

FORESTRY COMMISSION SCOTLAND FRAMEWORK DOCUMENT FOR FOREST ENTERPRISE SCOTLAND

2010 Revision

STATUS

Forest Enterprise Scotland was established as an Executive Agency on 1 April 2004.

The Agency is part of Forestry Commission Scotland which is the Scottish Government's forestry department, reporting to the Minister for Environment. Its main task is to manage Scottish Ministers' national forest estate.

Forestry Commission Scotland is also part of the GB Forestry Commission, a cross border public body, operating in accordance with the Forestry Act 1967 as amended.

This document sets out the relationship between the Agency, the Forestry Commission and Ministers and establishes a framework for the operation of the Agency within the Forestry Act.

This document was screened under the FCS equality impact assessment procedure and was found not to require full equality impact assessment.

OUTCOMES AND OBJECTIVES

ROLE OF FOREST ENTERPRISE SCOTLAND

The role of Forest Enterprise Scotland is to provide Scottish Ministers' with a direct land management capability for delivering the Scottish Forestry Strategy and other Scottish Government priorities.

This will be principally but not exclusively related to delivery of forestry outcomes and through management of the national forest estate. Scottish Ministers may seek to use Forest Enterprise Scotland to deliver wider land management outcomes through partnership with other public landholders and on non-forested parts of Scottish Ministers' wider land holdings.

As part of a mix of state, public and private ownership, Forest Enterprise Scotland will focus on situations where other forms of intervention are not wholly effective or efficient at delivering public benefits. This will usually be where one or more of the following apply:

- for management of 'national treasures';
- where co-ordinated action is needed on a nationally significant scale;
- where action is needed rapidly, of a very specific nature or consistently over a long duration;
- where public benefit delivery is difficult to secure from the private sector ;
- for providing exemplars of best practice and expertise/leadership in land management.

VISION FOR THE NATIONAL FOREST ESTATE

In October 2004 Scottish Ministers agreed a vision for the national forest estate as part of a review of land managed by Forestry Commission Scotland ¹ :

Scotland's national forests will benefit everyone in Scotland, promoting vibrant and healthy communities; enriching natural environments and our cultural heritage; and creating wide-ranging opportunities for economic development.

OBJECTIVES

The objectives for Forest Enterprise Scotland arise from the three outcomes of the Scottish Forestry Strategy ² and are consistent with the priorities for management of the National Forest Estate laid out in the Strategy.

1. Improve the health and wellbeing of people and communities through delivering forestry for people, urban regeneration and community development benefits.
2. Promote competitive and innovative businesses contributing to the growth of the Scottish Economy through production of timber and other forest products, and encouragement of local economic and skills development.
3. Maintain a high quality, robust and adaptable environment through the practice of sustainable forestry and land management, maintenance of designated sites in favourable condition and active management for priority species and habitats.
4. Maintain an efficient and effective organisation, ensuring that the national forest estate is fitted for delivery of Scottish Government priorities and serves as an exemplar of best practice.

Scottish Ministers may vary these objectives.

KEY ACTIVITIES AND STRATEGIC GOALS

FOREST MANAGEMENT

Key Activities

- Forest planning
- Harvesting and marketing of timber
- Restocking
- Forest protection and maintenance
- Deer management
- Roads maintenance
- Estate management (commercial) - renewables
- Estate management (commercial) - other
- Estate management (services)

¹ <http://www.forestry.gov.uk/forestry/INFD-6B2D7U>

² <http://www.forestry.gov.uk/website/forestry.nsf/byunique/infid-6aggzw>

Strategic Goals

1. The estate to remain independently certified using a credible certification scheme agreed by FCS.
2. Maintain and publish a series of national and regional and local plans which demonstrate how the estate will be managed and developed to deliver the Agency's objectives. (National Strategic plan; FD Strategic Plans: Forest Design Plans)
3. Maintain an effective timber production forecasting capability. Operate efficient timber harvesting and marketing activities which provide a sustained yield of timber while optimising the financial returns from timber sales, facilitating market development and helping to provide market stability.
4. Optimise the financial returns from renewable energy developments (wind and hydro) and other commercial developments where this is consistent with delivery of the Agency's other key objectives.
5. Achieve a positive cash flow from forest and estate management activities by March 2015.

SOCIAL AND ENVIRONMENTAL OUTPUTS

Key Activities

- Management of urban woodlands
- Provision of access and recreational opportunities (commercial)
- Provision of access and recreational opportunities (services)
- Protection and enhancement of the natural and built heritage
- Rural development and community involvement

Strategic Goals

1. Manage designated WIAT woodlands to deliver economic regeneration and health and wellbeing outcomes.
2. Promote and encourage access to the estate for informal recreational activity (walking, cycling, horse-riding), providing basic facilities where appropriate.
3. Provide specialist recreation and visitor facilities where there is demand, and market failure, recovering a proportion of the costs where appropriate.
4. Encourage the development of commercial recreation activities by third parties and engage directly or in partnership, where a commercial return can be demonstrated.
5. Manage designated heritage sites in accordance with plans agreed with the appropriate statutory body.
6. Produce and deliver species and habitat action plans in support of national priorities and targets.

7. Provide evidence of an increasing level of biological diversity throughout the estate.
8. Provide a menu of opportunities for local communities to benefit from their local woodlands.
9. Facilitate the development of business opportunities by third parties, based on the goods and services provided by the estate.

CAPITAL IMPROVEMENTS

Key Activities

- Land sales and purchases
- Afforestation
- Road construction

Strategic Goals

1. Implement land sales and land purchase programmes in response to policies set by Scottish Ministers.
2. Deliver afforestation programmes which may from time to time be set by FCS.
3. Develop and deliver a road construction programme which minimises capital expenditure while delivering a roading system that allows delivery of key operational activities.

SERVICES

Key Activities

- Providing land sales, purchases and valuation services to FCS
- Providing land management services to other public bodies

Strategic Goals

1. Provide cost-effective land agency services to FCS in respect of its role as landowner.
2. Provide land management services to other public bodies in response to Government policy in this area.

EFFICIENCY AND EFFECTIVENESS

Key Activities

1. Operating effective and inclusive staff recruitment and development strategies.
2. Maintaining effective consultation mechanisms and high quality customer services.
3. Operating within agreed financial limits and providing accurate and transparent financial reports.
4. Demonstrating continuous improvement in operational efficiency.
5. Operating in support of wider organisational goals with respect to carbon reduction targets and the implications for energy use, travel and waste management.

Strategic Goals

1. Effectively implement FC staff recruitment and development, and equality and diversity policies.
2. Maintain effective and efficient financial information and accounting systems and effective financial management, which ensures delivery of, agreed targets.
3. Secure positive feedback from customers and stakeholders over consultation and transparency issues.
4. Delivery of agreed carbon reduction targets.
5. Demonstration of continuous improvement in the unit cost of delivery of key activities.

OPERATING PRINCIPLES

The Agency shall operate in accordance with the following principles:

- Sustainable forest management: The Agency will manage the estate in accordance with the principles of sustainable forest management as set out in the UK Forestry Standard. It is expected that the national forest estate will remain UK Woodland Assurance Scheme certified, that alternative to clear-felling will be used where appropriate and that deer management strategies will be maintained across the national forest estate.
 - Management of designated sites: The Agency will manage sites designated for their natural or cultural heritage in accordance with plans approved by the appropriate statutory authority.
 - Maintaining effective planning and consultation systems: The Agency will develop and maintain, for each Forest District, a Strategic Plan which has been agreed through a consultation and equality impact assessment process, and maintain approved Forest Design Plans for all parts of the estate.
 - Working in partnership³: The Agency is expected to fulfil published FCS commitments to working in partnership and to actively facilitate uptake of the National Forest Land Scheme and other forms of community engagement as set out in the Framework for Community Engagement in Forestry.
 - Implementing Forestry Commission Scotland policy: The Agency will take an exemplar role in implementing forestry policy, for example on deforestation and investment in recreation infrastructure.
 - Supporting Forestry Commission Scotland delivery initiatives: The Agency will take an exemplar role in implementing delivery initiatives like Woods In and Around Towns, Woods for Health and Local Woods for Local Learning.
 - Complementing the non-state public and private sector: The work of the Agency should facilitate and complement the role of the non-state sector.
- ³ <http://www.forestry.gov.uk/forestry/hcou-4u4j35>
- Refocusing the national forest estate: the Agency will take steps to respond to the recommendations of the 2004 Review of Land Managed by FCS⁴, through appropriate refocusing of management on the existing national forest estate, supporting management of other public land assets and by the operation of a ‘revolving fund’ for sale of and investment in land and capital assets.

- Efficiency and Effectiveness: The Agency is expected to operate efficiently and effectively, achieving its objectives at least cost and working within the agreed financial and operating boundaries.
- Freedom of information: The Agency will be open and accountable, providing clear explanations for its operating procedures, justification of its actions and, where consistent with commercial confidentiality, details of its financial transactions and operating costs.
- Professional competence: The Agency will undertake its work with a high degree of skill and technical expertise, acting as an exemplar of forestry and land management practice.
- Staff management. The Agency will practice high standards of staff management, continue to increase the diversity of its workforce and provide the training and development needed to equip the Agency with required skills. The Agency will adhere to the Investors in People standard.
- Health and Safety. The Agency will practice high standards in managing health and safety of employees, contractors and members of the public.
- Greenerways. The Agency will contribute fully to the FC Greenerways initiative to achieve continuous improvement in corporate sustainability.

RESPONSIBILITY AND ACCOUNTABILITY

Scottish Ministers decide the policy and financial framework within which the Forestry Commission, and the Agency, operate in Scotland and they are accountable to the Scottish Parliament for all matters concerning the Agency.

The **Forestry Commissioners** are statutorily responsible for the stewardship of the estate placed at their disposal by Ministers. Their relevant powers and duties are set out in Annex A. The Forestry Commissioners have delegated to the statutory National Committee for Scotland the normal exercise of their powers and duties in connection with the estate. The **National Committee** is chaired by a non-executive Forestry Commissioner and its members include a further non-executive Commissioner, an Agency Chief Executive and a representative of the Scottish Executive.

The **Director General** is the Deputy Chairman of the Forestry Commissioners and the senior official in the Forestry Commission. In addition to his role as a Commissioner, the Principal Accountable Officer for Scotland has designated him as Accountable Officer of the Forestry Commission in respect of its activities in Scotland. He is personally answerable to the Scottish Parliament for the propriety and regularity of Forestry Commission Scotland's activities, including the Agency, and for the economical, efficient and effective use of all associated resources. In practice, the Director General's role in relation to the Agency is delegated to the Director Scotland as Additional Accounting Officer.

⁴ <http://www.forestry.gov.uk/forestry/INFD-6B2D7U>

The **Director Scotland** is the executive Forestry Commissioner responsible to the Minister and to the Director General for the work of Forestry Commission Scotland. The Director Scotland is appointed Non-statutory Accountable Officer and is a member of the National Committee for Scotland. He is responsible, on behalf of the Forestry Commissioners, for the oversight of the Agency. In particular, the Director Scotland is responsible for advising Ministers and the National Committee on the Agency's Corporate Plan and performance targets and for ensuring that the Agency operates a proper system of financial management. The Director Scotland advises Ministers and the National Committee on the strategic direction of the Agency and ensures that the Agency has the delegations and authorities necessary for effective delivery.

The **Chief Executive** of the Agency is responsible through the Director Scotland to the National Committee for the management of the Agency. The Chief Executive has a right of direct access to the Commissioners and to the Minister. The Chief Executive is a member of the National Committee for Scotland and is designated as Agency Accounting Officer, responsible for the Agency's accounts and financial procedures and for the proper, effective and efficient use of resources provided to the Agency within the terms of the Framework Document and in pursuit of the agreed objectives and targets.

In particular, the Chief Executive is responsible for:

- providing leadership on the management of Health and Safety in the Agency;
- preparing and maintaining the Agency's national and regional planning and reporting framework and for achieving the targets set in them;
- preparing and submitting the Agency's Annual Report and Accounts;
- organising the Agency's staff and other resources to achieve its aims and objectives;
- maintaining financial and management information systems to assist in the monitoring and control of performance;
- establishing and chairing an Agency Management Board comprising senior managers within the Agency.

The Director General, Director Scotland and Agency Chief Executive are liable to be summoned to appear before the relevant Parliamentary Committee to answer for their financial responsibilities. It will be for Ministers to decide who should represent them at other Parliamentary Committee hearings. In practice, where a Committee's interest is confined to the day-to-day operations of the Agency, Ministers will normally regard the Chief Executive as the person best placed to appear on their behalf.

Ministers will encourage Members of the Scottish Parliament to communicate with the Chief Executive on matters relating to the day-to-day operations of the Agency. The Chief Executive will ensure that any matters on which it is proper for the Director Scotland or the Minister to reply are referred to them without delay.

The Chief Executive will provide Ministers with any information necessary to answer Parliamentary Questions or to deal with any other Parliamentary business about operational matters for which the Agency is responsible.

The activities of the Agency are subject to investigation by the Scottish Public Services Ombudsman.

PERFORMANCE MEASUREMENT

GENERAL

Forestry Commission Scotland will work closely with the Agency and with other relevant bodies to refine the Agency's performance measures to ensure that they:

- are relevant to the work of the Agency;
- reflect the desired outcomes as well as measuring inputs and outputs;
- can be readily assessed;
- contain qualitative as well as quantitative measures.

The Agency will agree with FC Scotland the basis for measuring and assessing performance and FC Scotland may from time to time commission reviews of specific activities or operations to assess how well they are achieving the desired objectives and outcomes.

KEY PERFORMANCE MEASURES AND TARGETS

The Forestry Commission National Committee for Scotland will, after consultation with the Agency Chief Executive, set annual targets for the key performance indicators listed. The targets may be varied by agreement between the National Committee and the Chief Executive. Performance against the agreed targets will be reported in the Agency's Annual Report.

Key performance measures will be kept under review with the aim of refining measures to better reflect the desired outputs and outcomes.

PLANNING AND REPORTING FRAMEWORK

The Chief Executive will contribute to the FCS Corporate Plan covering three financial years. It will set out the Agency's proposed key programmes with a forecast of income and expenditure associated with each. It will propose targets for the key performance indicators and for any other targets set by the National Committee. The Plan will also set out proposals for investment and efficiency improvements.

The Chief Executive will report to the National Committee regularly during the course of the year. Changes to the annual targets may be proposed to the National Committee or by the Scottish Ministers.

The Agency will maintain national and regional strategic plans, considered for revision at least every five years laying out how the national forest estate will be managed and developed to increase delivery against the Scottish Forestry Strategy outcomes and Agency objectives. The national strategic plan will be agreed with the FCS Management Board and both national and district strategic plans will be subject to public consultation. It will prepare, and review periodically, Forest Design Plans for all of the estate to a standard agreed with Director Scotland. The Agency will seek Forestry Commission Scotland's approval to the Design Plans.

The Agency will undertake equality impact assessment on all significant programmes and strategies.

The Chief Executive will prepare the Agency Annual Report and Accounts in accordance with the requirements of the Government Financial Reporting Manual (FreM). The report will show how the Agency has performed against the targets set out in the Corporate Plan. The form of the accounts will be agreed between the Forestry Commission, the Scottish Government and the Agency. The Accounts will be subject to external audit by the Auditor General for Scotland. The Annual Report and audited accounts will be laid before the Scottish Parliament and published normally along with the FC Scotland Annual Report and Accounts.

FINANCIAL PLANNING AND CONTROL

The Forestry Commission's work in Scotland, including the work of the Agency, is funded from a Parliamentary Vote, augmented by receipts from the sale of timber and other income raised by the Agency. The Agency will be involved in Spending Review discussions about its financial provision and, at the conclusion of each review, will set a three year budget. Within each financial year it will be required to remain within an agreed net, accruals-based budget.

The Agency will submit reports to Director Scotland on in-year financial performance against budget with projected out turn for the full year. The frequency and format of the reports will be set by Director Scotland. The Chief Executive will operate an effective management information system to generate reports on performance against financial and other objectives. Subject to the approval of Director Scotland and the Scottish Government, the Agency may be able to carry forward from one financial year to another, any surplus on budgets.

The Agency will maintain a comprehensive and up-to-date risk register, specifying the risks which apply to its work and how they are controlled. The Agency risk register will take into account risks identified in the FCS risk register.

The Chief Executive is responsible for arranging the internal audit of the Agency, in accordance with Treasury standards, to satisfy the responsibilities of an Agency Accounting Officer. After informing the Chief Executive, the Director Scotland may also arrange for internal audits to satisfy the responsibilities of the Principal and Non-statutory Accountable Officers.

The Chief Executive has the delegated financial authority set out in Annex B.

STAFF

The staff of the Agency are employees of the Forestry Commissioners. The Forestry Commissioners appoint, and set the terms of service of, the Chief Executive, generally following open competition. The Chief Executive is responsible for the recruitment, appointment and management of all other staff, including those in the Senior Civil Service.

In exercising these responsibilities, the Chief Executive will operate the following procedures and structures common to the Forestry Commission as a whole, agreed with the Trade Union Side:

- Pay and grading.
- Terms and conditions of service.
- A common database of personnel records.
- Recruitment on merit, by fair and open competition.
- Fair treatment for staff in accordance with the status of the Forestry Commission as an equal

opportunities employer.

- Staff performance appraisal, transfer, development, promotion and disciplinary procedures (including where relevant the right of appeal to the Director General).
- A partnership approach to staff relations, ensuring that staff and their representatives (including the Trade Union Side) are consulted on all appropriate matters.

The Chief Executive will consult and agree with the Director General on any proposed actions affecting these procedures and structures which have an impact on human resource policies or people management in the Forestry Commission as a whole.

The Agency is committed to ensuring that all staff are able to provide an effective service to customers and that staff achievements are properly recognised and rewarded. The skills and aptitudes which staff need to meet these objectives are obtained through sound human resource policies and career development programmes which allow opportunity for personal development and recognise the value to the Forestry Commission as a whole of promoting interchange of staff.

The Agency shall demonstrate full commitment to being an equal opportunities employer.

SUPPORT SERVICES

Many services in the Forestry Commission are shared in the interests of efficiency. An internal market operates between the Agency and other parts of the Forestry Commission whenever one part uses another's services. The provision of services will be managed by Service Boards that agree the nature, quality and cost of services to be provided and any notice to be given of termination. Director Scotland will consult the Chief Executive in nominating Scotland representatives to Service Boards.

Except as agreed under the Service Board structure, neither the Agency nor the Forestry Commission shall be tied to the other for support services, and may purchase services elsewhere.

REVIEW OF THE FRAMEWORK DOCUMENT

The Framework Document may be varied from time to time after consultation between the National Committee, Ministers and the Agency.

The Framework Document will be reviewed by the National Committee no later than 31 March 2013.

Copies of this Framework Document, and of any subsequent amendments, will be placed in the Scottish Parliament's Reference Centre, and published on the Forestry Commission Scotland website.

Requests for hard copies and enquiries about this Framework Document should be addressed to:

Director Scotland
Forestry Commission
Silvan House
231 Corstorphine Road
Edinburgh, EH12 7AT

ANNEX A: THE STATUTORY RESPONSIBILITIES AND POWERS OF THE FORESTRY COMMISSIONERS

The responsibilities and powers of the Forestry Commissioners are derived mainly from the Forestry Acts 1967 and 1979 and the Plant Health Act 1967, but with important additional powers, relating to recreation and amenity, granted under the Countryside (Scotland) Act 1967. Since 1985, the Forestry Commissioners have also been statutorily required, in carrying out their functions, to endeavour to achieve a reasonable balance between the interests of productive forestry and the environment.

This Annex covers the main statutory responsibilities of the Forestry Commissioners for the management of the estate.

GENERAL

Under Section 1 of the Forestry Act 1967, the Forestry Commissioners are charged with the general duty of:

"promoting the interests of forestry, the development of afforestation and the production and supply of timber and other forest products in Scotland, and in England and Wales."

This general duty includes that of:

"promoting the establishment and maintenance in Scotland and in England and Wales, of adequate reserves of growing trees."

Section 3 of the 1967 Act gives the Forestry Commissioners a power to manage land placed at their disposal by Ministers and provides that the timber (including all forest products) produced on this land belongs to the Commissioners.

OTHER DUTIES AND POWERS

The Wildlife and Countryside (Amendment) Act 1985 amended the Forestry Act by including a statutory balancing duty on the Forestry Commissioners:

"In discharging their functions under the Forestry Acts 1967 and 1979 the Commissioners shall, so far as may be consistent with the proper discharge of those functions, endeavour to achieve a reasonable balance between:

a. the development of afforestation, the management of forests and the production and supply of timber; and

b. the conservation and enhancement of natural beauty and the conservation of flora, fauna and geological or physiographical features of special interest."

The Forestry Commissioners also have a duty, under the Countryside (Scotland) Act 1967, to:
"have regard to the desirability of conserving the natural beauty and amenity of the countryside."

The Countryside (Scotland) Act of 1967 also gave the Forestry Commissioners powers to provide recreational facilities, and to acquire and manage land for the provision of recreational facilities and for the planting of trees in the interests of amenity:

"The Commissioners may, on any land placed at their disposal.... provide or arrange for or assist in the provision of tourist, recreational or sporting facilities and equipment, facilities or works ancillary thereto, including without prejudice to that generality:

a. accommodation for visitors;

b. camping sites and caravan sites;

c. places for meals and refreshments;

d. picnic places, places for enjoying views, parking places, routes for nature study and footpaths;

e. information and display centres;

f. shops in connection with any of the aforesaid facilities;

g. public conveniences."

and the Commissioners shall have power to make such charges as they think fit in connection with any of those facilities.

ANNEX B: FINANCIAL DELEGATIONS TO THE AGENCY

The powers delegated to the Chief Executive are exercised within normal Civil Service rules, conditions and standards, except where specific exceptions have been agreed in writing with the Director Scotland.

The Chief Executive has delegated authority:

- to approve all current expenditure;
- to approve capital expenditure up to £1m for any single contract;
- to authorise acquisition and disposal of land in accordance with guidelines set by the National Committee for Scotland;
- to settle claims and authorise write-offs up to £500,000;
- to give written authority for appropriate sub-delegations.

The following limits apply for agency capital expenditure:

- Individual managers can approve projects to the value of £10k.
- Projects between £10k and £50k can be approved by FES Head Office staff and must be supported by a Project Initiative Document (PID) which includes a business case.
- Projects over £50k must be approved by the FES Management Board. These must be supported by a PID and have a project champion who is a member of the FES Management Board, and a project sponsor who provides the interface between the Board and the project.
- Projects in excess of £1M are approved by the FCS Management Board.

In the interests of public accountability and value for money, the Commission's policy is to allocate significant contracts through competitive tendering unless there are strong reasons for not doing so. The Chief Executive will:

- sell timber by competitive tender, except in relation to long-term contract extensions and for sales not exceeding 10,000 cubic metres of timber annually;
- purchase or sell goods or services in accordance with the FC Procurement Manual;

except by agreement of the Director Scotland, which may be given generally or specially, and subject to or free from conditions.

ANNEX C: AGENCY KEY PERFORMANCE INDICATORS

% area independently certified as being sustainably managed
Area of woodland managed using alternatives to clearfelling
Percentage of notified features on designated sites in favourable or unfavourable recovering condition
Area of PAWS with a commitment to restoration under long-term forest plans
Native woodland as a percentage of woodland on the NFE
Percentage of woodland area managed with conservation and enhancement of biodiversity as a major objective
Number of sites managed specifically for historic environment and cultural heritage value
Percentage of sales plan harvested
Volume of wood supporting renewable energy schemes
Area of woodland creation contributing to national carbon saving targets
Number of apprentice places offered.
Number of recreation/tourism related business with agreements to operate on the NFE
Number of visits to national forests
% satisfaction with woodland recreation provision
Number of schools involved in woodland-based learning activities on the NFE
Number of community groups involved with managing the NFE
Independent satisfaction rating of community partnerships with FES
Area managed within 4km of settlements of >500 people that meet the accessible woodland standard.
Adherence to delegated expenditure and income targets
Total unit cost to roadside of direct timber production
Proportion of staff from ethnic minority backgrounds
Number of accidents recorded/100 employees
Reduction in carbon emissions from offices
Reduction in carbon emissions from road vehicle use