

Forestry Commission Scotland

Framework Document for Forest Enterprise Scotland

December 2004



FOREST ENTERPRISE SCOTLAND FRAMEWORK DOCUMENT

CHAPTER 1: STATUS

1.1 Forest Enterprise was set up as an Executive Agency on 1 April 1996 with a GB remit. Following the recommendations of the Forestry Devolution Review, the Agency was trisected on 1 April 2003 to create separate Agencies in Scotland, England and Wales.

1.2 Following a review of the appropriate status for Forest Enterprise in Scotland, Ministers decided that continuation as an Executive Agency was the most appropriate course of action and Forest Enterprise Scotland in its current format came into existence on 1 April 2004.

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

1.4 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.

1.5 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.

CHAPTER 2: RESPONSIBILITY AND ACCOUNTABILITY

2.1 **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.

2.2 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 Scottish National Committee 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.

2.3 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, he is the Principal Accounting Officer, formally responsible to Parliament for the financial affairs of the Forestry Commission, including the Agency. In practice, the Director General's role in relation to the Agency is delegated to the Director Scotland as Additional Accounting Officer.

2.4 The **Director Scotland** is the executive Forestry Commissioner responsible to the Minister and to the Director General for the work of the Forestry Commission in Scotland. The Director Scotland is appointed Additional Accounting 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.

2.5 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 and will meet them at least once a year. 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.

2.6 In particular, the Chief Executive is responsible for:

- preparing the Agency's Corporate Plans as described in Chapter 5 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 the aims and objectives set out in Chapter 3;

- 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.

2.7 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.

2.8 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.

2.9 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.

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

CHAPTER 3: AIMS AND OBJECTIVES

3.1 PURPOSE

To manage the national forest estate, owned by Scottish Ministers, to deliver the economic, environmental and social objectives of the Scottish Forestry Strategy.

3.2 KEY GUIDING 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.

Delivering the Scottish Forestry Strategy

The Scottish Executive's aims for forestry in Scotland are set out in the Scottish Forestry Strategy which proposes key strategic directions for Scottish forestry. The national forest estate will be expected to make a significant contribution to the delivery of the Strategy.

Helping to Deliver Other Scottish Executive Agendas

The varied nature of the estate and the operations carried out on it, provide the opportunity for a significant contribution to be made to Scottish Executive agendas and policy priorities which are not specifically headlined in the Scottish Forestry Strategy. The Agency will be alive to opportunities to contribute to, eg, delivery of renewable energy policy and the management of non-woodland sites of nature conservation importance.

Efficiency and Effectiveness

The Agency is expected to operate efficiently and effectively, achieving its objectives at least cost and operating within the agreed financial and operating boundaries.

3.3 EXPECTED BEHAVIOURS

In delivering its objectives, the Agency will demonstrate best practice in the application of the following behaviours:

- Inclusive. The Agency will work in partnership with central and local Government, with the voluntary and private sectors, and with all appropriate stakeholder groups, consulting fully on its programmes and initiatives. Its activities will help to bridge the opportunity gap by extending the range of people who benefit from its work programmes.
- Transparent. 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.
- Exemplar. The Agency should play a leading role as an exemplar of sustainable forest management and of best practice as set out in the Forest Guidelines. In its

role as manager of the national forest estate, the Agency will be at the forefront of new policy initiatives, acting as a test-bed and piloting new practices and approaches.

- Responsive. The Agency will respond to the changing external operating environment. It should take account of its potential to impact on markets and on communities and the opportunities to respond to new political priorities and directions.
- Professional. The Agency will undertake its work with a high degree of skill and technical expertise. The Agency will deal with stakeholders and the general public in an efficient, caring and helpful manner.

3.4 DESIRED OUTCOMES

The management of the national forest estate is not an end in itself, but rather a means to an end. The ultimate outcomes which Ministers seek to achieve through management of the national forest estate are:

Sustainable Economic Growth

through:

- helping to maintain and develop a competitive forest products industry;
- contributing to the development of a sustainable tourism industry;
- increased economic activity in rural areas.

Vibrant and Healthy Communities

through:

- improved health and well-being arising from access to, and enjoyment of, the national forests;
- supporting and developing local capacity through proactive partnership working;
- creating more attractive surroundings for urban and rural communities.

Conservation and Enhancement of Scotland's Natural Heritage

through:

- enhancing the biodiversity and heritage values of the national forest estate;
- conserving and enhancing important species and habitats.

In carrying out its activities in rural areas the Agency will seek to make a significant contribution to rural development and when operating in the urban and peri-urban environment the Agency will seek to make a significant contribution to urban regeneration.

3.5 AIMS AND OBJECTIVES

Achievement of the desired outcomes will be through pursuit of a number of high level aims, each underpinned by supporting objectives and these are set out in Table 1. The aims and objectives will be kept under constant review and may be varied at any time by agreement.

Table 1 Aims and Objectives of Forest Enterprise Scotland

AIM	OBJECTIVES
1. Manage the national forest estate in accordance with the principles of sustainable forest management and development	1.1 Ensure that practice complies with the UK Forestry Standard and the FC best practice guidelines
2. Maintain effective planning and consultation systems	2.1 Maintain and develop, for each Forest District, a Strategic Plan which has been agreed through a consultation process 2.2 Maintain approved Forest Design Plans for all parts of the estate
3. Maximise the value to the Scottish economy of the national forests' timber resources	3.1 Use the estate's timber resources to promote the sustainability and viability of the forest products industry and the rural economy 3.2 Plan and implement a sustainable programme of timber production and market the timber to maximise net income 3.3 Work with partners to minimise the direct and indirect costs of timber transport 3.4 Increase the quality of the timber produced from the national forests
4. Make best use of other forest products and estate assets	4.1 Realise the potential of the estate to deliver an income stream from appropriate development opportunities and to deliver other Scottish Executive objectives such as renewable energy and affordable rural housing
5. Conserve and enhance the biological diversity and cultural heritage values of the national forest estate	5.1 Prepare, and agree with the relevant statutory agencies, management plans for scheduled sites of nature conservation and heritage interest and for the implementation of agreed species and habitat action plans 5.2 Increase the general level of biodiversity throughout the estate 5.3 Maintain cost effective deer management strategies which balance habitat impact with deer welfare and rural development considerations

<p>6. Improve the appearance of the national forest estate</p>	<p>6.1 Increase the area of woodland managed using low impact silvicultural systems</p> <p>6.2 Develop and utilise the forest design planning system to ensure that there is a progressive improvement in the impact of the national forests in the landscape and on the physical environment (water and soils)</p>
<p>7. Increase the opportunities for everyone to enjoy visits to the national forest estate</p>	<p>7.1 Provide and promote more woodland access and recreational opportunities by making existing forests more accessible, by creating new woodlands around towns and by providing and promoting high quality recreational facilities</p> <p>7.2 Contribute to the local economy and the tourism industry by facilitating the development of local businesses servicing visitors to the estate</p> <p>7.3 Recover a proportion of the cost of provision by charging for specific services, facilities and events</p>
<p>8. Help communities to benefit from the national forest estate</p> <p>9. Maintain an efficient and effective organisation</p>	<p>8.1 Work with partners to provide opportunities for greater community involvement in the planning and management of the estate</p> <p>8.2 increase the opportunities for local people to benefit from employment and small business creation opportunities based on the goods and services available from the national forests</p> <p>9.1 Operate as a best practice employer</p> <p>9.2 Operate within the allocated financial resources and targets</p> <p>9.3 Demonstrate continuous improvement in selected operational costs and outputs</p>

CHAPTER 4: PERFORMANCE MEASUREMENT

4.1 GENERAL

Forestry Commission Scotland will work closely with the Agency and with other relevant bodies to refine and develop 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.

4.2 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 below. 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.

4.3 KEY PERFORMANCE MEASURES

Initial key performance measures are set in Table 2. These will be kept under continuous review with the aim of developing measures which better reflect the degree of success in delivering the desired outputs and outcomes.

Table 2 Key Performance Measures

AIM	KEY PERFORMANCE MEASURES
1. Manage the estate in accordance with the principles of sustainable forest management	Percentage of the national forest estate independently certified as being sustainably managed
2. Maintain effective planning and consultation systems	Percentage of the national forest estate covered by Strategic Plans and approved Forest Design Plans
3. Maximise the value to the Scottish Economy of the estate's timber resource	<p>Volume of wood harvested in relation to the production forecast</p> <p>Percentage of thinnable area which is in active thinning management.</p> <p>Average stocking density in restock sites targeted for future timber production</p>
4. Make best use of other forest products and estate assets	Net income from development activities
5. Conserve and enhance the biological diversity and cultural heritage values of the estate	<p>Percentage of scheduled sites, listed structures and designated landscapes managed in accordance with approved plans</p> <p>Progress against preparation and implementation of agreed species and habitat action plans</p>
6. Improve the appearance of the estate	Area of woodland managed using low impact silvicultural systems
7. Increase the opportunities for everyone to enjoy visits to the estate	Number and diversity of visitors to the national forest estate as measured by independent survey
8. Help communities to benefit from the estate	Number of active community partnership agreements

9. Maintain an efficient and effective organisation	Number of accidents recorded per 100 employees Performance against agreed financial targets Unit cost of selected operations
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CHAPTER 5: PLANNING AND REPORTING FRAMEWORK

5.1 The Chief Executive will prepare annually a draft 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.

5.2 The Corporate Plan will be submitted for consideration by the National Committee in December each year. The agreed Plan will be included as a component of the FC Corporate Plan for Scotland which will be published following approval by Ministers.

5.3 The Chief Executive will report to the National Committee regularly during the course of the year on progress with the implementation of the Plan. Exceptionally, the National Committee or the Minister may propose changes to the annual targets throughout the year.

5.4 The Agency will maintain an up-to-date Strategic Plan for each Forest District and 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.

5.5 The Chief Executive will prepare the Agency Annual Report and Accounts in accordance with the requirement of 'Government Accounting'. 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 Executive 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.

CHAPTER 6: FINANCIAL PLANNING AND CONTROL

6.1 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.

6.2 The Agency will submit reports to Director Scotland on in-year financial performance against budget with projected outturn 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 Executive, the Agency may be able to carry forward from one financial year to another, any surplus on budgets.

6.3 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.

6.4 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 Additional Accounting Officers.

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

CHAPTER 7: STAFF

7.1 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.

7.2 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.

7.3 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 personnel policies or personnel management in the Forestry Commission as a whole.

7.4 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 personnel management 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.

CHAPTER 8: SUPPORT SERVICES

8.1 Following implementation of the Forestry Devolution Review, many services in the Forestry Commission will continue to be 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 which will 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.

8.2 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.

CHAPTER 9: REVIEW OF THE FRAMEWORK DOCUMENT

9.1 The Framework Document may be varied from time to time after consultation between the Forestry Commissioners, Ministers and the Agency.

9.2 The Framework Document will be reviewed by the National Committee no later than 31 March 2007.

9.3 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.

9.4 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

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 any 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.

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.

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 for sales of specialist or purely local interest not exceeding 150,000 cubic metres of timber annually;
- purchase or sell other goods or services by competitive tendering where sums over £50,000 are involved;

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