



Forestry Commission

**Corporate Plan
2007–2008**

**England and Great
Britain
Activities**

Contents

	Page No.
Ministerial Foreword	2
Introduction	3
Forestry and Sustainable Development	7
Addressing Climate Change	13
Sustaining and Expanding England's Woodlands	19
Implementing the England Forestry Strategy	
Forestry for Rural Development	24
Forestry for Economic Regeneration	26
Forestry for Recreation, Access and Tourism	28
Forestry for Environment and Conservation	31
Delivery in England	
Modernising Rural Delivery	36
Regional Engagement	37
Managing our Organisation	
Finance	40
People	41
Capacity	42
Public Service	43
Annexes	
A – Spending Review 2004 Targets for 2006–2008 and performance to 31 March 2007	45
B – Source and Use of Funds	46
C – Forest Enterprise England Corporate Plan 2007–08	47

Ministerial Foreword

This plan sets out what we want the Forestry Commission to do for the Westminster Parliament during 2007/08. It covers the activities in England and those it carries out across Great Britain; many of which are in the international area.

In **England**, we recognise that trees, woods and forests have an important role in improving the quality of life of everyone. Our ancient and native woods are particularly valuable in terms of their contribution to our appreciation of the natural environment and our common inheritance. Delivering and sustaining public benefits from woodlands is a long-term venture. We will continue to pursue these long-term goals, in a manner responsive to and integrated with the Government's wider programmes for sustainable development and climate change. This approach is well demonstrated through the plans of the Forestry Commission in 2007/08 to:

- Develop Climate Change Programmes for England (and GB), to support forestry responding to climate change in terms of both mitigation and adaptation;
- Support Defra in completing the revision of the England Forestry Strategy and work with Natural England and others to develop a joint delivery plan;
- Take the Woodfuel Strategy forward, in line with Ministers' wishes, into an implementation plan, working closely with the Regions, woodland owners, local communities and private sector businesses;
- Fully integrate woodland and forestry into the Rural Development Programme for England and provide opportunities, with national and regional delivery partners, for woodland and forestry to contribute to the Programme objectives; and
- Improve the provision of wooded greenspace to local communities in support of Government's wider regeneration and development objectives.

In its **GB activities**, the Forestry Commission will continue to champion sustainable forestry internationally and promote it throughout the UK.



Barry Gardiner
Parliamentary Under-Secretary
(Commons)
Forestry Minister for England

Introduction

Forestry is a devolved subject and the Forestry Commission (FC) answers separately to Ministers in England, Scotland and Wales. The Commissioners' programmes to deliver each country's forestry strategy are set out in Corporate Plans for England, Scotland and Wales. These programmes are directed and financed by the three administrations to which the Commission is directly accountable.

The Forestry Commission in Great Britain

The Forestry Commission operates across Great Britain (GB) as a cross-border public body. This allows England, Scotland and Wales to benefit from the economies of scale that a GB-wide body is able to offer. This includes services on finance, human resource management, IT, forestry operations, external communications and internal audit which are organised centrally but paid for by the countries.

In addition, Ministers agreed that a number of the Commission's functions would be funded directly by Westminster and operated on a cross-GB basis by Corporate and Forestry Support Division. In this GB role, we provide advice and support to the UK Government and to the devolved administrations in Scotland and Wales. We set the standards for sustainable forest management and encourage good forestry practice. We conduct forestry research, provide information and have statutory duties for some regulations that, by agreement with Ministers, are GB-wide. These functions are given in more detail below.

Expert advice for policy and practice – This provides input across a range of subjects and specialisms where other parts of the FC do not have the breadth or depth within their own teams. Examples include climate change, water and waste management policy, biofuels, social science, timber technology and wildlife conservation.

European and international forestry policy – The FC's international policy staff, working with officials from other departments, formulate and represent UK policy for international and European negotiations, develop and review the UK's national forest programme and advise on the implementation of international and European obligations.

Cross-GB regulation – By agreement with the devolved administrations, the FC develops and implements regulation at EU and GB level in two areas: Plant Health and Forest Reproductive Material. The first has the vital task of protecting UK and EU forests and timber from harmful pests and diseases. The regulation of Forest Reproductive Material (seeds and cuttings) provides a system to ensure that planting stock is traceable throughout the collection and production process.

Forestry research – The FC has a science budget of approximately £11 million which is deployed to implement the **Science and Innovation Strategy for British Forestry**. The Strategy sets out to improve the base of scientific evidence for effective policy and practice, with increased emphasis on communications and knowledge transfer. Feedback from a consultation has led to resources being switched to support research on the social elements of forestry and of climate change.

Development and implementation are under the direction of a Research Strategy Management Board, membership of which includes the Northern Ireland Forest

Service. The Head of Corporate and Forestry Support also acts as departmental sponsor for the FC's research Agency, Forest Research. Forest Research's Corporate Plan is published separately and covers the Agency's key aims, actions and targets.

Setting cross-UK forestry standards and guidance – The FC is responsible for developing and maintaining the UK Forestry Standard as the statement of sustainable development in the forestry sector. Support for the independent and voluntary certification scheme, the UK Woodland Assurance Standard, is also provided. These tasks involve the production of more detailed guidelines and guidance to support the standards. The FC also has a role in developing government standards in economics and statistics and providing guidance on their application across the organisation.

The Forestry Commission in England

The Forestry Commission in England's National Office is responsible for leading implementation of the Government's Forestry Strategy for England. The National Office supports nine Regions, including London. They carry out our regulatory and grant support functions and also connect the England Forestry Strategy to the distinctive needs of the Regions through Regional Forestry Framework delivery plans.

Forest Enterprise England, an executive Agency of the Forestry Commission England, is responsible for managing the public forest estate which amounts to over 250,000 hectares and includes 19% of England's woodlands.

We are adopting a new Strategic Regional Approach to provide a framework to enable us to present and develop the Forestry Commission as one delivery organisation in each region.

Forest Research, a GB agency, has, within England, a major research station at Alice Holt near Farnham and several field stations.

We are working closely with delivery partners such as Natural England to provide joined-up services to the public.

Corporate Plan

This Corporate Plan describes our current activities for Great Britain and England, the strategic direction of our work up to 2008 and the specific actions we are taking forward in 2007–08. The Corporate Plan includes, at Annex A, performance targets set by Ministers as part of Spending Review 2004. It also includes the Corporate Plan for Forest Enterprise England for the period of the main plan.

Anyone with comments on this Plan, or suggestions for future Plans, is welcome to write to:

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Forestry and Sustainable Development

Sustainable Development

Desired outcome

Sustainable development is advanced through the role of woodlands and forestry.

Context and drivers

The UK Government launched its new Strategy for sustainable development, **Securing The Future**, on 7 March 2005. The Strategy takes account of developments since 1999, both domestically and internationally; the changed structure of government in the UK with devolution to Scotland, Wales and Northern Ireland; greater emphasis on delivery at regional level and the new relationship between Government and local authorities.

The following 'purpose', which has been agreed by the UK Government and the devolved administrations, has now been adopted as the new framework goal for sustainable development:

The goal of sustainable development is to enable all people throughout the world to satisfy their basic needs and enjoy a better quality of life, without compromising the quality of life of future generations.

The following shared UK principles bring together and build on the various previously existing UK principles to set out an overarching approach, which the four separate Strategies can share.

*Living Within Environmental Limits
Ensuring a Strong, Healthy and Just Society
Achieving a Sustainable Economy
Promoting Good Governance
Using Sound Science Responsibly*

The priority areas for immediate action, shared across the UK, are: **Sustainable Consumption and Production; Climate Change and Energy; Natural Resource Protection and Environmental Enhancement;** and **Sustainable Communities**. The strategic objective for international sustainable development is to support multilateral and national institutions that can ensure effective integration of social, environmental and economic objectives to deliver sustainable development, especially for the poorest members of society.

Defra leads on sustainable development but all UK Departments share responsibility for making it a reality. The Forestry Commission has a place in taking forward the strategic priorities, including developing solutions to cope with the effects of climate change and protecting the countryside and natural environment. The Strategy will shape our future work in delivering forestry's contribution to sustainable development.

Sustainable forestry recognises the same wide objectives and the importance of linking the **economic, environmental** and **social** values of forests. At its simplest, it means making sure that today's forests are still here for our children and grandchildren. But we also have to be careful of the quality of the inheritance that we pass on to future generations. They will rightly expect that their forests and woodlands will offer the same benefits and opportunities (or if possible more) as we enjoy. The Government's commitment to sustainable forestry is set out in the UK National Forest Programme published in February 2003.

The FC is promoting **Sustainable Consumption and Production** by supporting the forestry industry in maintaining and monitoring its sectoral sustainability strategy covering the whole wood chain.

Sustainable Forest Management Principles

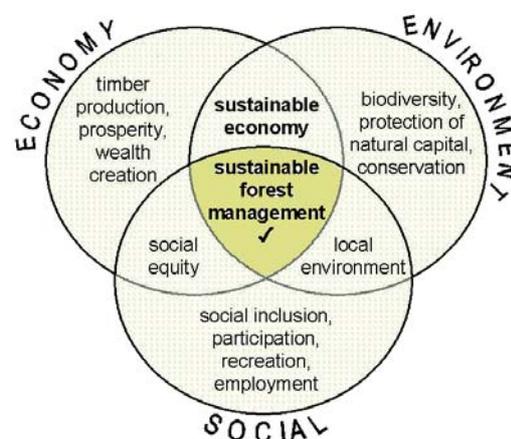
Sustainable forest management was defined in 1993 by the Second Ministerial Conference on the Protection of Forests in Europe in Helsinki as:

the stewardship and use of forests and forest lands in a way, and at a rate, that maintains their biodiversity, productivity, regeneration capacity, vitality and their potential to fulfil, now and in the future, relevant ecological, economic and social functions, at local, national and global levels, and that does not cause damage to other ecosystems.

Following agreement on the Helsinki Guidelines, European countries adopted a set of **Pan-European Criteria (PEC)** in 1998 to be applied to forests throughout Europe, whatever their location or circumstance. The PEC are:

- maintenance and appropriate enhancement of forest resources and their contribution to global carbon cycles;
- maintenance of forest ecosystem health and vitality;
- maintenance and encouragement of productive functions of forests (wood and non-wood);
- maintenance, conservation and appropriate enhancement of biological diversity in forest ecosystems;
- maintenance and appropriate enhancement of protective functions in forest management (notably soil and water);
- maintenance of other socio-economic functions and conditions.

Sustainable forest management is achieved when the social, economic and environmental functions of a woodland are interacting in support of each other. This interaction is represented in the model below. The precise point of balance between social, economic and environmental functions will vary in every woodland in response to local circumstances and priorities.



Implementing Sustainable Forest Management in the UK

The United Nations has established a **Forum on Forests** which promotes the implementation of sustainable forest management world-wide. Working closely with other Government departments, the Forestry Commission aims to ensure that the UK is both a leading proponent and exemplar of sustainable forest management. This will be achieved through, among its other actions, its contributions to key international events; in particular the United Nations Forum on Forests, the UN Convention on Biological Diversity and the Ministerial Conference on the Protection of Forests in Europe.

The UK has made international commitments to the principles of sustainable forest management which are set out in the **UK National Forest Programme**, published in 2003, and in the **UK Forestry Standard**, revised and republished in 2004. The Standard explains our commitments and provides a mechanism for ensuring that they are consistently applied. The FC is responsible for monitoring the state of UK forestry against criteria and indicators in the Standard and refining guidance on our regulatory framework where this proves necessary. The UK Forestry Standard also provides a flexible framework for a range of approaches to sustainable forest management which respond to the specific needs of country forestry strategies.

The UK is a signatory to the **UN Convention on Biological Diversity** which agreed an expanded international work programme for forest biological diversity in 2002. This has set the direction for collaborative work which aims to help halt and reverse the trend of losses of forest biodiversity by 2010. The expanded work programme will be reviewed in 2008 and the FC is leading an analysis of how current and planned actions within the UK have contributed to its implementation

The **UK Woodland Assurance Standard** (UKWAS) provides the basis for independent voluntary certification in the UK. It was initially facilitated by FC in 1999 and a revision was launched in 2006. The FC continues to offer support together with a wide range of bodies that form the UKWAS partnership. Certification gives independent assurance of the sustainable management of forests and provides consumers with evidence that wood products are sustainably produced. Around 1.2 million hectares of woodland have now been certified against UKWAS in Great Britain including the entire public forest estate.

The UK science agenda has been set out jointly by HMT, DTI and DfES in *Investing in Innovation: A Strategy for Science Engineering and Technology* (2002) and the **Science and Innovation Investment Framework 2004–2014** (2004). These key documents commit Government science to help drive innovation through knowledge transfer, working with business and working across departments. Government science policy has also focused on the sustainability and excellence of the UK's science and engineering base of which the FC's research Agency is part. The **Science and Innovation Strategy for British Forestry** contributes to that wider agenda.

Forestry is one land use amongst many. Recognition of this fact, allied to the drive for joined-up government, has made us look outside the forest boundary. Sustainable flood management, the **Water Framework Directive**, national soil strategies, pesticides policy and wildlife management are among the cross-UK environmental policies that affect forestry alongside other land uses. To these must be added social issues such as health and safety, urban renewal, social exclusion

and wellbeing. Capacity within these areas is maintained at GB level to support countries and to provide co-ordinated FC input to policy development at UK level.

Regulation

As part of the Better Regulation process, we have published a simplification plan setting out how the Forestry Commission will reduce the burden on the public and aid our efficiency. The total burden imposed on business by forestry regulations amounts to £1.459 million, with more than half of these costs relating to regulation driven by international requirements. The target of a 25 per cent reduction will reduce the burden by around £375,000 each year. A number of our stakeholders are not directly affected by forestry regulations (timber merchants, haulage contractors), but they all face admin costs when dealing with the Commission. Initial estimates indicate that our proposals will reduce costs to these businesses by £1.342 million each year

Plant Health

The Forestry Commission's Plant Health Service operates across Great Britain and leads for the UK on matters related to forestry and timber; Defra is the lead UK body for phytosanitary regulation in general. Policy on phytosanitary regulation is largely driven at EU level, though it is also strongly influenced by wider international trade agreements. The FC plays a full part in domestic and international policy development; our expertise in risks attached to timber, and in their mitigation, is internationally acknowledged. One of the prime objectives of good regulation in this area is to minimise burdens on business and to facilitate trade. This links to the UK policy agenda for Better Regulation. In 2006 new Plant Health Orders were laid introducing a revised charging regime for inspections. This aligns with the requirements of the European Plant Health Directive, and gives statutory force to a previously voluntary scheme for assuring the quality of wood packaging material, which is potentially an important route for the spread of forestry and timber pests.

The Plant Health Service with support from Forest Research protects our woodlands against the entry of harmful pests and diseases from overseas and controls those that may become established. The Plant Health Service protects forests elsewhere in the world from the movement of harmful pests from and through the UK.

The threats to British forests include a number of pests that are currently causes of concern to Britain. These include North American and European bark beetles and longhorn beetles from Asia. Such insects threaten a variety of woodland types and may become even more of a threat under climate change. Two recently established tree diseases, *Phytophthora ramorum* and *P. kernoviae*, are also presenting a serious challenge for the Plant Health Services of the FC, Defra and SEERAD.

Targets for sustainable development

Forward look to 2008	Actions for 2007/08
<ul style="list-style-type: none"> Forestry has made a greater contribution to sustainable development internationally. 	<ul style="list-style-type: none"> Lead the UK's input to the 5th Ministerial Conference on the Protection of Forests in Europe, with its twin focuses on Forests and Water; Forests and Energy. co-ordinate the UK's contribution to the implementation of the EU's Forest Action Plan; develop the International Arrangements on Forests into an effective mechanism to support sustainable forest management globally; work with Defra to contribute to an effective review of the CBD's work programme on forests at its 9th Conference of the Parties; Along with IUCN, WWF and other Partners to develop a learning network of forest landscape restoration sites and tools.
<ul style="list-style-type: none"> Forestry has made a greater contribution to sustainable development at home. 	<ul style="list-style-type: none"> Review the UK's National Forest Programme work with other parts of government across the UK in developing delivery mechanisms for sustainable development; work with the Wood for Good campaign to increase utilisation of timber and timber products as a sustainable raw material; implement the Science and Innovation Strategy for British Forestry for the FC's Research Strategy Management Board. investigate the potential role of UK forestry in providing "ecosystem services"
<ul style="list-style-type: none"> Sustainable forest management has developed further to support sustainable development. 	<ul style="list-style-type: none"> Lead the production of Guidelines and other literature to support the UK Forestry Standard; complete the UK input to MCPFE in 2007 (State of Forests and Sustainable Forest Management in Europe), reporting on quantitative indicators, policies, institutions and instruments.
<ul style="list-style-type: none"> The pests and diseases assessed to be a risk to our forests and woods have been better controlled. 	<ul style="list-style-type: none"> Work with Defra and SEERAD to review the science and control policy for <i>Phytophthora ramorum</i> and <i>P. kernoviae</i>; maintain our control regime at points of entry of imported material and where threats are identified; working with other countries and with the industry, develop effective and equitable controls against the spread of harmful pests

Addressing Climate Change

Addressing Climate Change

Desired outcome

GB forests and woodlands are resilient to climate change and forestry is making a significant contribution to climate change mitigation

Climate change is one of the biggest challenges we face today. Britain's woods and forests not only face challenges from climate change, but they also offer solutions to many of the problems that it will pose over the next century.

Tropical deforestation continues to contribute nearly 20% to global carbon dioxide emissions and action to reduce these emissions is therefore essential as identified in the **Stern Review of the Economics of Climate Change**. However, by practising sustainable forest management, the forestry sector can also make a positive contribution to greenhouse gas balance: through new woodland sequestering carbon (**offsetting**); through its potential to produce woodfuel as a bioenergy resource (**substitution**); and through the capacity of wood products to replace materials with higher embodied energy (**substitution**). Although the forestry sector in Great Britain can only make a relatively small, direct, contribution to greenhouse gas emissions reduction, it can make a larger contribution to global actions through acting as an exemplar for sustainable forest management and as a champion for forest restoration. These international actions will be delivered through the Forestry Commission's prominent role in international processes such as the **United Nations Forestry Forum** and an increased contribution to the UK Government's **International Climate Change Programme**. In Britain, the FC's role in communicating and acting against the threat of climate change is equally important. We have identified where the forestry sector can contribute to both climate change adaptation and mitigation, but is important that this contribution is both realistic and appropriate, and complements actions in support of other objectives and principles of sustainable forest management.

As part of our cross-Government activities we contributed to the revised **UK Climate Change Programme** and also to the **UK Adaptation Policy Framework** that is currently being developed. We are committed to playing a full part in the delivery of both. We recognise that the balance between mitigation and adaptation will vary geographically and the nature and emphasis of adaptive actions will also vary. We are therefore developing an over-arching climate change framework, with accompanying communication strategy, that allows for national and regional interpretation in its implementation.

GB Climate Change Framework

Woodland expansion and the management of existing woodland make a significant positive contribution to the UK's greenhouse gas balance through sequestration of carbon (**offsetting**). It is important that we continue to target new woodlands in appropriate locations through incentives, that also acknowledge the wider environmental and social benefits of woodland creation. These wider benefits include elements of climate change **adaptation**, such as flood alleviation, control of soil erosion and the provision of a more natural landscape to allow the movement of species. Tree planting voluntary carbon-offsetting schemes are popular, and our regulatory function should continue to give confidence that woodlands are only planted in appropriate locations. The Forestry Commission also has a duty to ensure that these new woodlands are resilient to climate change, based on the sound science provided by our research programmes.

As a source of renewable energy and materials, forests have the potential to make even greater contributions by replacing fossil fuels and more energy-intensive materials (**substitution**). The increased use of timber in construction is also recognised as a highly desirable objective in sustainable development. The FC works with other interested parties to promote the advantages of using wood from sustainably managed forests and to provide information to consumers and those involved in specification, design and building. We are also working to increase the utilisation of wood from existing and new woodlands as a renewable source of bioenergy, for example, through our contribution to the development of the **UK Biomass Strategy**. We are also preparing to reduce the carbon footprint of our corporate activities through the Greenerways initiative (**reduction**).

The FC has a long-standing research programme into the impacts of climate change on woodland and on the part forests and forest products play in carbon cycles. We will further increase the proportion of our research budget devoted to understanding and enhancing the role of forests in meeting the challenges of climate change. In November 2006, the FC jointly with the OECD and Wilton Park, hosted a successful meeting bringing together international experts to consider the forestry sector's response to climate change. We will follow up on this meeting to expand our role in supporting and adapting the sustainable management of forests to meet the challenge of climate change.

Forward look to 2008	Forestry Commission GB Actions for 2007/08	Knowledge	Reduction	Substitution	Off-setting	Adaptation
<ul style="list-style-type: none"> Through a GB Climate Change Programme, forestry has started to respond to climate change both in mitigation and in adapting to the change. 	<ul style="list-style-type: none"> Contribute to Government's International Climate Change Programme, Contribute to the development of the national Climate Change Adaptation Policy Framework and the implementation of the UK Climate Change Programme; promote international forestry processes such as UNFF and champion global forest restoration; Communicate climate change and forestry related issues effectively, including the continued development of a website dedicated to climate change-related issues; Develop an over-arching plan for the forestry sector response to climate change, appropriate to national interpretation and implementation; Expand the FC's research effort on adaptation and mitigation; Continue to support the sustainable use of timber and wood products; Support and advise on biomass energy policies across the UK; 	<ul style="list-style-type: none"> ✓ ✓ ✓ ✓ ✓ ✓ ✓ ✓ 	<ul style="list-style-type: none"> ✓ ✓ ✓ 	<ul style="list-style-type: none"> ✓ ✓ ✓ ✓ 	<ul style="list-style-type: none"> ✓ ✓ ✓ 	<ul style="list-style-type: none"> ✓ ✓ ✓ ✓ ✓

Forward look to 2008	Forestry Commission GB Actions for 2007/08	Knowledge	Reduction	Substitution	Off-setting	Adaptation
	<ul style="list-style-type: none"> • Develop understanding of carbon markets for forestry; • Reduce the 'carbon footprint' of our actions through the 'Greenerways initiative.' <p><i>Examples of other actions within this Corporate Plan also contributing to our work on Climate Change</i></p> <ul style="list-style-type: none"> • work with the Wood for Good campaign to increase utilisation of timber and timber products as a sustainable raw material; • investigate the potential role of UK forestry in providing "ecosystem services" 	<ul style="list-style-type: none"> ✓ ✓ ✓ 	<ul style="list-style-type: none"> ✓ 	<ul style="list-style-type: none"> ✓ 	<ul style="list-style-type: none"> ✓ ✓ 	<ul style="list-style-type: none"> ✓

In England, within a GB framework, a new **Climate Change Programme** is under development. This will address both adaptation and mitigation (**reduction, substitution and offsetting**), and has contributed to the revision of the England Forestry Strategy. There are, naturally, strong links with our **Woodfuel Strategy** as climate change is one of its principal policy drivers.

*In 2007 The Forestry Commission has published a **Woodfuel Strategy for England** which sets a target to deliver an additional 2 million tonnes of biomass into a sustainable woodfuel industry, annually, by 2020. The target represents 50% of the estimated unharvested increment in England's woodlands and translates in practical terms as a 60% increase in timber output. Achieving the target would double the area of private woodlands in management for timber production, contributing to the delivery of a wide range of Government objectives. For example, replacing fossil fuels with the utilisation of 2 Million tonnes of woodfuel would save 0.4 Mt of carbon per annum, impacting on both renewable energy and broader climate change targets. Bringing more woodlands into management (whilst maintaining high environment standards) would help deliver the England Biodiversity Strategy and associated national and international biodiversity targets as well as creating economic opportunity for rural communities through the growth of the woodfuel sector.*

Specific initiatives being assessed include:

- a process for 'climate-change proofing' species choice and forest management decisions;
- developing baselines for carbon auditing of the management of the public forest estate and our grants and licensing work; and
- investigating the role of woodlands in raising awareness of climate change.

We will work with partners, including Defra, Natural England, the Environment Agency and Environmental NGOs to increase the contribution of English trees and woodlands to climate change mitigation and adaptation.

In developing this Programme we will ensure that climate change does not dominate Forestry Commission England's activities at the expense of other objectives, but that it is an appropriate response to the challenge of climate change that integrates with and complements the delivery of all policies.

Forward look to 2008	Forestry Commission England Actions for 2007/08	Knowledge	Reduction	Substitution	Off-setting	Adaptation
<ul style="list-style-type: none"> Through a Climate Change Programme, forestry has started to respond to climate change both in mitigation and in adapting to the change. 	<ul style="list-style-type: none"> Outline a system for climate-change proofing species choice on the public forest estate and for future inclusion within any EWGS revision; Outline how planting might contribute to landscape level climate change adaptation, including in the urban environment, through future changes to EWGS; Contribute to the work of the Rural Climate Change Forum to promote 'joined-up' responses to climate change; develop systems for carbon auditing of forest management activities on the public forest estate and the consequences of grant-aid to non-FC woodland; Take the Woodfuel Strategy forward, in line with Ministers' wishes, by: <ul style="list-style-type: none"> Developing a costed implementation plan working with partners Increasing availability of technical information through the Biomass Energy Centre Develop regional plans and action through close working with RDAs Commence wider awareness and communication through education within the wider community Prepare to reduce the environmental footprint of our corporate actions (through the Greenerways project); Demonstrate best practice through installing one additional woodfuel system and increase the use of timber and wood products on the national estate; <p><i>Examples of other actions within this Corporate Plan also contributing to our work on Climate Change</i></p> <ul style="list-style-type: none"> 3,000 ha of new woodlands created. Support the growing woodfuel market – for example by supplying over 40,000 tonnes of wood from the public forest estate to the Sembcorp power generation plant in NE England 	<ul style="list-style-type: none"> ✓ ✓ ✓ ✓ 				

Sustaining and Expanding England's Woodlands

Sustaining and Expanding England's Woodlands

Desired outcome

England's woodlands make a significant and widely understood contribution to sustainable development.

Context

England's woodlands play a vital role in the landscape, for biodiversity, public access and tourism and for rural industry, with wood an exemplar of sustainable resource use. Although at only 9% cover England is one of Europe's least wooded countries, the 1 million hectares of woodland are the largest rural land use after agriculture. Over half the area is broadleaved, and over a third is classified as ancient woodland. The ownership and management of England's woods is diverse: 19% is owned or leased by government through the Forestry Commission and managed by Forest Enterprise. Other central and local Government bodies are substantial owners, as are non-governmental organisations, but the largest area is owned by private landowners. Owner's objectives are equally varied, ranging from timber production through private amenity and sport to public access and biodiversity conservation. The ability of woods to deliver several benefits at the same time, whether private or public is increasingly recognised.

There is growing recognition, too, of the sustainable nature of sensitive woodland management. The whole Forestry Commission estate and a high proportion of actively managed private woodland is certified under the internationally recognised UK Woodland Assurance Scheme. However, with many thousands of owners and many small woods only half of England's woodland is currently in active management, with only a third of annual timber increment harvested. Not only is this a lost opportunity for sustainable land management but may also be an environmental issue, with flora, woodland birds and woodland butterflies and moths all shown to be in decline by studies published in 2006/7, and all implicating lack of management as a principle cause.

The actions laid out in this plan will recognise and develop the potential for our existing woodlands to contribute more towards renewable energy, climate change and, more broadly, sustainable development.

England's woodland area is expanding. New woodlands, increasingly designed and located to contribute most to people's lives and to sustainable development, are an important part of this plan's programmes.

Society's appreciation of the need to develop the potential of existing woodlands and new woodlands to contribute to a range of society's needs is key to the Forestry Commission continuing to maintain its license to operate.

Since 1998 forestry in England has been guided by the **England Forestry Strategy** (EFS). Government has been working throughout 2006 to update the EFS and plans to publish the revised strategy in 2007. This will set the strategic direction for Government's engagement in England's trees, woodlands and forests over the next decade. The Forestry Commission is committed, in partnership with Natural England, to developing a delivery plan for the revised strategy. This will be a major component of our corporate plan actions in 2007, laying the foundations for protecting, enhancing and realising the environmental, social and economic value of both existing and newly created woodlands.

During 2006/07 the FC provided advice to Defra on implementing **EAFRD** (the European Agricultural Fund for Rural Development). This involved consultation on the Rural Development Strategy, covering both the UK and England, and the drafting of the new **Rural Development Programme for England** (http://www.defra.gov.uk/erdp/rdp07_13/index.htm). The current Programming period ended in December 2006. However, due to discussions that were then ongoing about the voluntary modulation regulation at the EU level, the new Programme did not start on 1 January 2007. Transitional arrangements have been put in place to minimise disruption caused by the delay.

Woodland and forestry feature more substantially in EAFRD than its predecessor, and the new economic and social axes provide new opportunities. The RDPE will be expressed at regional level by Regional Implementation Plans (RIPs). Primary responsibility for delivery of the social and economic axes has been given to Regional Development Agencies and the FC will work closely with them to pursue the opportunities where woodland and forestry can contribute.

Drivers

Recent years saw the launch of new statements of government policy and new legislation which set the wider context for forestry policy. These are:

- **Natural Environment and Rural Communities Act 2006** which established Natural England and placed a new duty on all public bodies to *'have regard to the purpose of conserving biodiversity'*.
- **UK Energy White Paper**: sets out the Government's approach to energy policy and the role of renewable sources of energy;
- **The refreshed England Biodiversity Strategy, (November 2006)**; establishes a 'route map' for biodiversity and includes the revised targets for the protection, improvement, restoration and expansion of all priority habitats, including the 535,000 hectares of native woodland;
- **Keepers of Time**: a statement of policy for ancient and native woodland,(2005): sets out strategic priorities and actions to ensure such woodlands are better protected, sustainably managed in a wider landscape context and provide a range of social, environmental and economic benefits to society;
- **Rural Strategy 2004**: sets out the Government's three priorities for rural policy: Economic and Social Regeneration; Social Justice for All; and Enhancing the Value of our Countryside;
- **Rural Development Programme for England 2007–13**: the Rural Development Strategy and the Programme will be submitted to the EC for approval during 2007, and delivery schemes may need some adjustment. In the period before approval transitional arrangements will be required, and RDAs will develop entirely new delivery arrangements, in liaison with the FC and Natural England.
- **Government response to the Biomass Task Force Report (2006)**: included an action for the Forestry Commission to prepare a strategy and implementation plan to increase the amount of biomass made available through the supply chain.
- **Climate change** - the UK Programme 2006 is a revision of the original UK Climate Change Programme (2000) and identifies policies actions and mechanisms required to put the UK on track to meet both national and international commitments

Targets for sustaining and expanding England's woodlands

Forward look to March 2008	Actions for 2007/08
<ul style="list-style-type: none"> The area of woodland sustainably managed and certified under the UK Woodland Assurance Standard has increased. 	<ul style="list-style-type: none"> Support the active management of woodlands, particularly those which are ancient or native, where this is necessary to deliver public and private benefits for example through EWGS Woodland Improvement Management, Creation and Regeneration Grants. use the public forest estate as an exemplar of sustainable forest management and expand its role wherever it is able to add value to existing arrangements. We will continue to manage the estate to the standard required under UKWAS, and to certify our woodland products under the independent FSC scheme.
<ul style="list-style-type: none"> The woodland area has increased. 	<ul style="list-style-type: none"> 3,000 ha of new woodlands created.
<ul style="list-style-type: none"> A delivery plan for the revised England Forestry Strategy has been published. 	<ul style="list-style-type: none"> Support Defra in completing the revision of the England Forestry Strategy and work with Natural England and others to develop a joint delivery plan.
<ul style="list-style-type: none"> Woodland and forestry fully integrated into the Rural Development Programme for England 	<ul style="list-style-type: none"> Work with partners to advise Defra on the production of a Rural Development Programme for England, which is approved by the EC by the end of 2007 and in which woodland and forestry feature appropriately. Make any changes required to EWGS to ensure it is compliant with the new Programme, and seek to ensure that woodland is integrated with the remainder of Axis 2 (particularly Environmental Stewardship) work with Natural England and Regional Development Agencies to provide opportunities for woodland and forestry to contribute to all Axes of the Programme and look at how we align with delivery partners when working with customers.
<ul style="list-style-type: none"> Improved effectiveness of grant administration 	<ul style="list-style-type: none"> Absorb management of Defra's Farm Woodlands legacy schemes in FC's grants e-business system, delivering efficiency savings for the Defra family Initiate implementation review of England Woodland Grant Scheme (dependent upon a review of Environmental Stewardship)

Implementing the England Forestry Strategy

Forestry for Rural Development

Desired outcome

Forests and woodlands make a greater contribution to local economies and rural development.

Context

2007/8 is a significant year for the development of the forest industries of England.

First, the Jaako Poyry forest industries mapping study was published in 2006, presenting a new and comprehensive view of the sector. There are 14,000 jobs in forestry, including harvesting and recreation. Additionally England's forest industries employ 64,000 people and contribute £2.1 billion to GDP associated with home-grown timber. However, the report also highlights the fragmentation and economic fragility of forestry in England in the face of low world timber prices. Market development, co-operation between businesses and improved technical and business capacity are all essential components of the implementation plan which EFIP (England Forest Industries Partnership) will lead during 2007, with FC support as partners, and sponsors.

Second, under Government direction, the Forestry Commission has developed a **Woodfuel Strategy for England** (see Addressing Climate Change section)

Non-timber income streams from game management, holiday accommodation and recreational opportunities are becoming increasingly important to woodland owners and the local economy. This was recognised in the 2004 review of the Rural White Paper which noted that the opportunities woodlands provide for employment, education, health and recreation need to be exploited, along with efforts to diversify the range of economic goods they provide. A recent study has indicated that economic benefits from non-timber woodland businesses and the green infrastructure value of woodland can be between 9 and 19 times greater than those flowing from the traditional timber supply chain.

We currently support a wide range of national, regional and local partnerships which aim to improve markets for wood, help woodland and forestry-based businesses, capitalise on the non-timber values and provide opportunities for farmers to diversify. Examples include the South West Forest in Devon, Cumbria Woodlands and the Heartwoods Initiative. We will continue this work with the support of the Rural Development Programme for England (RDPE) which includes the English Woodland Grant Scheme, the Farm Woodland Premium Scheme.

The public forest estate has an important and varied role to play in supporting rural development in particular through:

- sustaining forest management operations and related opportunities for employment;
- developing the public forest estate as a major resource for tourism, particularly in areas with vulnerable rural economies such as Kielder in Northumberland, the Lake District and the Forest of Dean;
- continuing to bring guaranteed volumes of certified timber to the market every year;

Drivers

Government policy, commitments and priorities are:

- **Rural Strategy 2004**, which recognises the importance of the forest industry to the prosperity of rural England, through its direct and indirect contribution, especially in less prosperous rural areas;
- the **UK Sustainable Development Strategy**, setting out how Government is pursuing the principles of sustainability.
- **UK Energy White Paper**: sets out the Government's approach to energy policy and the role of renewable sources of energy;
- **Climate change – the UK programme 2006** – published following an extensive review of the existing programme. Sets out policies and priorities for action in the UK and internationally.

Targets for Rural Development

Forward look to March 2008	Actions for 2006/07
<ul style="list-style-type: none"> • A broader appreciation, particularly at regional level, of the role that woodland businesses can play in rural development has been developed. 	<ul style="list-style-type: none"> • Complete the support of Defra in developing the role of woodlands and forests in the new RDPE;
<ul style="list-style-type: none"> • The forest industry sector has strengthened competitiveness and increased ability to contribute to Government's sustainable development objectives • the confidence of woodland and forestry-related businesses has improved by 5% on the 2005 baseline. 	<ul style="list-style-type: none"> • Develop sponsorship of the England Forest Industries Partnership and, as a member, and funder, of the partnership, support both the development of the action plan for the industry sector and its future implementation. • Repeat the survey on the confidence of woodland and forestry-related businesses to measure change since 2005 baseline. • Market over 1.4 million cubic metres of FSC certified timber. Helping to support and develop investment in the harvesting and processing sector by supplying more than 40% of this volume through long-term contracts. • Support the growing woodfuel market – for example by supplying over 40,000 tonnes of wood from the public forest estate to the Sembcorp power generation plant in NE England

Forestry for Economic Regeneration

Desired outcome

Woodlands support the economic regeneration of former industrial land and disadvantaged communities.

Context

The Economic Regeneration Programme supports the Government's wider policies for the regeneration and sustainable development of urban areas, enhancing local environmental quality and the development of sustainable communities. The term 'green infrastructure' has evolved to identify an environmental network of protected sites, nature reserves, green spaces and green links that contribute to quality of place and quality of life.

Trees and woodlands are recognised as a key component of green infrastructure and can bring specific advantages. These include: an ability to create attractive settings, long-lasting, high-recreational 'carrying capacity', richness in bio-diversity, more multi-functionality than many other types of green space, a renewable source of energy and localised climate moderation – including shade from ultraviolet rays.

Government is placing increasing emphasis on engaging local communities in shaping public services, including local environmental quality, and on the role of local authorities as 'place-shapers' and co-ordinators of local delivery through Sustainable Community Strategies and Local Area Agreements.

Working with Defra, Communities and Local Government (CLG) and other partners, the Economic Regeneration Programme has been developing through a comprehensive research programme and practical demonstrations such as:

- the 12 Community Forests;
- the National Forest;
- the Forestry Commission Land Regeneration Unit;
- Forest Enterprise establishing over 3000 hectares of new woodlands in priority areas.

Drivers

The Government policy, commitments and priorities are:

- **Sustainable Communities: Building for the Future** seeks to create liveable cities, which include more attractive green environments;
- **Living Places, Cleaner, Safer, Greener** complements the Sustainable Communities Plan by setting out the vision for public space including open green space and woodland;
- Defra's **Rural White Paper Review** and **Rural Strategy 2004** seek improvement in the countryside around towns and consider the needs of urban people. Quality of life is also covered within **Securing the Future, the UK Government Sustainable Development Strategy 2005** which sets the context for sustainable development policy, including local environmental quality.
- **The Local Government White paper** emphasises local delivery, community empowerment and the role of local authorities as 'place makers' for their communities.

Targets for Economic Regeneration

Forward look to March 2008	Actions for 2007/08
<ul style="list-style-type: none"> Woodlands are playing an important role in communities, particularly the Northern Way, to support regeneration and growth? 	<ul style="list-style-type: none"> Provide input to the CLG strategic framework for the Thames Gateway; Provide support to the LRT to deliver its 10yr business plan to deliver 10,000ha of sustainable green space by 2014. Create 600 hectares of new woodlands in priority areas (e.g. Coalfield Areas and the 'top' 20% of most deprived wards).
<ul style="list-style-type: none"> A more integrated approach to delivering urban and peri-urban woodlands has been encouraged 	<ul style="list-style-type: none"> Continue to explore how the experience and lessons from England's Community Forests can be disseminated and integrated into other environmental, regeneration and community programmes Seek opportunities to further integrate trees, woods and forests into local delivery frameworks by contributing to emerging guidance on Greenspace Strategies, Sustainable Community Strategies and Local Area Agreements Work with NE and EA to identify potential pathfinder opportunities to test the contribution of trees, woods and forests to improving poor environments Carry out an independent formal evaluation of Newlands 1 which will provide, among other things, a basis for NWDA consideration of Newlands 2
<ul style="list-style-type: none"> Exemplars of good practice have been developed and promoted from existing projects. 	<ul style="list-style-type: none"> Improve the provision of wooded greenspace for communities in Thames Gateway by opening the new Jeskyns site (near Gravesend) to the public Work with CLG on a shared Green Infrastructure exemplar project to explore the role of trees and woodlands in the New Growth Points Work with FC Scotland and Wales to create an FC wide Urban Regeneration Network to act as a forum for awareness, education, guidance and research on land regeneration and urban greening issues

Forestry for Recreation, Access and Tourism

Desired outcome

More woodlands are accessible for a broad range of people close to where they live, providing a diversity of opportunities for healthy recreation and learning.

Context

Woodlands are popular places to visit, with over 187 million visits made during 2005 (2005 England Leisure Visits Survey). It is estimated that these visits can generate approximately £350 million per year to local economies, often more in areas with high tourism value. These visits made to woodland can vary considerably from the regular dog walker to the family having a picnic, visiting a play area and going for a walk or cycle. Woodlands also offer opportunities for the more adventurous, with downhill mountain-biking, survival courses, paintball and off-road driving.

Woodlands are unique in the wide range of public benefits they afford, including recreation opportunities, and offer greater capacity than many other land types to absorb large numbers of people undertaking a diverse range of activities. With appropriate management people can access even the most sensitive of woodland sites offering opportunities to understand, gain confidence with and learn to respect these high-quality environments.

The benefits arising from visiting woodland are many, but perhaps the largest relates to the improvement of health and well-being. The physical activity benefits are perhaps more obvious, with the most popular form of recreation being walking. But the wider well-being benefits of being in a natural setting are now much better understood and acknowledged. So woodlands can offer something for everybody, no matter what age, race, ability or gender.

Woodlands have a role to play in providing opportunities for children and young people to experience the world beyond the classroom as an essential part of their learning and development. Quality learning and play experiences in the natural environment can raise achievement and develop better personal and social skills.

Work is continuing to expand the woodland opportunities closer to where people live through the creation of woodland, restoration of brownfield or derelict land or by opening up or improving existing woodland. Only 10% of the public have access to a local woodland (within 500m) to where they live, while over 50% have access to a larger woodland (>20ha) within 4km of where they live. In order to maximise the benefits from woodlands, greater emphasis needs to be given to providing high-quality experiences close to people and giving local people the confidence and capacity to enjoy these woodlands.

Our work on the theme of Recreation, Access and Tourism and the theme of Economic Regeneration will be combined as we move to a more integrated approach to trees, woods, people and place.

Drivers

There are many Government policies relating to this programme area, due to its emphasis on people. The wider societal benefits that woodlands can offer are many and so impinge on a diverse policy arena.

- **The Rural Strategy 2004** seeks to improve countryside access and recreation and maximise health and learning benefits to ensure social inclusion and address rural exclusion. It encourages better awareness and understanding of the countryside. It aims to address under-representation of certain groups visiting the countryside through the **Diversity Action Plan (2006)**
- **Choosing Health: making healthier choices easier (2005) and Your Health, Your care, Your say, 2006** provides opportunities, information and support to help people lead healthier lives. The role of green space and woodland is included within **Choosing Activity** – the delivery plan to increase the amount of people physically active.
- **Sustainable Communities, 2003, Securing the Future – UK Sustainable Development Strategy 2005 and Strong and Prosperous Communities, 2006** all seek to deliver social and environmental equity, giving everybody regardless of where they live the same range of opportunity for a high-quality local environment. It also seeks to change behaviour and adopt a more sustainable approach to lifestyle.
- **The Local Government White Paper** emphasises the increasing need to engage local communities in shaping public services, including the quality, care and use of their local environment for personal well-being and social cohesion.
- Policy on education and learning also shapes our activities. In particular, we contribute to the outcomes for **Every Child Matters (2005); Youth Matters (2005); and the Out of the Classroom Learning Manifesto (2006)**.
- **Olympics 2012** – the build up to the Olympic Games in London will provide opportunities for using trees and woodlands to green the Olympic infrastructure but also will aim to create a legacy of a sporting nation, encouraging more people, especially children, to be more active, more often.

Targets for Recreation, Access and Tourism

Forward look to March 2008	Actions for 2007/08
<ul style="list-style-type: none"> • The area of accessible woodland has been increased and better leisure opportunities provided; • the number of day visits has increased by 5% over the 2005 baseline. 	<ul style="list-style-type: none"> • expand the area of woodlands with public access by 1,350 hectares in priority areas • improve the facilities on the public forest estate (e.g. Supporting the tourist economy of South Lakeland by completing stage 1 of the Grizedale project to improve the transport and educational infrastructure
<ul style="list-style-type: none"> • Woodlands are making a greater contribution to health and well-being. 	<ul style="list-style-type: none"> • Deliver over 100 events and activities under the Active Woods campaign to promote healthy living opportunities, with two specific promotions; one focussing on children and families over the Easter period and a focus throughout the year on dogs and responsible dog ownership. • Contribute Forestry Commission experience to the wider study of volunteering in the countryside being co-ordinated by The Tomorrow Project and Countryside Recreation Network

<ul style="list-style-type: none"> • Encourage a greater understanding of the roles of woods and trees 	<ul style="list-style-type: none"> • Support to the Forest Education Initiative to deliver over 10 local educational projects - creating learning resources about trees, forests and forest products • Develop the role of quality assurance in the expansion and delivery of Forest School across England
<ul style="list-style-type: none"> • Equality of opportunity to benefit from woodlands has been improved. 	<ul style="list-style-type: none"> • Work with delivery partners to implement lessons learnt from Defra's Diversity Review. • Develop two demonstration projects with partners to target those people currently under-represented in visits to woodlands • Develop a spatial planning tool to assist in the mapping of the social benefits afforded by woodlands

Forestry for Environment and Conservation

Desired outcome

Woodland and related habitats are in favourable ecological condition and woodlands are contributing to an integrated landscape-scale approach to protecting our natural and cultural resources.

Context

Woodland comprises 9% of the land surface of England and thus constitutes a significant component of our environment and an important **natural resource**. The fact that woodland is the natural vegetation for most of England gives it a special importance. In a historical sense, woodland was the land use before man's intervention and, looking into the future, without continued intervention most land will naturally be colonised by trees.

Woodland has a role to play in conserving our **physical environment** – air, water and soil – (the 'building blocks of life') and the need to adapt to climate change gives these particular significance. The soils of ancient woodland are some of the least disturbed in the countryside, and woodland is one of the best ways of protecting and restoring soils. A woodland or forest canopy can affect both the quality and quantity of water that enters watercourses and groundwater, and it can thus affect downstream wildlife habitats and water supplies. These effects can be both positive and negative. Trees remove carbon dioxide from the atmosphere and thus have a role in contributing to **climate change mitigation** through storing carbon in woody biomass and, in most cases, conserving or increasing soil carbon stocks. Sustainably managed woodlands can also contribute to reducing greenhouse gas emissions by replacing other more energy-intensive land uses, providing timber and wood products to substitute for materials with a higher 'carbon cost' and through the provision of woodfuel as a source of renewable bio-energy.

Semi-natural woodland is one of the richest **wildlife habitats** in England in terms of diversity of species, and supports particularly high numbers of rare or threatened species. Just over half of England's woodlands are considered to be 'native woodland' but the remaining forests and plantations also support nationally important populations of endangered species such as red squirrels, nightjars and insects dependent on deadwood.

Non-woodland or **open habitats within and around forests**, and species associated with them, are also important. For example, the public forest estate contains over 50,000 hectares of such habitats: moorland, heathland, bog and even limestone pavement. Most forests created in the last century were created on semi-natural habitats and in some cases these have survived well and offer opportunities to remove the trees and restore them to the original habitat, such as heathland or grassland. Many species also use both forest and surrounding habitats and we have to be aware of how changes in the forest can affect these 'part-time' woodland species.

When conserving **biodiversity** we need to look at the woodland from a range of levels: whole ecosystems and landscapes, networks of woody habitats within the landscape and then protected sites, such as SSSIs. Below this, we focus on particular groups of species such as woodland birds, bats and butterflies, which are indicative of wider wildlife communities, or individual species, particularly those that

are rare or threatened. Finally, even the genetic variation within a species is significant, particularly when choosing the origin of trees and shrubs which we plant, as it will influence the inherent capacity to adapt to changing environmental conditions.

Woodland is biologically diverse, but it is now being recognised as equally rich in terms of historical features and **cultural heritage** that make a significant contribution to the historic environment. Ancient woods, those which have been continuously wooded for centuries, have features which have survived for centuries or even millennia. These give us a living link with the distant past. Woods are one of the land uses where change happens most slowly and many other historical features have survived 'by accident' within woodland. However, the trees can still be damaging, as can inappropriate uses or forestry operations, so such features often need positive action to conserve them.

The **English landscape** is a complex product of all three of the above elements of the environment. Within any landscape or woodland you can clearly see the influence of underlying rock and soil, recognise the wildlife communities adapted to these conditions and identify the past land uses which have altered the natural processes. Conserving the distinctiveness of particular landscapes, localities or individual woods is priority.

Drivers

Government policy, commitments and priorities are:

- **UK Biodiversity Action Plan** which sets out the UK's contribution to the **Convention on Biological Diversity** and includes requirements of the EC Habitats Directive;
- the refreshed **England Biodiversity Strategy (2006)** and associated publication of revised targets for the protection, improvement, restoration and expansion all priority habitats, including the 535,000 hectares of native woodland;
- the **Natural Environment and Rural Communities Act (2006)** which places a new duty on all public bodies to '*have regard to the purpose of conserving biodiversity*'.
- '**Keepers of Time: a statement of policy for ancient and native woodland**' (2005) and its supporting Action Plan;
- **Planning Policy Statement No 9 (2005)** on the protection of biodiversity, which requires planning authorities to take account of the special value of ancient woodland and veteran trees and to pursue opportunities to establish habitat networks;
- the **Sustainable Communities Plan (2003)** and '**Living Places – Safer, Cleaner, Greener**' where new native woodland needs to be part of the 'green infrastructure' and existing woodland needs protection so that both can to improve the places where people live;
- Woodland creation and management impacts on diffuse pollution and the management of stream flows in order to meet the **EU Water Framework Directive** and **Making Space for Water** – the Government's 20 year flood management strategy;
- The **Ecosystem Approach**, arising from the Convention on Biodiversity. This stresses the need for a landscape scale perspective, a consideration of the value of environmental services provided by woodland and a participative approach, taking account of the needs and views of local communities;
- The **European Landscape Convention**, to which the UK is a signatory, comes into effect in March 2007. We will need to investigate, with NE, how best to

implement it. We will need to consider the role of trees, woods and forests in urban, peri-urban and rural landscapes.;

- An amendment to the **Habitats Regulations** will increase the protection of species listed as being of European significance, and these include all bats, dormice and several species of amphibian and reptile.

Targets for Environment and Conservation

Outcomes sought by March 2008	Actions for 2007/08
<ul style="list-style-type: none"> • 87% of area of SSSIs for which FC has responsibility are in favourable or recovering condition, en route to 95% in favourable or recovering condition by 2010. 	<ul style="list-style-type: none"> • Bring 87% of SSSIs for which FC has statutory responsibility into favourable or recovering condition.
<ul style="list-style-type: none"> • Take steps to ensure delivery of the new UKBAP targets for native woodland (including PAWS restoration). 	<ul style="list-style-type: none"> • Sustain implementation of the action plan for 'keepers of time', including a 2-year progress report and successor Action Plan for 2008 – 11; • Tackle the major threats to native woodland habitats and species by providing advice to planning authorities and addressing the major reasons for decline in the ecological condition of native woodland; • 3,000 ha of Plantations on Ancient Woodland Sites on the public forest estate being actively conserved, improved or restored through thinning; Contribute to grey squirrel control by publishing a revision of the FC practice note and supporting research into: index-trapping (a means of improving the effectiveness of damage control); and the effects of grey squirrels on woodland birds;
<ul style="list-style-type: none"> • Habitat Regulations are successfully implemented for woodland habitats/species 	<ul style="list-style-type: none"> • Develop an implementation plan for woodlands for the Habitat Regulations
<ul style="list-style-type: none"> • More open-ground habitats have been restored in line with Habitat Action Plans. 	<ul style="list-style-type: none"> • In support of the updated England Biodiversity Strategy, develop a policy statement and a strategic plan for open habitats with Defra and other partners • Work with Natural England to ensure joined-up delivery mechanisms for the restoration of open-ground habitats from woodland;
<ul style="list-style-type: none"> • The appreciation of wildlife and the cultural heritage of ancient woodland has been enhanced. 	<ul style="list-style-type: none"> • Sustain programme of regional projects on woodland history and review cultural heritage survey and engagement pilots.
<ul style="list-style-type: none"> • The decline in woodland bird populations is being reversed. 	<ul style="list-style-type: none"> • Publish maps of the areas where action should be focused to improve the fortunes of declining woodland birds • Develop with Natural England integrated approaches and actions to improve both the woodland and farmland bird indices.
<ul style="list-style-type: none"> • The production of woodfuel from existing woodlands has increased. 	<ul style="list-style-type: none"> • Produce guidance to help secure the environmental benefits of woodfuel harvesting and reduce any adverse impacts.

Delivery in England

Modernising Rural Delivery

Desired outcome

Efficient and effective delivery which, through collaborative working, provides additional benefits for the public, land managers and the environment.

Context and drivers

The **Rural Strategy 2004** set out the Government's priorities for rural policy and the actions the Government would take (responding to the recommendations made by Lord Haskins in his Rural Delivery Review) through the Modernising Rural Delivery Programme. Key areas of this Programme include streamlining and simplifying rural funding and creating Natural England.

In the Rural Strategy, the Government also made specific commitments that Defra would work with the Forestry Commission in England, Natural England and the National Parks to identify opportunities for greater collaborative working. We are fully engaged in this programme. Our initial objective is:

To agree arrangements for aligning the work of Forestry Commission England with Natural England to achieve:

- *a comprehensive and co-ordinated approach to land management (i.e. delivering environmental outcomes as **effectively** as possible);*
- *effective and simple relationships with land managers (i.e. an **improved quality of service** for direct customers);*
- *improved value for money for the taxpayer (i.e. delivering environmental outcomes as **efficiently** as possible).*

Targets for Modernising Rural Delivery

Forward look to 2008	Actions for 2007/08
<ul style="list-style-type: none"> • Collaborative working between FC, Natural England, Environment Agency and other delivery partners has increased to better deliver the Rural Strategy 	<ul style="list-style-type: none"> • Agree arrangements for the future alignment of our work with Natural England; • Implement refreshed MoU with NE and EA <p>Additional actions working with NE are elsewhere in the plan including developing a delivery plan for the revised England Forestry Strategy.</p>

Regional Engagement

Desired outcome

Woodlands and forestry support each region's sustainable development strategy and associated plans

Context and drivers

The **English Regions White Paper and Rural Strategy** provide the wider mandate and context for our regional engagement. It is vital that the national forestry strategy sets down strong roots in every part of the country so that it may respond effectively to the distinctive needs of different regional and local agendas.

We are further developing our strategic regional approach: our boundaries are aligned with those of the Government Offices for the Regions and we have taken steps to encourage closer working between our respective staffs. We have Regional Directors who co-ordinate our business on key regional and local issues and a Regional Advisory Committee for each Region whose expertise reflects distinctive regional priorities. We work with regional partners to help them develop Regional Forestry Frameworks (RFFs), as well as ensuring the contribution of woodlands and forestry is a key part of each Region's Implementation Plan for the Rural Development Programme for England. Our regional delivery plans for the revised EFS will draw on the most cost-effective mix of FC delivery mechanisms to suit each Region's circumstances.

Targets for Regional Engagement

Forward look to 2008	Actions for 2007/08
<ul style="list-style-type: none">• Forestry is an integral component of regional development and other strategies, with FC's delivery programme clearly established for a 3-5 year period• FC Regional Advisory Committees with expanded remit to advise on development and implementation of the FC delivery programme.	<ul style="list-style-type: none">• Begin preparation of FC regional delivery plans for the revised EFS which demonstrate appropriate alignment with national and RFF priorities.• Begin to expand the remit of each Regional Advisory Committee, linked with the development of regional delivery programmes.• Implement regional web publishing

Managing our Organisation

Finance

Source of Funds

Funding for our activities in England and our GB functions comes from Westminster, from the EU (contributions to the cost of woodland grants) and from income from the public forest estate and external resources levered in through partnerships. Westminster funding for the Forestry Commission was decided as part of the Government's 2002 and 2004 Spending Reviews. Annexe B shows the planned sources of income and expenditure for 2007/08. Income from the public forest estate is used to support programmes on the estate. Timber income, which is closely linked to the strength of the round timber market, is an important part of that income. After years of decline the price of round timber has continued to show signs of recovery.

Use of Funds

At the GB level, our resources support work that benefits all three countries. The largest component is research and development that is applicable to more than one country. The remaining expenditure is on protecting Britain's trees from pests and diseases, representing British interests on the international stage, and other GB-wide work including the costs of the Board of Forestry Commissioners, the development of the timber market, and the development and promotion of standards for sustainable forest management.

Resources in England are used to sustain and expand woodlands and woodland services in accordance with the England Forestry Strategy

Efficiency

We are required to seek efficiencies as part of the SR2004 settlement. We are reviewing the efficiency of services provided to FC land managers across GB, concentrating on:

- outsourcing;
- procurement;
- electronic systems.

Significant progress has been made with the introduction of a new electronic management system for grants. This allows applicants to apply and make claims on-line and will progressively release staff administration time - 3% in 07/08 - to take on additional Farm Woodland legacy work.

We hold land and building assets in England which were valued at £455m at 31 March 2006. These assets are constantly reviewed. Assets are sold which no longer meet the Commissioners' objectives or provide an opportunity to redirect the investment to allow the Commissioners' objectives to be better met. We plan to realise the following amounts from asset sales:

Asset sales	2007/08
	£6.2 million

Risk Management

We have been developing our risk management strategy. We are now moving to further embed risk management within the organisation.

People

The Forestry Commission remains the employer of choice for many people who want to work in forestry or in rural areas. As the Board of Commissioners is one employer, all employees share a single set of terms and conditions. We employ 1,507 people directly on the activities covered by this Corporate Plan. This includes 1,158 staff working exclusively on English activities, of whom 970 work on the management of the public forest estate. Of the 349 working on GB activities, 278 work in the research Agency.

Staffing 1 April 2007 (in full time equivalents)

England	Forestry Commission	188
	Forest Enterprise	970
	Total	1,158
GB	Forestry Commission	71
	Forest Research	278
	Total	349
Scotland and Wales		1,416
Central services		205
	Grand total	3,128

A continuing emphasis has been placed on staff interchange, with a total of 31 staff involved in interchange or secondment at March 2007.

Development of a new HR strategy and Action Plan is continuing. This will respond to the needs of the business by offering an appropriate and more efficient HR function. It will also respond to the Professional Skills for Government initiative. We are piloting a new Management Development Programme to help middle managers identify their training and development needs and to identify those with high potential and we have developed a new Graduate Development Programme aimed at bringing new talent into the organisation. Modernisation of our Pay & Reward systems has continued with the introduction of a flexible benefits scheme which enables employees to select from a range of benefits which meet their requirements.

We put a lot of effort into developing and operating safe working systems and practices and ensuring the general welfare of all staff. Particular attention is paid to those who work in the forest – a potentially dangerous workplace. The number of reportable accidents has progressively reduced and now stands at 0.93 per 100 employees. This has been achieved by using the Managing Health and Safety in Forestry Framework, audit systems that measure health and safety performance and improved risk assessment. Health and safety is also a priority for the FC when working with the forest industry as a whole.

The FC's sick absence record remains significantly better than the average for the Civil Service. Our working days absence per staff year reduced to 6.2 for 2006/07 compared to the Civil Service average for 2005 of 9.8 (latest figure available). Our ill health retirement has reduced to 1.92 per 1000 employees for 2006/07.

The number of women in senior posts has increased marginally to just over 13%.

The number of staff who have declared a disability has remained constant at 2.5% of the total number of employees. We published our Disability Equality Scheme in December 2006, setting out how the FC intends to implement its Disability Equality Duty.

The number of staff from a black, minority ethnic background has also remained constant on previous years but is still disappointingly low. The Social Research Study Group of Forest Research completed their research into the application of the Forestry Commission's Race Equality Scheme (RES) and published their report in November 2006. This research will be of significant value in helping the FC achieve its planned actions set out in the Race Equality Scheme.

Capacity

Governance

The Forestry Commission's current governance structure was implemented following the Forest Devolution Review in 2003, and was reviewed and amended in line with the HM Treasury Code of Good Practice.

Forest Research and Forest Enterprise England are executive agencies. They operate within framework documents setting out responsibilities. They also set out planning regimes, performance criteria and delegations.

Central Government Initiatives

As part of the Better Regulation process, we have published a Simplification Plan [www.forestry.gov.uk/forestry/infd-6gaeqa] to reduce the burden on the public and to aid our efficiency. We will now move to the next phase to review and where possible simplify and improve our regulations.

We will report progress with our Plan in our Annual Report.

We have been exemplars of sustainability in forestry and are now turning our attention to the non-forest operations. We have set up a project called "Greenerways" to raise awareness and provide a means of co-ordination across a range of activities such as sustainable travel, energy and procurement. We have published our environmental policy statement and will be seeking formal accreditation through an Environmental Management Scheme.

Information and Communications Technology

We have a large investment in computer systems. There are currently 2500 PCs/laptops connected to 160 servers. A wide area network (WAN) connects these. Global Crossing provides this as a managed service. Work is now underway to replace our ageing telephony systems with voice over Internet protocol (VOIP) utilising our data network which will be completed during 2007/08.

A major investment has been made in a new IT system, GLOS, to support the e.WGS. This system is live and applications and claims can be made on line. Work is in hand to take on the legacy farm woodland scheme from Natural England.

Public Service

Communications

We work extensively with partner organisations, with customers, and with the people who use the nation's forests. We recognise that good communications with all these groups is essential. As part of our 'Who we are - What we do' internal project, we will improve the coherency and consistency of our external communications. This will provide us with a more effective and efficient approach to increasing stakeholders' awareness of our products and services, and how they can engage with us.

In England, we will implement communications plans to mirror our business activities. We are also developing, in England, an increasingly regionally focussed approach to our communications activities, including presentation of content on the Internet.

Standards

The Commission is committed to achieving high standards of public service. The following formal Statements of standards are now in place and are reported on in our annual report:

Statement of General Standards of Service (Forest Enterprise);
Woodland Grant Scheme Applicant's Charter;
Felling Licence Charter;
Plant Health Charter.

The Woodland Grant Scheme is evolving to an e-enabled scheme, e.WGS. As part of the ongoing development of the EWGS we plan during 2007/08 to publish an EWGS applicant's charter to reflect the standards of service we offer.

Forward look to 2008	Actions for 2007/08
<ul style="list-style-type: none"> • We make best use of our financial assets. 	<ul style="list-style-type: none"> • Introduce accounting by objectives; • develop efficiency measures for delivery of our services to the public; • sell £m of low-performing assets to help fund £12.7m of investment with partners in priority programmes;
<ul style="list-style-type: none"> • We develop and manage staff to best effect for the organisation. 	<ul style="list-style-type: none"> • complete development of a new competency framework; • extend our Management Development Programme throughout the Department; • review our employment policies to ensure they are more easily understood by managers and employees; • review our HR procedures to ensure they are as efficient as possible; • implement an action plan to respond to the staff survey. • undertake a programme of actions to implement our Race, Disability and Gender Equality Duties
<ul style="list-style-type: none"> • We have an effective organisation. 	<ul style="list-style-type: none"> • seek accreditation of our activities through an Environmental Management Scheme as part of our Greenerways project • implement a Development Strategy for Forest Research to diversify its income base • mainstream electronic applications via the Grants and Licences Online Service starting with 10% of applications expected to be made on-line this year • replace our ageing telephony systems with voice over

	<p>internet protocol (VOIP) utilising our data network</p> <ul style="list-style-type: none"> • examine opportunities provided by the Regulatory Reform Order to advance forestry policy through joint ventures; • review and where necessary strengthen our corporate governance in line with Cabinet Office guidance • implement the Departmental simplification plan to minimise the impact of regulation on business.
<ul style="list-style-type: none"> • We deliver a quality public service. 	<ul style="list-style-type: none"> • Improve the effectiveness of how we communicate who we are, what we do and the benefits that forests can bring • Implement a new charter for (EWGS) grant applicants;

Spending Review 2004 Targets for 2006–2008

The following table records our performance against our targets.

Key Result	Target	Progress to 31 March 2007
Great Britain		
Sustainable Development Sustainable development is advanced through the role of woodlands and forestry	Achieve an improvement in trends in specified UK Indicators of Sustainable Forestry during 2006-2008. A2 (woodland creation), A6 (area of sust. Man'd woodland), D3 (timber prod) & E3 (public awareness) ¹	The indicators, which are monitored as part of a larger exercise, will be reported on separately.
England		
Sustainable Development Sustainable development is advanced through the role of woodlands and forestry	Create 6000 hectares of new woodland from 2006 to 2008	2,633 ha - slightly behind profile - precautionary approach adopted for grant allocation in first year of new grant scheme combined with unpredictable level of late-stage fall out of cases.
	Promote an increase in the area of woodland certified against the UK Woodland Assurance Standard for sustainable forest management in England by 25,000 hectares from 2006 to 2008	8, 473 ha (provisional)
Rural Development Local economies and rural development are enhanced by the contribution from forests and woodlands	Seek to improve the confidence of woodland and forestry related businesses by 5% on the 2005 baseline.	Repeat of 2005 survey planned for 2008 to capture improvement.
Economic Regeneration Disadvantaged urban communities are given new life and investment attracted by improving the environment	Create 1200 hectares of new woodlands in priority areas (eg Coalfield Areas and the 'top' 20% of most deprived wards both as defined by OPDM) from 2006 to 2008	936 ha - good progress linked to effective targeting of new planting targeting and partnership with Land Regeneration Trust
Access and Recreation People have healthier lifestyles and are more environmentally aware	Expand the area of woodlands with public access by 2700 hectares over the period 2006-2008 in priority areas established by the 2003 baseline study.	3,175 ha - ahead of target, particularly good results from working with local authorities
	Increase the number of day visits by 5% over the 2005 baseline by 2008.	Survey to be carried out in 2008
Environment and Conservation Future generations inherit improved biodiversity, landscape and cultural heritage in our forests by conserving and improving woodlands	To increase the area of all SSSIs where the Forestry Commission has statutory responsibilities which are in favourable or recovering condition to 87% by 2008 to ensure that 95% are in favourable or recovering condition by 2010.	Provisional figure at March 2007 of 81% from March 2006 baseline of 79%
	Lead the implementation of the UK Biodiversity Action Plan Habitat Action Plan for woodlands in England for delivery by 2015.	Revised HAP targets, for native woodland expansion, restoration and improvement, have been published. As a key part of the implementation of "Keepers of Time" the restoration of ancient woodland is proceeding both on the FC estate and in the private sector (which has responded well to increased broadleaved restocking grants). Woodland creation target is broadly on track. Woodland improvement remains the biggest challenge: the growing demand for woodfuel (and the publication of the Woodfuel Strategy) should help reverse declines in both woodland management and habitat condition.
	Reverse the long-term decline in the number of woodland birds by 2020 as measured annually against underlying trends using the Woodland Birds Index.	Woodland bird populations overall are likely to continue to rise slowly but many specialist woodland species of increasing conservation concern continue to decline sharply. Research is indicating key drivers of the changes and accurate targeting tools have been produced to focus conservation action.
Value for Money	Ensure a unit cost of grant administration of 16p at 2008	Responsibility for Farm Woodlands payments now transferred to FC with first payments to be made October 2008. On schedule to achieve target cost by 2008.
	Achieve 85% of compliance with the customer service standard for grant schemes in England	Outturn to end of year 76% - shortfall of period for grant approval during the first year of introduction of new grant scheme and IT system.
	Reduce the unit cost of timber production on the FC estate to £13.55 per cubic metre by 2008 whilst increasing the proportion of woodland managed with low impact silvicultural systems..	Forecast £13.69 per cubic metre.

Source and Use of Funds

£m	2005-06 Outturn	2006-07 Supply Estimate	2007-08 Budget (2)
SOURCE OF FUNDS			
Parliamentary funding			
- revenue funding	77.8	80.7	80.6
- expected transfers from other Government departments	0.0	2.4	7.3
- capital funding	3.0	0.8	0.8
Total Parliamentary funding	80.8	83.9	88.7
EU Co-financing of Woodland Grants	3.7	5.8	10.5
Forestry Commission receipts	2.6	0.8	0.7
Non-parliamentary income: Forest Enterprise England (Annex 3)	47.3	49.4	50.9
Total income	134.4	139.9	150.8
USE OF FUNDS			
Forestry Commission GB			
- research and development	10.5	11.0	11.0
- GB policy, administration & support	2.2	5.1	5.1
-- other resource costs and provisions	1.7	1.3	1.3
- capital expenditure	2.9	0.8	0.8
GB Total	17.3	18.2	18.2
Forestry Commission England			
- grants and partnerships	19.5	21.1	30.5
- policy, regulation and administration	12.9	12.5	14.2
Total	32.4	33.6	44.7
Forest Enterprise England expenditure	84.7	88.1	87.9
England Total	117.1	121.7	132.6
Total expenditure	134.4	139.9	150.8

Note:

1. Forestry Commission England provides funding for Forest Enterprise England's net resource deficit of £16.8m

2. Budget - draft subject to Ministerial approval

Forest Enterprise England Corporate Plan 2007–08

1. Purpose

Forest Enterprise England is an agency of the Forestry Commission in England whose purposes are set out in its Framework Document:

‘To manage the public forest estate owned by the Secretary of State for Environment Food and Rural Affairs in a sustainable way, so as to contribute towards the economic, social and environmental objectives of the England Forest Strategy’

2. Context

During 2007/08, FE intends to remain the foremost provider of public benefit from wooded landscapes in England. Through rigorous efficiency measures we will achieve this at a reduced net cost to government of £16.8m (down from £18.5m in 2006/07).

We will be preparing to live within a new spending review settlement, to respond to a revised Framework Document and to play a key role in the delivery of the revised England Forestry Strategy. This will involve looking at our whole portfolio of activities and re-prioritising where we invest.

We remain committed to our core principles of public benefit delivery, sustainable management and partnership. The way in which we deliver public benefit will have to change to ensure that we remain financially sustainable. This change will involve focusing on areas that provide the greatest public benefit from our limited resources. This will mean trying to improve financial returns in some areas to offset higher costs (and greater benefit) in others.

Our commercial activities in timber, recreation and estate development will play a more significant role in underpinning the financial sustainability of the organisation and the public forest estate. Current indications are for healthy markets for timber and estate development, however we will have to work hard to earn more from recreation activities in a declining market (see www.countryside.gov.uk/LAR/Recreation/visits/index.asp)

We will also have to adjust to the impact of a large number of recent regulatory changes across many areas of our business, including:

- *Employment legislation (disability, age and race discrimination and contractor regulations),*
- *Visitor services legislation (Disability Discrimination and Race Relations Acts)*
- *Site management legislation (European Protected Species regulations), and,*
- *A revised UKWAS standard.*

3. Aims

Our programme for 2007-2008 is set out in this Corporate Plan. During this period the Forest Enterprise Management Board will be seeking to achieve the following aims in support of the Forestry Commission's overall objectives:

- Manage the public forest within the agreed financial plan alongside agreed operational Key Targets for 2006-08.
- Further develop our creative and enterprising approach to the generation of new income and the management of the public forest.
- Support and engage with the private sector in all areas of our business.
- Provide appropriate public benefits in a cost-effective way, through our social, environmental and economic programmes outlined in sections 5,6 and 7
- Work closely with FC to help deliver Regional Forest Frameworks and re-develop our approach to regional working
- Play a key role in the development of the delivery plan to accompany the revised England Forestry Strategy.
- Continue to align our work with Natural England at a regional and local level.
- Find ways to increase the diversity of people who enjoy the benefits of the public forest estate.
- Improve visitor enjoyment at important sites.
- Continue to look for opportunities to reinvest money from areas that deliver little public benefit, into higher priority areas.

4. Managing Forest Enterprise England

Our objective is to maintain a strong, unified organisation that can respond imaginatively and effectively to the challenges presented by our stakeholders.

Our priorities for 2007/8 focus on improving our financial position whilst ensuring that we remain sustainable and responsive to customer demands. We are also keen to develop stronger links with Regional Development Agencies and other regional partners. In managing the organisation we remain committed to our principles of **public benefit delivery, sustainable management** and **partnership**, and will continue to judge our success on this basis.

Public benefit delivery will primarily be through our social, environmental and economic programmes outlined later in this plan.

We intend to maintain our position as an exemplar of sustainable management: our main challenge here will be to maintain our high environmental and social standards while working with a declining central funding stream.

Our list of partners, and range of partnership projects continues to grow. We will continue to apply this collaborative approach across our business, concentrating more on delivering benefits than investing in capital projects.

Our resources for delivery

- 1000 staff (seasonably variable) based in 31 local offices around the country;
- Full resource cash budget of £87.9m (£16.8m net);
- Over 1000 volunteers giving their time freely to work in a range of activities.
- Over 250,000 hectares of forest and open space in over 1000 wood and forest locations in England.

- 20 major recreation sites with visitor centres, cafes, walks, cycle tracks and a growing range of other outdoor recreation activities.
- 68 807 Ha SSSI's
- 49 500 Ha SPA's
- 36 938 Ha SAC's
- 862 Scheduled Ancient Monuments
- Over 41 000 Ha UKBAP priority habitats
- Production of over 1.4 million m³ timber

Financial strategy

We will reduce our call on FC funds by £1.7m (relative to 2006/07), whilst absorbing inflation and dealing with the financial consequences of investing in the Forest Holidays business. We will continue to look for efficiencies in the way that we run and manage the organisation, while looking for increased sources of revenue - consistent with sustainable management. Part of this approach will involve continuing to build strong, effective partnerships with organisations such as Communities and Local Government, Regional Development Agencies, the Heritage Lottery Fund and RSPB, as well as developing stronger commercial partnerships.

Key Actions for 07/08

- *We will increase our net **timber income** within the limits of sustainable management set by our production forecast, and while continuing to work lower-value timber to deliver biodiversity and amenity benefits.*
- *We will rigorously review our **staff numbers** to identify potential efficiencies*
- *We will review our **recreation activities** to ensure that we concentrate our expenditure in areas of greatest priority.*
- *We will increase the return from our **recreation businesses**, where this does not directly conflict with our priorities for delivery of social and economic development benefits.*
- *We will continue to identify areas of the estate that deliver little public benefit relative to their market value. We will **reinvest** the proceeds of any sale of these assets in the delivery of greater public value elsewhere.*
- *We will seek to secure significant investment in **new developments** from external sources and commercial partners.*

Partners, stakeholders and customers

We have an extremely wide range of customers and stakeholders: from timber buyers to schoolchildren, from mountain-bikers to bird-watchers, and from contractors to government departments. To continue to deliver public benefit we must remain responsive to these stakeholders, and deliver excellent customer service.

Key Actions for 2007/08

- *We will review and update regional and sub-regional organisation and planning to reflect **Regional** agendas including starting preparation of FC strategic regional delivery plans for the revised EFS*
- *We will actively seek out **partnership opportunities** with organisations such as Sport England, Black Environment Network and CLG.*

- *We will continue to build on the **business partnerships** with our customers and suppliers, seeking new opportunities to build income and reduce cost.*

Sustainable management

The sustainable management of our organisation is one of the key principles of FE England. It covers everything that we do: from the management of the estate, to the way that we engage with stakeholders and from the way that we buy goods to the way that we treat our staff. Priorities for the coming year include responding to the launch of a new UKWAS standard, and to improve the carbon footprint of our 'off-forest' activities.

Key Actions for 2007/08

- *We will maintain our **FSC certification** as a critical foundation of transparent, sustainable management, and as a major supplier of substantial volumes of certified timber to the market place. This will involve reviewing our operations in the light of the new UKWAS standard.*
- *We will rigorously review our energy and water consumption and waste management to improve sustainability as part of the FC '**Greenerways**' project*
- *We will develop a method for accounting for the **carbon footprint** of our forest management operations.*
- *We will review and update our management of **forest information**, to improve our understanding of the forest resource and our monitoring of the impacts of our management.*
- *Review the **future land-use** patterns across the estate, taking into account likely future changes in objectives and exploring concerns regarding climate change.*

5. Our contribution to Social Progress

Our objective is to improve the well-being of communities by providing stimulating, attractive and accessible environments for people to enjoy.

Our priority is to improve people's health and quality of life by helping them to use and enjoy our woods. This includes work to provide access and recreation opportunities to communities most in need, and developing new partnerships associated with the provision of green infrastructure in and around the new development in Growth Areas. Underpinning much of this 'new' work will be our ongoing task of managing and developing the public forest estate to deliver quality recreational opportunities, and engaging widely with the public through events, media and a range of different consultations.

To achieve this objective within the constraints of sustainable management means that we need to carefully target the areas where we can have the greatest impact, and deliver the greatest value for money.

Improving opportunities for disadvantaged communities

FE has an impressive track record of establishing and managing good quality recreational green space in and around towns. Our work with partners in RDA's, DCLG and the Land Restoration Trust has resulted in a wide range of opportunities for otherwise excluded communities to enjoy the benefits of using woodlands for recreation.

Key Actions for 2007/08

- *Improve the provision of wooded greenspace for communities in Thames Gateway by opening the new **Jeskyns** site (near Gravesend) to the public.*
- *Ensure that our resources for delivering social benefits are targeted on priority areas and communities by reviewing how and where we invest in **recreation provision**.*

Using public forests to improve people's understanding of the environment.

Public forests provide an excellent resource for learning and education. We also employ a number of education specialists to improve the effectiveness of our learning programmes. As part of our efficiency measures, we are likely to review our direct provision of educational services, and look more at helping others to deliver learning opportunities from the forests that we manage.

Key Actions for 2007/08

- *Deliver a range of events and activities as part of the '**Active Woods**' programme*
- *Support the use of public woodland for **learning** through Forest School, school visits, lifelong learning opportunities and improvements to our classroom infrastructure at Grizedale and Cannock.*

Delivering green infrastructure for expanding towns

FE adds value to key partnerships within Growth Areas and Growth Points, by contributing land management experience as well as through direct management.

Key Action for 2007/08

- Continue to offer knowledge and services as land managers where clear value can be added to the partnerships involved in delivering Sustainable Communities in Growth Point and Growth Areas.

6. Our contribution to Economic Development

Our objectives are to stimulate economic activity by providing quality environments and facilities to attract businesses and support the tourist economy, as well as by being a responsible and substantial player in the woodland management economy.

FE can have the greatest impact on economic development where it works in partnership with others – whether these partners are regional development agencies, individual entrepreneurs, small businesses or other parts of government (such as CLG).

Our priorities are to deliver existing partnership arrangements, and, where feasible, to develop new ones that help us to meet our objectives. We will also continue to stimulate and facilitate activity in the wider woodland economy through our sustainable woodland management activities, which remain as the foundation of the home-grown timber industry in England.

Supporting business

We have been very successful in providing opportunities on the estate for others to develop their businesses, for example in the letting of catering franchises, cycle hire shops or aerial obstacle courses.

Key Actions for 2007/08

- *Working with partners in tourism clusters in key destinations to promote quality tourist destinations, such as the '7 Wonders' project in Kent*
- *Supporting the tourist economy of South Lakeland by completing stage 1 of the **Grizedale project** to improve the transport and educational infrastructure.*
- *Increasing **opportunities for private business** across the estate in a number of areas, including catering, bike hire, retail and adventure activities.*

Working with the English timber industry

The sustained marketing of guaranteed volumes of timber by FE provides a foundation for investment by the private sector – be it in harvesting machinery, processing capacity or woodfuel infrastructure. The volume that we harvest in any one year is constrained by our commitment to sustainable management, but by careful marketing and provision of information, we can help to ensure that this volume is used to best economic effect within the wider UK market.

Key Actions for 2007/08

- *Support the growing **woodfuel** market by supplying over 40,000 tonnes of wood to the Sembcorp power generation plant in north-east England.*
- *Market over 1.4 million cubic metres of **FSC certified timber**. Helping to support and develop investment in the harvesting and processing sector by supplying more than 40% of this volume through long-term contracts.*
- *Contribute to the delivery of the England Forest Industries Partnership Implementation Plan.*

7. Our Contribution to Environmental Improvement

Our objective is to make a significant contribution to the biodiversity and heritage value of the English landscape through sensitive but effective management.

The greatest threat to woodland biodiversity in England is a lack of appropriate management.

Our priorities are to make a significant contribution to the delivery of the England Biodiversity Strategy - with particular emphasis on ancient and native woodlands, priority habitats and species; to improve the condition of our SSSI's and to deliver biodiversity benefits at a landscape scale.

Many of our forests are in cherished landscapes that have developed over millennia. They often contain many clues and reminders of how our ancestors lived, and can in themselves form part of whole 'heritage' landscapes. We will continue to protect, sensitively manage and interpret these important cultural features.

A key tool for delivering these benefits is our forest planning system, which we will continue to develop to improve habitats for important species – particularly woodland birds, (one of the key UK indicators of sustainability). In all of our work we will aim to maximise our impact as a catalyst for sustainable land management, and will use our public relations resources to deepen people's understanding and affinity with the natural environment.

Helping deliver the England Biodiversity Strategy

Key Actions for 2007/08

- *Continue our accelerated programme to achieve 95% of our **SSSI's** in favourable condition by 2010, and identify the maintenance works and investment needed to maintain them beyond that date.*
- *Contribute to the **Native Woodland HAP** by thinning over 3000 ha of plantations on ancient woodland sites.*
- *Develop strategic proposals for the sustainable **management of open habitats** across the estate*

People and the natural environment

Key Actions for 2007/08

- *Manage sites on behalf of the **Land Restoration Trust** to establish and manage woodlands and associated open habitats on former brownfield sites, using community rangers to improve links between people and woodlands in former mining communities in **South Yorkshire**.*

Heritage

Key Actions for 2007/08

- *Play a lead role in the **Black Down Hills** to work with partners to restore the unique heritage landscape, improve access and conserve the archaeological and built heritage features through the **Neroche** project*

KEY TARGETS FOR 2007-8

Sustainable Forest Management	2006/7	2007/8
	Forecast	Target
Percentage of forest estate certified as sustainably managed.	100%	100%
Percentage of estate managed in accordance with approved Forest Design Plans;	94%	96%
Increase in area of forest estate with public access ¹	336ha	0ha
Area of new woodland created in priority areas for improving the environment of disadvantaged urban communities (gross)	175ha	110ha
Percentage of the annual timber increment which is harvested ²	74%	75%
Income generated from sources other than timber production and sales of land and property.	£24m	£24.8m
Percentage of SSSIs in favourable or recovering condition ³	84%	88%
Progress with implementing relevant UK Biodiversity Action Plan targets	Develop a plan for ancient woodlands on the estate	Thin over 3,000ha plantations on ancient woodland sites
Cost per cubic metre of timber production	£13.69/m ³	£13.91
Profit/loss on timber operations	£7.5m	£8.1m
Number of reportable accidents per hundred employees	1.8	1.8
Rate of return from capital invested in the 'Forest Holidays' business ⁴		
Percentage of customers and community partners "satisfied"	Key sites will achieve an average satisfaction score >0 ⁵	Key sites will achieve an average satisfaction score >0 ⁵

¹ These are additions to the estate freehold area due to purchases of land or leases. It does not include any reductions for areas that may be sold in the year which not cause a decrease as they are dedicated under CROW.

² Defined as volume softwood harvested / volume growth on public forest estate as estimated by the National Inventory of Woodlands and Trees (1 934 000 m³).

³ Assessment of condition is carried out on a 6 year cycle by English nature. We aim to have 95% in favourable condition by 2010

⁴ Measure is no longer applicable to the Agency due to the establishment of the Joint Venture for Forest Holidays

⁵ The customer satisfaction scores range from -2 (much worse than expected) to +2 (much better than expected).

Forestry Enterprise England Resources

£m	2005-06 Outturn	2006-07 Supply Estimate	2007-08 Budget
Income			
Operating receipts	41.7	37.8	41.7
Sales of assets	2.3	5.0	6.2
Other funding	3.3	6.6	3.0
Non-parliamentary income: Forest Enterprise England	47.3	49.4	50.9
Parliamentary resource provision: cost of capital	15.9	20.2	20.2
Total income before net funding	63.2	69.6	71.1
Expenditure			
Operating costs	66.0	63.9	64.6
Depreciation and other non cash adjustments	-2.9	-1.6	-1.7
Investment	5.7	5.6	4.8
Expenditure before cost of capital	68.8	67.9	67.7
Notional cost of capital	15.9	20.2	20.2
Total Expenditure	84.7	88.1	87.9
Net resource deficit funded by Forestry Commission	21.5	18.5	16.8