

Our Simplification Plan



“Making Regulation Work For Everyone”

December 2008

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1. Introduction

The Forestry Commission is playing a full part in the cross-government exercise to ease the burden that government regulation imposes on business in England. We are doing this by taking forward the forestry-related elements of the exercise and examining the regulations we are responsible for.

We have long been committed to the principles of better regulation. We provide incentives and promote best practice to reduce the need for regulation and are committed to the principles of good regulation. We also recognise the benefit of working closely with all our stakeholders to make sure that wherever possible, they can comply easily while maintaining the protection offered by the regulations.

In Great Britain (GB) we regulate felling to prevent loss of tree cover and planting to make sure that new woodland schemes are environmentally sound. We also enforce plant health regulations to protect trees and woodlands against potentially damaging pathogens. Our powers in these areas derive directly from the Forestry Acts or Plant Health Acts. Consequently there are relatively few regulations relating to forestry, just nine, within the scope of the recent Admin Burdens Measurement Exercise (ABME), (see Appendix 1 on Page 18). European Union (EU) Directives are a major influence, and six of our regulations originate from EU Directives. Our management in GB is however subject to most of the legislation that regulates other commercial enterprises, but like agriculture, is outside the scope of planning law.

The ABME calculated that the total administrative burden placed on our stakeholders by forestry regulation amounts to £1,459,520, (see Appendix 2 on Page 19). We were set a net reduction target of 25% over five years. Although we exceeded the five-year target set for us in year one we continued to look at what we might do for our stakeholders. We are pleased to report that at the end of year two we have measures in place that have saved our stakeholders £391,655 each year (27% of the total administrative burden). In addition, we also considered what we might do for those stakeholders (such as timber merchants and haulage contractors) who, although not affected by regulatory control, face administrative costs when dealing with us. These measures are also in place saving these businesses £1,382,500 each year.

We have continued to look at what we might do to benefit our stakeholders. This, our third Simplification Plan, *'Making Regulation Work For Everyone'* sets out additional measures that will potentially save timber hauliers and contractors an additional £50,000 each year through further developments in e-business using readily available technology. There will be additional unquantifiable benefits. We are optimistic that we will implement these by the end of this financial year. This will mean that the total savings to our stakeholders in the non-regulatory area of our activity will increase to some £1,432,500 each year (see Appendix 3 on Page 20). These are summarised in Table 1.

Table 1

	Dec 2006	Dec 2007	Dec 2008	Dec 2009	Dec 2010
Admin Burden Baseline	1459520	1459520	1459520	1459520	1459520
Proposed Admin Burden Reduction	375000	375000	391655	391655	391655
Policy	134205	134205	134205	134205	134205
Delivered Admin Burden Savings	375000	375000	391655	391655	391655

2. Departmental information

2.1 Scope and objectives

The Forestry Commission is a statutory body and a non-Ministerial Government Department. We have responsibility for forestry throughout GB and manage nearly one million hectares of public forests. We act as the guardian of standards of British forestry and also make sure that international forestry commitments are delivered. We conduct research, provide information, and offer grants for managing and expanding woodlands and forests.

Under the Devolution Settlement, we were designated as a cross-border public authority, this is a GB body delivering a devolved subject. Therefore, we now exercise most of our powers and duties separately and receive separate funding in England, Scotland and Wales. We are responsible for giving advice to, and implementing, the separate and distinct forestry policies of the Secretary of State for Environment, Food and Rural Affairs, the Scottish Ministers and the National Assembly Government of Wales.

Our aim is the sustainable management of existing woods and forests, and a steady expansion of tree cover to increase the many diverse benefits that forests provide to meet the needs of present and future generations. Through our powers and duties set out in the various Acts, our objective is to take the lead on behalf of the three GB administrations in developing and promoting sustainable forest management and to support its achievement nationally.

2.2 Departmental activities

The Commission has a Board of Commissioners, appointed by statute, consisting of a Chairman and up to ten other Forestry Commissioners, who are appointed by The Queen on the recommendation of Ministers. The responsibilities and powers of the Forestry Commissioners are derived mainly from the Forestry Act 1967.

As well as having responsibility for forestry in England, the Secretary of State for the Environment, Food and Rural Affairs also has responsibility for certain GB activities such as international affairs and forest reproductive materials that remain reserved by Westminster.

Responsibility for Plant Health is devolved. However, with Ministerial agreement, the Commission meets its Plant Health commitments on a GB basis and legislation is made in Westminster.

In England, we aim to implement the programmes of '*A Strategy for England's Trees, Woods and Forests*,' the aims of which are to:

- provide, in England, a resource of trees, woods and forests in places where they can contribute most in terms of environmental, economic and social benefits now and for future generations;
- make sure that existing and newly planted trees, woods and forests are resilient to the impacts of climate change and also contribute to the way in which biodiversity and natural resources adjust to a changing climate;
- protect and enhance the environmental resources of water, soil, air, biodiversity and landscapes (both woodland and non-woodland), and the cultural and amenity values of trees and woodland;
- increase the contribution that trees, woods and forests make to the quality of life for those living in, working in, or visiting England; and
- improve the competitiveness of woodland businesses and promote the development of new or improved markets for sustainable woodland products and ecosystem services where this will deliver identifiable public benefits, nationally or locally, including the reduction of carbon emissions.

2.3 Related agencies and non-departmental public bodies

The Forestry Commission consults local authorities and other organisations with statutory powers in relation to land use before deciding whether to approve applications for woodland planting and for tree felling. We work closely with other statutory bodies including:

- Natural England;
- Environment Agency;
- English Heritage;
- Scottish Natural Heritage;
- Historic Scotland; and
- Countryside Council for Wales.

2.4 Regulatory powers

As we mentioned in the introduction, the degree of legislative regulation of the forestry sector is not high. Typically, newer regulations have come from implementing European legislation, or reflect wider Government initiatives, for example, in the area of rural development. Besides EU legislation, the majority of our regulatory powers come from the Forestry Acts or Plant Health Acts.

These powers cover the areas listed in Table 2.

Table 2

Policy Area	Type of Regulation	Type of Business Affected
Grants and Licensing: Tree Planting and Management	English Woodland Grant Scheme.	Timber growers. Timber importers.
Grants and Licensing: Control of felling	Forestry Act 1967 as amended.	General importers and exporters.
Grants and Licensing: Environmental Impact Assessment	Environmental Impact Assessment (Forestry) (England and Wales) Regulations 1999.	Woodland and other landowners /managers. Forestry civil engineering.
Plant Health	Plant Health (Forestry) Order 2005. The Plant Health (Forestry) (Amendment) Order 2006. Plant Health (Forestry) (<i>Phytophthora Ramorum</i>) (Great Britain) Order 2004. Plant Health (Wood Packaging Material Marking) Order 2006.	Mechanical engineering services. Plant and seed supply.
Forest Reproduction	Forest Reproductive Material (Great Britain) (Amendment) Regulations 2006.	

3. Links to the wider Better Regulation Agenda

The Better Regulation Agenda is at the heart of what the Government wants to deliver to increase UK productivity, modernise public services and influence economic reform in Europe. It is to ensure that the Government talks to stakeholders and delivers its policies in the best possible way.

The Admin Burdens Measurement Exercise (ABME) was launched by the Government in response to the Better Regulation Task Force's report, '*Regulation: Less is More*,' as part of the Chancellor of the Exchequer's Better Regulation Action Plan. The aim of the Measurement Exercise was to measure the administrative costs incurred on businesses, charities and the voluntary sector as a result of central government, European or other international regulation.

The focus of the work has been on measuring the **administrative** costs of regulation rather than the compliance or policy costs. These are defined as:

"the [recurring] costs of administrative activities that businesses are required to conduct in order to comply with the information obligations that are imposed through central government regulation."

The Measurement exercise has also identified and gathered the costs of activities which businesses would be likely to carry out regardless of the regulation measured being in place. These activities, and the estimates for the 'business as usual' costs they represent, could distort the focus of our reduction efforts. The actual admin burden is the additional cost imposed by regulation, over and above what businesses would do anyway.

To ensure our reduction strategy focuses on areas where regulation adds specific additional burdens, the Forestry Commission took part in a cross-government process developed by Cabinet Office and agreed with business stakeholders to identify those activities within our total administrative cost which might be classified as 'business as usual'.

Following the Measurement Exercise, departmental targets for year-on-year net reductions in administrative costs have been agreed. In this way, the project will drive improvements in productivity and, consequently, economic performance. This Plan sets out our detailed plans for realising our departmental target for administrative costs.

4. Progress against the Admin Burdens Target

The ABME calculated that the total administrative burden placed on our stakeholders by forestry regulations amounts to £1,459,520 (see Appendix 2 on Page 19).

More than half the costs, £817,331 (56%), relate to regulation driven by international requirements, although we have some discretion in how we implement those elements which result in 73% of the burden on our stakeholders.

£523,652 (44%) of the total administrative burden is driven by our own domestic regulations, of which the English Woodland Grant Scheme (EWGS) is the most significant element. However, although the scheme is a domestic one, it was designed with EU state funding rules in mind and required EU approval. We estimate that some 50% of the information we collect is to show that we comply with the European Regulation (for which we received just under £5 million in co-financing from the European Union in 2004/05).

We accepted a reduction target of 25% over 5 years. Our previous Simplification Plans launched in December 2006 and November 2007, set out the measures we intended to take to reduce the burden. We are pleased to report that we have implemented these saving our stakeholders £391,655 each year (27% of the total administrative burden). We have therefore exceeded the target set for us. We also considered what we might do for those stakeholders (such as timber merchants and haulage contractors) who, although not affected by regulatory control, face administrative costs when dealing with us. Our previous two Plans therefore also set out the measures we planned to take to reduce the burden in this area. Again these measures are in place saving these businesses £1,382,500 each year.

We have continued to look at what we might do for our stakeholders. This, our third Simplification Plan, *'Making Regulation Work For Everyone'* sets out additional measures that will potentially save timber hauliers and contractors an additional £50,000 each year through further developments in e-business using readily available technology. There will be additional unquantifiable benefits. We are optimistic that we will implement these by the end of this financial year. This will mean that the total savings to our stakeholders in the non-regulatory area of our activity will increase to £1,432,500 each year (see Appendix 3 on Page 20).

Although forestry is a devolved matter and regulations emanating from the Scottish Executive and Welsh Assembly were not included in the ABME, much of our regulatory activity, notably plant health and FRM, applies across GB. Our estimates in these areas (and in those non-regulatory activities where businesses incur costs in their dealings with us) are therefore based on the reductions to businesses in England, Scotland and Wales.

This Plan, which is part of the wider government exercise, sets out our how we have reduced the burden on our stakeholders in both the regulatory and non-regulatory areas of our activity. The Plan only includes measures that we have implemented during the course of the ABME. It excludes those where we are not yet in a position to fully assess the savings to our stakeholders but continue to progress.

5. Key successes

The number of stakeholders affected by any one of our regulations varies between 25 and 2,500. The majority however affect less than 200. The impact that any one of our proposals might have on a particular sector is therefore limited. We are however committed to driving down the administrative burden placed on all our stakeholders. Our simplification proposals are therefore wide ranging and encompass all aspects of our dealings with stakeholders, both regulated and non-regulated (see Appendix 4 on Page 21).

Details of all current FC simplification initiatives are shown in Appendix 5 on Page 22. These include:

- The development of the English Woodland Grant Scheme and the associated Grants and Licences Online Service.
- The simplification of the plant health legislative framework within which the forestry trade operates. The Plant Health (Forestry) Order 2005 revoked and consolidated previous regulation, notably the Plant Health (Forestry) (Great Britain) Order 1993 and its various amendments; and the Treatment of Spruce Bark Order 1993. It also implemented a suite of European Directives and Council Decisions that amend several aspects of the plant protection regime in the Community.
- Following the implementation of Wood Packaging Material Marking Programme ISPM 15 (and world-wide acceptance), the number of certificates issued under the Plant Health (Forestry) (Export Certification) (Great Britain) Order dropped from 20,000 to 200 each year.
- Our amendment to the Forest Reproductive Material guidance to make clear the regulatory and voluntary elements. The changes, although minor, have removed the previous misconception that we can use regulation to impose standards on end-users in addition to suppliers.
- e-Business for Forestry – a holistic, integrated package, which allows firms to buy timber and arrange deliveries electronically by using modern, readily-available, easy-to-use communication and information technology. This is a more efficient process and gives greater operational flexibility for our customers and contractors. We will also help the UK private sector to do the same.
- The reduced frequency of inspection for maple imports from North America that was a direct response to our stakeholders who asked us what we could do to reduce their costs at ports of entry.

6. Stakeholder views

"I have been most impressed with the way the Forestry Commission has developed and implemented the UK Wood Packaging Material Marking Programme. The initial voluntary code led the way and my European colleagues have used the UK code as the template for devising the ISPM15 compliance scheme in each country. It being well understood that the UK Programme has been agreed after full consultation with the UK industry so that rigorous and practical rules have been implemented."

Gil Covey

President of the Federation of European Wood Pallet and Packaging Manufacturers

"The felling licence applications process works well because it is easy to understand, is on one form and can be completed at short notice".

Unattributed - comment from a stakeholder to Price-Waterhouse Coopers Ltd during the ABME.

"It has long been identified that e-business within the forestry industry will have major benefits. The eFIDS system represents a real opportunity to develop greater communication between partners in the sector. It will improve hundreds of companies by introducing a common standard for conducting business."

Scott Shiells

Group Operations Manager, BSW Timber, in BSW press release, 05/06

"The Forestry Commission has identified opportunities to improve the way it deals with timber merchants and haulage contractors that should save these businesses some £1.3 million in reduced administrative costs a year."

"Axe sharpened in the red tape forest", *Daily Telegraph*, 29/08/06, p6.

6.1 Awards

The Forestry Commission was a finalist for the National Business Awards, Better Regulation Award for its e-Business for Forestry and its International Standard for a Phytosanitary Measure "Guidelines for Regulating Wood Packaging Material in International Trade" initiative was highly commended.

e-Business for Forestry won the Government Computing magazine's GC Awards for Innovation Best Project Government to Business category.

7. Savings to the Public Sector

We have no public sector specific regulations. Generally, requests made to our front-line staff are for "business as usual" information. This will include financial and performance information, and information to meet UK legislative requirements such as Data Protection Act notification. We have introduced efficiencies such as reduced returns, or the collection of information as a by-product of day-to-day operations, following an Internal Efficiency Review.

8. Savings to the Third Sector

We work with a wide range of Third Sector agencies and community organisations to deliver the environmental, social and economic aspirations of national forestry strategies. Engagement ranges from continual liaison through broader structures like Wildlife Link, through more targeted partnerships supported by Memoranda of Understanding, to specific local joint delivery projects.

Within the wider context of DEFRA's recently published Third Sector Strategy, we will be working towards publishing our own Third Sector policy statement in November 2009. This will include further work on mapping, characterising and reviewing our relationships with Third Sector organisations with a view to refreshing and enhancing their efficiency and effectiveness.

9. Links to other plans

Our closest links in England are with the Department for the Environment, Food and Rural Affairs (DEFRA), with whom we share two Plant Health regulations.

- The Plant Health (*Phytophthora Kernovii* Management Zone) (England) Order is an order that reflects the responsibilities that we and DEFRA each have for different land uses.
- The Plant Health (Forestry) (*Phytophthora Ramorum*) (Great Britain) Order was owned by us to cater for our implementation for trees that are host to the infection (which is commonly known as Sudden Oak Death). DEFRA made a separate statutory instrument at the same time that covered host that are not trees.

The English Woodland Grant Scheme is operated by us and is included in our baseline but is a part of the wider DEFRA owned England Rural Development Programme; the other elements of which appear in the DEFRA report.

Our country policy units and GB policy advisers keep a watching brief and give advice where necessary on regulations coming from the EU and other departments that will have an impact on forestry and therefore our stakeholders. Sustainable flood management, the Water Framework Directive, national soil strategies, pesticides policy and wildlife management are among the cross-UK environmental policies that have recently affected forestry alongside other land uses. To these we must add social issues such as:

- health and safety;
- urban renewal;
- social exclusion; and
- well-being.

Expertise in, or at least familiarity with, these areas is maintained at GB level to support countries, to provide co-ordinated FC input to policy development at the UK level, and to lessen the effects on our stakeholders.

One example was the changes to the Habitats Regulations that increase the legal protection given to protected species wherever they are found in England and Wales. Several of the species covered by the Regulations are found in woodland, and these therefore have implications for how we manage woodlands and carry out forestry operations. We have worked with partners in a range of national and specialist bodies to make sure that these changes are as far as possible drawn into best practice guidance for sustainable forestry, rather than being an additional regulatory measure. In addition, to the written guidance, developed in conjunction with DEFRA and Natural England, we plan a series of regional workshops and seminars to help to advise woodland owners, managers and contractors on the changes. Another example is the review undertaken with the Environment Agency on how woodland can contribute to meeting Water Framework Directive objectives.

10. Links to the Hampton Review

In March 2005, Philip Hampton published his report "Reducing Administrative Burdens: Effective Inspection and Enforcement". He made 35 recommendations to Government and Regulators, designed to streamline and modernise the regulatory system to deliver reduced administrative burdens. Government accepted these recommendations, and we are implementing those addressed to us.

The aims and objectives of Forestry Commission England flow from the Strategy for England's Trees, Woods and Forests (ETWF) and from the wider objectives of Ministers. We will publish with Natural England the ETWF Delivery Plan and start leading its implementation with stakeholders.

The Concordat between DEFRA and Forestry Commission sets out a framework for the Forestry Commission in England and the Department of Environment, Food and Rural Affairs (DEFRA) to work together to develop and deliver forestry policy. It builds on a previous Pathfinder Concordat, which was promoted following the 2002 Forestry Devolution Review and has evolved in the light of the Modernising Rural Delivery Review.

The Concordat is not a legally binding contract and it does not override the statutory duties or powers of either department. Rather, it is a statement of the principles which will guide relations between the Commission and DEFRA to make sure there is enough communication and co-ordination to enable each to carry out their respective responsibilities effectively and efficiently. The Concordat respects the continuing distinction between the statutory functions of the Forestry Commissioners and those conferred on the Secretary of State for Environment, Food and Rural Affairs for forestry matters.

Some areas of forestry policy (such as improving the quality of life of urban communities) are responding to Government agendas that are led by departments other than DEFRA. DEFRA will champion these issues, where appropriate, with other departments and agencies across Government. The Commission will support the delivery of these by setting priorities in its Corporate Plans for Great Britain and England.

To make sure that the Commission responds effectively to the distinctive needs of different regional and local agendas, we have aligned our Conservancies with the boundaries of all the Government Offices for the Regions and taken steps to encourage closer working between our respective staffs.

We also have a Regional Advisory Committee for each Region whose expertise better reflects distinctive regional priorities, and we work with regional partners in developing Regional Forestry Frameworks.

We work closely with DEFRA (the lead UK Plant health authority), the Wales Assembly Government (WAG) and the Scottish Executive Environment and Rural Affairs Department (SEERAD) and have already combined inspectorates for inspection of live plant material. DEFRA Plant Health Seed Inspectorate is delegated to carry out those inspections for us. We have retained a separate inspectorate for timber, though we are also reviewing this.

Forest Reproductive Material inspections are partly carried out by the Commission's Woodland Officers during their normal duties.

We work with Natural England, the Rural Climate Change Forum and Farming Futures to communicate the greenhouse gas benefits of woodland in rural management.

We have enshrined the Hampton principles in our current review of the criteria for woodland grant and felling licence applications.

We have sought an independent Hampton Implementation Review of our Plant Health area to ensure that we act in the most Hampton compliant way. We expect the Review to be carried out mid 2009.

We are transferring the legacy Farm Woodland Schemes and Farm Woodland Premium Schemes from DEFRA's Rural Development Service to the Commission, so bringing the administration of all the main woodland schemes under the management of a single government body.

Unless we are otherwise constrained, by for example EU Directives, we carry out risk assessments to

determine the level and type of inspection to make sure we comply with our regulations.

We also engage with other departments on data sharing initiatives such as the Whole Farm Approach and the International Trade Single Window ([Business.gov](#)). The Whole Farm Approach offers farmers a more integrated approach to delivering regulation and advice. The International Trade Single Window will provide a common customs Information Portal for all regulatory information and a Single Electronic Access Point for all transactions.

11. Culture, capacity and behaviour

We are grateful to Group members and those other stakeholders who have commented on our proposals, the feedback so far has been excellent and informative.

We know that we will deliver the right policy if we consult effectively. We will continue to promote the initiative and provide our stakeholders with further opportunities to put forward their ideas using a four-pronged approach:

1. **Promotion** - our Departmental Report setting out the findings from the ABME is comprehensive. As a result it is rather a large document. We have therefore produced summaries of the main findings in the Report for each of the main areas of our regulation – plant health, environmental impact assessment, and felling. In addition, we have also produced a summary document aimed at those stakeholders not directly affected by regulatory control but which incur administrative costs when dealing with us. We hope that producing and distributing these will encourage more of our stakeholders to engage in the process. The summaries will be distributed through the trade associations represented on our monitoring group and will also be available through our website.
2. **Measure-by-measure** - the BRE is developing guidance on how policy makers should assess the administrative burdens of new proposals when they are developing the associated Regulatory Impact Assessments. We will implement this guidance when it becomes available and work to minimise new burdens.

We will also identify and exploit opportunities for reducing administrative burdens in existing regulations such as the amendment of the Environmental Impact Assessment (Forestry) Regulations. These will increase the accountability and transparency of the decision-making process and contribute to public awareness of environmental issues.

3. **'90-working-day rule'** - the Better Regulation Task Force report [Less Is More](#) recommends that Government should reply to suggestions for simplification from business within 90 working days, explaining how proposals will be taken forward or, if necessary, why they have been rejected. The '90-working-day rule' is not just a challenge for departments, but also for businesses, as they must produce concrete proposals.
4. **Transparency** – we are encouraging businesses to come forward with ideas for simplification through various means including publicising the initiative on our public website and by introducing a Customer Portal on our website. This will provide business and the public with online access to our key services.

12. Update, reporting and consultation

12.1 Update

The Commission's Better Regulation Officer will be responsible for updating the Plan and providing regular reports on progress to our Executive Board and the Board of Commissioners.

12.2 Reporting

The Forestry Commission formally reports each year on its activities in 'The Forestry Commission Great Britain' and 'England Annual Report' and accounts. The Report deals with the functions funded by Westminster – our activities in England, and those functions such as plant health, which are funded on a Great Britain basis. This includes our work on the Better Regulation initiative.

Targets for alignment with Natural England and the Modernising Rural Delivery Programme are set out in our England and GB Corporate Plans, and we will report on them in our Annual Report.

12.3 Consultation

The plan is a 'living' document. We encourage all our stakeholders to put forward their ideas and suggestions. You can send these through your usual Forestry Commission contact, or by email to simplification@forestry.gsi.gov.uk. Or if you prefer, through the Better Regulation Executive's Simplification portal.

We promise to reply to all your suggestions explaining how your proposals will be taken forward or, if necessary, why they have been rejected.

Forestry Commission Better regulation webpage: <http://www.forestry.gov.uk/forestry/inf-d-6gaeqa>

Better Regulation Executive webpage: <http://www.betterregulation.gov.uk/simplification.aspx>

13. Appendix 1 – List of Forestry Regulations for which Admin Burdens were measured during ABME

The English Woodland Grant Scheme.

The Plant Health (Forestry)(Export Certification)(Great Britain) Order 2004.

The Forest Reproductive Material (Great Britain) Regulations 2002.

The Plant Health (Forestry) (Great Britain) Order 1993.

The Forestry Act 1967 (as amended).

The Environmental Impact Assessment (Forestry)(England & Wales) Regulations 1999.

The Plant Health (Forestry)(*Phytophthora Ramorum*)(Great Britain) Order 2004.

Treatment of Spruce Bark Order 1993.

The Plant Health (*Phytophthora Kernovii* Management Zone)(England) Order 2004.

14. Appendix 2 – Admin Burden by Regulation

Regulation	Total Cost (£)
Woodland Grant Scheme	523,652
Plant Health (Export Certification)(Forestry)(Great Britain) Order 2004	355,820
Forest Reproductive Materials (see Note 1)	202,271
Plant Health (Forestry)(Great Britain) Order 1993 (see Note)	159,801
Forestry Act 1967(as amended) Felling Licences	128,708
Environmental Impact Assessment	68,769
Plant Health (Forestry)(<i>Phytophthora Ramorum</i>)(Great Britain) Order 2004	20,417
Treatment of Spruce Bark Order 1993	53
Plant Health (<i>Phytophthora Kernovii</i> Management Zone)(England) Order 2004	29
Totals	1,459,520

Note 1. We have calculated three of the burdens placed on our FRM stakeholders using a different wage rate to that used for similar FRM activities and equivalent activities for our other regulations. This was on the basis of one interview. The same wage rate should have been used for all. The result would have been a reduction in FRM costs.

Note 2. Plant Health Order totals include the costs to stakeholders of applying to be registered as a 'forestry trader' to engage in the import, production or movement of relevant material. The cost of registration is a one-off cost and the 'traders' have 'come on' the register over a number of years. However, we costed the burden on the basis of all 'traders' on the register at the time of the ABME. This is inconsistent with the way other regulations have been costed, such as our own FRM where only the suppliers registering each year were included in the measurement.

15. Appendix 3 – Summary savings table

15.1 Regulatory Activity

Item	Savings
Introduction of Wood Packaging Material Programme (ISPM 15)	341862
Plant Health (Forestry) Order 2005	53
Plant Health Forms Review	25
Plant Health – reduced frequency of inspections for maple from N.America	15855
Felling Licences - Removal of requirement to secure conviction	30000
FRM - Acceptance of import certificate	220
FRM - Acceptance of supplies document	3640
Total	391655

ISPM 15 savings generated by the reduction in the number of phytosanitary certificates issued have been reduced to take account of the requirement on new businesses to register in the scheme when it moves to a statutory basis.

15.2 Non-regulatory activity

Item	Savings
Electronic Timber Sales	210000
Electronic Contract Documentation	52500
Electronic data exchange with timber customer	1000000
Automated process for timber despatches and self billing	20000
Automated system for despatch approval	10000
Automated process for harvested timber volumes and self billing - harvesting contractors	50000
Automated process for purchase invoicing	20000
Automated process for self-billing - civil engineering contractors	20000
Self billing of forest management contractors	50000
Total	1432500

Savings are calculated on basis of mid-point of estimated savings, such as for electronic timber sales where estimated savings are £1000 - £5000 each year for each customer savings are calculated on basis of £3000 each year for each customer.

16. Appendix 4 - Savings by policy area

Regulatory Activity		
Policy Area	Saving (£)	Total Savings (£)
Grants and Licensing	30,000	
Plant Health	357,795	
Forest Reproduction	3,860	
		391,655
Non-Regulatory Activity		
Timber sales and despatches	1,432,500	1,432,500

Since the original business case was drawn, up the English Woodland Grant Scheme has been expanded to include additional legacy systems. Savings to both business and the FC will be recast during the Post Implementation Review. Therefore we have not included these savings.

The Plant Health savings generated in the main by the reduction in the number of phytosanitary certificates issued following the world wide acceptance of the UK Wood Packaging Material Programme (ISPM15) have been reduced to take account of the requirement on new businesses (maximum 10 per annum) to register in the scheme following its move to a statutory basis.

17. Appendix 5 – Simplification table

Title and brief description of the initiative and how it will be delivered	Type of Burden	Description of simplification measure	Outcome (including sectors to benefit)	Estimated cost savings; Admin or Policy	Milestones/ deadlines for delivery etc
Regulatory Activity					
<p>Plant Health - Working with the wood packaging industry on the development of the UK Wood Packaging Material Marking Programme ISPM15 which enables registered manufacturers to provide readily identifiable wood packaging to exporters that meets other countries import requirements.</p> <p>The Programme moved to a statutory footing in November 2006.</p>	Applications for permission or exemption.	China has until recently required all wood packaging material to be accompanied by a phytosanitary certificate issued by the Forestry Commission. In January 2006 China confirmed that they would accept ISPM15 compliant wood packaging material without a certificate.	Reduction in the number of certificates requested by exporters from 20,000 each year to just over 200.	£352,262 (as measured during ABME). Admin £45000 Policy.	January 2006
Plant Health - The Plant Health (Forestry) Order 2005	Providing statutory information.	Revokes and consolidates previous regulation, notably the Plant Health (Forestry) (Great Britain) Order 1993 and its various amendments. It also implements a suite of European Directives and Council Decisions that amend several aspects of the plant protection regime in the Community.	Simplifies the Plant Health legislative framework within which the forestry trade (importers and exporters) operates and therefore reduces the amount of time stakeholders spend gaining an understanding of the regulations and their obligations.	Not measured during the ABME therefore no savings ascribed. Spruce Bark Order was however revoked. £53 (as measured during ABME). Admin.	October 2005

Title and brief description of the initiative and how it will be delivered	Type of Burden	Description of simplification measure	Outcome (including sectors to benefit)	Estimated cost savings; Admin or Policy	Milestones/ deadlines for delivery etc
Plant Health – Forms review	Keeping records.	Removes unnecessary record keeping, and notifications etc. Where information is still needed we will accept verbal undertakings or readily available alternatives.	Reduction in number of forms in use from 6 to 4.	£25 Admin.	March 2006
Plant Health - Fees for plant health checks	Applications for authorisation.	Reduced frequency inspection checks for maple from the Canada and the USA at the minimum levels adopted by the EC i.e. at 35% and 75% respectively.	Reduced cost burden to the industry.	Cost savings to importers of maple from North America - £15,855 each year. Policy - £2,205.	January 2008
Felling Licences - Amendment of the 1967 Forestry Act via a Regulatory Reform Order to remove the requirement to secure a prior conviction.	Application for authorisation.	The current situation has been shown through experience to create time-consuming and expensive bureaucracy with costs to the public, the FC and, in many cases, other public bodies perhaps best demonstrated by the following statistics (2003/04 in England and Wales): Total of 215 reported alleged illegal fellings; 76 were fully investigated by FC staff; 15 went to court (via DEFRA Legal), 14 successful prosecutions. Restocking Notices were issued in all successful cases.	The majority of illegal fellings are accidental rather than malicious. This change will remove the link between the restocking notice and the prosecution, enabling the restocking to be enforced without the requirement for a prosecution. Additional benefit will be reduced time taken in investigation and prosecution, ensuring prompt restocking and reduced administrative input.	Stakeholders will no longer be faced with court costs. These have been notionally costed at £2000 per case giving a total saving of some £30,000 each year. FC will still be required to investigate all illegal fellings so the majority of these costs will remain. FC savings are therefore based solely on the follow-up work. It is estimated that this will be about half (125 man-days) of FC time. There will also be savings in DEFRA legal (about 75%), the costs of which the FC is liable. Together these will provide a total saving of some £87,000 each year.	April 2006

Title and brief description of the initiative and how it will be delivered	Type of Burden	Description of simplification measure	Outcome (including sectors to benefit)	Estimated cost savings; Admin or Policy	Milestones/ deadlines for delivery etc
English Woodland Grant Scheme – EWGS is part of the DEFRA family of environmental support. The FC operates this scheme under the England Rural Development Programme (ERDP).	Applications for subsidies or grants.	EWGS offers a range of six grant types within two basic categories of woodland stewardship and woodland creation. The associated IT system known as GLADE (Grants and Licences Administration Delivered Electronically) will allow for the electronic exchange of grants and licence applications and grant claims between applicants and the Forestry Commission.	<p>Reduced burden on stakeholders through:</p> <ul style="list-style-type: none"> ➤ Simplified procedures including revised grant application forms; ➤ Provision of an ‘on-line’ Land Information Search (LIS), a map based tool that gives information about land designations or features, e.g. Special Protection Areas, Grant Schemes, etc., on any chosen area, to assist applicants in drawing up their applications; ➤ The provision of free Ordnance Survey maps that applicants are required to submit as part of their application; ➤ Online guidance for applicants; ➤ Applicants focus group. 	Since original business case drawn up system has been expanded to include additional legacy systems. Savings to both business and the FC will be recast during the Post Implementation Review.	Majority of stakeholder services now available. Spatial (mapping) provision planning to be implemented during remainder of 2006.
Forest Reproductive Materials – amendments to the FRM regulations will implement some EU decisions. Stakeholders are currently required to submit details of	Notification of activities.	The FC will now accept the import certificate which accompanies the material rather than requiring customer to complete the form.	Form will be scrapped.	Stakeholder population very small. Savings across the whole population of some £220 each year.	Spring/ Summer 2006.

Simplifying Our Regulation

Title and brief description of the initiative and how it will be delivered	Type of Burden	Description of simplification measure	Outcome (including sectors to benefit)	Estimated cost savings; Admin or Policy	Milestones/ deadlines for delivery etc
material being imported. Until now they have done this by completing an FC form.					
Forest Reproductive Materials – Supplies document replaces existing form.	Notification of activities.	Accept supplies document which customer receives from supplier rather than requiring customer to complete existing on-line form (Excel spreadsheet).	Streamlines procedure for stakeholders and removes need for form (notification of exports). Supplies document provides same information as provided in on-line form but in a form more easily understood by stakeholders.	Stakeholder population very small. Savings across the whole population of some £3,640 each year.	Spring /Summer 2006.
Forest Reproductive Materials.	Providing statutory information.	The guidance has been amended to clarify the regulatory and voluntary elements.	The changes, although minor, have removed the previous misconception that regulation can be used to impose standards on end-users in addition to suppliers. The distinction between the regulatory and voluntary elements also assists in the implementation of national forestry strategies e.g. Forestry Commission Scotland's guidance on Seed Sources for Planting Native Trees and Shrubs, which advises planters in any part of Scotland what species are native to the locality and helps them to identify suitable	Negligible.	Spring 2007

Title and brief description of the initiative and how it will be delivered	Type of Burden	Description of simplification measure	Outcome (including sectors to benefit)	Estimated cost savings; Admin or Policy	Milestones/ deadlines for delivery etc
			seed sources for planting.		
Non-regulatory Activities					
Electronic timber sales	Agreeing contracts.	The Commission currently harvests over 5 million m ³ of timber each year. Over one third of this is sold on the open market. The majority of these sales are now conducted electronically through e-Sales, the Commission's electronic timber sales system which replaces the previous manual based system. The system is internet based and all customers must register and be approved before they can use it.	Registered customers can view all sales details and download copies of sale particulars and maps. There is also an integrated mapping service that allows customers access to contract maps interactively. Approved bidders may enter bids electronically on behalf of their company once sales are open for bidding. After winner selection all bidders are automatically informed of the outcome of each sale by email. The system reduces administration, provides a faster service, and there is less paperwork. GB Timber processing industry.	Dependent on level of business. Estimated savings £1,000-5,000 each year per customer (140). Split 50%/50% FC & Customer. £210,000 Admin. £210,000 Policy.	January 2006
Electronic contract documentation	Agreeing contracts	Provision to timber customers of contract documentation for negotiated timber sales electronically through eSales, the Commission's electronic timber sales system.	Reduced administration, faster service, less paperwork. GB Timber processing industry.	Dependent on level of business. Estimated savings £500- 1,000 each year for each customer (140) Split 50%/50% FC & Customer. £52,500 Admin. £52,500 Policy.	30 June 2006

Title and brief description of the initiative and how it will be delivered	Type of Burden	Description of simplification measure	Outcome (including sectors to benefit)	Estimated cost savings; Admin or Policy	Milestones/ deadlines for delivery etc
Electronic data exchange with timber customers	Agreeing contracts	Electronically accept and use despatch and invoice data and automatically update sales recording system.	Reduced administration, faster service, less paperwork. GB Timber processing industry.	Dependent on level of business. Estimated £30-70,000 each year per timber buyer (20). £1,000,000 Admin. FC savings of £60,000 each year. Policy.	Ongoing programme within industry.
Automated process for timber despatches and self-billing - Haulage contractors.	Agreeing contracts	Automated process to identify and validate timber despatches and generate self-billing payment to FC Haulage contractors.	Reduced administration, faster service, less paperwork. GB Timber Haulage industry.	Dependent on level of business. Minimum of £1,000 each year per contractor (20). £20,000 Admin	1 April 2006
Automated system for despatch approval.	Applications for authorisation.	Provision of automated system to enable Haulier/Customer to request a despatch approval using mobile telephone technology.	Reduced costs, improved availability and faster service, increased productivity. GB Timber Haulage industry.	Dependent on level of business. Estimated reduction in admin costs of up to 50% for both Haulier/Customer and FC. £10,000 Admin. £10,000 Policy.	1 July 2006
Automated process for harvested timber volumes and self-billing - harvesting contractors.	Applications for authorisation.	Automated process to identify and validate harvested timber volumes and generate self-billing payment to FC Harvesting contractors.	Reduced administration, faster service, less paperwork. GB Timber industry.	Dependent on level of business. Minimum of £1,000 each year per contractor (50). £50,000 Admin. FC savings of £20,000 each year. Policy.	Autumn 2007

Title and brief description of the initiative and how it will be delivered	Type of Burden	Description of simplification measure	Outcome (including sectors to benefit)	Estimated cost savings; Admin or Policy	Milestones/ deadlines for delivery etc
Processing of Purchase Invoices Electronically.	Applications for authorisation.	Automated process to identify and validate purchase invoices.	Reduced administration and costs. Various supply sectors.	Dependent on level of business. Minimum of £1000 each year supplier (20) £20000 Admin FC savings of £20,000 each year.	Autumn 2007
Self-billing of FC civil engineering contractors.	Applications for authorisation.	Automated process to identify and generate self-billing payment to FC civil engineering contractors.	Reduced administration, faster service, less paperwork. UK civil engineering industry.	Dependent on level of business. Minimum of £1,000 each year contractor (20). £20000 Admin FC savings of £10,000 each year.	Autumn 2007
Input of Timber stocks via mobile phones	Applications for authorisation	Input of Timber stocks by FC staff and external contractors by mobile phones	Reduced input costs, more accurate information for both FC and customers, improved logistics planning for FC customers	Unquantifiable benefits to timber and haulage industry of improved stock data. FC savings of £50000 per annum.	July 2008
Self-billing of FC forest management contractors.	Applications for authorisation.	Automated process to identify and generate self-billing payment to FC forest management contractors.	Reduced administration, faster service, less paperwork. UK civil engineering industry.	Dependent on level of business. Minimum of £1,000 each year per contractor (50) . £50000 Admin]FC savings of £20,000 each year.	July 2008

18. Appendix 6 – Flow of New Regulatory Burdens

Title/Policy Area/Measure / Initiative	Type of Burden	Description of new regulatory burden	Outcome (including sectors impacted)	Estimated cost burden; Admin or Policy	Milestones/Deadlines for delivery/dependencies
The Plant Health (Wood Packaging Material Marking) (Forestry) (Great Britain) Order 2006.	Applications for permission or exemption.	Placed the previously voluntary Wood Packaging Material Marking Programme, on a statutory footing.	Provided a statutory footing for the Programme underlining its official status thus ensuring that it remained acceptable to our trading partners and made it less likely that any would choose not to recognise wood packaging material manufactured in the UK.	The integrity of the Programme was already well recognised and most wood packaging material manufacturers were registered with it. Implementation did not add any new burden to those already registered in the Programme. New entrants to the programme are required to pay a one-off fee of £400 and (in common with all members of the Programme) £320 every six months thereafter.	Came in to force 6 November 2006. Implementation of the regulation was at the request of many of the members of the Programme, as confirmed by the relevant trade associations, and aimed to ensure that those who attempted to compete unfairly, outside the Programme and fraudulently, could be penalised if caught. UK (see Note).
The Plant Health (Forestry) (Amendment) Order 2006.	Introduced additional import requirements for Sweet chestnut trees.	Importers must have a phytosanitary certificate confirming pest freedom.	The Order introduced additional requirements to prevent the introduction of a new tree pest. It also clarified the definition of Russia, required written confirmation of certain information when first provided verbally, and required traders to retain plant passports for one year.	Implementation did not add any substantial new burden, other than the cost of writing to confirm certain information given verbally.	Came in to force 6 November 2006. The Order was required to implement EU emergency measures against a new pest.

Title/Policy Area/Measure / Initiative	Type of Burden	Description of new regulatory burden	Outcome (including sectors impacted)	Estimated cost burden; Admin or Policy	Milestones/Deadlines for delivery/dependencies
Forest Reproductive Material (Great Britain) (Amendment) Regulations 2006	Provided statutory information for third parties.	Implementation brought GB legislation up to date with EU legislation.	The Order introduced arrangements concerning imports from third countries and authorises certain derogations in respect of the marketing of <i>Pinus pinaster</i> Ait. Also clarified for seed suppliers when and where we are involved in the process.	Negligible	Came in to force 9 October 2006.
Plant Health (Fees) (Forestry) Regulations 2008	Applications for authorisation	The cost of providing the inspection service on timber imported from overseas must be fully recovered. The amendments to the Regulations reflect a reduction to the fees as a result of the proposal to reduce the frequency of inspections for wood or maple from the Canada and the USA .	Reduced frequency inspection checks for wood or maple from the Canada and the USA at the minimum levels adopted by the EC i.e. at 35% and 75% respectively	A degree of burden was removed as a result of a reduction in inspections.	Came in to force 6 April 2008
Plant Health	Additional import requirement	Amendment to the EU Directive to implement controls against Emerald Ash Borer.	Imports of, mainly, Ash wood not currently subjected to import inspection and fees will need to be declared and inspected.	£4000 per annum - Admin	End 2008/beginning 2009

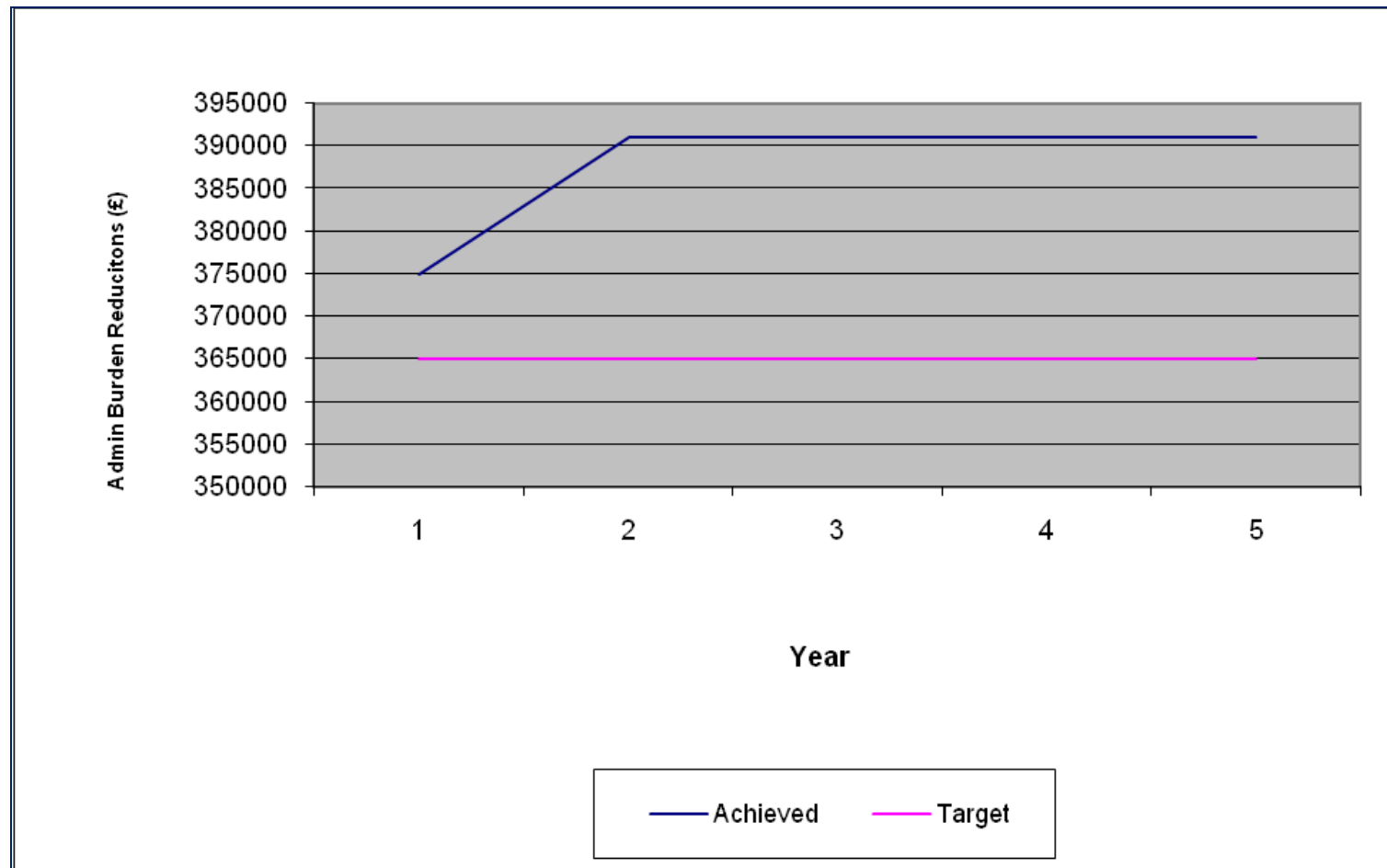
Note - Consultation with small business: the small firms' impact test

Ever since the voluntary programme was set up the wood packaging material industry had made repeated requests for the Programme to be given a statutory footing. The industry believed that without this, the international credibility of the Programme might be prejudiced and there was no obvious barrier to prevent non-registered wood packaging material manufacturers from manufacturing and fraudulently marking wood packaging material and competing unfairly with those who had joined the Programme. The regulation did not impose any new burden on those already within the Programme who were authorised to manufacture and mark wood packaging material. It did, however, introduce penalties, which applied to those who attempted to operate outside the Programme.

Alternative to Regulation

Discussion took place with United Kingdom Accreditation Service (UKAS) on whether a non-regulatory approach might be possible. UKAS confirmed that to give the industry the confidence they sought, regulation was the only right avenue.

19. Appendix 7 – ABR trajectory



Note: Figures only include the reductions in administrative burdens imposed by regulatory activity. They do not reflect the reductions in burdens imposed by non-regulatory activity.