local communities in the management of Scotland's national forests wherever and whenever feasible, in accordance with the policies set out in the publication *Working with communities in Scotland: our commitment*;
- completing the implementation of our action plan in response to Dr Mary Hobley's report *Forest Enterprise and community involvement in Scotland* commissioned by the Panel;

- rolling out the training on 'involving people in forestry' to others areas of Scotland, with three further courses during the year;
- promoting the work of the Forest Education Initiative in conjunction with local FEI Cluster Groups, and establish further groups in the central belt of Scotland;
- using our work with young people, involved in Forestry Commission woodlands and through Forest Education Initiative cluster groups, to help promote greater involvement in forestry amongst this age group and enable them to contribute their views to the work of the Forestry for People Advisory Panel;
- working with our partners, SNH and Central Scotland Forest Trust, in developing Tree Trunk online, which contains information on a wide range of books, posters, videos, sound tapes and leaflets and indicates how and where they could be used to support the delivery of specific areas of the 5-14, Standard Grade, Higher and Higher Still curricula; and in arranging training seminars for teachers;
- working with local authorities, Careers Scotland, and representatives of the forest industries, to develop teaching resources and a programme of activities on wood-using industries;
- funding - through the GB Forestry Commission - research into social aspects of forestry, including methodologies to explore the contribution of forestry through rural development to the local economy; the contribution made by forestry to the quality of life in areas where communities are disadvantaged; the role of forests in engendering community identity; and the contribution of forestry to health;

Supporting community ownership where this brings local benefits (CB4)

- examining the feasibility of developing opportunities for affordable housing on land within the national forests of Scotland, making good use of timber, and with heating based in part on woodfuel;

Efficient use of resources

Our Scottish Budget

The Forestry Commission budget provisions included in the Scottish Executive's 2003 Annual Expenditure Report are shown in the table below. They do not include the Forestry Commission's receipts from the EU for co-financing of woodland grants, which are shown separately.

In line with normal resource budgeting and accounting arrangements, the table includes income and expenditure accruals, and non-cash figures for depreciation and cost of capital charges on the value of assets employed. The largest item is the "cost of capital" charge on the capital invested in the national forest estate.

Table: **Our Scottish Budget**

£m	2003-04	2004-05	2005-06
Management of Scotland's national forests:			
Operating costs	53.8	53.8	53.8
Net Recreation, conservation and heritage costs	6.9	8.9	9.1
New planting	0.5	0.5	0.5
Other capital spending	1.3	1.3	1.3
Operating receipts	-38.3	-38.3	-38.3
Sales of surplus assets	-0.5	-0.5	-0.5
Total cash expenditure	23.7	25.7	25.9
Assistance to other forests:			
Woodland grants	19.5	19.5	19.5
Policy, regulation and administration	4.2	4.2	4.2
Total cash expenditure	23.7	23.7	23.7
Capital Charges: national forests	41.1	41.1	41.1
Capital Charges: other forests	0.2	0.2	0.2
Total budget provision	88.7	90.7	90.9
Income from EU co-financing	8.1	8.1	8.1

The Forestry Commission is funded on a net basis after taking account of all receipts. The major source of income from the national forests is from sales of timber, which have fallen in value in recent years following a sharp drop in the price of timber on world markets. There is no indication that there will be any significant improvement in the market over the next few years and this is reflected in the resource requirements in these plans.

The size and nature of the estate provides many opportunities for generating income from sources other than timber production and £ 7 million was generated from these activities in 2001/2. Every effort is being made to increase the value and income from leases of many kinds, and from developments such as windfarms, mineral sites and telecommunication masts, for which the national forests can often provide a suitable location.

Forestry is an important land use in Scotland covering 16% of the land area and supporting over 10,000 jobs. Its role in the rural economy will grow as timber production is set to double over the next 15 years.

Forestry also contributes to safeguarding and improving Scotland's environment, providing a valued resource for tourism and, through the recreational opportunities provided by woods and forests, helping to improve the health and wellbeing of the people of Scotland. In 2004-05 and 2005-06, we plan to spend an extra £4.2m to increase the national forest estate's contribution to the new national parks, improve the footpath network and forest wildlife protection measures.

How the Scottish budget is used

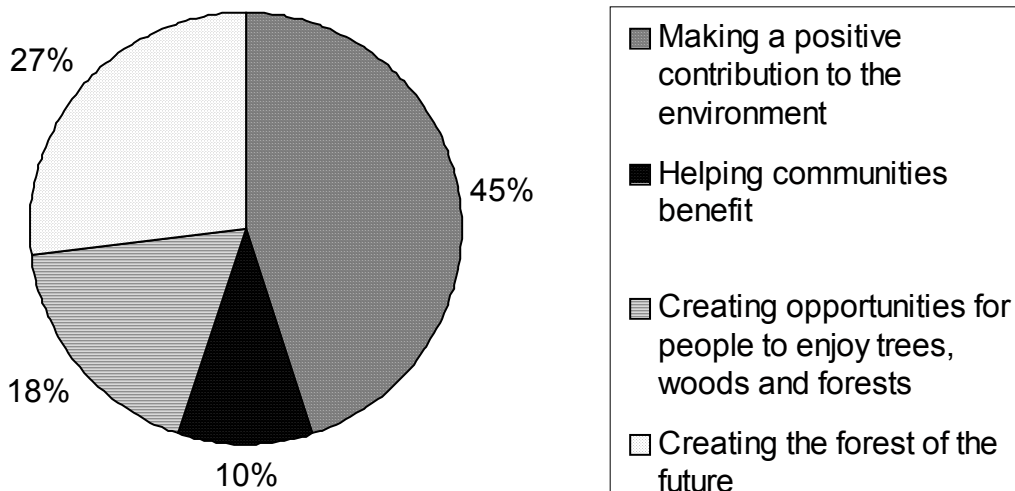
In Scotland, woodland grants are used to support protection and expansion of forests. Historically, we have spent approximately 70% of grants on forestry expansion, and the remainder on protecting and improving existing forests and woodlands. Following the recent review, to ensure that our grants are spent in the way which best implements the Scottish Forestry Strategy, we plan to move towards a 50/50 distribution of expenditure.

The grants review also recommended a modest increase in our contribution towards partnership projects. This will be focussed specifically at projects that contribute towards implementing Strategy priorities.

The following pie-chart estimates how much money we spent in 2001-2002, through woodland grants, and through partnership projects on each of the Strategic Directions identified in the Scottish Forestry Strategy. The underlying methodology is fairly crude - not least because, by its nature, multi-benefit forestry delivers a range of benefits from individual projects and so apportioning benefit can be difficult. These figures take no account of money spent in managing the national forests, and they take no account of spending by the GB Forestry Commission such as research and the *wood.for good* promotion. This explains why 'Maximising value' fails to show on the pie-chart, as only 0.2% of the funds accounted for by the Forestry Commission in Scotland are allocated to this head, with much activity being funded by Scottish Enterprise through the Cluster. Nevertheless, as can be seen by the reporting against 2002-2003 and for what is contained in the targets for this year, there is plenty of activity. The restructuring of the organisation in Scotland, following the implementation of the Forestry Devolution Review should enable the picture to be more fully explained in years to come.

Spending by Forestry Commission* (through grant and in partnerships)

* excludes spending on the national forests, and non FC expenditure



As the new grants take effect, we would expect to see increasing proportions spent, in particular, on helping communities benefit from forestry.

Following the review of the delivery of Grants and Licences, we have been working on the development of the appropriate business process making full use of current web-based technological advances and with a strong business to business focus through electronic service delivery.

We are also planning to modernise the way woodland owners apply for, and receive grants and licences. We want to make the arrangements more efficient and responsive, as well as more convenient for the woodland owner to use. The key to achieving this is the use of electronic applications over the internet. This will be supported by “back office” systems based on integrated spatial data, electronic workflows, case tracking and management information.

Forest Enterprise, in managing the national forest, spends £88 million on protecting, planning and managing the forest; on timber harvesting and roads, on social and environmental programmes, and managing forest holidays, and property associated with the forest. Income from timber sales currently amounts to £34 million. This, together with other income (some £7 million) from such activities as recreation, sale of venison, forest holidays, minerals and windfarms substantially helps to pay for the delivery of social and environmental benefits; benefits enjoyed now and investment in the national forests of the future.

What our GB budget buys

On top of our Scottish budget, forestry in Scotland benefits from our GB-wide spending, funded by the Westminster Parliament. The largest component is research and development carried out by our executive agency Forest Research (about 90%) and by other providers (about 10%): almost all research results are applicable to more than one country. The remaining expenditure is on protecting Britain's trees from pest and diseases, representing British interests on the international stage, and other GB-wide work including the costs of the Board of Forestry Commissioners, the development of the timber market, and the development and promotion of standards for sustainable forest management.

Improving efficiency and targets

The Scottish Executive's Programme for Government requires public bodies to seek best value for money. Grants represent a large element of Forestry Commission expenditure in Scotland, and continued efforts will be made to secure best value for money from these grants, with the introduction of the new Scottish Forestry Grants Scheme. We will also ensure that all key services which we deliver to business and citizens are available electronically by 2005, mainly through our website www.forestry.gov.uk and that electronic procurement becomes routine.

The main risks in achieving the targets set in this Corporate Plan remain reductions in funding (where the primary uncertainty is the timber market) and changes in other external factors such as the relative attractiveness of agriculture as a land-based activity.

Strategic Direction

We will continue to strive constantly to achieve better value for public money.

Tasks for 2003/04

We will:

- Reduce unit cost of grant administration
- Reduce unit cost of timber production
- Pursue business improvement plans in all cost centre units, as part of the Connect process and including the use of EFQM where appropriate
- Work towards "100% of transactions with the public and business electronically enabled by 2005" target. By March 2004 we expect to have achieved 45%.
- Increase usage of our website by 25%
- Introduce on-line application for plant health certificates for exports
- Implement the Forest Research Quinquennial Review by Summer 2003, in particular involving Scottish Executive and other Scottish stakeholders more closely in drawing-up the Forestry Commission's Research Strategy

- Continue to drive for greener housekeeping, replacing the remaining 30% of our electricity contracts with supply from a renewable source and introducing the Watermark scheme for the supply of water to our premises.

People in the Forestry Commission

Setting the context

The Forestry Commission is the employer of choice for many people who want to work in forestry or in rural areas. We employ just over 1,550 people in Scotland. This includes 1056 people working exclusively on Scottish activities, of whom 965 work on the management of the national forests. The other 500 staff are located in Scotland but work on functions (including research) which span the whole of Britain, reflecting the fact that the Commission's main GB office is in Edinburgh and one of its main research stations is in Midlothian.

A continuing programme of change

Our staff, and the way they go about their work, have changed greatly in recent years. Between 1994 and 1999, we reduced the number of staff by 23%. In 2000, we unified our former industrial and non-industrial staff groups, to create a unified workforce capable of more flexible deployment on the more varied tasks facing the Commission today. Prompted by the nation-wide programme of reform of the Civil Service announced in 1999, and by our first-ever survey of all staff in 2000, we introduced a major change programme (called Connect) which involved management at all levels and staff throughout the country in identifying changes which would make the Commission a more efficient and a better employer.

The changes involved:

- **Clearer leadership**, so that everyone knows what the Forestry Commission is about and stands for, what our plans are for the future, what part each unit can play, which things are priorities and which are not;
- **Greater trust in people at all levels**, with more flexible ways of working and less concern about where people sit in the hierarchy;
- **Better communications**, more informal, oral and interactive; and
- **Improved people management**, developing and making the best use of our staff.

The Connect programme of changes was implemented in 2001 and 2002. It included a commitment by the organisation in summer 2002 to be guided by a new set of FC values:

- teamwork
- professionalism
- respect
- communication
- learning
- creativity

A second Staff Survey was conducted in November 2002 and will be followed-up by a continuation of the Connect programme.

Benchmarking progress

We have benchmarked our progress against other organisations, and against our own performance before the Connect change programme.

Externally, that involved a re-evaluation against the Investors in People accreditation which we were awarded in 2000. During 2002, the core part of the Forestry Commission, plus our Forest Enterprise executive agency, won re-accreditation. The assessors noted tangible improvements in performance since the original accreditation. Our Forest Research executive agency will be re-evaluated in Spring 2003.

The November 2002 Staff Survey, too, showed progress. Indeed, of the 160 questions asked, only 8 showed a poorer performance and there were big positive changes in staff views on team working, leadership and training. Morale had improved, there was a large increase (18%) in staff who would recommend the Commission as a place to work, and almost 40% of staff felt that the Commission was a better place to work than it had been at the time of the last Survey only 2 years ago. There were still areas of concern but the Survey gave a strong indication that the culture change programme was moving quickly in the right direction.

Health and safety across Britain

We put a lot of effort into developing and operating safe working practices and ensuring the health and welfare of all staff.

We put particular effort into the management of the health and safety of employees and contractors who do high risk work in the forest. The trend for reportable accidents for Forest Enterprise is downwards. This achievement has been helped by a series of health and safety audits that have measured the performance of safety management. In addition, we continue to manage a number of occupational health issues, such as Noise Induced Deafness and Hand Arm Vibration Syndrome. Health and Safety will remain a priority for the Forestry Commission in working with the forestry industry as a whole.

The Forestry Commission's sick absence record (an average of 6.9 days per employee year in 2002) is benefiting from continued improvement in occupational health policies and management practices. Our target for 2003 is a further reduction, to 6.3 days. We have already improved upon our target to reduce medical retirement rates to 4.84 per 1,000 employees by 2005: our rate in 2002 was 3.84.

Next steps

The most important staffing challenge is the implementation of the Forestry Devolution Review (which is described on page 6). The Review will involve more decisions being taken from a purely Scottish angle, more closely integrated with other rural policy work, while retaining a collaborative approach to issues which are

the same across the whole of Britain. The staffing of the National Office for Scotland (and of the similar offices in England and Wales) are being augmented to take on functions, especially finance, media relations, and secretariat work, which are presently carried out at the GB level. Forest Enterprise, which is a GB-wide agency, will be split with the creation of an agency dedicated to managing Scotland's public forests. Careful attention is being given, in consultation with trade unions and staff affected, to the redeployment of staff without losing impetus. Secondment of staff to and from the Scottish Executive and other Scottish bodies will become more important, as a way of integrating forestry and other land use policies: existing secondments (in both directions) have been very successful.

The November 2002 Staff Survey gave a strong indication that the culture change programme was moving quickly in the right direction - but there were still areas of concern which point the way towards further changes which we need to make.

Tasks for 2003-04

We will:

- Implement the staffing consequential of the Forestry Devolution Review, especially creating a new agency dedicated to managing the national forests in Scotland, and equipping the National Office for Scotland to assume a greater role on finance, media relations and secretariat work;
- Strengthen our staffing interchange with the Scottish Executive and other bodies, increasing inward secondments from 4 in 2002-03 to 5 in 2003-04 and outward secondments from 2 to 3.
- Draw up by May 2003 an action plan for next steps in change management, including the follow up to the November 2002 Staff Survey;
- Make further improvements in our occupational health policies and management practices, in order to reduce staff sickness levels to 6.3 days per year in 2003 as well as reducing to 1 per 100 employees the number of reportable accidents in Forest Enterprise.

Standards of public service and equality

The Commission is committed to achieving high standards of public service. The following formal Statements of standards are now in place:

Statement of General Standards of Service
Felling Licence Charter
Plant Health Charter

Performance against these standards is reported in our Annual Report.

We work extensively with partner organisations, with customers, and with the people who use Scotland's forests. We recognise that good communications with all these groups is essential. We plan to continue measuring numbers of visitors and the quality of experience of our visitors.

We are also committed to integrating equality of opportunity into our policies and services.

We will implement our child protection policy by ensuring that all staff are aware of our policy and that staff in regular, substantial or unaccompanied contact with children complete a disclosure through Disclosure Scotland.

In all our contacts we aim to be:

Honest - we will treat people honestly as befits our responsibilities as Crown servants.

Open - we will make information available on all our services and how we are performing. In line with Open Government we will also make information on all our activities available on request.

Accessible - through our helpline and internet site, and through personal contact and published materials. Wherever possible we will use plain language. We will also make contact names and addresses widely available.

Listening - we encourage views about forestry and what we do. We will consult openly about our policies and about the range of services we provide, both at national and local level.

Responsible - if we get something wrong we will admit to it and put it right. We will also respect people's privacy and dignity.

**Report on
progress in
2002/03**

Progress against the actions identified in our 2002/03 Corporate Plan is as follows.
Further information will be provided in the Annual Report for 2002/03.

**Forestry Commission in Scotland
Progress Report for 2002-03**

Action	Progress
Key Tasks	
Work with the Environment and Rural Affairs Department to implement the results of the recent review of the Woodland Grant Scheme and Farm Woodland Premium Scheme	In hand, with the new Scottish Forestry Grants Scheme due to be introduced in June 2003
Launch the Scottish Forestry Forum	Achieved, first meeting held 26 November
Work closely with local authorities who are actively engaged in developing Indicative Forestry Strategies	Strategies finalised for Ayrshire, Moray, Orkney and Shetland; Highland is at consultation stage; and work underway for new or revised strategies with Aberdeenshire (and Aberdeen City), Central Scotland Forest, Perth & Kinross, and Stirling.
Work closely with new National Park Authorities, helping to develop a Local Forestry Framework for Loch Lomond and the Trossachs	In hand, draft Framework out to public consultation in November 2002 with intention of the National Park Authority agreeing and publishing the final version in the Spring of 2003.
Work with the Scottish Forestry Industry Cluster, serving on the cluster leadership group; seconding a staff member to Scottish Enterprise as a Forest Investment Adviser and supporting the work of local Forest Action Groups (MV1 and MV2)	Roger Coppock appointed as Forest Investment Adviser, replacing Bill Macdonald who returned to the Forestry Commission.
Run a seminar to demonstrate small scale harvesting machinery in Strathclyde (MV1)	Achieved, held at Loch Lomond in June 2002
Give priority to the development of Forest Plans which help secure timber supplies for the wood processing industries (MV2)	In hand

Action	Progress
<p>Support the work of the Timber Transport Forum and local Timber Transport Groups, ensuring that cross-border links are also made (MV3)</p>	<p>Co-funding Timber Transport Forum Timber Logistics Officer and Argyll Timber Transport Group Project Officer.</p> <p>Agreed routes maps now published for Grampian, Highland, Stirling, Tayside, Scottish Borders, and Dumfries & Galloway. Ayrshire due to be published in February and Argyll in April.</p> <p>Most of the attention is still on roads, but it is noted that a significant export flow of pulp has now begun from NE ports of Buckie and Fraserburgh.</p> <p>A Local Area Modelling Assessment is being prepared for South West Scotland, one is currently being commissioned for the Scottish Borders and one is to be commissioned for Grampian.</p> <p>Plans continue to be developed for a rail head at Barrhill.</p>
<p>Commit - through Forestry Commission HQ budget - £250,000 per year to a three year, £9 million campaign ("wood.for good") to promote greater use of wood by changing perceptions towards the use of sustainably grown timber and providing information to consumers and to people involved in specification, design and building (MV4)</p>	<p>In hand</p>
<p>Support the Scottish Hardwood Timber Market Development Group, encouraging the development of enhanced processing capacity (MV2); the development of a visual grading system (MV4); more active promotion of the use of Scottish hardwood by architects and builders (MV4); and producing advice and promotional material to encourage use of hardwood flooring (MV4)</p>	<p>In hand</p> <p>Contract awarded for visual grading study, co-financed with England, Wales, Northern Ireland and Eire.</p> <p>Joint conference (for architects and specifiers) on timber and the built environment held with Historic Scotland; CPD events held.</p> <p>Discussions are ongoing with Moray Council to promote a centre of excellence in furniture design and manufacture in timber.</p>

Action	Progress
Support timber product research (MV5)	Publication of the Scottish Executive's Timber Cladding book written by Highland Birchwoods, co-financed by partners.
Set up a group in Scotland to encourage greater use of wood for fuel; and to run further seminars on the subject (MV5)	Highland Fuelwood Group established. Very successful Fuelwood Conference held at Kinlochleven with a community focus. North East Forest Industry Group has now held two meetings on the topic of woodfuel.
<i>Forest Enterprise</i> : sell 2.9 million m ³ of timber in accordance with published production forecasts (MV2)	In hand
<i>Forest Enterprise</i> : encourage investment by processors through marketing 70% of timber supply under long-term contracts (MV2)	The proportion under long term supply is now closer to 65%.
<i>Forest Enterprise</i> : develop, in partnership with Highland Council, the long term pilot project to assess the effectiveness of innovative road engineering solutions on the Rimsdale/ Kinbrace Road (MV3)	Partnership in place under the ROADEX 2 banner, funded in part through the EU Northern Periphery Programme. Monitoring commenced during 2002, also first load of timber being moved to the Kinbrace railhead
Promote sustainable forest management, in accordance with the UK Forestry Standard	In hand

Action	Progress
<p><i>Future Forest Resource</i></p> <p>Commit £1.5 million to the Central Scotland Forest Challenge Fund and £1 million to the Grampian Forest Challenge Fund: this should support the creation of some 1200 hectares of well-designed productive forest (FFR1)</p>	<p>Around £1.6 million was awarded to help create 18 new woodlands comprising a total of 638 hectares within the Central Scotland Forest. A total of £6 million has been awarded to help create over 2700ha of new woodlands in Central Scotland since 1998.</p> <p>A new Locational Premium under SFGS was announced to help establish further new woodlands within the Central Scotland Forest.</p> <p>Grampian Challenge has now finally closed. Over the years it has operated, around £7 million has been awarded and just over 3500 hectares established since 1997.</p> <p>The Grampian Forest Forum announced the details of the new Locational Premium under SFGS. It will pay £1500 on top of SFGS grants for qualifying schemes between 10 and 30 hectares.</p>
<p>Arrange a seminar in Highland Conservancy on appropriate ground preparation techniques (FFR1, FFR2)</p>	<p>Achieved</p>
<p>Undertake (through Forest Research) further work to assess factors affecting timber quality, including an extensive survey of the stem form of Sitka spruce, development of models to predict the timber quality of plantation forest grown conifers, and collaboration with other organisations (such as the Building Research Establishment) (FFR2)</p>	<p>Forest of Spey Project developing inventory of Scots pine quality led by Forest Research.</p>
<p>Commit £0.5 million towards the cost of preparing long-term Forest Plans for 60,000 hectares of privately owned forests and paying grants (through the WGS) to help with costs of replanting or regeneration after felling (FFR3)</p>	<p>In hand</p>

Action	Progress
Complete investigations into the total and marginal social and environmental benefits generated by forests and woodlands (FFR4)	Draft report due by end of March, and final report in April.
Support the work of the joint working group with the Deer Commission to ensure close co-operation and liaison; and monitoring impact at sites where deer pressure is an issue (FFR5)	In hand
<i>Forest Enterprise:</i> REVIEW Forest Design Plans to maintain cover for 80% of the estate, linking these with Strategic Plans for each Forest District (FFR3)	In hand
<i>Forest Enterprise:</i> Complete the evaluation of a new methodology, and publishing a toolbox of mechanisms, for consulting more effectively on Forest Design Plans (FFR3)	Evaluated in Galloway and Inverness, and publication due by end of March 2003.
<i>Forest Enterprise:</i> Develop a bid, under the Modernising Government Fund, for the application of technology used in the oil industry, to aid the visualisation of forests in the landscape, in 3 dimensions (FFR3)	Following a successful 'expression of interest' the bid is now under consideration
<i>Forest Enterprise:</i> Work with the private sector to introduce an agreed venison quality assurance scheme to help promote venison marketing (FFR4, FFR5)	Quality Assurance Scheme launched at the Royal Highland Show.
<i>Forest Enterprise:</i> Achieve Deer Management Qualification Level 2 for all Wildlife Rangers before the end of the financial year 2002-2003	In hand
Control felling; around 450 felling licences are issued each year and about 40 cases of alleged illegal felling are investigated each year	In hand
Require environmental impact assessment of relevant projects; last year we accepted 8 environmental impact assessments	Up to the end of February, we requested 7 (and have accepted 3) EIA. Details for the full year will be given in the annual report.

Action	Progress
Protect our trees, woods and forests from pests and diseases	Emergency action taken by UK in May & June on Sudden Oak Death. Boundaries of protected area being redrawn for <i>Dendroctonus micans</i> following surveys in the Lake District and the Borders.
<i>Positive Contribution to the Environment</i>	
Establish a Highland Red Squirrel Group in partnership with Scottish Wildlife Trust, and Highland Council (BAP)	Achieved
Continue to implement the 5 year EU LIFE project (commenced April 2001) on the Restoration of Blanket Bogs in Caithness and Sutherland, (BAP)	Continuing
Draft proposals for the review and further development of the Caledonian Pinewood Inventory (PCE1)	In hand
Publish indicative native woodland Habitat Action Plan targets for local Biodiversity Action Plans and / or Indicative Forestry Strategy areas (PCE1, PCE2, PCE4, & BAP)	Published as a paper in Scottish Forestry Vol 56(2) in summer 2002
Manage, through the Caledonian Partnership, the Core Forest Sites LIFE project in support of Atlantic Oakwoods, Tilio aceron and riparian woodlands (PCE1, PCE2, BAP)	Underway
Work with RSPB, the Scottish Executive and SNH to develop the EU LIFE bid for work on the capercaillie project (BAP)	Bid submitted and approved by EC. Actions underway.
Continue working with Perth and Kinross Council, NFU Scotland, and the Rural Affairs Department, in support of the Breadalbane Farm Forestry initiative (PCE3)	Partnership funding now secured from key partners. Business Plan prepared (before end March 2003)
Provide (in association with SNH) training (principally for woodland officers and operations managers) on semi-natural woodland condition monitoring (PCE1, PCE4)	Pilot course attended by some members of staff, and need for further training under consideration.
Publish guidance on farm woodland design in Scotland (PCE3)	

Action	Progress
Publish (with SNH) a booklet explaining the role and use of Forest Habitat Networks, (PCE2, PCE4)	<p>Scottish Borders Pilot Study being commissioned with Forest Research, in partnership with SNH, to develop a method to identify the priority areas for habitat expansion and restoration.</p> <p>The Loch Lomond & Trossachs NP LW&FF will also outline the potential in the NP area.}</p> <p>Pilot exercise agreed for Highland Perthshire and the Angus Glens which is intended to help develop local guidance on SFGS applications and proposals</p>
Assist in the development of catchment management plans through involvement in partnership projects (PCE4)	Grampian led on the liaison with the Spey Catchment Management Plan, currently out for consultation. Annan catchment coordination plan published in the summer. The Dee-Ken plan is out for consultation.
Establish a Black Grouse Recovery Project in Argyll, in partnership with RSPB, Scottish Natural Heritage and Scottish Power (BAP)	Achieved. The partners have jointly funded a new Project Officer post.
Develop appropriate mechanisms for support of continuous cover forestry (PCE5)	<p>Provided for by means of the Stewardship grants in the new Scottish Forestry Grant Schemes.</p> <p>Continuous Cover Forestry Seminar held in Lothian & Borders Conservancy.</p>
Work in partnership to initiate a project to realise the rural development potential of small woods in the south of Scotland (PCE2, PCE3, CB1)	Revised project brief to be put to the Southern Uplands Partnership for agreement and the submission to Leader+ for support funding.
<i>Forest Enterprise:</i> Continue to implement the programme for the restoration of ancient woodland sites (which are within planted forests), taking account of forest habitat networks and Habitat Action Plan priorities (PCE1, PCE2)	In hand
<i>Forest Enterprise:</i> Continue to participate in an EU LIFE project to demonstrate techniques to protect and enhance water quality and aquatic biodiversity in areas of extensive forest (PCE4)	In hand

Action	Progress
<i>Forest Enterprise:</i> Continue to use Forest District Strategic Plans and Forest Design Plans to establish large scale trial study areas for alternatives to clear fell (PCE5)	In hand
<i>Forest Enterprise:</i> continue to develop work with the Scottish Forest Alliance project: taking forward two major projects with £1.9m funding from BP, starting to implement new native woodland programmes at Clashindarroch Forest (500 hectares) Aberdeenshire and Kinloch Hills (600 hectares), Isle of Skye. In addition, to add value through involving partners to improve woodland diversity, involving local people and providing opportunities for access, interpretation and learning	Project Officers for Kinloch and Clashindarroch were appointed. Launch of Clashindarroch project (now known as Darrachwids) took place on the 6 November.
<i>Forest Enterprise:</i> continue to develop the Geographic Information System, 'Forester', to pilot the extension of environmental datasets about species and habitats in Fort Augustus Forest District working with partners, to enhance management decisions, evaluation and reporting on the contribution towards the Biodiversity Action Plan (BAP)	The fieldwork in the Fort Augustus trial underway, and early results are encouraging. Discussions with SNH over sharing data.
<i>Forest Enterprise:</i> publish, in association with Forest Research, a guide to the management of deadwood within the Forestry Commission estate, and hold workshops to promote uptake of this guidance (BAP)	Published; training workshops have been held.
Work with, and seek to encourage, a wide range of native woodland initiatives	Tayside Native Woodlands has ceased operating but a number of its functions are being picked up by other partners with Forestry Commission support.
Work with partners at national and local level, and continue to lead the implementation of Habitat Action Plans for the following key native woodland habitats: native pinewoods, upland oakwoods, upland mixed ashwoods, wet woodlands and assist with the plan for lowland wood pasture and parkland	Ongoing

Action	Progress
Lead the implementation of the Species Action Plans for the Scottish wood ant, Wilson's pouchwort and fulfilled relevant actions in other Species Action Plans	On going, and progress report on the named species in preparation.
<i>Enjoying Trees, Woods and Forests</i>	
Develop proposals and disseminating information following the conclusion of a joint project (with SNH), looking at the quality of woodlands, and wooded space, in and around our towns (ETWF1)	In hand, with conference planned for 2003
Develop a package of information and advice to support private owners in welcoming visitors to their woodlands, in line with the developments in access legislation and the need to support rural tourism, to build on the existing Walkers Welcome scheme (ETWF1)	To be developed once Scottish Outdoor Access Code agreed.
Discuss, with local access officers and interested parties, opportunities for woodlands to contribute to the implementation of Land Reform legislation in areas close to towns, and in areas where forestry could make a larger contribution to tourism (ETWF1, ETWF3)	In hand
Extend our new website with comprehensive and up-to-date information on recreation opportunities, ensuring appropriate links with other (such as tourist-related) websites (ETWF2)	In hand
Hold Treefest Scotland 2002, a year-long celebration of Scotland's trees, woods and forests and supporting related projects such as the International Forest Festival Week in Dumfries and Galloway (ETWF2, ETWF3)	More than 800 events have made a significant contribution to rural tourism in Scotland, with events such as Tree in Park, and the International Forest Fest bringing returns at a regional level.
Commence survey work to explore the role forests and woodlands play in supporting recreation and tourism in the local economy (ETWF3)	In hand

Action	Progress
Work with Visit Scotland and other partners in the tourism industry to further the contribution made by forestry to tourism, by addressing the priorities identified in the Tourism Framework for Action supporting the National Tourism Strategy (ETWF3)	In hand
Work with other partners in taking forward the £1.8 million project 'Perthshire: Big Tree Country' as an exemplar of cooperative working between forest managers and tourism interests to promote the area's outstanding tree and woodland heritage to visitors (ETWF3)	In hand. Revised bid submitted in January 2003.
<i>Forest Enterprise:</i> Develop the website to include more information on the management of wildlife, the species, the habitats and places to watch wildlife in the Forestry Commission estate (ETWF2)	In hand
<i>Forest Enterprise:</i> spend £3.2 million on the provision and maintenance of visitor facilities (ETWF3)	In hand
<i>Forest Enterprise:</i> Work closely with VisitScotland and Area Tourist Boards to ensure that the potential of forest recreation on the Commission estate is fully reflected in tourist literature (ETWF3)	In hand, and already articles placed have resulted in increased enquiries, several hundred from one article on western Atlantic oakwoods alone.
<i>Forest Enterprise:</i> Rationalise the Forest Holiday cabin business in Scotland; and complete the refurbishment and expansion of the cabin site at Strathyre, by September 2002 (ETWF3)	Loch Awe cabins site sold; refurbishment of Strathyre site expected to be complete by Summer 2003.
<i>Forest Enterprise:</i> Work with partners to establish the South of Scotland as a UK and international mountain bike destination, through implementing the European partnership ERDF project (ETWF3)	Excellent progress to date.

Action	Progress
<i>Forest Enterprise:</i> Work with partners to upgrade recreational facilities in the Queen Elizabeth and Argyll Forest Parks, in preparation for the establishment of the Loch Lomond and Trossachs National Park (within the proposed boundaries of which the Forest Parks lie) with the support of Objective 1 and Objective 2 European funding (ETWF3)	Considerable progress already made, and EU Objective 2 funding secured.
<i>Forest Enterprise:</i> Publish a strategy for improving the delivery of recreation and tourism within the Forestry Commission estate and to widen related opportunities for rural tourism (ETWF3)	Achieved
<i>Forest Enterprise:</i> Commission a study into the needs of visitors to the Galloway Forest Park (ETWF3)	Underway
Community benefits	
Encourage, as part of Treefest Scotland 2002, greater activity through the Forest Education Initiative, which provides scope to increase young people's understanding of trees, the woodland environment, the forestry industry and the timber trade.	Co-funded 12 month appointment of co-ordinator, and FEI clusters re-energised.
Use our Forestry for People Advisory Panel to help us develop our approach (CB1, CB2, CB3, CB4) through the work of the Panel's sub-groups on projects	In hand
Review legal structures; establishing which elements of legislation and regulation constrain greater community involvement land managed by Forest Enterprise	In hand
Review the experience and role of Forestry Commission (including Forest Enterprise) staff in consultation and community involvement	In hand. Dr Mary Hobley reported and recommendations being taken forward.
Recommend arrangements for communication within and amongst Forestry Commission, Forest Enterprise, and communities	In hand, and new arrangements under consideration

Action	Progress
Implement three pilot projects, in partnership with Forest Enterprise and other key stakeholders, focused on creating jobs through local forest-based economic development	Underway
Develop skills in community involvement and facilitation, amongst Forestry Commission staff and partners (CB1, CB2, CB3, CB4)	Community involvement course for all staff in Highland Conservancy, December 2002
Appoint a Rural Development Adviser, to cover the whole of Scotland, but based in the Highlands (CB1, CB2, CB3, CB4)	John Risby appointed
Refocus, with partners, the work of Highland Birchwoods to support rural development (CB1)	Report completed and agreed by partners. New Chief Executive appointed.
Arrange a conference, 'Heating up on Wood', in Inverness (CB1, CB2, CB3, CB4)	Successful Fuelwood Conference at Kinlochleven with a community focus, and two conferences on woodfuel have been held in the North East.
Arrange a conference on rural development in mountain areas, to help celebrate the International Year of the Mountain (CB1, CB2, CB3, CB4)	High profile international conference held in Inverness.
<p>Complete a review of our education effort to ensure that it is as effective as possible in helping young people learn about forestry and its contribution to sustainable development (CB3)</p> <p>Fund - through the GB Forestry Commission - research into social aspects of forestry, including methodologies to explore the contribution of forestry through rural development to the local economy; the contribution made by forestry to the quality of life in areas where communities are disadvantaged; the role of forests in engendering community identity; and the contribution of forestry to health (CB3)</p>	<p>Meeting held in March which resolved future steps to be taken.</p> <p>In hand</p>

Action	Progress
---------------	-----------------

Develop our website to disseminate educational material about forestry (CB3)	Updated text and new resources are contained in the Tree Trunk online, contained within the FC Scotland webpages. Further work underway for GB Learning pages on the FC's website.
<i>Forest Enterprise</i> : Consult local communities on Forest District Strategic Plans and Forest Design Plans (CB2)	Ongoing
<i>Forest Enterprise</i> : Continue to facilitate and provide opportunities for the involvement of local communities in the management of Forestry Commission land wherever and whenever feasible, in accordance with the policies set out in the Forest Enterprise publication <i>Working with communities in Scotland: our commitment</i> (CB3)	Several new concordats and agreements being signed or developed, and a database of community groups working with FE prepared.
<i>Forest Enterprise</i> : Disseminate the results of the trial of two community forest facilitators in north Scotland - also co-funded by EU, Highland Birchwoods, Highlands and Islands Community Land Unit and SNH (CB3)	Report presented to the Forests for People Advisory Panel, and published on the Highland Birchwoods web site.
<i>Efficient Use of Resources</i>	
We will secure EU approval to proposed modifications to the Woodland Grant Scheme and the Farm Woodland Premium Scheme	Achieved
Implement the recommendations of the Forest Devolution Review	All the key recommendations of the Forestry Devolution Review, announced on 20 August, will have been implemented by 31 March 2003. That includes integrating the FC's National Office more closely with the Scottish Executive's Environment and Rural Affairs Department, creating a Scottish body within the FC to manage Scotland's national forests, and adding a Scottish Executive representative to the co-ordinating Whitehall Forestry Group (now renamed the International Forestry Group).
Implement the results of the Quinquennial Review of Forest Enterprise	Although the implementation of some of the results was linked to the completion of the Forestry Devolution Review, almost all will have been implemented by 31 March 2003 and the remainder by 30 June 2003.
Action	Progress

Complete the Quinquennial Review of Forest Research	The Review was completed in October 2002 and published in March 2003.
Implement initial measures to improve efficiency in the administration of the Woodland Grant Scheme following the review in 2000	In hand
Enable the creation, storage and management of electronic records, saving time and paper	A pilot phase was completed in December 2002 and will be applied progressively throughout the FC from April 2003.
Enable electronic application for felling and planting licences	This will be achieved in 2004, as part of the new applications process.
Introduce eCommerce links with timber customers	A pilot electronic exchange of weighbridge data is underway as part of the work of the Scottish Forest Industries Cluster. A second pilot, of electronic invoicing, is being initiated.
Seek re-accreditation as Investors in People	The FC was successfully reviewed in May 2002 and FE in December 2002.
Make further increases in the diversity of our staffing, achieving by December 2002 a range of specific targets including an increase to 9% in the proportion of senior posts filled by women	8.9% of our senior posts were filled by women at the end of 2002.
Implement the action plan of measures to be taken in response to the survey of all staff	Implemented.
Carry out a further staff survey	Completed in November 2002.
Introduce a new pay and performance system with pay based specifically on relative performance, as a way of encouraging continuous improvement in performance	New pay and performance system introduced, conforming to the requirements.

Action	Progress
Improve our occupational health policies and	Improved health and safety practices

management practices in order to reduce staff sickness and ill-health retirements	resulted in a further reduction in accidents to 31 in 2001-02 (53 and 51 in previous 2 years), a rate of 1.1 per hundred employees. Average days sick absence per member of staff reduced from 8.7 in 2001 to 6.9 in 2002. The rate of ill-health retirement has improved from 4.63 per 1000 employees in 2001, to 3.84 in 2002.
---	--