

**CORPORATE PLAN PERFORMANCE INDICATORS: UPDATE AT 31 MARCH 2014****Purpose**

1. This paper is to provide the National Committee with Forestry Commission England's performance **Indicator Report 2014**, and an update on indicators. This paper is presented to invite discussion of some related policy questions highlighted below.

**Background**

2. In 2011 the National Committee approved for inclusion in the Corporate Plan 2011-15, some 24 impact and input key performance indicators for Forestry Commission England. The Committee agreed six of these to be used as headline key performance indicators since reported quarterly to the Defra Supervisory Board. There are a further 16 State of England's Woodlands indicators for monitoring the wider forestry sector in England. The framework is a key tool for assessing progress towards the objectives of Government forestry policy in England; to enable the sector to protect, improve and expand the woodland resource in England. The National Committee has received the annual indicators report before at this time of year, in 2012 and 2013.

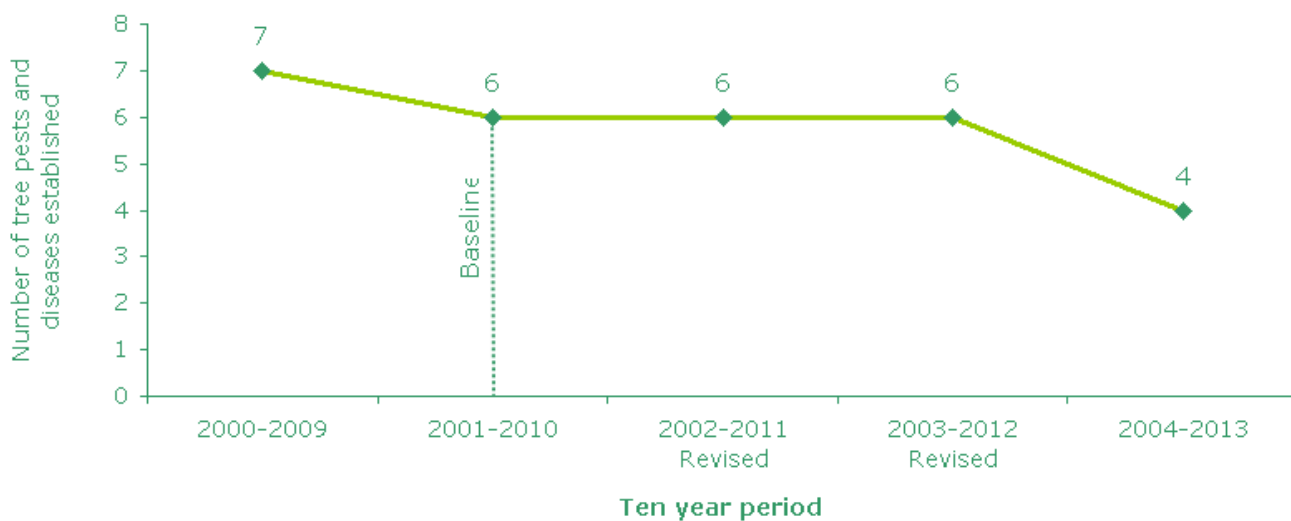
**Performance Indicator Report 2014**

3. **The third 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 benefitted from the continued oversight of the Head of National Expertise and Strategic Development. We are therefore in a good position to consider again what the trends shown mean for policy delivery. It is the trends in the indicators that are key.

**a) Protection**

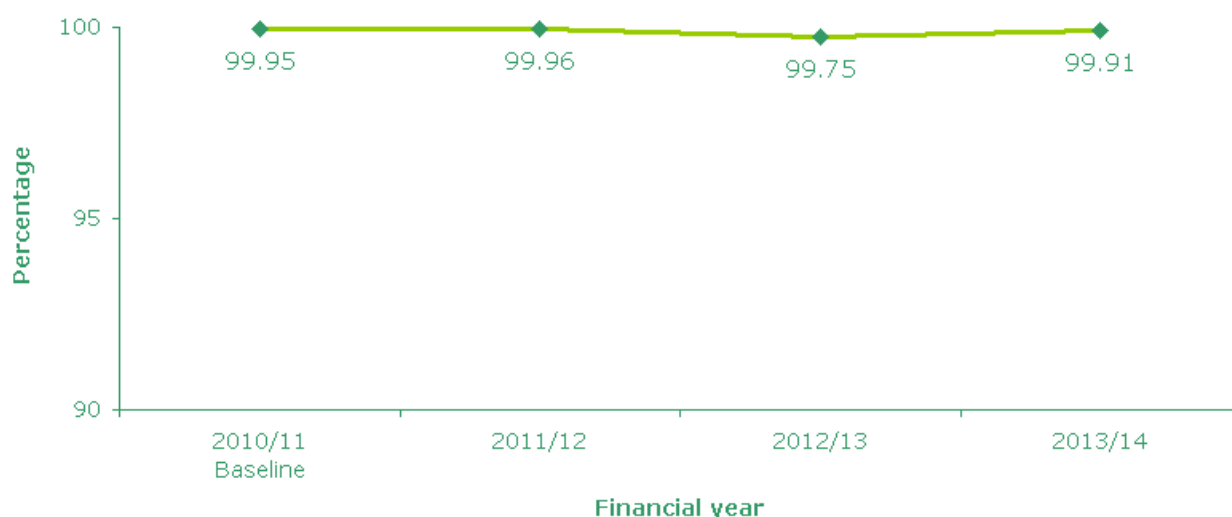
4. Making the woodland resource and forestry sector more resilient is a key theme in English forestry policy; so that woodland is able to carry on providing multiple benefits to society despite threats such tree diseases and climate change; and achieve this without undue Government intervention. Protecting our woodland resource is the top policy priority. Within this the three key elements remain: reducing the threat and negative impact of tree diseases, enabling development that maintains the social and environmental benefits of woodland, and increasing the silvicultural resilience of woodland.
5. The key indicators are:

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



6. This continues to show a positive downward trend in the rate at which pests and diseases are becoming established. However, pests and disease threats remain. There has been a recent negative turn in *Impact Indicator 1: Hectares of woodland covered by plant-health notices* showing that the battle against *Phytophthora ramorum*, as one example, is not yet won, despite efficient follow-up work from our Plant Health team. There will remain much work to be done through the work of our plant health programme, for the foreseeable future.

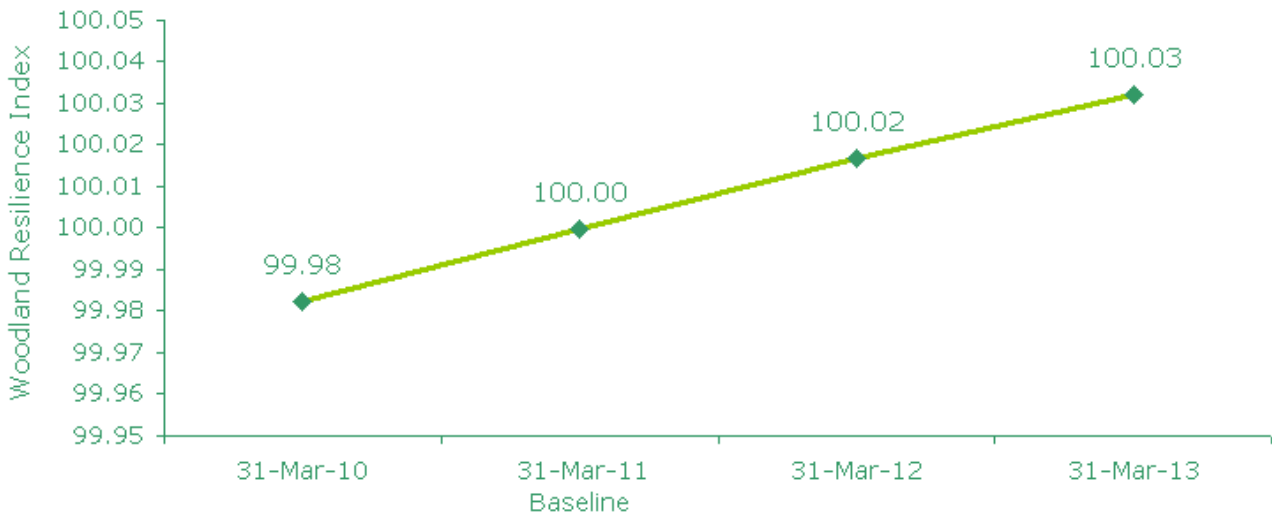
**Impact Indicator 2: Percentage of known tree felling that is carried out with Forestry Commission approval (i.e. the % of felling that is licensable by the Forestry Commission that is not illegal felling. This excludes felling with development approval) (page 20)**



7. The very high level of compliance with our regulation programme has been demonstrated again in 2013/14. This facilitates access to timber markets for domestically grown timber and also enables FC to employ only a light touch on matters such as timber procurement standards. Indicators such as our one on the percentage of wood that grows that is harvested are one of the ways to help us track whether the sector might in future, if left unchecked, over-exploit the resource. England's woodland

resource is though not currently being fully exploited (see *Woodlands Indicator 14: Percentage of the total amount of wood that grows in English woods that is harvested* (page 55) also reproduced at paragraph 16 below).

**Woodlands Indicator 2: Measure of woodland resilience to climate change based on the size and spatial configuration of woodland patches within the landscape (page 42):**



8. The team involving National Office and Forest Research staff completed development of the Woodlands 2 indicator in-year and produced a first report. This shows that over the three year period 2010 to 2013 woodland resilience increased on this measure of the connectivity of woodland patches. This may be related to increases in woodland sizes and their proximity to each other. The FC is also minimising exposure to the risks of climate change through tree species diversification, including a trial on the Public Forest Estate in East England. We are not currently able to measure and report the variety of trees in the woodland patches on a nationwide basis.

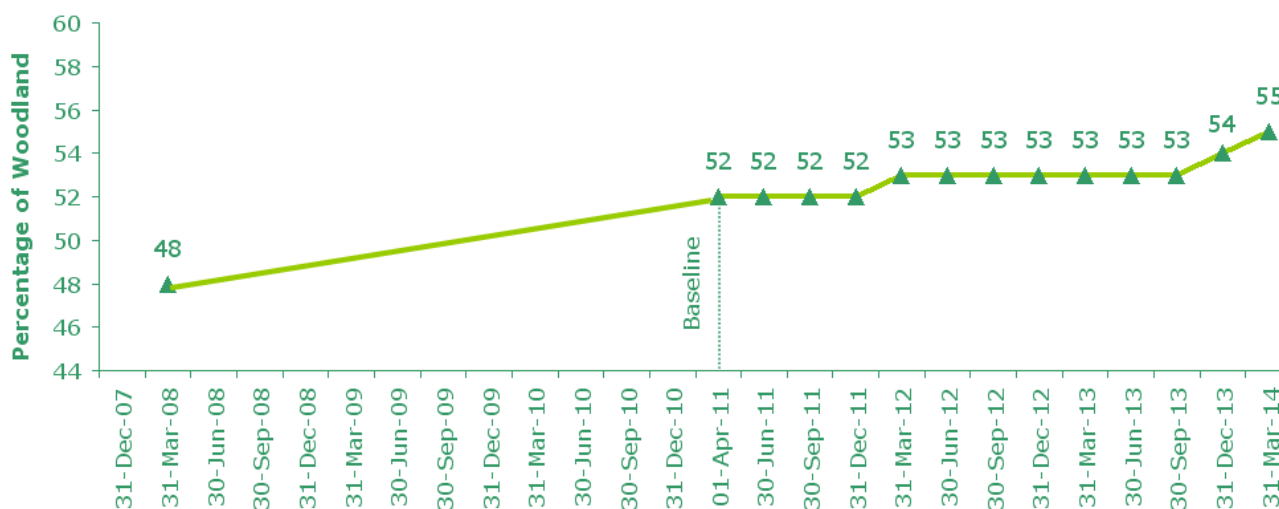
**9. Question for discussion (1): Does the Committee consider that gaining an improved understanding of the diversity of tree species in England is important enough for us to scope a new indicator of tree types?**

**b) Improvement**

10. Improving our woodland resource is a priority, with an aspiration to increase the percentage of woodland in management from 55% at present to 66% by 2018.

11. The key indicators are:

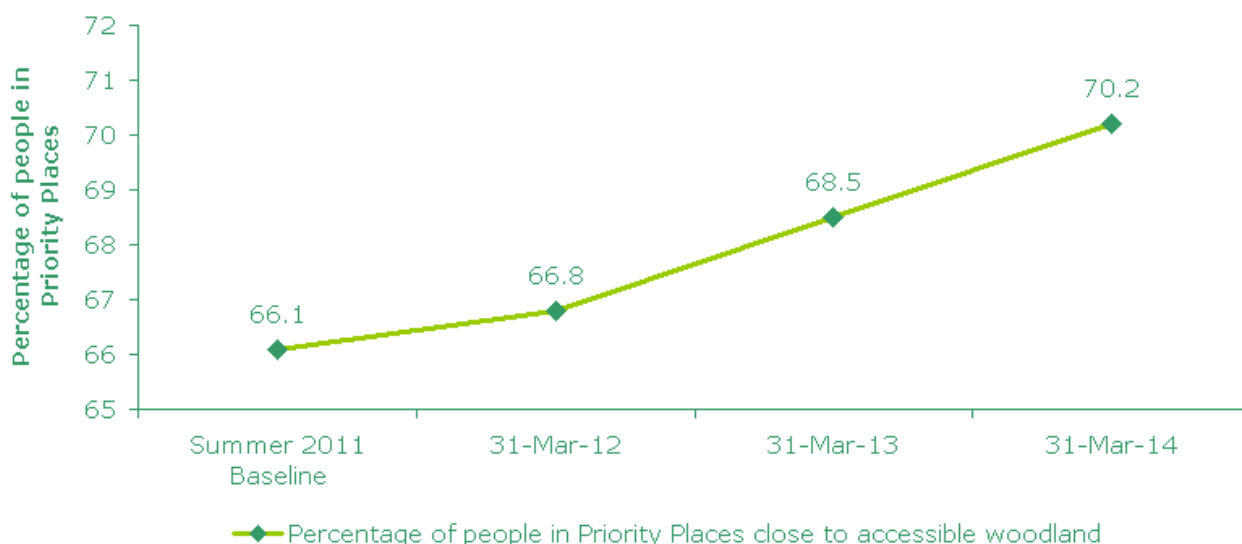
**Impact Indicator 4: Percentage of woodland in active management (including the Public Forest Estate) (page 11)**



12. This shows an improving trend since last year. Some of this improvement will reflect management of woodland in response to the growth of the market for woodfuel, that is borne out in the further improving trend shown in our *Woodlands Indicator 15: Installed capacity of medium sized wood fuelled boilers (Mega Watt thermal)* (page 56), with the graph also reproduced at paragraph 23 below. However, there is a lot of work to do to reach the two thirds aspired to within the next 4 years. If the percentage of woodland in management continues to grow at the same average rate per annum that it has since March 2008 then the level reached at the end of 2018 would be about 59%; some 7% short of the 66% aspiration. There should be a further upturn in performance as the Woodlands into Management Programme bears fruit, as woodland owners are encouraged to create management plans for their woodland, and as the successful start of the Grown in Britain campaign is capitalised upon.

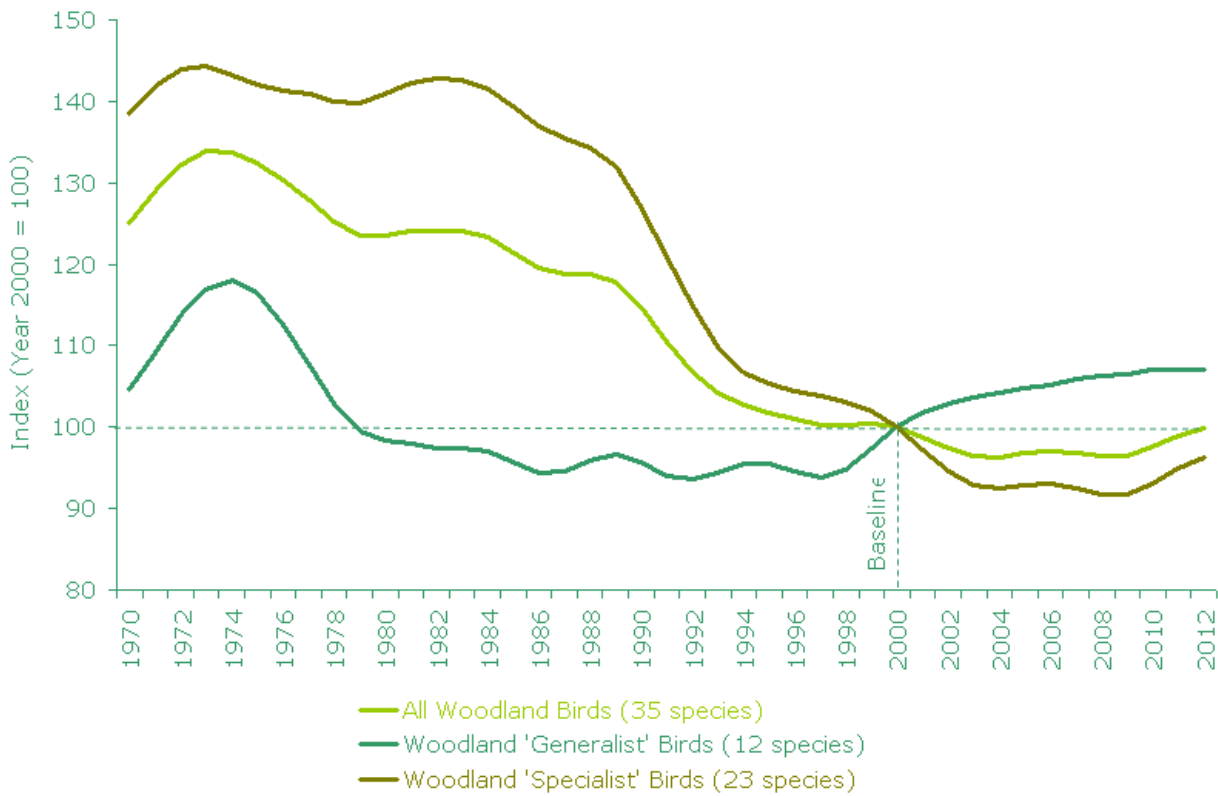
**13. Question for discussion (2): How much importance does the Committee place on the FC meeting the target of 66% of woodland in management in 2018?**

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



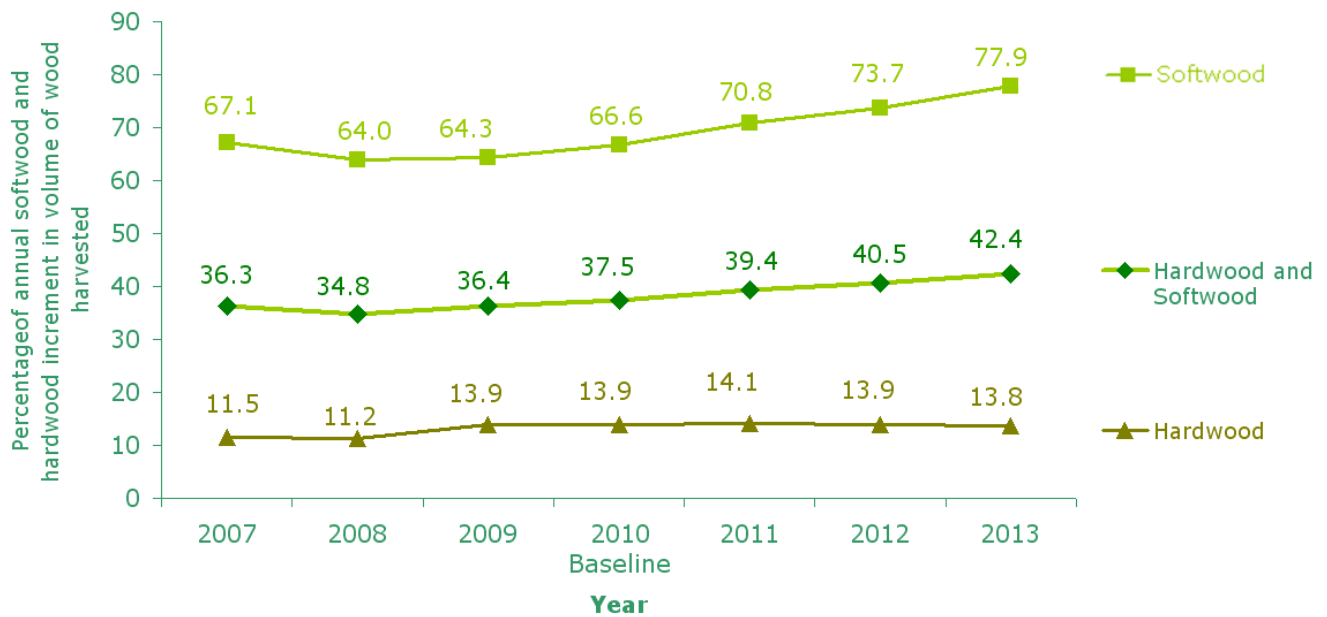
14. Since last year there has been another positive increase in our indicator of access to woodland, sustaining progressive increases since at least 2008. The percentage of people living in Priority Places close to accessible woodland has increased to 70.2%. Over the longer term there is a potential risk to further progress if, as expected, financial support for more woodland access is not included in the New Environmental Land Management Scheme (NELMS).

**Woodlands Indicator 6: Measure of what is happening to the number and variety of species that live in woodland; using Woodland Birds data (page 47)**



15. Our aim here has been to reverse the declines in the three woodland bird indices. The newest data from 2012 suggests that more positive trends are beginning to appear in all three indices. This is looking like the beginnings of a success story. It should be noted though that the indices are made up of species groups still in decline as well as some doing dramatically well.

**Woodlands Indicator 14: Percentage of the total amount of wood that grows in English woods that is harvested (page 55)**



Softwood figures from 2007 to 2012 have been revised

16. However, hardwood is still underexploited; on this measure just about 14% of the annual increment in the volume of wood was harvested in 2013. Also production from the Public Forest Estate is going to decrease over the next couple of decades as forests first planted after the Second World War are harvested.

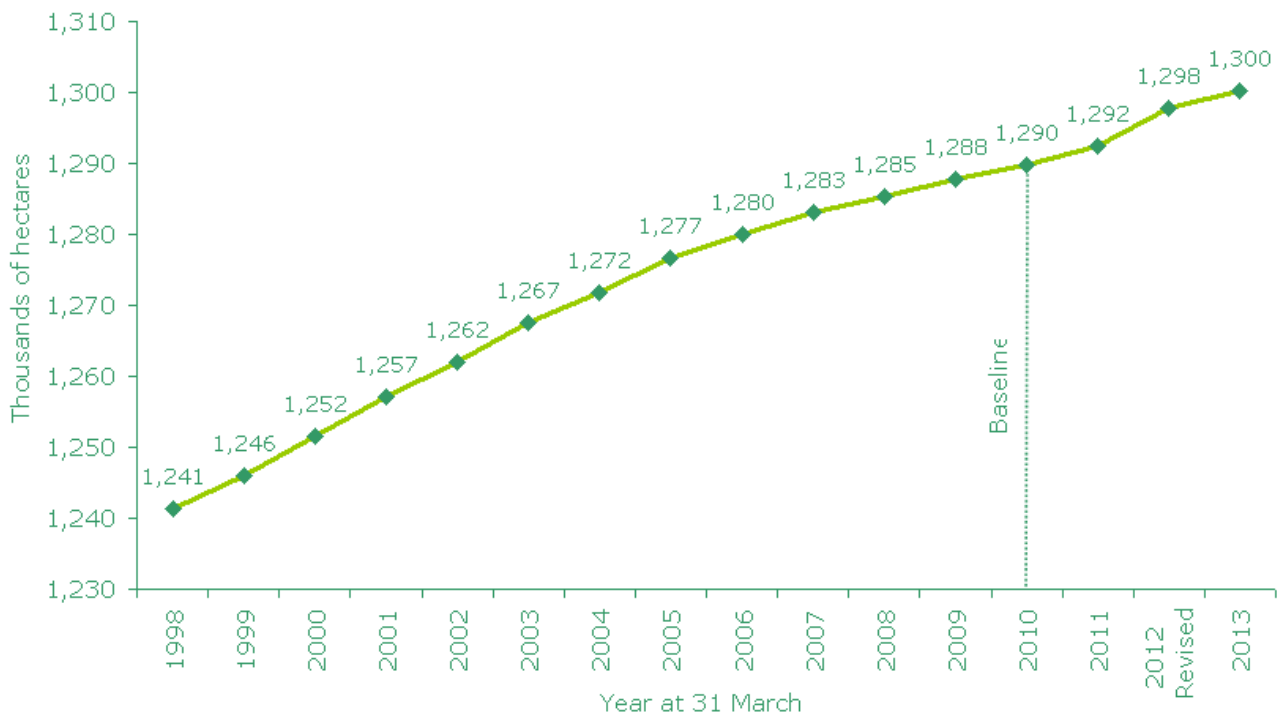
**17. Discussion question (3): Does the Committee consider that FC should be doing more to encourage the sector to harvest hardwood?**

**c) Expansion**

18. The Government's Forestry and Woodlands Policy Statement January 2013 sets out an approach that if successful would result in an increase in woodland cover from 10% to 12% of England's land area by 2060. 12% woodland cover is a total woodland area of 1,565 thousand hectares.

19. The key indicator is:

**Woodlands Indicator 7: Area of woodland (total and change over time) (page 48)**

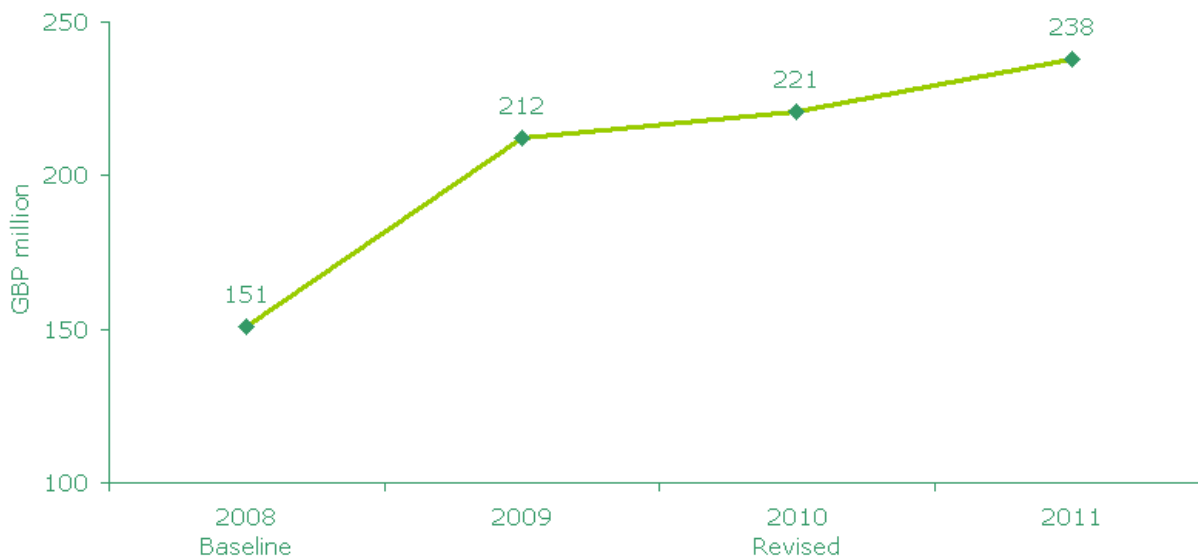


20. As at 31 March 2013, the area of woodland in England is 1,300 thousand hectares, an increase of 2,000ha on the previous year. Achieving 12% of English land covered by woodland requires a rapid acceleration in the rate of woodland creation to about 5,600 hectares per year. There are a range of measures in place or in development to accelerate this including the Woodland Carbon Code, the Woodland Carbon Task Force, and of course, Grown in Britain. However, the area of woodland is still not yet increasing at the rate implied by forestry policy, and for every year that 5,600 hectares of woodland creation isn't reached, the aim for future years is increased. There is good news that in 2013-14 the area of woodland creation grant paid was 2,691 hectares (headline indicator on page 13); an improvement over recent years. The prospects for 2014-15 are not so good as there will be less grant support for woodland creation. This means that despite the really positive initiatives referred to the area of woodland seems unlikely to increase fast enough to achieve the 12% woodland land cover by 2060, without radical measures such as large changes in Common Agriculture subsidies.

**21. Discussion question (4): What does the Committee think about the level of future planned support for woodland creation in the future CAP scheme, and is there anything else it would like to see being done to help achieve the 12% woodland cover aspiration?**

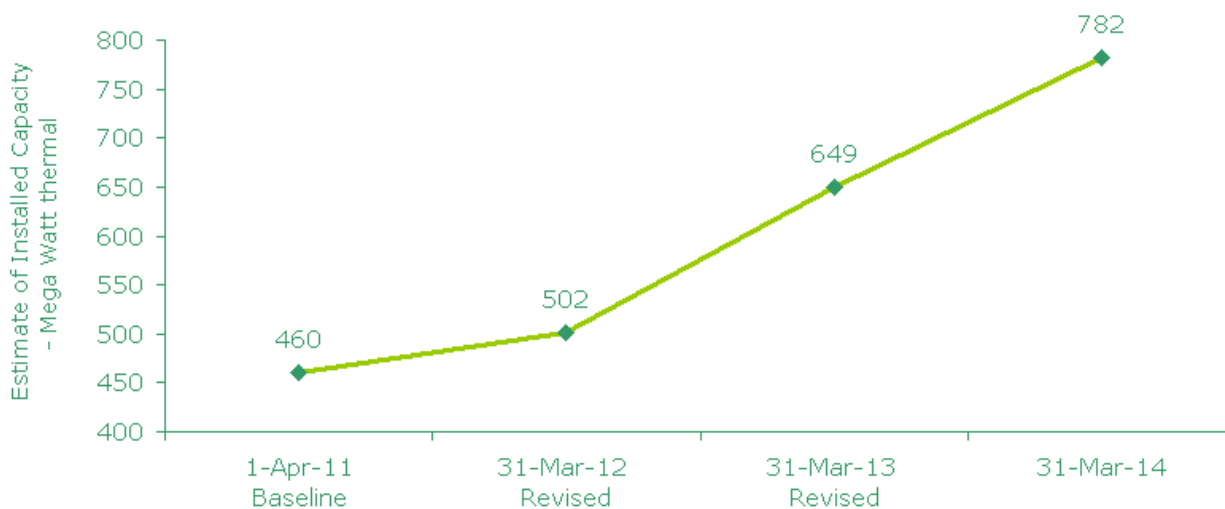
## d) Contributions to the Economy

### Woodlands Indicator 12: *Gross Value Added from domestic forestry (page 53)*



22. The Gross Value Added from English domestic forestry has increased by nearly 60% over the most recent four years for which data is available; a creditable contribution to the English economy.

### Woodlands Indicator 15: *Installed capacity of medium sized wood fuelled boilers (Mega Watt thermal) (page 56)*



23. The Renewable Heat Incentive drove an increase in installed capacity of wood fuelled boilers during 2013/14 and has added significant momentum to projects and actions highlighted in the Woodfuel Implementation Plan. Woodfuel has become a mainstream element of the wider forestry and renewable heat sectors. So far over 90% of full applications for the non-domestic Renewable Heat Incentive have been for biomass boilers<sup>1</sup>.

<sup>1</sup> Source: Renewable Heat Incentive and Renewable Heat Premium Payment quarterly statistics, March 2014



## e) Contributions from Forest Enterprise

24. Forest Enterprise are continuing to play their part in forestry policy delivery. Even on the evidence shown in only this Report there is evidence of strong delivery of – for example -- high quality woodland access on the Public Forest Estate (PFE). The quantities of Plantations on Ancient Woodland Sites (PAWS) restored, and open habitats restored or created, on the PFE have continued to accumulate well (page 22). The number of people engaged in events and activities for which permissions were issued has increased to nearly 350 thousand in 2013, and the satisfaction of visitors to the Public Forest Estate remains ‘very good’ on that indicator (page 26). These, and many other achievements, have been brought about whilst keeping the net cost to the public purse of managing the PFE to about £57 per hectare (a key headline indicator, page 18).

### Progress on Indicator Development

25. At the request of the Director, England and the Director of Forest Services we reviewed three of the six headline indicators in 2013-14. One agreed conclusion of the small team that conducted the review was to implement an improvement to the definition of the Managed Woodland headline indicator (page 11). This will improve its coverage of woodland managed to the benchmark UK Forest Standard. Thus from the June 2014 report onwards the indicator will include woodland managed on Defence Infrastructure Organisation military training areas, and woodland brought into management plans by the Woodlands into Management Programme.

26. The review also concluded that the headline indicator on cash spent on partnerships and engagement (page 16) can't easily be improved to make it more useful, and that it should be retired at the end of 2014/15. It was agreed that the headline indicator on plant health (page 9) could be enhanced if a good, meaningful and robust way could be developed to report the ‘loading’ of the various pests and diseases within each and every 10km by 10km square (hectad) across England. We have started to report known incidences of both *Chalara fraxinea* and *Phytophthora ramorum* in this way (see page 10 for an example). We plan to scope the potential for such an improvement in 2014/15.

27. The full suite of indicators were designed to provide indicators for the Spending Review 2010 period that ends at the end of 2014/15. Thus through this year we plan a light touch review of our entire indicator suite. There is so much value in monitoring trends over a long period that we envisage the review will retain most indicators in their current form and re-brigade them to best suit future needs. The work will need to consider how the indicators in future can best reflect Government's wish to set up a new organisation to manage the Public Forest Estate for the nation.

### Risk Assessment

28. We have collated from Indicator Programme Managers fuller reports of their understandings of the reasons underlying the performance shown in the indicator report 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. We are also aware that the rate of increase in managed woodland needs to be stepped up. 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**

29. We developed the indicator suite with very little additional programme spend because very nearly all the indicators were, by design, based on either administrative data or statistical data available freely from other Government departments. This year support of our indicators suite is due to amount up to about £18 thousand. Work to deliver the quarterly and annual indicator reports are included in the budgets for Forest Services. However, it should be noted that several of our Indicators rely fundamentally on the continuation of the National Forest Inventory. It is anticipated that the review of indicators this year will also involve calling briefly on some of the related expertise held by a number of colleagues in Forest Services, Forest Enterprise, Central Services and perhaps Forest Research. It recognised that we lack capacity to offer much more on improvement and expansion.

## **Communications**

30. As a part of Defra's commitment to transparency all indicator reports are published on the FC website. We are aiming to publish this year a compendium of Indicator Fact Sheets document that will spell out indicator methodologies. 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**

31. That the Committee notes this paper and discusses the related policy questions highlighted.

**David Cross**  
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**Forest Services**  
**May 2014**