

The logo consists of the words "Forestry Commission" in a smaller font above the word "ARCHIVE" in a larger, bold font. Both are enclosed within a white dashed-line border that forms a rounded rectangle.

Forestry Commission  
**ARCHIVE**

The background image is a scenic landscape. In the foreground, there are tall, green reeds or grasses. A calm lake reflects the sky and the surrounding forest. On the right side of the lake, a small wooden cabin with a gabled roof is partially hidden by dense trees. The background is a dense forest of tall evergreen trees under a clear sky. The overall lighting is soft, suggesting a late afternoon or early morning setting.

# Forestry Commission

**65th Annual Report and Accounts 1984-85**

COVER

Autumn at Loch Dunmore, seen from the Commission's Faskally Walk, Pitlochry—East Scotland  
Conservancy.

Sixty-Fifth Annual  
Report and Accounts of the  
Forestry Commission  
for the year ended  
31 March 1985  
together with the  
Comptroller and  
Auditor General's Report on the Accounts

*Presented to Parliament in pursuance of Section 45 of the  
Forestry Act 1967 and Section 5 of the Exchequer and  
Audit Departments Act 1921*

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FORESTRY COMMISSION

231 Corstorphine Road  
Edinburgh EH12 7AT

*24 September 1985*

*To:*

The Rt Hon MICHAEL JOPLING MP,  
*Minister of Agriculture, Fisheries and Food*

The Rt Hon GEORGE YOUNGER TD, MP,  
*Secretary of State for Scotland*

The Rt Hon NICHOLAS EDWARDS MP,  
*Secretary of State for Wales*

Gentlemen

In pursuance of Section 45 of the Forestry Act 1967, I have the honour to transmit the 65th Annual Report of the Forestry Commissioners which covers the year ended 31 March 1985.

I am, Gentlemen,  
Your obedient Servant,  
(Sgd) DAVID MONTGOMERY  
*Chairman*

# The Forestry Commissioners and Senior Staff at 31 March 1985

## **Forestry Commissioners**

Sir David Montgomery Bt, JP, DL, *Chairman*

Mr G. D. Holmes CB, *Deputy Chairman and Director General*

Mr I. D. Coutts CBE

Mr J. Forbes

Captain W. F. E. Forbes DL

Mr G. J. Francis

Lord Gibson-Watt PC,MC,DL

Mr G. O. Hutchison

Mr J. N. Kennedy

Mr J. D. Pollock

Mr D. T. J. Rutherford

## **Senior Staff**

Secretary: Mr P. J. Clarke

Senior Officer for Wales: Mr D. Y. M. Robertson

Director, Research and Development: Mr A. J. Grayson

Director, Private Forestry and Land Use Planning: Mr A. Morrison

Director, Estate Management: Mr J. M. Gwynn

Director, Harvesting and Marketing: Mr R. T. Bradley

Controller of Finance: Mr C. F. Turquand

Deputy Establishment Officer: Mr C. W. Simmonds

## **Territorial Conservators**

### *England*

North West: Mr A. A. Rowan

North East: Mr J. A. Spencer

East: Mr R. M. Hewitt

New Forest and South East: Mr J. R. Skinner

South West and Dean Forest: Mr J. R. Fletcher

### *Scotland*

North: Mr R. G. Cathie

East: Mr G. G. M. Taylor

South: Mr D. L. Foot

West: Mr J. Atterson

### *Wales*

North: Mr D. Y. M. Robertson

South: Mr A. Rix

Note: The addresses of the main Forestry Commission offices appear on the inside back cover. These reflect the changes to the Commission's organisation introduced on 1 April 1985.

# Contents

Page

**Names of Forestry Commissioners and Senior Staff** 4

**Report for the Year Ended 31 March 1985:**

<b>General Review</b> ... ..	8
The Year in Perspective ... ..	8
Management Structure Review	10
Information Technology ... ..	10
State of the Wood Market ... ..	11
Developments in the Wood Processing Industries	11
Sales of Forestry Land ... ..	12
Public Accounts Committee	13
Broadleaved Woodlands ... ..	14
Air Pollution and Forest Health ... ..	15
Policy for the Uplands ... ..	16
Wildlife and Countryside Act: Report of the House of Commons Environment Committee ... ..	16
Increased Parliamentary Interest in Forestry ... ..	17
Grant-In-Aid ... ..	17
Serious Fire Losses in South Wales ... ..	17
Pest Control ... ..	18
Dendroctonus Micans ... ..	18
Record Acorn Collection ... ..	19
International Year of the Forest ... ..	19
Director General Honoured by Universities ... ..	20
Appointment of Nature Conservation Consultant Commissioners	20
Senior Staff	20
Employment	20

**Forestry Enterprise**

Forest Management ... ..	21
Wildlife Conservation and Environment	22
Forest Protection	22
Forest Design	23
Recreation ... ..	23
Estate Management ... ..	24
Harvesting and Marketing	26
Engineering ... ..	29
Forest Workers' Pay	30
Health and Safety	30
Finance ... ..	31

**Forestry Authority**

Legislation .....	32
Private Forestry .....	33
Forestry in the European Community	33
International Affairs .....	34
Forestry Research Coordination Committee .....	34
Research and Development	35
Plant Health .....	36
Education and Training	38
Public Relations .....	39
Finance	40

**Appendices**

<b>I Statutory and other Committees appointed by the Forestry Commission</b> .....	41
National Committees .....	41
Regional Advisory Committees .....	41
Home Grown Timber Advisory Committee .....	42
Technical Sub-Committee of the Home Grown Timber Advisory Committee .....	43
Supply and Demand Sub-Committee of the Home Grown Timber Advisory Committee .....	43
Advisory Committee on Forest Research .....	43
Forestry Research Coordination Committee .....	43
Forestry Training Council .....	44
Forestry Safety Council .....	44
<b>II Home Grown Timber Advisory Committee: Annual Report for the year ended 31 March 1985</b> .....	45
<b>III Forestry Training Council: Annual Report for the year ended 31 March 1985</b> .....	47
<b>IV Forestry Safety Council: Annual Report for the year ended 31 March 1985</b> .....	49
<b>V Change in Forestry Commission Disposals Objectives: Announcement made by the Secretary of State for Scotland on 8 November 1984</b> .....	50
<b>VI Disposal of Property Managed by the Forestry Commissioners: A Statement of Policy and Practice</b> .....	51
<b>VII Map of Dendroctonus Micans Control Area</b>	55
<b>VIII New Publications</b> .....	56
<b>IX Statistical Tables</b> .....	58



## Appendices - *continued*

	<i>Page</i>
<i>Forestry Authority</i>	
1 Dedication and Forestry Grant Schemes ... ..	58
2 Area of Planting by Private Woodland Owners for which Grants were Paid ... ..	59
3 Progress of Planting by Private Woodland Owners in Last Ten Years ... ..	60
4 Volume of Timber Licensed for Felling and Thinning on Private Estates ... ..	61
5 Area Licensed for Clear Felling on Private Estates	61
<i>Forestry Enterprise</i>	
6 Land Use ... ..	62
7 Net Area of Land Acquired/Disposed of ... ..	62
8 Forest Land Disposed of During the Year	63
9 Planting During the Year ... ..	64
10 Progress of Planting in Last Ten Years ... ..	65
11 Areas of Plantations and Volumes of Timber Thinned and Felled ... ..	66
12 Sales of Timber ... ..	66
13 Properties Managed ... ..	67
14 Public Recreational Facilities ... ..	67
15 Land Use, Planting and Timber Production by Forest Districts — England ... ..	68
16 Land Use, Planting and Timber Production by Forest Districts — Wales ... ..	71
17 Land Use, Planting and Timber Production by Forest Districts — Scotland	72
<b>X Map of Forestry Commission Forest Districts and Conservancies at 31 March 1985</b>	77
<b>XI Map of Forestry Commission Forest Districts and New Conservancy Boundaries at 1 April 1985</b>	81
<b>XII Forestry Commission Financial Tables 1984-85</b>	85
1 Statement of Forestry Fund Receipts and Payments ... ..	87
2 Expenditure on Forestry Authority Services	89
<b>Foreword, Balance Sheet of the Forestry Commission Forestry Enterprise as at 31 March 1985 and Accounts for the year ended 31 March 1985, together with the Report of the Comptroller and Auditor General thereon</b> ... ..	91
<b>Addresses of the Main Offices of the Forestry Commission</b>	Inside back cover
<i>Acknowledgements</i>	
The cover and other pictures were taken from photographs in the Forestry Commission collection.	

# General Review

## The Year in Perspective

1. We are pleased to be able to report solid progress during the year, despite a number of difficulties and challenges. The reorganisation of the Commission's management structure was substantially completed. This has included a redistribution and redefinition of senior management responsibilities at Headquarters and other levels, the amalgamation of Forests and Districts into a very much smaller number of Forest Districts, and a reduction in the number of Conservancies from eleven to seven. This major reorganisation could not have been carried out so successfully had it not been for the understanding and co-operation of our staff, and we take this opportunity to record our thanks to them. We now have a management structure that is well suited to enable us to carry out our functions, both as a Government Department and a commercial enterprise, with added efficiency, and to meet the challenges of the future. Allied to this, the task of developing the use of information technology and setting up a distributed automatic data processing system in the Commission was taken forward several stages, thus laying the foundations of an advanced and integrated management information system that will match the needs of modern business.

2. 1984-85 was, of course, the year of the miners' strike. This created problems, severe in some cases, for foresters and sawmillers in that it closed down a large part of the market for pitwood. One result of this was that the volume of timber sold by the Commission fell slightly short of programme. In other ways, however, it was a successful marketing year, with income from timber sales up from £44.2 million to £47.0 million, and with ever-improving prospects. Commissioning trials at two new plants — Highland Forest Products' structural composition board plant at Dalcross near Inverness and United Paper Mills' newsprint mill at Shotton in north Wales — were scheduled to begin in April 1985, several existing plants were installing or planning additional capacity, and a number of new investments were taking place in the sawmilling industry. Over large parts of the country our planned output of timber over the next few years is now substantially committed to secure markets.

3. We welcomed the statement to Parliament by the Secretary of State for Scotland in November 1984 that the prime purpose of the continuing sale of Commission land would be the rationalisation of the Commission's estate with a view to improving the efficiency and commercial effectiveness of the Enterprise. The Director General appeared before the Public Accounts Committee in February 1985 to answer questions on the Government's rejection of their earlier recommendation that sale prices of Commission land should cease to be confidential, and on associated matters. The Committee's findings are described in detail later in this Report. On the main issue, they indicated that they would not insist on the publication of individual sale prices, but would expect us to do our utmost to secure the assent of any purchaser of forestry land to the disclosure of information about the transaction.

4. The consultative paper *Broadleaves in Britain*, which we published in May 1984, set out proposals on ways of encouraging the positive and sympathetic

management of the country's broadleaved woodlands (Plate I). As a result of the extensive comments we received on this paper, we undertook a major consultation exercise with interested parties that was continuing at the end of the year. There was some concern expressed that this did not include meetings with individual voluntary bodies representing conservation interests, but the views of these bodies were sought at every point and the statutory conservation bodies were involved in direct discussion at the key stages. Our aim has been to develop a set of initiatives that will lead to a sound and durable policy which will attract the widest possible support, among both woodland owners and those whose interest lies in conservation. It was envisaged that a Ministerial statement would be made to Parliament before the 1985 summer recess.\*

5. The extensive damage attributed to air pollution in forests in Germany and other countries gave rise to considerable public concern over the health of our own forests. However, after we had carried out an extensive survey, we were able to report that there was no scientific or circumstantial evidence in Britain which pointed to air pollution causing damage to trees other than those close to specific sources of emission, such as steel works or power stations. We shall nevertheless continue to monitor the situation and remain vigilant.

6. Among other notable events during the year in the field of conservation were the Government's response† to the Countryside Commission's report *A Better Future for the Uplands*, the publication of the report by the Environment Committee of the House of Commons on the operation and effectiveness of Part II of the Wildlife and Countryside Act‡ and the laying before Parliament of the Wildlife and Countryside (Amendment) Bill. These stimulated a debate about forestry and conservation which attracted comments, both within Parliament and from various voluntary bodies, on our attitude towards the care of the countryside and its wildlife; the concept of expanding forestry in this country in line with long-established national policy also came under challenge. We therefore had to spend a great deal of our time and energy on explaining our record, on removing misconceptions and on demonstrating how our policies towards conservation had been adapted over the years to meet changing circumstances and public perceptions. The Environment Committee's report accepted this last point but concluded that a duty towards conservation should be placed on us in order to clarify our responsibilities. This recommendation was reflected in the Wildlife and Countryside (Amendment) Bill which, following amendment at Committee Stage in the House of Commons, provided for our being given a duty to seek to achieve a reasonable balance between forestry and conservation. We shall be glad to accept this duty, which gives statutory force to our existing policy of harmonising forestry development with other interests in the countryside, including that of conservation. It is to be hoped that the continuing debate on the future of the countryside will have the effect of bringing the various interests closer together, and not of giving rise to confrontation.

---

\* A statement on broadleaves policy was made by the Secretary of State for Scotland to the House of Commons on 24 July 1985, full details of which will be included in our 1985-86 Report.

† Hansard (House of Commons) 31 January 1985, cols 282-290.

‡ First Report from the Environment Committee: Session 1984-85, HC6-1, HMSO £4.65 net.

## **Management Structure Review**

7. The start of the year saw the completion of the amalgamation of the Commission's third and fourth tiers of management of Forests and Districts to form a new basic level of management of 70 Forest Districts of a size more suited to the rapid expansion of timber production expected over the next decade. The new Forest Districts, which are shown on the maps at Appendices X and XI, have settled down well and are already fulfilling our hopes of a more efficient and integrated approach to our operations in the field and to our Forestry Authority responsibilities.

8. As foreshadowed in last year's Report, final decisions on the restructuring of Headquarters and Conservancies were reached in July 1984 to take effect from 1 April 1985. The role of the Forestry Commissioners, both full and part-time, will be unchanged. The Director General will remain responsible to them for executive management, assisted at Headquarters by the three full-time Commissioners whose responsibilities have been redefined to cover Operations, Private Forestry and Development, and Administration and Finance. The allocation of work between Headquarters' Divisions will reflect this new pattern which, among other things, recognises the increasing importance of private forestry and of the environment.

9. At the second tier of management, we decided to reduce the number of Conservancies from eleven to seven and to expand the management role of the Conservators. Work at the four Conservancy offices scheduled for closure — Aberdeen, Cardiff, Chester and Lyndhurst — was due to be transferred to the seven remaining Conservancies between April and the summer of 1985. A list of the new Conservancy addresses appears on the inside back cover of this Report, and a map of the new boundaries is at Appendix XI. Strenuous efforts have been made to find alternative posts for the staff serving in the closed offices, either elsewhere in the Commission or in other Government Departments. At the end of the year under report, 21 staff had still to be placed.

10. These changes at the first and second levels of management will give distinct advantages through greater flexibility and delegation with added emphasis on functional responsibilities and teamwork. Overall, the new three-tier organisation is expected to lead to savings of some £3 million per annum, to an improvement in the management structure, and to better lines of communication and streamlining of office work which will be assisted over the next few years by the introduction of a network of computers and terminals. These measures will enable the Commission to respond more effectively to any new challenges, both as the Government's Forestry Authority and as managers of the Forestry Enterprise.

11. The detailed examination of the conditions of service for Foresters and Forest Officers, to which we referred in our Report last year, is continuing. Its main purpose is to explore the feasibility of unifying these two classes in order to improve the career structure and opportunities. We hope to reach an acceptable conclusion by the end of 1985.

## **Information Technology**

12. During 1984 we embarked on a major programme to exploit advances in computer technology. The first phase of this long-term plan was completed

during the year with the transfer of financial and management control systems from the Scottish Office bureau to a new Forestry Commission minicomputer. Already this has given more effective and efficient control over computer operations and provided the basis for further development.

13. The second phase was initiated in February 1985 with the introduction of microcomputers in all our Forest Districts. These were expected to be in use by July 1985 in connection with the industrial workers' payroll. Further systems for stock control, job costing, investment appraisal, and access to the growing stock database held on the Research Division computer, were planned for introduction by early 1986. Arrangements were also completed for the introduction by mid-1986 of a nationwide telecommunications network designed to link the Forest District microcomputers with minicomputers serving Conservancies and Headquarters. This network will be used to run a credit-control, invoicing and statistics system for timber sales and a fleet management and inventory control system for vehicles and equipment. Additionally, we plan to integrate data from the new systems mentioned above with redesigned management and financial accounting and control systems from April 1987. This is expected to reduce the cost of collecting and processing information compared with clerical methods and to provide managers at all levels with better and more timely information with which to discharge their duties under the new management structure.

### **State of the Wood Market**

14. A continued growth in demand in Europe and the USA meant that the international market for pulp and paper products in 1984 was relatively buoyant. Output in the paper and board industry in Britain increased by 9 per cent, but this was due primarily to newsprint production at the new Bridgewater mill of Consolidated Bathurst at Ellesmere which uses pulp imported from Canada and does not affect the domestic demand for small roundwood for pulping. Nevertheless, domestic demand grew by about 4 per cent as a consequence of increased production at Thames Board's cartonboard mill at Workington and continuing steady demand for hardwood by Bowater's mill at Kemsley and the St Regis Paper Company's mill at Sudbrook. The market for small roundwood also benefited from a strong demand by the particleboard industry whose mills operated close to full capacity throughout the year. Pulpwood from Britain, particularly spruce, again found willing buyers in Scandinavia.

15. By contrast, consumption of sawn softwood timber fell by 4 per cent in 1984 because of reduced activity in the housing and construction markets. This, along with the lengthy miners' strike, meant that the market for the higher-value sawlog material was weaker than that for small roundwood. To overcome the worst effects of the almost total collapse of the market for mining timber, we took advantage of other opportunities for sales of small roundwood, and these rose by 13 per cent against the level recorded in 1983. Overall, the Commission achieved slightly better than its planned programme of direct production, but the programme for timber sold standing fell 15 per cent below target. Further details are given in paragraphs 84 to 94.

### **Developments in the Wood Processing Industries**

16. As the year closed, the two new plants mentioned in our last Report — Highland Forest Products' structural composition board plant at Dalcross near

Inverness and United Paper Mills' newsprint mill at Shotton in north Wales — were both on schedule for commissioning trials to begin in April 1985.

17. The particleboard industry has been the focus of considerable activity in the past year. Caberboard, with plants at Cowie and Irvine in Scotland, was sold by Bison-Werke to another German company, Glunz Industrie, who are the largest particleboard manufacturers in Europe. Weyroc's Hexham factory was sold to Fritz Egger, Austria's largest particleboard manufacturers, who are installing a new line to manufacture 150,000 cubic metres per annum of furniture-grade particleboard together with a melamine-coating line. Kronospan, at Chirk, commissioned a new particleboard line which increased their total capacity by 50 per cent.

18. There were a number of new investments in the sawmilling sector, including significant expansions in Scotland by A. & R. Brownlie at Boat of Garten, James Jones and Sons at Heathhall and R. Howie and Sons at Dalbeattie. Workington Sawmills completed a major modernisation programme and increased the capacity of their mill in Cumbria.

19. These developments, together with the expansion in cartonboard by Thames Board at Workington which we reported last year, are visible proof of the vigour and enterprise of the domestic forest-products industry and tangible evidence of the outcome of our promotional efforts over the past five years to encourage new industrial investment. During the year we continued to play our part in the Scottish Forest Products Development Group, and Commission staff were involved with promotional visits to Finland and the Pacific coast of the USA and Canada in order to inject into the corporate planning of major international companies in the forest-products industry an awareness of the development opportunities that exist in Scotland.

### **Sales of Forestry Land**

20. The demand for forestry land has remained reasonably firm and the financial targets originally set for the year were achieved. There was no evidence of prices being depressed by the extensive sales programme which began in 1981, and it is possible that the publicity given to sales has generated an interest in forestry properties from new sources of investment.

21. The sale of Commission land has continued to attract comments from the media, trades unions and bodies concerned with conservation and recreation, but this has not been as critical as in previous years. In November 1984, the Secretary of State for Scotland announced a change in the main objective of the sales programme from one of achieving set annual financial targets to one of rationalising the Commission's estate with a view to improving the efficiency and commercial effectiveness of the Forestry Enterprise. The full text of the written Parliamentary Question and the reply from the Secretary of State for Scotland announcing the change is reproduced at Appendix V. We very much welcome this change in emphasis which will now allow us to plan ahead with greater confidence as well as adopting a more coherent approach to management. The new policy will also provide more flexibility in the choice of assets for sale and allow the Commission to react to market trends.

## Public Accounts Committee

22. Mention was made in last year's Report that the Director General had appeared before the Public Accounts Committee on 13 February 1984. The Committee's Eighteenth Report\* was published on 16 May 1984 and a Treasury Minute in response† was published on 1 August 1984. The Committee's main interest was in the Commission's policy and practice relating to the sale of forestry land and plantations — in particular the question of public disclosure of prices obtained — and they recommended that the Commission should:

- a. publish the price realised for publicly-owned land when sold;
- b. publish a full explanation of its sales policy and practice.

23. The explanation requested at b. appeared as Appendix VI to our 1983-84 Report. The recommendation at a. was not, however, accepted by the Government. The Secretary of State for Scotland, replying to a Question from Mr Eric Cockeram MP (a member of the Public Accounts Committee) on 5 December 1984 stated, *inter alia*:

“The Government have given long and careful consideration to the allied question of whether the Commission should publish the prices it receives from its sales. We are satisfied, however, that the Commission is not selling off its assets cheaply and that the rules of public accountability are not being breached either in the Commission's sales policy or in its individual sales. We do not feel justified, therefore, in requiring the Commission to depart unilaterally from normal commercial practice, which applies throughout the Government sector as well as in private transactions, by publishing prices received from sales of forestry properties.”

24. Other matters covered in the Committee's report related to the efficiency and productivity of the Forestry Enterprise, the preparation of a procedural manual for the quinquennial revaluation of the Commission's assets, the relationship of quinquennial standards, the monitoring of budgets and the timing of the production of the Commission's accounts.

25. The Director General was asked to appear before the Committee again on 20 February 1985 to answer questions on the Government's rejection of their recommendation to publish the individual selling prices of forestry land and plantations and on our statement of policy and practice on land sales. The Committee's report was published on 12 June 1985‡ and the Treasury's Minute accepting their recommendations on 24 July 1985<sup>o</sup>. Although outside the year under review, we think it right to refer to the Committee's report here in order to give a complete account.

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\* Eighteenth Report from the Committee of Public Accounts: Session 1983-84, HC 265, HMSO, £4.15 net.

† Treasury Minute on the Thirteenth to Eighteenth Reports from the Committee of Public Accounts: Session 1983-84, Cmnd 9325, £1.75 net.

‡ Thirteenth Report from the Committee of Public Accounts: Session 1984-85, HC 233, HMSO, £3.90 net.

<sup>o</sup> Treasury Minute on the Twelfth and Thirteenth Reports from the Committee of Public Accounts: Session 1984-85, Cmnd 9587, HMSO, 80p net.

26. The Committee welcomed the statement of our policy and practice in relation to Commission land sales that appeared in our last Report (paragraph 23 above), and at their request we provided them with a revised version which took account of the subsequent change in the Government's sales policy referred to at paragraph 21. The Committee strongly endorsed the Government's change of approach and recommended that our revised statement be published. This we are happy to do, and it appears at Appendix VI to the present Report.

27. On the more difficult question of the disclosure of sale prices, the Committee accepted that the Commission's view on the effect disclosure would have was confirmed by many other Government Departments and professional agencies and by the Treasury. Nevertheless, the Committee did not accept that commercial practice was necessarily relevant in the context of public accountability; nor were they wholly convinced that disclosure of individual sale prices would have serious adverse effects on prices or prospects for future sales. However, they said that they would not insist on the publication of individual sale prices but would expect us to do our utmost to secure the assent of any purchasers of forestry land to the public disclosure of information about the transaction, and this we shall do.

28. The Committee also recommended that we should provide an analysis of forest land sales in our annual reports, expanded upon by commentary as appropriate. The first such analysis appears as Table 8 in Appendix IX to this Report, and the commentary on the way sales have gone generally is at paragraphs 77 to 79.

### **Broadleaved Woodlands**

29. In our Report last year, we referred to the publication of a consultative paper *Broadleaves in Britain* containing the report of a review group we had appointed to consider future policy for broadleaved woodland. The report concluded that such a policy should have four principal aims:

- a. to maintain the broadleaved resource at about its present extent;
- b. to manage the existing ancient semi-natural woodlands so as to perpetuate their unique features;
- c. to manage other broadleaved woodlands as productively and profitably as possible, while maintaining their value for wildlife and amenity;
- d. to improve the productivity of broadleaved woodlands.

A number of initiatives were recommended by the review group to meet these objectives. The main ones were that permission to fell broadleaves should normally require that the site be restocked with broadleaves; that applications to clear broadleaved woodlands for agriculture should be granted only exceptionally; that an authoritative register of ancient woodlands should be compiled and published by the Nature Conservancy Council; and that the ancient semi-natural woodlands should be managed in accordance with guidelines to be agreed between the Nature Conservancy Council and the Forestry Commission.

30. Some 120 organisations, including all the major forestry and environmental bodies, submitted comments in response to the consultative paper. These



comments indicated a large diversity of interests and strongly-held views. After analysis and discussion with other Government Departments and agencies, we decided to prepare a further discussion paper, incorporating a number of new ideas. At the end of the year under report, this was about to be sent to interested parties for discussion at a seminar to be held in May 1985 to which a balanced cross-section of organisations with a direct interest had been invited. It was hoped that the views received at this seminar, along with written comments from those not attending, would enable us to make policy recommendations to Ministers in time for a Government statement before Parliament's 1985 summer recess.

### **Air Pollution and Forest Health**

31. We commented last year on the growing concern in Continental Europe, and to a lesser extent in southern Sweden, over the incidence of damage to trees that observers believed could be ascribed largely or in part to the effects of air pollution (popularly but misleadingly known as 'acid rain'). In order to assess the state of health of British forests and to provide a baseline for future assessment, we carried out a nationwide survey on plots selected in Forestry Commission woodlands. The species surveyed were Norway spruce because it provides a link with observations in other countries in Europe, Sitka spruce because of its importance to British forestry, and Scots pine owing to its native status and its wide distribution in Britain. Experience in Germany has shown that the new form of damage attributed to air pollution occurs first on conifers and only subsequently on broadleaved trees. In the absence of reports of such damage to either conifers or broadleaves in Britain, we therefore decided not to include broadleaves in this first survey. The survey incorporated the conclusions of a working party of the European Forestry Commission of the United Nations Food and Agriculture Organisation on the impact of air pollution which agreed criteria to be used in surveying the health of conifers. The most important of these related to the density of the crown, the number of years for which needles live and the yellowing of the needles. In planning the survey, we sought advice from Dr Gunther Hartmann of the Lower Saxony Forest Research Institute who had spent three years assessing forest damage in Lower Saxony. Our survey covered 98 plots comprising Sitka spruce, Norway spruce and Scots pine and revealed no symptoms similar to those found in central Europe. Another survey of the same plots was planned for autumn 1985.

32. In addition to the main survey, we also investigated in detail some unusual damage involving needle-browning and the death of shoots which occurred at high elevations in northern Britain during the winter of 1983-84. There was no evidence of the needle-yellowing that has been observed, both by German and our own scientists, as diagnostic of the new form of pollution damage identified in Germany over the past five years. The widespread nature of the 1984 symptoms in our plantations was quite unlike that associated with air pollution, and the evidence strongly suggested that damage in all the species studied arose from certain features of the weather in the winter of 1983-84 — in particular, alternate mild and cold periods accompanied by strong winds.

33. Monitoring the health of over 2 million hectares of forest in Britain is an enormous task, requiring the attention of forest managers, specialist survey teams and scientific experts. We are continually seeking to improve our

awareness of forest health and this is illustrated by these recent surveys for pollution damage and for needle-browning, as well as those we have undertaken to monitor the spread of *Dendroctonus micans* (see paragraphs 46 to 48).

### **Policy for the Uplands**

34. We referred in our last Report to the Countryside Commission's report *A Better Future for the Uplands* and noted, with regret, that one of its main recommendations was that planning control should be introduced for afforestation schemes of over 50 hectares in the uplands. In its response to the report, the Government said that "we cannot accept that a case has yet been made that planning controls should be introduced over forestry". The view was taken that acceptable solutions to land-use problems could be found by a relatively informal approach. Reference was also made in the Government's response to the concern that had been expressed that our Regional Advisory Committees' proceedings were not as open as the equivalent planning process and to the fact that we were looking at ways of remedying the position. We were still considering this matter at the end of the year under report.

### **Wildlife and Countryside Act: Report of the House of Commons Environment Committee**

35. In January 1985, the House of Commons Environment Committee reported on its inquiry into the operation and effectiveness of Part II of the Wildlife and Countryside Act. Some of the evidence presented to the Committee was critical of the Forestry Commission in its approach to conservation. We are pleased to report that the Committee afforded us the opportunity to reply to these criticisms which went some way to influencing their findings. The Committee concluded that "While we appreciate the efforts of the Forestry Commission with respect to conservation, the inclusion in statute of a new duty would clarify their responsibilities". This led the Committee to recommend that a provision, analogous to Section 48 of the Wildlife and Countryside Act which places a duty on Water Authorities to further conservation, be extended to the Commission.

36. Shortly after the publication of the Committee's report, the Wildlife and Countryside (Amendment) Bill was laid before Parliament by Dr David Clark MP, one of the clauses of which reflected the Committee's recommendation that a statutory duty towards conservation be placed on the Commission. The Bill, as amended at Committee Stage in the House of Commons, required the Commission, so far as might be consistent with the proper discharge of its functions, to endeavour to achieve a reasonable balance between:

- a. the development of afforestation, the management of forests and the production and supply of timber, and
- b. the conservation and enhancement of natural beauty and the conservation of flora, fauna and geological or physiographical features of special interest.

At the end of the year, the Bill was about to go to Report Stage in the House of Commons and the Government's response to the Environment Committee's report was awaited.

## **Increased Parliamentary Interest in Forestry**

37. The latter half of the year saw a dramatic increase in the number of Parliamentary Questions tabled for answer by Forestry Ministers. Whereas in the previous five years the number of Questions on forestry had averaged about 50 a year, in the 12 months under review there were over 200, nearly 150 of which came in the last six months. By far the greater number were concerned with matters relating to the environment and conservation, particularly in connection with our review of broadleaves policy (see paragraphs 29 and 30).

## **Grant-in-Aid**

38. The Grant-in-Aid voted by Parliament forms the Commission's agreed cash limit. For 1984-85 the amount voted was £55.2 million, all of which was taken into the Forestry Fund. The actual net call on Exchequer funds (excluding surrenderable disposals' receipts and remittances) was £54 million, leaving a working balance of £1.2 million in the Forestry Fund which will be handed back to the Consolidated Fund during 1985-86.

39. Payments, excluding amounts paid or due to the Consolidated Fund, totalled £120.8 million. These were £2.6 million (2 per cent) more than in 1983-84, mainly because of the continuing effect of inflation and pay awards, offset in part by a reduction in staff numbers and a decrease in the grants claimed by private woodland owners. Receipts (excluding Grant-in-Aid and cash from the disposal of land, buildings and plantations) amounted to £66.8 million against £61.4 million in 1983-84, an increase of £5.4 million (9 per cent). This increase stemmed mainly from higher timber receipts compared with the previous year and would have been even greater but for the impact of the miners' strike. Cash receipts from the disposal of land, buildings and plantations amounted to some £21.8 million (excluding the non-cash element of £0.1 million arising from exchange transactions and receipts of £0.2 million payable to the Crown Estate Commissioners under the terms of Section 43(1) of the Forestry Act 1967). £18.9 million had been paid to the Consolidated Fund by 31 March 1985 leaving a balance of £2.9 million to be surrendered during 1985-86.

40. The statement of Forestry Fund receipts and payments, including notes and explanations, together with the Comptroller and Auditor General's report thereon, appears at Table 1 of Appendix XII.

## **Serious Fire Losses in South Wales**

41. In the last two weeks of April 1984, just under 1,000 hectares of woodland were destroyed by fire in and around the industrial valleys of the South Wales Coalfield, 700 hectares during the six days of 25-30 April. Local Forestry Commission and Fire Service staff gave outstanding service at all hours of the day and night. To help them, Commission staff were brought in from surrounding areas, together with 300 troops from the Brigade of Guards and personnel from local Royal Air Force units. Valuable assistance was also provided by the local mountain rescue organisation, the Brecon Beacons National Park wardens and the Rhondda CB radio group. The weather — low rainfall and humidity, high temperatures and strong winds — was a principal cause of the fires. Arson was also involved, however, and three arsonists were caught

and convicted. With the aim of enlisting the co-operation of the large local population to help reduce fire losses, we have since appointed a Community Forester in the Rhondda area. The outcome of this initiative will be carefully watched to see if similar measures would be justified in other areas.

### **Pest Control**

42. About 100 hectares of our Lodgepole pine plantations and some 140 hectares in private ownership were defoliated and killed by larvae of the Pine beauty moth (*Panolis flammea*) in Sutherland in 1984, and pupal counts indicated that up to 5,500 hectares might have to be treated with the insecticide Fenitrothion in the summer of 1985. We were pleased to learn from the preliminary results of the study undertaken at Elchies in Morayshire by the Zoology Department of Aberdeen University, under the auspices of the Pesticide Safety Precautions Scheme, that even when Fenitrothion was applied in successive years there was no evident long-term effect on populations of small birds.

43. For the first time, commercially-produced supplies of the natural virus of Pine sawfly (*Neodiprion sertifer*) were used as distinct from the experimental material supplied for small-scale trials in previous years. Some 3,000 hectares of Lodgepole pine were sprayed by helicopter in North Scotland Conservancy. This included 1,000 hectares in private forests. Lodgepole pine plays an important role in the afforestation of poor northern moorland sites and this treatment has reduced the debilitating effect of the defoliation commonly experienced in young plantations of this species.

44. An exceptionally high population of Pine looper moth (*Bupalus piniaria*) was detected in pupal surveys (later confirmed by egg-counts) in pole-stage Scots and Corsican pine at Tentsmuir Forest in East Scotland Conservancy. Successful control was obtained by aerial spraying with Diflubenzuron. This insecticide affects larvae, but adult insects, including useful predators, are not susceptible. Diflubenzuron was also used successfully in 1979 on the previous occasion when control of a Pine looper moth outbreak was necessary.

45. Each aerial spraying operation to control insect infestation is carried out only after specific clearance under the Pesticide Safety Precautions Scheme. All are under the direct supervision of Forestry Commission entomologists.

### **Dendroctonus Micans**

46. In our last two Reports, we have given detailed accounts of the discovery of *Dendroctonus micans* (the Great Spruce Bark Beetle) in woodlands in a number of counties in Wales and adjoining counties in England, and of the measures we have been taking to deal with it. During the year, a series of comprehensive studies was undertaken in preparation for a major review of control strategy by the Dendroctonus Micans Working Group, an advisory group comprising Commission staff and representatives of private growers and the timber trade. These studies included further visits to France and Belgium to study continental experience; an appraisal of recent research data; a detailed analysis of survey data over the past three seasons; an assessment of the Commission's programme for the breeding and release of *Rhizophagus grandis* (a specific predator of *Dendroctonus micans*); a full financial appraisal to assess the cost-effectiveness of

a range of possible options for control strategy from “do nothing” to maintaining and strengthening the present measures; and an independent assessment of strategy options by Timber Growers United Kingdom.

47. As a consequence of these studies, we decided to introduce some fundamental changes in the strategy for controlling this pest. Measures were strengthened in a new regulatory Order extending controls to cover the movement under licence of all spruce wood grown in the Scheduled Area, whether peeled or not: hitherto timber peeled in the forest had been exempt. In addition, the Scheduled Area was extended, in particular to include the affected area of Bowland in Lancashire. In the light of previous experience, however, we decided to allow movement from infested as well as non-infested stands to take place under licence at any time of the year rather than restricting it to the winter months only. At the same time, a decision was taken to permit the felling of infested trees in the heavily affected parts of Wales and the Marches to be deferred until it was required for normal management reasons. A peripheral zone has been designated 10 kilometres wide, lying outside the furthest infestations found in the heavily-infested central zone, within which future intensive surveys will be concentrated. Infested trees found in this peripheral zone and in the affected area of Bowland will continue to be subject to mandatory felling.

48. Further details of the statutory changes and the general strategy review are to be found later in this Report, at paragraphs 109 and 127 to 129.

### **Record Acorn Collection**

49. During the autumn, we made the largest collection for many years of acorns from registered oak stands. In all, nearly 10 tonnes of acorns were collected and supplied to private as well as Commission nurseries. Good collections were also made of seed from other broadleaved species, including beech, sycamore, ash, hazel, gean, blackthorn and horse chestnut. This is part of our continuing commitment to improve the availability of seed of native and traditional broadleaved trees and shrubs from home sources.

### **International Year of the Forest**

50. In January 1985, the Food and Agriculture Organisation announced its decision to designate 1985 as *International Year of the Forest* (IYF 1985), with the object of increasing public and political awareness of the need to protect and enhance the world's forest resource. Member States were called upon to organise suitable events to celebrate the Year. We have devised a varied programme of events to mark IYF 1985 in Britain, including forest open-days in most parts of the country, guided forest tours in collaboration with a Welsh bus company, a national photographic competition jointly sponsored by a leading camera manufacturer and a photographic magazine, production of leaflets and mini-displays, and features in magazines and on radio. To commemorate IYF 1985, we also decided to present new trophies to the Royal Agricultural Society of England and to the Royal Highland and Agricultural Society of Scotland to be awarded in competitions for productive woodland where conservation and amenity featured prominently in the management régime.

### **Director General Honoured by Universities**

51. We are delighted to record that the Director General, Mr G.D. Holmes, was honoured in December 1984 by both the University of Wales and the University of Aberdeen in recognition of his contribution to British forestry. The University of Wales awarded him the Honorary Degree of Doctor of Science (DSc) while the University of Aberdeen appointed him Honorary Professor of the Department of Forestry.

### **Appointment of Nature Conservation Consultant**

52. We were pleased to announce during the year the appointment of Dr J. Morton Boyd as the Commission's first Nature Conservation Consultant, following his retirement as Director (Scotland) of the Nature Conservancy Council. We expect conservation policy and practice within forestry to benefit considerably from Dr Boyd's national and international experience.

### **Commissioners**

53. Mr I.D. Coutts was appointed a part-time Commissioner in April 1984 to succeed Mrs L.J. Whetstone whose term of office expired on 30 September 1983. Mr G.S. Murray retired as Commissioner, Administration and Finance in November 1984 and was succeeded by Mr D.T.J. Rutherford on transfer from Her Majesty's Stationery Office.

### **Senior Staff**

54. Mr E.K. Arthurs was appointed as Head of Computer Branch in March 1984 on transfer from the Department of Health and Social Security.

### **Employment**

55. On 31 March 1985, the Commission employed 2,173 non-industrial staff (compared with 2,087 the previous year) and 4,100 industrial staff (4,749 the previous year). The net increase in the number of non-industrial staff was due to 146 Forest Clerks being transferred from the industrial grades, in addition to the 61 transferred last year, following the change to the new three-tier structure. As we indicated last year, the continuing reduction in industrial staff levels has resulted from a variety of factors. Besides the Forest Clerk regrading exercise, staff numbers have been affected by improvements in productivity, the sale of plantations and the employment of contractors in certain areas.

# Forestry Enterprise

## Forest Management

### *Seed*

56. As well as the generally large crop of broadleaved seed and the exceptional acorn crop noted in paragraph 49, we collected another good crop of conifer seed from several high-quality sources throughout the country. The main effort was directed to collecting Japanese larch, Corsican pine, Scots pine and Norway spruce. No collections of Sitka spruce were made because stock levels were still high following the record 1983 collections. Most of the Scots pine seed collected is destined for the production of Christmas trees in Canada and the USA, where we are gaining a growing reputation as a reliable supplier of quality seed.

### *Nurseries*

57. Despite the hot dry summer, some 34 million plants were produced in our nurseries. The season clearly demonstrated the value of irrigation as a means of ensuring the supply of well-grown plants. Following a major review of our requirements and the options for ensuring the future supply of planting stock in England and Wales, we decided to develop the nurseries at Delamere in Cheshire and Wykeham in Yorkshire, and to close the nursery at Rogate in Sussex in July 1988.

58. During the year we completed trials of a mechanised system for lifting transplants. The system has proved to be efficient, and handling methods are being adapted to integrate with the lifting machinery.

59. The Commission's first purpose-built cold and humid store was completed at Newton nursery in Morayshire. This investment is part of a continuing project to improve the handling, grading, packaging and movement of planting stock from the nursery to the planting site so as to ensure that plants are in the best possible condition at the time of planting.

### *Planting*

60. Two features of the weather affected planting this year — first, the summer drought, particularly in England and Wales; secondly, a wet autumn and some exceptionally cold weather in February 1985. Although we completed 5,105 hectares of new planting and 5,916 hectares of restocking, some summer plantings had to be deferred because of drought and some late winter plantings were delayed until April 1985. In all, 800 hectares of new planting and a further 800 hectares of restocking were carried over into the following year. Plant survival was generally good in Scotland, despite the low rainfall in the spring and summer, but was below average in England and Wales, particularly in larch, Douglas fir and Corsican pine.

### *Scarification in Restocking Areas*

61. Tractor-drawn scarifiers are playing an increasingly important role in preparing sites for restocking on freely-drained soils. By pushing aside brash and surface vegetation, they expose bare soil for planting. Two new models of

scarifier are undergoing full-scale trials. There is still a need for a scarifier able to work effectively to create planting mounds on badly-drained soils.

### *Improvements in Fertiliser Application*

62. Accuracy in the application of fertilizers by helicopter has been markedly improved by the introduction of the Decca 'Flying Flagman' navigation system. This not only provides an important aid to the pilot while flying, but also records, for subsequent analysis, flight paths and data on the quantity and distribution of the fertilizer applied.

### **Wildlife Conservation and Environment**

63. Steady progress has been made in the development of the forest conservation maps and plans to which we referred in last year's Report. In this and other work in the conservation field, useful liaison with voluntary bodies such as nature conservation trusts and the Royal Society for the Protection of Birds is being increasingly established at a local level. A great deal of our work is focussed on birds of the forest, but attention is also paid to the requirements of butterflies, reptiles and amphibians and to woodland flora. Throughout the Commission the importance for nature conservation of carefully managing stream margins is fully recognised. With some 350 Sites of Special Scientific Interest on Commission land, our staff are increasingly involved in discussions with staff of the Nature Conservancy Council aimed primarily at safeguarding the conservation interest while at the same time seeking to achieve worthwhile levels of timber production.

64. We have continued to participate actively in the work of Farming, Forestry and Wildlife Advisory Groups (FFWAGs), and we have representatives on the National Committee and all the local committees. During the year we have been involved with their establishment throughout Scotland. We give financial support to the Farming and Wildlife Advisory Trust towards the provision of field advisers for the FFWAGs, and we have assisted in the training of the full-time officers of the regional groups.

### **Forest Protection**

#### *Fires*

65. The effect of the dry spring weather in Wales has been described in paragraph 41. Elsewhere conditions were little better, many areas having less than half the average rainfall between April and August. Overall, 1,900 hectares of plantations were lost to fire. The average annual loss for the 10-year period up to 1983 was 710 hectares (ranging from 86 to 2,140 hectares) and by these standards losses this year were on a larger scale than usual.

66. There were several large fires in Scotland and in Wales, the largest single fire, extending to 205 hectares, being in south Wales. Quite a number of the fires were in crops which had closed canopy but were not yet at the thinning stage, and some were in considerably older stands. Fires in older stands (Plate 2) are much more difficult to deal with than those in newly-established crops, but methods of fighting them have been improved considerably. Two relatively new techniques proved their worth and were used on a larger scale than in any previous year.



Foam was used as a fire barrier — this practice was featured in ‘Tomorrow’s World’ on BBC TV. Helicopters were also employed widely, demonstrating that, besides having an important role in transporting men and equipment, they could be used along with reasonable ground support to drop water loads of 80-100 gallons to extinguish difficult fires.

### *Deer*

67. Deer control is increasingly a problem in Scotland where red, roe and sika deer are successfully establishing themselves within the new forests. We therefore welcomed the Deer (Close Seasons) (Scotland) Order 1984 at the beginning of the year which extended by one month the shooting season for both male and female roe deer. In southern England muntjac continued to spread, and roe have established themselves just over the border in mid Wales.

### *Grey Squirrels*

68. Whereas in the past grey squirrel damage has been largely confined to broadleaves, there have again been reports of serious damage to conifers in parts of England. The control of grey squirrels in Scotland and in those parts of England and Wales where the use of warfarin is unlawful continues to be a problem. Cage trapping in vulnerable woods at the recommended time of the year can be effective, but is very labour intensive.

### *Sheep*

69. In south Wales sheep trespass into plantations has long been a serious cause of damage to young trees. However, impounding, which has only recently been introduced, promises to be an effective deterrent.

## **Forest Design**

70. Our landscape design work during the year has concentrated on felling and replanting sites, including major projects at Glyn Neath, Coed-y-Brenin and Strathyre. This stems from the increasing wood-production programme which provides important opportunities to improve the forest landscape. We have also investigated landscaping problems associated with windthrow, and various measures are planned to develop forest margins for the second rotation which will provide greater resistance to wind and be visually more attractive. We are continuing with courses in landscape design for our forest managers, and for the first time our landscape staff contributed to a course for the private sector organised by the Forestry Training Council.

71. The visual aspects of building design have continued to receive attention, particularly where changes are required as a result of the reorganisation of forest offices. Our landscape architects also devised a comprehensive colour scheme for the forest village at Stonehaugh in Northumberland and designed improvements to the forestry exhibition areas at the Royal Highland Showground near Edinburgh and the Royal Agricultural Society’s Showground at Stoneleigh in Warwickshire.

## **Recreation**

72. The widespread use of our car parks, picnic places and forest walks by the public has continued and is most gratifying. The provision of facilities for

recreation in our forests is now very extensive and caters for some 50 different activities (Plate 3). Most of the facilities were constructed during the 1970s and we have embarked on a substantial and continuing programme of refurbishment and improvement to maintain high standards.

73. As a result of improved marketing techniques, we have been able to maintain reasonable occupancy levels in our commercial campsites and forest cabins during a difficult year. We were pleased to receive a Civic Trust commendation in 1984 for the Lochaweside forest cabin scheme — the third award it has won.

74. Following the announcement of our policy for bicycle routes two years ago, we have established two of these in Achray Forest in Scotland and Llandovery Forest in Wales. A cycle 'walk' in the New Forest has now become an annual event. A survey was undertaken as part of a Manpower Services Commission (MSC) project to identify the potential for further routes in Scottish forests. We welcome the increasing involvement of MSC projects in forest recreation work.

## **Estate Management**

### *Land Acquisition*

75. During the year 742 hectares of plantable land were acquired, including 47 hectares of land under trees. The distribution of acquisitions was as follows:

	<i>Total plantable area acquired (hectares)</i>
England	47
Wales	8
Scotland	687

The average price of plantable land without trees was £328 per hectare, a decrease of 34 per cent over last year's average of £499 per hectare, but it would be unwise to infer any trend in land prices from such a small example. The area acquired was less than half that of our previous lowest year (1980-81) reflecting the change in emphasis towards planting in the private sector, the limitation of funds and the scarcity of suitable land because of agricultural, conservation and amenity constraints; this shortage of suitable land undoubtedly places that which does come on the market at a premium.

76. We are interested in purchasing the freeholds of land we hold on lease because this often enables us to fulfil our duty to provide for better access to, and recreation in, our forests. Several such freehold reversions were acquired during the year.

### *Sale of Plantations*

77. During the year some 300 blocks of forest land totalling over 16,000 hectares were sold for the sum of £15.3 million, and a further 22,600 hectares were in the process of being sold at the end of the year. The majority of sales comprised small woodland areas of up to 25 hectares, with demand being greatest in the lowland areas of southern and eastern England where many of the

smaller woodlands are found. Prices for these smaller blocks ranged from £1,100 to £3,100 per hectare in the south of England but were somewhat lower elsewhere.

78. Of the sales of woodlands in excess of 500 hectares completed during the year, three were of particular note:

*Bentley Wood on the Hampshire/Wiltshire border.* This was a compact woodland of some 735 hectares, comprising a 20-30 year old conifer/hardwood mixture. Considerable interest was shown and the sum realised exceeded the £1.3 million guide price.

*The Weardale block in Durham.* This attracted interest because of the varied nature of the property. Of the 1,050 hectares offered for sale, almost 700 comprised three grouse moors, the remainder being planted with 15-30 year old commercial plantations of Sitka spruce and Lodgepole pine. The sum realised exceeded the £0.6 million guide price.

*The main block of Brycheiniog Forest in Powys.* Of the 630 hectares, 395 carried plantations of varying age, with the remainder being available for restocking. The response resulted in a sale price in excess of the guide price of £1.1 million.

79. Details of forest land sold and prices received during the year are given at Appendix IX, Table 8. Table 7 of the same Appendix also gives details of the net area of land acquired/disposed of during the year. In addition to sales of forest land, 261 houses, 101 areas of agricultural land and 138 miscellaneous subjects were sold. These contributed £6.8 million to the total income of £22.1 million.

### *Management of Property*

80. Capital estate expenditure on the construction and improvement of buildings amounted to £1.5 million during the year. A number of offices have been, or are in the process of being, closed because of the management restructuring exercise described in paragraphs 7 to 11; as a consequence, expenditure was centred on the enlargement of six existing offices and the construction of three new ones to accommodate the new Forest District structure, and a considerable amount of work was also undertaken to improve the facilities available at some of the Conservancy offices. Another major item of capital expenditure has been on the provision of a new cold store at the Newton nursery (see paragraph 59) designed to maintain planting stock in a state of physiological dormancy so that planting can be undertaken over a much longer period. The first phase of refurbishment of two of our principal campsites — at Hollands Wood in the New Forest and Beddgelert in the Snowdonia National Park — has been undertaken by the improvement of toilet facilities to meet new model standards for touring caravan sites and to make better provision for the disabled. Work was completed during the year on the restoration of the 17th century stone barn at Penybryn, Penmachno, Gwynedd to which we referred in our last Report.

81. Interest in minerals has continued and our income from this source exceeded £370,000 in the year. Exploitation of barytes in eastern Scotland continues, and every opportunity is taken to exploit deposits of construction

materials within the conditions set out in planning consents. The National Coal Board has surveyed several potential opencast sites and a number of licences have also been granted to work small coal mines in the Forest of Dean. Negotiations are nearing completion with two major international companies for exploration rights over extensive areas in Scotland, coupled with an option to take a mineral lease. We are also watching closely the growing interest in hydrocarbon exploration in southern England, which may affect land under our management.

82. Our three-yearly review of house rents took place in Scotland during the year and "fair rents" were applied on lines similar to the provisions in the Rent Acts. One thousand and twelve properties were involved, resulting in an average increase in rent of 27 per cent. Very few of the assessments were challenged by way of appeal to the independent rent appeals committees, and those that were have been settled in the Commission's favour. "Fair rents" in England and Wales fall to be reviewed next year. Agricultural, sporting and other rents were reviewed where appropriate and our total rental income for the year was £2.0 million. The number of properties managed by the Commission is given at Table 13 of Appendix IX.

83. A renewed interest in energy conservation has been stimulated by the Department of Energy's campaign. Energy Managers have been appointed in each Conservancy and a start has been made in commissioning energy surveys of our larger buildings. A saving of 18 per cent has already been achieved in the fuel bills for our Headquarters offices.

## **Harvesting and Marketing**

### *Market Demand*

84. The demand for small roundwood for pulp and particleboard was strong throughout the year and sales were increased by 13 per cent over last year. The improvement was evident in both the domestic and export markets. Pitwood sales were badly affected by the miners' strike.

85. The sawlog market was less buoyant than last year, reflecting the effect of the miners' strike and reduced activity in the housing and construction markets. Despite these difficulties, the total volume of wood harvested from our forests was 2,866,000 cubic metres. This decrease of 3 per cent on the previous year was due to the lack of response to the increased volume of standing timber offered for sale, the volume of such timber sold falling 15 per cent short of the planned programme. By taking advantage of opportunities for increased sales of small roundwood, we managed a modest increase of one per cent in the production planned by our own harvesting teams so that the shortfall on our total sales programme was contained at 5 per cent.

### *Wood Prices*

86. Prices obtained for pulpwood and chipwood, which had fallen in 1983, recovered strongly in 1984 showing average increases overall of about 12 per cent. The prices for sawlogs improved during the early part of the year and then remained steady, ending about 3 per cent higher than those for the previous year. The improvement in prices was particularly strong in Scotland, whereas in the southern part of Britain prices during the latter half of the year fell back slightly.

### *Forestry Commission Operations*

87. The main features of our harvesting and marketing operations in the year, with comparable figures for previous years, are summarised in the table below. The figures on the volume of total removals and the value of gross receipts have been adjusted for all the years shown to take account of work in progress. This facilitates comparison of this table with the Accounts of the Forestry Enterprise (pages 94 to 115).

	<i>Unit</i>	<i>1979-80</i>	<i>1980-81</i>	<i>1981-82</i>	<i>1982-83</i>	<i>1983-84</i>	<i>1984-85</i>
	Million cubic metres						
<i>Total Removals</i> ... ..		2.31	2.48	2.73	2.80	2.93	2.86
<i>By Sale Standing</i> ... ..	"	0.76	0.82	0.91	0.96	0.98	0.93
<i>By Forestry Commission harvesting (adjusted for change in work in progress)</i>	"	1.55	1.66	1.82	1.84	1.95	1.93
<i>Gross receipts</i> ... ..	£ million	34.38	36.13	36.32	38.43	44.20	46.96
<i>Expenditure (including oncosts but excluding overheads)</i> ... ..	"	18.82	23.29	24.60	23.98	22.84	23.82
<i>Net receipts</i> ... ..	"	15.56	12.84	11.72	14.45	21.36	23.14
<i>Gross receipts per cubic metre</i> ... ..	£	14.88	14.57	13.30	13.73	15.08	16.42
<i>Expenditure per cubic metre</i> ... ..	"	8.15	9.39	9.01	8.56	7.79	8.33
<i>Net receipts per cubic metre</i> ... ..	"	6.73	5.18	4.29	5.17	7.29	8.09

In the following paragraphs the performance achieved in each of the main sectors is set out in more detail.

### *Conifer Sawlog Sales*

88. The total volume of sawlogs sold from our own harvesting operations amounted to 1,006,000 cubic metres (measured over bark), a decrease of 5 per cent over the previous year. This occurred against the background of a fall in total consumption of sawnwood of 4 per cent in 1984 compared with 1983, and the unprecedented fall in demand for sawn mining-timber, which is traditionally one of the major outlets for British sawmillers. The successful containment of the effects of this major disruption in the market represents a significant achievement and demonstrates the forest industry's ability to respond flexibly and vigorously to adverse circumstances. The Log Price Index, which is an indication of prices in forward contracts, remained virtually unchanged, ending the year at 177.7 compared with 178.7 at 31 March 1984. This contrasts with the 26 per cent rise reported last year.

### *Conifer Small Roundwood Sales*

89. Our sales of pulpwood and chipwood increased by 13 per cent over the previous year reflecting a strong improvement in demand. This represented approximately 33 per cent of total production. Pulpwood exports from Britain in the calendar year 1984 totalled just over 359,000 tonnes, a decrease of 9 per cent from the 1983 level of 391,000 tonnes. Our own export sales were increased by

30 per cent. It had been our intention to take advantage of the expected favourable market conditions for export pulpwood in order to work up to the increased harvesting capacity required to meet the demand created by the new project at Shotton, where timber supplies were required from March 1985. In the event, we were able to sell more pulpwood to offset the decline in mining timber, and supplies to our domestic small-roundwood customers increased by about 4 per cent. In the early months of 1985, it was apparent that the expansion of domestic industry would soon provide a strong stimulus to demand. To meet this expected increase we began to withdraw from our commitment to exports, a market we entered in the early 1980s in the wake of the major pulpmill closures at that time. It is gratifying to report that the resurgence of domestic industry has fulfilled our expectation that export sales would be an interim measure to sustain our markets in the short term.

### *Pitwood*

90. The miners' strike seriously affected our deliveries of round mining timber, reducing them to a third of last year's level. It seems inevitable that pitwood demand, which has been contracting steadily over a number of years, may now decrease more rapidly as uneconomic pits are closed.

### *Sales of Standing Trees*

91. We had planned to increase the volume of standing sales during the year by about 10 per cent. As a result of the miners' strike and other factors, however, the total volume removed from Commission forests under such contracts was disappointing and was limited to 935,000 cubic metres, a decrease of 5 per cent over 1983-84. Standing sales thus represented 33 per cent of the total cut in our forests. The average price for all standing sales rose by 15 per cent. Our index for sales of trees in the smaller-size categories rose from 304.2 at 31 March 1984 to 371.1 at 31 March 1985; this was an increase of 22 per cent, reflecting a strong demand for small roundwood throughout the country and for sawlogs in Scotland.

### *Co-ordinated Marketing Initiatives with the Private Sector*

92. In 1978 we co-operated with the private sector to launch an initiative to assist owners of small scattered areas of forest to combine their offers with our own so that larger, more attractive quantities might be offered for sale. From a modest beginning these joint tender sales have grown steadily, and a further initiative was taken this year in south-west England where a co-ordinated sale of just over 13,000 cubic metres was offered. The expansion in domestic demand, particularly in the pulp and wood-based panel sectors, encourages us to foster further initiatives in co-operation with Timber Growers United Kingdom.

### *Harvesting*

93. The main emphasis of our work in the harvesting field in recent years has been to seek cost reductions through improved harvesting systems, and we have now reached the stage where we have begun to consolidate the substantial reductions achieved. In the year under report we were able to contain the increase in working costs to 6 per cent by achieving a modest increase in productivity of about 3 per cent. While we have completed our development work on the presentation of timber for motor/manual harvesting, we are continuing our

programme of implementation of new and more efficient felling systems. Two processors, which debranch and crosscut felled trees, have been purchased and the early results are encouraging. A harvester, which mechanises the entire process of felling, debranching and crosscutting, has been acquired and training of the operating team began towards the end of the year. A harvester for thinning has been ordered for delivery during 1985-86. Because of their advanced technology, the introduction of these machines has required the development of new techniques of operator selection, training, management and engineering support. Standards of performance have been set against which progress can be monitored and controlled. Our objective is to realise the overall cost savings offered by such mechanised systems, and also provide better and safer working conditions for our employees.

94. During the year our plans matured to develop harvesting and haulage resources to supply the new mill at Shotton. We joined the Forestry Training Council in new initiatives with the Manpower Services Commission to provide training for forest harvesting contractors. In the latter part of 1984 we also arranged, in co-operation with the Shotton Paper Company, a series of meetings with haulage companies throughout the country to publicise the opportunities available for haulage to Shotton. Our subsequent tenders for haulage attracted interest from a number of hauliers who had not previously carried timber.

## **Engineering**

### *Civil Engineering*

95. We constructed 83 kilometres of new roads and upgraded 280 kilometres of existing roads in Commission forests during the year. This was somewhat less than previous years and follows our review of road planning in 1982 which is now taking effect. Emphasis was laid on obtaining the best balance between frequency of maintenance and quality of repair to ensure the most cost-effective result. Trials on road surface quality were carried out during the year using Transport and Roads Research Laboratory data and instrumentation.

96. In preparation for the reorganisation of Conservancies, we have been assessing the opportunities for increasing the element of plant-hire in civil engineering works. Our object will be to avoid incurring capital expenditure on machines needed only for peaks of work or for part of the year.

97. The Department of Transport have issued new guidelines on *Assessment of Highway Bridges and Structures* and our design staff have been studying the effects of these on bridges used for forestry purposes. The guidelines may also affect the capacity of bridges on rural public highways, and we shall be keeping in touch with local authorities to ensure that timber extraction is not severely affected. New British Standards for bridge loading have also been issued recently. We are pleased to say that nearly all our bridges already meet these new Standards, and those built in future will be designed to conform with them.

98. The problems associated with increasing timber traffic on rural roads in Scotland led us to undertake a review of the requirements for improvements to public roads which carry traffic associated with forestry. The needs have been assessed in detail for some 15 years ahead and agreement has been reached with the Scottish Development Department and the Regions concerned on the necessary arrangements to put them into effect.

### *Mechanical Engineering*

99. Our plans for the concentration of work in fewer and larger repair depots (Plate 5) were implemented during the year. A number of smaller workshops have been closed, while the necessary extensions to the major repair depots have proceeded on schedule. As a result, we anticipate that repairs to harvesting machinery will be carried out more speedily in future.

100. The rationalisation of our fleet holdings has continued and we are beginning to see benefits in procurement and operations. The high capital-value machines, such as the clear-felling harvester (see paragraph 93), require good-quality repair back-up, and specialised training for the mechanics involved was arranged in Sweden. In addition, new vans have been purchased for our mechanics to allow sophisticated repairs to be carried out in the field (Plate 6). The numbers and range of mechanical engineering computer programs have been extended and now include a detailed performance report for every major item of machinery.

### *Radio and Electronics*

101. Fourteen base stations and Forest District networks were set up in the year and 450 mobile radios installed in vehicles. Sixty-five of the 70 Forest Districts now have radio cover. A new development was the trial of equipment to allow Forestry Commission radios access to the public telephone network. This will allow radio communication between main workshops or Forest District offices and isolated operators with whom direct radio contact is not possible.

### **Forest Workers' Pay**

102. The pay settlement for forest worker grades agreed during the year increased the weekly rate for unskilled forest workers to £77.05 and for forest craftsmen to £87.60 from 30 June 1984. As in the two previous years, the settlement included a provision that in those weeks in which piecework earnings were not available guaranteed rates would be paid, the amounts being £82.95 for unskilled forest workers and £94.35 for forest craftsmen. The average weekly earnings of forest workers in 1984-85, based on a sample of one full week's work by all grades in each quarter, were £118.67.

### **Health and Safety**

103. There was a small but nevertheless welcome reduction in the number of reportable accidents (ie those causing incapacity for more than three days) which fell from 316 to 303. It is with regret that we have to report a fatal accident, which occurred when one of our workers was struck by a falling tree.

104. We have formally adopted the safety guides published by the Forestry Safety Council as a practical minimum standard, and have started work on the measurement of chain saw vibration of machines which have been in use for varying periods. We are also introducing new felling systems with the objective of reducing the physical effort required by workers involved in motor/manual harvesting work. There are genuine grounds for optimism that this technique will significantly reduce back and neck injuries, which in recent years have accounted for about 50 per cent of all injuries.



## **Finance**

105. The accounts of the Forestry Enterprise, including general notes and explanations together with the Comptroller and Auditor General's report thereon, appear after page 91.

106. After three years of the 1982-87 quinquennium, the indications are that the Commission will exceed the set targets of 3 per cent in real terms on its forest estate valuation and 5 per cent on its commercial recreation and surplus estate investments. Favourable variances on the Plantations Account, which indicate the extent to which the 3 per cent target has been exceeded, totalled £29 million. Income exceeded the standard by £7.3 million, mainly because of improvements in timber markets. Forest costs were £16.4 million lower than the standard as a consequence of improvements in efficiency and productivity, particularly in harvesting operations. The Trading Account showed a cumulative surplus of £3.0 million above the targets set. This was mainly a result of improved returns on cabins and campsites and the profit achieved on the sale of surplus properties.

# Forestry Authority

## Legislation

### *New Dutch Elm Disease Orders*

107. Two new Dutch Elm Disease Orders\* came into operation on 11 June 1984. These revoked the previous Orders on this subject and re-enacted them with amendments to the boundaries of the areas within which control measures apply. Under the new Orders, the main control area in England now comprises a broad belt across the centre of the country, including Merseyside, Greater Manchester, West Yorkshire and parts of Cheshire, Lancashire and North Yorkshire. Other small areas of control, such as Lincoln City, Tyne and Wear, the Peak area of Derbyshire and parts of East Sussex and Cumbria, remain. In Wales, controls are confined under the Orders to Gwynedd and the Colwyn district of Clwyd. The whole of Scotland, with the exception of Border Region and part of Dumfries and Galloway Region, continue to be included in the Scheduled Area. These new arrangements reflect the changing situation of the disease revealed by the review we carried out in 1983.

### *Plant Health Import Controls*

108. A new Order† further amending the controls on timber imports came into operation on 1 January 1985. Its effect was to extend to all coniferous wood imports the landing requirement that the wood must be free of bark; imports of conifer bark were also banned. Previously, the controls had applied to all conifer species from non-European countries and from France, but had been restricted to spruce from other European countries. As an alternative to debarking, the new Order permits coniferous wood to be kiln dried to a moisture content of 20 per cent, achieved at the time of manufacture, subject to the wood being so identified by a mark "KD", "kiln dried" or other internationally-recognised marking on the wood or its packaging.

### *Amendments to the Movement of Spruce Wood Order*

109. Our Restriction on Movement of Spruce Wood Order 1982 introduced controls over the movement of unpeeled spruce wood with a diameter of 75 mm or more grown in specified areas of Wales and the Marches with the object of preventing the spread of *Dendroctonus micans* (the Great Spruce Bark Beetle). An amendment to this Order‡ came into operation on 25 March 1985. Its effect is two-fold: first to require a licence for the movement of all spruce grown in the Scheduled Area, thus bringing all wood whether stripped of bark or not within the scope of the Order, and secondly to extend the Scheduled Area, in particular to include the isolated infestation at Bowland in Lancashire. The extent of the new Scheduled Area is shown on the map at Appendix VII.

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\* The Dutch Elm Disease (Restriction on Movement of Elms) Order 1984 (SI 1984/686) and the Dutch Elm Disease (Local Authorities) Order 1984 (SI 1984/687)

† The Import and Export of Trees, Wood and Bark (Health) (Great Britain) (Amendment) Order 1984 (SI 1984/1892)

‡ The Restriction on Movement of Spruce Wood (Amendment) Order 1985 (SI 1985/242)

### *Increases in Fines*

110. The Order to increase fines for offences under our various Plant Health Orders\*, which we foreshadowed in our last Report, came into operation on 11 June 1984. This raised the maximum level of fines from £100 for a first offence and £200 for a second or subsequent offence to £1,000 for any offence.

### **Private Forestry**

#### *Planting*

111. The level of planting in the private sector was marginally less than that achieved in 1983-84. A total of 19,095 hectares was grant-aided under the Commission's schemes (compared with 19,740 the previous year) of which 16,029 hectares were new planting (16,673 hectares in 1983-84). It is of interest to note that planting under the Forestry Grant Scheme continues to rise; 16,294 hectares (85 per cent) were planted under the Scheme compared with 15,306 hectares (78 per cent) in 1983-84. The Scheme continues to prove attractive, with some 2,296 applications covering 80,052 hectares being received during the year. Fuller details of grant-aided planting are to be found at Table 2 of Appendix IX.

112. The slight fall in total planting was disappointing after the sharp increase recorded the previous year when new planting in the private sector rose by a third, but it was not entirely unexpected in the light of recent trends which have shown an uneven movement in planting levels — new planting rose by some 50 per cent between 1980-81 and 1981-82, remained more or less at the new level in 1982-83 and then rose by 33 per cent in 1983-84. The level of planting in 1984-85 does not necessarily presage a downward trend, therefore, but we have been taking the position fully into account in the review of grant rates which fell due on 1 October 1984 and which was still underway at the end of the year under report.

#### *Illegal Felling*

113. Cases continue to be reported to us of felling being carried out without the necessary felling licence. A serious view is taken of such breaches of the felling licence regulations, and during the year there were 15 successful prosecutions where either owners, merchants, contractors or tree fellers were found guilty of offences and fines of up to £3,000 were imposed. In March we sought and were granted an injunction to prevent further felling of trees in a wood in Warwickshire, the first time we have taken legal action of this kind. Prosecution proceedings have been instituted against the offending parties.

### **Forestry in the European Community**

114. Forestry Commission officials were heavily involved in discussions within the United Kingdom and in Brussels on European Community matters relating to forestry policy, plant health, farm woodlands, the timber industries and forestry research. Developments on various proposals involving forestry put forward by the EC Commission for consideration by the Council of Ministers, which we described in our last Report, are given below:

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\* The Increase of Fines (Plant Health) (Forestry) Order 1984 (SI 1984/688)

- i. Discussion continued on the EC Commission's proposals for a Regulation on the protection of forests against fires and atmospheric pollution and for a Resolution on forestry and the forest-based industries, but no agreement has so far been reached.
- ii. The proposal to include the primary processing of wood in Council Regulation 355/77 (marketing and processing of agricultural products) was dropped. An optional provision for grant-aiding farm woodlands was, however, included in Article 20 of Council Regulation 797/85 on improving the efficiency of agricultural structures, which was adopted by the Council of Ministers on 12 March 1985. At the end of the year consideration was being given to the implementation of the various parts of this Regulation.
- iii. At the 12 March Council meeting, Ministers also agreed to extend Council Regulation 269/79 on forestry in the Mediterranean zones of France and Italy pending the adoption of the wider-ranging Integrated Mediterranean Programmes which were still under discussion.

### **International Affairs**

115. We continued to play an active part in a number of international committees and we note with pleasure that, at its Seventh Session in May 1984, the Director General was elected Chairman of the Food and Agriculture Organisation (FAO) Committee on Forestry for a period of two years. The Commission was also represented at the FAO's 14th Regional Conference for Europe which met in Iceland in September 1984. Both the Committee and the Conference expressed deep concern at the continuing extent of world deforestation and agreed that forest conservation had become a major environmental issue. In November 1984 the FAO Council, meeting in Rome, decided to declare 1985 *International Year of the Forest* with a view to increasing public awareness of the importance of forestry. Details of our participation in this event are given in paragraph 50.

116. We also contributed to the work of other international bodies including the International Union of Forest Research Organisations (IUFRO), the Economic Commission for Europe (ECE) Timber Committee, the joint FAO/ECE/ILO Committee on Forest Working Techniques and Training of Forest Workers and the joint FAO/ECE Working Group on Forest Economics and Statistics. In addition, the Director General delivered the keynote address on the theme *Forest Resources Management - The Influence of Policy and Law* to the International Forestry Congress organised jointly by the Canadian Institute of Forestry, the Society of American Foresters, the Union Internationale des Sociétés d'Ingénieurs Forestiers and the Ordre des Ingénieurs Forestiers du Québec, which met in Québec during August 1984.

### **Forestry Research Coordination Committee**

117. The Committee held two meetings in the course of the year. Work was begun on two new research reviews: one dealing with broadleaved woodland, the other with forestry and the environment. Considerable importance is attached to these review groups which are being set up to examine and make recommendations on the principal areas of current concern in forestry research. In addition, methods of evaluating research projects have been examined.

Despite the increasing pressure being felt by the bodies which finance forestry research, it is gratifying to note that the Committee's annual survey of research activity showed a slight increase in total funding.

## **Research and Development**

118. The Commission's Report on Forest Research, published each autumn, gives a full account of the work carried out or grant-aided by our Research and Development Division. The paragraphs below represent a small selection of items of general interest.

### *Trees and Farming*

119. The year has seen a major growth in the debate over increasing food production and the implications of possible changes in the economic conditions of agriculture for rural land use. There is relatively little practical experience in Britain of novel ways of combining trees with farming. These need to be biologically sound, robust and capable of implementation by occupiers who are not necessarily skilled in silvicultural methods. We therefore started work in 1983 with the Hill Farming Research Organisation, Edinburgh, on the design of spaced tree plantings, combining trees and sheep on better quality soils in the uplands. In 1984 work began with the Animal and Grassland Research Institute, Hurley, on combining trees, usually broadleaves, with lowland farming systems. These projects include calculations of costs and returns and the effect of tree competition on grass and crop yield.

### *Vegetative Propagation*

120. We completed the main phase of our research into the mass production of selected Sitka spruce by raising stock plants from seed and rooting cuttings in polythene houses: The techniques identified have been successfully tested by user trials in Forestry Commission and private nurseries. Using controlled pollination, we have now built up stocks of seed to enable both private and Commission nurseries to expand their production. We have also discovered means of multiplying Sitka spruce using very small segments of young tissue and have started research to develop the techniques for commercial application. If this can be done, it will shorten the time between the breeding of superior genotypes and their extensive planting in British forests.

### *Breeding of *Rhizophagus grandis**

121. Research on the control of *Dendroctonus micans* (the Great Spruce Bark Beetle) has concentrated on the mass rearing of the predatory beetle *Rhizophagus grandis*. Over 30,000 adult *R. grandis* beetles were released at 401 sites in Commission woods and 547 sites in private woods. There are encouraging signs that this predator will be able to establish itself under British conditions.

### *European Pine Sawfly (*Neodiprion sertifer*)*

122. Joint research with the Natural Environment Research Council's Institute of Virology has led to the development of an effective method of control of *Neodiprion sertifer* using an insect virus. Virox, marketed originally by Tate and Lyle, is specific to *Neodiprion sertifer* and was used successfully in 1984 to

control heavy infestations of the sawfly in 3,000 hectares of young Lodgepole pine plantations under Forestry Commission and private management in the north of Scotland.

### *Windthrow*

123. The aeromechanical forces exerted on a plantation before and after successive thinning have been measured in a Sitka spruce stand at Rivox in South Scotland Conservancy and the results compared with those obtained from models of plantations exposed in the Oxford University wind tunnel. This research, partly in collaboration with Aberdeen University, has allowed quantification of wind flows and forces acting in a tree stand and indicated the possibilities of further use of wind tunnels to forecast the effect of forest operations on plantation stability.

### *Forest Hydrology*

124. The main components of the water balance in a 37-year old Sitka spruce stand have been measured at Kershope Forest in Cumbria (Plate 7). Thirty-eight per cent of the rainfall was intercepted and evaporated from the tree canopy, 13 per cent was accounted for by transpiration and other losses and 49 per cent left the site as drainage water. Measurements after the stand had been clear-felled showed an increase to 66 per cent in water draining from the site with 34 per cent of rainfall accounted for by evaporation from harvest debris and the soil surface. Although these proportions vary somewhat with annual rainfall, this investigation shows the order of increase in the proportion of water draining from a forest site following clear-felling.

### *Upland Forestry and Water Quality*

125. We have continued our collaboration with the various bodies concerned with research into associations between trees, soils derived from hard, acid rocks, and the chemistry and biology of streams and lakes in upland Britain. In particular, we have assisted the Welsh Water Authority with the liming of Pendam Lake near Aberystwyth to see what benefits this brings to fishing.

### *Timber Properties*

126. The large and continuing demand in this country for sawn timber for structural use prompted investigations, in conjunction with the Princes Risborough Laboratory of the Department of the Environment, into the relations between silvicultural practices and sawn-wood strength in British timber. These investigations are revealing a strong relationship between the stress-grade performance of structural timber and the initial planting density of Sitka spruce.

## **Plant Health**

### *Dendroctonus micans*

127. The campaign against *Dendroctonus micans* (the Great Spruce Bark Beetle) has continued. An analysis of the reports of intensive surveys we carried out in 1984 in our own forests and in private woodlands within the Scheduled Area showed that there had been a reduction in the total number of attacked trees compared with the previous year — 29,800 (1983) down to 21,830 (1984). The

number of infested sub-compartments has increased — 1,357 (1983) up to 1,573 (1984), and the mean number of attacked trees per sub-compartment has dropped significantly — 22.0 (1983) down to 13.9 (1984).

128. Few new outbreaks were reported in 1984 outside the affected area and the maximum distance of outward spread recorded was about 5 kilometres, but a number of outbreaks were reported in new locations within the affected area. Comparison with 1983 shows a marked drop in the number of infested Norway spruce, but an increase in the number of infested Sitka spruce — Norway spruce from 24,060 (1983) to 14,640 (1984), Sitka spruce from 5,730 (1983) to 7,190 (1984). Investigations are in hand to ascertain whether the increase for Sitka spruce simply reflects the movement of the infestation into areas where Sitka spruce is the more readily available host, or whether the infestation, once established, develops more rapidly in a Sitka spruce stand than in an equivalent Norway spruce stand.

129. As part of a major review of the control strategy, a series of comprehensive studies was undertaken during the year, as described in paragraph 46. Having taken account of these studies, the Dendroctonus Micans Working Group reached the conclusion that the strategy of eradication of all known infestations by felling, zonal peeling and insecticide treatment combined with movement control has had a significant effect in reducing the overall numbers of trees affected and the long-distance dispersal of the beetle. At the same time it is recognised that, although the data indicate that beetle populations have been reduced in level, they have not been eliminated; a significant residual population remains and will continue to exist in the affected area. The Working Group also concluded that the future control strategy should be based on measures likely to be cost-effective in minimising the rate of outward spread and in containing, or reducing the level of, infestations within the affected area. Particular attention will be paid to the infested area in the vicinity of Bowland, which is the most northerly outbreak recorded, and to detecting any new outbreaks in the rest of the country. To achieve these objectives certain aspects of the control strategy have been changed, as already recorded in paragraph 47.

#### *Pheromone Traps for Exotic Bark Beetles*

130. Towards the end of the year, arrangements were being made to set up traps baited with pheromone lures for attracting exotic bark beetles at strategic locations around the country; these will include major ports, certain ladder-pole manufacturers, selected wood-storage yards and nearby forests. This experimental programme, which was planned to start in April 1985, is designed to check the occurrence of bark beetles from Continental Europe and North America such as *Ips typographus*, *Dendroctonus rufipennis* and *Dendroctonus psudotsugae*. There is no known pheromone which attracts *Dendroctonus micans*, however.

#### *Watermark Disease of Willow*

131. Watermark disease of willow caused by the bacterium *Erwinia salicis* has been a matter of continuing concern for many years in respect of cricket bat willow *Salix alba* var. *coerulea*, but in recent times the number of diseased trees found has remained at a consistently low level and no diseased stools have

been found since 1977. A review is planned of the practical control measures which are applied by the local authorities involved under the Watermark Disease (Local Authorities) Order 1974.

#### *Dutch Elm Disease*

132. As reported in paragraph 107, a further reduction in the boundaries of the control areas, made with the agreement of the local authorities concerned, was found to be necessary to reflect more realistically the areas where practical control measures were likely to help to slow down the spread of the disease. Within these reduced areas, local authority powers will be retained and movement controls will continue to be applied.

#### *European Community Legislation*

133. Discussions with the EC Commission and the other Member States of the Community took place throughout the year on proposed amendments to the EC Plant Health Directive. Meanwhile, we have pressed ahead with trying to secure an improvement in the standards of peeling of imported coniferous sawn wood by introducing Mill Certificate of Debarking Schemes with a number of important exporting countries. In addition to Canada, schemes have now been agreed with Denmark, Finland, Norway, Sweden, Poland and Portugal. A scheme for the USA is currently being negotiated.

#### *Plant Quality*

134. In accordance with the Forest Reproductive Material Regulations 1977, there were 21 new entries in the National Register of Basic Material during the year. There were also 25 inspections made under our nursery inspection scheme in compliance with the same regulations. Commission staff have also been involved in discussions on the proposed revision of the British Standards covering poplars and willows and on specifications for forest trees.

### **Education and Training**

#### *Education*

135. Important changes in teaching methods and qualifications have taken place both in England and Wales (City and Guilds of London Institute) and Scotland (Scottish Technical Education Council). In England and Wales, the part-time route to a Forester's qualification now incorporates periods of home study — described as 'distance learning' — interspersed with block attendance at the Cumbria College of Agriculture and Forestry. The introduction of distance learning in the part-time syllabus will make the course more accessible to those candidates who, for one reason or another, are unable to spare long periods in college. In addition, the full-time Ordinary National Diploma course has been brought up to date and the qualification retitled the B/TEC National Diploma in Forestry.

136. In Scotland, the introduction of self-contained 'modules' has replaced the previous block-release and full-time syllabuses. Each module comprises a structured lesson plan and objectives covering a single topic or a group of closely-related topics. Modules are usually based on 40 hours of study, but variations to this standard will occur according to the relative complexity of the subject matter. The great advantage of the system will be the added flexibility,



which will allow employers and employees to choose modules relevant to their individual needs. The change in the Scottish system is also accompanied by a change in the title of the qualification awarded. The former SCOTEC Certificates and Diplomas will be replaced by the Scottish National Certificate and will be endorsed to show the modules successfully completed.

### *Training*

137. The reorganisation of Forests and Districts into a single tier of management created an increase in training needs as a significant proportion of staff assumed new duties. This was reflected in the number of participants attending courses at our Ae Management Training Centre, which provided training for a total of 48 staff in forest management duties and 161 in harvesting and marketing functions. In addition, several regionally-based seminars were conducted to bring staff up to date in tariffing techniques.

### **Public Relations**

138. We were delighted that the Commission's *Model Forest* exhibit at the 1984 Liverpool International Garden Festival not only proved to be highly popular with visitors, attracting well over half a million people during the six months' run of the Festival, but also won two of the major awards. One was a special trophy for the most original theme in the *Gardens with a Difference* category, and the other a Large Gold Medal for an exhibit judged to be outstanding for design, construction, visual effect, quality of material and overall appeal. At the end of the Festival many of the small trees used in the model forest were donated to schools and organisations involved in environmental improvement projects in the Merseyside area. All the Commission's staff engaged in the design, construction and manning of the exhibit are to be congratulated on this quite outstanding success.

139. Growing media interest in environmental and countryside matters was reflected in a doubling of the number of enquiries handled during the year. Wildlife conservation, the effects of air pollution and the future of broadleaved woodland were the principal topics of interest, the latter being to some extent stimulated by the publication of our consultative paper *Broadleaves in Britain*. Press conferences were held on a number of subjects, including the survey carried out on the health of Britain's forests, and there were several press visits, the most notable being to conservation projects in the Forest of Dean. We are pleased to be able to report that during the period of bad forest fires we again received extensive and very willing co-operation from the media, including 67 screenings of our fire-prevention announcement on television. We were also involved in six major television productions during the year, and Commission staff contributed to more than 100 radio programmes.

140. Evidence of the increasing concern for the environment and wildlife conservation comes also from the level of requests for information we have received from schools and the general public. Both have more than doubled in the past 18 months, schools alone now running at some 6,000 requests a year. Organised visits to our forests by schoolchildren continue to be very popular (Plate 8).

141. Other notable events were our clean sweep of the Automobile Association's Picnic Sites of the Year awards, in which we won the titles for England, Scotland and Wales together with the Great Britain title (Plate 9), and the acquisition of a unique photographic record of the development of Kielder Forest from its earliest days to the present, which has been lodged with the Northumbrian County Archivist.

### **Finance**

142. The statement of expenditure on Forestry Authority services, together with notes and explanations, appears at Table 2 of Appendix XII.

DAVID MONTGOMERY, *Chairman*  
G.D. HOLMES, *Deputy Chairman and  
Director General*  
I.D. COUTTS  
J. FORBES  
W.F.E. FORBES  
G.J. FRANCIS  
GIBSON-WATT  
G.O. HUTCHISON  
J.D. POLLOCK  
D.T.J. RUTHERFORD

P.J. CLARKE, *Secretary*  
FORESTRY COMMISSION  
231 Corstorphine Road  
Edinburgh EH12 7AT

# Appendix I

## Statutory and other Committees appointed by the Forestry Commission: membership at 31 March 1985

### National Committees

#### *England*

Mr J.N. Kennedy (*Chairman*), Major D.J.C. Davenport, Mr G.O. Hutchison, Mr W.E. Lane, Mr H.W. Mackworth-Praed. *Secretary to the Committee*: Miss M. O'Hare. The Committee met in April and November 1984.

#### *Scotland*

Captain W.F.E. Forbes (*Chairman*), Lt-Col A.E. Cameron, Mr G.J. Francis, Mr J.D. Pollock, Mr William Wolfe, Captain J.M.A. Yerburgh. *Secretary to the Committee*: Mr B.R. Sidaway. The Committee met in April and November 1984.

#### *Wales*

Lord Gibson-Watt (*Chairman*), Mr B. Davies, Mr D. Davies, Mr A. Rix, Mr D.Y.M. Robertson, Mr W.R. Williams. *Secretary to the Committee*: Mr E.G. Owen. The Committee met in May and November 1984.

### Regional Advisory Committees

#### ENGLAND

##### *North West Conservancy*

Lord Forester (*Chairman*), Mr J.E. Croasdale, Mr C.A. Eade, Mr P.M. Entwistle, Dr H.M.T. Frankland, Mr F.G. Humphreys, Mr R.E. Shapland, Mr M. Taylor, Mr W.B. Walker. *Secretary to the Committee*: Mr M. Mitchell. The Committee met in May and September 1984.

##### *North East Conservancy*

Mr P.O.R. Bridgeman (*Chairman*), Mr M.J.M. Bliss, Professor B. Hackett, Mr T.N. Hammond, Mr W.W. Metcalfe, Mr G.F. Stevenson, Mr P. Townson, Major P.B. Walker, Sir Marcus Worsley. *Secretary to the Committee*: Mr J.G. Armstrong. The Committee met in May and October 1984.

##### *East Conservancy*

Mr W.E. Lane (*Chairman*), Major G.K. Agnew, Councillor R.W.R. Browning, Mr W.H. Darling, Mr W.R. Emms, Major A.G.N. Hadden-Paton, Mr T. Mabbutt, Mr P.H. Peck, Mr J.K. Royston. *Secretary to the Committee*: Mr W.O. Wittering. The Committee met in October 1984 and March 1985.

##### *South East Conservancy*

Mr H.W. Mackworth-Praed (*Chairman*), Mr D.J. Edwards, Mr J.P.M.H. Evelyn, Mr D. Gibson, Mr E.J.F. Green, Mr A.C.S. Jennings, Mr W.R. Start, Major E.H. Stenhouse, Mr P.W. Venn. *Secretary to the Committee*: Mr J. Chapman. The Committee met in October 1984 and March 1985.

##### *South West Conservancy*

Major D.J.C. Davenport (*Chairman*), Mr M. Bray, Mr I. Mercer, Mr R.M. Moody, Councillor A.G. Phillips, Mr M. Roper, Mr P.D. Tuckett, Mr R.F. Worgan, Mr J.W.B. Workman. *Secretary to the Committee*: Mr B. Tipping. The Committee met in May and September 1984.

## SCOTLAND

### North Conservancy

Lt-Col A.E. Cameron (*Chairman*), Mr E.J. Brodie, Mr R. Cameron, Mr J. Evans, Mr J. Grant, Mr W.W. McAskill, Major A. McCall, Mr H.D. Skinner, Captain R.W.K. Stirling. *Secretary to the Committee*: Mr K. Roscoe. The Committee met in April, October and November 1984.

### East Conservancy

Dr Jean Balfour (*Chairman*), Mr B.S. Brookes, Mr G.W. Christie, Mr G. Cruikshank, Mr A.D.M. Farquharson, Mr N. Gordon-Smith, Mr R.F. Neish, Mr O.H. Russell. *Secretary to the Committee*: Mr W.D. Fraser. The Committee met in May and November 1984 and February 1985.

### South Conservancy

Captain J.M.A. Yerburch (*Chairman*), Dr R. Aitken, Mr W.S. Brack, Major D. Bridges, Mr D.F. Hewitt, Councillor J.G. Hope, Mr D.W.N. Landale, Mr R.A. McClymont, Captain J.G. Milne-Home. *Secretary to the Committee*: Mr W.G. Williamson. The Committee met in May and October 1984.

### West Conservancy

Mr William Wolfe (*Chairman*), Captain J.N.B. Baillie-Hamilton, Mr F. Bracewell, Mr D. Brierton, Mr W.J. Christie, Mr A. Fleming, Councillor T. Rae, Mr T. Smith, Mr R. Thomson. *Secretary to the Committee*: Mr W.J. Anderson. The Committee met in May and October 1984.

## WALES

### North Conservancy

Mr T.H. Owen (*Chairman*), Mr F.C. Best, Mr J.M. Harrop, Mr R. ap Simon Jones, Mr D.R.L. Keogh, Captain D.Y.F. Myddelton, Major P.C. Ormrod, Councillor D.W.L. Rowlands, Mr J.W. Sutton. *Secretary to the Committee*: Mr J. McGough. The Committee met in October 1984.

### South Conservancy

Mr M.A. McLaggan (*Chairman*), Mr E. Bartlett, Mr C.J.S. Burd, Mr S.K. Neale, Councillor R.G. Thomas, Mr H. Thompson, Mrs. D. Walmsley, Mr P.A. Wilde, Mr C. R. Woosnam. *Secretary to the Committee*: Mr R.R. Davies. The Committee met in November 1984.

## Home Grown Timber Advisory Committee

Mr J.D.W. Janes (*Chairman*)  
Mr A.F. Bloomfield  
Mr R.E. Boote\*  
The Hon James Bruce  
Mr N.F. Cairncross\*  
Mr D.J. Cooper  
Mr J.R. Cordiner  
Mr J.W. Dodds\*  
The Hon James Galbraith  
Mr R.D. Gordon  
Mr R.M. Harley  
Mr P.L. Herring

Mr J. H. Hose\*  
Mr D.W.N. Landale  
Mr R.W. Mackenzie  
Professor A. MacLeary\*  
Mr R.B. Metcalfe  
Mr A.W. Mills\*  
Mr P.S. Murray  
Mr H. Richardson  
Captain P.H.W. Studholme  
Mr R. Whitaker  
Mr H.F. Wilson  
Mr C.R. Woosnam

*Secretary*: Mr R.N. Burgess

### \*Independent members

With the exception of the independent members the membership was drawn from nominations received from the following bodies: Timber Growers UK, British Timber Merchants' Association (England and Wales), Home Timber Merchants' Association of Scotland, National Coal Board, Timber Trade Federation, UK Particleboard Association, Association of United Kingdom Wood Pulp Producers, Timber Research and Development Association Ltd.

The Committee met in June, September and December 1984 and March 1985. The Annual Report of the Committee is at Appendix II, page 45.

## Technical Sub-Committee of the Home Grown Timber Advisory Committee

Mr H. Richardson	}	(Chairman)
Mr D.B. Crawford		Timber Growers United Kingdom
Major P.C. Ormrod	}	British Timber Merchants' Association (England and Wales)
Mr M.T. Rogers		
Mr J.R. Maer	}	Home Timber Merchants' Association of Scotland
Mr M.D. Oxnard		
Mr J.A. Kissock	}	Institute of Chartered Foresters
Mr T.S. Smith		
Dr G.K. Elliott		Association of Professional Foresters
Mr A.R. Powell		Royal Institution of Chartered Surveyors
Col D.A. Campbell		Association of United Kingdom Wood Pulp Producers
Mr H. MacLeod		National Coal Board
Mr V.J. Cridge		Transport and General Workers' Union
Mr S.K. Neale		

Secretary: Mr R.G. Hands

The Sub-Committee met in April, June and October 1984 and January and March 1985.

## Supply and Demand Sub-Committee of the Home Grown Timber Advisory Committee

Mr N.F. Cairncross	}	(Chairman)
Mr P.J. Warburton-Lee		Timber Growers United Kingdom
Mr D.B. Crawford	}	British Timber Merchants' Association (England and Wales)
Mr D.J. Cooper		
Mr J. Glegg	}	Home Timber Merchants' Association of Scotland
Mr A.F. Bloomfield		
Mr K.F. Deane		UK Particleboard Association
Mr R.W. MacKenzie		Association of United Kingdom Wood Pulp Producers
		National Coal Board

Secretary: Mr R.M. Smith

The Sub-Committee met in May 1984.

## Advisory Committee on Forest Research

Professor P.F. Wareing (Chairman)	Dr J.P. Dempster
Professor J.R. Ashton	Professor J.M. Hirst
Dr J.D. Brazier	Dr W.E.S. Mutch
Professor J.P.M. Brenan	Professor L. Roche
Professor P.R. Day	Professor T.S. West

Secretary: Mr R. Murray

The Committee met in October 1984.

## Forestry Research Coordination Committee

Mr G.J. Francis (Chairman)	}	Forestry Commission
Mr A.J. Grayson		Forestry Commission
Dr T. Hegarty	}	Agriculture Departments
Mr J.M. Baker		Department of the Environment
Dr J.C. Bowman	}	Natural Environment Research Council
Mr J.N.R. Jeffers		
Dr J. Moorby		Agricultural and Food Research Council
Mr R.C. Steele		Nature Conservancy Council
Dr W.E.S. Mutch		Forestry Universities
Professor P.F. Wareing		Forestry Commission Research Advisory Committee

Secretary: Mr D.A. Burdekin

The Committee met in November 1984.

## Forestry Training Council

Mr D.A. Mithen (*Chairman*)

### *Employer Members*

Mr H.J. Brewis Mr P.J.D. Donnelly Mr N.G. Halsey Mr K. Hillcoat	}	Timber Growers United Kingdom
Mr C.W. Simmonds Mr D.A. Bardy	}	Forestry Commission
Mr A.G. Phillips		Association of Professional Foresters

### *Employee Members*

Mr J.H. Hose Mr D.R.L. Keogh Mr A. W. Mills Mr S.K. Neale	}	Transport and General Workers' Union
Mr T.E. Radford		Civil Service Union

### *Education and Training Members*

Mr W.J. Hedley Mr J. McMillan	}	Forestry Education (Scotland)
Mr R.M. Boothroyd Mr D. Danbury	}	Forestry Education (England and Wales)

### *Forestry Society etc Members*

Mr B. Roebuck Mr J. Brown Mr W.R. Start		Institute of Chartered Foresters Royal Scottish Forestry Society Royal Forestry Society of England, Wales and Northern Ireland
Mr P.G. Biddle		Standing Committee for Arboricultural Education

*Secretary:* Mr D.B. Parsons

The Committee met in June and October 1984 and March 1985.

## Forestry Safety Council

Col D.A. Campbell (*Chairman*)

Mr N.G. Halsey Mr K.J. Ramsay	}	Timber Growers United Kingdom
Mr D.J. Cooper		British Timber Merchants' Association (England and Wales)
Mr R. Callander		Home Timber Merchants' Association of Scotland
Mr J.H. Hose Mr A. W. Mills	}	Transport and General Workers' Union
Mr P.B. Munn		General, Municipal, Boilermakers and Allied Trades Union
Mr D.G. Whieldon Mr C.W. Simmonds Mr D.A. Bardy		Forestry Training Council Forestry Commission Forestry Commission

*Secretary:* Mr R.J. Bell

The Council met in April and September 1984.

## Appendix II

# Home Grown Timber Advisory Committee Annual Report for the year ended 31 March 1985

The Committee began a new three-year term on 1 August 1984.

The Committee was pleased to note that the wood products industry was in a healthier position than it had been for several years and that immediate prospects were bright. However, looking towards the longer term, concern was expressed that, despite the Committee's written representations through the Commission to the Department of Trade and Industry, in response to the Government's White Paper on Regional Industrial Policy, none of its proposals had been adopted. In particular, the decision had been taken not to include ancillary employment when considering automatic grant-aid for industry. The Committee acknowledged that the emphasis of the new policy was directed towards job creation in disadvantaged areas, but observed that the jobs created downstream from a pulp mill or sawmill meant a great deal in the rural context.

In June the Committee had the opportunity to consider the consultative document *Broadleaves in Britain*. The Committee commended the Forestry Commission in taking the initiative in developing a long-term policy for the country's valued broadleaved resource, although reservations were expressed over some aspects. The Committee was particularly concerned about the definition of semi-natural woodland being apparently left entirely to the Nature Conservancy Council. The owner should not be deprived of his right to manage his woodland without some opportunity to appeal. The Committee held most strongly to the view that if an owner did not have the right to appeal against designation of his woodland the Commission, in determining an application concerning that land, must not be bound by the designation.

An issue which the Committee recognised as taking on increasing significance was that of forestry and conservation. This was highlighted by the House of Commons Environment Committee's Report on the operation and effectiveness of part II of the Wildlife and Countryside Act and by the Wildlife and Countryside (Amendment) Bill introduced early in 1985 by Dr David Clark MP which sought to impose on the Forestry Commissioners a duty to "further conservation" in all their activities. The Committee had an opportunity to discuss these matters in March and were pleased to note that the original clause in Dr Clark's Bill affecting the Forestry Commission, which they had regarded as unworkable in the context of forestry, had been replaced by a more acceptable requirement for the Commissioners to seek to achieve "a reasonable balance" between the aims of forestry and conservation. While accepting assurances that the Commission was taking the initiative on public relations matters affecting forestry and conservation, the Committee nevertheless urged the Commission to be more forthright in its defence against criticism that forestry activities were necessarily detrimental to conservation.

Another topic on which attention was becoming increasingly focussed during the year was that of atmospheric pollution. The Committee, at its December and March meetings, questioned the Commission closely on its approach to attacks from the media on the effects of air pollution on forestry. The Committee was reassured to learn that a nationwide survey undertaken by the Commission had revealed no evidence to suggest that Britain's trees were suffering damage from air pollution similar to that affecting forests in West Germany. The Committee strongly supported the Commission in its policy of developing and sustaining positive measures to make the public aware of its competence and knowledge, in particular in relation to this emotive and significant subject.

The Committee's attention turned in June to plant health matters, when it noted the Commission's decision to introduce revised legislation to reflect more properly the situation concerning Dutch elm disease, and again in December when the Committee sought and obtained reassurances on the Commission's developing strategy for combatting the *Dendroctonus micans* outbreak in Wales and the Marches.

The Committee was also consulted on the comprehensive review being undertaken into the Commission's structure and was pleased to note that account had been taken of a number of observations made by members. These related, in particular, to the role of the Forestry Authority and the need for a focus for private forestry matters at both Headquarters and Conservancy levels.

The Committee kept abreast of relevant European Community matters. While noting that little progress had been made on a draft Council Resolution on a Forestry Action Programme or on the draft Council Regulation on Fire and Acid Rain, it was pleased to see that full UK representation had been achieved on the Advisory Committee on Forestry and Forest Based Industries. This was in line with the Committee's view that it was more effective to try and influence developments from within.

At its March meeting the Committee considered the question of public access to common land and took the view that a right of access to commons should not be universal, but that management schemes should be required to take access needs fully into account with other objectives. Also in March, the Committee expressed concern that, despite earlier representations, the Department of Agriculture and Fisheries for Scotland appeared still to be rejecting all applications to use better quality land for forestry. This was limiting the availability of land and forcing up the price. The Committee asked the Forestry Commission to pursue this matter urgently with the Department of Agriculture and Fisheries for Scotland.

The Technical Sub-Committee and the Supply and Demand Sub-Committee made regular reports throughout the year. Among the subjects considered by the Technical Sub-Committee were the aerial distribution of fertilisers, the uses of bark including the possible use of Sitka spruce bark as a source of industrial adhesive, machine stress grading, and preservation treatment by means of the boron diffusion process. Emphasis was given to quality control when the Sub-Committee discussed BS5750. The purpose of this Standard is to define systems and procedures to be followed by companies in any industry to ensure satisfactory standards of quality control. The Sub-Committee concluded that the introduction of the Standard did not create any particular problems for the timber industry and noted that the National Coal Board intended to promote adoption of the Standard by all their suppliers. An aspect of particular concern to the Sub-Committee was the proposal to bring forwarders driven on public highways within the scope of the Construction and Use Regulations. One difficulty was that of weight where the proposed limit was deemed too low for the larger types of forwarder. Comments had been forwarded to the Department of Transport. During the year attention was also drawn to the difficulty of treating fresh stumps against *Fomes* infestation after an area had been worked by harvesting machines.

The Supply and Demand Sub-Committee kept the parent Committee informed on wood supply and demand and on prospects for the coming year on the basis of information supplied by consumers' and growers' associations. While the dominant feature of the year had been the effect of the coal dispute, the future looked promising with the prospect of home demand reducing the quantity of timber exports.

The Committee reviewed and approved the membership and terms of reference of the Technical Sub-Committee, and once more wishes to place on record its warm appreciation of the constructive contributions made by the members of both the Sub-Committees.



# Appendix III

## Forestry Training Council

### Annual Report for the year ended 31 March 1985

Meetings of both the main Council and the Management Committee took place in Edinburgh on 7 June and 4 October 1984; the Management Committee also met on 5 March 1985. In addition, the Grant Award Committee and specialised Working Groups of Council members met at various times during the year.

Mr N.G. Halsey replaced Major General Richardson and Mr K. Hillcoat replaced Commander A.G. Claridge as Timber Growers UK representatives.

Mr D. B. Parsons replaced Mr J. McRitchie as Secretary to the Council.

Statistics on the quantity of training undertaken were again compiled and are provided in Tables 1 and 2.

**Table 1**  
*Attendance on Courses for Recognised Craft, Supervisory and  
Managerial Qualifications*

Courses	Grade and Type	1983/84		1984/85	
		Number of Courses/Students		Number of Courses/Students	
City and Guilds Phase I	Craft (Young Workers) Day and Block Release	2	24	1	17
City and Guilds Phase II	Craft Adult Workers Block Release ... ..	1	24	2	33
SCOTEC Certificate Part I	Craft (Young Workers) Block Release ... ..	7	62	1	5
SCOTEC Certificate Part II	Craft (Adult Workers) Block Release ... ..	4	39	5	35
Totals for Craft Courses ... ..		16	189	9	90
Ordinary National Diploma	Supervisory 3-Year Sandwich	1	90	—	—
SCOTEC Diploma	Supervisory 2-Year Sandwich	1	43	2	38
City and Guilds Stage 3	Supervisory Block Release	2	27	2	20
SCOTEC Certificate Part III	Supervisory Block Release ... ..	2	19	2	15
BTEC - Year 1	National Diploma ... ..	—	—	1	25
BTEC - Year 3	National Diploma ... ..	—	—	1	30
National Diploma	Managerial Residential	2	29	2	11
Totals for Supervisory/Management Courses		8	208	10	139

The Council through its training group provided short courses in a wide variety of subjects for the private sector and the Forestry Commission conducted short courses for their own workforce.

**Table 2**

*Attendance on Short Courses for Forest Workers, Supervisors and Managers during 1983-84 and 1984-85*

Level	Source of Participants	1983/84	1984/85
		Trainee Course Days	Trainee Course Days
Craft	Private Forestry ... ..	4,553	5,025
	Forestry Commission ... ..	4,857	5,206
	Totals ... ..	9,410	10,231
Supervisory and Managerial	Private Forestry ... ..	1,559	1,457
	Forestry Commission ... ..	2,335	2,467
	Totals ... ..	3,894	3,924

The Council continued to coordinate the Youth Training Scheme in the forest industry and 133 young people were involved for a total of 4,435 days with the scheme during the year. The Health and Safety Executive policy on the use of chain saws was published and persons under 18 years of age can use chain saws providing they are trained by a competent person on a 1:1 ratio and their work experience is directly supervised, initially on a 1:1 ratio and on a 1:2 ratio after a successful assessment of competency.

Negotiations were continuing for the establishment of a proficiency testing scheme for forest craftsmen in Scotland. Both the Highlands and Islands Development Board and the Manpower Services Commission provided grants to encourage harvesting contractors to undertake training in modern harvesting techniques. In addition the Manpower Services Commission provided grant aid for the training of new contractors for the industry and 25 new contractors were grant aided under this scheme during the year, each receiving 3 weeks training and living expenses. The Manpower Services Commission has agreed to similar schemes for 1985/86.

The Forestry Training Council made 13 awards to trainees who wished to complete certain City and Guilds or SCOTEC courses but were unable to obtain financial support from their employers or local education authorities.

The Forestry Training Council continued to have a close liaison with the Forestry Safety Council during the year. Once again the Council is pleased to record the willing co-operation given to it by so many people and organisations, the colleges providing forestry education, the Highlands and Islands Development Board, the Manpower Services Commission, the Forestry Commission, the private sector of forestry and the assessors.

Signed for the Forestry Training Council

D.A. MITHEN *Chairman*

D.B. PARSONS *Secretary to the Council*



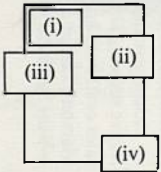
PLATE 1

Early summer in a plantation of 36-year-old oak at Newton—South Wales Conservancy. The marked trees have been selected to grow on to maturity; others will be removed by thinning at four yearly intervals.



**PLATE 2**

Abnormally low rainfall between April and August contributed to the loss of nearly 2 000 hectares of forest by fire. This blaze took place at Thornthwaite in the Lake District—North West England Conservancy.



**PLATE 3**

Recreation facilities in Commission forests now cater for some 50 different activities. The main picture shows a family walking in the Chiltern beech woods—East England Conservancy.

- (i) The barbecue site at Wentwood Forest, Gwent—South Wales Conservancy.
- (ii) Cross-country ski-ing, Glenisla, Angus—East Scotland Conservancy.
- (iii) The campsite at Cashel on the shores of Loch Lomond—West Scotland Conservancy.
- (iv) Activity play furniture at Wentwood, Gwent—South Wales Conservancy.

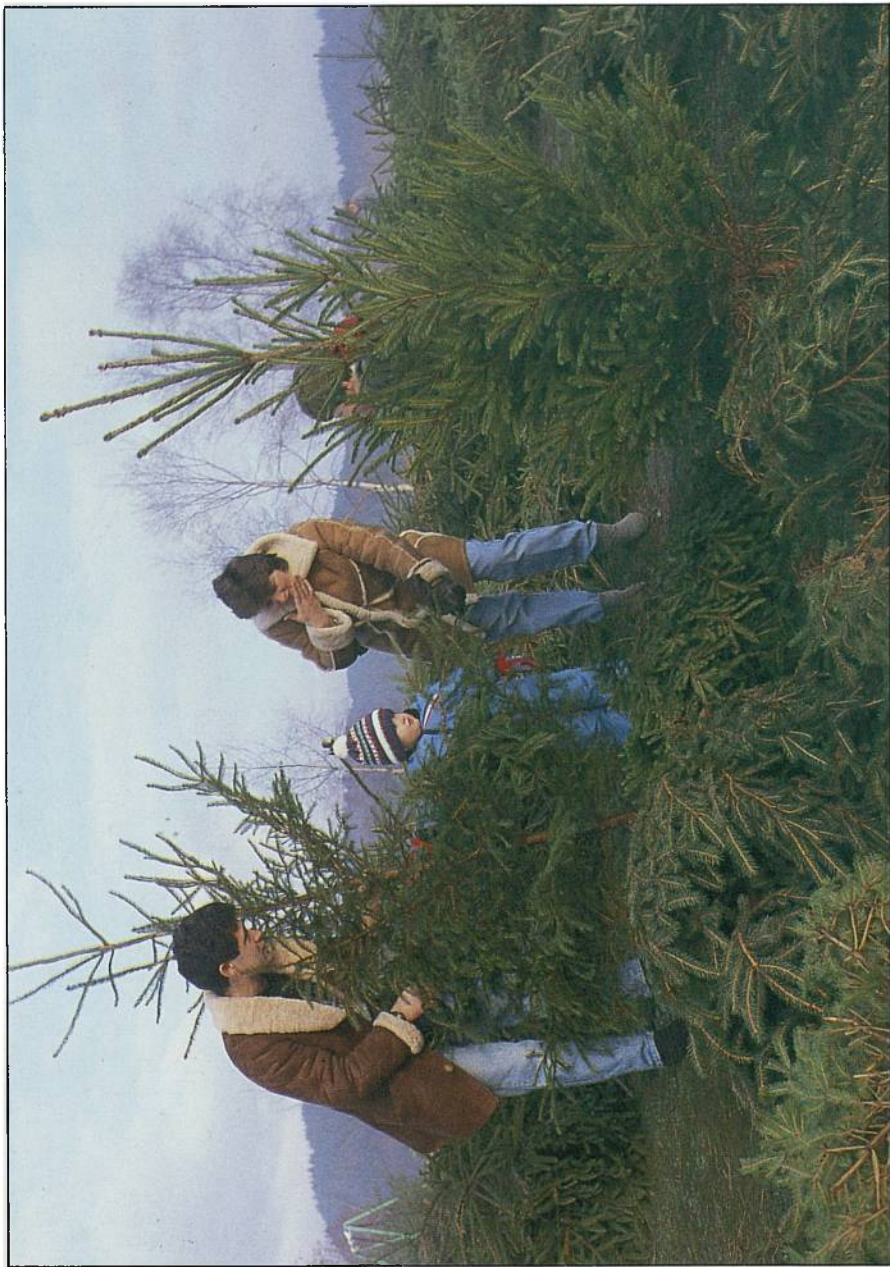


PLATE 4  
For many families a visit to the forest to choose their Christmas tree has become an exciting prelude to the festive season. This is the sales centre at David Marshall Lodge, Aberfoyle—West Scotland Conservancy.



PLATE 5

Vehicle and machinery repairs are now concentrated on a smaller number of larger workshops, such as this one at Heathhall, near Dumfries—South Scotland Conservancy.



PLATE 6

The first of a number of new custom-built mobile workshops being used to carry out on-site servicing of a Bruunett forwarder in South Scotland Conservancy.

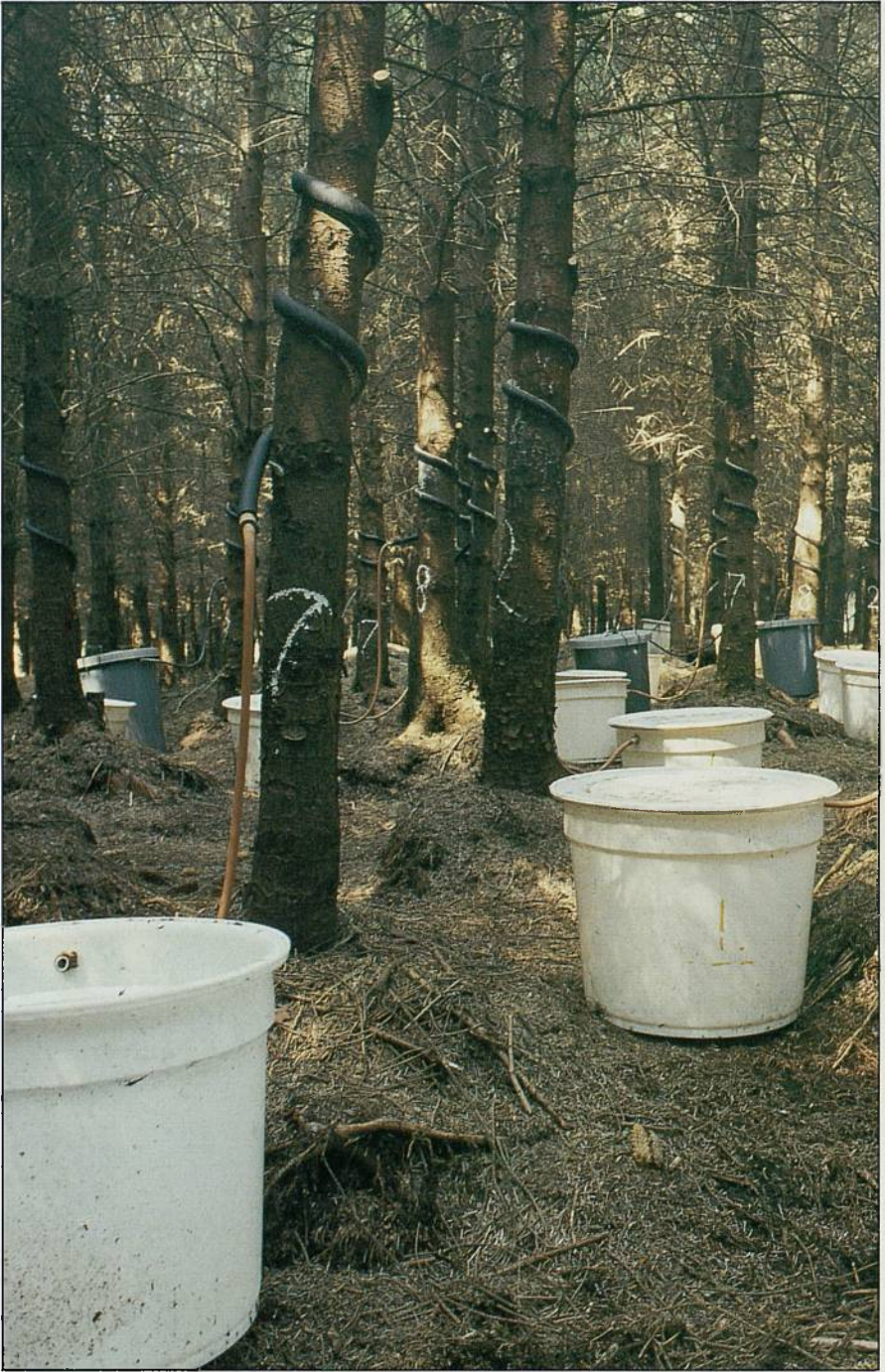


PLATE 7

A hydrological research project on a stand of 37-year-old Sitka spruce at Kershope, Cumbria in North West England Conservancy included measuring the flow of rainwater running down the stems of the trees.



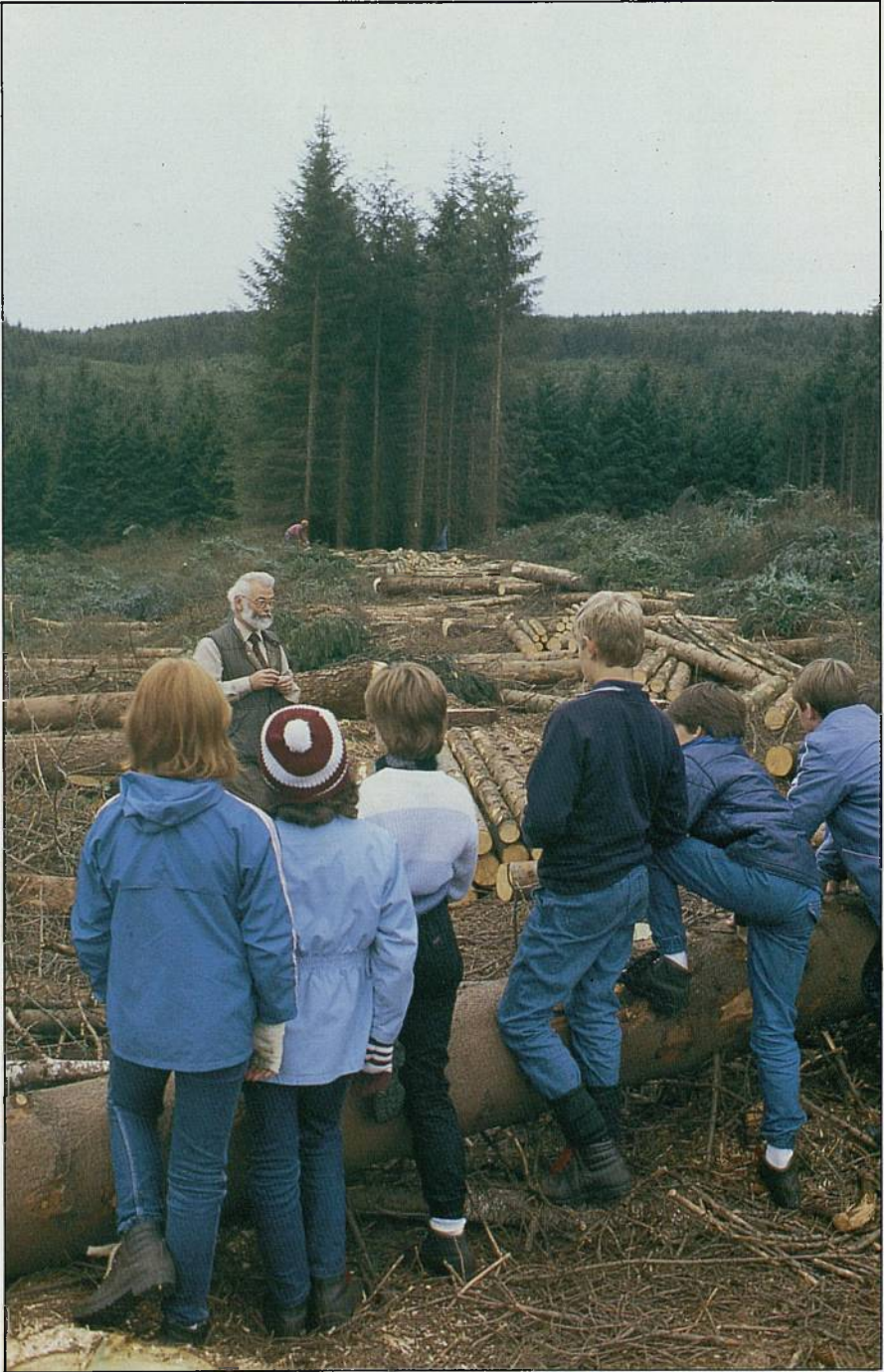


PLATE 8

Forestry has become a popular topic with school children engaged in environmental studies. Here a group of Northumberland youngsters are given a conducted tour of Kielder Forest in North East England Conservancy by one of the Commission's senior rangers.

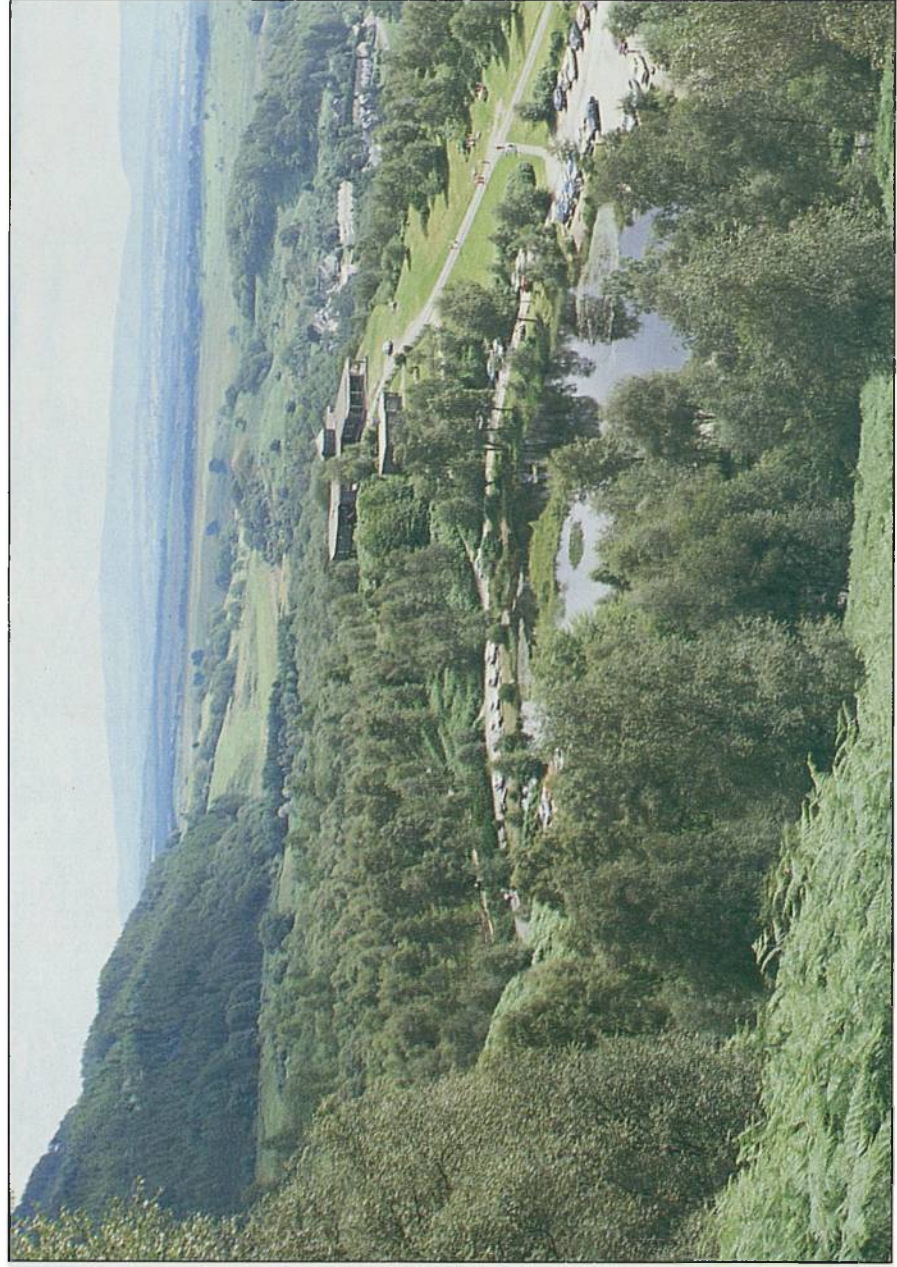


PLATE 9

A panoramic view of David Marshall Lodge in West Scotland Conservancy, the picnic site which was chosen by the AA as Britain's "Picnic Site of the Year".

# Appendix IV

## Forestry Safety Council

### Annual Report for the year ended 31 March 1985

During the year meetings of the Council were held at the Forestry Commission Management Training Centre, Ae on 25 April 1984 and in London on 11 September 1984. In addition the Safety Guides Sub-Committee met on two occasions.

The meeting in September coincided with the Association of Professional Foresters' fifth National Forest Machinery Demonstration which was staged at Windsor on 12, 13 and 14 September 1984. The Council was represented at the Demonstration with members on hand to deal with enquiries relating to the Forest Industry Safety Guides which were on display.

Three new Guides entitled *Processor (Limber Bucker)*, *Use of Tractors with Winches in Directional Felling and Takedown* and *All-Terrain Cycles* were published during the year together with revised versions of seven existing Guides, including three in the chain saw series.

Council members were, in general, of the opinion that no person under the age of 18 should be allowed to use a chain saw. This had particular relevance in connection with the Youth Training Scheme.

An update of the draft European Council Directive on the protection of workers from noise was considered. It appeared that the consensus now favoured a higher limit (90dB(A)) with the proviso that ear protection would be required when the 'dose' exceeded the original limit of 85dB(A). Furthermore the aim would be to return to the lower limit within five years from the date of the Directive.

The death of a timber contractor following an accident in an isolated location had highlighted dramatically the dangers arising from people working on their own. There had been a considerable delay before the contractor was found and released, still alive, from beneath his overturned tractor. The Council took the view that either two men should work together to enable them to keep constantly in touch or, if this is not possible, adequate radio communication should be made available.

## **Appendix V**

# **Change in Forestry Commission Disposals Objectives**

### **Announcement made by the Secretary of State for Scotland on 8 November 1984**

The Rt Hon George Younger MP, Secretary of State for Scotland, made the following announcement on 8 November 1984 in a Written Answer to a Parliamentary Question about the Forestry Commission's disposals programme:

“My Right Honourable Friends and I have been reviewing the disposals programme in the light of proposals made to us by the Forestry Commission.

When we asked the Commission to undertake this programme we stated that its main purpose was to reduce the Commission's call on public funds for the management of its forestry enterprise, and some £56 million have been raised to date from the sale of assets. Recently, however, the Commission has initiated major changes to its structure with a view to improving its efficiency and reshaping its management to meet future needs. Related to this it has also reviewed its land holdings to identify those properties that are not essential to the enterprise and which might be sold as part of the rationalisation of its estate. Bearing in mind that not all such properties will find a ready market, the Commission has estimated that a programme on this basis could yield some £45 million over the next 4 or 5 years. This would mean total receipts from sales from the start of the programme in 1981 of around £100 million.

Against this background the Government have decided that the Commission's disposals programme should be extended to 31 March 1989 and that its main purpose should be the rationalisation of the estate with a view to improving the Commission's efficiency and the commercial effectiveness of the forestry enterprise. The Commission can now plan ahead on this basis without the uncertainty and attendant difficulties that frequent reviews can cause in achieving a coherent approach to the management of the enterprise.”

# Appendix VI

## Disposal of Property Managed by the Forestry Commissioners

### A Statement of Policy and Practice\*

#### Legal Position

1. Land acquired under the Forestry Act 1967 is vested in the Forestry Ministers and normally placed by them at the disposal of the Forestry Commissioners.
2. The powers of the Forestry Ministers to dispose of land are contained in Section 39 of the Forestry Act 1967, as amended by the Forestry Act 1981. These powers enable them to dispose of land acquired under the Act for any purpose. More restricted powers apply to the Forest of Dean and there is separate legislation applicable to the New Forest.
3. Certain nominated officials of the Forestry Commission are authorised to act on behalf of Forestry Ministers in the acquisition and disposal of land.

#### Policy

4. Property is sold by the Commission in the following circumstances:
  - (a) in pursuance of its policy to limit its estate to that required for the fulfilment of the present and clearly foreseeable future needs of its Forestry Enterprise functions - property not so required is termed "surplus property";
  - (b) to rationalise the Commission's estate with a view to improving the Commission's efficiency and the commercial effectiveness of the Forestry Enterprise.

There are other circumstances, of less overall significance, where land may be sold: eg for housing or mineral development; to meet the requirements of other public bodies having powers of compulsory purchase (albeit not exercisable against the Commission because of Crown exemption); to effect boundary adjustments; in exchange for other land; or where necessitated under the terms of the title under which the Forestry Minister holds the land.

5. In meeting the objective set out in paragraph 4(b), the Commission is responsible for selecting areas for disposal and for deciding the method of disposal.
6. The main considerations which the Commission are required to take into account in selecting areas for sale have been set out in the form of guidelines by Forestry Ministers. These are contained in a letter from the Secretary of State for Scotland dated 28 May 1981 which was reproduced at Appendix V to the Commission's 1981-82 Annual Report.
7. In common with other Government Departments, the Commission ensures that disposals are carried out in a publicly acceptable manner and in accordance with public accountability.

#### Financial

8. The Commission expects to raise approximately £100 million from the sale of landed assets in the eight-year period to 31 March 1989.

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\*This Statement, which first appeared as Appendix VI to the 64th Annual Report and Accounts 1983-84, has been amended in the light of comments made by the Public Accounts Committee (see paragraph 26). The amended passages are sidlined for ease of reference.

## Practice

### *The Selection of Properties for Sale*

9. The Commission's holding of buildings and land is kept under continuing review, and assets not required for the Forestry Enterprise are identified as surplus estate to be sold. These include small woods that are economically unsuitable for commercial forestry or retention by the Commission and are sold irrespective of location. Other woods are sold in furtherance of the objective at paragraph 4(b). All woods for sale are selected in accordance with the considerations set out in the Ministerial guidelines referred to in paragraph 6. In order to appraise each case properly, these broad considerations have been expanded by the Commission in internal instructions to ensure that no aspect goes by default. In some cases, some of the guidelines may point to retention, while others may point to disposal. In these circumstances, the Commission exercises its judgement having regard to the overall position. Boundary adjustments and exchanges of land are identified as part and parcel of efforts to rationalise the estate and in the interests of acquiring suitable land for planting with trees. Disposals can also arise as a result of "compulsory purchase" by other authorities; the exercise of resumption powers in the Commission's title in favour of other parties; or where development opportunities are presented.

### *Offer-Back Procedure*

10. The Commission operates the offer-back procedure applicable to disposals by Government Departments. This applies to land acquired by or under the threat of compulsion, including sales made voluntarily if compulsory purchase powers (albeit not used) were held by the acquiring department, unless in each case the land was publicly or privately offered for sale immediately before negotiations commenced.

11. In essence, this procedure gives former owners and their successors in title other than by purchase the first opportunity to repurchase land previously in their ownership, provided that it has not materially changed in character since acquisition (in a Forestry Commission context, the planting of bare land with trees is such a material change). The procedure applies to agricultural land acquired after 1 January 1935 and other property acquired 25 years or less before the disposal. There are certain exemptions requiring Ministerial authority, a *de minimis* provision for small areas and certain caveats concerning fragmentation of development land. Tenants of house property, however, are given a prior opportunity to buy.

12. The procedure described above applies only to freehold land (or land owned outright in Scotland). However, the Commission holds a significant proportion of its estate on lease and, as lessors often have much closer links with the property than former freeholders, the procedure has been extended to leasehold land in accordance with the wishes of the Forestry Ministers, as expressed in the letter referred to in paragraph 6. The provisions mentioned in paragraph 11 have been varied in three respects to reflect the continuing interest of lessors - by extending the qualifying period, by disregarding any material change in character and by giving the lessor a prior opportunity over house tenants.

### *Estates Gazette Notification and Sponsorship*

13. It was recognised at an early stage in the disposals programme that many public and private bodies have a genuine interest in acquiring particular areas of Commission woodland. In order to draw attention, at the earliest stage, to such areas being considered for disposal, notices are placed in the Estates Gazette in respect of all woods larger than five hectares and all other land having a known conservation, recreation or amenity interest.

14. In the event of a body expressing firm interest in acquiring such an area, the Commission will consider giving it preference of opportunity to purchase if it can obtain sponsorship from the Government Department or agency responsible for the specific interest concerned. Sponsorship amounts to an unequivocal statement from the Department or agency that the acquisition of a named property by the body concerned to the exclusion of the public at large would be particularly in the public interest. Where the Commission accepts such sponsorship, it negotiates the terms of sale with the body involved, while the purchase price is assessed by the District Valuer on an open market value

basis; this must, however, at least equal the Commission's reserve price (see paragraph 22) in the case of plantations sold to meet the objective set out in paragraph 4(b). A handout detailing these arrangements is available from the Commission's Chief Land Agent in Edinburgh.

15. The Commission also applies the sponsorship arrangements to non-forest assets which are judged to have a conservation, recreation or amenity interest but otherwise follows the practice of other Government Departments in not affording other public bodies a preferential opportunity to purchase.

#### *Methods of Disposal*

##### 16. (a) Open-Market Sales

It is the Commission's aim to ensure that all potential purchasers are given a proper opportunity to express an interest and that the maximum price is obtained. To accomplish this the most appropriate method of sale is adopted, whether this be formal tender, informal tender, private treaty or auction. Properties are advertised appropriately and agents are instructed in suitable cases. Other than in exceptional circumstances, the highest offer above the reserve price is accepted.

##### (b) Negotiated Disposals

Subject to obtaining the best price, sales are carried out by negotiation to sitting tenants of residential property (a discount scheme analogous to that under the Housing Act 1980 and its Scottish equivalent is available to tenants of surplus houses); to sitting agricultural tenants; under offer-back and sponsorship schemes; on rational land use grounds; to effect exchanges or boundary adjustments; where the title requires it or inhibits an open-market sale; in "compulsory purchase" cases; under the Leasehold Reform Act 1967 or the Crofting Acts; or in other exceptional circumstances where a negotiated sale is considered justified having full regard to public accountability.

#### *Conditions of Sale*

17. It is the Commission's practice not to impose conditions relating to the future use of the property, other than those which are already in the title or which are necessary for the proper management of land to be retained. It is considered that to do otherwise would be to reduce the price received for the public purse. There are a number of other reasons for not adopting this practice. In the first place, the Commission has been advised that such clauses are usually incapable of legal enforcement particularly on re-sale and where the Commission retains no adjoining interest. Secondly, the imposition of conditions of this kind would be contrary to the clear wishes of Parliament which rejected the amendments introduced during the passage of the Forestry Act 1981 aimed at requiring restrictions to be placed on the land on sale. Thirdly, there are laws and regulations governing such matters as the change of use of land, the felling of timber and the provision of public access which the Commissioners do not feel it is their function to pre-empt by constraining the freedom of purchasers to use land which the Commission no longer manages.

#### *Planning Considerations*

18. The Commission ensures that the potential for a more valuable land use is investigated before sale. The Town and Country Planning Act 1984 enables the Commission and authorised outside interests to apply for and obtain statutory planning consent in respect of properties being disposed of.

#### *Professional Advice and Implementation*

19. Disposals are undertaken by Chartered Surveyors, who draw on the professional services of their forestry, engineering and other colleagues, the District Valuer, the Mineral Valuer and private firms of agents, mining engineers etc as appropriate.

20. The services of the District Valuer are used when selling to other Government Departments under "compulsory purchase"; in sponsorship and offer back cases; and in negotiated sales to serving or retired Commission staff. His advice may be sought in other instances.

### *Internal Responsibilities*

21. The Board of Commissioners approves in principle the sale of plantations to meet the objectives of paragraph 4(b); other disposals are the responsibility of territorial Conservators. Major plantation sales aimed at the institutional market are handled by the Commission's Chief Land Agent.

### *Reserve Prices*

22. The reserve price is normally the assessment of open market value. The major exceptions are as follows:

(a) surplus tenanted houses, where the sale price is vacant possession value reduced by a percentage dependent upon the length of qualifying occupation and subject to clawback in the event of early resale;

(b) in sales to sitting agricultural tenants, a price near to vacant possession value is sought with a minimum of the open market value subject to the tenancy;

(c) where statutory provisions have to be followed as, for example, under the Crofting Acts, the Leasehold Reform Acts or the Land Compensation Acts;

(d) where the title prescribes the method - for example, resumptions;

(e) for plantations which are being sold primarily to achieve the objectives of paragraph 4(b) the net discounted revenue from existing immature crops is assessed by forecasting future timber revenues less estimated future expenditure, both discounted to the time of sale. To this is added the value of land and roads, mature timber, sportings, buildings and any development value etc. One per cent is added to the resulting figure in respect of the cost of taking the transaction from offer to completion.

### *Legal Processing*

23. In England and Wales, the legal work on disposals is undertaken by the Treasury Solicitor. In Scotland, the transaction is handled internally until missives are concluded, at which stage it is passed for legal completion to the private firm of law agents who act for the Commission.

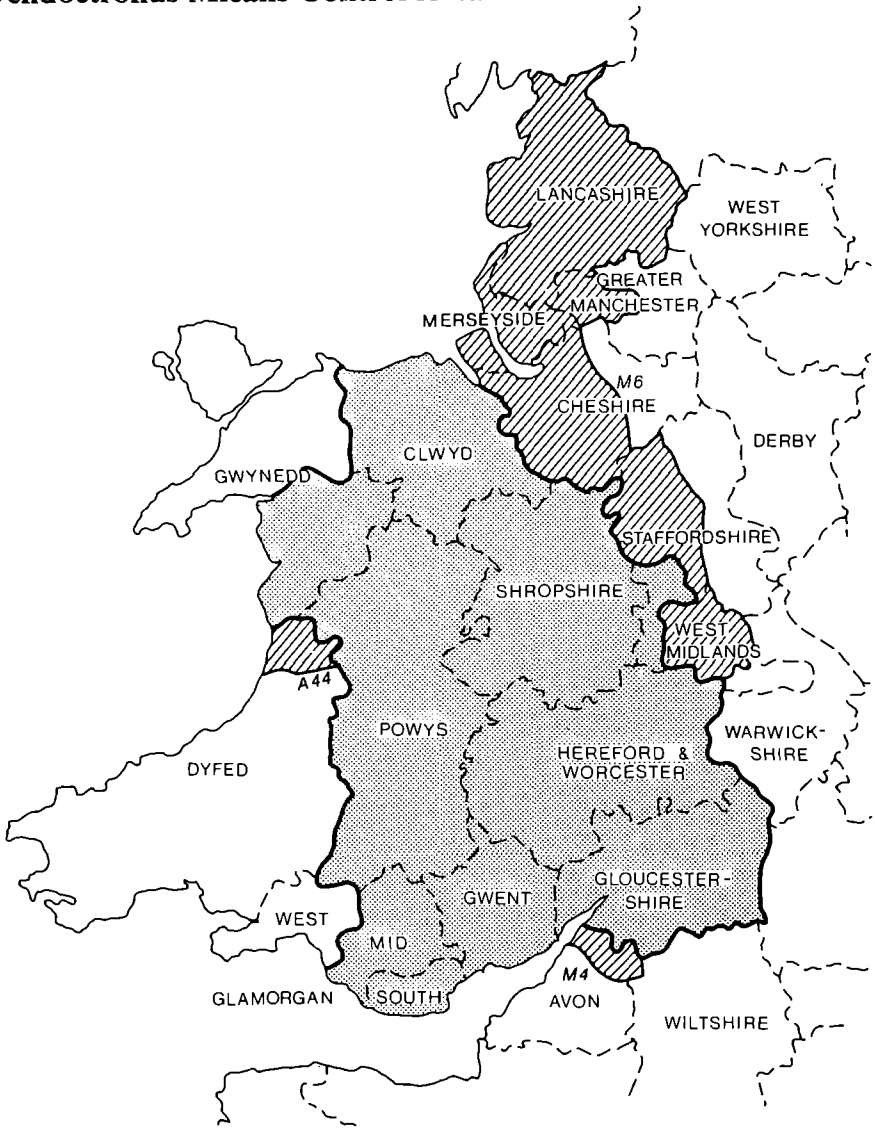
### *Land acquired under the Forestry (Transfer of Woods) Act 1923*

24. Land in this category was transferred to the Commission by the Crown Estate Commissioners. No purchase price was paid, but the Commission is obliged by statute to pay to the Crown Estate the net purchase price (sale price, less the cost of capital expenditure by the Commission and five per cent in respect of sales expenses) on the sale of any property acquired under this Act exceeding two hectares. The Commission's contingent liability for the original value of the property transferred is reduced by the amounts paid.



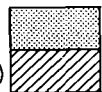
# Appendix VII

## Dendroctonus Micans Control Area

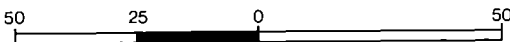


ORIGINAL SCHEDULED AREA (OCTOBER 1982)

EXTENSION TO SCHEDULED AREA (MARCH 1985)



MILES



# Appendix VIII

## New Publications

### *Reports*

- 64th Annual Report and Accounts of the Forestry Commission 1983-84 (£10.00).  
Report on Forest Research 1984 (£6.80).

### *Book*

- Decorative Trees for Country, Town and Garden, by A.F. Mitchell and J. Jobling (£9.95).

### *Bulletins*

- No. 61 Technology Transfer in Forestry, edited by G.H. Moeller and D.T. Seal (£6.50).  
No. 62 Silviculture of Broadleaved Woodland, by J. Evans (£9.50).

### *Booklets*

- No. 26 Mid Diameter Sawlog Tables, 2nd edition (£2.25).  
No. 31 Top Diameter Sawlog Tables, reprint (£1.35).  
No. 39 Forest Mensuration Handbook, reprint with minor amendments (£6.00).

### *Forest Records*

- No. 126 Oak Wilt, by J.N. Gibbs (90p).  
No. 127 Fertiliser Experiments in Established Conifer Stands, by R. McIntosh (£1.75).  
No. 128 The Production of Poles for Electricity Supply and Telecommunications, by J.R. Aaron and J.S. Oakley (£1.00).

### *Leaflets*

- No. 71 Ploughing of Forest Soils, by D.A. Thompson (£1.70).  
No. 83 Coppice, by J. Evans (£1.75).  
No. 84 Guide to Upland Restocking Practice, edited by A.J. Low (£2.25).

### *Arboricultural Leaflet*

- No. 1 The External Signs of Decay in Trees, by C.W.T. Young, 2nd edition as revised by D. Lonsdale (£1.00).

### *Research and Development Papers*

- No. 134 Acid Rain and Forestry, by W.O. Binns (£1.00).  
No. 137 Mammal/Bird/Damage Questionnaire 1983 (£5.50).

### *Miscellaneous*

- Forest Research, 5th edition.  
A List of Trees and Shrubs at Westonbirt Arboretum, by J.E.J. White (£1.50).  
Wildlife Ranger's Handbook (£7.50).  
Broadleaves in Britain. The Report of a Broadleaves Policy Review Group published as a Consultative Paper in May 1984 (£3.00).

### *Census Reports*

- The remaining 42 of the total of 65 National, Conservancy and County Reports on the Census of Woodlands and Trees 1979-82 were issued (£3.00 each).

## *Guides*

Forestry in England (25p).  
Forestry in Wales (25p).  
Forestry in Scotland (25p).

In addition, the following free publications were produced:

Forestry Facts and Figures 1983-84.  
Forestry Commission Catalogue of Publications 1985.  
Discover Forests - North Wales.  
Managing Farm Woodlands.  
Scotland's Forest Heritage.  
Consultative Procedures for Forestry Grants and Felling Permissions.

# Appendix IX

## Statistical Tables

### Forestry Authority

DEDICATION AND FORESTRY GRANT SCHEMES  
POSITION AT 31 MARCH 1985

**Table 1**

Area in hectares

	England		Wales		Scotland		Great Britain	
	Num- ber	Area	Num- ber	Area	Num- ber	Area	Num- ber	Area
Basis I and II Dedication Schemes	2,175	192,241	479	28,953	1,040	216,630	3,694	437,824
Basis III Dedication Schemes	338	18,046	92	6,137	467	72,275	897	96,458
Forestry Grant Schemes	3,938	47,847	464	6,709	1,530	112,102	5,932	166,658

AREA OF PLANTING BY PRIVATE WOODLAND OWNERS FOR WHICH GRANTS  
WERE PAID IN THE YEAR ENDED 31 MARCH 1985

Hectares

**Table 2**

Country	In Forestry Grant Scheme			In Dedicated Woodlands			In Other Grant Schemes			Total		
	New Planting	Re-stocking	Total	New Planting	Re-stocking	Total	New Planting	Re-stocking	Total	New Planting	Re-stocking	Total
<b>ENGLAND</b>												
Conifer	464	327	791	69	552	621	9	4	13	542	883	1,425
Broadleaved	387	506	893	41	368	409	6	10	16	434	884	1,318
Total	851	833	1,684	110	920	1,030	15	14	29	976	1,767	2,743
<b>WALES</b>												
Conifer	852	44	896	32	32	64	—	—	—	884	76	960
Broadleaved	31	35	66	3	11	14	—	—	—	34	46	80
Total	883	79	962	35	43	78	—	—	—	918	122	1,040
<b>SCOTLAND</b>												
Conifer	13,054	411	13,465	934	627	1,561	20	17	37	14,008	1,055	15,063
Broadleaved	115	68	183	12	53	65	—	1	1	127	122	249
Total	13,169	479	13,648	946	680	1,626	20	18	38	14,135	1,177	15,312
<b>GREAT BRITAIN</b>												
Conifer	14,370	782	15,152	1,035	1,211	2,246	29	21	50	15,434	2,014	17,448
Broadleaved	533	609	1,142	56	432	488	6	11	17	595	1,052	1,647
Total	14,903	1,391	16,294	1,091	1,643	2,734	35	32	67	16,029	3,066	19,095

In addition it is estimated that the following areas were planted without grant aid:

	New Planting	Restocking
England	103	116
Wales	14	51
Scotland	481	15
<b>Great Britain</b>	<b>598</b>	<b>182</b>

These figures were compiled from a large number of local estimates of small areas of planting.

AREA OF PLANTING BY PRIVATE WOODLAND OWNERS FOR WHICH GRANTS WERE PAID IN  
THE 10-YEAR PERIOD 1 APRIL 1975 TO 31 MARCH 1985

**Table 3** Hectares

Year ended 31 March	England			Wales			Scotland			Great Britain		
	New Planting	Re- stocking	Total	New Planting	Re- stocking	Total	New Planting	Re- stocking	Total	New Planting	Re- stocking	Total
1976 ... ..	1,026	1,454	2,480	408	112	520	8,170	1,071	9,241	9,604	2,637	12,241
1977 ... ..	775	1,156	1,931	723	125	848	5,734	643	6,377	7,232	1,924	9,156
1978 ... ..	831	1,008	1,839	591	36	627	4,900	933	5,833	6,322	1,977	8,299
1979 ... ..	702	1,439	2,141	591	90	681	6,656	1,321	7,977	7,949	2,850	10,799
1980 ... ..	814	1,731	2,545	556	112	668	6,932	1,022	7,954	8,302	2,865	11,167
1981 ... ..	905	1,930	2,835	561	142	703	6,934	927	7,861	8,400	2,999	11,399
1982 ... ..	795	1,888	2,683	1,004	223	1,227	10,663	1,339	12,002	12,462	3,450	15,912
1983 ... ..	1,514	1,994	3,508	911	156	1,067	10,086	968	11,054	12,511	3,118	15,629
1984 ... ..	1,480	1,935	3,415	1,064	113	1,177	14,129	1,019	15,148	16,673	3,067	19,740
1985 ... ..	976	1,767	2,743	918	122	1,040	14,135	1,177	15,312	16,029	3,066	19,095

Note: This table does not include planting done without Forestry Commission grants.

VOLUME OF TIMBER LICENSED FOR FELLING AND THINNING  
ON PRIVATE ESTATES IN THE YEAR ENDED 31 MARCH 1985

**Table 4**

Volume in thousands of cubic metres

	England	Wales	Scotland	Great Britain
Conifer ... ..	107	30	101	238
Broadleaved ... ..	136	15	6	157
<b>Total volume ... ..</b>	<b>243</b>	<b>45</b>	<b>107</b>	<b>395</b>
<b>Number of licences issued ... ..</b>	<b>1,059</b>	<b>139</b>	<b>237</b>	<b>1,435</b>

Note: Excludes felling and thinning covered by an approved plan of operations under the Dedication and Forestry Grant Schemes, for which no licence is required.

AREA LICENSED FOR CLEAR FELLING ON PRIVATE ESTATES  
IN THE YEAR ENDED 31 MARCH 1985

**Table 5**

Hectares

	England	Wales	Scotland	Great Britain
Conditional licences ... ..	422	82	264	768
Unconditional licences ... ..	227	36	54	317
<b>Total ... ..</b>	<b>649</b>	<b>118</b>	<b>318</b>	<b>1,085</b>

Note: Conditional licences require the restocking of the land concerned.

# Forestry Enterprise

## LAND USE AT 31 MARCH 1985

**Table 6**

Hectares

	England	Wales	Scotland	Great Britain
<b>Forest Land</b>				
Under plantations ... ..	241,378	134,407	516,352	892,137
Other woodland ... ..	1,715	1,597	5,036	8,348
To be planted ... ..	3,918	1,333	29,098	34,349
<b>Total ... ..</b>	<b>247,011</b>	<b>137,337</b>	<b>550,486</b>	<b>934,834</b>
<b>Other Land</b>				
Agricultural and grazing ... ..	10,571	6,981	82,962	100,514
Forest workers' holdings ... ..	417	233	2,609	3,259
Unplantable and miscellaneous (includes nursery land) ... ..	30,081	6,350	105,936	142,367
<b>Total ... ..</b>	<b>41,069</b>	<b>13,564</b>	<b>191,507</b>	<b>246,140</b>
<b>Total area ... ..</b>	<b>288,080</b>	<b>150,901</b>	<b>741,993</b>	<b>1,180,974</b>

## NET AREA OF LAND ACQUIRED/DISPOSED OF DURING THE YEAR ENDED 31 MARCH 1985

**Table 7**

Hectares

	England	Wales	Scotland	Great Britain
Plantations acquired ... ..	47	—	—	47
Plantations disposed of ... ..	5,785	1,756	6,348	13,889
Planting land acquired ... ..	—	8	687	695
Planting land disposed of ... ..	776	84	1,323	2,183
Other land acquired ... ..	5	5	150	160
Other land disposed of ... ..	415	1,682	10,688	12,785
<b>Net area of land acquired/disposed of</b>	<b>(6,924)</b>	<b>(3,509)</b>	<b>(17,522)</b>	<b>(27,955)</b>



FOREST LAND DISPOSED OF IN THE YEAR ENDED 31 MARCH 1985

**Table 8**

	Forest Areas (hectares)		Plantable Land (hectares)	Total Area (hectares)	Receipts (£000)	Average £/hectare for Land Under Trees and Plantable Land
	Under Trees	Associated Land				
<b>England</b>						
<i>Conservancy:</i>						
North West ... ..	509	30	—	539	616.0	1,210.2
North East ... ..	1,344	—	727	2,071	1,611.7	778.2
East ... ..	707	156	10	873	1,028.5	1,434.4
<i>New Forest and</i>						
South East ... ..	1,327	114	—	1,441	2,951.2	2,224.0
<i>South West and</i>						
Dean ... ..	1,520	78	39	1,637	3,000.6	1,924.7
Total ... ..	5,407	378	776	6,561	9,208.0	1,489.2
<b>Wales</b>						
<i>Conservancy:</i>						
North ... ..	645	21	—	666	589.9	914.6
South ... ..	839	251	84	1,174	1,816.5	1,968.0
Total ... ..	1,484	272	84	1,840	2,406.4	1,534.7
<b>Scotland</b>						
<i>Conservancy:</i>						
North ... ..	401	—	943	1,344	310.9	231.3
East ... ..	3,455	21	136	3,612	1,156.8	322.1
South ... ..	1,857	60	126	2,043	1,395.8	703.9
West ... ..	540	14	118	672	830.4	1,262.0
Total ... ..	6,253	95	1,323	7,671	3,693.9	487.6
<b>Great Britain</b> ... ..	13,144	745	2,183	16,072	15,308.3	998.8

**Table 9**

PLANTING IN THE YEAR ENDED 31 MARCH 1985

Hectares

	New Planting	Re- stocking	Total
England			
Conifer ... ..	160	2,083	2,243
Broadleaved ... ..	7	88	95
Total ... ..	167	2,171	2,338
Wales			
Conifer ... ..	149	1,268	1,417
Broadleaved ... ..	12	32	44
Total ... ..	161	1,300	1,461
Scotland			
Conifer ... ..	4,735	2,429	7,264
Broadleaved ... ..	42	16	58
Total ... ..	4,777	2,445	7,222
Great Britain			
Conifer ... ..	5,044	5,780	10,824
Broadleaved ... ..	61	136	197
Total ... ..	5,105	5,916	11,021

AREA PLANTED ANNUALLY BY THE COMMISSION IN THE 10-YEAR PERIOD 1 APRIL 1975 TO 31 MARCH 1985

Hectares

**Table 10**

Year ended 31 March	England			Wales			Scotland			Great Britain		
	New Planting	Re-stocking	Total	New Planting	Re-stocking	Total	New Planting	Re-stocking	Total	New Planting	Re-stocking	Total
1976 ... ..	1,487	1,043	2,530	1,131	476	1,607	14,651	1,723	16,374	17,269	3,242	20,511
1977 ... ..	1,302	1,170	2,472	1,096	793	1,889	13,148	1,194	14,342	15,546	3,157	18,703
1978 ... ..	1,148	1,164	2,312	769	937	1,706	12,206	968	13,174	14,123	3,069	17,192
1979 ... ..	686	1,424	2,110	572	884	1,456	10,584	1,259	11,843	11,842	3,567	15,409
1980 ... ..	898	2,168	3,066	797	1,241	2,038	14,135	2,260	16,395	15,830	5,669	21,499
1981 ... ..	470	1,902	2,372	683	1,116	1,799	10,481	1,996	12,477	11,634	5,014	16,648
1982 ... ..	558	1,949	2,507	326	1,524	1,850	10,094	2,037	12,131	10,978	5,510	16,488
1983 ... ..	429	2,027	2,456	436	1,482	1,918	8,021	2,289	10,310	8,886	5,798	14,684
1984 ... ..	397	2,567	2,964	275	1,539	1,814	7,710	2,647	10,357	8,382	6,753	15,135
1985 ... ..	167	2,171	2,338	161	1,300	1,461	4,777	2,445	7,222	5,105	5,916	11,021

**AREAS OF PLANTATIONS AND VOLUMES OF TIMBER THINNED  
AND FELLED IN THE YEAR ENDED 31 MARCH 1985**

**Table 11**

Area in hectares  
Volume in thousands of cubic metres

	Felled		Thinned		Total Volume Felled and Thinned
	Area	Volume	Area	Volume	
England					
<i>Conservancy:</i>					
North West	478	126	1,703	78	204
North East	889	207	1,352	41	248
East ... ..	696	146	2,471	101	247
New Forest and South East	137	38	2,552	96	134
South West and Dean ... ..	426	108	1,876	90	198
Total ... ..	2,626	625	9,954	406	1,031
Wales					
<i>Conservancy:</i>					
North ... ..	700	188	1,883	102	290
South ... ..	828	206	2,314	125	331
Total ... ..	1,528	394	4,197	227	621
Scotland					
<i>Conservancy:</i>					
North ... ..	634	223	947	48	271
East ... ..	884	224	2,052	105	329
South ... ..	1,126	294	1,192	60	354
West ... ..	861	243	341	17	260
Total ... ..	3,505	984	4,532	230	1,214
Great Britain	7,659	2,003	18,683	863	2,866

**SALES OF TIMBER IN THE YEAR ENDED 31 MARCH 1985**

**Table 12**

Thousand cubic metres

Description	England	Wales	Scotland	Great Britain
Trees sold standing ... ..	339	252	344	935
Converted*				
Round timber and saw logs ... ..	366	205	439	1,010
Telegraph and other selected poles ... ..	1	2	8	11
Mining timber ... ..	15	3	—	18
Posts and stakes ... ..	13	12	4	29
Pulpwood and boardmill material ... ..	188	82	326	596
Firewood ... ..	28	6	12	46
Miscellaneous ... ..	30	2	—	32
Total ... ..	641	312	789	1,742

\* In addition 5,000 cubic metres were converted and used internally for forest and estate purposes. (England 2,000; Wales 1,000; Scotland 2,000.)

PROPERTIES MANAGED BY THE COMMISSION  
AT 31 MARCH 1985

**Table 13**

Number

Type of Property	England	Wales	Scotland	Great Britain
<b>Forest properties</b>				
Foresters' houses ... ..	129	58	208	395
Forest workers' houses ... ..	413	52	429	894
Forest workers' holdings ... ..	29	15	68	112
Miscellaneous* ... ..	1,056	399	788	2,243
<b>Total ... ..</b>	<b>1,627</b>	<b>524</b>	<b>1,493</b>	<b>3,644</b>
<b>Other properties</b>				
Farms and other agricultural subjects	484	342	505	1,331
Residential and other lettings ... ..	737	126	441	1,304
Other lettings ... ..	331	536	749	1,616
<b>Total ... ..</b>	<b>1,552</b>	<b>1,004</b>	<b>1,695</b>	<b>4,251</b>
<b>Sporting lettings ... ..</b>	<b>720</b>	<b>165</b>	<b>1,114</b>	<b>1,999</b>

\* Miscellaneous covers hostels, bothies, offices, repair workshops and other buildings not normally let.

PUBLIC RECREATIONAL FACILITIES  
AT 31 MARCH 1985

**Table 14**

Number

	England	Wales	Scotland	Great Britain
Camping and caravan sites * ... ..	22	1	9	32
Picnic places ... ..	347	104	125	576
Forest walks and forest nature trails	290	141	180	611
Visitor centres ... ..	8	4	6	18
Arboreta ... ..	11	4	5	20
Forest drives ... ..	5	2	2	9
Forest cabins and holiday houses ... ..	107	—	84	191

\* In addition to the campsites listed above, the Commission provides:-

- (i) 4 sites leased to the Caravan Club and 2 sites to the Camping and Caravanning Club;
- (ii) 40 sites set aside for youth camping;
- (iii) facilities for caravan rallies.

LAND USE, PLANTING AND TIMBER PRODUCTION BY FOREST DISTRICTS  
— ENGLAND

**Table 15**

NORTH WEST ENGLAND CONSERVANCY	Land use at 31 March 1985 (hectares)					During Year 1984-85		
	Total Area of Forest	Under Planta- tions	Other Wood- land	To be Planted	Other Land	Planting (hectares)		Pro- duction (000 cu m)
						New Planting	Re- stocking	
Border ... ..	13,020	11,339	22	403	1,256	93	80	48
Cheshire ... ..	958	916	1	—	41	—	14	6
Marches ... ..	5,891	5,526	23	93	249	4	129	38
Midlands ... ..	6,125	5,921	—	107	97	—	89	19
North Lakes ... ..	7,956	5,252	60	74	2,570	28	37	31
Sherwood ... ..	9,125	7,741	24	525	835	—	61	25
South Lakes ... ..	7,999	6,981	218	56	744	10	61	37
<b>TOTAL ... ..</b>	<b>51,074</b>	<b>43,676</b>	<b>348</b>	<b>1,258</b>	<b>5,792</b>	<b>135</b>	<b>471</b>	<b>204</b>

Note: Border Forest District includes the former Kershope and Spadeadam Forests.  
 Cheshire Forest District includes the former Delamere Forest.  
 Marches Forest District includes the former Mortimer and Shropshire Hills (part) Forests.  
 Midlands Forest District includes the former Arden, Cannock, Launde and Shropshire Hills (part) Forests.  
 North Lakes Forest District includes the former Blengdale (part), Ennerdale, Greystoke and Thornthwaite Forests.  
 Sherwood Forest District includes the former Matlock and Sherwood Forests.  
 South Lakes Forest District includes the former Blengdale (part), Bowland, Dalton and Grizedale Forests.

NORTH EAST ENGLAND CONSERVANCY	Land use at 31 March 1985 (hectares)					During Year 1984-85		
	Total Area of Forest	Under Planta- tions	Other Wood- land	To be Planted	Other Land	Planting (hectares)		Pro- duction (000 cu m)
						New Planting	Re- stocking	
Durham ... ..	5,788	5,392	6	94	296	2	63	22
Kielder ... ..	50,675	40,180	—	517	9,978	4	393	135
North York Moors	22,879	19,634	218	368	2,659	2	105	63
Rothbury ... ..	11,546	10,020	34	128	1,364	4	85	15
York ... ..	6,357	5,181	49	803	324	—	17	13
<b>TOTAL ... ..</b>	<b>97,245</b>	<b>80,407</b>	<b>307</b>	<b>1,910</b>	<b>14,621</b>	<b>12</b>	<b>663</b>	<b>248</b>

Note: Durham Forest District includes the former Chopwell, Hamsterley, Slaley and Wynyard Forests.  
 Kielder Forest District includes the former Falstone, Kielder, Redesdale and Wark Forests.  
 North York Moors Forest District includes the former Cleveland, Cropton, Dalby, Hambleton and Wykeham Forests.  
 Rothbury Forest District includes the former Harwood, Kidland and Thrunton Forests.  
 York Forest District includes the former Dales, Doncaster and York Forests.

Table 15 — continued

EAST ENGLAND CONSERVANCY	Land use at 31 March 1985 (hectares)					During Year 1984-85		
	Total Area of Forest	Under Planta- tions	Other Wood- land	To be Planted	Other Land	Planting (hectares)		Pro- duction (000 cu m)
						New Planting	Re- stocking	
Chilterns ... ..	3,859	3,580	97	103	79	—	—	5
Northants ... ..	7,127	6,911	3	17	196	2	45	13
North Lincs ... ..	4,560	4,381	17	5	157	—	4	18
Suffolk ... ..	4,767	4,566	28	30	143	1	85	28
Thetford ... ..	22,308	21,305	44	65	894	—	535	183
TOTAL ... ..	42,621	40,743	189	220	1,469	3	669	247

Note: Chilterns Forest District includes the former Ampthill and Chilterns Forests.  
 Northants Forest District includes the former Hazelborough, Kesteven and Rockingham Forests.  
 North Lincs Forest District includes the former Bardney and North Lindsey Forests.  
 Suffolk Forest District includes the former Aldewood Forest.  
 Thetford Forest District includes the former Thetford and Wensum Forests.

NEW FOREST AND SOUTH EAST ENGLAND CONSERVANCY	Land use at 31 March 1985 (hectares)					During Year 1984-85		
	Total Area of Forest	Under Planta- tions	Other Wood- land	To be Planted	Other Land	Planting (hectares)		Pro- duction (000 cu m)
						New Planting	Re- stocking	
East ... ..	8,393	7,901	10	—	482	—	11	19
New ... ..	26,929	11,731	135	—	15,063	—	36	39
North ... ..	7,097	6,761	71	17	248	—	26	29
Ringwood ... ..	4,706	4,281	40	—	385	—	42	22
South Downs	7,281	6,863	159	28	231	—	1	27
TOTAL ... ..	54,406	37,537	415	45	16,409	—	116	136

Note: East Forest District includes the former Bedgebury and Challock Forests.  
 New Forest District includes the New Forest.  
 North Forest District includes the former Alice Holt, Bramshill and Micheldever Forests.  
 Ringwood Forest District includes the former Ringwood Forest.  
 South Downs Forest District includes the former Queen Elizabeth Forest.

**Table 15 — continued**

SOUTH WEST ENGLAND CONSERVANCY	Land use at 31 March 1985 (hectares)					During Year 1984-85		
	Total Area of Forest	Under Planta- tions	Other Wood- land	To be Planted	Other Land	Planting (hectares)		Pro- duction (000 cu m)
						New Planting	Re- stocking	
Avon and Wiltshire ... ..	5,658	5,397	96	22	143	—	41	21
Cornwall and North Devon	8,207	7,815	42	69	281	—	93	48
Dean and Three Counties	13,649	12,488	—	193	968	—	56	59
Dorset ... ..	5,173	4,468	74	33	598	—	10	22
Somerset and South Devon	9,805	8,847	45	168	745	17	52	48
Westonbirt ... ..	242	—	199	—	43	—	—	—
<b>TOTAL ... ..</b>	<b>42,734</b>	<b>39,015</b>	<b>456</b>	<b>485</b>	<b>2,778</b>	<b>17</b>	<b>252</b>	<b>198</b>

Note: Avon and Wiltshire Forest District includes the former Mendip and Savernake Forests.  
 Cornwall and North Devon Forest District includes the former Eggesford, Kernow and Torridge Forests.  
 Dean and Three Counties Forest District includes the Forest of Dean and the former Hereford and Wyre Forests.  
 Dorset Forest District includes the former Wareham and Powerstock (part) Forests.  
 Somerset and South Devon Forest District includes the former Dartmoor, Exeter, Neroche, West Somerset and Powerstock (part) Forests.



LAND USE, PLANTING AND TIMBER PRODUCTION BY FOREST DISTRICTS  
— WALES

**Table 16**

NORTH WALES CONSERVANCY	Land use at 31 March 1985 (hectares)					During Year 1984-85		
	Total Area of Forest	Under Planta- tions	Other Wood- land	To be Planted	Other Land	Planting (hectares)		Pro- duction (000 cu m)
						New Planting	Re- stocking	
Aberystwyth ... ..	13,589	11,429	63	348	1,749	1	61	31
Corris ... ..	8,158	7,657	—	17	484	70	90	43
Dolgellau ... ..	12,869	10,692	118	135	1,924	54	86	40
Llandrindod ... ..	9,231	9,047	29	6	149	—	100	40
Llanrwst ... ..	12,993	10,337	94	15	2,547	—	52	57
Newtown ... ..	5,853	5,738	8	4	103	—	75	20
Ruthin ... ..	10,537	9,971	6	42	518	—	41	59
<b>TOTAL ... ..</b>	<b>73,230</b>	<b>64,871</b>	<b>318</b>	<b>567</b>	<b>7,474</b>	<b>125</b>	<b>505</b>	<b>290</b>

Note: Aberystwyth Forest District includes the former Aeron, Rheidol (part) and Ystwyth Forests.  
 Corris Forest District includes the former Dyfi, Hafren (part) and Rheidol (part) Forests.  
 Dolgellau Forest District includes the former Coed y Brenin, Penllyn and Dyfi (part) Forests.  
 Llandrindod Forest District includes the former Hafren (part), Radnor and Coed Sarnau Forests.  
 Llanrwst Forest District includes the former Beddgelert and Gwydyr Forests.  
 Newtown Forest District includes the former Ceri, Dyfnant and Mathrafal Forests.  
 Ruthin Forest District includes the former Ceiriog, Clocaenog and Cynwyd Forests.

SOUTH WALES CONSERVANCY	Land use at 31 March 1985 (hectares)					During Year 1984-85		
	Total Area of Forest	Under Planta- tions	Other Wood- land	To be Planted	Other Land	Planting (hectares)		Pro- duction (000 cu m)
						New Planting	Re- stocking	
Afan ... ..	9,659	8,838	199	122	500	16	61	36
Brechfa ... ..	12,106	11,139	359	48	560	5	125	76
Brecon ... ..	7,927	7,163	36	2	726	2	118	48
Gwent ... ..	9,694	9,052	102	121	419	—	77	49
Llandoverly ... ..	17,204	15,948	144	64	1,048	—	137	54
Llanwynno ... ..	9,635	7,955	73	208	1,399	13	158	13
Rheola ... ..	11,446	9,441	366	201	1,438	—	119	55
<b>TOTAL ... ..</b>	<b>77,671</b>	<b>69,536</b>	<b>1,279</b>	<b>766</b>	<b>6,090</b>	<b>36</b>	<b>795</b>	<b>331</b>

Note: Afan Forest District includes the former Cymer and Margam Forests.  
 Brechfa Forest District includes the former Brechfa, Coed Deufor and Coed Preseli Forests.  
 Brecon Forest District includes the former Bryncheiniog, Coed Taf, Glasfynydd, Mynydd Du and Talybont Forests.  
 Gwent Forest District includes the former Ebbw, Tintern and Wentwood Forests.  
 Llandoverly Forest District includes the former Cao, Crychan, Irfon and Tywi Forests.  
 Llanwynno Forest District includes the former Rhondda, St Gwynno and Tair Onen Forests.  
 Rheola Forest District includes the former Rheola, Coed Abertawe, Coed-y-Rhaiadr and Crynant Forests.

LAND USE, PLANTING AND TIMBER PRODUCTION BY FOREST DISTRICTS  
— SCOTLAND

**Table 17**

NORTH SCOTLAND CONSERVANCY	Land use at 31 March 1985 (hectares)					During Year 1984-85		
	Total Area of Forest	Under Planta- tions	Other Wood- land	To be Planted	Other Land	Planting (hectares)		Pro- duction (000 cu m)
						New Planting	Re- stocking	
Dornoch ... ..	60,571	33,173	91	9,758	17,549	1,161	40	9
Easter Ross ... ..	34,321	23,006	123	1,390	9,802	219	35	53
Fort Augustus	39,625	18,811	188	951	19,675	137	65	54
Inverness ... ..	20,340	15,578	112	705	3,945	77	13	31
Lochaber ... ..	36,970	20,081	234	446	16,209	98	149	54
Mull ... ..	15,639	10,553	249	890	3,947	166	32	8
Strontian ... ..	19,534	11,285	486	1,288	6,475	146	71	20
Wester Ross ... ..	30,864	15,784	119	874	14,087	84	95	42
<b>TOTAL ... ..</b>	<b>257,864</b>	<b>148,271</b>	<b>1,602</b>	<b>16,302</b>	<b>91,689</b>	<b>2,088</b>	<b>500</b>	<b>271</b>

Note: Dornoch Forest District includes the former Dornoch, Hoy, Naver, Rumster and Shin Forests.  
 Easter Ross Forest District includes the former Achnashellach (part), Ardross, Black Isle and Torrachilty Forests.  
 Fort Augustus Forest District includes the former Affric, Glenurquhart and Inchnacardoch Forests.  
 Inverness Forest District includes the former Culloden, Farigaig and Leanachan (part) Forests.  
 Lochaber Forest District includes the former Clunes, Glengarry and Leanachan (part) Forests.  
 Mull Forest District includes the former Mull Forest.  
 Strontian Forest District includes the former Fuinary and Sunart Forests.  
 Wester Ross Forest District includes the former Achnashellach (part), Ratagan and Skye Forests.

**Table 17 — continued**

EAST SCOTLAND CONSERVANCY	Land use at 31 March 1985 (hectares)					During Year 1984-85		
	Total Area of Forest	Under Planta- tions	Other Wood- land	To be Planted	Other Land	Planting (hectares)		Pro- duction (000 cu m)
						New Planting	Re- stocking	
Angus ... ..	10,156	8,495	5	397	1,259	77	18	25
Buchan ... ..	24,423	21,199	23	308	2,893	100	75	85
Fife ... ..	7,846	7,319	74	13	440	2	54	45
Kincardine ... ..	15,897	14,526	12	169	1,190	2	129	60
Moray ... ..	7,693	7,124	38	—	531	—	65	53
Speyside ... ..	17,425	15,143	18	1,389	875	96	61	34
Tay ... ..	7,935	6,424	91	627	793	134	17	24
Tummel ... ..	22,091	13,779	166	896	7,250	137	71	3
<b>TOTAL ... ..</b>	<b>113,466</b>	<b>94,009</b>	<b>427</b>	<b>3,799</b>	<b>15,231</b>	<b>548</b>	<b>490</b>	<b>329</b>

Note: Angus Forest District includes the former Angus Forest.

Buchan Forest District includes the former Bennachie, Forest of Deer, Huntly and Tornashean (part) Forests.

Fife Forest District includes the former Eden and Ochil Forests.

Kincardine Forest District includes the former Alltcailleach, Banchory, Kirkhill, Mearns and Tornashean (part) Forests.

Moray Forest District includes the former Laigh of Moray and Speymouth (part) Forests.

Speyside Forest District includes the former Speymouth (part) and Craigellachie Forests.

Tay Forest District includes the former Dunkeld and Drummond Hill Forests.

Tummel Forest District includes the former Tummel and Rannoch Forests.

**Table 17 — continued**

SOUTH SCOTLAND CONSERVANCY	Land use at 31 March 1985 (hectares)					During Year 1984-85		
	Total Area of Forest	Under Planta- tions	Other Wood- land	To be Planted	Other Land	Planting (hectares)		Pro- duction (000 cu m)
						New Planting	Re- stocking	
Ayrshire ... ..	34,272	23,346	3	2,729	8,194	464	15	20
Borders ... ..	17,750	16,143	8	49	1,550	—	62	46
Castle Douglas	31,233	25,359	—	611	5,263	101	170	111
Lockerbie ... ..	17,608	15,760	—	6	1,842	—	37	40
Lothian & Tweed	15,675	14,829	4	17	825	100	114	38
Newton Stewart	44,124	30,567	172	1,185	12,200	159	185	48
Nithsdale ... ..	21,212	18,861	3	917	1,431	81	82	51
<b>TOTAL ... ..</b>	<b>181,874</b>	<b>144,865</b>	<b>190</b>	<b>5,514</b>	<b>31,305</b>	<b>905</b>	<b>665</b>	<b>354</b>

Note: Ayrshire Forest District includes the former Arecleoch, Carrick, Kyle, Upper Nithsdale (part) and Whitelee (formerly in West Scotland Conservancy) Forests.  
 Borders Forest District includes the former Craik, Newcastleton and Wauchope Forests.  
 Castle Douglas Forest District includes the former Bennan, Clatteringshaws, Dundough, Fleet and Solway (part) Forests.  
 Lockerbie Forest District includes the former Castle O'er, Moffat and Solway (part) Forests.  
 Lothian and Tweed Forest District includes the former Clydesdale, Glentress and Lammermuir Forests.  
 Newton Stewart Forest District includes the former Bareagle, Glentool, Kirroughtree and Penninghame Forests.  
 Nithsdale Forest District includes the former Ae, Dalmacallan, Solway (part) and Upper Nithsdale (part) Forests.

**Table 17 — continued**

WEST SCOTLAND CONSERVANCY	Land use at 31 March 1985 (hectares)					During Year 1984-85		
	Total Area of Forest	Under Planta- tions	Other Wood- land	To be Planted	Other Land	Planting (hectares)		Pro- duction (000 cu m)
						New Planting	Re- stocking	
Aberfoyle ... ..	33,651	25,459	485	526	7,181	77	179	72
Ardgartan ... ..	19,582	10,125	369	604	8,484	125	139	20
Chapelhall Depot	2	—	—	—	2	—	—	—
Cowal ... ..	37,168	24,393	535	629	11,611	450	92	49
Kintyre ... ..	34,454	25,948	590	807	7,109	426	168	41
Loch Awe ... ..	34,621	25,368	265	521	8,467	52	135	49
Lorne ... ..	29,311	17,914	573	396	10,428	106	77	29
TOTAL ... ..	188,789	129,207	2,817	3,483	53,282	1,236	790	260

Note: Aberfoyle Forest District includes the former Achray, Buchanan, Carron Valley, Loch Ard and Strathyre Forests.

Ardgartan Forest District includes the former Ardgartan, Garelochhead, Glenaray (part) and Glenorchy (part) Forests.

Cowal Forest District includes the former Arran, Benmore, Glenbranter and Glendaruel Forests.

Kintyre Forest District includes the former Achaglachgach, Carradale, Knapdale and South Kintyre Forests.

Loch Awe Forest District includes the former Eredine, Glenaray, Inverliever and Kilmichael Forests.

Lorne Forest District includes the former Barcaldine, Fearnoch, Glencoe and Glenorchy Forests.

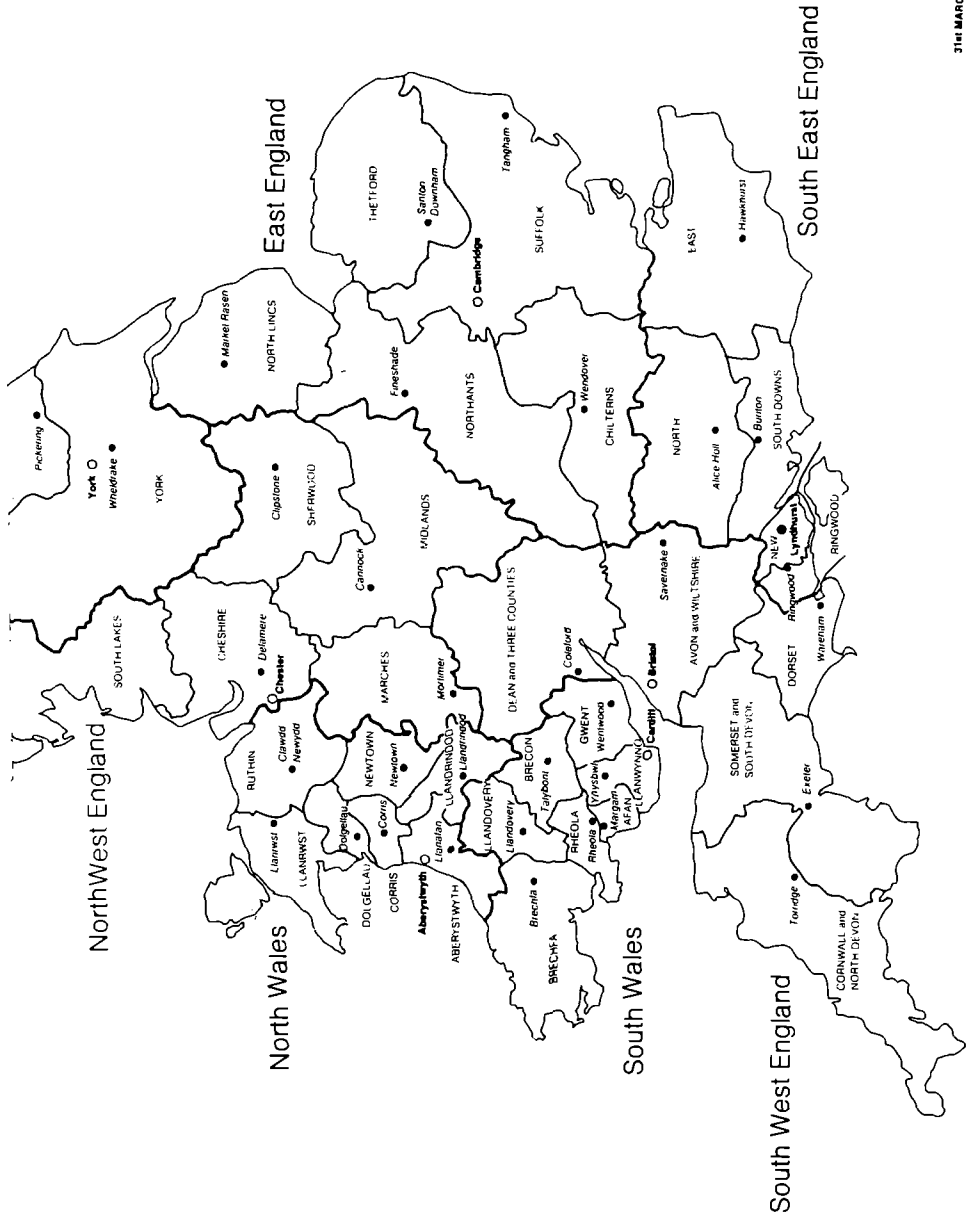


# Appendix X

**Map showing the situation of the Commission's  
Forest Districts and the boundaries of the Conservancies  
at 31 March 1985**





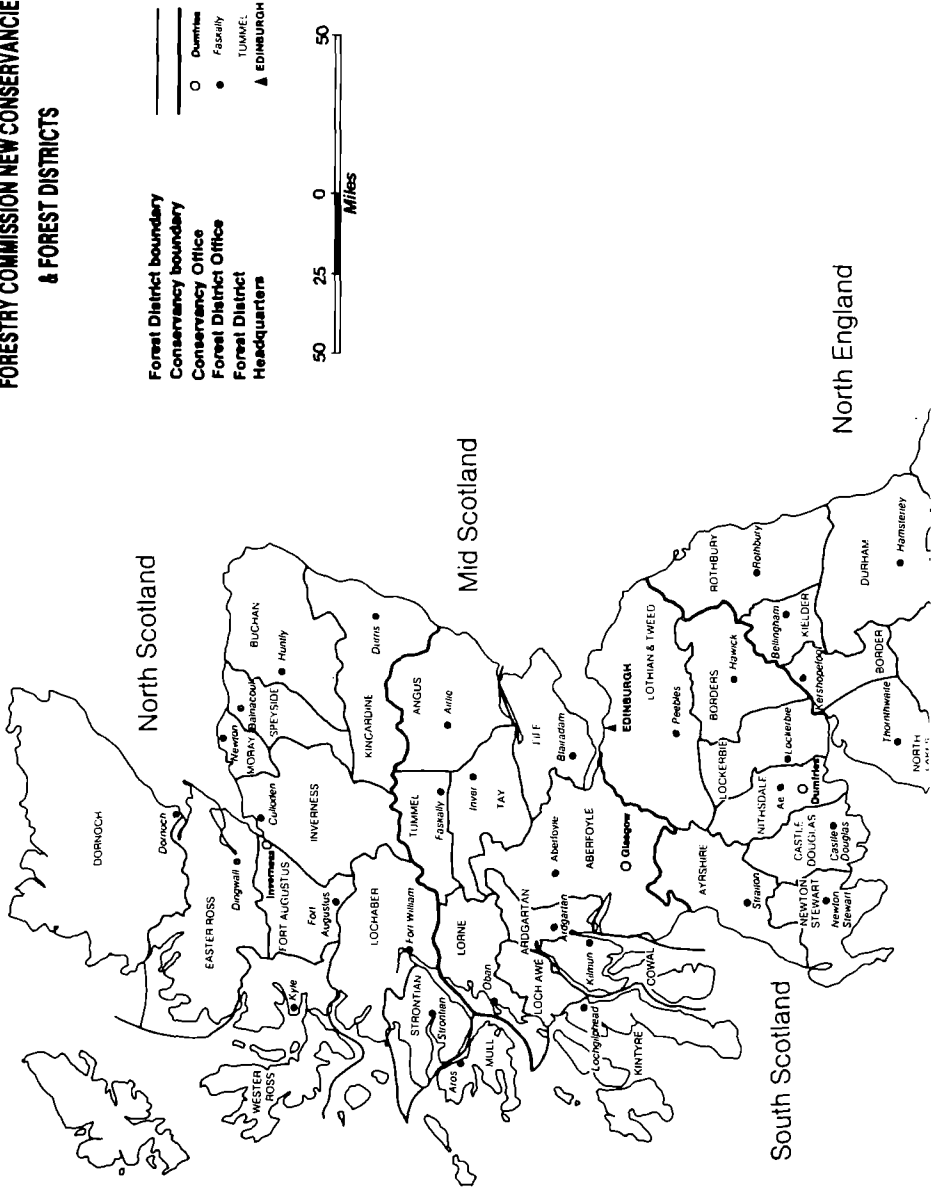




# Appendix XI

**Map showing the situation of the Commission's  
Forest Districts and the new Conservancy boundaries  
at 1 April 1985**

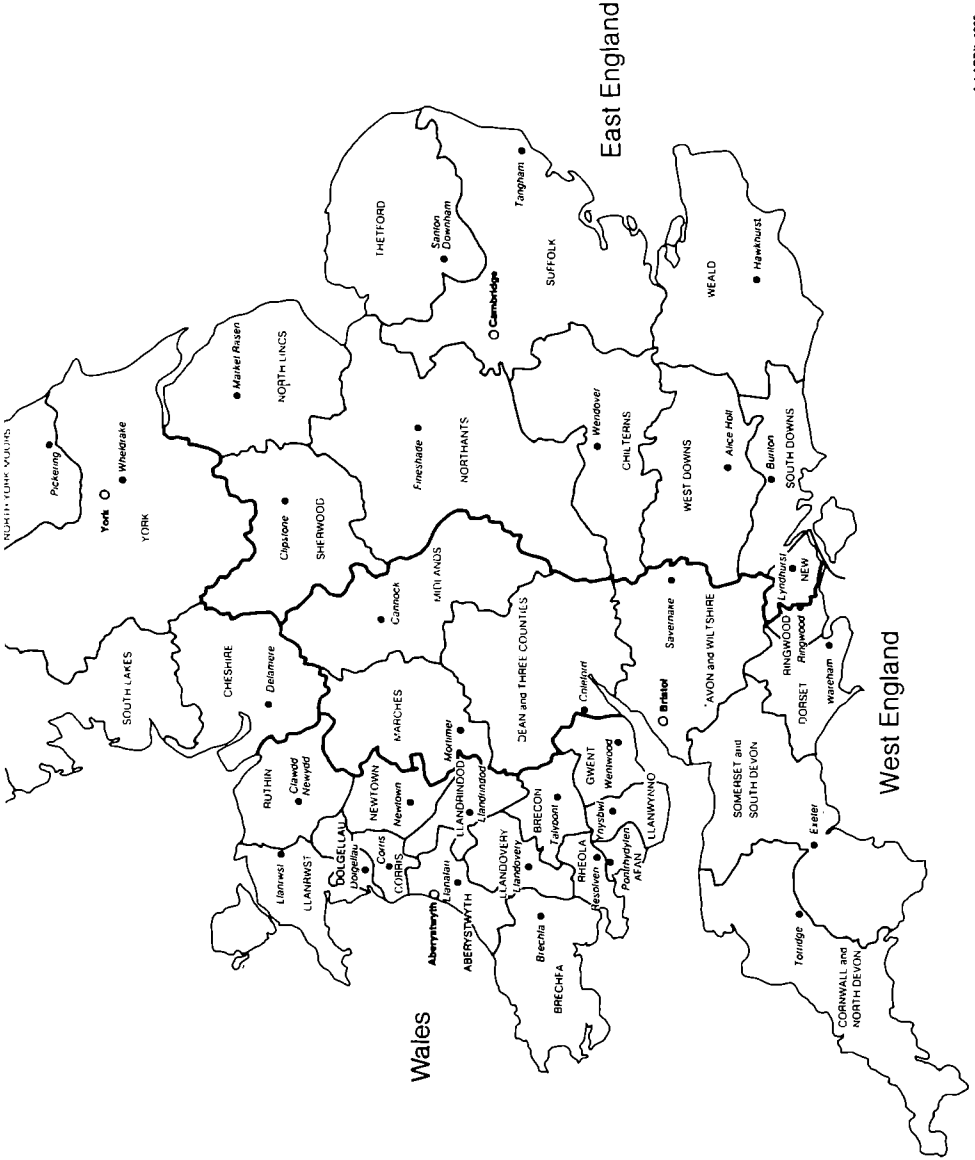
### FORESTRY COMMISSION NEW CONSERVANCIES & FOREST DISTRICTS



- Forest District boundary
  - Conservancy boundary
  - Conservancy Office
  - Forest District Office
  - ▲ Forest District Headquarters
- QUINHRA  
● FASALLY  
▲ TUMMEL  
▲ EDINBURGH



North England





# **Appendix XII**

## **Forestry Commission Financial Tables 1984-85**

- 1. Statement of Forestry Fund Receipts and Payments**
- 2. Expenditure on Forestry Authority Services**





**Table 1**

**STATEMENT OF FORESTRY FUND RECEIPTS AND PAYMENTS**  
*in the year ended 31 March 1985*

		<i>Previous Year</i>
	<i>Receipts</i>	<i>£ thousand £ thousand</i>
Grant-in-Aid	... ..	55,194 58,482
Sales of timber	... ..	52,719 48,668
Disposal of land, buildings and plantations		
— by exchanges	... ..	127 133
— cash received payable to the Consolidated Fund		21,788 23,571
Miscellaneous	... ..	13,927 12,622
		<hr/>
		143,755 143,476
Balance brought forward at 1 April 1984		9,313 5,029
		<hr/>
		153,068 148,505
		<hr/>
	<i>Payments</i>	
Salaries, wages and related expenses	... ..	55,187 55,792
Pensions and gratuities to retired staff	... ..	11,510 11,381
Materials, contract services and general expenses	... ..	37,068 33,346
Acquisition of land, buildings and plantations and construction of		
buildings	... ..	2,030 3,239
Plant, machinery and equipment	... ..	6,459 5,919
Grants to private woodland owners (£5,495,117), universities, institutions, etc	... ..	5,684 5,800
Remittances of VAT to Customs and Excise	... ..	2,851 2,686
Payments to the Consolidated Fund		
— cash received from sales of land, buildings and plantations, including £7,570,737 brought forward from 1983-84		26,471 19,826
— working balance brought forward from 1983-84		1,742 1,203
		<hr/>
		149,002 139,192
Balance carried forward at 31 March 1985 to be surrendered to the Consolidated Fund during 1985-86	... ..	4,066 9,313
		<hr/>
		153,068 148,505
		<hr/> <hr/>

*G. D. Holmes*  
Accounting Officer  
12 August 1985

I certify that I have examined the above Account. In my opinion the Account properly represents the receipts and payments of the Forestry Fund for the year ended 31 March 1985. I have no observations to make upon it.

11 October 1985  
National Audit Office

*Gordon Downey*  
Comptroller & Auditor General

## NOTES ON TABLE 1

### General

1. Expenditure incurred by the Forestry Commissioners in the exercise of their powers in the performance of their duties is financed from the Forestry Fund which was constituted under Section 8 of the Forestry Act 1919. All sums received by the Commissioners in 1984-85 were paid into this Fund.
2. Receipts and payments are shown inclusive of VAT where applicable.

### Grant-in-Aid

3. The Grant-in-Aid, which also forms the agreed cash limit, is determined for each year on the basis of Supply Estimates prepared in advance setting out the expected receipts and payments calculated at estimated outturn prices. Pursuant to Section 42(4) of the Forestry Act 1967 capital sums received from sales of land, etc shall be paid into the Forestry Fund although they do not affect the calculation of the Grant-in-Aid. However, such receipts are surrendered from the Forestry Fund to the Consolidated Fund as directed by Ministers under Section 41(4a) together with the remaining working balance held at the end of each financial year.

### Receipts

4. The Grant-in-Aid of the Forestry Fund voted by Parliament for 1984-85 was £55,194,000. It was all drawn into the Forestry Fund account.
5. Receipts from the sale of timber exceeded the 1983-84 level by £4,051,000; had it not been for the miners' strike the receipts would have been up to £2 million more. The increases came from larger programmes and some improvement in prices.
6. Miscellaneous receipts were £1,305,000 more than 1983-84 mainly due to increased receipts from venison and sales of seed and plants £283,000; recreation receipts up by £183,000, estates income increased by £314,000, compensation receipts, joint management schemes and general administration receipts, including staff pension contributions, increased by £627,000 offset by a reduction of £165,000 from agency work.

### Payments

7. Payments of salaries, wages and related expenses, were £605,000 (1 per cent) less than 1983-84. Increased rates of pay and allowances were more than offset by reduced number of employees.
8. Payments of pension and gratuities to retired staff increased by £129,000 (1 per cent) which is less than the related rate of indexation.
9. Payments for materials, contract services and general expenses increased by £3,722,000 (11 per cent) due to the effects of price inflation, the increased use of contractors and an increase in compensation and injury payments.
10. Expenditure on land acquisition and building construction was £1,209,000 less than 1983-84 due to the need to make expenditure savings to offset the effects of the reduced harvesting income consequent on the miners' strike. Funds for acquiring new land for planting were down £938,000 and building construction expenditure was £271,000 less.
11. Payments for purchase of plant, machinery and equipment increased by £540,000 over 1983-84 mainly in connection with computer equipment required for the further expansion of the inhouse processing facility.
12. Payments of grants to private woodland owners were £129,000 less than 1983-84 and £102,000 less than originally estimated, reflecting a slightly lower take-up than expected.
13. Remittances of VAT to Customs & Excise increased by £165,000 mainly due to an increased level of output tax from higher timber receipts.

### Balance carried forward at 31 March 1985

14. The balance, amounting to £4,066,265 carried forward at 31 March 1985, will be paid into the Consolidated Fund in 1985-86 in accordance with the Ministerial direction given under Section 41(4a) of the Forestry Act 1967 as amended. It comprises £2,888,173 relating to the unremitted balance of disposal proceeds received in 1984-85 and £1,178,092 in respect of the working balance remaining at 31 March 1985. Disposal receipts on sale of land, buildings and plantations, payable to the Consolidated Fund totalled £21,788,173 of which £18,900,000 had been paid over by 31 March 1985 leaving the balance of £2,888,173 shown above.

**Table 2****EXPENDITURE ON FORESTRY AUTHORITY SERVICES***in the year ended 31 March 1985*

	<i>Previous Year</i>
	<i>£ thousand    £ thousand</i>
<b>Services to private woodland owners for grants and advisory services</b>	
Forestry Grant Scheme ... ..	3,583
Basis I ... ..	23
Basis II: Planting Grants ... ..	199
Management Grants ... ..	1,058
Basis III: Basic Grants ... ..	91
Broadleaved Supplement ... ..	36
Management Grants ... ..	303
Native Pinewood Planting and Management Grants	9
Small Woods Planting Grants ... ..	72
Other Grants ... ..	1
Miscellaneous (including Labour oncost) ... ..	121
Administrative expenses ... ..	1,956*
	<hr/>
	7,452
<i>Less: Miscellaneous income</i> ... ..	23
	<hr/>
	7,429
	<hr/>
<b>Special Services</b>	
Licensing of Felling ... ..	496*
Information, Shows and Publications net cost (including £1,152,000* administrative expenses) ... ..	1,219
General administration (EEC, fiscal and regulatory duties and including £1,675,000* administrative expenses) ... ..	1,936
	<hr/>
	3,651
	<hr/>
	2,856
	<hr/>
<b>Research and Development</b>	
Silviculture ... ..	2,285
Arboreta ... ..	334
Genetics ... ..	640
Physiology ... ..	238
Seed Research ... ..	100
Site Studies ... ..	421
Wildlife ... ..	233
Pathology ... ..	438
Entomology ... ..	432
Work Study ... ..	844
Field Survey ... ..	1,656
Wood Utilisation ... ..	236
Statistics ... ..	21
Communications ... ..	101
	<hr/>
Total (includes £408,000* administrative expenses) ... ..	7,979
<i>Less: Allocation to Forestry Enterprise (Plantations account)</i> ... ..	4,386
	<hr/>
	3,593
	<hr/>
	3,307
	<hr/>
<b>Net total expenditure</b>	<b>14,673</b>
	<hr/>
	13,589

	£ thousand	£ thousand	<i>Previous Year £ thousand</i>
<b>Change in assets</b>			
Decrease — Current	194		41
Increase — Fixed	62		(5)
Net decrease		132	46
Amount of Grant-in-Aid appropriated for the Forestry Authority		14,541	13,543

\*Note 19 of Forestry Enterprise Accounts page 113, £5.7 million.

## NOTES ON TABLE 2

1. The Forestry Authority share of the Grant-in-Aid amounted to £14,541,000 compared to £13,543,000 last year.

### Services to Private Woodland Owners

2. Net expenditure rose in the year by only £3,000 with a reduction in grants being offset by additional expenses incurred in the year on the reorganisation of private woodlands case work following the restructure of the Commission's tiers of management.

### Special Services

3. Cost of felling licensing increased by £87,000 (21 per cent) due mainly to the impact of increasing environmental awareness and pressures and the consequential workload generated. That factor also played a part in bringing about the substantial increase of £272,000 (29 per cent) in the cost of providing information services (including shows and publications). The increase also reflects the greater emphasis placed on making the public aware of the Commission's policies and activities and further expenditure on the Liverpool Garden Festival. The costs and workload associated with the outbreak of *Dendroctonus micans* and other plant health matters and the ever-increasing volume of parliamentary and statutory work (eg parliamentary questions on environmental and disposal matters) have served to increase the time allocated to these functions and these factors mainly explain the substantial increase of £436,000 (29 per cent).

### Research and Development

4. The total cost of Research and Development activities, which includes technical services to management, was £7,979,000, being £594,000 (8 per cent) higher than the previous year.

5. During the quinquennium 1982-83/1986-87 55 per cent of the net cost of Research and Development will be charged to the Forestry Enterprise and shown in the Plantations account under Forest costs. This allocation amounts to £4,386,000 in 1984-85, reducing the cost chargeable to the Forestry Authority to £3,593,000.

# **FORESTRY ENTERPRISE**

## **ACCOUNTS 1984-85**

FOREWORD, BALANCE SHEET of the Forestry Commission Forestry Enterprise as at 31 March 1985, and ACCOUNTS for the year ended 31 March 1985, together with the Report of the Comptroller and Auditor General thereon.



## CONTENTS

	<i>Page</i>
Foreword ... ..	94
Balance Sheet as at 31 March 1985 ... ..	98
Plantations Account ... ..	99
Trading Account ... ..	100
Statement of Source and Application of Funds	101
Notes to the Accounts ... ..	103

# FOREWORD

## CONSTITUTIONAL STATUS

- (a) The Forestry Commission was established in 1919. Under legislation now consolidated mainly in the Forestry Act 1967 it is charged with the general duties of promoting the interests of forestry, the establishment and maintenance of adequate reserves of growing trees, the production and supply of timber and the development of the recreational potential of the forests it manages.
- (b) The Commission has the legal status of and functions as a Government Department. It reports directly to Forestry Ministers, namely the Minister of Agriculture, Fisheries and Food, the Secretary of State for Scotland and the Secretary of State for Wales, to whom it is responsible for advice on forestry policy and for the implementation of that policy. It is, however, different from the usual Departments of State in that there is a statutorily-appointed Chairman and Board of Commissioners with prescribed duties and powers.

## FUNCTIONS AND OBJECTIVES

The Commission fulfils two distinct roles:

- (a) As the Forestry Authority it acts as adviser on Government forestry policy and undertakes functions such as research, technical advice, plant health and administration of grant-in-aid for the private sector.
- (b) As the Forestry Enterprise it acts as a trading body primarily responsible for the management of its own forests but with other functions such as the protection and enhancement of the environment and the provision of recreational facilities.

## ACCOUNTS

Each year the Commission prepares two sets of accounts derived from a common data base:

- (a) The Appropriation Account, which, in accordance with the Appropriation Acts and Exchequer and Audit Department Acts, sets out the funds voted by Parliament for the Forestry Commission as a whole, and the amount withdrawn therefrom into the Forestry Fund. Table 1 of Appendix XII to this Report sets out the receipts and payments relating to the Fund.
- (b) The Balance Sheet and Accounts for the Forestry Enterprise alone in a format approved by the Treasury and published in the Forestry Commission Annual Report.

## THE BALANCE SHEET AND ACCOUNTS OF THE FORESTRY ENTERPRISE

### General

- (a) The key factor in accounting for forestry is the problem of determining satisfactory performance indicators for a crop whose typical rotation cycle can span 50 years for conifers and more than 100 years for broadleaves. Traditional measures of profitability can be established only when the Forestry Enterprise has a cycle of production which is self-perpetuating (ie "sustained yield"). At that stage revenue would be sufficient to re-establish the area harvested, maintain the remainder of the woodland and provide a return on funds invested. The Enterprise is not likely to achieve sustained yield until the turn of the century because of the relative immaturity of its plantations.
- (b) Since 1972 a form of account has been in use based on five-yearly periods (quinquennia) with the principal aims of:
  - (i) establishing, at the start of each new quinquennium, an asset valuation capable of earning a rate of return equivalent to the maximum that could be earned in Northern Europe on sites close to markets;
  - (ii) measuring management performance against that target rate of return;
  - (iii) introducing subsidies to cover new investment and other expenditures not able to achieve the target rate of return;
  - (iv) measuring the difference between the target rate of return and that set for public sector trading bodies.

This format is likely to be continued until the plantations have attained greater maturity and become self-supporting.



## **Methodology**

The following measures have been adopted in the Accounts:

### *(a) Target rate of return*

The Commission was set a target rate of return of 3 per cent in real terms on its forest estate assets and any new investment thereon, and the required rate of return for public sector trading bodies, currently 5 per cent, on its commercial recreation assets and its surplus assets (ie those assets not required for forest estate purposes which are intended for disposal as and when practicable).

### *(b) Investment evaluation*

Assets employed in the Forestry Enterprise are revalued in their entirety at the start of each quinquennium. Plantations, the main asset, are valued on the basis of estimated future costs and incomes at current prices (referred to hereafter as "standards") discounted at the target rate of return. At the same time the liability for future superannuation benefits is revalued by the Government Actuary. From this information the capital, which represents the Exchequer's investment in the Forestry Enterprise, is reconstructed and provides a revised Balance Sheet to open the quinquennium. The assets and liabilities are updated in subsequent accounts by either a general price index or professionally determined 'in house' indices.

### *(c) Subsidies*

Subsidies are established to record:

- (i) planting and restocking subsidy — the extent to which new investment in both planting and restocking is estimated to be incapable of earning the target rate of return;
- (ii) forest recreation and amenity subsidy — the net cost of the provision of recreational facilities for which commercial objectives cannot be set.

These subsidies are allocated out of the Grant-in-Aid in order to maintain the valuation of assets and liabilities at such level as will service the target rate of return.

The difference between the target rate of return and that set for public sector trading bodies is identified as the "Forestry subsidy" and is a measure of the opportunity cost of new investment in forestry. It is recorded by way of a note to the accounts.

### *(d) Measurement of performance*

#### **Forest Estate**

Each quinquennium stands alone and performance both within the quinquennium and for the remainder of the rotation can only be measured against the standard costs and incomes built into the opening valuations. That measurement is achieved in two stages, namely:

- (i) by evaluation within the quinquennium of the variances between actual expenditure and income in the plantations account with the standard cash flows (suitably adjusted where appropriate for programme alterations and for inflation) built into the plantations valuation at the start of the quinquennium;
- (ii) by assessment at the end of the quinquennium of the future variances that will arise during the remainder of the rotation from management decisions taken during the quinquennium about future work and outputs. These future variances are evaluated by comparison of the Balance Sheet standard valuation with the revised plantations valuation for the next quinquennium excluding the changes to future costs and price assumptions included therein.

The amalgamation of both sets of variances (within and beyond the quinquennium) provides the basis for determination of the rates of return actually achievable on the investment valuation set at the beginning of the quinquennium.

## **Format of Accounts**

A format for the Forestry Enterprise accounts has been adopted to comply with the foregoing concepts and, as far as is practicable, with the accounting and disclosure requirements of the Companies Act 1985. These accounts comprise:

### *(a) Balance Sheet.*

- (b) Plantations account which shows both the cumulative and in-year variances between the actual costs and incomes and the standard cash flows built into the plantations valuation thus indicating performance against the assessments made at the start of the quinquennium.*

- (c) Trading account which shows both the cumulative and in-year surpluses or deficits achieved against the target rate of return for other commercial activities.
- (d) Statement of Source and Application of Funds.
- (e) Notes to the accounts which provide further analyses of amounts in the Balance Sheet, Plantations and Trading accounts and detailed explanations for the operating results disclosed in the accounts.
- (f) For the final year of the quinquennium only, special notes which provide details of:
  - (i) the revaluation of assets and liabilities which provide the starting point for the next quinquennium;
  - (ii) the reassessment of planting and restocking subsidies for the next quinquennium resulting from the changed assumptions about work, outputs, costs and prices;
  - (iii) the measurement of performance on the forest estate by summing the cumulative variances in the quinquennium and the future plantation variances arising from altered work and output perceptions and using this information to assess an achievable rate of return over the whole quinquennium for comparison with the target of 3 per cent;
  - (iv) measurement of performance on the Trading account over the whole quinquennium.

## **REVIEW OF ACTIVITIES**

The activities of the Forestry Enterprise are reviewed in the Annual Report.

## **RESEARCH AND DEVELOPMENT**

A full account of the activities carried out in the field of research and development is given annually each autumn in the Forestry Commission Report on Forest Research and a selection of items therefrom of general interest is also provided on page 35 of the Annual Report.

## **FINANCIAL RESULTS**

Commentary on the performance of the Forestry Enterprise in the year and in the quinquennium to date is provided at page 31 of the Annual Report.

## **FIXED ASSETS**

The changes in the plantations valuation and in other tangible fixed assets in the year are detailed in the Plantations account and in Note 2 to the Accounts respectively.

## **MARKET VALUE OF LAND AND BUILDINGS**

The Forestry Commission considers that there is no significant difference between the book value and the market value of land and buildings identified in Note 2 to the Accounts.

The method of valuation of the plantations, including the underlying land, is described in Note 1(c) to the Accounts. A market value will, in future years, be assessed for plantations. Any difference between this figure and the Balance Sheet valuation which, in the opinion of the Commissioners, is significant, will be disclosed.

## **FORESTRY COMMISSIONERS**

The names of the Forestry Commissioners are listed on page 4 of the Annual Report.

## **EMPLOYEE PARTICIPATION**

Arrangements exist to keep all employees informed on matters of concern to them. Information is disseminated widely at both local and departmental levels. The usual system of Government Whitley Councils at departmental and regional levels is supplemented by *ad hoc* meetings with trade unions as the occasion demands and briefing meetings to ensure that staff are given every opportunity to comment and be involved in the decision-making process.

A broadly similar arrangement for manual employees is provided through the Forestry Commission Industrial and Trade Council at departmental level and a network of Joint Consultative Committees at Conservancy and Forest District levels.

## **DISABLED PERSONS**

Although the Disabled Persons (Employment) Act 1944 is not binding on the Crown, the Commission, as with other Government Departments, has undertaken to accept the same responsibility as other employers. The basic policy followed is that disablement of itself is no bar to recruitment to, or advancement within, the Commission. The test applied is the ability to do the job and the Commission is concerned to ensure that every opportunity to employ disabled people is taken. The physically demanding nature of much of the work available in the Commission restricts the scope for employment of disabled persons in the forests but within this limitation the Commission's policy is to provide for equal opportunities for the disabled.

## **AUDITORS**

The accounts of the Forestry Enterprise are audited by the Comptroller and Auditor General.

*G.D. Holmes*  
Accounting Officer  
12 August 1985

**FORESTRY COMMISSION**  
**FORESTRY ENTERPRISE**  
**BALANCE SHEET AS AT 31 MARCH 1985**

	<i>Notes</i>	<b>£ million</b>	<b>£ million</b>	<i>Previous Year £ million</i>
<b>FIXED ASSETS</b>				
Plantations ...		<b>1,335.6</b>		1,220.0
Other Tangible Assets	2	<b>96.8</b>		99.2
			<b>1,432.4</b>	1,319.2
<b>CURRENT ASSETS</b>				
Stocks ... ..	3	<b>10.4</b>		9.5
Debtors ... ..	4	<b>12.6</b>		11.7
Cash at banks and in hand	5	<b>5.3</b>		10.7
		<b>28.3</b>		31.9
<b>CREDITORS</b> — amounts falling due within one year	6	<b>8.9</b>		14.8
<b>NET CURRENT ASSETS</b>			<b>19.4</b>	17.1
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<b>1,451.8</b>	1,336.3
 <b>PROVISION FOR SUPERANNUATION</b>				
	7		<b>200.8</b>	187.6
 <b>CAPITAL AND RESERVES</b>				
Capital ... ..	8	<b>1,060.4</b>		1,017.8
Revaluation Reserve ...	10	<b>158.6</b>		114.3
Plantations Account Variance		<b>29.0</b>		14.8
Trading Account ... ..		<b>3.0</b>		1.8
			<b>1,251.0</b>	1,148.7
			<b>1,451.8</b>	1,336.3

The notes on pages 103 to 115 form part of these Accounts.

*G. D. Holmes*  
Accounting Officer  
12 August 1985

I certify that I have examined the foregoing Balance Sheet and the Plantations Account, Trading Account and the supporting information set out in the Statement of Source and Application of Funds and the Notes.

In my opinion the above-mentioned Balance Sheet, Plantations Account, Trading Account, Statement of Source and Application of Funds and Notes give a true and fair view, under the principles embodied in the accounting policies described in Note 1, of the state of affairs of the Forestry Enterprise at 31 March 1985 and of its results for the year ended on that date, and comply with the provisions of the Forestry Act 1967 and the directions made thereunder. I have no observations to make upon these Accounts.

11 October 1985  
National Audit Office

*Gordon Downey*  
Comptroller & Auditor General

**FORESTRY COMMISSION**  
**FORESTRY ENTERPRISE**  
**PLANTATIONS ACCOUNT**  
**FOR THE YEAR ENDED 31 MARCH 1985**

	<i>Notes</i>	<b>£ million</b>	<b>£ million</b>	<b>£ million</b>	<b>£ million</b>	<i>Previous Year £ million</i>
At 1 April 1984:						
909,959 hectares	1(c)				<b>1,220.0</b>	1,091.6
Revaluation surplus	10				<b>47.6</b>	66.3
Balance brought forward revalued					<b>1,267.6</b>	1,157.9
		<b>Establish- ment and Maintenance</b>	<b>Harvest- ing and Marketing</b>	<b>Forest Recreation and Amenity</b>		
Income		<b>(1.1)</b>	<b>(47.0)</b>	<b>(0.8)</b>		
Profit on sale of properties and plantations	13	<b>(1.6)</b>	<b>—</b>	<b>—</b>		
		<b>(2.7)</b>	<b>(47.0)</b>	<b>(0.8)</b>	<b>(50.5)</b>	<b>(46.2)</b>
Expenditure						
Forest costs		<b>23.4</b>	<b>23.9</b>	<b>3.6</b>		
Administrative expenses		<b>11.6</b>	<b>10.7</b>	<b>1.7</b>		
	15	<b>35.0</b>	<b>34.6</b>	<b>5.3</b>	<b>74.9</b>	<b>73.6</b>
Notional interest charge	12	<b>39.3</b>	<b>0.9</b>	<b>0.1</b>	<b>40.3</b>	<b>36.6</b>
Forest recreation and amenity subsidy	9			<b>(4.6)</b>	<b>(4.6)</b>	<b>(4.3)</b>
Planting and restocking subsidy	9				<b>(6.3)</b>	<b>(8.0)</b>
					<b>1,321.4</b>	<b>1,209.6</b>
At 31 March 1985:						
900,485 hectares	1(c)				<b>1,335.6</b>	<b>1,220.0</b>
Favourable variance from standard					<b>14.2</b>	<b>10.4</b>
Favourable variance from previous year					<b>14.8</b>	<b>4.4</b>
Favourable variance to date carried forward					<b>29.0</b>	<b>14.8</b>

The notes on pages 103 to 115 form part of these Accounts.

**FORESTRY COMMISSION**  
**FORESTRY ENTERPRISE**  
**TRADING ACCOUNT**  
**FOR THE YEAR ENDED 31 MARCH 1985**

	<i>Notes</i>	<b>£ million</b>	<b>£ million</b>	<i>Previous Year £ million</i>
Income ... ..			5.7	5.7
Profit on sale of properties	13		2.0	2.5
			7.7	8.2
 Expenditure:				
Operating costs ...		3.7		4.0
Administrative expenses		1.6		1.5
	15		5.3	5.5
			2.4	2.7
Notional interest charge for use of ancillary assets	12		0.1	0.1
Operating surplus ...			2.3	2.6
Notional interest charge	12		1.1	1.1
Surplus for year ...	14		1.2	1.5
Surplus from previous year			1.8	0.3
Surplus to date carried forward			3.0	1.8

The notes on pages 103 to 115 form part of these Accounts.

# FORESTRY COMMISSION

## FORESTRY ENTERPRISE

### STATEMENT OF SOURCE AND APPLICATION OF FUNDS FOR THE YEAR ENDED 31 MARCH 1985

	<i>Notes</i>	<b>£ million</b>	<b>£ million</b>	<i>Previous Year £ million</i>
<b>SOURCE OF FUNDS</b>				
Grant-in-Aid	9		40.7	44.9
<i>Less</i> - surrenderable to Consolidated Fund	8	23.0		25.3
- superannuation payments	7	11.4		11.4
			34.4	36.7
Proceeds from disposals			6.3	8.2
Properties and plantations	13	22.1		23.9
Plant and machinery	2(a)	1.0		0.8
			23.1	24.7
Employees' superannuation contributions	7		1.1	1.0
			30.5	33.9
<b>APPLICATION OF FUNDS</b>				
Net expenditure on Plantations				
Expenditure as per Plantations Account		74.9		
<i>Plus</i> : book value of disposals and reclassifications	11	12.0		
			86.9	
<i>Less</i> : book value of land newly planted in year	11	1.8		
			85.1	
Income as per Plantations Account		50.5		
<i>Plus</i> : interest included in profit on sale of properties and plantations	13	0.1		
			50.6	
			34.5	37.4
<i>Less</i> : Trading Account surplus before notional interest			2.4	2.7
			32.1	34.7
<i>Less</i> - items not involving the movement of funds				
Depreciation	2(a)	6.7		6.9
Notional employers' superannuation contributions	7	10.4		10.3
			17.1	17.2
<i>Deduct</i> : excess over book value on disposals	13	6.0		5.4
			11.1	11.8
			21.0	22.9
Purchase of other tangible fixed assets	2(a)		7.3	8.4
			28.3	31.3
<b>WORKING CAPITAL INCREASE</b>				
			2.2	2.6

**FORESTRY COMMISSION**  
**FORESTRY ENTERPRISE**  
**STATEMENT OF SOURCE AND APPLICATION OF FUNDS**  
**FOR THE YEAR ENDED 31 MARCH 1985 (contd)**

		<i>Notes</i>	<b>£ million</b>	<b>£ million</b>	<i>Previous Year</i>
					<i>£ million</i>
<b>Components of increase/(decrease) in working capital</b>					
Stocks (excluding revaluation increase of £0.1 million)     ...     ...     ...     ...		3		<b>0.8</b>	1.4
Debtors     ...     ...     ...     ...		4		<b>0.9</b>	1.8
Creditors     ...     ...     ...     ...		6		<b>5.9</b>	(5.0)
				<hr/> <b>7.6</b>	<hr/> (1.8)
<b>Movement in net liquid funds:</b>					
Increase/(decrease) in cash at banks and in hand     ...     ...     ...		5		<b>(5.4)</b>	4.4
				<hr/> <b>2.2</b>	<hr/> <b>2.6</b>

The notes on pages 103 to 115 form part of these Accounts.



# FORESTRY COMMISSION

## FORESTRY ENTERPRISE NOTES TO THE ACCOUNTS AS AT 31 MARCH 1985

### 1. ACCOUNTING POLICIES

#### (a) Accounting convention

The accounts are prepared under the current cost convention modified as described in Notes 1(c) and (d).

Without limiting the information given, the accounts meet the requirements of the Companies Act 1985 and of the Statements of Standard Accounting Practice issued by member bodies of the Consultative Committee of Accountancy Bodies so far as these requirements are appropriate. Departures from the Standard on Current Cost Accounting (No 16) are explained in Notes 1(c) and (d).

#### (b) Period of account

The Forestry Enterprise reviews the performance of its activities based on a five-year period of account (a "quinquennium"). Annual accounts are prepared to monitor progress in that period with the estimated enhancement of those assets being reflected in various categories of reserves. At the commencement of each quinquennium a full professional revaluation of the assets is performed and the capital and accumulated reserves are amalgamated to form the new capital base for that five-year period. This year is the third year of the current quinquennium.

#### (c) Valuation of plantations and other tangible fixed assets

The accounts at the beginning of the quinquennium are prepared in accordance with the provisions of Statement of Standard Accounting Practice No 16. Plantations are valued on an expectation basis by discounting estimated future incomes and expenditures in terms of current prices ("Standard" incomes and expenditures) and using the target rate of return of 3 per cent. Land and buildings are valued where possible on an open market basis by professionally qualified staff employed by the Forestry Commission.

During the quinquennium the valuations of plantations and associated other tangible fixed assets are updated annually using a general price index, since no industry index is available. The commercial recreation and surplus estate tangible fixed assets are updated by professionally determined 'in house' indices.

The accounting records of the Forestry Enterprise are maintained on a current cost basis. In the opinion of the Commissioners it would be an unnecessarily costly exercise to recover historical cost information and therefore, contrary to the Standard and the Companies Act 1985, no such supplementary statement has been provided.

#### (d) Other current cost adjustments

A gearing adjustment indicates the benefit or cost arising from the financing of part of net operating assets by external borrowings. Since the Forestry Enterprise has no such borrowings, no gearing adjustment is required. In addition, no adjustment has been made to reflect the impact of price changes on the financing of monetary working capital since it is considered to be immaterial.

#### (e) Depreciation

Depreciation is provided on all other tangible fixed assets other than freehold and leasehold land and surplus estate buildings, at rates calculated to write off the valuation less estimated residual values, of each asset evenly over its expected useful life as follows:

Freehold buildings	— over 20 to 80 years
Leasehold buildings	— over the lease term
Plant and machinery	— over 3 to 16 years
Office equipment	— over 4 to 20 years

Notes to the Accounts (*continued*)

(f) Government funding

Grant-in-Aid attributable to the Forestry Enterprise is accounted for as received and allocated as follows:

- Plantations account — planting and restocking subsidy being the extent to which new investment in planting and restocking is estimated to fall short of the target rate of return.
  - forest recreation and amenity subsidy being the net cost of the provision of recreational facilities for which commercial objectives cannot be set.
- Capital — the balance of the Grant-in-Aid being the funding of all the other activities of the Forestry Enterprise.

(g) Stocks

Timber, plants and livestock are stated at net realisable value, which is based on estimated selling price less further costs expected to be incurred to completion or disposal.

Consumable materials and supplies are stated at current replacement cost. Seed is stated at collection cost or selling price, whichever is the lower.

(h) Research and development

Research and development expenditure of the Forestry Commission as a whole is allocated 45 per cent to the Forestry Authority and 55 per cent to the Forestry Enterprise. The Forestry Enterprise charges its share of the expenditure to the Plantations account as incurred.

(i) Notional interest charges

Notional interest is charged to the Plantations account and the Trading account based on the average net assets employed during the year. Forestry assets bear interest at 3 per cent and other assets 5 per cent.

As part of the forestry assets are deemed to represent the investments of the superannuation scheme, the provision is credited with part of the notional interest charge. The amount so allocated is calculated as 3 per cent of the average liability of the scheme for the year.

(j) Superannuation scheme

Following usual public service practice, superannuation benefits are met out of Grant-in-Aid on a Pay As You Go basis. However, to give a fair presentation of the liabilities of the Forestry Enterprise at 31 March, a provision for future benefits is made based upon an actuarial valuation. It is not specifically invested but is, in effect, a first charge on the assets employed by the Commission. The valuation is carried out by the Government Actuary at the beginning of each quinquennium. During the quinquennium the provision is increased by (i) notional employer's contributions based on funding rates set by the Government Actuary; (ii) notional interest charges as noted above; (iii) a revaluation adjustment based on the general price index used to update the underlying assets, and (iv) contributions received from employees.

Benefits paid in the year are charged against the provision.

2. OTHER TANGIBLE FIXED ASSETS

(a)

				<b>Land and Buildings £ million</b>	<b>Machinery Plant and Equipment £ million</b>	<b>Total £ million</b>
Valuation:						
At 1 April 1984	...	...	...	78.5	53.3	131.8
Additions	...	...	...	1.8	5.5	7.3
Disposals and transfers	...	...	...	(5.7)	(7.7)	(13.4)
Surplus on revaluation	...	...	...	1.8	1.9	3.7
At 31 March 1985	...	...	...	<b>76.4</b>	<b>53.0</b>	<b>129.4</b>

Notes to the Accounts (*continued*)

		<b>Land and Buildings</b>	<b>Machinery Plant and Equipment</b>	<b>Total</b>
		<b>£ million</b>	<b>£ million</b>	<b>£ million</b>
Depreciation:				
At 1 April 1984	...	—	32.6	32.6
Provided during year	...	1.1	5.6	6.7
Disposals and transfers	...	—	(6.7)	(6.7)
Surplus on revaluation	...	(1.1)	1.1	—
		<hr/>	<hr/>	<hr/>
At 31 March 1985	...	—	32.6	32.6
		<hr/>	<hr/>	<hr/>
Net book value:				
At 31 March 1985		76.4	20.4	96.8
At 31 March 1984		78.5	20.7	99.2

(b) Analysis of Land and Buildings

			<i>Previous Year</i>
		<b>£ million</b>	<b>£ million</b>
Forest estate	...	53.2	57.2
Surplus estate	...	18.8	17.0
Commercial recreation		4.4	4.3
		<hr/>	<hr/>
		76.4	78.5
		<hr/>	<hr/>

(c) Land under plantations is treated as part of the Plantations valuation.

(d) Land afforested in the year is transferred to the Plantations account.

(e) Freehold and leasehold land, and surplus estate buildings which are not depreciated, amount to £38.5 million (at 31 March 1984 — £38.2 million).

(f) The bases of valuation of other tangible fixed assets are given in Note 1(c).

3. STOCKS

			<i>Previous Year</i>
		<b>£ million</b>	<b>£ million</b>
Timber	... ..	7.3	6.5
Plants and seed	... ..	1.4	1.1
Consumable materials and supplies	...	1.7	1.9
		<hr/>	<hr/>
		10.4	9.5
		<hr/>	<hr/>

4. DEBTORS

Trade debtors	10.8	10.5
Other debtors	1.8	1.2
	<hr/>	<hr/>
	12.6	11.7
	<hr/>	<hr/>

Other debtors include amounts falling due after more than one year of £1.0 million (£0.9 million at 31 March 1984).

Notes to the Accounts (*continued*)

5. CASH AT BANKS AND IN HAND

	£ million	<i>Previous Year £ million</i>
Balance of proceeds from disposal of properties and plantations in 1984-85	2.9	7.6
Excess cash balance	1.2	1.7
To be surrendered to the Consolidated Fund	4.1	9.3
Retained funds	0.7	0.7
Balance of Forestry Fund with Paymaster General	4.8	10.0
Cash at commercial banks and in hand	0.5	0.7
	<u>5.3</u>	<u>10.7</u>

6. CREDITORS: amounts falling due within one year

Payments received on account	0.6	0.5
Trade creditors	2.0	2.2
Other creditors including taxation and social security costs	2.2	2.8
Consolidated Fund surrender	4.1	9.3
	<u>8.9</u>	<u>14.8</u>

7. PROVISION FOR SUPERANNUATION

	£ million	£ million
Balances at 1 April 1984:		
Current liabilities	12.8	
Long-term liabilities	174.8	
		<u>187.6</u>
Revaluation adjustment (Note 10)		7.3
		<u>194.9</u>
Contributions received from staff		1.1
Notional employer's contribution		10.4
Notional interest charge (Note 12)		5.8
		<u>212.2</u>
Payments made during the year		11.4
Balances at 31 March 1985:		
Current liabilities	13.2	
Long-term liabilities	187.6	
		<u>200.8</u>

Legislation relating to the superannuation of the Forestry Commissioners and Commission staff is to be found in Schedule I Part II of the Forestry Act 1967 as amended by the Superannuation Act 1972. The superannuation benefits and contributions payable are identical to those of the Principal Civil Service Pension Scheme except that such benefits are paid out of the Forestry Fund and not the Civil Service Superannuation Vote.

Notes to the Accounts (*continued*)

**8. CAPITAL**

	£ million	£ million
Balance at 1 April 1984		1,017.8
Amounts payable to the Consolidated Fund:		
Proceeds from disposals of properties and plantations	21.8	
Excess cash balance	1.2	
		<u>(23.0)</u>
Addition of Grant-in-Aid to Capital (Note 9)		29.8
Notional interest charge (Note 12)		35.8
		<u>1,060.4</u>
Balance at 31 March 1985		<u>1,060.4</u>

**9. GRANT-IN-AID**

	£ million	£ million	<i>Previous Year £ million</i>
Grant-in-Aid transferred into the Forestry Fund		55.2	58.5
Less: Appropriated for the Forestry Authority		14.5	13.6
		<u>40.7</u>	<u>44.9</u>
Grant-in-Aid for the Forestry Enterprise			
Less: Plantations account subsidies:			
Planting and restocking	6.3		8.0
Forest recreation and amenity	4.6		4.3
		<u>10.9</u>	<u>12.3</u>
Addition of Grant-in-Aid to Capital		<u>29.8</u>	<u>32.6</u>

See Note 20 for detailed analysis of Planting and Restocking and Forest Recreation and Amenity subsidies by Conservancy.

**10. REVALUATION RESERVE**

	£ million	£ million
Balance at 1 April 1984		114.3
Revaluation surplus in year:		
Plantations	47.6	
Other tangible assets	4.0	
		<u>165.9</u>
Less: allocated to Provision for Superannuation		7.3
Balance at 31 March 1985		<u>158.6</u>

**11. PLANTATIONS ACCOUNT VARIANCE**

	Establish- ment and Maintenance £ million	Harvest- ing and Marketing £ million	Total £ million
Income	0.5	3.8	4.3
Profit on sale of properties and plantations	1.6	—	1.6
	<u>2.1</u>	<u>3.8</u>	<u>5.9</u>
Expenditure:			
Forest costs	0.9	5.7	6.6
Administrative expenses	1.5	0.2	1.7
	<u>2.4</u>	<u>5.9</u>	<u>8.3</u>
Net variances — favourable	<u>4.5</u>	<u>9.7</u>	<u>14.2</u>

Notes to the Accounts (*continued*)

**Analysis and explanation of variance**

	<i>Notes</i>	<b>Standard £ million</b>	<b>Actual £ million</b>	<b>Variance (adverse bracketed) £ million</b>
<b>Establishment and maintenance:</b>				
Sundry income ... ..	<i>(a)</i>	0.6	1.1	0.5
Profit on sale of properties and plantations	<i>(b)</i>	—	1.6	1.6
		<u>0.6</u>	<u>2.7</u>	<u>2.1</u>
Plantations acquired ... ..		0.1	0.1	—
Land planted ... ..	<i>(c)</i>	2.1	1.8	0.3
New plantations ... ..	<i>(d)</i>	4.0	3.8	0.2
Restocked plantations ... ..	<i>(d)</i>	3.2	3.0	0.2
Maintenance ... ..	<i>(e)</i>	5.1	4.9	0.2
Lease rents, supplies and miscellaneous		0.8	0.8	—
Road construction ... ..		3.7	3.5	0.2
Road maintenance ... ..		2.5	2.6	(0.1)
Labour oncost ... ..		10.4	10.5	(0.1)
Research and development ...		4.4	4.4	—
		<u>36.3</u>	<u>35.4</u>	<u>0.9</u>
<i>Less:</i> Book value of disposals and reclassifications ... ..		12.0	12.0	—
Forest costs ... ..		24.3	23.4	0.9
Administrative expenses	<i>(f)</i>	13.1	11.6	1.5
		<u>37.4</u>	<u>35.0</u>	<u>2.4</u>

*(a)* Increased venison income and recovery of fire-fighting costs.

*(b)* This profit represents the excess over book value and costs on the disposal of £17.1 million forest estate properties and plantations.

*(c)* Represents the differences between the lower value of land in the plantable reserve and the standard allowed for in the plantations valuation, mainly in N(Scot) and W(Scot).

*(d)* In the main due to generally lower costs of ploughing and other establishment expenditure.

*(e)* Expenditure was reduced in a number of areas, for example pest and wildlife control offset in part by expenditure on *Dendroctonus* surveys and treatment not envisaged when the standards were set.

*(f)* The favourable variance is due to a combination of staff costs in the quinquennium being held below the general rate of inflation; to the reductions associated with the Forest District reorganisation following the amalgamation and the move to the three tier structure and also to reduced planting and restocking programmes.

Notes to the Accounts (*continued*)

	<i>Notes</i>	<b>Standard £ million</b>	<b>Actual £ million</b>	<b>Favourable Variance £ million</b>
Harvesting and Marketing Income ... ..	<i>(a)</i>	<b>43.2</b>	<b>47.0</b>	<b>3.8</b>
Direct costs		<b>21.6</b>	<b>17.6</b>	<b>4.0</b>
Labour oncost		<b>8.0</b>	<b>6.3</b>	<b>1.7</b>
Forest costs ...	<i>(b)</i>	<b>29.6</b>	<b>23.9</b>	<b>5.7</b>
Administrative expenses		<b>10.9</b>	<b>10.7</b>	<b>0.2</b>
		<b>40.5</b>	<b>34.6</b>	<b>5.9</b>

*(a)* Income per cubic metre increased by 9 per cent over the previous year which represents a rise of approximately 5 per cent in real terms. This was due to a continuing improvement in world timber markets.

*(b)* Unit costs per cubic metre for expenditure on Commission harvesting have decreased substantially during the quinquennium. Of the total favourable variance of £5.9 million, £0.8 million is attributable to stock changes. Of the balance of £5.1 million, £3.7 million represents savings from improvements in efficiency above those which were anticipated when the standards were set. The remaining £1.4 million is the result of an increase in the average tree size harvested.

## 12. NOTIONAL INTEREST CHARGES

Notional interest charges have been allocated as follows:

	<b>£ million</b>	<i>Previous Year £ million</i>
Plantations account ...	<b>40.3</b>	36.6
Trading account ...	<b>1.2</b>	1.2
Sale of properties (Note 13)	<b>0.1</b>	0.1
	<b>41.6</b>	37.9
Attributable to:		
Capital (Note 8) ... ..	<b>35.8</b>	32.6
Provision for Superannuation (Notes 1(i), 1(j) and 7)	<b>5.8</b>	5.3
	<b>41.6</b>	37.9

Notes to the Accounts (*continued*)

**13. PROFIT ON SALE OF PROPERTIES**

		Plantations Account				<i>Previous Year</i> £ million
		Trading Account £ million	Properties £ million	Plantations £ million	Total £ million	
Proceeds	...	5.0	2.5	14.6	22.1	23.9
Less: Book value	...	2.3	2.0	11.8	16.1	18.5
		<u>2.7</u>	<u>0.5</u>	<u>2.8</u>	<u>6.0</u>	5.4
Less: Expenses (including 0.1 notional interest)	... ..	0.2	0.1	0.5	0.8	0.8
		<u>2.5</u>	<u>0.4</u>	<u>2.3</u>	<u>5.2</u>	4.6
Less: Related attributable administrative expenses	... ..	0.5	0.2	0.9	1.6	1.5
		<u>2.0</u>	<u>0.2</u>	<u>1.4</u>	<u>3.6</u>	3.1

Total proceeds from sales and exchanges of land, buildings and plantations amount to £22.1 million, an decrease of £1.8 million over the previous year. The net profit in all sales amounts to £3.6 million and this is apportioned between land and buildings, which are surplus to requirements, and forest estate properties and plantations. The profit on the surplus estate is taken to the Trading account whilst the profit on the forest estate is credited to the Plantations account and regarded therein as a favourable variance.

**14. TRADING ACCOUNT SURPLUS FOR YEAR**

	Notes	<i>Previous Year</i>			
		Income £ million	Surplus for year £ million	Income £ million	Surplus for year £ million
Cabins and campsites	(a)	1.9	0.1	1.9	0.2
Shooting and fishing		0.5	0.1	0.5	0.1
Surplus estate	(b)	1.1	0.6	0.9	1.1
Agency	...	2.0	0.2	2.3	—
Miscellaneous	(c)	0.2	0.2	0.1	0.1
		<u>5.7</u>	<u>1.2</u>	<u>5.7</u>	<u>1.5</u>

The entries above represent the trading results after inclusion, where appropriate, of a notional interest charge of 5 per cent, being the real return expected from public sector trading bodies.

(a) The real rate of return achieved on capital invested in cabins and campsites was 8.4 per cent. The return is slightly lower than the previous year due to the continuance of refurbishment programmes and reduced income from cabin lettings but the cumulative return for the quinquennium to date is nevertheless approximately 9 per cent in real terms.

(b) Surplus estate comprises those properties which are not required for the Forestry Enterprise and are intended to be sold at the earliest opportunity. Most of the properties are relatively expensive to maintain because of their age, type and remoteness, and income is likewise restricted. Security of tenure and reluctance of the tenant to purchase, however, entails that the Commission has to retain many of the houses at a loss until there is a change in circumstances. There is therefore an operational deficit of £1.4 million (as in 1983-84) after charging interest at 5 per cent. This deficit is, however, turned into a surplus of £0.6 million after adding back a profit of £2.0 million (1983-84 £2.5 million) on sales concluded in the year.

(c) The miscellaneous entry represents the income received from the Severn Trent Water Authority in respect of the Commission's equal share in the surplus on the joint management scheme at Lake Vyrnwy in North Wales.



Notes to the Accounts (*continued*)

15. EXPENDITURE

		<i>Previous Year</i>
	<b>£ million</b>	<b>£ million</b>
<i>(a)</i> Total expenditure before notional interest charges comprises:		
Plantations account ... ..	74.9	73.6
Trading account ... ..	5.3	5.5
Sale of properties (Note 13) ... ..	2.3	2.2
	<b>82.5</b>	<b>81.3</b>
<i>(b)</i> The above expenditure includes:		
Labour oncost (Note 18) ... ..	18.7	19.2
Administrative expenses (Note 19) ... ..	27.2	27.1
Research and development ... ..	4.4	4.1
	<b>50.3</b>	<b>50.4</b>
<i>(c)</i> Total staff costs for the Forestry Enterprise and Forestry Authority comprise:		
Salaries ... ..	20.0	19.5*
Wages ... ..	26.9	27.8*
Social security costs ... ..	3.6	4.0
Superannuation costs ... ..	10.4	10.3
	<b>60.9</b>	<b>61.6</b>
Travel and subsistence ... ..	3.5	3.4
	<b>64.4</b>	<b>65.0</b>

Approximately 86 per cent (previous year 87 per cent) relates to Forestry Enterprise operations.

\* Previous year figures adjusted to take account of reclassification of staff.

*(d)* The average number of employees during the year was made up as follows:

	<b>Number</b>	<b>Number</b>
Industrial ... ..	4,318	4,900
Non-industrial ... ..	2,165	2,056
	<b>6,483</b>	<b>6,956</b>

The increase in the number of non-industrial staff is due to reclassification of Forest District Clerks (previously classified as industrials) in the management reorganisation at this level.

*(e)* Included in staff costs at *(c)* above is the remuneration of the Commissioners which comprises (excluding pension contributions):

	<i>£ thousand</i>	<i>Previous Year £ thousand</i>
Chairman ... ..	17	15
Highest paid Commissioner ... ..	37	32
Other Commissioners ... ..	110	97
	<b>164</b>	<b>144</b>
Total emoluments of Commissioners ... ..	<b>164</b>	<b>144</b>
Travel and subsistence of Commissioners ... ..	25	24

Notes to the Accounts (*continued*)

The emoluments of the other Commissioners fell within the following ranges:

	<b>Number</b>	<b>Number</b>
£nil to £5,000	<b>6</b>	<b>6</b>
£5,001 to £10,000	—	—
£10,001 to £15,000	—	—
£15,001 to £20,000	—	—
£20,001 to £25,000	—	—
£25,001 to £30,000	<b>3</b>	<b>3</b>

The Commissioners' remuneration is in accordance with Civil Service pay rates.

**16. CAPITAL COMMITMENTS**

Future capital expenditure on Other Tangible Fixed Assets in 1985-86 authorised by the Commission amounts to £11.3 million (£10.1 million for 1984-85).

**17. CONTINGENT LIABILITIES**

Contingent liabilities exist at 31 March 1985 for damages caused by the Commission to other persons' property and for compensation for personal injury to Commission employees amounting to an estimated sum of £0.2 million (£0.6 million at 31 March 1984).

**18. LABOUR ONCOST**

Labour oncost covers those costs incurred in the employment of industrial labour which cannot be allocated directly to activities, eg employer's national insurance and provision for superannuation.

The costs incurred for the year ended 31 March 1985 were:

	<b>£ million</b>	<i>Previous Year £ million</i>
National insurance, holiday and sick pay	<b>5.3</b>	5.4
Wet time	<b>1.1</b>	1.3
Transport of workers and travelling and subsistence	<b>5.5</b>	5.3
Provision for superannuation	<b>5.5</b>	5.5
Other net costs	<b>1.4</b>	1.7
	<b>18.8</b>	19.2
<i>Less:</i> charged to Forestry Authority	<b>0.1</b>	—
	<b>18.7</b>	19.2
Allocated to:-		
Plantations account:		
Establishment and maintenance	<b>10.5</b>	10.7
Harvesting and marketing	<b>6.3</b>	6.5
Forest recreation and amenity	<b>1.2</b>	1.1
Trading account	<b>0.7</b>	0.9
	<b>18.7</b>	19.2

Notes to the Accounts (*continued*)

19. ADMINISTRATIVE EXPENSES

	<b>£ million</b>	<i>Previous Year £ million</i>
Salaries and national insurance ... ..	<b>18.2</b>	18.1*
Travelling, subsistence and staff transfer expenses	<b>4.0</b>	3.6
Provision for superannuation ... ..	<b>4.0</b>	4.1
Accommodation and estate expenses ... ..	<b>2.2</b>	2.9
Office expenses ... ..	<b>1.2</b>	1.1*
Other net expenses (including Auditors' remuneration £54,000) ... ..	<b>3.3</b>	2.2
	<hr/> <b>32.9</b>	<hr/> 32.0
<i>Less:</i> charged to Forestry Authority	<b>5.7</b>	4.9
	<hr/> <b>27.2</b>	<hr/> 27.1

\*Previous year figures adjusted to take account of reclassification of staff.

Allocated to:-

Plantations account:

    Establishment and maintenance

    Harvesting and marketing

    Forest recreation and amenity

Trading account ... ..

Sale of properties (Note 13)

<b>11.6</b>	12.1
<b>10.7</b>	10.4
<b>1.7</b>	1.6
<b>1.6</b>	1.5
<b>1.6</b>	1.5
<hr/> <b>27.2</b>	<hr/> 27.1

The total administrative expenses of £32.9 million (£32.0 million in 1983/84) were incurred as follows:

Forest Districts ...	<b>16.3</b>	16.2
Conservancy Offices ...	<b>7.4</b>	6.7
Headquarters ...	<b>8.1</b>	7.3
Forest Estate ...	<b>1.1</b>	1.8
	<hr/> <b>32.9</b>	<hr/> 32.0

## 20. PLANTING, RESTOCKING AND FOREST RECREATION AND AMENITY SUBSIDIES

## (a) Details

	Planting				Restocking			Forest Recreation and Amenity
	Area Planted (hectares)	Subsidy per hectare	Subsidy (£84/85 (000))	Subsidy (£)	Area Planted (hectares)	Subsidy per hectare (£)	Subsidy (£84/85 (000))	
<b>GREAT BRITAIN</b> ... ..	5,105	519	2,649	614	5,916	614	3,630	£000 4,586
<b>ENGLAND</b>								
<i>Conservancy:</i>								
North West ... ..	167	736	123	910	2,171	910	1,975	2,316
North East ... ..	135	477	64	643	471	643	303	339
East ... ..	12	433	5	855	663	855	567	263
South East ... ..	3	917	3	917	669	917	613	416
South West ... ..	—	—	—	—	116	1,728	200	866
Total ... ..	17	2,971	51	1,157	252	1,157	292	432
<b>SCOTLAND</b>								
<i>Conservancy:</i>								
North ... ..	4,777	495	2,365	140	2,445	140	342	1,374
East ... ..	2,088	847	1,768	607	500	607	304	332
South ... ..	548	536	294	(104)	490	(104)	(51)	388
West ... ..	905	55	50	67	665	67	45	300
Total ... ..	1,236	205	253	56	790	56	44	354
<b>WALES</b>								
<i>Conservancy:</i>								
North ... ..	161	999	161	1,010	1,300	1,010	1,313	896
South ... ..	125	993	124	1,104	505	1,104	557	533
Total ... ..	36	1,020	37	951	795	951	756	363

Note: brackets indicate extent of expected return in excess of 3 per cent.

(b) The planting and restocking subsidies per hectare for each Conservancy are derived from the weighted average of the net discounted revenue at 3 per cent of the various soil type models representing the reserve of the plantable land at 1 April 1982. The total subsidies for each Conservancy are calculated by multiplying the total area planted and restocked in the year by the average subsidy per hectare converted into current pounds by application of the index based on the GDP implicit price deflator.

(c) Forest Recreation and Amenity covers visitor centres, car parks, forest walks, nature trails, conservation of wildlife, etc and small-scale amenity planting from which no commercial rate of return can be expected, together with motor sports and other specialist activities.

Notes to the Accounts (*continued*)

**21. FORESTRY SUBSIDY**

From 1 April 1982 the Forestry Subsidy, which represents the opportunity cost of investment in forestry, is presented as the capitalised sum on new investment, similar to the planting and restocking subsidies, and is assessed as the difference between the net present values of income and expenditure discounted on the one hand at the target rate of 3 per cent and on the other at the public sector trading rate, which is currently 5 per cent. Details of the calculations are set out below.

	<b>£ million</b>
Planting and restocking subsidies to achieve the public sector trading rate of 5 per cent	15.3
Planting and restocking subsidies to achieve the target rate of return of 3 per cent	6.3
	9.0
Forestry subsidy on new investment in 1984-85	9.0



**ADDRESSES OF THE MAIN OFFICES OF THE  
FORESTRY COMMISSION**

Headquarters of the Forestry Commission:

231 Corstorphine Road, Edinburgh EH12 7AT (031 334 0303)

Director Research:

Alice Holt Lodge, Wrecclesham, Farnham, Surrey GU10 4LH (0420 22255)

Northern Research Station, Roslin, Midlothian EH25 9SY (031 445 2176)

**Conservancy Offices**

England:

North: 1A Grosvenor Terrace, York YO3 7BD (0904 20221)

East: Great Eastern House, Tenison Road, Cambridge

CB1 2DU (0223 314546)

West: Flowers Hill, Brislington, Bristol BS4 5JY (0272 713471)

Scotland:

North: 21 Church Street, Inverness IV1 1EL (0463 232811)

Mid: Portcullis House, 21 India Street, Glasgow G2 4PL (041 248 3931)

South: Greystone Park, 55/57 Moffat Road, Dumfries DG1 1NP (0387 69171)

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