



# Forest Research

## Corporate Plan 2001-2004



Forest Research  
**Corporate Plan**  
2001-2004



INVESTOR IN PEOPLE





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First published June 2001

ISBN 0 85538 456 5

**Front cover:** Group of people walking in Delamere Forest, Cheshire (Forest Life Picture Library 1018601020); continuous cover forestry in the Knightwood Enclosure, New Forest, Hampshire; orange tip butterfly on bugle (Forest Research Photo Library 42466, 40644). Top picture strips: oak wood section; beech woodland at Westonbirt, Gloucestershire (Forest Research Photo Library 40080, 30704); Delamere Forest, Cheshire.

**Back cover:** The GIS suite at Alice Holt; Sitka spruce cone collection in Perthshire (Forest Research Photo Library 42073, 52256).



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## Foreword

The future of the countryside is being debated as never before. There is an increasing recognition that primary production of food and fibre is becoming much less significant relative to rural recreation, country sports and associated services. Production subsidies are being redirected to the provision of social and environmental benefits. And the public expect to have a say in how the countryside is managed.

Whatever the outcome of the debate, it is likely that trees and woodlands will be an increasingly important component of the countryside in Britain. But following a trend which has been evident for many years, trees will often be valued more *in situ* than as a future source of raw material. This is creating a new set of demands for information and advice on managing trees and woodlands. We know much about establishment, growing and managing trees for timber. There is much to learn about growing and managing trees for other benefits.

The focus of Forest Research activities has changed to reflect this. The proportion of research put into improving yield and on management for timber production has declined but remains significant at about 35%. Protection against pests and diseases and other threats remains broadly constant at around 25% while work related to biodiversity, social and environmental benefits has increased and now represents about 40% of our research activity.

The challenge for the Agency is to continue to be the preferred provider of cost-effective solutions and scientific advice to policymakers and managers of trees and woodlands. I am confident that by maintaining and developing expertise and adapting to changing demands we can meet that challenge.



**Jim Dewar**  
June 2001



## Introduction

### Purpose and Mission

Forest Research is an Agency of the Forestry Commission (FC). The purpose of the Agency is:

- To provide research and development, surveys and technical services relevant to the forest industry.
- To provide authoritative advice in support of the development and implementation of the Government's forestry policy.

The mission of the Agency is:

- To protect Britain's forests and woodlands and increase their contribution to improving quality of life and to wealth creation through research and the application of scientific knowledge.

### Objectives

The Agency's core objectives as set out in the Framework Document are:

- To provide services which satisfy the customers of the Agency in terms of timeliness, value for money and quality.
- To carry out research of a quality which satisfies the standards current in the scientific community.
- To use the Agency's resources efficiently.
- To recover the full economic costs of the Agency from its customers.

### Customers

The main funder of the Agency is the Forestry Commission's Policy and Practice Division (PPD) which acts as purchaser for research, development and surveys in support of forestry in Britain, including the particular needs of England, Scotland and Wales. The Division also purchases library and information services. The FC Country Services Division buys support for the administration of Plant Health and the Forest Reproductive Material Regulations. Forest Enterprise (FE) is a major purchaser of surveys and crop inventory services as well as a range of advisory and technical services and provides support for some specific research subjects.



Additional customers include the European Union, other government departments and agencies and, to a modest extent, commercial organisations, charities and private individuals. Work is occasionally done overseas on behalf of aid agencies or overseas governments, making use of the specialist skills and expertise of staff. All our customers are free to purchase from other suppliers.

While there are many benefits from the customer-contractor relationship it is important that staff of the Agency have the opportunity to follow up promising lines of enquiry or investigate evidence which may conflict with current thinking or current policies. Such work may not immediately find a customer. Rather than have this treated as an overhead the Chief Executive will have the discretion to allocate up to £50k on research which is considered worth while but which does not yet have a customer. The cost of this will be met by the FC.

## Resources

The Agency has a permanent staff of 240 (full-time equivalents) and a total staff including fixed term appointments, casuals and sandwich students of 270-280 depending on the season. There are 80 research scientists and staff engaged in technical development, 120 staff provide technical support and surveys and the balance provide administrative support and other specialist services such as library and information services.

The Agency has two main research stations, Alice Holt Lodge in Hampshire and the Northern Research Station at Bush outside Edinburgh. There is also a network of ten field stations and the Technical Development Branch (TDB) has three offices located in Dumfriesshire, the Midlands and Wales. The total value of the physical assets, buildings and equipment in the control of the Agency is £8.2 million.

## Activities

The Agency's activities include research, development, technology transfer, surveys, crop inventory, advice and technical services. The work has the common characteristic of being tree related. The species covered include all the main native species as well as the commercially important introduced conifer species. The activities cover the life cycle of trees starting with the genetic material through seed, nursery techniques, establishment and stand management to harvesting but do not generally extend to the processing of forest products beyond the forest gate. Approximately 85% of total income is for research and development, 10% for surveys, crop inventory and monitoring and the rest is for a range of technical, scientific and other services.

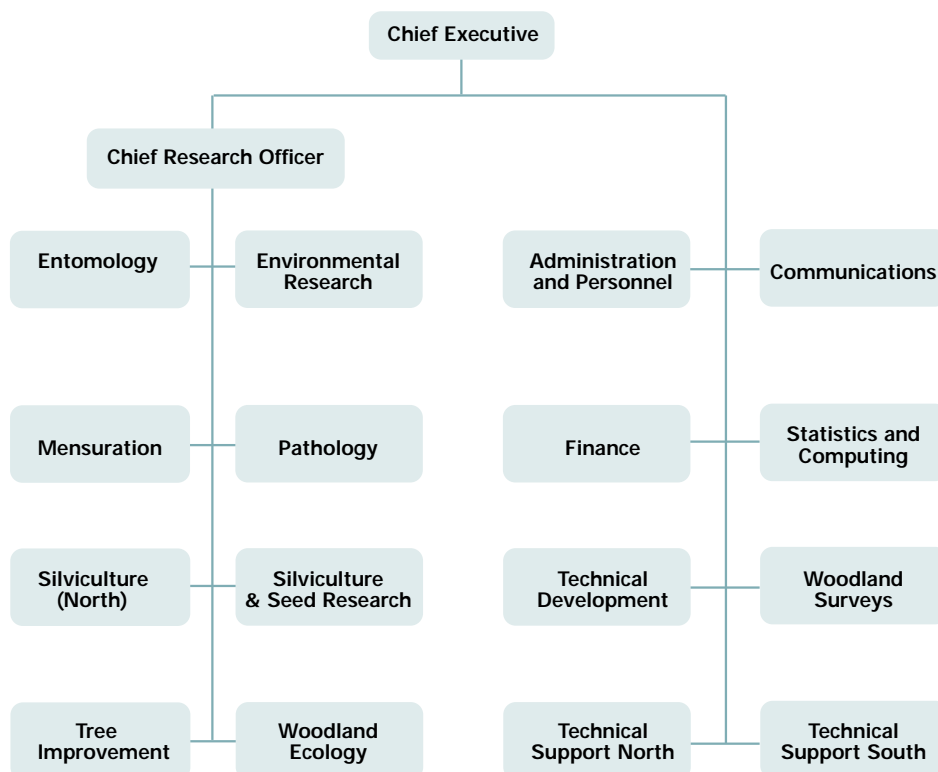
## Organisation

The specialist staff required to carry out these activities cover:

Crop Inventory	Pathology
Entomology	Silviculture
Environmental Science	Social Science
Forest Hydrology	Soil Science
Forest Operations	Tree Physiology
Genetics and Tree Improvement	Tree Seed
Mensuration	Woodland Ecology

Researchers also need to be able to call on staff with skills in laying down field experiments, data collection, mathematical modelling, statistics, computing and method study. Some of the work is carried out by multidisciplinary teams created for a specific purpose and with a finite life. Such teams do not necessarily require the full-time participation of all members and some, such as statisticians, may contribute to several research projects. There is benefit in having a more stable structure for staff management and reporting purposes and most Branches are therefore organised by discipline. There are currently eight Research Branches reporting to the Chief Research Officer with the Branches providing other services reporting directly to the Chief Executive.

A Research Management Board comprising the Chief Executive, Chief Research Officer, Head of Administration and Personnel and Head of Finance meets monthly. Overall responsibility for achieving the objectives and targets set for the Agency rests with the Chief Executive.





## Links with Other Organisations

While the Agency is the main provider of tree related research in the UK, the effectiveness of the organisation is enhanced by maintaining links with other organisations both in the UK and internationally. These links are developed through membership of the International Union of Forest Research Organisations (IUFRO), the European Forest Institute (EFI), the Edinburgh Centre for Tropical Forests (ECTF), the Edinburgh Centre for Rural Research (ECRR) and the Committee of Heads of Agricultural and Biological Organisations Scotland (CHABOS). Individual researchers and research teams are members of eighteen groups involved in work funded by the European Union (EU). Collaborative work is also undertaken with twelve university departments and three members of staff have personal university chairs.

## Financial Framework

Forest Research operates within the Financial Framework set by the Forestry Commission. The Agency is required by its Framework Document to achieve full cost recovery from selling services to customers, including a 6% return on capital employed. The Agency manages its finances and prepares its annual accounts on the accruals basis (see Appendix 1, Table 1). Total capital employed in the agency is almost £8.8 million of which £8.4 million is fixed assets and the balance net current assets (see Appendix 1, Table 2).

To encourage inter-Branch co-operation while maintaining financial discipline, the Agency operates a system of internal cross charging with each Branch required to pay for services received and to make a net contribution to the Agency's overall financial target. Monthly reports are provided of income and expenditure to date. Forecasts of income and expenditure are updated regularly and corrective action taken where necessary.

For the Forestry Commission's cash management purposes it is necessary to calculate the net cash surplus or requirement (see Appendix 1, Table 3). The Agency's cash is managed centrally and reporting procedures are in place to facilitate control.



## Achieving the Core Objectives

### Meeting Customers' Needs

Customers seek outputs from the Agency which meet their needs with respect to quality, timeliness and cost. Charges are agreed in advance of work being undertaken and the nature and timing of outputs are specified while recognising the inherent uncertainty of much research. FC customers for research projects and services are asked to assess their satisfaction with the quality and timeliness of delivered outputs. Sample surveys are conducted for other services.

To meet customers' needs we will:

- Encourage and assist customers, particularly PPD and FE, to identify their research needs and forecast future requirements and funding.
- Alert funders to new research opportunities.
- Maintain and develop competence in areas of importance to the FC.
- Ensure that our research capability and capacity reflect the trends made known by customers.
- Respond to changing demands by retraining specialists, redeploying staff within the Agency and the Forestry Commission and by making sure that support services are delivered in a flexible manner.
- Monitor customer satisfaction with the quality and timeliness of our outputs.

The performance measure for this goal is the level of customer satisfaction. Because of difficulties in obtaining consistent responses from non-FC customers (e.g. the EU will not provide such information) the target has only been set for FC customers.

#### **Key Target 2001/02**

To achieve a satisfaction rating for FC customers of at least 96%.



## Satisfying Current Standards for the Quality of Research

Recipients of advice derived from research must be satisfied that the research meets recognised quality standards with respect to the design, conduct and analyses of experiments. Experiments should be designed to test hypotheses which are innovative and give new insights which enhance the quality of our advice.

To satisfy current standards for the quality of research we will:

- Appoint well-qualified staff and provide appropriate training and development.
- Provide good quality facilities and support services.
- Provide an intellectually stimulating environment and encourage collaboration with specialists in other institutes including overseas.
- Publish peer-reviewed scientific papers in quality scientific journals.
- Review the quality of research using external experts.
- Adopt a recognised Quality Assurance Scheme.

The performance measure selected for this goal is the number of peer-reviewed papers published in quality journals and progress in reviewing the quality of science by Visiting Groups.

### **Key Targets 2001/02**

To maintain the output of peer-reviewed scientific papers submitted and subsequently accepted for publication at 2000/01 levels.

To have the work of Pathology Branch and Environmental Research Branch reviewed by Visiting Groups.

## Increasing Competitiveness, Efficiency and Value for Money

In an increasingly competitive business environment we must be able to demonstrate that we are efficient and provide value for money.

We will:

- Ensure that there is a good fit between the Agency's capability and capacity and customers' requirements and funding by maintaining close links with customers.
- Develop staff through training in accordance with 'Investors in People'.
- Invest in facilities and equipment wherever this represents value for money.
- Improve management information systems and streamline internal administration.
- Develop an integrated, Agency-wide, quality-assured approach to data management and set standards for model development.
- Develop the Internet and the FC Intranet to communicate research findings.

The normal performance measures for improving efficiency are reductions in unit costs. But most outputs of the Agency are unique and it is not possible to calculate a unit cost of outputs and compare between years. The unit cost of a researcher day and the unit cost of support services have been used as an indicator of efficiency in the past but it is difficult to allow for changes in quality. Given that the Agency is increasingly having to compete for funds it is felt that this gives sufficient pressure to increase value for money. Unit costs will continue to be monitored with a target of holding the unit cost of a researcher day and support services at 2000/01 levels in real terms.

### **Key Target 2001/02**

To hold the weighted average cost of a researcher day and support services at 2000/01 levels in real terms.



## Recovering the Full Economic Cost

The Agency is required to recover the full economic costs of its activities through charges for its services while maintaining competence in areas of importance to the FC. We will:

- Use accounting systems which readily identify costs and allow accurate costing to be done in advance of work being undertaken.
- Charge clients the full economic cost in line with Treasury guidelines.
- Ensure that service support costs are fully charged to those consuming the service.
- Widen the customer base by encouraging collaboration and co-funding by customers.
- Reduce resources and costs when the existing capacity is not required and there is no likelihood of new customers being found.

Profit maximisation is not an objective of the Agency but the performance measure is to achieve full cost recovery including a 6% return on the capital employed in the business. Due to reductions in income from FC customers and changes in demand, the Agency has some spare capacity equivalent to about 2% of turnover. It will not be possible to achieve full cost recovery until this spare capacity is redeployed or removed. In the expectation that this will be achieved by March 2002 the cost recovery target has been set at 99% for 2001/02 reverting to 100% in 2002/03.

### **Key Target 2001/02**

To achieve at least 99% cost recovery including a return on capital employed of 6% in real terms.



## Achieving the R&D Objectives

In the past the focus of much FC Research & Development (R&D) was on establishing trees on upland sites using exotic conifer species, protecting them from damage and increasing volume production. For a period there was little work on broadleaved species and the only native species considered to have any significance was Scots pine. There is now less emphasis on forestry expansion in the uplands and greater emphasis on the management of the forests and woodlands which have been created in the past 80 years to provide a range of social, environmental and economic benefits.

The Forestry Commission has published its own R&D Strategy for the three years 2001–2004. This can be viewed on the FC website at [www.forestry.gov.uk/forestresearch](http://www.forestry.gov.uk/forestresearch). The Strategy provides information on the FC's planned spend on R&D, the proportion expected to be placed with Forest Research and other suppliers and the rationale for changes in priorities. Key features of the FC R&D Strategy are:

- Total spending remaining broadly constant in money terms, implying a reduction of 2–2.5% per annum in real terms.
- A reduction in the proportion being spent with Forest Research suppliers from 94% in 2000/01 to 90% in 2001/02 and subsequent years.
- An increase (+40% in real terms over the period of the plan) in spending on forests and society.
- A modest reduction (-2%) in spending on forests and biodiversity.
- A reduction (-6%) in spending on operations and the environment.
- A reduction (-11%) in spending on resources and industry.
- A reduction (-14%) in spending on protection.

The Agency needs to respond to the changing demands of the FC and other customers while ensuring that the research activities do not become so diverse that we have no opportunity for synergy and for exploiting existing knowledge and datasets.

To avoid these problems the Agency will focus its research and development activities on three broad objectives. These are:

- To protect Britain's forests and woodlands from pests and diseases and other threats.
- To increase the contribution of trees and woodlands to improving the environment and quality of life. This will include research into forests and society, forests and biodiversity, and forestry operations and the environment.
- To increase the competitiveness of British-grown forest products and their contribution to wealth creation.



Of the total R&D expenditure approximately 25% is currently on protection, 40% on environment and quality of life and 35% on competitiveness and wealth creation. The environment and quality of life programmes are expected to increase at the expense of the other two.

The planned outputs for the Agency are agreed with clients and are revised and modified in the light of changing demands. In this respect they differ from the key targets but are the basis for achieving the target on customer satisfaction. The planned actions to meet the needs of customers are grouped under the three R&D objectives.

## Protecting Britain's Forests and Woodlands

To help protect Britain's forests and woodlands from pests, diseases and other threats we will:

- Monitor the health of the nation's trees by annual crown assessment of 360 forest plots, by detailed measurement of environmental data and tree condition in EU Level II plots and by obtaining quantitative data on the health of non-woodland trees in England.
- Identify all potential insect pests discovered during port inspections and carry out Pest Risk Analyses on potential new pests.
- Develop improved methods of Pest Risk Analysis using GIS and ecoclimatic modelling to increase the accuracy of prediction.
- Survey EU Protected Zones in Britain to verify the absence of *Dendroctonus micans*, *Ips typographus*, *Ips amitimus* and *Ips duplicatus*.
- Investigate alternatives to methyl bromide for preservative and remedial treatment against quarantine pests.
- Investigate the impact of the green spruce aphid, *Elatobium abietinum*, on Sitka spruce.
- Develop the concepts of integrated forest management for sustainable management of forest pests with emphasis on using improved knowledge of the population dynamics of *Hylobius abietis* to determine options, especially targeted use of insect pathogenic nematodes for biological control.
- Diagnose the causes of tree diseases and provide advice on approximately 500 enquiries annually about tree health problems.
- Investigate the causes of dieback in oak and alder.
- Identify new threats arising through introduction or rapid evolutionary change in existing forest pathogens.
- Investigate non-chemical methods for the management and control of forest pathogens.
- Identify factors which affect the severity of impact of deer in woodlands and provide advice on deer control to Deer Initiatives and Deer Management Groups in England, Scotland and Wales.

- Contribute to a research programme on developing humane methods for limiting damage by grey squirrels.
- Provide training and support for the windthrow risk model (ForestGALES) and develop the spatial (GIS) version.
- Assess the impact of predicted climate change on UK forestry.

## Improving the Environment and Quality of Life

To increase the contribution of trees and woodlands to improving the environment and quality of life we will:

- Develop methods which give managers the techniques for integrating social concerns into forest management practices.
- Provide scientific underpinning for the development and implementation of the UK forestry standard.
- Develop and test bioassay methods for evaluating contaminated land for woodland; and investigate and advise on cost-effective means of establishing woodland on disturbed and derelict land.
- Assess the effectiveness of best management practices for protecting the freshwater environment and contribute to a revision of the *Forests & water guidelines*.
- Investigate the impact of lowland woodland on water quality and groundwater recharge and provide advice on the impact of specific forestry activities on the freshwater environment.
- Provide improved guidance on the management of archaeological sites within the woodland environment.
- Investigate the impact of forestry operations on the soil resource.
- Improve estimates of water use by trees in the light of climate change predictions.
- Conduct research into the contribution of plantation forests and native woodlands to biodiversity and provide advice on the preparation and implementation of species and habitat action plans.
- Establish the biodiversity value of retained stands in upland forests and recommend methods for enhancing their value.
- Study genetic variation in populations of native species and advise on the benefit of using locally adapted seed sources.
- Advise on the establishment, restoration and management of native woodlands.
- Investigate the benefits of continuous cover forestry and advise on cost-effective means of achieving these benefits.





## Increasing Competitiveness and Wealth Creation

To increase the competitiveness of British-grown forest products and their contribution to wealth creation we will:

- Continue with the Sitka spruce breeding programme and develop marker-aided selection as a means of shortening the time taken to deliver benefits.
- Continue with the genetic improvement of broadleaved species through provenance testing and mass selection for ash, oak, birch, beech and sycamore.
- Conduct research and provide advice on nursery techniques aimed at improving plant quality and reducing costs of establishment.
- Synthesise results on the effects of different treatments on establishment success and their cost-effectiveness.
- Conduct research and development and provide advice on ways of improving the health and safety, efficiency and cost-effectiveness of forestry operations.
- Conduct surveys of log straightness in conifers and apply the results to forecasts of future timber production.
- Investigate cost-effective methods of improving timber quality.
- Continue research into short rotation coppice of poplar and willows for energy.
- Provide national timber production forecasts and improve underpinning yield models and assortment forecast reference data.
- Provide advice to maintain national standards of tree and timber measurement.
- Support the maintenance and development of improved tariff checking software.
- Complete analysis of the National Inventory of Woodland and Trees and publish the results.
- Manage the national database and network of approximately 500 permanent growth and yield monitoring plots.
- Develop Ecological Site Classification to work within a Geographical Information System (GIS).



## Developing the Agency

A comparison of where the Agency is now with where it needs to be in the longer term to meet the requirements of the Forestry Commission, both as customer and as owner, has identified a number of issues for the Agency. These needs are:

- To reduce total costs and/or increase income to close a forecast £250k shortfall in full cost recovery.
- To improve the use of IT.
- To ensure a good working environment and access to modern technology.
- To make further reductions in the cost of overheads such as accommodation, finance and personnel to ensure competitiveness.
- To make further reductions in fixed costs to provide greater flexibility in responding to the needs of a changing market.
- To improve management of data and greater compatibility of computer models.
- To make greater use of multidisciplinary teams.
- To adopt a recognised form of quality assurance.

In addition the Agency is due for its first quinquennial review by March 2002. This will be carried out in accordance with guidelines issued by Cabinet Office and will include a reassessment of FR aims, objectives, performance measures and ownership options.

To address these issues we will:

- Investigate markets for the implicit spare capacity and take steps to remove any remaining spare capacity.
- Improve the reliability of e-mail links, improve access to the World Wide Web, develop the FR Intranet and develop the FR Website both as a means of obtaining business and for technology transfer.
- Invest in refurbishing laboratories at the Alice Holt Research Station and upgrade equipment and facilities throughout the Agency.
- Seek further savings in the cost of overhead services provided by FC HQ Divisions and from within the Agency.
- Continue to reduce the level of fixed costs.
- Develop an integrated, Agency-wide, quality-assured approach to data management and set standards for model development.



- Create and manage multidisciplinary teams wherever these are likely to be cost-effective.
- Adopt a recognised Quality Assurance Scheme.
- Develop staff expertise and skills to maintain FR's capability to carry out high quality research.
- Develop links with universities, research institutes and other organisations involved with forestry.
- Provide support for the quinquennial review of the Agency.

Some of these actions can be implemented at little cost but others will require significant resources and therefore the rate of implementation will be dependent on the availability of funds.



## Forest Research People

Forest Research currently employs about 290 people including 30 who work part time. All staff are employees of the Forestry Commission and the Agency has common personnel management systems and policies with the rest of the FC. We are the employer of choice for many who want to work in forestry or in tree related research. In our search for greater efficiency and in response to changing demands from our parent department, we have reduced staff numbers by over 20% since 1996. Based on current forecasts of income, further reductions will be necessary over the period of this plan but we aim to achieve this through normal staff turnover.

Our main staff management task in the last year has been to improve our training and development practices and to unify the industrial and non-industrial staff groups thereby removing artificial barriers to career development and improving motivation and productivity. Unification of the labour force took place on 1 July 2000 and we were recognised as an Investor in People in December 2000.

Our main task for the future is to implement Civil Service Reform with a greater focus on:

- Strong leadership with a clear sense of purpose.
- Sharper performance management.
- A more open culture which brings on talent.
- Greater diversity, better matching the society we serve.
- A better deal for staff which ensures we attract and retain people with the qualities we need.

FR places strong emphasis on the development of safe working practices and the welfare of staff. We have our own Health and Safety Advisor and make use of the Forestry Commission Health and Safety Officer. Staff welfare is provided for by a network of Forestry Commission Regional Welfare Officers. We comply with all relevant safety legislation and act as a responsible employer.

Reportable accidents have averaged between 2 and 3 per hundred employees per year in the last 3 years. The level of absence in the Agency currently averages 8 days per employee per year with >75% of staff absent for 5 days or less per year. A recent staff survey across the whole of the FC has identified a number of concerns. FR staff had particular concerns over performance management, strategic direction and managing diversity.



To ensure that we are able to recruit and retain staff with the qualities we seek, that they have the skills and expertise required to carry out the work expected of them, that they are motivated to deliver the outputs expected of the Agency and that they are treated fairly we will:

- Provide leadership training for senior staff in the Agency.
- Contribute to the development of common Forestry Commission personnel systems and policies including pay and grading, terms and conditions of service, recruitment by fair and open competition on merit, equal opportunities and performance management procedures.
- Identify and implement steps to encourage a greater diversity of applicants for jobs in Forest Research aimed at increasing the number of women, disabled people and people from ethnic minorities at all levels within the agency but avoiding unfair discrimination.
- Adopt 'family friendly' policies including flexible working patterns and part-time employment.
- Ensure that all staff have training and development plans which are reviewed on a regular basis.
- Monitor health and safety procedures, take action to reduce the number of workplace accidents and investigate measures to reduce avoidable absence due to accidents or ill health.
- Provide staff welfare services via the network of FC Welfare Officers.
- Provide opportunities for career development for researchers by a system of 'fluid grading' and individual merit promotion.
- Introduce 360° feedback, initially for our most senior staff.
- Facilitate and encourage the movement of staff between different parts of the FC and other organisations.
- Provide practical paid experience for up to 8 sandwich students and provide up to 12 Research Council CASE PhD studentships.

## Appendix 1



## Financial Information

Table 1 | Income and Expenditure 1997-2004

	97/98 £97/98 Actual	98/99 £98/99 Actual	99/00 £99/00 Actual as restated	00/01 £2000/01 Provisional	01/02 £2001/02 Planned	02/03 £2002/03 Planned	03/04 £2003/04 Planned
	£000	£000	£000	£000	£000	£000	£000
<b>Income</b>							
PPD	10,000	9,800	9,985	9,812	9,480	9,480	9,480
Other FC	100	169	26	100	220	220	220
FE	937	1,046	1,242	1,342	1,250	1,200	1,200
Non-FC	1,266	1,347	1,334	1,139	1,400	1,450	1,500
<b>Total Income</b>	<b>12,303</b>	<b>12,362</b>	<b>12,587</b>	<b>12,393</b>	<b>12,350</b>	<b>12,350</b>	<b>12,400</b>
<b>Expenditure</b>							
Staff costs (Pay, ENI and Superannuation)	6,807	6,857	7,205	7,177	7,380	7,120	7,150
Depreciation	515	344	400	398	420	430	450
Other Costs	4,332	4,283	4,436	4,208	4,300	4,300	4,300
<b>Total Expenditure</b>	<b>11,654</b>	<b>11,484</b>	<b>12,041</b>	<b>11,783</b>	<b>12,100</b>	<b>11,850</b>	<b>11,900</b>
<b>Operating Surplus</b>	<b>649</b>	<b>878</b>	<b>546</b>	<b>610</b>	<b>250</b>	<b>500</b>	<b>500</b>
Cost of Capital	459	496	520	520	500	500	500
<b>Net Surplus</b>	<b>190</b>	<b>382</b>	<b>26</b>	<b>90</b>	<b>-250</b>	<b>0</b>	<b>0</b>



Table 2 | Balance Sheets 1997/98–2003/04

	97/98 £97/98 Actual	98/99 £98/99 Actual	99/00 £99/00 Actual as restated	00/01 £2000/01 Provisional	01/02 £2001/02 Planned	02/03 £2002/03 Planned	03/04 £2003/04 Planned
	£000	£000	£000	£000	£000	£000	£000
<b>Fixed Assets</b>							
Buildings	5,782	7,131	7,198	7,174	7,279	7,473	7,666
OME	1,116	1,044	984	1,219	957	887	841
<b>Total</b>	<b>6,898</b>	<b>8,175</b>	<b>8,182</b>	<b>8,393</b>	<b>8,236</b>	<b>8,359</b>	<b>8,508</b>
<b>Current Assets</b>	1,035	907	600	647	647	647	647
<b>Current Liabilities</b>	199	248	252	242	260	260	260
Net Current Assets	836	659	348	405	387	387	387
<b>Total Assets less Current Liabilities</b>	<b>7,734</b>	<b>8,834</b>	<b>8,530</b>	<b>8,798</b>	<b>8,623</b>	<b>8,746</b>	<b>8,895</b>
<b>Taxpayers Equity</b>							
General Fund	7,252	6,393	5,941	6,188	5,960	6,030	6,080
Revaluation Reserve	482	2,441	2,589	2,610	2,663	2,716	2,815
<b>Total</b>	<b>7,734</b>	<b>8,834</b>	<b>8,530</b>	<b>8,798</b>	<b>8,623</b>	<b>8,746</b>	<b>8,895</b>

Table 3 | Cash Flow 1997–2004

	97/98 £97/98 Actual	98/99 £98/99 Actual	99/00 £99/00 Actual as restated	00/01 £2000/01 Provisional	01/02 £2001/02 Planned	02/03 £2002/03 Planned	03/04 £2003/04 Planned
	£000	£000	£000	£000	£000	£000	£000
Operating Surplus	649	878	546	610	250	500	500
Depreciation	515	344	400	398	420	430	450
Changes in Working Capital	-224	201	297	-57	18	0	0
<b>Total Cash Flow Generated</b>	<b>940</b>	<b>1,423</b>	<b>1,243</b>	<b>951</b>	<b>688</b>	<b>930</b>	<b>950</b>
less: Capital Expenditure	-285	-161	-258	-587	-250	-500	-500
<b>Net Cash Surplus</b>	<b>655</b>	<b>1,262</b>	<b>985</b>	<b>364</b>	<b>438</b>	<b>430</b>	<b>450</b>

## Appendix 2



## Trends in Staff Numbers (full-time equivalents)

	97/98 Actual	98/99 Actual	99/00 Actual	00/01 Actual	01/02 Forecast	02/03 Forecast	03/04 Forecast
Permanent Staff	271	257	256	246	240	230	220
Other Staff	20	33	34	31	30	25	25
<b>Total</b>	<b>291</b>	<b>290</b>	<b>290</b>	<b>277</b>	<b>270</b>	<b>255</b>	<b>245</b>

## Appendix 3



## Targets and Achievements

Performance Measure		97/98	98/99	99/00	00/01	01/02
Customer satisfaction	Target	85%	92%	95%	96%	96%
	Achieved	90%	94%	96%	97%	
Peer-reviewed papers	Target	29	35	38	44	48
	Achieved	33	40	43	48	
Unit cost/researcher day 1996/7 = 100	Target	98	96	94	94	94
	Achieved	98	96	94	94	
Unit cost of support services 1998/9 = 100	Target	-	-	98	96	96
	Achieved	-	100	98	96	
Cost recovery	Target	100%	100%	100%	100%	99%
	Achieved	101%	103%	100%	101%	

## Summary of Key Targets 2001/02

To achieve a satisfaction rating for FC Customers of at least 96%.

To maintain the output of peer-reviewed scientific papers submitted and subsequently accepted for publication at 2000/01 levels.

To have the work of Pathology Branch and Environmental Research Branch reviewed by Visiting Groups.

To ensure that the weighted cost of a researcher day and support services do not increase in real terms.

To achieve at least 99% cost recovery including a return on capital employed of 6% in real terms.





Designed and printed by Colourgraphic Arts, Bordon, Hampshire.