



Forest Research

Corporate Plan 2008–2011

The Research Agency of the
Forestry Commission

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Executive summary	4
Introduction	6
Strategic aims and objectives	8
Organisational structure	9
Winning and delivering research and scientific services	10
Science and research excellence	12
Knowledge transfer, communication and innovation	13
Customer care	14
People	15
Financial targets and business systems	16
Key financial information – Establishing FR’s Business Plan 2008 – 2011	17

Table Contents

Table 1	Income and expenditure 2006 – 2011	17
Table 2	Balance sheets at 31 March 2008	17
Table 3	Cash flow 2006 – 2011	18
Table 4	Trends in staff numbers (full time equivalents)	18

Executive summary

Recently, the contribution which forestry, woodlands and trees make to the environment, to society and to the economy, has become much more widely recognised and understood. This is a consequence of the high profile of forestry in major policy and science reviews such as the Stern Report (*The Economics of Climate Change*, UK Government Cabinet Office and HM Treasury, 2006) and the *Fourth Assessment Report of the Intergovernmental Panel on Climate Change* (www.ipcc.ch 2007). In Britain the three Country strategies (*Woodlands for Wales* (2001), *Scottish Forestry Strategy* (2006) and *A Strategy for England's Trees, Woods and Forests* (2007) describe how forestry is responding to this increased understanding and set high level strategy for delivery of appropriate targets. Given the above context and the very active forestry, land use and conservation sector, 2008 to 2011 will be an exciting time for forestry research.

To meet the research and knowledge transfer needs of forestry in England, Scotland and Wales and of the Forestry Commission, Forest Research must operate efficiently and in partnership with other organisations. The FR Development Strategy (2006-12) has identified medium term targets for extending FR's range of funding sources and increasing its external income. Detailed horizon scanning has been undertaken in six priority areas:- Biosecurity, Well-Being, Urban Greening, Climate Change, Biomass Energy and Sustainable Management of the Forest-Industry Woodchain. Real progress has been made on the management of intellectual property and we are implementing the recommendations of a major review of FR's financial systems which was undertaken during 2007. These reviews have called for significant change which is described in detail in this document. The FC Programme Advisory Groups and Research Strategy Management Board recently put new procedures in place so that Country views have been closely considered in drawing up the 2008/09 FC research programme. The delivery of this refocused research programme and the implementation of the FR Development Strategy are the principal drivers of this Corporate Plan.

FR has moved into a period of implementation of the Development Strategy and will maintain the progress made to date by acting on the recommendations of the Priority Area Working Groups and the Finance Review. We intend to do this whilst also increasing science quality and customer care. The key performance targets (KPIs) which are set here aim to create a balanced approach, which enables real progress to be made in financial performance, organisational development; quality of research, development and scientific services; delivery and customer care. This balance of targets reflects the need for research to generate new ideas and to transfer knowledge to an increasingly broad range of stakeholders.

The 08/09 KPIs are noted here and are described in context at the appropriate place in this Corporate Plan.

1. During 2008/09 FR will increase its presence in Wales by locating staff in Aberystwyth. By June 08 we will have appointed a Head of the FR Research Unit, Wales.
2. In 2008/09, FR will increase its non-FC income to £2.9 million.
3. FR will establish a Climate Change Research Hub and an Urban Greenspace Centre.
4. The work of Ecology Division will be reviewed by an external Visiting Group which will report to the Advisory Committee on Forestry Research in November/ December 2008.
5. In order to improve customer satisfaction we will extend FR's Quality Assurance scheme to cover customer care, advisory services and the delivery of final outputs.
6. Building on last year's skills audit staff training will be provided in business skills and management of IP, GIS and Equality and Diversity during 2008/09.
7. To improve transparency and efficiency FR will implement the recommendations of the 2007 Review of Finance and Project Management during 2008/09.
8. FR will participate fully in the FC GreenerWays Programme.

Forest Research (FR) is the Forestry Commission's research agency. The Forestry Commission's overall objective is to lead the development and promotion of sustainable forest management. FR provides research, technical development and advice to support this objective. FR currently employs c. 270 staff at two main research stations, Alice Holt Lodge in Hampshire and the Northern Research Station near Edinburgh and at field stations across England, Scotland and Wales. The FR Framework Document (2003) sets out the relationship between FR and the Forestry Commission, and defines FR's aims and responsibilities. The FR Development Strategy (2006-2011) sets objectives for FR to achieve increased relevance and sustainability by improving its alignment and linkages, increasing innovation, maintaining and improving scientific and business excellence, and ensuring strong governance. This Corporate Plan sets out the scientific, administrative and business plans for FR during the period 2008 to 2011, and sets the organisation's Key Performance Indicators for 2008/09.

The Forest Research Vision is:

To provide innovative and high quality research, development and scientific services for sustainable forestry and associated land uses.

This Plan gives details of processes adopted by FR to maintain the quality of its science and delivery in support of this vision. Promoting sustainable forestry requires a sound evidence base and means working with the forestry and land use sectors to generate new ideas and transfer that knowledge to end users, both in the forestry sector and to an increasingly broad range of other audiences. Forest Research combines science and technical expertise with significant hands-on experience and understanding of the forestry and land use sectors. We very much value our existing collaborations with other organisations and are working to further increase such collaborations.

The FC and the Northern Ireland Forest Service published the Science and Innovation Strategy for British Forestry in 2005 following consultations with stakeholders in England, Scotland, Wales and Northern Ireland. The Strategy gives an enhanced role for the devolved administrations in determining the research priorities of the FC through the Research Strategy Management Board (RSMB) supported by Programme Advisory Groups (PAGs) which specify programmes to meet their needs.

The FC's research budget and the PAG/RSMB research purchasing mechanisms are managed by Corporate and Forestry Support (CFS) in accordance with the FC's Science and Innovation Strategy. FC country offices and the Operational Support Unit (OSU) also commission research and other services. During 2007, CFS put new procedures in place so that the FC PAGs and RSMB incorporated the views of the Countries more closely in drawing up the 2008/09 FC research programme. The delivery of this refocused research programme and the implementation of the FR Development Strategy are the principal drivers of this corporate plan.

In order to meet the research and knowledge transfer needs of forestry in England, Scotland and Wales and of the Forestry Commission, Forest Research must operate efficiently and in partnership with other organisations. The FR Development Strategy (2006-12) has identified medium term targets for widening FR's range of funding sources and increasing its external income. Detailed horizon scanning has been undertaken in six priority areas (see page 12) and for three of these areas (Biomass Energy, Urban Greenspace and Climate Change) the need for new organisational structures to achieve multidisciplinary working has become clear. To achieve the objects set out in FR's Development Strategy, FR will continue to bid for research funding from organisations such as the EU, commercial organisations and public sector research-users. In 2007/08, funding from the Public Sector Research Establishment 3 enabled FR to build its commercialisation and innovation skill base – a necessary step for the effective exploitation of science sought by the government. This consisted of £495,000 spread over three years and has given FR the ability to work more closely with industry to help ensure that innovative ideas are brought into commercial use. During 2007/08 real progress has been made in FR's management of intellectual property (IP). Alongside this, FR remains a public sector research agency which provides information and services at public expense where it is in the public interest to do so. During 2008/09 FR will establish a greater FR presence in Wales. Plans are well advanced to achieve this by the placement of Programme Leaders in Aberystwyth close to FC Wales and the new Welsh Assembly facilities and working closely with the academic and research council sectors in Wales.

The Guidelines on quality control set out in the Joint Code of Practice for Research issued in 2003 sought to ensure consistent practices and processes in Quality Assurance of research activities. FR responded by developing and rolling out a Quality Assurance process across the organisation. This formal process is well-advanced and will help to deliver the needs of both the Forestry Commission and external customers.

Strategic aims and objectives

The aim of Forest Research is:

- To support and enhance the role of trees, woodlands and forests in sustainable development, by providing high-quality research, development and knowledge transfer.

Sustainable development is defined as development which meets the needs of the present without compromising the ability of future generations to meet their own needs.

Forest Research does this by means of its top-level objectives:

- To inform and support forestry's contribution to the development and delivery of the policies of the UK government and the devolved administrations
- To provide research, development and monitoring services relevant to UK forestry interests; to transfer knowledge actively and appropriately

To achieve these objectives, Forest Research will:

- Be an internationally-recognised centre of excellence in forestry research
- Act in partnership with other organisations where appropriate
- In its operations, be efficient, cost-effective and commercially and environmentally aware
- Maximise income and recover full economic costs from research purchasers
- Be a caring and fair employer

The Key Performance Indicators in this Corporate Plan describe how we intend to meet the aims and objectives set out here and to deliver the outputs required by our customers during 2008/09. Meeting the 08/09 KPIs will also increase FR's delivery and potential for the full period of this Plan.

Organisational structure

Forest Research employs c. 270 staff. They are located at two main research stations, Alice Holt Lodge in Hampshire and the Northern Research Station near Edinburgh, and at field stations across England, Scotland and Wales. A new research unit will be established at Aberystwyth during 2008. FR has five science divisions and four organisational groups.

Key Performance Indicator 1

During 2008/09 FR will strengthen its presence in Wales by locating staff in Aberystwyth. By June 08 we will have appointed a Head of the FR Research Unit, Wales.

The Science Divisions include units responsible for particular services and two FR Centres are responsible for cross-cutting research. Climate change research and advisory work is undertaken across all five science divisions and is co-ordinated by the Head of Climate Change Research and a Climate Change Task Force. FR's organisational structure is as follows.

Tree Health Division

Biometrics, Surveys and Statistics Division

Ecology Division

Forest Management Division

Environmental and Human Sciences Division

Social and Economic Research

Technical Services Unit

Communications Group

Finance and IT Services

Human Resources and Administration

Interdivisional Units

- Climate Change Research Hub
- Biomass Energy Development Centre
- Urban Greenspace Centre

FR's Executive Board comprises:

Chief Executive, FR

Head of Corporate and Forestry Support, FC

Research Director

Head of Tree Health

Head of Biometrics, Surveys and Statistics

Head of Ecology

Head of Forest Management

Head of Environmental and Human Sciences

Head of Technical Services Unit

Human Resources Director

Finance Director

Communications Director

Commercial Director

The Chief Executive of FR and the Head of Corporate and Forestry Support are on the FC Executive Board.

Assurance on risk management, control and governance of FR is provided by FC Internal Audit via a Service Level Agreement. FR has an Audit and Risk Committee (ARC) which meets twice each year, to advise on the comprehensiveness, reliability and integrity of assurances in meeting the needs of the Board and the FR Chief Executive, in his role as FR's Accounting Officer. The Chair and one member of the ARC are non-executives.

Winning and delivering research and scientific services

Forest Research's overall focus is to develop a flexible organisation that responds to our customers' changing needs and to new opportunities in a professional and businesslike fashion. FR and its major Forestry Commission customers have recently implemented a number of new strategic planning processes, to strengthen the delivery of FR's research, development and related advisory services. Project management, business planning and our annual programme review processes reinforce the focus on realising continuous improvements in delivery, which will be measured against the three following headline Key Performance Indicators.

Over recent years, FR has developed a strong track record in winning research and development (R&D) contracts. In 2007/08, we are on target to increase in our non-FC income, to £2.7 million. In recent months, FR has won new contracts from the Environment Agency, Defra, the Scottish Government and EU. EU contracts include 'NovelTree', (a FP7 project led by INRA on tree breeding) 'ForeStClim' (an Interreg project investigating forestry and climate change) and an Interreg Northern Peripheries project on growth models of Scots pine. All contracts are won by competition in response to open calls for tenders and are governed by appropriate legal agreements.

During the period of this Corporate Plan, we plan to continue to diversify and increase our income streams. The specific performance target for external income in 2008/09 is £2.9 million. The business plan (Table 1) and KPI for non-FC income assume no changes resulting from the review of production forecast and inventory which is currently being conducted.

Key Performance Indicator 2

In 2008/09, FR will increase its non-FC income to £2.9 million.

Non FC income will continue to be generated mainly from research and development contracts, most of which involve collaboration with at least one organisation. Research Council (RC) academic analogue status for FR and other Government agencies has recently been withdrawn, which has a negative influence on developing collaboration with RC institutes and Universities. However, FR remains strongly committed to collaborating in multi-disciplinary partnerships with other research organisations, nationally and internationally, to increase the pool of professional knowledge, skills and facilities available to our customers. In addition to networks of individual informal collaborative activities, a number of formal collaborative agreements have been signed.

During 2008/09 FR will strengthen its presence in Wales (see Organisational Structure and KPI 1). This is in order to improve our ability to deliver science and scientific services in Wales and across GB. We intend to establish FR facilities in the Aberystwyth area close to the new Welsh Assembly Government/FC buildings. This new FR unit will work closely with FC Wales, the Institute for Biological, Environmental and Rural Sciences (which will be created when IGER integrates with the University of Aberystwyth) and the new Welsh Centre for Integrated Research in the Rural Environment.

FR also remains committed to finding innovative and more effective ways of bringing research findings into use. FR recently won grant funding from the South East England Development Agency to establish a Rural Research Strategy Partnership (RRSP) with four South East region universities – Reading University, Surrey University, Sussex University and the University College for the Creative Arts. This funding is to develop the new partnership into a vibrant research community generating new innovative multidisciplinary research projects which improve rural sustainability.

Alongside its research contracts, FR is also taking a proactive approach to commercialisation. Winning applied research contracts helps stimulate innovation and economic growth for traditional forestry industries and the land management sectors. FR also plans to generate increasing income streams from the intensification of its asset utilisation, including commercialisation of FR's intellectual property.

Increasing pressure on our natural resources and global climate change are key challenges for the next decade and beyond. The UK Government is determined to exercise its own international and domestic responsibilities to accelerate the transition to a low carbon economy and FR is putting a high priority on delivering the knowledge needed by the Forestry Commission and its delivery partners, to assist this transition.

In 2007, FR used Priority Area Working Groups to assess the actions which could best help FR to maximise the social and economic impact of its work in six high priority areas which contribute to this agenda, namely:

- Biomass energy
- Biosecurity – protecting our forests and woodlands from pests and diseases
- Climate change
- Sustainable management of the Forest Industry woodchain
- Urban greening
- Wellbeing

During 2007/08 a Biomass Energy Centre has been established to disseminate information about all forms of biomass and together with established work on woodfuel research and joint work with external partners, we expect to see work in this area continuing to expand as the Forest Research Biomass Energy Development Centre. In 2008, FR will build on established work on urban greening and land reclamation by establishing a new Urban Greenspace Research Centre. The new centre will complement the established Biomass Energy Centre, and woodfuel research programmes. Climate change now has an influence across all FR activities and the FC has established a Climate Change Centre (the FCCCC). FR will be closely involved in this and during 2008 will establish a research Hub to co-ordinate its climate change work.

Key Performance Indicator 3

FR will establish a Climate Change Research Hub and an Urban Greenspace Centre.

To deliver within the competitive public sector funding environment, Forest Research must continuously seek to improve its use of resources and deliver efficiency savings. In 2008, FR will focus particular attention on this issue by conducting a formal review of its scope to deliver efficiency savings in its physical assets, procurement systems and patterns of resource use including travel and waste management.

FR will also develop a longer term estates strategy, to identify potential efficiencies and the changes needed to make FR's facilities more cost effective. Investment in IT infrastructure and systems are also important. Our need to capture, access and share information also demands changes in approach and resource allocation. We have an increased demand for effective data and information management, properly supported by modern IT systems. Furthermore, we must service a dispersed organisation, operating across Great Britain, which increasingly requires its staff to access data and transact business while away from their normal office base. These factors are fully recognised in our resource planning.

Science and research excellence

Forest Research is committed to providing scientific services that are of high quality but also relevant and fit for purpose. To date science quality has been evaluated using metrics such as the number of peer reviewed papers published, by national and international scientific journals, and by the reports of Visiting Groups who are asked to scrutinise particular areas of research (usually by Research Division), and report on scientific quality to the Advisory Committee on Forestry Research (ACFR). The ACFR provides independent advice to the FC and FR on the quality and direction of FR research and scientific services. Visiting Groups report on the science quality of each programme examined, and also on its overall relevance, delivery and progress. During 2008/09, the Advisory Committee on Forestry Research will meet twice and there will be a Visiting Group to FR's Ecology Division.

Key Performance Indicator 4

The work of Ecology Division will be reviewed by an external Visiting Group which will report to the Advisory Committee on Forestry Research in Nov/Dec 2008.

FR's internal quality control processes centre on the adoption of the Joint Assurance (QA) Code developed and implemented by Defra, FSA, BBSRC and NERC. The FR QA system is progressing towards QA processes compliant with ISO 9000 accreditation. Strong line management and staff mentoring is at the centre of sustaining scientific quality, and senior staff are expected to invest a large part of their time in these activities. Additionally, during 2007/08 a significant training programme for FR project leaders in PRINCE2 project management skills commenced and will be continued in 2008/09.

The relevance of research undertaken by FR for the wider FC is increasingly scrutinised by Programme Advisory Groups led by Corporate and Forestry Support (CFS). These advisory groups are composed of representatives from FC England, FC Scotland and FC Wales together with those from CFS and FR, and are tasked with reviewing research priorities and specifying programmes. Relevance to country needs for evidence-based policy delivery is a key criterion for the support that individual FR research programmes receive. FR has responded to the need to provide corporate advice on quality and relevance by spending significant resources in planning input into these important forums, and by critically evaluating research proposals generated internally through formal process. Fitness for purpose is also considered at the conception of research proposals, and programme outputs are scoped and specified in the programme documentation. There is an annual evaluation and customer satisfaction score of CFS funded research programmes undertaken by CFS in conjunction with country customers.

Corporate targets to increase external income (KPI 2) rely on FR's reputation for science quality, relevance, delivery and overall impact. As well as undertaking high quality science, FR is increasingly focused on its promulgation. In 2008/09, a new system of customer 'care' will be introduced in order to gain feedback on research delivery, including aspects of quality and fitness for purpose (see KPI 5).

Knowledge transfer, communication and innovation

Knowledge transfer retains its high profile in Government policy. Research organisations are required to be increasingly proactive about bringing research findings into use. FR is continuing to develop its knowledge transfer, both by communication with key research audiences and through our commercialisation activities.

FR's Communication Strategy identifies the key audiences for outputs from FR research. It also gives details of new processes which have been introduced. These include the Research Output Launch Template (ROLT) which ensures that every output from FR (for the FC) has a bespoke launch and dissemination plan.

Over the last year, the FC, including FR, has carried out a brand analysis exercise. The outcome has been a clearer understanding of the strengths of the whole organisation and how it should present itself. FR benefits from its identification as part of the FC, and is recognised by stakeholders and end-users as expert and non-partisan. For some, mainly scientific audiences, it is also helpful for FR to be recognised in its own right as a scientific institute. FR plans to link its expression of the brand with an increased focus on customer care over the period of this Corporate Plan.

The new processes supporting the Programme Advisory Groups (PAGs) encourage greater integration of output dissemination activities through the Research Liaison Officers acting as representatives of the Technical Publications Group. RLOs will provide feedback from stakeholders and spread expertise in producing outputs across the range of research. FR's Research Liaison Officers (RLOs) have strong links to the FC country offices in England, Scotland and Wales. They work closely with the Country Liaison Officers who are FR senior managers responsible for linkage with the FC Executive Boards in England, Scotland and Wales. The RLO role includes sharing awareness of FR research and development activities with end-users and, just as importantly, feeding back the needs of audiences to both FC and FR staff. Two new RLOs were recruited in November 2007, to join the existing RLO in Wales. This provides FR with an opportunity to increase its knowledge exchange activities. There will also be greater focus and analysis of existing routes for knowledge transfer including publications, conference presentations, seminars and the FR website.

In addition to disseminating research outputs through publications, website and events and advising Learning and Development colleagues on training courses, FR also targets end-users through:

1. Advisory work and technical development work which forms a significant component of many FR research programmes.

2. The advisory and scientific support unit in Tree Health Division which is a well established and much used advisory unit responsible for expert advice on entomological, pathological and other tree health problems.

3. The Biomass Energy Centre (BEC) which was initiated in April 2006 is fast becoming known as the key national knowledge transfer hub for biomass. It will continue to deliver its remit for providing independent, authoritative information on bioenergy through its website presence and by answering direct enquiries.

FR's commercialisation activities focus on championing a culture of innovation and on developing industrial collaboration with the forestry and land management sectors. We are building on the new management and governance infrastructure which has been established using our PSRE3 grant from the Department of Innovation, Universities and Skills (DIUS). We have appointed a new IP Manager to lead the development of FR's commercialisation projects, develop researchers' business skills and intensify FR's interactions with industry. During the final year of the existing PSRE grant, FR plans to achieve increased revenue streams from FR's intellectual property and to use its Proof of Concept funding to stimulate new business opportunities. We are confident we can realise these goals without damaging FC's tradition of supplying information free-of-charge where it is of public interest to do so and without restricting the publication of research results.

Customer care

The Development Strategy committed FR to 'alignment' with customers' mandates, priorities and programmes, and in this corporate plan we seek to build and improve upon our existing procedures in this area. Our customers are individuals or organisations for whom 'services are furnished or work performed in response to defined requirements and expectations', and they include:

- FC and others who directly commission research work;
- users of our advisory and other services; and
- programme co-ordinators who have engaged FR as partners or subcontractors.

Fully understanding our customers' changing requirements is a key requirement for FR's success. FR remains committed to full and active engagement of our scientists in Foresight activities, which are delivered through the operation of the FC Science and Innovation Strategy, the Advisory Committee on Forestry Research, the Research Strategy Management Board and six Programme Advisory Groups. These create valuable dialogue with FR researchers, lead to shifts in expenditure to meet emerging policy needs, and sharpen the focus of our programmes. We will continue to engage in these processes, and in particular to refine the scope of programmes and define clear specifications, so that researchers and customers have a clear and common understanding of what is (and what is not) going to be delivered.

FR's customers increasingly require the delivery of well-planned, inter-disciplinary work and that our advisors should be readily accessible. Having established the target of research, customers wish to see the work delivered to a plan that respects their needs and accommodates the uncertainties and risks involved in the pursuit of new knowledge. This places greater demands upon researchers to scope, plan and deliver their work within the constraints of time and cost, and to the desired quality. We have already instituted a comprehensive programme of project management training for our scientists and we are seeking ongoing opportunities to consolidate their training and develop their skills. Management review of projects now covers engagement with customers (and their feedback on performance) as well as scientific aspects.

We will extend our Quality Assurance scheme to cover those areas that engage with and meet the needs of, customers (whether within FC, external, or within FR). This will extend the existing good practice to all customers by ensuring that FR's QA systems include an overarching commitment to 'Customer Care'.

Key Performance Indicator 5

In order to improve customer satisfaction we will extend FR's Quality Assurance scheme to cover customer care, advisory work and the delivery of final outputs.

Forest Research has a permanent staff of 232 full-time equivalents and a total staff of c. 270 including fixed-term and short-term temporary appointments and sandwich students (Table 4). It employs around 120 research scientists and technical development staff supported by 85 staff providing technical support and surveys. Other staff provide administrative support and specialist services. FR staff are employees of the FC, sharing conditions of service with the rest of the FC. The key to our success is our people and FR will implement the Forestry Commission's People Strategy according to nationally agreed deadlines with particular emphasis on equality and diversity.

FR places strong emphasis on safe working practices and utilises the services of the FC Health and Safety Officer. The Agency also has its own Health and Safety Advisers. FR will continue to comply with all relevant safety legislation and act as a responsible employer. The FC and FR are accredited under the Investor in People initiative. There is a well-developed mechanism for collective discussion with relevant trades unions and staff relations in FR are generally good. Reportable accidents have averaged around one per hundred employees per year in recent years. The level of absence in the Agency currently averages 4.9 days per employee per year with 72% of staff absent for five days or fewer per year.

FR provides a working environment which attracts high quality staff. FR will recruit and retain staff with the qualities, skills and expertise required and provide training, where appropriate, to support the professional and personal development of our staff. Staff will be treated fairly and supported by the organisation to motivate them to deliver FR's objectives.

Key Performance Indicator 6

In follow up of last year's skills audit staff training will be provided in business skills and management of IP, GIS and Equality and Diversity during 2008/09.

Financial targets and business systems

The FC has set the activities of FR within a Financial Framework. FR is required by its Framework Document to achieve full cost recovery from providing services to customers, including a 3.5% return on capital employed. FR manages its finances and prepares annual accounts on the accruals basis (see Tables 1 to 3). Total capital employed in the Agency is £14.5 million of which £13.0 million are fixed assets and the balance net current assets (Table 2). A project board is currently working on implementation of the recommendations of the FC's 2007 review of production forecast and inventory. The impacts on FR's capacity to deliver its 08/09 KPIs and business plan (tables 1 to 4) will be assessed when the outcome of this work is known. Changes to FR's business plan and organisational structure may result from this review.

FR operates an internal market system in order to maintain financial discipline and ensure accurate costing of projects and programmes. Each Division is required to pay market rates for services received and make a net contribution to the Agency's overall financial target. Monthly reports of income and expenditure to date are provided and detailed monitoring reports are available at project level. Forecasts of income and expenditure are updated regularly and corrective action taken where necessary.

A review of financial and project management information systems was carried out under independent chairmanship in 2007 and the recommendations of the review group have been approved by FR's Executive Board for implementation during 2008/09.

Key Performance Indicator 7

To improve transparency and efficiency FR will implement the recommendations of the 2007 Review of Finance and Project Management during 2008/09.

In February 2007, FR and FC submitted a joint response to the Office of Science and Innovation Report Into Public Sector Sustainability (RIPSS). It considered how the nature of FR research, the policy environment, the relationship between FR, the FC and other customers and other broad environmental factors affected FR's sustainability. It focused on how FR's research activities fit in with other business objectives. The sustainability of aspects of each Public Sector Research Establishment is measured as traffic light colours and FR's responses were all in the green or amber-green categories which reflects well on FR's sustainability. The RIPSS process is ongoing.

An important driver for environmental sustainability is the UK government's 'Securing the Future' initiative, which seeks to maximise the impact which government can make to the UK's overall environmental performance through the improvements to the carbon footprint of the government estate and government procurement activities. Having long supported sustainability in forestry operations, FR and the wider FC are collaborating in a project called 'GreenerWays', which sets particular targets to improve the sustainability of our corporate activities, including travel, water, energy and procurement. We have published our environmental policy statement and will be seeking accreditation through an environmental management scheme in 2008/09. FR is working actively with the wider FC 'Greenerways' project on a number of related environmental initiatives, moving towards the overall target of making FR's operations carbon neutral by 2012.

Key Performance Indicator 8

FR will participate fully in the FC GreenerWays Programme.

Key financial information: establishing FR's Business Plan 2008 – 2011

At projected outturn values

Table 1: Income and Expenditure 2006 - 2011

	06/07 Actual	07/08 Forecast	08/09 Planned	09/10 Planned	10/11 Planned
	£M	£M	£M	£M	£M
Income					
CFS	10.6	10.2	10.2	10.2	10.2
OSU	0.6	0.6	0.6	0.6	0.6
OTHER FC	2.0	2.0	2.0	2.0	2.0
Non FC	2.4	2.7	2.9	3.1	3.3
Total Income	15.6	15.5	15.7	15.9	16.1
Expenditure					
Staff Costs *	9.5	9.4	9.5	9.6	9.7
Depreciation	0.6	0.6	0.6	0.6	0.7
Other Costs	5.0	5.1	5.1	5.2	5.2
Total Expenditure	15.1	15.1	15.2	15.4	15.6
Operating Surplus	0.5	0.4	0.5	0.5	0.5
Cost of Capital	0.5	0.5	0.5	0.5	0.5
Net Surplus/ (-) Deficit	0.0	-0.1	0.0	0.0	0.0

* includes salaries, ENI and superannuation

Table 2: Balance Sheets at 31 March 2008

	06/07 Actual	07/08 Forecast	08/09 Planned	09/10 Planned	10/11 Planned
	£M	£M	£M	£M	£M
Fixed Assets					
Land & Buildings	11.2	9.8	9.8	9.8	9.8
Other assets	1.8	2.2	2.5	3.0	3.3
Total Fixed Assets	13.0	12.0	12.3	12.8	13.1
Current Assets	2.3	2.5	2.5	2.6	2.7
Current Liabilities	0.8	0.6	0.6	0.7	0.8
Net Current Assets	1.5	1.9	1.9	1.9	1.9
Total Assets less current liabilities	14.5	13.9	14.2	14.7	15.0
Taxpayers Equity	14.5	13.9	14.2	14.7	15.0

Table 3: Cash Flow 2006 – 2011

	06/07 Actual	07/08 Forecast	08/09 Planned	09/10 Planned	10/11 Planned
	£M	£M	£M	£M	£M
Operating Surplus	0.5	0.4	0.5	0.5	0.5
Depreciation	0.6	0.6	0.6	0.6	0.7
Changes in working capital	-0.2	0.4	0.0	0.0	0.0
Cash inflow/ (-) outflow from operating	0.9	1.4	1.1	1.1	1.2
Less: Capital Expenditure	-0.6	-0.8	-0.9	-1.0	-1.0
Net Cash inflow/ (-) outflow	0.3	0.6	0.2	0.1	0.2

Table 4: Trends in Staff Numbers (full time equivalents)

	06/07 Actual	07/08 Forecast	08/09 Planned	09/10 Planned	10/11 Planned
Permanent staff	227	232	232	230	225
Other staff	43	38	38	35	35
Total	270	270	270	265	260

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