

FORESTRY COMMISSION

CORPORATE PLAN FOR WALES

2002/2003

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FOREWORD BY CARWYN JONES AM, MINISTER FOR RURAL AFFAIRS

Wales is a very diverse country with large areas of urban development, particularly in the south, as well as extensive areas of majestic countryside which has played an important part in the culture and heritage, of which we are rightly so proud. However, there are no distinct boundaries separating urban and rural Wales. Both town and countryside are interdependent and becoming increasingly so as communications improve.

Neither must we overlook the fact that rural Wales is a living and working environment that provides livelihoods for very many Welsh people and contributes to the economy. The countryside is also an important source of leisure and recreation for people living and working in our towns and cities.

Woodlands have provided a source of income as well as diverse habitats for wildlife over many centuries. The forest industry in Wales currently supports some 4200 jobs generating a gross output of £400 million. Woodlands also contribute to economic, environmental and social sustainability, which is a key duty placed on the National Assembly.

Likewise, I see the valuable contribution of woodlands at a local level, providing amenity, landscape, recreational and health benefits to people in Welsh communities. I was struck by the importance placed on woodlands and trees by people responding to the consultation undertaken during the preparation of the Wales Woodland Strategy and value that they placed on them for a wide range of reasons.

There is an increasing appreciation of the contribution that forestry can make to rural development, integrating with other land uses, particularly agriculture. In the wake of the foot and mouth outbreak, there are real opportunities for farmers in Wales to diversify their businesses by using wood from their farms and adding value to it, as well as undertaking sensitive expansion of new woodlands for shelter, landscape and environmental benefits.

With innovative uses of wood, opportunities exist for rural businesses to diversify and new businesses to be created using wood as a sustainable source of raw material. I have taken a personal interest in the development of the Wales Woodland Strategy, that has involved extensive consultation with a wide range of community, industry and landowning groups throughout Wales, and I will take steps to see that its recommendations are implemented.

This Corporate Plan details the programme of work to be undertaken by the Forestry Commission during the forthcoming year as its contribution to the achievement of the Welsh Assembly Government's wider objectives.

Carwyn Jones

Introduction

The Forestry Commission acts as the Forestry Department of the Welsh Assembly Government, advising on, and implementing forestry policies. We are answerable to the Assembly for our activities in Wales. Under the devolution arrangements, the Commission operates across Britain as a cross border public body. This allows Wales to benefit from support services such as 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 Commission's programmes in Wales are directed and financed by the Welsh Assembly Government to which the Commission is directly accountable. The single most important demonstration of devolution at work was the launch, in July 2001, of *Woodlands for Wales*, the Assembly's strategy for trees and woodlands in Wales, of which more later.

In addition, a number of the Commission's functions are undertaken on a GB basis. These include:

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.

Plant Health and Forest Reproductive Materials - the Forestry Commission's Plant Health Unit 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.

Forest Research - the Forestry Commission's Executive Agency, Forest Research, and other experts such as those at the University of Wales Bangor, are 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 woodland; the impacts of woodlands on water quality and quantity; and the restoration of open cast mining sites.

Further details about our research activities are given in the Forest Research Agency Corporate Plan.

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 and supporting the UK Woodland Assurance Scheme, which provides for the independent certification of forest management in the UK.

Forestry Ministers in Wales, England and Scotland meet from time to time to review issues of common interest, including the way in which our GB functions are exercised. The details of how these are being pursued by the Forestry Commission in Wales are set out in this Corporate Plan.

The Forestry Commission in Wales

The Forestry Commission's National Office for Wales is located in Aberystwyth, with Area Offices in Ruthin and Abergavenny supporting field staff throughout Wales carrying out our regulatory and grant support functions.

Forest Enterprise is responsible for managing the Commission's forest estate, on behalf of the Welsh Assembly Government. It is an Agency of the Forestry Commission, with its Territorial Office also located in Aberystwyth and four Forest Districts throughout Wales.

Forestry Devolution Review

In January 2002 Forestry Ministers announced a review of the devolution arrangements for delivering sustainable forestry policies in England, Scotland and Wales and the UK's international forestry commitments. The review is being undertaken by a working group of officials from the Welsh Assembly Government, the Forestry Commission, the Department of Environment, Food and Rural Affairs, Scottish Executive and the Treasury, under Cabinet Office chairmanship. The Northern Ireland Department of Agriculture and Rural Development is also represented. The working group will report to Ministers during 2002.

Comments

Anyone wishing to comment on this Plan, or who may have suggestions for next year's Plan, is welcome to write to Simon Hewitt at the Forestry Commission's National Office for Wales, Victoria Terrace, Aberystwyth, Ceredigion SY23 2DQ.

DELIVERING WELSH ASSEMBLY GOVERNMENT POLICIES

Forestry's contribution to Welsh Assembly Government policies and targets

Throughout this Corporate Plan we have taken account of Welsh Assembly Government strategies expressed through policy documents such as the *Plan for Wales 2001*, *Communities First* and the *Sustainable Development Scheme*. Within the *Plan for Wales*, we are able to contribute to all the priority areas of social inclusion, learning, promoting health, supporting businesses (particularly in rural areas) and improving the environment.

The potential role of forestry in sustainable rural development

Most authorities now agree that rural development has to be endogenous (i.e. developed from within communities or in partnership with them) if it is to be sustainable. Forestry's most obvious role is therefore to act as a renewable resource that can be accessed for socio-economic use by communities in partnership with the public and private sectors. An excellent example of this is the development of world-class mountain bike trails at the Assembly's forest at Coed-y-Brenin which have, through increased visitor activity, resulted in several million pounds per annum of new money being brought in to the local economy.

However, woodlands can also be used as a focal point for capacity building within communities. Access to a woodland in order to develop safe recreational space or small scale economic activity can provide not only a facility for a community but also offer that community an opportunity to develop skills in project management and facilitation, thus bringing a community together. These skills will last beyond the life of the project and may lead to other developments that would previously have been out of reach. Our Objective 1 programme, *Cydcoed*, aims to support such capacity building, and is covered in more detail later.

We are also working with other public sector agencies on the Ystwyth Valley project, which has come directly from the Woodland Strategy. This project aims to bring together agencies and community groups to make use of local resources (including woodland) to stimulate increased local economic and social activity. Again, more details are given later in this Plan.

Promoting Sustainable Forest Management (SFM)

The Forestry Commission is leading the Government's work on forestry in preparation for the 2002 World Summit on Sustainable Development. The Commission is supporting the forestry industry in preparing a sectoral sustainability strategy covering the whole wood chain from growing through to

timber processing with a strong emphasis on the UK forest products sector. The Commission is working with other Government departments on actions to tackle global illegal logging, government procurement of wood and wood products, and working with business and NGO's to promote greater uptake of forest certification in the UK. The Government will be publishing a UK Statement on Sustainable Forestry for the World Summit, drawing on this work.

The Assembly has a responsibility under the Rio agreement (subsequently ratified by the Helsinki and Lisbon protocols) to support and facilitate the development of sustainable forest management in Wales. At the end of 2001 the Forestry Commission received the coveted "Gift to the Earth" Award from the World Wildlife Fund for achieving independent certification of its forests and woodlands.

As part of our response to the Woodland Strategy, we are also reviewing our current suite of grants in order to ensure that it supports the development of SFM in Wales.

During 2002/03, we will:

- Complete the review of existing support for the management of woodlands;
- Complete the review of existing support for the planting and establishment of new woodlands;
- Report on both reviews with recommendations on a way forward to the Welsh Assembly Government; and
- Seek to develop support for the UK Woodland Assurance Scheme in a way that makes certification accessible and relevant to woodland owners in Wales.

FUNDING SOURCES

Wales Rural Development Plan (RDP) – Forestry Chapter

As already indicated, the Welsh Assembly provides the main source of our funding in Wales. However, the Wales RDP remains key to delivering the objectives of the Wales Woodland Strategy, providing access to funding for forestry activities across Wales, particularly in the east, which is outside the Objective 1 area. The two reviews emanating from the strategy (referred to later) are likely to lead to a substantial revision of the forestry chapter of the RDP in order to meet the new objectives and targets from the Assembly.

EU Funding - Objectives 1 and 3

Objective 1 funding offers significant potential opportunities for forestry within Wales, with over two-thirds of Wales coming within the eligible area (see map below). There are five main measures within the Single Programming Document (SPD), which offer funding for forestry and forestry related projects. They are:

Priority 5*, Measure 2	£8.5 million	Training - about 10% has been reserved for forestry related training
Priority 5*, Measure 3	£9.8 million	All for forestry related projects
Priority 5*, Measure 7	£16.5 million	Management of the Natural Environment, perhaps 15% for woodland restoration projects
Priority 5*, Measure 8	£14.0 million	Recreation in the Natural Environment
Priority 6*, Measure 2	£15.8 million	Includes funding for renewable energy i.e. from wood fuel

*Refers to Priorities and Measures in the Wales Single Programming Document (SPD)

This funding is for the duration of the Objective 1 programme (2000 – 2006) and the figures above do not include the necessary domestic match funding. However, the Assembly has allocated £2.0 million each year for the remainder of the Spending Review 2000 period (to Financial Year 2003/04) as match funding against Objective 1 forestry related projects.

In Wales, the delivery of Objective 1 SPD targets will be through regional and local partnerships. The Forestry Commission is the Lead Body for the Forestry Countryside and Coastal Management (FCCM) partnership and has a key role, with other partner members, to ensure the targets identified in the SPD are achieved. The FCCM strategic plan has now been approved. The objectives of this Plan are to support the goals contained within the SPD and the policies in the Wales Woodland Strategy by assisting the delivery of sustainable economic, environmental and social benefits from woodlands by:

- Building a high quality flexible woodland resource to develop, support and enhance an integrated and economic forest based industry;
- Improving environmental benefits through woodland design to enhance the landscape, increase biodiversity and protect our cultural heritage; and
- Encouraging communities and voluntary groups to engage in woodland management to deliver a range of social and economic benefits linked to tourism, recreation, access and health.

In achieving these goals, projects will need to demonstrate how they will deliver the three cross cutting themes of equal opportunities, environmental sustainability and information and communications technology implicit in the Objective 1 process. In addition training and skills development are seen as key to the successful delivery of the forestry targets contained in the Programme Complement.

The main beneficiaries of Objective 1 funding are likely to be:

- Small and Medium-sized Enterprises (SME's) in rural areas and close to woodlands;
- The farming community and woodland owners;
- Communities interested in their environment, landscape and local job creation; and
- Disadvantaged communities.

By the end of 2001, eight projects had been endorsed by the FCCM and approved by the Welsh European Funding Office (WEFO). The projects are:

OBJECTIVE 1						
Project Title	Organisation	Duration	Grant requested £k	FC Contribution £k	Total Value £k	Project
Measure 3						
<i>Cydcoed</i> -Woods for All	Forestry Commission	01/01 12/03	- 1714.5	2432.0	4573.5	
<i>Shelterwoods</i>	Forestry Commission	04/01 11/03	- 344.5	344.5	1087	
<i>Tyfiant Coed</i>	University of Bangor	04/01 3/04	- 159.2	94.0	419.1	
<i>Coed Conwy</i>	Conwy BC	08/00 02/02	- 14.0	3.0	30.0	
Torfaen Community Woodlands	Torfaen BC	06/01 12/03	- 131.9	0.0	337.2	
Timber II	WDA	10/01 10/04	- 275.7	0.0	1121.3	
Total fund M3 - £9.8m	Sub Total – Measure 3		2639.8	2870.5	7568.1	

Project Title	Organisation	Duration	Grant requested £k	FC Contribution £k	Total Project Value £k
Measure 2					
Wales Forestry Future	FCA		317.6	195.0	794.1
Total fund M3 - £8.5m			317.6	195.0	794.1

Project Title	Organisation	Duration	Grant requested £k	FC Contribution £k	Total Project Value £k
Measure 7					
Restoration of Degraded Ancient Woodland Sites	Woodland Trust	05/01 – 05/04	249.6	1.6	650.6
Total fund M7 - £16.6m			249.6	1.6	650.6

Overall Total funds for Measures 2, 3 & 7 - £34.9m			3207.0	3067.1	9.012.8
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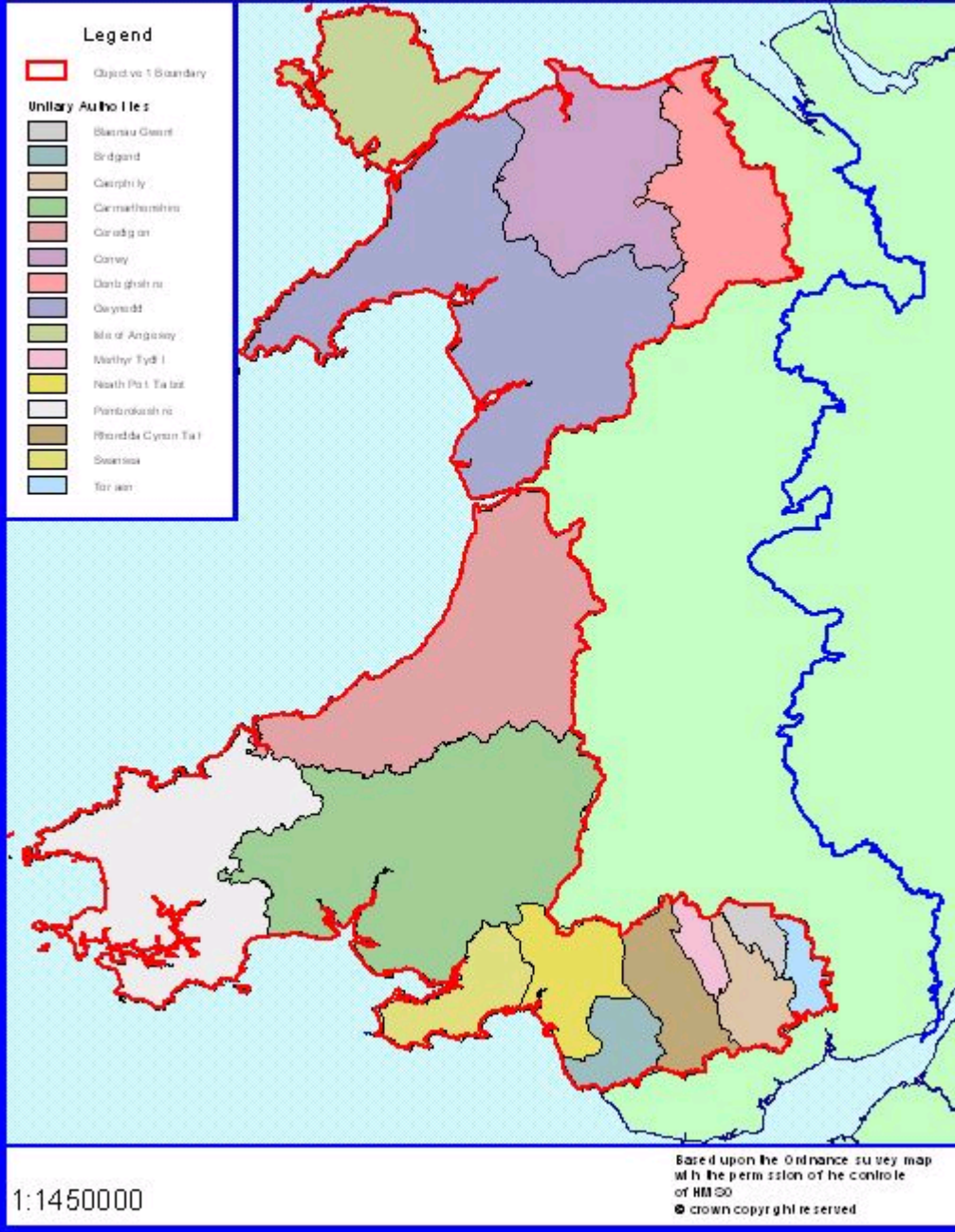
Those projects where the Forestry Commission is a significant partner are dealt with in more detail elsewhere in this Corporate Plan.

To compliment the Forestry Contracting Association's (FCA) training initiative within the Objective 1 area the FC, together with the WDA, have encouraged and supported the FCA Powys Forestry Training Network project. This project commenced in May 2001 and runs to July 2002, providing training and business advice to 100 SMEs. We are working with the FCA on a further training project covering all of the Objective 3 area, which will commence in August 2002.

In addition we have, with WDA, extended the Shelterwoods and TIMBER II projects to cover east Wales as well as the Objective 1 area.

OBJECTIVE 3					
Project Title	Organisation	Duration	Grant requested £k	FC Contribution £k	Total Project Value £k
Priority 4 Measure 2					
Powys Forestry Training Network	FCA		55.9	7.8	124.3

OBJECTIVE ONE AREAS



PARTNERSHIPS

Tir Coed

Tir Coed is a partnership comprising representative organisations from the public, private and voluntary sectors in Wales, whose remit entails the creation of new woodlands through network links and improving landscape fit as well as exploring the potential for large new native woodlands in the Welsh uplands.

Tir Coed staff have also undertaken some innovative participatory rural appraisal work, and are taking a lead in the *Ystwyth Valley* project. This is an initiative to use the Ystwyth Valley as an innovative, large scale pilot to seek maximum benefit for local communities, integrating woodland management, tourism and environmental objectives in order to meet some of their aspirations and help to improve the rural economy in a sustainable way. The Forestry Commission will be facilitating exciting opportunities to use the Assembly's woodlands in the valley more widely to maximise local benefits, regenerating communities, stimulating local economies and enhancing the quality of life.

Within the Ystwyth Valley partnership, the Forestry Commission will encourage *Tir Coed* to:

- Produce a menu of existing and potential funding opportunities;
- Identify opportunities for targeted grants from public sector partners;
- Complete an analysis of stakeholders' needs and aspirations; and
- Continue Community Involvement in developing the initiative.

Cydcoed

This programme is operated within the *Tir Coed* partnership and is supported by EU structural funding targeted at providing access to green spaces for communities identified as being 'most deprived' in the Assembly's *Index of Deprivation*. *Cydcoed's* objectives are to make better use of woodland to:

- promote healthy recreation, education, and conservation using woods;
- provide new jobs and commercial opportunities based on woodland; and
- improve existing woods and assist the creation of new woods.

The programme aims to plant 12 new woods totalling 140ha, improve 75 existing woods totalling 1500ha, and create 40 new jobs by December 2003.

Cydcoed will only give grants to properly constituted community groups so that control of the funds is at a local level but anyone can put projects forward. The response from the people of Wales has been outstanding. By January 2002, the team had 130 projects on its books with potential total grants of £5.2 million, and £500 000 of grants had been committed.

In 2002 / 2003 we will encourage *Cydcoed* to:

- commit a further £3.4million in grants;
- sign contracts with local groups that will fulfil all programme targets;
- negotiate with Wales European Funding Office for an extension to *Cydcoed* to 2006; and
- continue to help communities use woodland to improve lives.

Coed Cymru

At the end of March, we concluded a vital new Partnership Agreement, securing funding for Coed Cymru Woodland Officers linked to individual service level agreements with Unitary Authority and National Park partners. We see a challenging future for Coed Cymru providing an important service in the achievement of targets from the Woodland Strategy, particularly on farms. The importance of diversification has been graphically highlighted by the foot and mouth epidemic and, with assistance of Coed Cymru woodland officers, we are now able to offer real help to farmers wishing to develop new sources of income, integrating woodland management into their farm businesses.

PROGRAMMES AND ACTIONS ARISING FROM THE WALES WOODLAND STRATEGY

The Wales Woodland Strategy was formally launched in 2001 and sets out in more detail the principal objectives, indicative performance measures and milestone markers. The programmes of action are collected into five broad objective areas:

- **Woodlands for People**
- **A New Emphasis on Woodland Management**
- **Wales as a Location for World-Class Forest Industries**
- **A Diverse and Healthy Environment**
- **Tourism, Recreation and Health**

1. Woodlands for People

Community development is a priority for the Assembly, particularly in respect of Wales' most disadvantaged communities. Woodlands can provide environmental, social and economic benefits to local communities and individuals, support opportunities for learning and contribute to local sustainability.

The **Forest Education Initiative** (FEI) provides scope to increase young people's understanding of trees, the woodland environment, the forestry industry and the timber trade. It is supported by the Forestry Commission, Timber Trade Federation, the Forestry Industry Development Council and the Forestry Trust for Conservation and Education (now a part of the Woodland Trust), with advice from the Council for Environmental Education.

We now have two part-time FEI co-ordinators, in North and South Wales, assisting schools, educational establishments and other interested groups to set up and administer cluster groups that cover various locations throughout Wales.

We will encourage greater community involvement in forestry and develop new ways of enabling local communities and individuals to benefit from partnership projects within the Assembly woodlands, targeting those areas of greatest social disadvantage.

Restructuring to meet the Social Agenda

Forest Enterprise has re-organised in Wales in order to improve delivery of the social outputs sought by the Welsh Assembly Government. There are now four Forest Districts, with each divided into Local Areas so that staff are brought closer to communities to better attune to and respond to their needs. Particular attention has been paid to *Communities First* communities, including those in the South Wales Valleys, where priority will be given to forest classrooms, extra

forest trails and picnic places to encourage healthy lifestyles, and facilities such as biking and rally routes to encourage tourism. Local Area staff are being supported by specialists in such areas as Community Liaison, *Communities First* opportunities, Education, Tourism, and Forest Sports.

Strategic Priorities over the next 3 years

We will encourage greater community involvement in forestry and develop new ways of enabling local communities to benefit from partnership projects on the public forest estate, targeting those areas of greatest social disadvantage.

Actions for 2002/03:

We will:

- Provide continued financial support for two part-time Forest Education Initiative Co-ordinators and administration in Wales, jointly with partners, to build upon and expand the network of local cluster groups throughout Wales, encouraging schools and other interested groups to gain a better understanding of the importance of trees, woods, forest and timber products;
- Explore and develop opportunities that aim to maximise the social benefits that can be derived from woodlands and forests;
- Build upon existing links with *Forest School Wales*, *Coed Cadw*, Educationalists and other interested groups to develop a Wales Learning Forum;
- Build upon the success of the pilot Forest Schools project in Cwmbran and Monmouthshire and explore the potential of developing a network of Forest Schools throughout Wales;
- Based on the research results of the socio-economic study undertaken by Cardiff University, seek partners to explore the possibility of developing programmes aimed at breaking down the barriers that hinder greater involvement and management of woodlands and forests by local communities; and
- Seek partners to explore the possibility of developing a forest based Intermediate Labour Market (ILM) employment programme based in two areas of Wales experiencing high levels of social deprivation and

unemployment. The ILM programme will help unemployed people to build upon their existing attributes and skills and help to reverse the process of social exclusion experienced by individuals in such areas.

Through Forest Enterprise we will:

- contribute to the *Communities First* programme by working with Community Partnerships
http://www.assembly.wales.gov.uk/themessocialdeprivation/content/comfirsthome_e.htm
- build our capacity to undertake inclusive community consultation and progressively extend our programme of consultations to communities across Wales;
- produce action plans arising out of the six completed pilot community consultations in the South Wales Valleys to improve access and the quality of the local environment, as part of the Valleys Woodlands for Valleys People initiative;
- extend our community consultation programme to 40 communities in the South Wales Valleys with the help of our newly recruited Community Rangers,
- launch FE's expanded education service and provide woodland educational activities for 50% of schools in Wales, with priority given to schools in disadvantaged areas;
- conclude a study to identify new community woodlands on derelict land in the South Wales and North Wales coalfields;
- facilitate and support *Cydcoed* projects to improve local access to Assembly woodlands in Objective 1 areas;
- conclude Partnership Agreements with Unitary Authorities in Cardiff, Swansea, Newport and Wrexham to identify opportunities for improving access to peri-urban woodlands;
- extend our volunteering programme to increase community participation in woodland management;
- produce sets of designs to improve the sense of welcome at forest and woodland entrances and ensure that the Assembly receives attribution on signage; and

- seek to purchase new woodland sites for disadvantaged communities, who do not currently have access to nearby woodlands, and provide improved facilities for access to existing woodlands adjacent to these communities.

2. A New Emphasis on Woodland Management

Following the publication of the *Woodlands for Wales*, and at the request of the Minister for Rural Affairs, the Forestry Commission initiated two reviews of its grant aid programme:

- (1) A review of the incentives for creating new woodlands was initiated late in 2001 and will be carried out in conjunction with the Agriculture & Rural Affairs Department, covering both the Woodland Grant Scheme (WGS) and the Farm Woodland Premium Scheme (FWPS). The review is due for completion in late summer 2002, with implementation of new incentives in 2003/04.
- (2) A review of the incentives for management of existing woodlands commenced in Autumn 2001 and following a consultation exercise in January 2002, a report will be submitted to the Minister for Rural Affairs with recommendations for new incentives by the end of June 2002.

One of the key themes of the Woodland Strategy is the move away from single aged, single species plantations and the use of clear-felling systems of woodland management. Continuous-cover systems (where low impact silviculture protects the soil and retains a woodland appearance) will be used in Assembly woodlands where it is feasible to do so. It is not possible to do this in all circumstances, although our favourable site conditions in Wales allow this type of management to be used in most sheltered woodlands. We will be undertaking research into the appropriateness of and rate of change towards this system of management in Assembly woodlands, and the incentives required by the private and voluntary sectors to encourage them to move towards this form of silviculture.

Opportunities will be taken in the development of new incentives to bid for Objective 1 funding in order to introduce adequately resourced grants to deliver key priorities in the Strategy.

Interim incentives for woodland management:

During 2002/3 while new incentives are being developed, we will provide enhanced Woodland Improvement Grants (WIG) for projects that meet the following criteria:

- **WIG 1 Recreational Provision in Woodlands**, for work to encourage public recreation in Woodlands, including creation of paths, and provision of signing and picnic areas.
- **WIG 2 Under-managed Woodlands**, for work to bring woodlands back into management, typically, small farm woodlands. Operations could include building access tracks, coppicing and uneconomic thinning

- **WIG 3 Woodland Biodiversity**, will assist operations that support Biodiversity Action Plan targets. Operations could include Rhododendron clearance, and management for important species

These projects are consistent with many Woodland Strategy priorities and therefore will enable progress to be made in these areas during the period in which new incentives are developed.

These enhanced grant rates were originally introduced as part of the Assembly's Rural Recovery Plan in 2001 and follows the ending of WIG Challenge funding for the creation of access tracks and the enhancement of upland oakwoods. In addition to many private woodland owners, the grant will also be available to woodlands in the ownership of Local Authorities who may wish to make use of the enhanced grant aid to bring their woodlands into management, thus providing recreational and environmental benefits to local communities.

Shelterwoods

The *Shelterwoods* project was introduced throughout Wales in 2001 in order to enable farmers to use trees in ways that complement their agricultural businesses, enhance the biodiversity and landscape value of their farms and provide opportunities for diversification. It is part funded in the Objective 1 area, although the same rate of grant aid is also available throughout the rest of east Wales.

The project uses innovative processes to identify shelter needs and a high quality design process to ensure that planting is well designed. The project will be in its second year in 2002/3 and by the end of that year we aim to have prepared 300 Farm Shelter Assessments and 200 Shelterwood Plans setting out in detail the planting to take place during the project period.

The project has approval to draw down Objective 1 funding until March 2004, and has been well received by the farming sector. If there is support for the project to be extended, a bid will be prepared during Summer 2002 to extend the project for a further 2 years.

Native Woodland Management Plans

A grant for the preparation of Native Woodland Plans was introduced in 2000, on a pilot basis for woodlands on farms within the Tir Gofal agri-environment scheme in Wales. A review was carried out in 2001, in conjunction with the Countryside Council for Wales, to consider how effective the pilot system was for determining the appropriate management of native woodlands in Wales and a revised system was introduced with training courses from October 2001.

The purpose of Native Woodland Plans is to:

- determine the *ecological condition* of these woodlands,
- identify the special *features* occurring in them,
- assess the *factors* affecting these *features*, (including the owner's aspirations), and
- provide clear direction for future management and monitoring as a basis for grant aiding future management of native woodlands.

Eligibility has been extended to woodlands outside the Tir Gofal scheme. From April 2002, we will require a Native Woodland Plan to be prepared before considering applications for grant aid or felling licences to carry out operations that may adversely affect the condition of a native woodland, or the animals and plants that occur within it.

Farming Connect

Farming Connect is a combined initiative involving the Welsh Assembly Government, WDA, Forestry Commission, CCW and others providing a one-stop service to farming families designed to improve the sustainability of their farming businesses. It has been heralded as a flagship exemplar of 'joined up government' and the Forestry Commission is involved in two main ways. Firstly, we will be providing a timber processing capital grant enabling farmers to diversify their businesses by adding value to timber on their farms, either individually or co-operatively, and secondly, the Shelterwoods Project is to be delivered through *Farming Connect*.

Tyfiant Coed

The development of alternatives to clear felling is an important feature of the Wales Woodland Strategy. However, yield models for some forms of Continuous Cover Forestry are not well developed, especially for mixtures and irregular shelterwood methods. *Tyfiant Coed*, a project jointly funded by FC and EU Objective 1 and based at Bangor University, aims to develop yield models and decision support systems for managers who wish to develop appropriate continuous cover systems for their woodlands.

Transformation Grant

We are working on a project proposal for Objective 1 funding for a Woodlands Transformation Plan aimed at the private sector. It will be in two sections:

- (1) Restoration of Ancient Woodlands funded from Objective1, and
- (2) Transformation of even aged monocultures to uneven aged multi-culture woodlands.

The qualitative benefits of transformation will be both ecological and aesthetic, whereas the economic benefits will result in better quality home grown timber (i.e. both thinned and pruned) and opportunities for small forestry contractors to carry out sensitive low impact forest operations.

Pontbren Project

A group of 10 hill farmers near Llanfair Caereinion in mid Wales have come together in order to secure a more sustainable and viable future for their farms and their local community. They plan to change farming practices away from high input systems and move towards less intensive agriculture using hardier breeds. In order to assist this they wish to increase the area of native woodland cover from an average of around 2% towards 15% over the next 5 years. The woodland will increase the amount of shelter for livestock as well as yield timber for on-farm use and value adding.

They also aim to use the woodlands to enhance the environmental value of their farms through restoration of more natural hydrology as well as through the creation of better habitats for wildlife. An added outcome is to improve the appearance of their locality and encourage more tourists to visit the area, as well as marketing more of their produce locally.

This grass-roots project, involving both the Forestry Commission and the Assembly's Agriculture and Rural Affairs Department (ARAD) is now being co-ordinated through the *Tir Coed* partnership. It has the potential to provide a better model of sustainable land use and rural development. The Forestry Commission will continue to act as a partner in supporting the development of this exploratory project through the provision of:

- advice in relation to the planting of trees for shelter;
- grant aid (in addition to planting grants) towards the cost of fencing new woodlands (as part of the Shelterwoods project); and
- support for Research into the social, economic and environmental impacts of the project as well as the silvicultural innovations that might arise from testing the use of agricultural techniques to create woodlands.

Strategic Priorities over the next 3 years

As part of our national commitment to sustainable forest management, the Forestry Commission in Wales continues to promote good environmental and forest practice in accordance with the UK Forestry Standard. We will do this by providing advice and grant aid and by implementing our regulatory instruments, including the assessment of the impact of new

planting and forestry-related development through the Environmental Impact Assessment (Forestry) Regulations 1999, where it is appropriate to do so.

Through Forest Enterprise, we will establish our national woodlands as exemplars of good practice working towards mixed ages and species to enhance their diverse benefits.

Actions for 2002/03:

We will:

- allocate £1.5 million towards increasing the rate of grant aid for WIG to 75% of project costs until March 2003;
- appoint a jointly funded co-ordinator to manage the Farm Timber Processing Grant and the WDA's *Timber II* grant scheme;
- continue to support *Tyfiant Coed*, providing match funding and seconding an FC employee into UCW Bangor in support of this work;
- monitor the large scale trial areas investigating the feasibility of transformation to continuous cover silvicultural systems, with the aim of providing guidance to woodland owners on the necessary processes;
- provide match funding for continuation of the Shelterwoods project, targeting 100 farms for initial farm shelter assessment;
- allocate £10,000 for the Pontbren pilot project, jointly with ARAD; and
- prepare a new suite of woodland management grants as an outcome of the review currently being undertaken ready for implementing in 2003/04.

Through Forest Enterprise we will:

- Implement our thinning policy whereby the woodlands managed by Forest Enterprise are progressively brought onto a thinning regime;
- Establish two large scale trial areas in Assembly woodlands to pioneer techniques for transformation to continuous cover systems and to collect information to guide future transformation in all woodlands;

- Train staff in all Forest Districts in continuous cover techniques and share best practice;
- Increase the total area in newly approved (2002/03) Forest Design Plans designated as continuous cover by at least 10%;
- Maintain UK Woodland Assurance Scheme (UKWAS) certification for all Assembly woodlands;
- use natural regeneration systems, in conjunction with the direct planting of trees, to ensure appropriate areas are restocked, favouring a wider range of species including native species as well as higher value Douglas Fir, Larches and Western Red Cedar;
- Manage Clocaenog Forest as favourable habitat for Red Squirrels; and
- Manage Penaran and parts of Clocaenog Forests in North Wales as favourable habitats for Black Grouse.

3. Wales as a Location for World-Class Forest Industries

Wales Forestry Business Cluster

As an initial outcome from the Woodland Strategy, a Forestry Business Cluster is to be established as a partnership between the Forestry Commission (including Forest Enterprise), the Welsh Development Agency, as well as private sector and industry representatives from the Forestry Industry Development Council, the Forestry and Timber Association and the Forestry Contractors Association. We will initially support the establishment of the cluster with a view to it becoming industry led with the support from the WDA and further involvement from SME's within Wales

Woodland Development & Biomass Strategy Group

The group has been established by the Welsh Assembly Government, under the direction of the Forestry Commission, to draw up an Action Plan which will highlight areas of development, need for support, areas of research, new uses for timber/wood products and training and marketing opportunities. The Forestry Commission is providing the secretariat for the above group, which consists of representatives from over 30 organisations within the biomass, agricultural and forestry sectors. The action plan will be submitted to the Assembly's Agriculture and Rural Development Committee in June 2002.

Powys Energy Agency

The Forestry Commission will continue to provide financial support and technical advice to the agency. In addition, we have provided match funding for ALTENER which is a European Project set up to overcome the non-technical barriers associated with renewable energy which will be centred in the Dyfi Valley. Finnish partners in the study will offer their advice to the agency in capacity building, and in the provision of an advisory service.

New Market Opportunities

The market for standard spruce sawnwood products is fiercely competitive, and is expected to remain so, as extra supplies flow from Eastern Europe. Forest Enterprise is therefore looking to develop niche markets, for example for large dimensioned, high quality Douglas fir and Western Red cedar that can meet special market needs and generate greatly increased added value, thus assisting our programme of support to rural development initiatives in Wales.

Opportunities for Diversification

FE Wales has formed a partnership with *Coed Cymru* to bring to market substantial quantities of broad-leaved logs for supplying to Welsh flooring manufacturers. Depending on the success of these early trials, long term commitments may be made to support this Welsh industry, which is presently substantially dependent on imported material.

Strategic Priorities over the next 3 years

We will work with our partners to stimulate the development of new markets for the timber produced from Welsh woodlands through generic promotion and seeking where possible to add value for the grower. In the short-term many of these new markets will be small-scale and aimed at benefiting local economies. However, there are opportunities through promotion to significantly increase the use of timber as a renewable and sustainable resource.

We will also encourage the development of craft and specialist timber using businesses and the development of innovative technologies for the use of wood fuel as a renewable energy resource.

Actions for 2002/03:

We will:

- provide support to establish a Wales Forestry Business Cluster as an outcome from the Woodland Strategy;
- provide £500,000 of Woodland Grant Scheme funds to support the development of farm-based diversification into timber processing;
- complete a Review of forest-based economic activity (contractors, wood processors and recreation providers) in Wales as a whole, with a view to determining necessary support, particularly in the light of changes to the small roundwood market - by 31 March 2003;
- Provide match funding to the Forestry Contractors Association's Objective 1 project, *Wales Forestry Future*, which aims to assist up to 100 forestry contracting SME's increase their business competitiveness to the end of the project in September 2004;

- Continue to support the *Coed Cymru* partnership by providing up to £200,000 annually to Unitary Authorities and National Parks towards the cost of *Coed Cymru* woodland officers, with funding linked to individual service level agreements; and
- Work with WDA and other partners by targeted support for the Welsh Timber Forum to develop and stimulate new markets for Welsh wood.

Through Forest Enterprise we will:

- Harvest 1,000,000 cubic metres of timber in accordance with Forest Design Plans supporting the continued development of a world class forest industry in Wales, with particular emphasis on developing new markets;
- In co-operation with partners, support the development of existing and new forestry based SMEs through the provision of training and development opportunities, negotiating 5 longer-term contracts, in addition to existing Long Term Contracts;
- complete the Broadleaf Woodland survey of South East Wales to identify and then supply 1500 tonnes per year of hardwood to the flooring board market, replacing imported raw material with Welsh timber;
- explore Green Transport opportunities in all sectors of our activity, and report by 31 March 2003;
- through the Woodland Development and Biomass Strategy working group, continue to support the development of the Biomass (including woodfuel) markets and assist the development of smaller local Biomass schemes by allocating 20,000 tonnes of material to this market;
- place at least 10,000 Noble Fir Christmas Trees and 5,000 other species to the market for Christmas 2002;
- complete a Review of relatively low sensitivity sites which might have potential for wind and hydro renewable energy schemes by 31 March 2003, working closely with other relevant Assembly Departments; and
- complete a review of forest based economic activity to guide us towards the optimum for Wales as a whole by 31 March 2003.

4. A Diverse and Healthy Environment

Habitat and Species Action Plans

The Forestry Commission will continue to work with landowners and other partners to deliver its commitments to the UK Biodiversity Action Plan. This will include work on Assembly land under its management, to undertake appropriate actions to promote the restoration of non-woodland habitats and planted ancient woodland sites. We will also develop a funding mechanism that supports the restoration of appropriate planted ancient woodland sites on land in other ownership.

Following a review of the Native Woodland Planning Grant for native woodlands within the *Tir Gofal* farms, we will introduce a grant aided woodland planning system to secure the management of all native woodlands with the aim of improving their ecological condition. These plans will assist the future targeting of our grant aid programmes to support management of native woodlands

Climate Change

The potential long-term impact of climate change on the woodlands of Wales is not well understood. In order to assist the development of policy on this important issue, we will seek to convene a working group to assess the likely impacts of climate change on the existing woodlands of Wales and to produce recommendations for policy changes to the Woodland Forum where that is felt to be appropriate.

Flood amelioration

The Forestry Commission recognises its role as a land manager and regulator in the issue of water quality and quantity in Wales. We will work within the *Tir Coed* partnership and with other lead partners, such as the Environment Agency, to support responsible land use and management which will assist in the amelioration of flooding and the risk of water pollution.

Restoration of Plantations on Ancient Woodland Sites (PAWS)

Forest Enterprise has completed the survey of condition class of the 16,000 hectares of Forestry Commission Ancient Woodland Sites. In liaison with partner organisations such as CCW, Woodland Trust and Unitary Authorities, it is now determining priorities and programmes for restoration to native woodland.

Strategic Priorities for the next 3 years

We remain fully committed to protecting and enhancing our woodland environments, which have some of the richest natural habitats in Wales. We will continue to advance the development and delivery of the UK Biodiversity Action Plan where actions for species and habitats relate to woodland management and development, particularly in respect of the protection and enhancement of the ancient woodlands of Wales.

We will promote forestry as an effective means of providing landscape and environmental improvements to much of the industrial dereliction of the past in many parts of Wales. We will also assist in improving the visual amenity of many areas of Wales through careful forest design.

Actions in 2002/03:

We will:

- commit £50,000 to a native woodland planning grant;
- publish a plan indicating our role in supporting woodland species conservation in Wales in line with the species and habitats list published by the Assembly under Section 74 of the Countryside and Rights of Way Act;
- seek to support the conservation of the priority woodland species identified in this plan through the management of land owned by the Assembly (and managed by Forest Enterprise) and with support to private land owners through grant aid;
- develop opportunities, through the Wales Woodland Forum, for new native woodlands in Wales in line with the Woodland Strategy and work up future grant aid programmes to support these opportunities;
- provide match funding to the Woodland Trust as part of their Objective 1 project targeted at the restoration of degraded Ancient Woodland sites; and
- continue to work with *Tir Coed* and others to provide funding for research to develop our knowledge in relation to the use and management of woodlands for flood amelioration.

Through Forest Enterprise we will:

- Review Strategic Plans in each Forest District, relating to *Communities First* issues and, *inter alia*, to assist in identification of priorities for restoring Plantations on Ancient Woodland Sites (PAWS), new native woodlands, non-intervention areas, bog and heath habitats, and prepare an action plan for prioritising appropriate work - by 31 March 2003;
- Develop our Environmental Site Assessment scoring system and, by 31 March 2003, extend its operational use to help assess compliance with the UK Forestry Standard;
- Accelerate restoration of Ancient Woodland sites, working with others to target sites of greatest biodiversity value and potential;
- Extend our Ancient Woodland survey methodology to all native woodlands and develop GIS based monitoring and reporting system for native woodland Habitat Action Plans;
- Maintain 100% compliance with Forest Design Plans (FDP's), as monitored by the Forestry Commission, and maintain 100% approved FDP coverage;
- Maintain 100% of SSSIs managed in accordance with plans endorsed by the Countryside Council for Wales;
- Maintain 100% scheduled ancient monuments managed in accordance with plans endorsed by CADW and develop and implement management plans by 31 March 2003 for the 4 newly scheduled Ancient Monuments in the Assembly woodlands identified by the Welsh Heritage Assets Project; and
- Commence engineering work to stabilise areas affected by landslips at Dare and Cwmparc in the Rhondda valley.

5. Tourism, Recreation and Health

Trees and woodlands are prominent in the landscape, especially in some of the most beautiful parts of Wales, playing a vital role in the tourism industry. Woodlands also provide a landscape structure and a setting for many tourist enterprises. The use of trees as a setting for tourist facilities enhances the quality of the tourist experience. There is scope for the development of quality tourist accommodation in appropriate woodland and the greater use of woodland for siting recreational facilities.

They are also places to visit in their own right and many facilities in woodlands attract thousands of visitors each year. Over 11 million visits are made to Welsh woodlands and forests each year and, with the demand for outdoor recreation increasing, this number is rising.

The use of woodlands for exercise and enjoyment may also have beneficial effects on the health of the nation. Woodlands contribute positively to the emotional and physical health of Welsh people through public access and recreation. The key objectives for promoting tourism and health are:

- to support tourism in Wales by using woodlands to create a high quality visitor experience, and
- to promote preventative health care through access to woodlands for all communities.

Forest Enterprise has almost completed the building of new mountain biking routes at Coed y Brenin, Gwydyr, Nant yr Arian, Afan and Cwm Carn and will be promoting and marketing them during 2002/3 with devices such as "Pan Wales" competitions and the Wales Tourist Board website. A feasibility study for an Aerial Forest Walkway is nearing completion and should identify a suitable woodland site for the facility, which will provide an important tourist destination but also considerably enhance the visitor experience.

Similarly a study of Forest Holiday Cabin sites is expected to identify the first cabin site within the Assembly owned woodlands. Local consultations with communities are identifying numerous opportunities for additional forest walks and healthy exercise, and a large number of projects will be given the go-ahead in 2002/3 especially in *Communities First* Priority Areas.

Strategic Priorities over the next 3 years

Through Forest Enterprise we will continue to offer an extensive range of informal and specialist recreation opportunities in the Assembly woodlands seeking to increase the attraction of Wales as a tourist destination.

We will also actively promote access to woodlands as an effective way of keeping fit and healthy whether by quiet enjoyment, such as walking, wildlife observation and nature trails, or by more strenuous activities such as mountain biking, orienteering and horseriding.

In addition we will seek to encourage tourism operators to use woodlands as destinations and as part of a wider tourism experience, developing woodland based tourism products such as mountainbiking and wildlife watching.

Actions for 2002/03:

We will:

- Assist the Assembly with its consultation on the 'Dedication Scheme' for public access under the provisions of the *Countryside & Rights of Way (CROW) Act 2000*, by holding public seminars throughout Wales to inform the public and stimulate response to the consultation;
- Develop working arrangements for operating the procedures for regulating access to woodlands under the CROW Act 2000 as required under our role of Relevant Authority, working with other Regulatory Authorities and the Assembly as appropriate, before the enabling legislation is passed;
- Bring forward proposals for dedication of appropriate parts of the Welsh Assembly Government's woodland estate, by March 2003.
- Work with the Wales Tourist Board and the Countryside Council for Wales by providing grant aid of £100,000 to tourism businesses, to be administered through the *Adfwyio* programme as part of the Assembly's Rural Recovery Plan.

Through Forest Enterprise we will:

- Publish a Forest Enterprise Wales Recreation Strategy by July 2002;
- Draw up programmes by 31 March 2003, in readiness for dedication under the *Countryside and Rights of Way Act 2000*, to secure access in perpetuity to Assembly woodlands thereafter;
- Develop partnership programmes to encourage healthy living through forest recreation, especially in disadvantaged communities;

- Identify at least 5 core projects for increasing sustainable tourism initiatives in Objective 1 areas through partnership;
- Take forward the recommendations for an aerial walkway from the feasibility study completed in 2001/02;
- Host and support a series of forest festivals, and other initiatives, including enhancement of our website and wildlife viewing, to boost tourism as part of the Assembly's Rural Recovery Plan;
- complete the construction and operate five new mountain biking developments to provide maximum support to tourism in Objective 1 areas;
- Support the Wales Tourist Board's *Tourism Growth Areas* initiatives, especially in the Afan Valley in South Wales and the Pobl y Fforest and Ystwyth Valley rural development projects;
- Enhance the management of Forest Enterprise recreation facilities using external auditors to assess service standards;
- Continue to work with the Ramblers Association and others to maintain and improve the condition of public rights of way in Assembly woodlands;
- Identify and develop new opportunities for activity sports, such as orienteering, climbing, canoeing, in Assembly woodlands;
- Prepare world class rally facilities in conjunction with the Motor Sports Association for the Network Q 2003 World Rally Championship and other motor rallies in our Welsh woodlands;
- progress proposals for new Forest Holidays cabin sites within Assembly woodlands, presenting a case to Ministers by March 2003; and
- develop our performance measures for visitor numbers and satisfaction within the Agency, in liaison with the WWF Working Group.

EFFICIENT USE OF RESOURCES

Financial Resources

Funds for Forestry Commission activities in Wales will come from the Welsh Assembly Government, from the EU (which contributes towards the cost of woodland grants throughout Wales) and from financial surpluses generated by the public forest estate. The Woodland Grant Scheme continues to be the main tool for delivering forestry targets within the Wales Rural Development Plan, covering both new planting and woodland management. Funding from the Assembly includes additional programme funding as part of the SR2000 Budget and Strategic Planning exercise, as well as additional match funding for Objective 1 projects under the Forestry, Countryside and Coastal Management Action Plan.

Forest research and plant health services, as well as other forestry functions currently delivered on a GB basis (such as international policy, forestry policy and practice etc) will continue to be funded directly by the Westminster Parliament.

The following table shows the resource requirements for Forestry Commission activities in Wales:

Source of Funds (£ million)	Notes	SR2000		
		FY01/02 Budget	FY02/03 Plan	FY03/04 Plan
Welsh Assembly Government Funding		15.9	15.6	16.0
Forestry Commission Current EU Receipts	a	0.6	0.6	0.6
Sales of Timber		17.0	17.3	17.5
Forest Recreation		0.9	0.8	0.8
Other Forest Income		2.5	2.7	3.5
Forest Enterprise Current Receipts		20.4	20.8	21.8
Forest Enterprise Capital Receipts	b	0.5	0.5	0.5
TOTAL SOURCE OF FUNDS		37.4	37.5	38.9

Expenditure (£ million)	Notes	SR2000		
		FY01/02 Budget	FY02/03 Plan	FY03/04 Plan
National & Conservancy Office Direct Costs		1.6	1.6	1.7
Purchase of FC Central Services		0.6	0.6	0.6
Forestry Commission Operating Costs		2.2	2.2	2.3
Forestry Commission Grants & Partnership Funding		4.2	4.2	4.2
Forestry Commission SR2000 Programmes	c	2.4	2.7	2.8
Cost of Harvesting		11.0	11.4	11.8
Cost of Replanting		3.1	3.1	3.3
Landslip Prevention Programme in S.Wales		3.4	2.7	2.7
Other Estate Maintenance Costs		5.5	5.7	5.8
Purchase of FE Central Services		1.1	1.1	1.1
Forest Enterprise Operating Costs		24.1	24.0	24.7
Forest Enterprise Environmental & Social Expenditure (plus SR2000 Programmes)		2.2	2.2	2.2
Forest Enterprise Capital Expenditure		1.1	1.0	1.5
Forest Enterprise Capital Expenditure		1.2	1.2	1.2
TOTAL EXPENDITURE		37.4	37.5	38.9

Notes :-

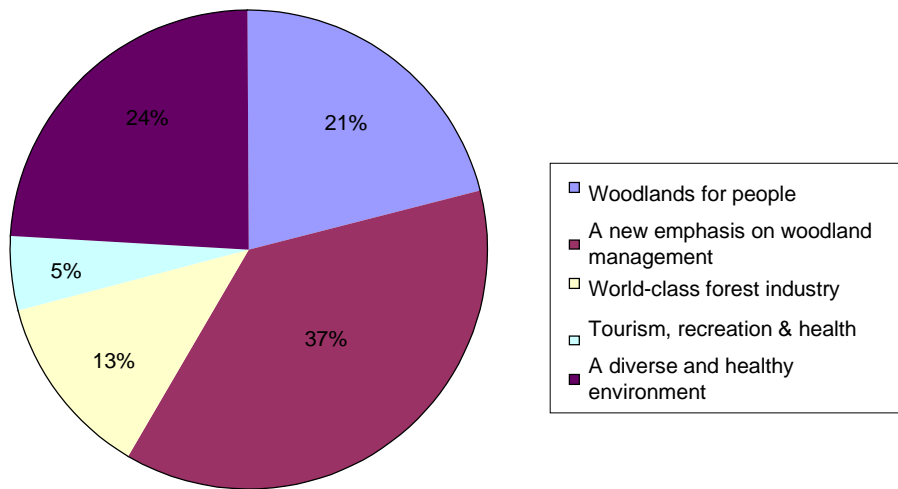
a - EU Co-Financing of Woodland Grants

b - Receipts from the rationalisation of assets

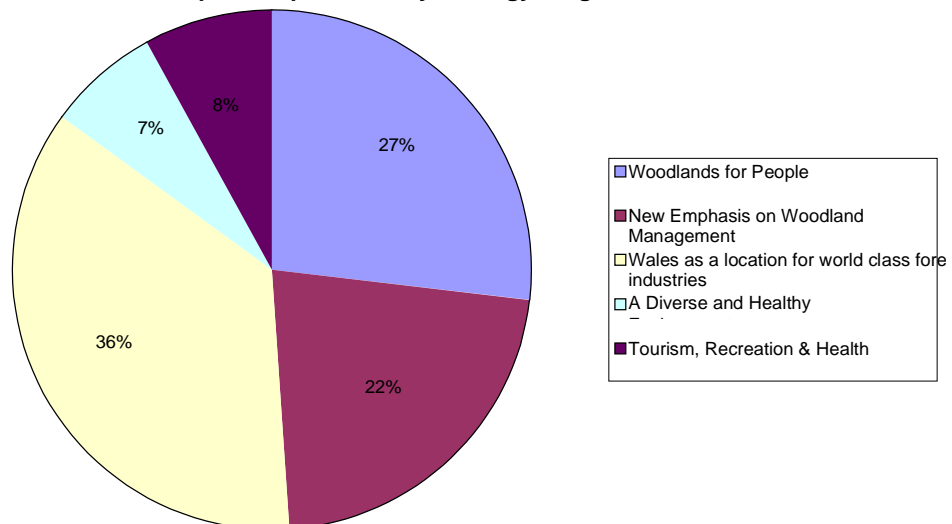
c - Includes £1.9m Match Funding for EU Objective 1 Priority 5 (Measures 2,3 & 7); £0.2m Modulation Funding; and £0.3m for Countryside and Rights of Way Act [CRoW]

Woodland grants are used to support the management, protection and expansion of our woodlands and forests. The following pie charts indicate the proportion of our funding to be spent on the five main programmes of the Wales Woodland Strategy in 2002/03.

Forestry Commission Expenditure by Strategy Programme



Forest Enterprise Expenditure by Strategy Programme



Grants & Licences Review

After a review of the delivery of Grants and Licences throughout the Forestry Commission in 2000, it was concluded that there was a strong case for a fundamental change to the existing administrative systems. This change will go beyond simply making the current systems and applications available electronically. It will involve a redefinition of the business process and business logic, embracing current web-based technological advances in that process and a strong business to business focus through electronic service delivery.

It is intended that the new system will be at the forefront of land-based government e-commerce, delivering an efficient and responsive modern public service with a strong citizen focus. This will involve an Internet-enabled, electronic business to business front office with electronic self-service applications, consultation and payment. This will be supported by "back office" systems based on integrated, digitised spatial (GIS) data, electronic workflows, case tracking and management information. It is planned to start the design and development of the new system in summer 2002 with a new system being piloted in the latter half of 2003 and a full rollout in 2004.

PEOPLE IN THE FORESTRY COMMISSION

Setting the Context

People are the Forestry Commission's most important resource. We are an employer of choice for many people who want to work in forestry and we make a useful contribution to local employment for people in rural areas. We employ about 400 people in Wales, which includes staff working for Forest Enterprise, Forest Research and the National Office and Area functions of the Department. In our search for greater efficiency, we have greatly reduced our staff in recent years (by over 25% since 1994). With assistance from the Assembly, this trend has now reversed, in that there has been a modest recruitment programme to meet the demands of both the Woodland Strategy and the Objective 1 Regional Action Plan.

Civil Service Reform

As a Government department, we are committed to making a range of improvements to the management of the civil service. We are making good progress. In 2000-01, for example, we introduced 360° feedback and a new pay and appraisal system for our top management. We also provided leadership training for 14 senior managers throughout Wales – as part of the “improving leadership” strand of civil service reform.

Diversity

We want to improve the diversity of our staffing throughout Britain. The Forestry Commission will achieve more if it draws contributions from all sections of society. This is not an easy task: the forestry industry has traditionally been regarded as a male preserve and there tend to be few female applications for forestry jobs. We have, nevertheless, made some progress: ten years ago, for example, women accounted for 22% of staff and there were no women in senior positions – whereas now women account for 27% of staff and there are 12 in senior positions. But that still represents only 8% of all senior staff. Within the civil service's rule that jobs must be fairly and openly competed for, we aim to increase that proportion and have set a target have 14 women in senior posts by March 2005. The Commission's record in employing disabled people and people from ethnic minorities could also be improved.

Training and Development

The entire Forestry Commission, throughout Britain, achieved *Investors in People* status in November 2000. We are making further improvements in our training of staff – including especially a new leadership training event for middle managers, modelled on a very successful equivalent developed in 2001 for our senior staff. We have applied for re-accreditation in Spring 2002.

In September 2000, we asked all our staff to complete a survey about their views on the organisation and how it might be improved. Over sixty percent of staff in Wales responded to the survey. They highlighted many positive points (for instance, that staff had a clear idea about how their work fitted into the work of the Commission and that line managers were seen as open and approachable).

But staff also drew attention to a number of points of concern (for instance, too few feel that morale in their unit is high, that their contribution is recognised or that staff are treated with respect). A series of workshops was held throughout Britain (with several in Wales) attended by over half of our staff, to work out the best way of tackling these concerns. An action plan was drawn up in November 2001 and changes are well under way. A further survey will be undertaken in 2002 to check whether proper progress is being made.

The Forestry Commission has continued to be actively involved in discussions about the future of training for the wider forestry industry and its relationship with the National Training Organisation structure. In December 2001, at a meeting chaired by the Commission, industry representatives agreed to form a Sector Industry Group within the proposed Sector Skills Council for land-based industries, to be set up in April 2002. This will give a firm footing for long-term action to improve training in the industry.

The *Connect* Initiative

Like many other organisations, we have recognised the need to improve our internal communications and have launched an initiative, entitled *Connect*, which will combine specific practical steps, such as an improved Intranet, with a wide-ranging consultation of, and training for, all our employees.

We are making further improvements in our development and training of staff, and continue to work towards a more open and flexible organisation better suited to the tasks the Forestry Commission has to address today.

Through the *Connect* initiative, we are working in a number of key areas to change our culture, in pursuit of:

- **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 best use of our staff.

To that end we are working on remedies for existing problems. In addition to local actions, champions have been identified to take forward actions in relation to:

- **revising the Performance Management System**, with **better-focused training**, a **new entrants course** and **mentoring**, all designed to improve people management;
- **bumph-busting** (reducing unnecessary communications) and setting up a **taskforce**, designed to tackle unnecessary burdens or stress;
- **promoting better communication** so that staff in every unit can see quickly the information they need and have the chance to have their say;
- introducing, for senior staff, **360° feedback**, a **new performance management system** and a **more accessible approach**, all designed to help senior managers sharpen up their leadership;
- changing **promotion procedures** to ensure fairness and openness; and
- working on an innovative **pay deal** and non-pay rewards such as **long service certificates** designed to recognise everyone's contribution to the organisation.

We will also be continuing to develop an expression of the kind of organisation we are seeking to develop, and our shared values.

Health and Safety

We put a lot of effort into developing and operating safe working practices and ensuring the general welfare of all staff, particularly those working in the forest which can be a dangerous workplace. The number of reportable accidents per hundred employees has progressively reduced and now stands at 2.6 for Forest Enterprise. This achievement has been helped by a series of forestry safety seminars run jointly with the Health and Safety Executive and a new system of support visits which have measured the performance of safety management. 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 8.3 days per employee year) is already significantly better than the average for the Civil Service (10.3 days). Ill-health retirements, however, are running at a higher level than the Civil Service as a whole. We are giving fresh attention to occupational

health policies and management practices, in order to reduce both sick absences and ill-health retirements.

We have given fresh attention to occupational health policies and management practices, and have carried out audiometric screening of 105 employees throughout Wales who are exposed to noise at work. This is the first time audiometry screening has been carried out on Forestry Commission personnel. The principal value of the current set of results is to indicate to individuals where they have some reduction in their hearing and to reinforce compliance with health and safety measures provided in the workplace. These results also provide a baseline for future testing. The Forestry Commission also carried out hand arm vibration health screening of 60 employees in Wales who use vibrating hand tools at work. We will be continuing to develop health surveillance in the coming year.

Strategic Priorities Over the Next 3 Years

Through careful recruitment, training and development, we will seek to increase the diversity, skills and potential of our staff and enable them to pursue fulfilling careers and strengthen their contribution to the achievement of this Corporate Plan.

Actions for 2002/03:

We will:

- seek re-accreditation as an *Investor in People*;
- 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;
- implement the action plan of measures to be taken in response to the survey of all staff;
- carry out a further staff survey;
- introduce a new pay and performance system with pay based specifically on relative performance, as a way of encouraging continuous improvement in performance;

- improve our occupational health policies and management practices in order to reduce staff sickness and ill-health retirements;
- continue our recruitment programme of education and community rangers funded by the Assembly to meet the social programmes they require;
- participate in a trial apprentice scheme for forestry machine operators, in association with agricultural colleges, to try to address the shortage of skilled machine operators within the industry; and
- enhance our performance during the year through training of managers using European Foundation for Quality Management (EFQM) techniques.

Improving Efficiency

The Forestry Commission Service Delivery Agreement for 2001-04 requires us to actively pursue efficiency gains and achieve better value for public money. The main risks in achieving these targets are (1) reductions in funding as a consequence of a further decline in the timber market, and (2) changes in the demand for woodland grants as a consequence of external factors which may change the relative attractiveness of woodland as a land-use.

We will continue to implement our E-business strategy for both our Grants and Licences functions and within Forest Enterprise. This will enable us to move towards our target of achieving fully electronic applications by 2004 and, within FE Wales, build closer electronic links with our various customer bases by moving towards automated stock control mechanisms, self-billing for customers, automated BACS transactions, direct electronic invoicing for sales and electronic auctions.

In Wales we will be expanding the bandwidth of our existing Wide Area Data Network to accommodate telecommunications with a view to seamless integration of our offices. It will also enable us to move towards a single point of contact for all incoming calls, which will not only improve the way in which we handle calls throughout Wales, but also enhance our ability to respond to customers using the Welsh language.

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

Strategic Priorities Over the Next 3 Years

We will continue to strive to achieve better value for public money by:

- **improving the performance of our executive agencies;**
- **improving the administration of our grant schemes to streamline processes and make life simpler for applicants;**
- **implementing our E-business strategy to enhance services and increase efficiency through the increasing use of IT; and**
- **ensuring that all key services which we deliver to business and citizens are available electronically by 2005.**

Tasks for 2002/03:

We will:

- **implement initial measures to improve efficiency in the administration of the Woodland Grant Scheme following the review in 2001/02;**
- **enable the creation, storage and management of electronic records, saving time and paper;**
- **work towards electronic applications for felling and planting licences;**
- **introduce e-Commerce links with timber customers; and**
- **establish a single point of access for all incoming telephone calls throughout Wales.**

Standards of Public Service

The Commission is committed to achieving the standards of customer service set out in its Citizen's Charter Standards of Service Statement. The following Charter Statements are now in place:

- *Forest Enterprise Citizen's Charter*
- *Woodland Grant Scheme Applicant's Charter*

Performance against Charter standards will be reported in our Annual Report.

We work extensively with partner organisations, with customers, and with people who use Welsh forests, and recognise that good communications with all these groups is essential. In our contacts we aim to be:

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

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 in our dealings with members of the public, and in Welsh where preferred. 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.