

CORPORATE PLAN PERFORMANCE INDICATORS: UPDATE AT 31 MARCH 2015**Purpose**

1. This paper is to provide the National Committee with Forestry Commission England's performance **Indicator Report 2015**, and an update on indicators. This paper is presented for information only. It is suggested that the Committee retain a copy of the Indicators Report 2015 as an aide memoire to accompany business in the year ahead.

Background

2. In 2011 the National Committee approved for inclusion in the Corporate Plan 2011-15, six headline indicators for reporting quarterly to the Secretary of State and Defra Supervisory Board. In addition the Committee approved 18 further key performance indicators for Forestry Commission England, and 16 State of England's Woodlands indicators for monitoring the wider forestry sector in England. The indicators are a key step towards achieving Forest Services' vision of becoming a fully evidence based organisation. They provide vital tools for assessing the sector's progress towards the objectives of Government forestry policy in England; to Protect, Improve and Expand English woodland. The National Committee has received the annual indicators report every year, at this time of year, since 2012.

Performance Indicator Report 2015

3. **The fourth annual performance Indicator Report has just been completed and published and this is attached at Annex A (separate document).** As in previous years, all of the outturns have been verified by FC's Internal Audit, related narrative reports have been approved by Board level Senior Responsible Officers, and the work has continued to benefit from the vision and oversight of the Head of National Expertise and Strategic Development.

A. FOREST SERVICES**Key Findings: Protecting English woodland**

4. Protecting our woodland resource is the top policy priority. The key elements are:
 - **Tree health: Helping the sector reduce the threat from diseases of forest trees:** Reducing disease and pest impacts on forest trees towards levels not threatening England's woodlands' ecosystem services.
 - **Regulating to protect the woodland resource:** Woodlands are protected so that woodland area and ecosystem services from woodland continue to increase, and so that we create a level playing field that enables sustainable businesses to thrive.
 - **Woodland resilience incorporating deer, grey squirrels and invasive species:** Greater biological and structural diversity in England's woodlands, with better connections between habitats. Species populations and/or their impacts are moving towards levels that do not threaten England's woodlands' ecosystem services.

5. The key indicators are:

Woodlands 1: Number of tree pests and diseases established in England in the last 10 years. (page 41)



6. The number of pests and diseases established shows a positive trend declining to 4 in the 10 years to 2014. The 4 are Oak processionary moth, Acute oak decline, Alder rust and *Chalara* dieback of ash. There have been no new threats ‘established’ since 2012. However, the trend in *Impact Indicator 1: Hectares of woodland covered by plant-health notices* shows that the battle against *Phytophthora ramorum* is continuing. There will remain much work to be done with Defra and others through the work of our Plant Health team for the foreseeable future.

Impact Indicator 2: Percentage of known tree felling that is carried out with Forestry Commission approval (i.e. the % of felling that is licensable by the Forestry Commission that is not illegal felling. This excludes felling with development approval) (page 20)



7. The very high level of compliance with our regulation programme has been demonstrated yet again in 2014/15. There is good public understanding of the legislation and reflecting the high quality of Forestry Commission advice. As a result progress made by the sector on priorities like bringing woods into management and in woodland creation are very likely to remain secure from illegal felling.

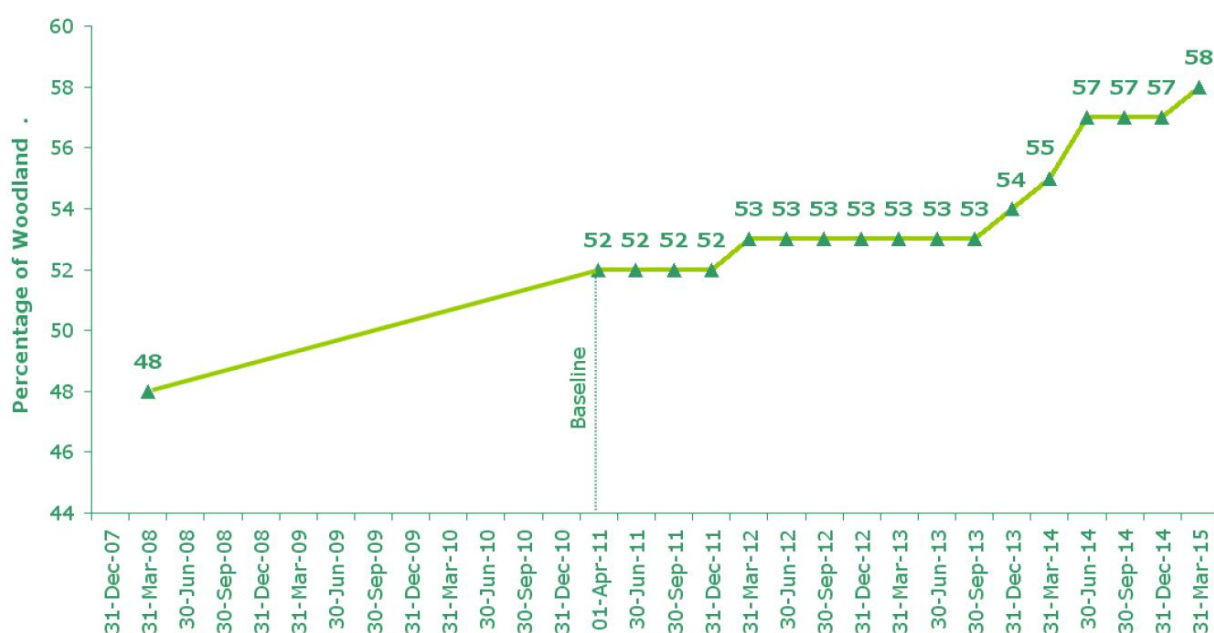
Key Findings: Improving English woodland

8. The key elements are:

- **Growing the forest economy to bring woodlands into management:** Increase economic development and biodiversity by bringing more English woodland into sustainable forest management.

9. The key indicators are:

Impact Indicator 4: *Percentage of woodland in active management (including the Public Forest Estate) (page 11)*



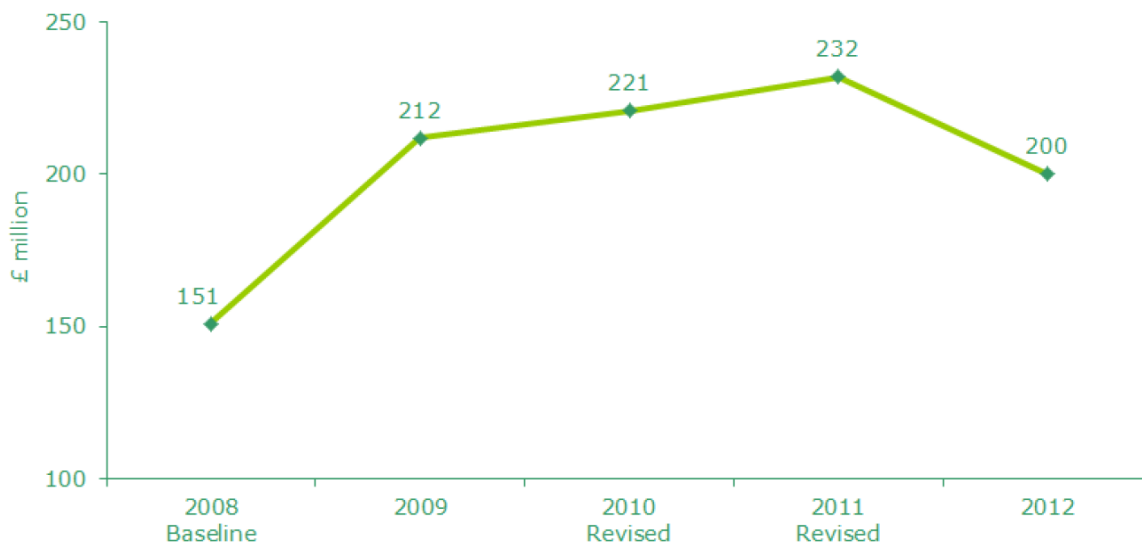
10. There has been an increase in the percentage of woodland in active management, from 55% at March 2014 to 58% at March 2015. Some of this reflects improvements to the measurement methodology of the indicator from the June 2014 report onwards. Some 1% of the increase reflects the inclusion of ca. 12,500 hectares of woodland on Defence Infrastructure Organisation military training areas. However, there have been further real increases since December 2014 representing a real net gain of over 8,000 hectares in the area in active management due to incentives support in the latest quarter. We anticipate further increases as Countryside Stewardship support for woodland management plans and the Woodlands into Management programme bear fruit.
11. The percentage of woodland Sites of Special Scientific Interest (SSSI) in “favourable” or “unfavourable recovering” condition has been maintained at close to 100% for the Public Forest Estate since 2011 and has increased from 79% in 2011 to 96% in 2015 for other woodland (page 47).
12. There have been further increases in the area of woodland open habitats (around 300 hectares restored in 2014-15) and plantations on ancient woodland sites (around 3,600 hectares restored or created in 2014-15), building on the progress in previous years (page 22).

Impact Indicator 8: Percentage of people in Priority Places close to accessible woodland (page 25)



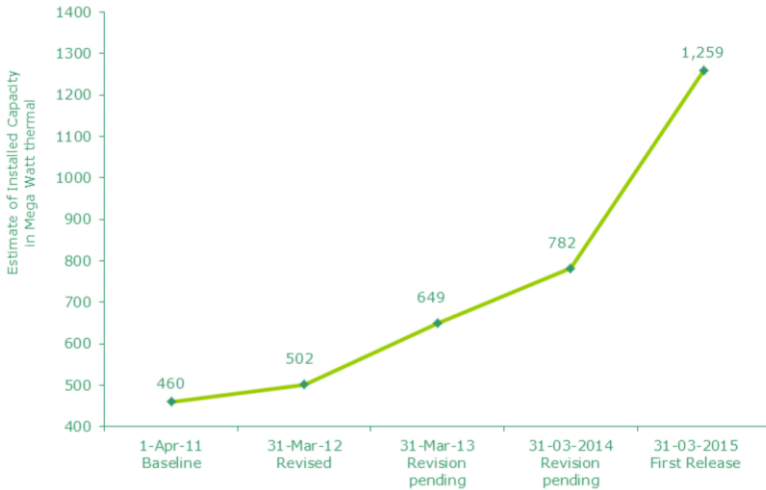
13. The percentage of people in deprived areas with access to a sizeable woodland has increased by 4 percentage points since 2011 to 70% in 2015. The Forestry Commission has successfully delivered increases in woodland access through incentives, the Public Forest Estate as well as through the Big Tree Plant. The organisation has the wealth of experience necessary to help deliver Government support for ‘pocket parks’ to make cities more liveable, if resources become available to enable this.

Woodlands Indicator 12: Gross Value Added from domestic forestry (page 56)



14. Gross Value Added from domestic forestry was £200 million in 2012. This represents a decrease from £232 million in 2011, but an overall increase from £151 million in 2008.

Woodlands Indicator 15: Installed capacity of medium sized wood fuelled boilers (Mega Watt thermal) (page 59)



15. There was an increase of 61% in the estimate of installed capacity of wood fuelled boilers in 2014-15. Over 50 apprentices were supported to enter forestry by the Forestry Skills Initiative, including those completing a work-based diploma.

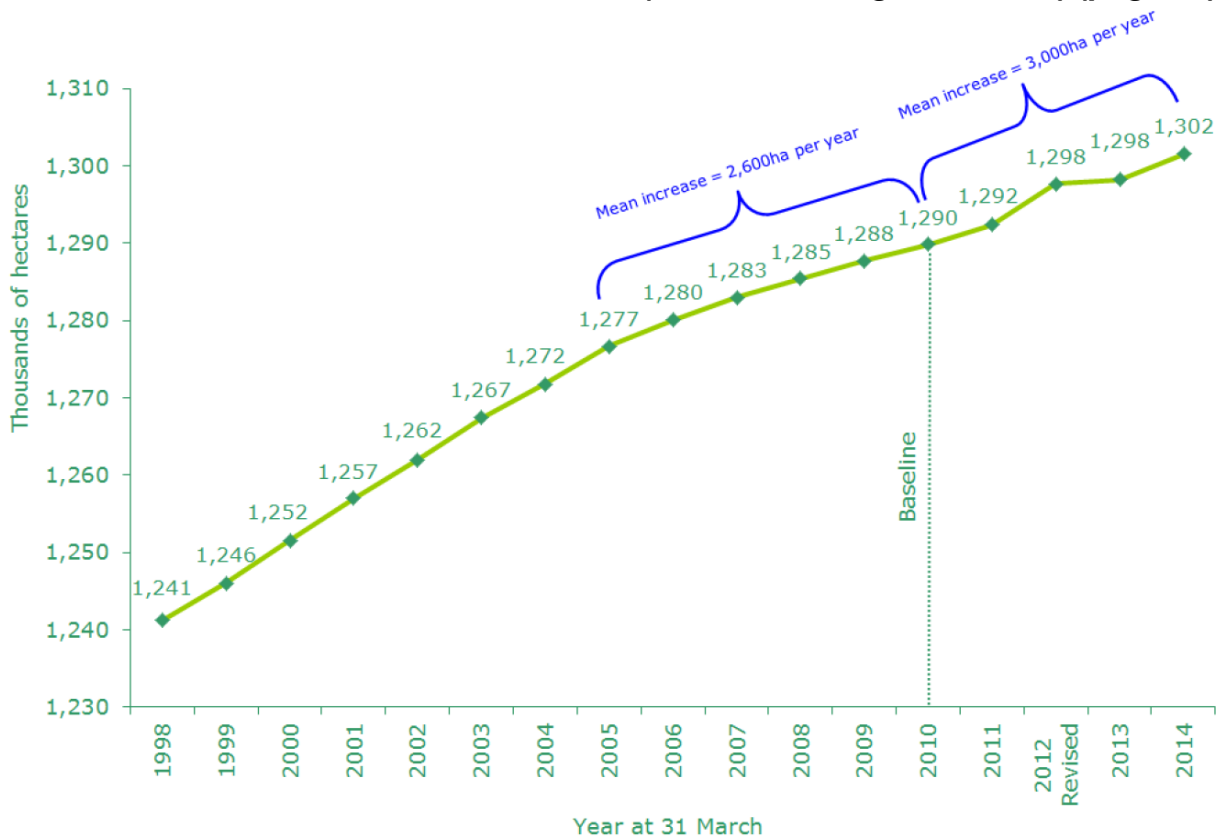
Key Findings: Expanding English woodland

16. The key elements are:

- **Woodland creation:** The rate of woodland creation is maintained, and enhanced if possible, within the scope provided under RDPE, and new sources of funding are being leveraged and barriers to woodland creation reduced, to help achieve forestry policy aspirations for increased levels of creation.

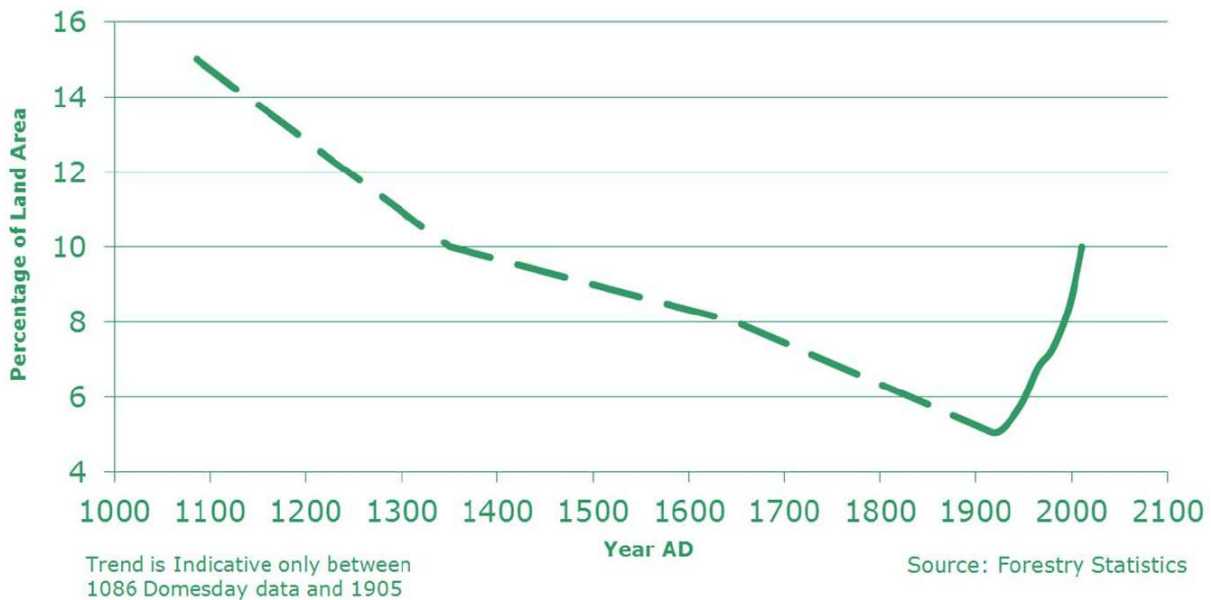
17. The key indicators are:

Woodlands Indicator 7: Area of woodland (total and change over time) (page 49)



18. The area of woodland in England was estimated to be 1.3 million hectares at March 2014, an average increase of 3 thousand hectares per annum over the most recent 4 years. A total of 1,782 hectares of woodland created from FC incentives in 2014/15, this is less than the 2,691 hectares created in 2013-14 but similar to the 2010-11 baseline.

Supplementary Indicator: Woodland as a percentage of land area in England since 1086AD (page 50)



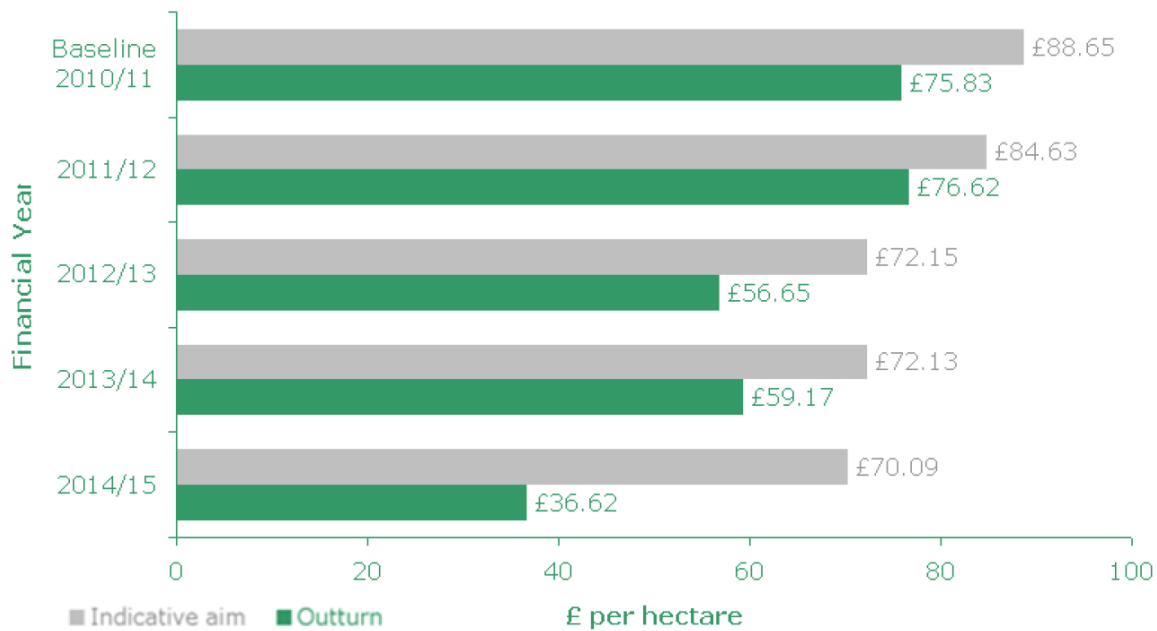
19. The overall amount of carbon captured by English woodlands declined from 5.51 million tonnes of CO₂ equivalent in 2012 to 5.43 million tonnes of CO₂ equivalent in 2013. This reflects past planting rates and more recent harvesting activity.

20. The Forestry Commission’s record of helping our nation achieve increases in the English woodland area is unparalleled and second to none. In recent years most woodland creation has required grant support to be achieved. The challenge of the Government’s Forestry & Woodland Policy Statement target of an increase to 12% in the woodland area by 2060, requires delivery of an average of over 5,000 hectares per annum. If Countryside Stewardship incentives can keep delivering about 2,000 hectares per annum, private sector support is needed for the remaining 3,000+ hectares per annum.

B. FOREST ENTERPRISE

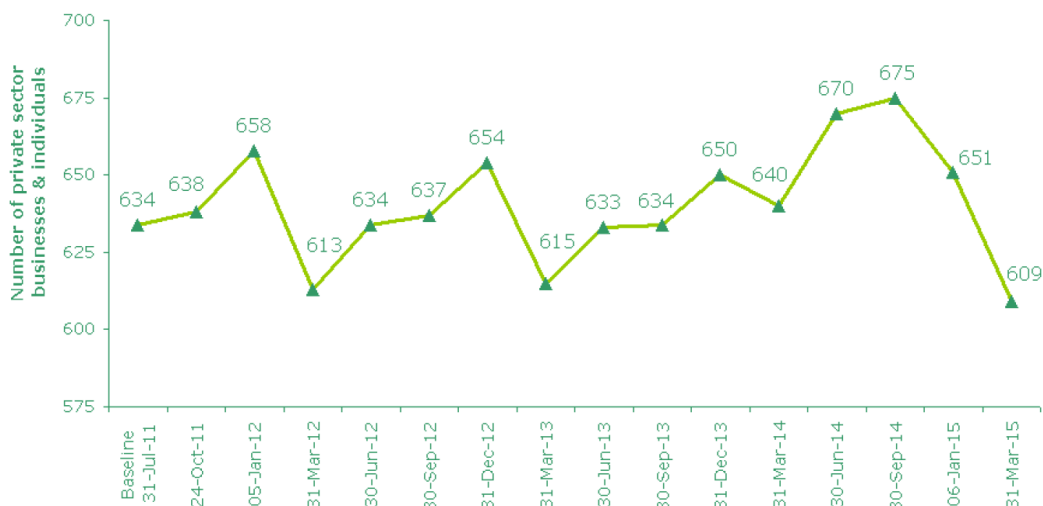
21. The headline indicators are:

Impact Indicator 6: *Cost of managing the public forest estate (per hectare) (page 18)*



22. There was a reduction in the cost of managing the Public Forest Estate, from £59.17 per hectare in 2013-14 to an estimated £36.62 per hectare in 2014-15. This decrease has resulted from improved trading conditions.

Impact Indicator 13: *Number of private sector businesses operating on the Public Forest Estate (page 15)*



23. The seasonally adjusted trend in the number of business operating on the Public Forest Estate is one of improvement over recent years. The dip at March 2015 is simply explained typically by low turnover operations having not yet renewed sporting licences. The average customer satisfaction was yet again better than “very good” for visits to the Public Forest Estate in 2014.

C. PROGRESS ON INDICATOR DEVELOPMENT

24. The full suite of indicators were designed to provide for the Spending Review 2010 period that ended in March 2015. Thus through 2014-15 we conducted a light touch review of our indicator suite. The Committee approved the proposed revisions for 2015-16 onwards when it reviewed the **Corporate Plan 2015-16** at its February 2015 meeting. As an aide memoire the revised suite of indicators retains our ability to track the most important trends over a good period of time and improves our coverage of tree health. It also sets a plan to develop a new indicator on how customers value the service they receive from Forest Services, and saves resource by retiring a small number of lower value measures. The suite recognises the specific contributions of Forest Enterprise England more distinctively and overtly.

Risk Assessment

25. We have collated from Indicator Programme Managers fuller reports of their understandings of the reasons underlying performance and any related risks. We are aware that the rate of increases in the area of woodland has yet to accelerate to the levels required, and that the rate of increase in managed woodland needs to be maintained. The relevant Forest Services risks are *FS/2 'FS lacks the resources need to meet delivery expectations'*, and *FS/7 'Failure to provide and adequate policy framework...'*, and actions are being taken to control these risks.

Resource Implications

26. We developed the indicator suite with very little programme spend because nearly all the indicators were, by design, based on administrative data or statistical data available freely from other Government departments. This year support of our indicators suite is due to amount to about £10 thousand. Work to deliver the quarterly and annual indicator reports are included in the budgets for Forest Services. Several of our key Indicators rely heavily on the continuation of the National Forest Inventory.

Communications

27. The Indicators Report 2015 has been communicated to SROs and Programme Managers for each indicator, and like quarterly indicators reports indicator reports, has been published on the FC website. To save resource we have chosen to hold back from publishing the indicator fact sheets. We envisage continuing to draw on the capabilities of the Communications team to highlight the indicator reports internally to staff through *Bark!*, and to Defra, the sector and other stakeholders.

Recommendation

28. That the Committee notes the contents of this paper and retain a copy of the **Indicators Report 2015** as an aide memoire to accompany business in the year ahead.

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June 2015