



Department
for Environment
Food & Rural Affairs

www.gov.uk/defra

Review of forestry functions and organisational arrangements for their delivery in England

Final analysis and report

Defra and Forestry Commission

July 2013



© Crown copyright 2013

You may re-use this information (not including logos) free of charge in any format or medium, under the terms of the Open Government Licence. To view this licence, visit www.nationalarchives.gov.uk/doc/open-government-licence/ or write to the Information Policy Team, The National Archives, Kew, London TW9 4DU, or e-mail: psi@nationalarchives.gsi.gov.uk

This document/publication is also available on our website at:

www.gov.uk/defra

Any enquiries regarding this document/publication should be sent to us at:

defra.helpline@defra.gsi.gov.uk

PB number: 13976

Contents

1. Summary	1
2. Why a review?.....	2
3. Process	3
4. Baseline and Assumptions.....	3
5. Government's Forestry Functions	4
6. Organisational Arrangements	7
Annex 1: Extracts from the Government's forestry and woodlands policy statement 31 st January 2013.....	12
Forestry Policy	12
Government Functions for Forestry	13
Annex 2: Organisational arrangements – options and assumptions	14
Annex 3: Options appraisal criteria	18

1. Summary

- 1.1. This report summarises the conclusions of the review of Government's forestry functions in England and how these were reached.
- 1.2. The review's objective was to advise Ministers and the Forestry Commissioners on what organisational arrangements for Government's ongoing forestry expertise and functions in England would best deliver the objectives of the January 2013 Forestry and Woodlands policy statement. This review concerned those forestry functions other than the management of the public forest estate, i.e. those functions shown in Table 1 below.
- 1.3. It was completed to a timetable aligned with that of the Triennial Review of the Environment Agency and Natural England, so that each review could inform the other.
- 1.4. The review's overall conclusions are that:
 - 1.4.1. Government's current forestry functions remain of value and support the aims of the new Forestry and Woodlands Policy Statement as well as wider priorities such as rural economic growth and plant health;
 - 1.4.2. Overall the benefits of merging Government's forestry and conservation functions were outweighed by those of keeping Government's forestry functions together as an integrated whole, with a clear and specific focus on delivering forestry and woodlands policy and its economic underpinning. This continues to provide the best means of delivering forestry and woodlands policy and a clear interface for forestry stakeholders;
 - 1.4.3. Forestry and woodland policy delivery would be strengthened further by the simpler governance and clearer "line of sight" to UK Government ministers with responsibility for forestry in England that England specific organisational arrangements could allow. Moving to such a model would probably require legislation and further development in dialogue with the Scottish Government;
 - 1.4.4. Implementing the conclusions of this review would require further detailed analysis of costs and benefits of delivery options, which could include delivery from within the Secretary of State's department, through a new English forestry body or a reformed Forestry Commission. Changes could require the transfer of the Forestry Commissioners' powers and duties in England to the Secretary of State, who would then need to decide the precise form of future organisational arrangements.

- 1.4.5. As previously stated in the forestry and woodlands policy statement, some forestry functions continue to be most effectively and efficiently delivered on a cross-border basis. Any potential changes to organisational arrangements affecting cross-border functions would need consideration and discussion with the Scottish and Welsh Governments;
- 1.4.6. Any arrangements to deliver constitutional change to the Forestry Commission would require further development in dialogue with the Scottish Government;
- 1.4.7. The wider financial context means that there is significant pressure to achieve greater efficiency in Government's forestry functions, the scale of which is unlikely to be delivered by these recommendations alone. Further work will therefore be required to identify and deliver the necessary level of efficiencies.

2. Why a review?

- 2.1. The commitment made in January's Forestry and Woodlands policy statement (Annex 1) to review Government's forestry functions and the organisational arrangements to deliver them was imperative given the wider context of change, including:
 - 2.1.1. the new priorities set out in the policy statement and the need to ensure there is a strong, resilient, flexible and sustainable core of forestry expertise within Government with the capacity to deliver the range of functions, duties and powers required to deliver these priorities and statutory obligations in the short and longer term,
 - 2.1.2. the commitment to create a new, operationally independent body to manage the public forest estate in England – which will significantly reduce the size of the Forestry Commission in England and take the estate from under its control;
 - 2.1.3. the move in April 2013 of Forestry Commission Wales into the new body – Natural Resources Wales (and the transfer of some remaining Forestry Commission functions to Welsh Ministers) which significantly changed the Forestry Commission's long-standing status as a GB cross-border body to an England/Scotland forestry body;
 - 2.1.4. the Tree Health and Plant Biosecurity Taskforce's recommendations on improving the delivery of these functions;
 - 2.1.5. the Triennial Review of the Environment Agency and Natural England as two other key natural environment policy delivery bodies;
 - 2.1.6. the design of the next Rural Development Programme and how to deliver it;
 - 2.1.7. the Strategic Alignment work across the Defra Network; and,

2.1.8. continued pressures on public finances.

3. Process

3.1. This review was carried out jointly by Defra and the Forestry Commission England. Through a series of workshops, the review considered:

3.1.1. the current range of Government's forestry functions, and whether and how these might change in light of the policy statement's objectives;

3.1.2. alternative organisational arrangements for delivering these functions; and,

3.1.3. stakeholders' views on both functions and organisational arrangements.

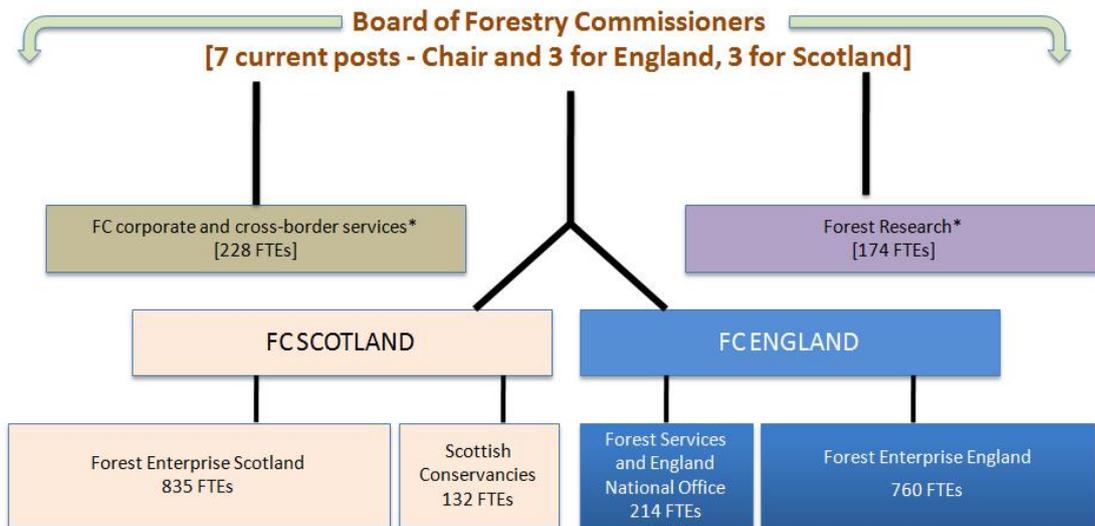
3.2. Stakeholders have maintained a very close interest in the review. The 11 April 2013 workshop was well attended by a broad range of stakeholders, including forestry business and user groups as well as conservation NGOs. They provided valuable input on both the functions and the organisational options as they stood at that time.

4. Baseline and Assumptions

4.1. The baseline for this review is the current Forest Services Directorate in the Forestry Commission as it will be at the end of 2013/14 and taking into account the later establishment of a separate new body to manage the English public forest estate. The baseline budget is the existing 2013/14 funding settlement, plus any agreed additional funding for plant health.

Diagram 1: current structure of Forestry Commission (full time equivalent (FTE) numbers may be subject to change).

Forestry Commission is an England/Scotland body since 1 April 2013:



* Services to FC Scotland & England, & externally to Wales. Funded through the Defra Vote, but with contributions from the Devolved Administrations.

4.2. This review assumed that the existing legal framework could be changed if necessary.

5. Government's Forestry Functions

5.1. The review considered Government's forestry functions under the assumption that Government should limit what it does to deliver the January 2013 Forestry and Woodlands policy statement to what only Government is best placed to do. At a high level, the policy statement set out the role envisaged for the core of forestry expertise that will be retained by Government:

- Championing the clear vision, priorities and aspirations of the refreshed forestry policy;
- Helping to create the conditions that incentivise its delivery, including through a better targeted and integrated Common Agricultural Policy and Rural Development Programme for England;
- Enabling the sector to protect, improve and expand England's trees, woods and forests through light touch regulation, grants, other incentives and advice;
- Providing Ministers and the sector with high quality, joined-up forestry science, research, innovation, practical knowledge and expertise; and,
- Providing the sector with a strong customer-facing resource to support and advise it effectively at the local level to help meet local needs.

5.2. The review began by clearly summarising the Government's forestry functions and supporting corporate management functions currently carried out by the Forest Services Directorate of the Forestry Commission England. Table 1 also shows the scale of resources currently required to deliver them.

Table 1: Forestry Functions and Sub functions

Function	Sub-function	Scale resources required £'000s
1. Advising on forestry policy.	1.1. Advice & policy support to Defra, other Government departments and agencies, and Forestry Commissioners.	100's
	1.2. Developing the evidence base to make better policy decisions.	1,000's
	1.3. Setting standards for sustainable forest management.	100's
2. Delivering Government policy	2.1. Engage sector and support partnerships at national and local scales to develop a more resilient woodland resource through protecting, improving and expanding England's woodland ("PIE").	100's
	2.2. Expert advice to the sector at national and local scales on how to PIE	1,000's
	2.3. Providing grants to incentivise PIE.	100's
	2.4. Market development for PIE	10's
	2.5. Manage Government's agreement with the public forest management organisation on what it does for PIE.	10's
3. Regulating to enhance the resilience of the woodland resource.	3.1. Competent authority on tree health.	1,000's
	3.2. Competent authority for forestry Environmental Impact Assessments.	100's
	3.3. Felling licences.	100's
	3.4. Dedication of woodlands under the Countryside and Rights of Way Act.	10's
	3.5. Forestry Reproductive Materials regulations.	10's
	3.6. Statutory consultee functions for the planning system.	10's
	3.7. Statutory element of Regional Advisory Committees - advising on disputed cases.	10's

Function	Sub-function	Scale resources required £'000s
	3.8. Informal consultee for the planning system on ancient woodland and veteran trees.	10's
4. Corporate Management	4.1. Running the business, e.g.: HR, Info. Services, finance, exec. office.	100's
	4.2. Reform business systems, e.g.: Common Agricultural Policy delivery.	100's
	4.3. Institutional reform to manage wider changes and deliver Government priorities, e.g.: power shift, deficit reduction.	100's
	4.4. Communications.	100's

5.3. Consideration was then given to how each of these functions might evolve over the next period (defined as three years). Conclusions included that:

5.3.1. These functions were not static. Government's forestry functions and their scale continued to change in response to policy and funding changes, evidence, events and stakeholder opinion. Recent examples included the forestry and woodlands policy statement, deficit reduction, *Chalara* die back of Ash and the Forestry Regulation Task Force, all of which influence the relative priority and scale of functions and how they are delivered, including the organisational arrangements for doing so. Further evolution of functions and how they are delivered was also already expected as a result of forthcoming changes such as the integration of the English Woodland Grant Scheme into a single Natural Environment Land Management Scheme under the next Rural Development Programme (RDP).

5.3.2. Almost all forestry functions were expected to continue for the foreseeable future as integral parts of Government's core of forestry expertise required to deliver the policy statement. Of these: 2.2 in Table 1 above (Expert advice to the sector delivering the Protect, Improve, Expand policy priorities) and 3.1 (Competent authority on tree health) were considered growth areas.

5.3.3. There was potential for a significant minority of functions to be delivered by others in the longer term, though not expected within the next three years. These were mainly functions where the forestry and woodland sector might develop its own capacity to take the lead in future, (e.g. encouraging private sector investment or skills development); or where wider decisions in

Government might precipitate other changes, (e.g. on administration of EU-related payments).

5.3.4. It was assumed that the Big Tree Plant would end as currently planned and that the scale of access to informal advice on ancient woodlands and veteran trees for the planning system could be reduced.

5.3.5. Tree and plant health functions will also need to be considered further in light of the Government's response to the Tree Health and Plant Bio-security Taskforce's recommendations.

5.4. In further summary, the forestry functions that this review recommends Government should retain for the foreseeable future revolve around:

- evidence and monitoring to support policy advice and forestry standards setting;
- engaging with the sector/nursery trade and providing advice on how to achieve the Protect, Improve, Expand policy objectives and a healthy diversity of tree species in woodlands;
- engaging with the sector on entering into and complying with RDP grant schemes and developing contingency plans for emergencies;
- promoting market development such as the Woodland Carbon Code;
- being the competent authority for tree health;
- being the competent authority for Environmental Impact Assessments;
- regulating felling of trees and reproductive materials; and,
- ensuring the planning system has access to appropriate expert advice on forestry issues.

Corporate management functions would also be required in some form under any scenario.

5.5. At the workshop held on 11 April, stakeholders made clear that they were broadly content with the list of functions and that analysis at the level of individual activities risked failing to see the value of the bigger whole. It was also clear that there was considerable attachment to the overall package of functions and the provision of a whole, integrated forestry service.

5.6. **Conclusion 1:** Government's current forestry functions remain of value and support the aims of the new Forestry and Woodlands Policy Statement as well as wider priorities such as rural economic growth and plant health.

6. Organisational Arrangements

6.1. The review considered the following options for organisational arrangements:

- **Option 0:** no changes other than those necessary for the creation of the public forest estate management organisation;

- **Option 1:** Cross-border forestry body - (this involves the non-organisational reforms already in progress such as the Common Agricultural Policy Delivery Programme and further improvement in the way in which the parts of the Forestry Commission collaborate at cross-border and England level, e.g. governance of plant health, improvements in England's ability to influence research commissioning, further improvement of service provision to Forest Services from England corporate functions);
- **Option 2:** Strategic alignment of supporting back office functions with forestry specific functions delivered by a relevant expert body;
- **Option 3:** Functional strategic alignment: new bodies set up according to function (e.g. regulation, grant payments, etc);
- **Option 4:** Delivery alignment of forestry functions and conservation functions on an administrative basis (i.e. closer cooperative business and delivery alignment between Forestry Commission and Natural England);
- ***Option 5:** England forestry body;
- ***Option 6:** Forestry functions and conservation functions consolidated through revised statutes under single governance;
- ***Option 7:** Forestry functions and conservation functions integrated within a new statutory framework;
- ***Option 8:** Forestry functions in a Single Environmental Body with new statutory framework;
- **Option 9:** Forestry functions dispersed to separate functionally aligned destinations.

6.2. These options and the assumptions behind them are described in more detail in Annex 2.

6.3. The relative merits of each organisational option were considered for each function individually and as a whole and assessed against the criteria at Annex 3. This assessment was made in light of the significant dependencies between some of these options and the concurrent Triennial Review of the Environment Agency and Natural England and the Defra Network Strategic Alignment programme, which had yet to conclude at the time of writing. Also relevant was the Government's forthcoming consideration and response to the recommendations of the Tree Health and Plant Bio-security Taskforce.

6.4. Stakeholders expressed a range of views on organisational arrangements and the following overall conclusions were reached:

- There was considerable attachment to the overall package of functions and the provision of a whole, integrated forestry service;
- A majority were in favour of retaining a body focussed on forestry;
- Many saw opportunities to better integrate England and cross-border functions;
- Most favoured more integration but not merger with the other Defra network bodies;
- Many saw opportunities for efficiencies from shared “back office” functions;
- Some favoured a merger with Natural England;
- Some set out an alternative option (or approach) involving more radical integrated working based on a clearer strategy for environmental benefits; and,
- Breaking up the functions would make delivery of forestry policy weaker.

6.5. The review’s overall assessment, taking account of stakeholder views, was that to realise the key benefits of the new forestry policy, the functions should be kept together as an integrated whole. Therefore, options 3 and 9, which involved significant dispersal of forestry functions, did not hold up well against the assessment criteria nor this conclusion.

6.6. Consideration was given to potential advantages in delivering at least some Government forestry functions more closely with Government’s conservation functions (options 4, 6 7 and 8). For example, scope for increased resilience, capacity, sustainability and ability to respond to crises. It could offer more streamlined services for some land owners; the development of a broader evidence base, and stronger integration of forestry and conservation policy implementation. However, this needed to be balanced against compromising the strength and depth of focus and expertise on forestry; the relationships with forestry stakeholders in delivering forestry policy and sustainable economic growth; the need for legislation of varying degrees of complexity and disruption to business and customer service.

6.7. **Conclusion 2:** Overall the benefits of merging Government’s forestry and conservation functions were outweighed by those of keeping Government’s forestry functions together as an integrated whole, with a clear and specific focus on delivering forestry and woodlands policy and its economic underpinning. This continues to provide the best means of delivering forestry and woodlands policy and a clear interface for forestry stakeholders.

6.8. Some of the benefits sought by this review could be realised by reform of the functions and how they are delivered in ways other than changing the current institutional and organisational arrangements for delivering them. Some reforms were described in January’s Forestry and Woodlands policy statement.

6.9. However, the current cross-border arrangements and dual accountabilities complicate governance and obscure a clearer “line of sight” between forestry and woodland policy and delivery. This therefore favoured organisational arrangements that operate on an England only basis, (accommodated by options 2 or 5) and therefore provide more

direct accountability to UK Government ministers with responsibility for forestry in England.

- 6.10. **Conclusion 3:** Forestry and woodland policy delivery could be strengthened further by the simpler governance and clearer “line of sight” to UK Government ministers with responsibility for forestry in England that England specific organisational arrangements would allow. Moving to such a model would probably require legislation and further development in dialogue with the Scottish Government.
- 6.11. **Conclusion 4:** Implementing the conclusions of this review would require further detailed analysis of costs and benefits of delivery options which could include delivery from within the Secretary of State’s department, through a new English forestry body or a reformed Forestry Commission. Changes could require the transfer of the Forestry Commissioners’ powers and duties in England to the Secretary of State who would then need to decide the precise form of future organisational arrangements.
- 6.12. With regard to an England-only forestry body, organisational resilience could be compromised if such a body was too small and isolated. In addition, splitting up the central specialist and corporate functions currently provided under cross-border arrangements to be provided by one body in England would likely incur significant implementation costs and increase running costs significantly, to the extent that they might become unaffordable. The strategic alignment of back-office functions whilst retaining delivery of the main business functions through a relevant expert body (option 2) offers some further advantages if this delivered increased resilience and efficiencies in comparison to the current arrangements.
- 6.13. Moving to organisational arrangements in line with the above conclusions would therefore require further analysis and development to determine the optimal business model and transitional arrangements, taking into account the relevant financial, legal and other impacts and constraints. Subject to these considerations however, option 2 emerged as the slightly more favoured option by the review group.
- 6.14. **Conclusion 5:** As previously stated in the forestry and woodlands policy statement, some forestry functions continue to be most effectively and efficiently delivered on a cross-border basis. Any potential changes to organisational arrangements affecting cross-border functions would need consideration and discussion with the Scottish and Welsh Governments.
- 6.15. The Forestry Commission’s former GB corporate and devolved implementation structure changed significantly in April 2013 when it became an England/Scotland body that continued to offer certain services to forestry interests in Wales. Decisions leading to further constitutional change for the Commissioners in relation to England are therefore likely to have cross-border implications of direct interest to the Commissioners and the Scottish Government.

- 6.16. **Conclusion 6:** Any arrangements to deliver constitutional change to the Forestry Commission would require further development in dialogue with the Scottish Government.
- 6.17. Potential transition costs are as yet unknown. Previous analysis has suggested that the gross costs of establishing wholly separate forestry organisations in each of England, Scotland and Wales could be up to £25m over five years. Given that the conclusions of this review suggest significantly less change, transitional costs could be expected to be significantly less than that figure.
- 6.18. Analysis to date suggests that the organisational changes proposed by this review are unlikely to yield any significant savings of themselves although some could be expected from strategic alignment of back office functions. Savings are more likely to be possible as a result of other changes, such as reform to the delivery arrangements for the next Common Agricultural Policy programme.
- 6.19. **Conclusion 7:** The wider financial context means that there is significant pressure to achieve greater efficiency in Government's forestry functions, the scale of which is unlikely to be delivered by these recommendations alone. Further work will therefore be required to identify and deliver the necessary level of efficiencies.

Annex 1: Extracts from the Government's forestry and woodlands policy statement 31st January 2013

The following are the key extracts from the Governments Forestry and Woodland policy statement in terms of Forestry Policy and Governments forestry Functions.

Forestry Policy

“We fully recognise the vital importance and high value of England's trees, woods and forests. We are firmly committed to securing the maximum economic, social and environmental benefits from both public and private woodlands through a refreshed policy approach based around core priorities.

To achieve this, everything we do must be focused on achieving the following key objectives, in priority order:

- **Protecting** the nation's trees, woodlands and forests from increasing threats such as pests, diseases and climate change,
- **Improving** their resilience to these threats and their contribution to economic growth, people's lives and nature,
- **Expanding** them to increase further their economic, social and environmental value.”

Governance and Structures – We want strong and resilient delivery arrangements that achieve better quality outcomes for the economy, people and nature. This includes simplifying our current structures and stepping back from any unnecessary day-to-day involvement. We will do this through:

- Retaining a core of forestry expertise within Government with the capacity to deliver a range of functions, duties and powers,
- Reviewing the Government's forestry functions alongside the Triennial Review of the Environment Agency and Natural England,
- Working with the devolved nations to ensure that vital cross-border functions in areas such as research, standards and tree health can continue to be delivered centrally, where this is appropriate,
- Establishing via legislation a new, operationally-independent Public Forest Estate management body to hold the Estate in trust for the nation. It will be charged with generating a greater proportion of its income through appropriate commercial activity and with maximising the social, environmental and economic value of the assets under its care.

Government Functions for Forestry

“Government needs to retain a core of forestry expertise with the capacity to deliver a range of functions, duties and powers, including, for example:

- Championing the clear vision, priorities and aspirations of our refreshed forestry policy,
- Helping create the conditions that incentivise its delivery, including through a better targeted and integrated Common Agricultural Policy and Rural Development Programme for England,
- Enabling the sector to protect, improve and expand England’s trees, woods and forests through light touch regulation, grants, other incentives and advice,
- Providing Ministers and the sector with high quality, joined-up forestry science, research, innovation, practical knowledge and expertise,
- Providing the sector with a strong customer-facing resource to support and advise it effectively at the local level to help meet local needs.

The structural and organisational arrangements required to deliver such functions need to change to be sufficiently strong and resilient to deliver Government’s forestry priorities and statutory obligations in the short and longer term. Some functions may best be delivered closer to Government, by Defra Ministers, while others may be better delivered at arm’s length from Government so that they have the necessary degree of independence.

Any new approach will need to be resilient, sustainable and, as highlighted by Chalara dieback of ash, have the capacity to respond effectively in a crisis. It will need to continue to have cross-sector partnership at its heart enabling Government to listen to the sector and draw on its expertise. It will also need to be appropriately resourced, while rightly seeking new opportunities to maximise efficiency and value for money, for example through consulting on whether or not we should be charging for more of the services provided.

We are, therefore, considering the functions currently delivered by the Forest Services Directorate within the Forestry Commission alongside the work to review the functions and form of Environment Agency and Natural England as part of the Triennial Review. This work is separate to but following the same principles underlining that review, namely better integration, greater affordability and improved service to achieve better quality outcomes for the environment, economy and society. We will confirm the organisational arrangements through which Government’s forestry functions will be delivered after the Triennial Review reports its preliminary conclusions in spring 2013.

We recognise the importance of adequate and integrated provision to support cross border cooperation in Great Britain, particularly on key areas such as research, statistics, inventory, standards, tree health and international issues, where this represents the most efficient and effective means for their delivery. The Forest Research agency of the Forestry Commission plays an important role in helping to meet the forestry research needs of the UK Government, the devolved administrations and the sector.

Within the context of increased devolution, integrated and collaborative working will depend on the degree to which the relevant forestry authorities in the respective administrations perceive efficiencies and benefits in doing so. Given the significant changes that are already happening in respect of forestry delivery in Wales, we are working closely with the devolved administrations to establish a refreshed basis for future cross-border working.”

Annex 2: Organisational arrangements – options and assumptions

Do nothing

No change beyond transition of Forest Enterprise England to Public Forest Estate Management Organisation

Assumptions/rationale:

1. Forest Services would continue much as it is, as part of the Forestry Commission
2. No legislative change
3. Any drivers for change would come from outside this review, which would anyway result in significant changes e.g. CAP delivery, single land management grant, major increase in plant health activity, wider changes to institutional landscape etc.

Option 1: Cross-border forestry body

Assumptions/rationale:

1. Forest Services functions in England delivered by a cross-border forestry body (i.e. Scotland & England)
2. Provides for a range of possibilities from little different from zero option through to a radical evolution of the existing arrangements
3. Governance/constitutional change would require legislation

Option 2: Strategic alignment of back office functions with business functions delivered by a relevant expert body

Assumptions/rationale:

1. Back-office administrative functions delivered by shared resource: HR, payroll, IT, finance and accounting, business planning etc
2. Forestry body delivers the 3 main forestry business functions:
 - a. **Advising on forestry policy**
 - b. **Delivering Govt. forestry policy** (partnerships, grant programmes etc)
 - c. **Regulating to enhance the resilience of the woodland resource** (tree health, EIA, felling licenses, reproductive materials etc)
3. Forestry body no longer dependent on FC for these corporate functions
4. Forestry body remains reliant on cross-border forestry services arrangements
5. Need to consider whether legislative change required to move back-office responsibilities

Option 3: Functional strategic alignment: new bodies set up according to function

Assumptions/rationale:

1. Functions from different parent bodies are brought together and aligned around type of function, e.g. regulatory, research & evidence, grants and payments, land use advice etc?
2. Forestry functions split across new functional organisations e.g. grants in one place, advice in another, regulation in another, back office in another.
3. Assume functional groupings are across the DEFRA England family only

Option 4: Delivery alignment of forestry functions and conservation functions on administrative basis

Assumptions/rationale:

1. No legislative change to FC constitution or remit of Forest Services (other than planned separation from Forest Enterprise England)
2. Closer joint working, possibly co-ordinated/integrated business planning – more direction from ministers?
3. Potential to cross-delegate functions using section 79 NERC Act 2006 agreements?
4. Joint England National Committee or equivalent? Joint chair / non-execs?

Option 5: England forestry body

Assumptions/rationale:

1. Would not be part of the Forestry Commission, (could be e.g. new Exec Agency or NDPB in England), no longer reliant on FC for corporate functions (e.g. HR, payroll etc)
2. Would deliver most if not all of Forest Services' current functions
3. Would likely include all/some of England National Office functions?
4. Still reliant on cross-border forestry services arrangements;
5. Would need to develop a new relationship with Forest Research
6. Would be directly accountable to Defra ministers
7. Legislative change required to transfer the functions from the Commissioners to the Secretary of State.

Option 6: Forestry functions and conservation functions consolidated through revised statutes under single governance

Assumptions/rationale:

1. Existing statutory remits legislatively consolidated into one delivery body without significant change to those provisions. It is singly responsible for delivering the two remits (akin to Natural Resources Wales model now exercising former but unchanged functions of the Environment Agency and FC alongside Countryside Council for Wales' functions)

2. Body tasked with integrated delivery/single voice etc as far as practicable but any conflicts/misalignment between statutes may require internal resolution because of the unchanged parameters of the pre-existing forestry and conservation functions, i.e. forestry functions still remain a discreet and specific set of legislative responsibilities as set out in the Forestry Act 1967
3. Would likely mean legislative separation from FC model with Commissioners no longer responsible for delivery in England
4. Body no longer dependent on FC for corporate functions which would be merged for both original bodies
5. Still reliant on cross-border forestry services arrangements
6. Would need to develop a new relationship with Forest Research
7. Would be directly accountable to Defra ministers.

Option 7: Forestry functions and conservation functions integrated within a new statutory framework

Assumptions/rationale:

1. Existing forestry and conservation statutory remits abolished, new integrated remit designed to deliver forestry and conservation policy as a new holistic mission – ‘land use + conservation + economic development’
2. Economic aspects would form part of the remit of the new body but “forestry” would not necessarily be singled out as a specific issue, instead it might be regarded as one of several types of land-uses coming under the wider remit of the new body
3. New statutory remit to define the body’s overall purpose, including any role in terms of supporting or achieving sustainable development, i.e. its purpose regarding land use and how it should balance conservation, recreation, economic activity etc to secure best outcome for economy, environment and society
4. Still reliant on cross-border forestry services arrangements
5. Would need to develop a new relationship with Forest Research
6. Would be directly accountable to Defra ministers
7. Significant legislative change required

Option 8: Forestry functions in a Single Environmental Body with new statutory framework

Assumptions/rationale:

1. Remit would be shaped by Triennial Review conclusions
2. Would require legislation to divest functions from Commissioners and transfer to the new body
3. More complicated legislation if forestry functions were not simply transferring as they are in existing legislation (i.e. akin to NRW approach) but being re-designed/integrated into a completely new remit
4. Scope for efficiencies
5. Not reliant on FC corporate services
6. Still reliant on cross-border forestry services arrangements
7. Would need to develop a new relationship with Forest Research
8. Would be directly accountable to Defra ministers

Option 9: Forestry functions dispersed to separate functionally aligned destinations

Assumptions/rationale:

1. Option could involve for example: Policy advice into Defra; delivery functions for the new policy statement (stakeholder advice, partnerships etc) into the Public Forest Estate Management Organisation or Natural England; tree health (+ other regulatory functions?) into combined plant and tree health delivery arrangements; grants and payment schemes into Rural Payments Agency etc.

Annex 3: Options appraisal criteria

Category	Criterion
Financial. New arrangements and transition to them will be affordable.	1: The new arrangements will be affordable.
	2. Financial cost of transition will be affordable.
Organisational: The new arrangements will be institutionally and legally stable and help not hinder efficient operations	3. Proposal is organisationally resilient.
	4. Proposal acceptability (for stakeholders).
	5. Legislative change required for the proposal is likely to be achievable in this Parliament.
Outcomes. Government forestry policy will be delivered, enabling the sector to protect, improve, and expand England's woodland.	6. Proposal enables the forestry functions to effectively deliver the objectives of the Government's forestry policy.
	7. Proposal will enable the delivery of forestry functions to be underpinned by forestry science and expert forestry competencies.
	8. Proposal will enable forestry functions to actively balance economic, social and environmental considerations and thereby support sustainable economic growth.
	9. Proposal will improve the quality of customer service.
	10. Proposal will promote integration of forestry with other land uses and the wider economy.