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1990-91

FORESTRY COMMISSION

*71st Annual Report
and Accounts
1990-1991*



Forestry Commission

Forestry Commission

ARCHIVE

COVER PICTURE

Steven, a Senior Ranger, is responsible for wildlife protection in Loch Ard district.

FORESTRY COMMISSION

*71st Annual Report
and Accounts
for the year ended
31 March 1991*

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*

*Ordered by The House of Commons to be printed
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FORESTRY COMMISSION

231 Corstorphine Road
Edinburgh EH12 7AT

30 September 1991

To:

The Rt Hon IAN LANG, MP,
Secretary of State for Scotland

The Rt Hon JOHN GUMMER, MP,
Minister of Agriculture, Fisheries and Food

The Rt Hon DAVID HUNT MBE, MP,
Secretary of State for Wales

Gentlemen

In pursuance of Section 45 of the Forestry Act 1967, I have the honour to transmit the 71st Annual Report of the Forestry Commissioners which covers the year ended 31 March 1991.

I am, Gentlemen,
Your obedient Servant,

(Sgd) RAYMOND JOHNSTONE
Chairman

The Forestry Commissioners, Heads of Divisions and Conservators at 31 March 1991

Forestry Commissioners

Mr J. Raymond Johnstone CBE *Chairman*
Mr T.R. Cutler *Deputy Chairman and Director General*
Mr R. T. Bradley
Mr I. D. Coutts CBE
Mr D. L. Foot
Mr D. S. Grundy
Mr R. P. Hancock
Mr T. S. Mallinson
Mr J. D. Pollock
Mr F. M. Strang Steel
Mr C. R. Woosnam

Heads of Divisions

Secretary: Mr P. J. Clarke
Director, Research: Mr D. A. Burdekin
Director, Development: Dr S. Harding
Director, Engineering: Mr R. M. Hay
Director, Estate Management: Mr R. P. Illingworth
Director, Harvesting and Marketing: Mr S. E. Quigley
Director, Private Forestry and Environment: Mr A. H. A. Scott
Director, Personnel: Mr C. W. Simmonds
Controller of Finance: Mr C. T. Spillane
Head of Silviculture: Mr J. Dewar
Director, Business Systems: Mr E. K. Arthurs
Head of Information: Mr J. F. Lindsay

Conservators

England

North: Mr S. A. Neustein
East: Mr N. Dannatt
West: Mr R. J. N. Busby

Scotland

North: Mr J. Atterson
Mid: Mr G. J. Hamilton
South: Mr G. M. Cowie

Wales: Mr J. F. Morgan

Note: The addresses of the main Forestry Commission offices appear on the inside back cover.

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GENERAL REVIEW

Esther, a Cartographer, creates maps showing geographical boundaries, areas of tree cover and new planting by the Commission.

GENERAL REVIEW

THE YEAR IN PERSPECTIVE

- 1 Recent Government policy statements have placed increasing emphasis on the multi-purpose management of woodlands, with all that this can provide in economic, social and environmental terms. The Woodland Grant Scheme, in particular, has been designed to ensure that planting plans address not only timber production objectives, but also take full account of landscape, nature conservation, public recreation and other factors. Some important initiatives were announced in the course of the year under report which will help place this concept on a firmer footing. Among these was the announcement by Forestry Ministers of their decision to make management grants available under the Woodland Grant Scheme from 1 April 1992, for both broadleaved and conifer woods. These new grants, besides encouraging the best silvicultural management of woodlands during their establishment phase, will also be directed towards the differing needs of small woods, broadleaved woodlands, native pinewoods and woodlands of special environmental value, and the development and improvement of facilities for public access and woodland recreation. Current Government policy also looks to an increasing proportion of new planting taking place on low ground of better quality. In furtherance of this aim, Ministers announced in December 1990 that the Better Land Supplement, payable under the Woodland Grant Scheme on top of the normal planting grants, would be substantially increased for planting done on or after 1 October 1990, with a special weighting being given for broadleaves. The community forests initiative also took a step forward during the year with the identification of a further nine areas in which special plans will be drawn up in consultation with local interests to create woodland on the outskirts of major cities and towns in England and Wales. Such developments have served to demonstrate the way in which forestry policy is continuing to evolve in response to changing public perceptions. The proposed changes to the Commission's management structures, to which we refer in the next paragraphs, are designed to enable us to implement forestry policy as effectively as possible.

MANAGEMENT REORGANISATION

- 2 The Secretary of State for Scotland, the Rt Hon Ian Lang MP, announced in Parliament on 6 March 1991 that Ministers had endorsed our proposal to carry out an internal reorganisation aimed at achieving a clearer administrative distinction between those staff concerned with the Commission's regulatory and advisory duties as a Government Department and those engaged in the management of its forests. Mr Lang's announcement, the full text of which is reproduced at Appendix IX, confirmed the Government's recognition of the need for a strong and flexible Commission organised to take full advantage of the new opportunities now opening up for forestry. The Commission's staff will be given more precisely defined responsibilities and goals. This will improve the effectiveness of the Authority, which will have a responsibility to oversee the work of the Enterprise as well as the private sector, while Enterprise managers will be free to concentrate on the efficient management of the Commission's estate, with a clear multiple-purpose remit.
- 3 No organisation can afford to stand still in a changing world, and we are confident that the exercise on which we have now embarked will provide the Commission with a sound basis from which to meet the challenges of the 1990s. The arrangements for implementing the reorganisation will be taken forward in full discussion with the Commission's staff and with Trade Union representatives, and it is our intention that the new structure will be in place on 1 April 1992.

FINANCE

- 4 In 1990-91, the Commission received and spent a Grant-in-Aid of £74.4 million. Receipts generated by the Commission's disposals programme and surrendered to the Consolidated Fund amounted to £12.0 million (£12.9 million in 1989-90). *Grant-in-Aid*
- 5 Expenditure on the Forestry Authority in 1990-91 was £34.1 million, an increase of £5.5 million over the previous year's figure. This rise in expenditure was mainly the result of an increase in the total grants paid to private woodland owners. *Forestry Authority*
- 6 For the year ended 31 March 1991 the overall net operating surplus arising from plantations (including the increase in the value of the growing stock) and from other activities was £70.5 million (£66.0 million in 1989-90). The subsidy for planting amounted to £0.9 million (£4.3 million in 1989-90). Income, mainly from the sale of timber, was £83.7 million. Expenditure on all operations was £98.7 million. The Forestry Enterprise received a grant of £12 million for the provision of recreation and amenity facilities for use by the general public. *Forestry Enterprise*
- 7 More detailed comments on the Commission's financial statements and accounts are given in the Finance Section at pages 39 to 57.

STATE OF THE WOOD MARKET

- 8 The slow-down in the economy, which was the main feature of our report under this heading last year, continued to affect the domestic wood market. Overall, 1990-91 was characterised by low demand, low prices and very tough competition against imports. In particular, the British sawmilling sector came under severe competitive pressure as the growing strength of sterling relative to the Canadian dollar reversed last year's more favourable exchange rate.
- 9 UK producers of wood-based panels also faced difficult trading conditions. Encouragingly, and despite a fall of 11 per cent in the total consumption of particleboard, the volume of sales in 1990 was close to that of the previous year. UK manufacturers' share of the market increased as a result to 54 per cent from the previous year's level of 49 per cent. The oriented strand board market faced severe competition from North American plywood during the second half of the year due to the relative weakness of the US dollar.
- 10 Pulp and paper producers began destocking early in the cycle of economic downturn. Investment by Scandinavian corporations in European Community companies brought about some rationalisation of investment plans, but the effects of this may not be felt for some time. Worldwide investment in the manufacture of newsprint and lightweight coated paper continued with the consequence that the production capacity significantly exceeds demand.
- 11 The David S Smith (St Regis) plant at Kemsley in Kent stopped using pulpwood at the end of 1990 and now relies only on waste paper as a source of fibre. This has had a significant impact in south-east England where hardwood markets for small roundwood were already sparse.

BROADLEAVES POLICY REVIEW

- 12 In our last report we noted that a statement on the Government's conclusions arising from the review of broadleaves policy had been made on 23 July 1990 by the then Secretary of State for Scotland, the Rt Hon Malcolm Rifkind QC MP. This statement is reproduced in full at Appendix VI to the present report.

- 13 The review showed that the policy had had considerable success in extending broadleaved cover throughout the country, both by increasing the area and proportion of broadleaves planted and by arresting the loss of broadleaved woodland.
- 14 Comments received in the course of the review laid stress on the costs of managing broadleaved woodlands over the very long period between establishment and the first returns from the sale of timber, and of bringing neglected woodlands back into production. Concern was also expressed over the need to ensure that there were adequate incentives to encourage owners to adopt practices that would have environmental benefits over and above normal maintenance work. In the light of these comments, the Government announced its intention to introduce management grants under the Commission's Woodland Grant Scheme from 1 April 1992, for both broadleaved and conifer woodlands.
- 15 The new grants will be of two types. Standard management grants will be payable for agreed operations during the normal maintenance period following the initial establishment phase of a woodland or forest, while special, higher-rate management grants will be available for woodlands of special environmental value regardless of age. There will be a presumption that woodlands properly classified as ancient and semi-natural will qualify for the special grant, as will woodlands which are prominent in the landscape of National Parks, Areas of Outstanding Natural Beauty and National Scenic Areas. Woodlands may also qualify for the special grant where the owner has proposals to establish, develop or improve free facilities for public access or for public recreation in the woodland. A supplement will be paid in addition to the standard or special management grant for woodlands of less than 10 hectares. A grant towards the cost of preparing a management plan will also be available.
- 16 Among other changes announced by Mr Rifkind was the decision to provide grants for the first time for the establishment of short-rotation coppice and for managing traditional coppice. The value of open space in woodlands was fully recognised, and it was confirmed that the Commission would continue to maintain a flexible approach to paying grant for unplanted areas needed to provide the right balance for environmental purposes. The importance of controlling grey squirrels to prevent damage to broadleaved woodlands was also recognised. In areas vulnerable to grey squirrels, prescriptions for their control will be an obligatory part of the approved management plan on which grant will be paid.
- 17 In introducing these new arrangements, which have been widely welcomed by both forestry and environmental interests, we shall seek to increase the help which our own foresters can give to woodland owners, particularly in the co-ordination of advice, in the training of advisers and in helping to improve the marketing of produce from broadleaved woods.

GRANT REVIEW: INCREASE IN THE BETTER LAND SUPPLEMENT

- 18 Following a review of the rates of grant under the Woodland Grant Scheme, the Secretary of State for Scotland, the Rt Hon Ian Lang MP, announced in December 1990 significant increases in the Better Land Supplement payable under the Scheme. The full text of Mr Lang's announcement is reproduced at Appendix VIII.
- 19 Against the background of the considerable expansion in broadleaved planting that had taken place since the introduction of its broadleaves policy in 1985, and given the substantial rise in grant rates which had accompanied the introduction of the Woodland Grant Scheme in 1988, the Government concluded that there was no evidence that the planting grants on offer for broadleaves were inadequate. The rates of grant for conifer planting were also reviewed and the conclusion reached that there was no convincing case at that stage for any general increases under the grant schemes. The Government acknowledged that there had been a drop in conifer planting, but took the view that this was due to a combination of factors, including the price and availability of suitable land and the general economic situation, and not because of inadequate grant levels.

- 20 Mr Lang confirmed that an important part of the Government's forestry policy was for a greater proportion of planting to take place on low ground of better quality. To further this objective, it had been decided to increase the Better Land Supplement of £200 per hectare provided as a top-up grant under the Woodland Grant Scheme for planting on arable land or on grassland which has been cultivated and improved within the previous 10 years. The new rates are £400 per hectare for conifer planting and £600 per hectare for planting with broadleaves, and they apply to any eligible planting under the Scheme on or after 1 October 1990.

STUDY INTO LANDOWNERS' ATTITUDES TO GRANT INCENTIVES

- 21 One of the factors taken into account by Ministers in the review of grant rates described above was the report of a study we had commissioned into landowners' attitudes to the Woodland Grant Scheme. Our concern in initiating this exercise was to gain a better understanding of the motives of landowners in the light of the reform of forestry taxation in 1988 and the subsequent reduction in the level of new planting activity. The study was carried out on our behalf by Messrs Firn, Crichton, Roberts Ltd. It was based upon personal, structured interviews with 110 landowners or their principal advisers including, in particular, those known to be active forestry investors, those with potential for undertaking additional investment, and those with long-established forestry interests.
- 22 The consultant's report drew three main conclusions. First, as a single scheme universally applied, the Woodland Grant Scheme might not meet all the different needs of landowners. As a result, maintaining new planting at pre-1988 levels would require a more targeted delivery of grant aid. Secondly, this would require greater understanding of landowners' objectives and greater personal contact between our staff and landowners, their agents and advisers. Thirdly, different but co-ordinated promotions of forestry investment would have to be targeted at the various networks of landowners, agents, advisers, management companies and others, and shaped to meet their specific objectives and investment interests.
- 23 A number of important changes have been made to the Woodland Grant Scheme concurrent with and following the preparation of the report. In particular, the scheme provides a more targeted delivery of assistance than before. The introduction of management grants and the Commission's proposed organisational changes will provide an impetus for greater contact between our staff and landowners who are interested in woodland planting. We are also taking steps to improve the promotional and administrative literature for the Woodland Grant Scheme.
- 24 Information on the levels of private planting grant-aided under our schemes during 1990-91 is given later in this report (paragraphs 99 and 100).

STORM DAMAGE: REPLANTING ASSISTANCE

- 25 In our comments last year on the widespread damage to trees and woodlands caused by the storms of January and February 1990, we mentioned by way of a footnote that the Minister of Agriculture, Fisheries and Food, the Rt Hon John Gummer MP, had announced in Parliament on 3 May 1990 that special assistance would be made available to assist with broadleaved replanting in storm-damaged woodlands in our East England, West England and Wales Conservancies. In his announcement, which we reproduce in full at Appendix V, Mr Gummer acknowledged that the salvaging and sale of hardwood timber blown down by the storms would provide insufficient returns to cover the necessary replanting, bearing in mind the extraordinary expenses that owners would face both in the difficult task of preparing sites for planting and in the planting itself. A special supplement of £400 per hectare was therefore introduced for a period of four years for broadleaved replanting in those woodland areas damaged by the storms, to be paid on top of our normal planting grants.

COMMUNITY FORESTS

- 26 Last year we reported on our joint initiative with the Countryside Commission to create community forests on the outskirts of major cities and towns in England and Wales. Project teams were appointed in the early part of the year for the first three community forests in South Staffordshire (the Forest of Mercia), South Tyne and Wear (the Great North Forest) and East London (Thames Chase Forest). They have been working to prepare community forest plans in consultation with local interests.
- 27 A joint announcement in February 1991 by Baroness Trumpington, Minister of State at the Ministry of Agriculture, Fisheries and Food, and Mr Tony Baldry MP, Parliamentary Under-Secretary of State for the Environment, extended the programme to include proposals for a further nine community forest areas in Bedford, Bristol, Cleveland, Manchester, Merseyside, Nottingham, South Hertfordshire, South Yorkshire and Swindon. Project teams will be established in each of these areas to explore the practical options in consultation with all the key partners and to prepare plans as a basis for deciding future action.
- 28 The community forest programme will require a commitment from a wide range of public and private bodies. It will continue to receive our wholehearted backing and support.

FOREST NATURE CONSERVATION GUIDELINES

- 29 We published guidelines on *Forest Nature Conservation* in September 1990, after comprehensive consultations with conservation and forestry interests, including the Nature Conservancy Council. The guidelines give practical advice on the maintenance and enhancement of the nature conservation value of existing woodlands and forests. They also seek to ensure that advantage is taken of opportunities to develop nature conservation in new planting. We follow these guidelines in our own operations and expect them to be observed by private woodland owners and managers in proposals submitted under our grant schemes and in applications for felling permission. These are the third in our series of guidelines publications, adding to those we issued on *Forests and Water* in 1988 and on *Forest Landscape Design* in 1989.

ENVIRONMENTAL ASSESSMENT

- 30 Under the Environmental Assessment (Afforestation) Regulations 1988, anyone who submits an application to the Commission for grant aid for new planting may be required to undertake a formal assessment of the effects that the proposed planting would be expected to have on the environment. Under the Regulations this power may be exercised where, in our opinion, the planting proposed is likely to have significant effects on the environment and may lead to adverse ecological change.
- 31 In the year under report, we called for the preparation of environmental statements in respect of 25 applications, covering an area of some 11,500 hectares. This brought the total number of environmental statements we had requested to 40.
- 32 A planting scheme at Glendye in Kincardine and Deeside District was the subject of considerable publicity during the year. Our decision to pay grant for this scheme was referred by the District Council to the Court of Session in Edinburgh for judicial review, on the grounds that a formal environmental assessment should have been called for before the decision was taken. The Court rejected the Council's claim that we had acted improperly in this respect since the grant application for the Glendye planting was received before the Environmental Assessment (Afforestation) Regulations giving us the power to require environmental assessments had come into effect.

WHITE PAPER ON THE ENVIRONMENT

- 33 The Government's Environment White Paper *This Common Inheritance*, published in September 1990, contained a number of positive references to the role of forestry in the environment. It acknowledged the fact that forests, woodlands and trees provide an effective means by which carbon dioxide can be absorbed from the atmosphere and stored over long periods of time. Trees help to lock up free carbon that would otherwise contribute to the greenhouse effect, and timber, if converted into durable products, can prolong the storage process. The White Paper also mentioned initiatives taken by the Government to encourage new forms of woodland planting, including the creation of community woodlands, the planting of broadleaves and the special emphasis being given to planting on improved agricultural land.

FORESTRY AND THE GREENHOUSE EFFECT

34. In conjunction with the Scottish Forestry Trust, we commissioned Professor Dennis Anderson to prepare a report* analysing the economic case for afforestation as a means of mitigating the greenhouse effect. The report suggested that, on present evidence, the need to find solutions to the problem of global warming might justify the introduction of a carbon tax of perhaps \$3 per barrel of oil equivalent (boe), with the expectation that it would be progressively increased. It argued that, if carbon taxes or equivalent regulations were to be imposed on carbon dioxide emissions, a carbon credit should be paid for carbon dioxide when it was locked up in growing biomass, such as trees. To be equivalent to \$3/boe, a carbon credit for forestry would need to be pitched at about \$30 per tonne of carbon removed from the atmosphere (or some £4 per cubic metre of timber growth); any planting subsidy based on this credit would, however, have to take account of the decay of wood products. These estimates depend crucially on how quickly carbon accumulations reach dangerous levels and how soon alternative renewable energy technologies can be developed. There is considerable scientific uncertainty about both these influences at present. We nevertheless welcome the report as a useful contribution to thinking on the environmental benefits of new planting.

PARLIAMENTARY COMMITTEE ENQUIRIES

- 35 In our report last year, we gave details of the report** issued in February 1990 by the House of Commons Agriculture Committee on their enquiry into Land Use and Forestry. The Government's response^o was published in May 1990. Although falling within the period of our present report, we decided that it would be helpful, in the interests of completeness, to cover that response as well in our 1989-90 report (at paragraphs 15-28). *House of Commons Agriculture Committee*
- 36 In our last report, we mentioned that we had submitted written evidence to the House of Lords European Communities Committee in connection with their enquiry into the EC's rural development policy based on the EC paper *The Future of Rural Society* (COM(88)371). Our memorandum explained the background to the development of forestry in Great Britain, set out the Government's forestry policy and its associated initiatives and incentives, and placed them in the context of the EC's rural development policies. *House of Lords European Communities Committee*

**The Forestry Industry and the Greenhouse Effect*: A Report for the Scottish Forestry Trust and the Forestry Commission.

**Second Report of the House of Commons Agriculture Committee: Session 1989-90, HC16-1, HMSO, £7.40 net.

^oSecond Special Report of the House of Commons Agriculture Committee: Session 1989-90, HMSO, £3.70 net.

- 37 The Committee's report*, which was published in July 1990, supported forestry as an obvious source of diversification for farmers and expressed the view that it would require a positive political commitment and higher levels of financial expenditure if forestry was to expand on land no longer required for agriculture. The Government's response took the form of a debate in the House of Lords in November 1990, when Baroness Blatch, on behalf of the Government, welcomed the Select Committee's support for an expansion of multi-purpose forestry. She stressed that it was a central part of the Government's forestry policy to encourage more planting on better land and referred to the Government's support for proposals for creating new forests in the English Midlands and in Central Scotland, as well as established initiatives for developing community forests on the outskirts of major towns and cities. The introduction of management grants from April 1992 was regarded as an important addition to the financial incentives available for forestry.
- 38 We submitted further written evidence to the European Communities Committee in July 1990, in connection with their enquiry into non-food uses of agricultural land. The enquiry specifically excluded traditional forestry and farm woodlands. Our memorandum therefore concentrated on the potential role of short-rotation tree crops grown for biomass production as an alternative farm crop. Both coppice and single-stem plantations were considered, our conclusion being that there was considerable potential for short-rotation forestry both within the UK and in the wider European Community context. The report** of the Committee was published in February 1991; their recommendation was that the non-food use of agricultural products raised important questions to which the attention of the House of Lords should be drawn.

EUROPEAN COMMUNITY FUNDING

- 39 We reported last year that Member States would be able to claim part of their grant aid for new planting under the provisions of the EC Forestry Action Programme. This measure, which was implemented by EC Regulation 797/85, as amended by Regulation 1609/89, provides for the reimbursement to the UK Government of 25 per cent of the grants paid for new planting on land formerly in agricultural use, subject to grant eligibility ceilings. We pay such grants under both the Woodland Grant Scheme and the Farm Woodland Scheme, and we shall be making claims for the appropriate reimbursement from the Guidance Section of the European Agricultural Guidance and Guarantee Fund (EAGGF).

CONFERENCE ON THE PROTECTION OF EUROPEAN FORESTS

- 40 A Ministerial Conference on the Protection of Forests in Europe took place in Strasbourg in December 1990. The Conference, which was organised by France and Finland, was attended by representatives from nearly every European country, including the Soviet Union. The United Kingdom was represented by Baroness Trumpington, Minister of State at the Ministry of Agriculture, Fisheries and Food, and a team from the Forestry Commission led by the Director General. Forestry Commission representatives played a leading role in the drafting of the six resolutions and the general declaration signed at the Conference. The resolutions dealt with the monitoring of forest ecosystems, the establishment of a forest fires data bank, the conservation of genetic resources, mountain forest ecosystems, research into tree physiology and the co-ordination of European research into forest ecosystems.
- 41 The United Kingdom signed all the resolutions, apart from the one on mountain forest ecosystems which was primarily concerned with alpine forests. In addition, participating States signed a final declaration dealing with the follow-up to the Conference which has led to the establishment of a steering Committee comprising France, Finland, Poland and Portugal. A similar Conference will be held in Helsinki in 1993 organised by Finland and Portugal to review progress in implementing the resolutions. Meanwhile, each participating State has been asked to nominate a national co-ordinator, as well as an expert for each of the resolutions signed. These positions will be filled by officers from the Forestry Commission.

*24th Report from the House of Lords Select Committee on the European Communities: Session 1989-90, HL Paper 80-1, HMSO, £10.25 net.

**Seventh Report from the House of Lords Select Committee on the European Communities: Session 1990-91, HL Paper 26, HMSO, £22.75 net.

A W A R D S

- 42 We are pleased to record that the work of the Commission and its staff was recognised by a number of awards during the year:
- a. The OBE was awarded to Mr John Zehetmayr, formerly Conservator for South Wales and currently Chairman of the Forestry Safety Council, while BEMs were received by Mr Albert Edwards, a Ganger at Newborough Forest in Gwynedd, Mr William Fennell, a Forest Craftsman in the New Forest, and Mrs Euphemia Mackinnon, an Administrative Officer in the Strontian District Office in Argyll.
 - b. Top prize in the Tidy Britain Group's Queen Mother's Birthday Trophy scheme was awarded to the New Forest Pride Week, initiated by the Commission.
 - c. Sculptures on the Sculpture Trail in Grizedale Forest received the top award in the Prudential Awards for the Arts.
 - d. Our Somerset and South Devon District obtained three conservation awards during the year: the new Edward Morshead Award for the conservation and enjoyment of landscape quality in the Dartmoor National Park was received by the District for their "outstanding and sustained management and protection of archaeological sites within the Park"; their Kiddens Plantation took second prize in the Royal Forestry Society's 1990 Duke of Cornwall Awards for commercial woodlands managed in sympathy with the landscape and for wildlife conservation; and the Offwell Education Centre was "highly commended" in the Conservation Foundation Awards sponsored by the Ford Motor Company.
 - e. Dr Philip Ratcliffe of our Research Division won two awards for his conservation work during the year. Second Prize in the Laurent-Perrier Champagne Award for Wild Game Conservation was given for his 13 years of research in providing a scientific basis for the management of red deer in Scottish forests. Dr Ratcliffe also won the Balfour-Browne Trophy in recognition of his outstanding contributions to deer management. Mr Roger North, a Wildlife Ranger in our South Downs District, also won a runners-up award in the Laurent-Perrier Champagne Awards for a system of flashing lamps designed to deter pregnant roe deer from entering silage fields.
 - f. Mr Geoffrey Freedman, a design engineer in our Headquarters Engineering Division, was awarded the Douglas Bomford Trust Award for a paper on small bridges which he presented at a meeting in Silsoe in June 1990.
 - g. The British Cartographic Society's awards for excellence and the best map of the year included a "highly commended" certificate for the production of the Commission's recreation publications.
 - h. The Commission's work in creating artificial islands to encourage the breeding of rare birds such as the black-throated diver was highly commended by judges of the Ford Conservation Awards.

F O R E S T E M P L O Y M E N T S U R V E Y

- 43 A report was published during the year on the forest employment survey that we carried out in 1989. The survey, which covered all sectors of the forestry industry in Britain, showed a total of 30,000 jobs in forestry with a further 11,000 jobs in the associated haulage and primary processing of home-grown timber. The distribution of forestry work between sectors of the industry and between England, Wales and Scotland was as follows:-

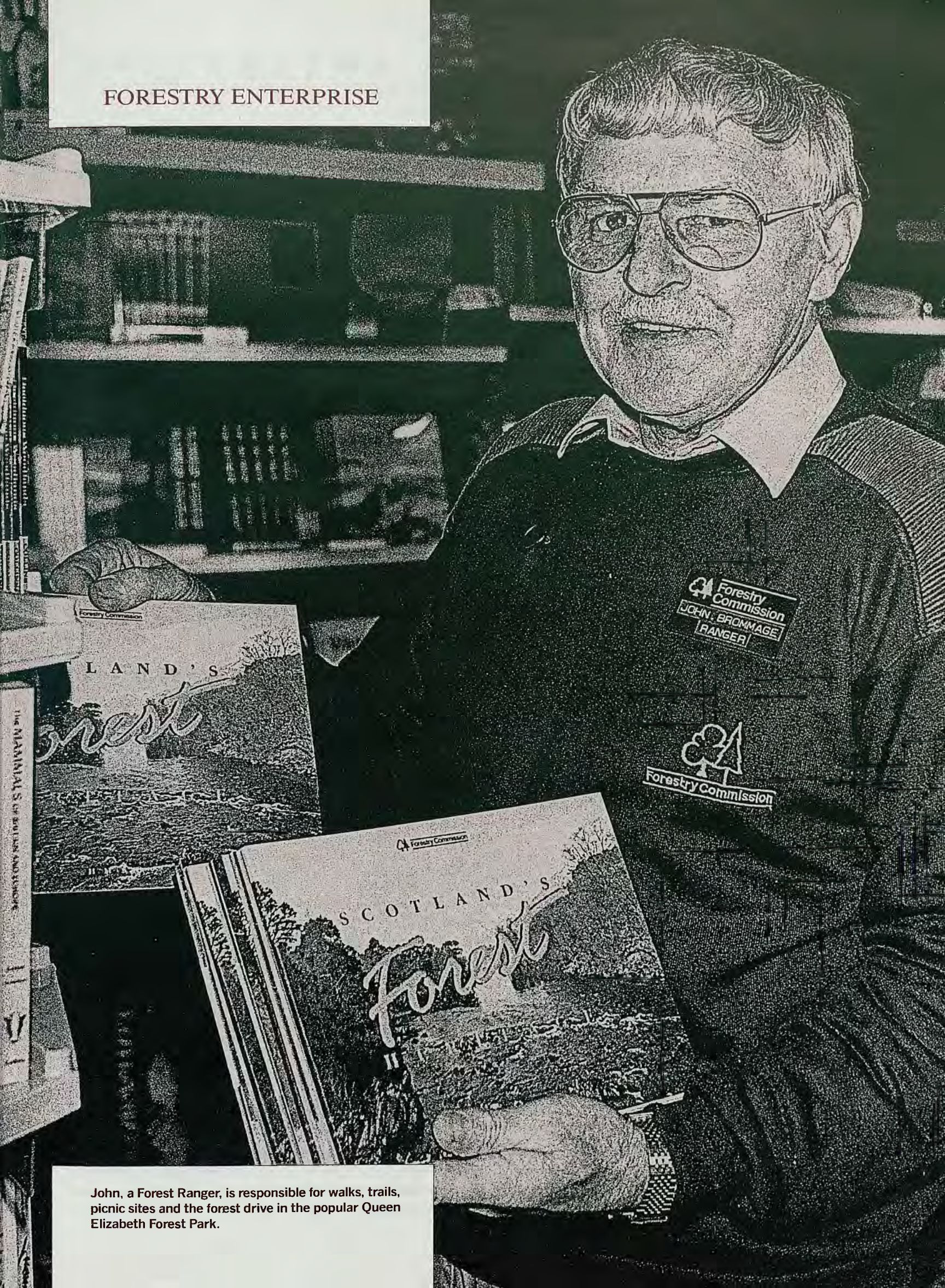
	<i>Work-years (whole job equivalent)</i>			
	England	Wales	Scotland	Great Britain
Forestry Commission	2,740	1,455	3,525	7,720
Private estates	10,690	1,110	3,525	15,325
Management companies	700	195	1,345	2,240
Timber merchants	1,225	610	3,890	5,725
Primary processing	5,670	1,410	2,960	10,040
Total	21,025	4,780	15,245	41,050

- 44 There was an overall increase in jobs of 4 per cent compared with a similar survey in 1986. While there was a rise in the number of people employed in the harvesting and processing of timber, this was at only half the rate of increase of timber coming onto the market. There was a small, but significant increase in the amount of time spent on environmental aspects of forestry.

COMMISSION APPOINTMENTS AND STAFFING

- Director General* 45 Mr Gwyn Francis retired as Director General on 16 September 1990 and was succeeded by Mr Robin Cutler, formerly Secretary of Forestry in the New Zealand Ministry of Forestry. We should like to pay warm tribute to Mr Francis for his wise and able leadership, both within the Commission and in the forestry industry at large, over a period of great change in the role of forestry in this country.
- Commissioners* 46 Mr Derek Rutherford retired as Commissioner for Administration and Finance on 8 April 1990. He was succeeded by Mr David Grundy, formerly Director of Development Division.
- Senior Staff* 47 Mr Alexander (Sandy) Morrison, Conservator for Mid Scotland, retired on 18 July 1990. He was succeeded by Mr Graham Hamilton, who was previously Planning and Contracts Officer in the Harvesting and Marketing Division.
- 48 Dr Simon Harding transferred from the Treasury on 13 August 1990 in succession to Mr David Grundy as Director of Development Division.
- Employment* 49 The Commission employed 2,085 non-industrial staff at 31 March 1991, compared with 2,069 the previous year. The number of industrial staff fell from 2,781 to 2,615 during the same period as the result of further improvements in efficiency and the wider employment of contractors. The number of contractors, including some 1,400 working in our woods for purchasers of standing timber, is now equivalent to 2,700 annually.
- Employee Participation* 50 The Commission has established arrangements to keep all employees informed on matters of concern to them, with information being disseminated at all levels. The usual system of Government Whitley Councils at national and regional levels is supplemented by meetings with the Trade Unions on specific issues as needed, to ensure that staff are given the opportunity to comment on and be involved in the decision-making process. A broadly similar arrangement for industrial employees is provided through the Commission's Industrial and Trade Council at national level and a network of Joint Consultative Committees at Conservancy and Forest District levels. In addition, a team briefing system is in operation for all Commission employees.
- Disabled Persons* 51 Although the Disabled Persons (Employment) Act 1944 is not binding on the Crown, the Commission, along with other Government Departments, has undertaken to accept the same responsibility as other employers consistent with the principle of recruitment by fair and open competition. 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. The physically demanding nature of much of forestry work restricts the scope for employment of some disabled persons on forest operations, but within this limitation our policy is to provide equal opportunities for the disabled. In 1990 we employed 43 Registered Disabled Persons (0.9 per cent of our total staff) and, in an effort to increase our capacity to offer employment to disabled persons and access to disabled visitors, a programme of accommodation improvements was started during the year.
- Equal Opportunities* 52 Like other Government Departments, the Commission has a policy which provides that all eligible people, regardless of their sex, marital status, race, colour, ethnic or national origin, shall have equality of opportunity for employment and advancement on the basis of their ability, qualification and fitness for the work. In order to give maximum effect to this policy, a number of initiatives have been introduced to promote equal opportunities in a positive way within the Commission.

FORESTRY ENTERPRISE



Forestry Commission
JOHN BROMMAGE
RANGER

Forestry Commission

Forestry Commission
LAND'S
Forest

Forestry Commission
SCOTLAND'S
Forest

John, a Forest Ranger, is responsible for walks, trails, picnic sites and the forest drive in the popular Queen Elizabeth Forest Park.

FORESTRY ENTERPRISE

SILVICULTURAL OPERATIONS

Seed 53 All the major broadleaved species produced seed crops in 1990, but quantities were generally low and had to be supplemented with imported supplies. This pattern was repeated throughout Western Europe, and good-quality oak seed in particular was in short supply. The yield from registered stands of oak in the Forest of Dean was very modest, but significant amounts of beech mast were obtained from high-quality stands in private woodlands in the Cotswolds.

54 No serious problems were encountered in meeting demands for conifer seeds, apart from Lodgepole pine of Alaskan origin and Caledonian Scots pine. The spring of 1990 was exceptional in Britain for larch flowering, and good collections were made of European, Japanese and Hybrid larch. For the first time in several years demand for Hybrid larch seed, for our own and private use, was met in full, thanks mainly to a large collection made from our seed orchard in Devon. Whilst Sitka spruce coned heavily in several localities, pine cone crops were rather light and very variable.

Nurseries 55 The spring of 1990, like that of the previous year, was hot and dry. The effects of the dry weather on nursery growing stock were largely avoided, however, by reliance on irrigation systems. A severe frost at our Delamere Nursery in April caused serious damage to beds of one-year old larch, resulting in a reduction in yields. On the credit side, considerable progress was made in the development of growing regimes for vegetatively propagated Hybrid larch, and in the production of usable one-year old bare-rooted planting stock.

56 The hard winter, followed by a very wet March, delayed the lifting programme at all our nurseries, and at Wykeham we were forced to hold some stock over for use in the following planting season.

New Planting and Restocking 57 The Commission's planting programmes were restricted in the early months of 1991 because of the cold and wet weather and the difficulties in lifting plants from the nurseries. The area of new planting completed during the year was 3,515 hectares against a planned programme of 3,764 hectares; 7,622 hectares were restocked out of the programme of 8,540 hectares. About 7 per cent of all planting - 817 hectares - was with broadleaves.

58 Increasing use has been made of site cultivation in recent years to aid restocking and ensure successful establishment. To add to our cultivation resources, we purchased a Donaren 280 disc trencher from Sweden. Mounted on a Timberjack 450, this is the largest cultivation machine of its type in Britain.

Forest Protection 59 Deer can be particularly damaging to young trees. The red deer management training referred to in our 1987-88 annual report has been completed for all staff working in the red deer range, and the benefits are now becoming apparent. With the need to ensure that venison is marketed safely and hygienically, further training was provided for our wildlife rangers in carcass handling techniques. Planned deer culls were achieved, although venison prices were depressed towards the end of the year as a result of increasing supplies from Eastern Europe.

Motorway Planting 60 In our last report we referred to our role as main agent for roadside tree planting for the Department of Transport. We have now embarked on a major scheme on the recently opened M40, and over one-third of a million trees and shrubs have already been planted.

ESTATE MANAGEMENT

Land Acquisitions 61 We acquired 2,601 hectares of plantable land during the year, and 18 hectares of land under trees. The average price paid for planting land was £553 per hectare compared with last year's figure of £343. This difference largely reflects the higher proportion of better-quality land purchased 'down the hill'.

62 We have continued to implement the revised disposals programme announced in June 1989 by the then Secretary of State for Scotland, the Rt Hon Malcolm Rifkind QC MP. Under this programme we are expected to dispose of 100,000 hectares of forest land and properties by the end of the century, realising some £150 million. During the year, sales of 166 areas of woodland and plantable land totalling 3,424 hectares were completed. Most of the areas sold were under 25 hectares. We also sold 239 houses and 2,366 hectares of other land surplus to our requirements. Receipts for all sales for the year were £12 million.

Sale of Plantations and other Properties

63 Details of the net area of land acquired and disposed of during the year are given at Table 7 of Appendix XI, while details of forest land sales and average prices received are shown at Table 8.

64 When Mr Rifkind announced our future disposals programme in 1989, he also expressed the Government's concern that the general public should continue to enjoy access to woodlands being disposed of by the Commission. Mr Rifkind made a further statement on this subject on 21 November 1990, when he announced that continued public access to woodlands being disposed of would be secured by way of agreements made between the Forestry Commission and local authorities before sale. These agreements would be compatible with the management of the woodlands for forestry and other purposes and would be binding on subsequent owners. They would not, of course, apply to those woodlands where there were existing legal or other constraints on public access, and it would be for individual local authorities to decide whether they wished to enter into such an agreement for any particular woodland. The full statement is reproduced at Appendix VII to this report.

Disposals: Continued Public Access

65 By the end of the year, we had drawn up draft guidelines on the new arrangements with the assistance of the Countryside Commissions and the Local Authority Associations which we aimed to circulate for comment to a wide range of organisations concerned with countryside matters.

66 We spent £2.5 million on the construction and improvement of buildings in the course of the year. Major projects completed were the new Gravel Hill Workshop in East England Conservancy and improvements at the Ocknell Campsite in the New Forest.

Management of Property

67 The bulk of the Commission's minerals' income comes from the working of sand and gravel deposits, mainly in the south of England. The continuing exploitation of the valuable barytes deposit at Tummel, in Mid Scotland Conservancy, and a recently opened marble quarry at Ledmore, in North Scotland Conservancy, have added significantly to the returns, which for the year totalled £0.9 million.

68 Our rental income for the year, including agricultural, sporting and other rents, was £2.9 million. The Commission's property holding is detailed in Table 13 of Appendix XI.

69 The aim of our commercial recreation activity is to enhance visitor enjoyment of our forests through the provision of overnight accommodation and to obtain a commercial rate of return on capital employed. This is being successfully achieved. The upsurge in the domestic holiday market was maintained during the year and our 167 holiday cabins and 7 cottages and houses recorded their highest ever annual occupancy levels, at 77 per cent and 89 per cent respectively. Occupancy of our campsites also increased, partly because two Easter Holiday periods fell within the year under review.

Commercial Recreation

HARVESTING AND MARKETING

70 In the early months of the year, currency exchange rates helped the competitiveness of British sawn timber in the face of an overall decline in demand from the construction sector. Subsequently, however, the relative strength of sterling was the cause of a sharp decrease in the price of delivered sawn wood from Canada. Allied to falling levels of consumption and high stocks of imported timber, demand and prices for sawn timber

Market Demand

fell dramatically in the last quarter of 1990. The larger British sawmills, which compete directly with imported timber in the construction market, were consequently forced to reduce production. Following consultations with the sawmillers' associations, we introduced a number of measures to alleviate the immediate difficulties, including the extension of contracts and the rescheduling of payments.

- 71 The generally low level of economic activity continued to depress demand for small roundwood. The high stocks of pulpwood and chipwood held by the major pulp and paper and wood-panel manufacturers in the previous year were reduced to more normal levels by mid-summer. The lower sawmill production restricted the availability of sawmill residues in the second half of the year which in turn increased demand for small roundwood. Additional sales of small roundwood to replace the fall in sawmill residues were achieved in the first quarter of 1991.
- 72 The total volume of timber removed from Commission forests, at 3,430,000 cubic metres, was some 3 per cent down on the previous year. Full details are given in the following paragraphs.

*Forestry Commission
Operations*

- 73 The table below sets out the results of our 1990-91 harvesting and marketing operations and those for the previous four years. These figures have been adjusted to take account of work in progress so that comparisons can be made with the Accounts of the Forestry Enterprise (Note 10(a) on page 51). The financial figures in the table are expressed on a common basis (£'91) to enable realistic comparisons to be made.

	Unit	1986-87	1987-88	1988-89	1989-90	1990-91
	Million cubic metres					
<i>Total Removals</i>		3.32	3.38	3.64	3.55	3.43
By sale standing	"	1.23	1.24	1.37	1.34	1.37
By Forestry Commission harvesting (adjusted for change in work in progress)	"	2.09	2.14	2.27	2.21	2.06
	£('91) million					
<i>Income</i>		84.10	87.47	84.93	83.17	74.13
Forest costs (expenditure, excluding administrative expenses)	"	34.71	35.97	35.98	34.83	30.75
Gross surplus	"	49.40	51.50	48.95	48.34	43.38
Administrative costs	"	15.12	14.13	13.34	13.44	12.74
Net surplus	"	34.28	37.36	35.61	34.89	30.64
<i>Income per cubic metre</i>	£('91)	25.33	25.88	23.33	23.43	21.55
Forest costs per cubic metre	"	10.45	10.64	9.88	9.81	8.94
Gross surplus per cubic metre	"	14.88	15.24	13.45	13.62	12.61
Administrative costs per cubic metre	"	4.55	4.18	3.66	3.79	3.70
Net surplus per cubic metre	"	10.32	11.05	9.78	9.83	8.91

The features of our operations in each of the main sectors are set out in more detail in the following paragraphs.

Conifer Sawlog Sales

- 74 The total volume of sawlogs despatched from our own harvesting operations was 1,078,000 cubic metres (measured overbark). This was almost 3 per cent lower than last year. The Log Price Index, which is an indication of forward price trends, fell by nearly 19 per cent from 240.5 at 31 March 1990 to 195.6 at 31 March 1991.

- 75 The demand for standing timber increased over the year. The volumes sold rose by over 2 per cent, from 1,337,000 cubic metres last year to 1,370,000 cubic metres; this represented some 40 per cent of the wood harvested from Commission forests. At the end of the year, the standing sales index stood at 529.5 compared with 613.7 at 31 March 1990. *Standing Sales*
- 76 Lower demand for pulpwood was offset by increased sales of chipwood. As noted above, this trend was particularly noticeable in the second half of the year when sawmill residues were reduced as a result of the downturn in sawmilling activity. Sales of small roundwood for pulp and for particleboard manufacture were unchanged on the previous year, but sales of posts, stakes and rails fell by 25 per cent. Exports of small roundwood from Commission and private woodlands fell even further, from a figure of 168,000 tonnes in 1989 to 59,000 tonnes. *Conifer Small Roundwood Sales*
- 77 The volume of timber produced by our own harvesting operations was 2,046,000 cubic metres. This comprised 373,000 cubic metres from thinnings and 1,673,000 cubic metres from clear felling, of which 228,000 cubic metres came from storm-damaged woodlands in south-west England and southern parts of Wales. The average tree size harvested was 0.19 cubic metre. *Harvesting*
- 78 Mechanised harvesting accounted for 550,500 cubic metres, of which 213,500 cubic metres were produced by Commission-owned harvesters and processors and 337,000 cubic metres by contractors. The mechanised proportion of our total harvesting programme has increased to 27 per cent. At the end of the year there were 22 Forestry Commission harvesters and processors in use in five Conservancies and a similar number of privately-owned machines working on direct contract to us.
- 79 By the end of March 1991 we had made good progress with the clearance of trees blown down in our woods during the January 1990 storm. A further 235,000 cubic metres remain to be cleared.

ENGINEERING

- 80 Good weather during the year enabled us to construct 130 km of new 38 tonne capacity roads and to upgrade 217 km of existing roads to meet the needs of the harvesting programme. Much of this work is now concentrated in north and west Scotland where extensive forest areas - planted in the 1960s and 1970s - are now coming into production. *Civil Engineering*
- 81 It is anticipated that extensive timber production will begin over the next few years in areas of very soft ground and peat, where roading is technically difficult and potentially very expensive. In order to test the various methods of constructing roads on peat, we have held trials of various new geotechnical methods in Racks Moss in South Scotland Conservancy. Four sections of road have been completed using different treatments and appear to be relatively stable. A harvesting exercise is planned and the movement of traffic will provide a test of the methods used.
- 82 Forests in North Scotland Conservancy were visited by the Institution of Civil Engineers' Panel for Historic Engineering Works to examine the Commission's holding of old bridges and historic roads, some built by Major General Wade in the 18th Century. The two-day visit resulted in much praise for the work carried out by our engineers in North Scotland on the rehabilitation of these important historic structures.
- 83 The use of Commission forests is fundamental to the survival of car rallying in this country. Although such use conflicts, in some ways, with the quiet enjoyment of others, we recognise that the sport has a considerable following and generates much public interest, with a potential audience of some 5 million people. *Car Rallies*
- 84 A review of our policy on car rallying was carried out during the year. We decided that we would continue to allow not more than 64 rallies a year on Commission roads. We are pleased to say that discussions on this basis with the Royal Automobile Club Motor Sports Association, who are responsible for organising rallies in Great Britain, led to satisfactory arrangements being agreed for the planning and management of future rallies.

*Mechanical
Engineering*

- 85 Our workshop staff have continued to reduce the costs of servicing and repairing machines, while maintaining a consistently high level of availability of equipment over the wide range now in use in Commission forests. Of particular interest this year has been the successful introduction of a number of grapple harvesters attached to civil engineering excavating bases. These machines provide an economic alternative to the very sophisticated purpose-built Scandinavian harvesters which are costly to buy and expensive to maintain.
- 86 One of the main agents for Scandinavian equipment ceased trading during the year and two other agencies have been transferred to different companies. For those involved in the supply, operation and maintenance of forestry machinery, 1990-91 was a difficult year with the downturn of harvesting activity and squeezed operating margins.

*Radio and Electronics
Branch*


- 87 We have made good progress in the programme of overhauling our radio masts, feeder systems and aerials. The Radio and Electronics Branch re-assumed responsibility for radio maintenance in the North York Moors and York Forest Districts after an unsatisfactory year of contracted-out maintenance. An increasing amount of time is being spent on the electronic components of harvesting machines and the training of mechanics and operators to deal with them.
- 88 Successful trials were completed of a small wind-driven generator capable of providing sufficient power for a base station, as an alternative to expensive gas generators currently used for power supplies at remote sites. Two have now been installed on permanent sites.

HEALTH AND SAFETY

- 89 The incidence of reportable accidents (ie those causing incapacity for more than three days) remained unchanged at 5.4 per 100 employees; the comparative rates over the previous four years have been 5.4 (1986-87), 6.2 (1987-88), 6.0 (1988-89) and 5.4 (1989-90).
- 90 A monitoring system was set up during the 1989-90 planting season to identify health risks to workers using Permethrin as a pre-planting dip for forest transplants. The number of complaints from workers was small, with most involving symptoms of a short-term and minor nature. Fourteen workers were, however, seen by the Civil Service Occupational Health Service. The system of health monitoring has been maintained for the 1990-91 planting season.

INFORMATION TECHNOLOGY

- 91 The year was mainly one of consolidation with most effort going into the development of extra facilities for the computerised administrative system for the Woodland Grant Scheme, including the handling of the newly-announced management grants. We also began work on the introduction of a Personnel Management system, which should become fully operational in the second half of 1991.
- 92 Another development was the extension of office information systems throughout the Commission providing integrated word processing, electronic mail, spreadsheet and business graphics facilities. Towards the end of the year, we also installed automated design systems in Public Information Division. Along with new typesetting facilities linking into the office systems, they will be used for more effective and efficient production of documents and publications.



FORESTRY AUTHORITY

Walter, a Forest Craftsman, is involved in general forest management and conservation work.

FORESTRY AUTHORITY

LEGISLATION

- Forestry Bill* 93 We greatly welcomed the introduction of a Bill* by Sir Hector Monro MP in March 1991 which sought to amend Section 38 of the Forestry Act 1967 to increase the maximum membership of our Regional Advisory Committees from nine to twelve. The purpose of this proposed increase was to allow a wider representation of environmental interests on the Committees.
- 94 As part of their remit, the Regional Advisory Committees play an important conciliatory and advisory role whenever disputed grant or felling licence applications arise. Such cases are the exception, rather than the rule, and we have every confidence in the present Committees' ability to consider such cases in a fair and impartial manner. We acknowledge, however, that there have been criticisms that their membership is weighted in favour of forestry, since the Forestry Act requires four out of the nine members to be appointed after consultation with forestry interests.
- 95 Once the Bill becomes law we intend to fill the extra three places with persons from recognised environment backgrounds, which would bring the number of members representing the environmental interest to four. We hope that such a widening of the Committees' expertise will lead to a greater understanding and acceptance of their work.
- Statutory Instruments* 96 The Minister of Agriculture, Fisheries and Food made an Order** in June 1990 confirming byelaws made by the New Forest Verderers amending their principal byelaws of 1978. The main changes made by the new byelaws, which came into force on 1 July 1990, were to extend and modify the scope of provisions relating to the control of animals allowed to roam at large on the Forest.
- 97 In July 1990, we made an Order^o prescribing fees for services performed in connection with applications received for the issue of phytosanitary certificates or licences, in accordance with our main plant health legislation. Certificates are required to accompany exports of certain wood, wood products, seeds, forest tree plants, soil and used forestry machinery, while licences are issued to enable the importation of articles which would otherwise be prohibited. The new fees took effect from 12 September 1990.
- 98 We made a further Order^{oo} in December 1990 amending our main plant health legislation to reflect changes in the EC Plant Health Directive. The principal change made by the Order, which came into force on 1 January 1991, was to alter the conditions for landing coniferous wood imports from Canada, China, Japan, Korea and the USA, by requiring the wood to be kiln-dried to below a specified moisture content and removing the former alternative of debarking. The purpose of this provision is to prevent the introduction of Pine Wood Nematode into the European Community from the countries concerned. It is accepted, however, that kiln-drying is not a fully effective safeguard. The European Community has therefore embarked on a research programme aimed at replacing the kiln-drying specification with a heat pasteurisation regime. Pending consideration of the results of this and parallel Canadian research, expected in October 1991, the European Commission has authorised the United Kingdom and nine other Member States to derogate from the kiln-drying requirement in respect of sawn coniferous wood from North America that has been inspected and certified to be free of residual bark and the boreholes of the vector which carries the nematode. This derogation has been granted for a period of one year to 31 December 1991.

PRIVATE PLANTING

- 99 A total of 18,965 hectares of private planting were grant-aided under our schemes in 1990-91 (compared with 18,892 hectares the previous year) of which 11,859 hectares comprised new planting (12,767 hectares in 1989-90). The total area of broadleaves

*The Bill received Royal Assent on 25 July 1991 as the Forestry Act 1991.

**The New Forest (Confirmation of Byelaws of the Verderers of the New Forest) Order 1990 (SI 1990/1202).

^oThe Import and Export (Plant Health Fees) (Forestry) (Great Britain) Order 1990 (SI 1990/1668).

^{oo}The Plant Health (Forestry) (Great Britain) (Amendment) Order 1990 (SI 1990/2398).

planted continued to increase (7,733 hectares grant-aided this year compared with 6,670 in 1989-90). In addition, we grant-aided a further 3,577 hectares of new planting approved under the Farm Woodland Scheme (2,737 hectares of broadleaves, 840 hectares of conifers) compared with 2,639 hectares the previous year. When all Forestry Commission grant-aided planting is taken into account, including restocking and new planting associated with the Farm Woodland Scheme, the total for 1990-91 was higher than that achieved in 1989-90 (22,542 hectares against 21,531 hectares). Fuller information is to be found at Table 2 of Appendix XI.

- 100 We recognise the forestry industry's concern over the continuing low level of new planting when compared with the much higher levels recorded two or three years ago. The Woodland Grant Scheme is still attracting a good deal of interest, however, and the changes to the Scheme to which we have referred earlier in this report, particularly the introduction of management grants, should further improve its attractiveness to potential planters. We see no reason at this stage, therefore, to change the view we expressed in our last report that there are valid grounds for hoping that a steady rise in planting levels is in prospect, particularly once the general economic situation is more favourable.

FORESTRY RESEARCH CO-ORDINATION COMMITTEE

- 101 The Forestry Research Co-ordination Committee (FRCC) has begun the process of reappraising the subject areas of its Review Groups which reported more than five years ago. The reappraisal of the Wood Science and Processing review showed that much had been achieved since the report in 1984, notably on aspects of timber quality, wood structure and wood preservation, especially boron diffusion and paint finishes. There remained significant gaps, however. Basic information was lacking on many broadleaved species, which are an increasingly important component of farm woodland planting, and continued progress was needed in relation to European standardisation for timber-quality testing generally.
- 102 The reappraisal of the review of Broadleaved Woodland Research completed in 1985 revealed many developments over the intervening years reflecting both the greater proportion of research into broadleaves - from 30 to about 45 per cent - and the progress made on many of the report's recommendations, eg on vegetative propagation. Too little is still known, however, about the performance of different seed origins of native broadleaves and, as noted, on wood quality.
- 103 Liaison with European forestry research programmes has become increasingly important. As well as being briefed on different programmes, the FRCC has decided to set up a working group to establish ways in which it can play a constructive role in relation to European Community research issues.

RESEARCH

- 104 We publish a separate report on Forest Research each autumn which gives a full account of the work carried out and supported by our Research Division or other Divisions with responsibilities for research in their own fields. The paragraphs below are therefore restricted to two items which have attracted wider public interest over the past year.
- 105 Considerable progress was made during the year in clarifying the influence of afforestation on the acidification of surface waters. A new report on the subject, which we commissioned jointly with the Department of the Environment, was published in February 1991. This provided an up-to-date review of the scientific evidence and concluded that forests, in the absence of air pollution, are not a source of acidity. However, air pollution is present to varying degrees even in upland areas where, because of rainfall levels, the deposition of airborne acid pollutants can be relatively high. At higher altitudes (roughly above 300 m) there is also a high frequency of 'occult' deposition from water droplets in mist and cloud. The deposition of acid pollutants from cloud or mist is greater in forested areas because trees scavenge water droplets containing the pollution more effectively than other forms of vegetation, such as grass. This scavenging effect can add to the acidity of upland waters, but is significant only where the soil and bedrock are poorly buffered and therefore unable to neutralise any increased acidity.

*Forests and Surface
Water Acidification*

- 106 By taking account of airborne pollution levels, the amount of occult precipitation and local geology, 'critical load' maps have been drawn up as an aid to the identification of areas which are likely to be sensitive to acidification. These maps will be incorporated into the current revision of our *Forests and Water Guidelines*. In those upland areas where afforestation is likely to exacerbate acidity, methods of applying lime to the source areas of streams in order to neutralise the effects of acidification are being developed with such bodies as the National Rivers Authority.
- Farm Forestry Research* 107 The establishment of woodlands on fertile farmland with the potential for vigorous weed growth requires more than the straightforward adaptation of conventional forestry practices. Joint research projects with the Ministry of Agriculture, Fisheries and Food at six of their experimental husbandry farms have shown that former pasture should not be disturbed; the trees should be planted into the grass sward and weeds controlled around the trees. On sites which previously carried arable crops, weeds may be controlled by tractor-cutting, or by the planting of cover-crops such as kale or the sowing of grass and wild flower mixtures, in the rows between the trees. These radical departures from the traditional practice of total or partial cultivation before planting are being communicated widely, through such means as Open Days.
- 108 Short-rotation coppice is a potential farm crop of some importance. New, exceptionally vigorous clones of poplars are being evaluated on a range of sites for short-rotation as well as longer-rotation timber production. The Department of Energy are sponsoring part of this research because of the potential for growing wood for fuel.
- 109 Broadleaved species make up the greater part of the new woodlands now being established on farms. A jointly-funded project with the Ministry of Agriculture, Fisheries and Food is seeking to improve the genetic quality of the main species concerned, in terms of vigour and stem straightness, through the identification and subsequent vegetative propagation of trees of superior form. Considerable progress has been made in the rooting of cuttings of broadleaved species, offering the prospect of successful clonal plantings of high-quality woodlands. Wide-ranging seed collections of suitable broadleaved species have also been made with a view to improving the quality and performance of new woodland planting.

P L A N T H E A L T H

- Pine Wood Nematode* 110 Research into this pest continued throughout the period under report. As mentioned last year, a Forestry Commission scientist has undertaken a one-year assignment in Canada to study the relationship between the nematode and potential insect vectors. This study was recently completed and the findings will complement the work of the EC and Canadian research programmes, which the EC's Standing Committee on Plant Health will take into account towards the end of 1991 when considering alternatives to kiln-drying as a landing requirement for susceptible species of coniferous wood. Further details are given in paragraph 98.
- The Single Market* 111 Negotiations on changes to the present plant health controls, in the context of the removal of barriers to intra-Community trade by 1 January 1993, continued throughout the year but are far from complete. It remains our intention that the new procedures should be as effective as those now in place and that they should be proved before the present ones are replaced.
- Dendroctonus micans* 112 We have maintained our programme to restrict the spread of *Dendroctonus micans* (the Great Spruce Bark Beetle). Surveys have again shown that this pest remains confined to the same broad area in Wales and the neighbouring English counties, with an outward movement of only 3-5 kilometres a year, and we have not considered it necessary to alter the boundary of the Scheduled Area within which the movement of spruce wood is controlled. A number of suspected infringements of the movement control regulations were discovered during the year, and we successfully prosecuted in two cases. *Rhizophagus grandis*, the specific predator of this beetle, has continued to prove effective in seeking out its prey and evidence is growing to suggest that it has played a significant role in reducing *Dendroctonus micans* population levels.
- Dutch Elm Disease* 113 There were no significant changes in the Dutch elm disease situation during the year. The legislative modifications foreshadowed in our last report, which will further reduce the areas in which controls are in place, were postponed until later in 1991.

- 114 For some years now we have been monitoring an isolated outbreak of this disease in Wiltshire, well away from the counties in which statutory controls have been in place since 1974 (Bedfordshire, Essex, Hertfordshire, Norfolk and Suffolk). We are now consulting with Wiltshire County Council with a view to their being granted powers to deal with this small outbreak. *Watermark Disease of Willow*
- 115 Following the implementation of legislation allowing charges to be made for import licensing and export certification services, we introduced the Import and Export (Plant Health Fees) (Forestry) (Great Britain) Order in September 1990 (see paragraph 97). The routine examination of imports by our team of inspectors is not, however, a chargeable function. *Charges for Plant Health Services*
- 116 Examination of imports of controlled wood products again resulted in a number of interceptions of material landed in contravention of the regulations. Most of these concerned wood dunnage (packing material) associated with non-wood consignments and resulted in the offending material being destroyed. We would again like to thank Customs officers, dock workers and others who have alerted us to such cases. *Import Inspections*

E D U C A T I O N A N D T R A I N I N G

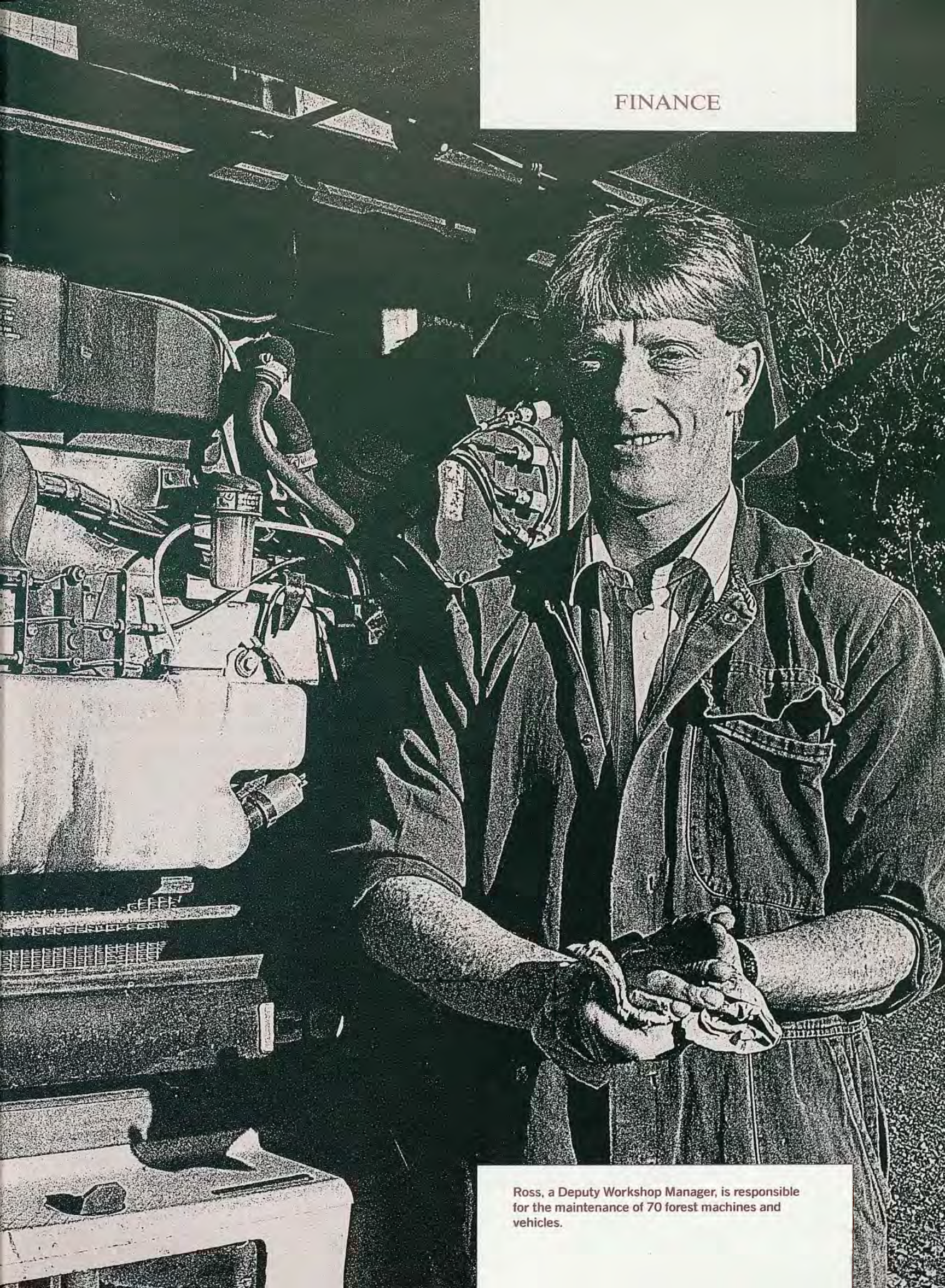
- 117 The year was a particularly busy one due to a general increase in training demand, especially for newly-designed courses in the areas of information technology systems, financial management and environmental conservation. In addition, the growing use of mechanised harvesting in the Commission has led to increased demands for courses at our Machine Operator Training Centre at Ae. Training staff were also heavily involved in team briefing, a procedure we introduced last year aimed at improving communications to staff at all levels (see paragraph 50). *Training Activity*
- 118 We completed a review of the managerial skills of our Forest District Managers, which we were considering at the end of the year under report. A number of recommendations emerged on recruitment, development and training, aimed at strengthening the management competences of the Forest Officer group as a whole. *Training of Forest District Managers*

P U B L I C R E L A T I O N S

- 119 Media interest in forestry rose to an unprecedented level during the year reflecting a growing awareness of the role of forests and woodlands in the urban as well as the rural environment. Keynote speeches by Ministers and senior Commission officials were a feature of a number of policy initiatives. *Press Briefing*
- 120 The interaction between forests and watercourses in the uplands has attracted particular media interest and our scientists have briefed a number of influential writers in an attempt to obtain balanced reporting. A press conference to announce the publication of our Annual Report was well attended, and for the first time we issued both a radio tape and a 'video press release' in association with the conference. In all, we issued some 250 press releases and information notes during the year.
- 121 More than 200 people attended the launch in London of our *Nature Conservation Guidelines* designed for both Commission and private foresters. In the follow-up to the launch, staff in our Conservancies generated a number of stories of local interest, such as a nationwide 'nightjar watch'. We gave particular emphasis to the Commission's policies for the conservation and enhancement of native pinewoods in Scotland. Magnus Magnusson, as Chairman-designate of Scottish Natural Heritage, helped to launch our plans for expanding the native pinewoods in Glen Affric, and the work of one of our scientists, Dr Ian Forrest, in identifying the genetic 'fingerprints' of Scots pine was described in extensive press and radio coverage. *Environment Promotions*
- 122 A major exhibition entitled *Britain's Forests* was mounted in the House of Commons in November 1990 in a joint initiative with the Forestry Industry Committee of Great Britain. We also produced a 'mix and match' exhibition, *The Living Forest*, which tours the country promoting our policies and practices on forest conservation, with the use of interchangeable panels to provide various combinations of subject matter.

- Recreation Promotions* 123 The first two of a new series of Forest Park Guides - for Tummel Forest Park and Queen Elizabeth Forest Park - were published and in conjunction with HMSO we published a full colour book, *Scotland's Forest Heritage*, which was well received. A new magazine *Welcome to my Forest*, aimed at younger children and introduced by botanist and television personality Dr David Bellamy, has proved a valuable addition to our range of educational material. We produced a new careers video, *An Opening in the Forest*, for secondary students and undergraduates which has had wide distribution and a positive response.
- 124 The proposed arrangements for securing continuing access to woodlands sold by the Commission have attracted frequent press comment which has highlighted the value that the public place on the opportunities offered by the Commission for countryside recreation. There has been a marked increase in the level of media coverage of our recreation and forest visitor facilities, and major improvements have been made in the merchandising of tourist goods through our forest shops.
- Publications* 125 A list of new material published by the Commission during the year is to be found at Appendix X.

FINANCE



Ross, a Deputy Workshop Manager, is responsible for the maintenance of 70 forest machines and vehicles.

FINANCE

FORESTRY FUND RECEIPTS AND PAYMENTS

- 126 The Grant-in-Aid voted by Parliament forms the Commission's agreed cash limit. After Appropriations in Aid of £0.4 million the net amount voted in 1990-91 was £77.8 million of which £74.4 million was taken into the Forestry Fund, leaving £3.4 million to be surrendered to the Exchequer. The Commission spent £74.4 million (£58.2 million in 1989-90).
- 127 Receipts from the Commission's activities amounted to £104.9 million against £104.8 million in 1989-90. In addition, cash received from the disposal of land, buildings and plantations amounted to £12.0 million during the year which, together with £2.1 million brought forward from 1989-90 and EC contributions to research projects of £0.1 million, meant that a total of £14.2 million was due to be surrendered to the Consolidated Fund. Of this, £10.5 million had been paid by 31 March 1991, leaving a balance of £3.7 million to be surrendered during 1991-92.
- 128 Payments, excluding amounts paid or due to the Consolidated Fund, totalled £179.2 million. These were £16.3 million (10 per cent) above the 1989-90 total of £162.9 million. Payments in respect of staff remuneration, pensions, purchase of materials, land acquisitions and capital items rose by £13.8 million (9 per cent) and those for private woodland and other grants by £2.5 million (17 per cent).
- 129 The statement of Forestry Fund Receipts and Payments, including notes thereon, appears on pages 40 and 41.

FORESTRY AUTHORITY SERVICES

- 130 The amount spent on Forestry Authority services was £34.1 million, compared with £28.6 million in 1989-90 - an increase of £5.5 million over the previous year. This rise in expenditure was mainly associated with an increase in the total grants paid to private woodland owners.
- 131 The statement of expenditure on Forestry Authority services, together with notes, appears on pages 56 to 57.

FORESTRY ENTERPRISE

- Net Operating Surplus* 132 For the year ended 31 March 1991, the overall net operating surplus arising from plantations (including the increase in the value of the growing stock) and other activities was £70.5 million (£66.0 million in 1989-90).
- 133 For plantations, the increase in the value of the growing stock of £90.1 million, together with income (mainly from the sale of timber) of £75.6 million, exceeded expenditure of £91.8 million by £73.9 million. After taking into account a deficit of £4.6 million on the book value of properties sold, the net operating surplus from plantations was £69.3 million (£65.2 million in 1989-90).
- 134 Other commercial activities - campsites and cabins, agency work and the Lake Vyrnwy management scheme - produced an income of £6.5 million. After deducting expenditure of £5.3 million, these earned a net operating surplus of £1.2 million (£0.8 million in 1989-90).

- 135 The net expenditure on forest recreation and amenity was £12.0 million (£9.3 million in 1989-90).
- 136 The Grant-in-Aid applied to the Forestry Enterprise in 1990-91 was £40.3 million (£29.6 million in 1989-90), including an implied planting/restocking subsidy of £0.9 million and a grant for forest recreation of £12.0 million. Receipts from the disposals programme surrendered to the Consolidated Fund amounted to £12.0 million (£12.9 million in 1989-90). The reversal in the downward trend in Grant-in-Aid is largely due to reduced timber prices during the current recession. *Grant-in-Aid*
- 137 The accounts for the Forestry Enterprise appear on pages 42 to 55. *Accounts*
- 138 Owing to the comparative immaturity of our plantations, the operations of the Enterprise are not yet self-financing, as evidenced by the requirement for continued Grant-in-Aid. However, the growing stock of timber continues to increase in value, and financial performance is measured by comparing changes in the value of the crop against actual net cash expenditure. This is assessed by revaluing the plantations on a three-yearly basis - the triennium. The next complete revaluation of plantations takes place at the end of the current triennium in 1993. *Measurement of Performance*
- 139 During the triennium the performance each year is judged from a comparison of actual income and expenditure with the performance standards which were set at the beginning of the triennium. Favourable variances indicate that the target rate of return of 3 per cent has been exceeded. Adverse variances mean that the return is below the 3 per cent target, not that it is negative. *Plantations*
- 140 Income realised in 1990-91 was below standard by £1.6 million whereas expenditure showed a favourable variance of £0.6 million. The small overall variance of £1.0 million over this first year of the triennium indicates that financial performance is close to the target 3 per cent return.
- 141 The real rate of return on capital invested in cabins and campsites was 12.7 per cent, compared with the target rate of return in real terms of 6 per cent. *Commercial Recreation (Campsites and Forest Cabins)*
- 142 Agency work earned a surplus of £0.1 million. The joint management scheme at Lake Vyrnwy also had an operating surplus of £0.1 million. *Other Commercial Activities*
- 143 These notional subsidies are received where new planting and restocking is projected to earn less than the target rate of return of 3 per cent in real terms. Such investments are undertaken primarily for the purposes of environmental improvement, but also relate to planting carried out for social reasons in remote and less fertile areas where afforestation will help maintain rural employment. The planting subsidies of £0.9 million shown in the Operating Account comprise £0.4 million for new planting and £0.5 million for restocking; the year before the total was £4.3 million, comprising £1.5 million for new planting and £2.8 million for restocking. The decrease of £3.4 million reflects the introduction of improved methods, techniques and working practices, leading to lower expenditure. *Planting Subsidies*
- 144 Over the current triennium (1991-93) the projected real rate of return for new planting and restocking as a whole is 2.9 per cent.
- 145 A grant of £12.0 million was received in 1990-91 to meet the net cost of providing recreational and amenity facilities for use by the general public. This was £0.6 million higher than the amount envisaged for this year of the triennium, arising from the need to meet the growing demand for recreation in our forests. *Forest Recreation and Amenity*

SALIENT FACTS

146 A table of salient facts is provided on the following page. This gives details of key financial and physical achievements in the last five years, as well as a number of performance measurements.

J. RAYMOND JOHNSTONE, *Chairman*

T.R. CUTLER, *Deputy Chairman and
Director General*

R.T. BRADLEY

I.D. COUTTS

D.L. FOOT

D.S. GRUNDY

R.P. HANCOCK

T.S. MALLINSON

J.D. POLLOCK

F.M. STRANG STEEL

C.R. WOOSNAM

P.J. CLARKE, *Secretary*

FORESTRY COMMISSION

231 Corstorphine Road

Edinburgh EH12 7AT

FORESTRY AUTHORITY AND FORESTRY ENTERPRISE
SALIENT FACTS

		Year ended 31 March				
		1987	1988	1989	1990	1991
Forestry Authority						
Grant-in-Aid	£('91) million	23.6	25.0	25.9	30.8	34.1
Area planted by private sector on which grants were paid						
New planting	thousands hectares	19.1	23.8	25.1	15.4	15.4
Restocking	thousands hectares	4.5	4.9	4.8	6.1	7.1
Private woodlands grants and administration costs	£('91) million	13.7	14.8	15.5	20.2	21.6
Area covered by grant schemes						
Consultation and administration costs of grant schemes	£('91) per hectare managed	5.4	4.5	5.2	6.0	6.6
Research	£('91) million	8.6	9.2	9.0	9.4	9.3
Forestry Enterprise						
Grant-in-Aid	£('91) million	42.8	34.2	35.4	31.9	40.3
Proceeds from sales of properties and plantations	£('91) million	19.1	16.5	14.5	14.0	12.1
Sales of timber	£('91) million	84.1	87.5	84.9	83.2	74.1
Sales of timber	Millions cubic metres	3.3	3.4	3.6	3.5	3.4
Gross surplus (income less direct costs) from sales of timber	£('91) per cubic metre	14.9	15.2	13.5	13.6	12.6
Net surplus (gross surplus less administration costs)	£('91) per cubic metre	10.32	11.05	9.8	9.8	8.9
Total area managed	thousands hectares	1156	1149	1144	1140	1133
Forest land	thousands hectares	926	919	915	914	903
New planting	thousands hectares	5.3	5.0	4.1	4.1	3.5
Forest cost	£('91) per hectare	1163	979	960	970	900
Restocking	thousands hectares	8.0	8.2	8.5	7.9	7.6
Forest cost	£('91) per hectare	1112	1121	1054	1023	921
Forest recreation and amenity net expenditure	£('91) million	8.6	10.4	9.3	10.0	12.0
Commercial recreation (return on assets employed)	%	5.4	7.6	11.2	10.7	12.7
Forestry Authority and Forestry Enterprise						
Staff at 31 March	Numbers	5798	5511	5118	4850	4700



FINANCIAL STATEMENTS
AND ACCOUNTS

Joanne, a Telephonist Supervisor, looks after a team that handles over 3,000 calls a day.

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FOREWORD

1. CONSTITUTIONAL STATUS

- (a) The Forestry Commission was established in 1919. It comprises a Chairman and Board of Commissioners with statutorily prescribed duties and powers. 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 and the production and supply of timber. Since 1985, the Commission has also had a statutory duty to seek to achieve a reasonable balance, in carrying out its functions, between the needs of forestry and the environment.
- (b) The Commission has the legal status of and functions as a Government Department. It reports individually and collectively to Forestry Ministers, namely the Secretary of State for Scotland (who takes the lead role), the Minister of Agriculture, Fisheries and Food and the Secretary of State for Wales, to whom it is responsible for advice on forestry policy and for the implementation of that policy.

2. FUNCTIONS AND OBJECTIVES

The Forestry 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, the control of tree felling and the administration of grant aid for the private sector.
- (b) As the Forestry Enterprise it acts as a trading body primarily responsible for the management of Commission forests but with other functions such as the protection and enhancement of the environment and the provision of recreational facilities.

3. ACCOUNTS

The Forestry Commission produces the following accounts and financial statement which are audited by the Comptroller and Auditor General:-

- (a) the Appropriation Account, which, in accordance with the Appropriation and Exchequer and Audit Department Acts, sets out the funds voted by Parliament for the Forestry Commission as a whole and the amounts withdrawn therefrom into the Forestry Fund;
- (b) Statement of Forestry Fund Receipts and Payments;
- (c) accounts for the Forestry Enterprise in a format approved by the Treasury.

Additionally, the Forestry Commission produces an unaudited statement detailing the net expenditure on Forestry Authority Services and the consequential amount of Grant-in-Aid appropriated for the Forestry Authority.

The Appropriation Account is published separately along with such accounts for other Government Departments. The other three accounts or statements are published in the Commission's Annual Report.

4. ACCOUNTING PRINCIPLES

The Appropriation Account and Statement of Forestry Fund Receipts and Payments are prepared on a cash basis. The Statement of Expenditure on Forestry Authority Services and the Forestry Enterprise Balance Sheet and Accounts are prepared on an accruals basis, modified in the latter to include the expectation value of cash flows from forest plantations.

The Accounting policies adopted in the Forestry Enterprise accounts in relation to the valuation of machinery, plant and equipment and stocks of consumable materials and supplies are also followed in completing the Statement of Expenditure on Forestry Authority Services.

5. MARKET VALUE OF PROPERTIES INCLUDING PLANTATIONS

Non-Afforested Land and Buildings

These properties were revalued as at 31 March 1990, generally on an open market value basis. The valuation of £112.2 million in the Forestry Enterprise Accounts includes the revaluation at 31 March 1991 using a general price index.

Plantations

The Plantations (land, timber and roads) were revalued on an expectation value basis as at 31 March 1990. An assessment is also made of their market value at the end of each financial year.

The market value at 31 March 1991 is estimated to be £1,700 million. This is £823.2 million lower than the expectation value of £2,523.2 million shown in the Forestry Enterprise Accounts.

The market value assessment is carried out on the basis of the Forestry Estate being sold in an orderly manner as between a willing seller and a willing buyer in full accordance with public accountability and assuming its existing use. It is further assumed that no restraints exist, as they do in practice, from title, statute and environmental considerations. The assessment takes due account of prices realised in the Commission's woodland sales with such prices reflecting the financial and other criteria adopted by purchasers. The expectation value represents the future value of plantations in real terms, discounted at the Commission's target rate of return of 3 per cent to the present time. It is for this reason that the two values can be expected to differ.

**FORESTRY AUTHORITY AND FORESTRY ENTERPRISE
STATEMENT OF FORESTRY FUND RECEIPTS AND PAYMENTS
FOR THE YEAR ENDED 31 MARCH 1991**

	£ thousand	<i>Previous Year £ thousand</i>
<i>Receipts</i>		
Sales of timber	85,798	87,749
Miscellaneous	18,963	16,934
Disposal of land, buildings and plantations - by exchanges	94	63
	104,855	104,746
 Grant-in-Aid		
Forestry Enterprise	40,342	32,451
Forestry Authority	34,033	28,549
	74,375	61,000
 Cash received payable to the Consolidated Fund		
Disposal of land, buildings and plantations	11,998	12,955
EC contributions to research projects	114	—
	12,112	12,955
	191,342	178,701
Balance brought forward at 1 April 1990	4,903	6,717
	196,245	185,418
 <i>Payments</i>		
Salaries, wages and related expenses	65,309	61,354
Pensions and gratuities to retired staff	19,974	18,275
Materials, contract services and general expenses	56,818	50,805
Acquisition of land, buildings and plantations and construction of buildings	4,772	3,226
Plant, machinery and equipment	8,738	8,161
Grants to private woodland owners (£16,457,814), universities, institutions etc	17,294	14,840
Remittances of VAT to Customs and Excise	6,325	6,271
	179,230	162,932
 Payments to the Consolidated Fund		
— cash received from disposal of land, buildings and plantations, including £2,089,144 brought forward from 1989-90	10,501	14,509
— excess cash balance brought forward from 1989-90	2,814	3,074
	192,545	180,515
Balance carried forward at 31 March 1991 to be surrendered to the Consolidated Fund during 1991-92	3,700	4,903
	196,245	185,418

The notes attached form part of this statement.

T R Cutler
Accounting Officer
27 August 1991

I certify that I have examined the above financial statement in accordance with S44(3) of the Forestry Act 1967 and the National Audit Office auditing standards.

In my opinion the financial statement properly presents the receipts and payments of the Forestry Fund for the year ended 31 March 1991 and complies with S44(2) of the Forestry Act 1967.

I have no observations to make on this financial statement.

John Bourn
Comptroller and Auditor General

14 November 1991
National Audit Office

NOTES

1. General

Expenditure incurred by the Forestry Commissioners in the exercise of their powers and 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 1990-91 were paid into this Fund.

Receipts and payments are shown inclusive of VAT where applicable.

2. Grant-in-Aid

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 are 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) of the Forestry Act 1967 together with the excess cash balance held at the end of each financial year.

3. Receipts

The Grant-in-Aid of the Forestry Fund voted by Parliament for 1990-91 was £78,100,000 less Appropriations in Aid of £350,000 resulting in a net vote of £77,750,000. During the year £74,375,000 was drawn into the Forestry Fund leaving £3,375,000 to be surrendered from the Vote to the Consolidated Fund.

Timber receipts were £1,951,000 lower than in 1989-90.

Miscellaneous receipts were £2,029,000 more than in 1989-90. This was mainly due to increases in Estates £417,000; Forest Recreation £232,000; Commercial Recreation £505,000; Agency £422,000; Information Shows and Publications £124,000; Superannuation contributions of £160,000 and contributions from the European Agriculture Guidance and Guarantee Fund towards eligible grants for woodlands in the private sector amounting to £341,000 which were received for the first time. These increases were partly offset by a reduction in Silviculture receipts of £378,000.

4. Payments

Salaries, wages and related expenses were £3,955,000 (6 per cent) more than in 1989-90. Increased rates of pay and allowances were partially offset by reduced numbers of employees.

Pensions and gratuities to retired staff rose by £1,699,000 (9 per cent). This reflects the increasing numbers of pensioners, together with higher average pensions.

Materials, contract services and general expenses increased by £6,013,000 (12 per cent) due mainly to price increases, greater use of contractors and refurbishment of recreational facilities.

Overall payments for land acquisition and building construction were £1,546,000 higher than in 1989-90. Acquisition of new land for planting increased by £1,654,000 whereas building construction was down by £108,000.

Payments for purchases of vehicles, plant, machinery and office equipment increased by £577,000 compared with 1989-90.

Grants totalled £17,294,000 in 1990-91, £2,454,000 more than in 1989-90. This largely reflects an increase of £2,433,000 in grants paid to private woodland owners.

Remittances of VAT to HM Customs and Excise increased by £54,000.

5. Balance Carried Forward at 31 March 1991

The balance amounting to £3,700,222 carried forward at 31 March 1991 will be paid into the Consolidated Fund in 1991-92 in accordance with the Ministerial direction given under Section 41(4A) of the Forestry Act 1967. It comprises £3,586,051 relating to the unremitted balance of disposal proceeds received in 1990-91 and £114,171 in respect of contributions paid by the European Commission towards the cost of research projects on atmospheric pollution. Disposal receipts in 1990-91 from the sale of properties and plantations totalled £11,998,051 which together with £2,089,144 brought forward from 1989-90 were payable to the Consolidated Fund. As at 31 March 1991, £10,501,144 had been paid over leaving a balance of £3,586,051 to be surrendered.

FORESTRY ENTERPRISE ACCOUNTING POLICIES

1. General

The key factor in accounting for forestry is the determination of satisfactory performance indicators for a crop whose typical rotation cycle can span 50 years for coniferous trees and more than 100 years for broadleaved trees. Traditional measures of profitability can be established only when the Forestry Enterprise has a cycle of production which is financially self-sufficient. At that stage revenue would be sufficient to re-establish the area harvested, maintain the woodlands and provide a return on funds invested. Because of the relative immaturity of its plantations the Enterprise has not yet reached this stage.

2. Form of Accounts

The accounts are based on the expectation value concept, with three-yearly reviews of asset values, subsidies and performance, and the Operating Account aims to identify more clearly the annual surplus earned through the increase in the value of plantations. The principal aims of the accounts are:-

- (a) to establish, at the start of each review period, an asset valuation capable of earning a rate of return equivalent to the maximum that could be earned in northern Europe on good sites close to markets;
- (b) to measure performance against the target rate of return in (a) above by comparison of changes in the value of the growing crop with actual expenditure and income incurred;
- (c) to compare actual expenditure and income incurred against standards;
- (d) to show subsidies on new investments and other expenditure not capable of achieving the target rate of return;
- (e) to show as the forestry subsidy the effect of the difference between the target rate of return and that set for other public sector bodies.

3. Target rate of return

The Forestry Commission is set a target rate of return of 3 per cent in real terms on its forest estate assets and any new investment therein. The target rate of return on its commercial recreation assets is 6 per cent, which is the required rate of return for low risk public sector trading activities.

4. Investment valuation

At the end of each review period plantations and other tangible fixed assets are revalued by professionally-qualified staff employed by the Forestry Commission. The commercial recreation assets are revalued by a specialist firm.

During each review period, the valuation of plantations and associated other tangible fixed assets is updated annually using a general price index since no industry index is available. The commercial recreation assets are updated in consultation with the specialist firm that provided the valuation at the end of the previous review period. All such revaluation surpluses and deficits are taken to the Revaluation Reserve.

Apart from acquisitions and disposals, there are physical changes in the crop arising from growth and removal of timber. These changes, which currently enhance the value of the plantations, are reflected in the Operating Account by the entry termed 'Growth in Standard Value of Plantations', which is calculated from the alteration in the net present value of future standard cash flows as the crop moves one year nearer to maturity.

5. Subsidies

Subsidies are dealt with as follows:-

- (a) planting and restocking subsidies — the extent to which investment in both new planting and restocking is estimated to be incapable of earning the target rate of return;
- (b) forestry subsidy — the difference between the target rate of return and that set for public sector trading bodies is identified in a note to the accounts and is a measure of the opportunity cost of new investment in forestry.

6. Forest Recreation and Amenity Grant

This covers the net cost of the provision of recreational facilities for which commercial objectives cannot be set.

7. Measurement of Performance

Plantations

The Commission's plantations are comparatively immature and its operations are thus not yet self-financing. However, the crop continues to grow in value, and financial performance is measured by comparing changes in the value of the crop against actual expenditure and income. Revaluations of the plantations are carried out on a three-year cycle and in order to provide interim measurements a standard value is assessed annually based on the reduction in the amounts and timings of future cash flows built into the opening valuation.

During the review period, the difference between the growth in standard value of plantations and the actual expenditure and income, which represents the net operating surplus in the Operating Account, is also analysed in a note to the accounts.

Commercial Recreation

Operational performance is measured by expressing the net operating surplus included in the Operating Account as a percentage return in real terms on assets employed, which is then compared with the target rate of return.

8. Accounting Concepts

Since the measurements of performance are against target rates of return in real terms, the accounting records of the Forestry Commission are maintained on a modified current cost basis. Income and expenditure is adjusted using the GDP price deflator. Without limiting the information given, the accounts meet the requirements of the Companies Acts and of the Statements of Standard Accountancy Practice where relevant. The inclusion within the Growth in Standard Value of Plantations entry in the Operating Account of an element for unrealised surpluses, arising from the reduction in the period over which future income cash flows are discounted, is a departure from normal accounting conventions, but is in line with Section 226(5) of the Companies Act 1985 to enable the financial statements to give a true and fair view.

9. Depreciation

Depreciation is provided on all tangible fixed assets except plantations, freehold and leasehold land 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 2 to 20 years

10. Stocks

Finished goods and work in progress are valued as follows:-

- (a) timber at the cost of production;
- (b) seed at the lower of cost of collection or net realisable value;
- (c) plants and livestock at net realisable value;
- (d) consumable materials and supplies at current replacement cost.

Cost of production and collection comprises labour and attributable administrative expenses based on the normal level of activity. Net realisable value is based on estimated selling prices less further costs expected to be incurred to completion and disposal.

11. Provision for bad and doubtful debts

Specific provisions for bad and doubtful debts are set aside on the basis of a review at each year end.

12. Research

The research expenditure of the Forestry Commission is identified in total in the Forestry Authority accounts. The expenditure is subsequently attributed to the Forestry Authority and the Forestry Enterprise in the ratio of 68:32 on the basis of assessed workloads, with the Enterprise share being charged to the Plantations activity in the Operating Account as part of forest costs.

13. Government funding

Government funding to the Forestry Commission to meet its current excess of payments over retainable receipts is by means of an annual Grant-in-Aid. The Forestry Enterprise share of this funding is credited in the accounts as follows:-

Operating account	—	planting and restocking subsidies, 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 grant, being the net cost of the provision of recreational facilities for which commercial objectives cannot be set.
Grant-in-Aid account	—	the balance representing the funding of all other activities of the Forestry Enterprise.

Receipts from the disposal of land, buildings and plantations are not retained but surrendered to the Consolidated Fund. These receipts nevertheless represent a reduction in the call upon Government funding and appropriate adjustments are made to the Capital Account.

14. Superannuation scheme

Legislation relating to the superannuation of the Forestry Commissioners and Commission staff is to be found in Part II to Schedule 1 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.

The provision for superannuation reflects the liabilities of the Forestry Commission and is revalued by the Government Actuary at the beginning of each triennium. During the triennium the provision is increased by:-

- (a) contributions received from employees;
- (b) notional employers' contributions determined on the basis of funding calculations made by the Government Actuary taking into account the revaluation of the provision for the scheme's liabilities at each actuarial investigation;

Accounting Policies (continued)

(c) a revaluation adjustment based on a general price index;

(d) notional return on assets of 3 per cent.

Superannuation benefits are met on a Pay As You Go basis and benefits paid in the year are charged against the provision. The provision is not specifically invested, but since part of the forestry assets is deemed to represent the investment of the scheme, the provision is credited with a notional return of 3 per cent on those assets by an appropriation out of the Net Operating Surplus for the year.

**FORESTRY ENTERPRISE
OPERATING ACCOUNT
FOR THE YEAR ENDED 31 MARCH 1991**

	<i>Notes</i>	Plantations £ million	Forest Recreation and Amenity £ million	Other Activities £ million	Total £ million	<i>Previous Year £ million</i>
Income	10(a) & (b)	<u>75.6</u>	<u>1.6</u>	<u>6.5</u>	<u>83.7</u>	<u>85.5</u>
Expenditure						
Forest costs		65.7	7.8	4.2	77.7	78.5
Administrative expenses	15	27.0	5.8	1.1	33.9	31.8
		<u>92.7</u>	<u>13.6</u>	<u>5.3</u>	<u>111.6</u>	<u>110.3</u>
Less subsidies and grants	12 & 13	<u>0.9</u>	<u>12.0</u>	<u>—</u>	<u>12.9</u>	<u>13.6</u>
		<u>91.8</u>	<u>1.6</u>	<u>5.3</u>	<u>98.7</u>	<u>96.7</u>
Surplus/(Deficit) of Income over Expenditure		(16.2)	—	1.2	(15.0)	(11.2)
Growth in standard value of plantations	10(a)	90.1	—	—	90.1	79.7
Surplus/(Deficit) on sale of properties	14	<u>(4.6)</u>	<u>—</u>	<u>—</u>	<u>(4.6)</u>	<u>2.5</u>
Net Operating Surplus for the Year	10(a) & (b)	<u><u>69.3</u></u>	<u><u>—</u></u>	<u><u>1.2</u></u>	<u><u>70.5</u></u>	<u><u>66.0</u></u>
Appropriated to						
Provision for Superannuation (Note 6)					9.6	8.7
Retained surplus for year (Note 9)					<u>60.9</u>	<u>57.3</u>

The statement of accounting policies and the notes form part of these accounts.

**FORESTRY ENTERPRISE
BALANCE SHEET
AS AT 31 MARCH 1991**

FIXED ASSETS	<i>Notes</i>	£ million	<i>Previous Year £ million</i>
Plantations	1(a)	2,523.2	2,271.2
Other tangible assets	1(b)	141.4	135.6
		2,664.6	2,406.8
 CURRENT ASSETS			
Stocks	2	8.7	8.5
Debtors	3	12.1	12.7
Cash at banks and in hand	4	4.8	5.4
		25.6	26.6
CREDITORS — amounts falling due within one year	5	8.6	11.3
NET CURRENT ASSETS		17.0	15.3
TOTAL ASSETS LESS CURRENT LIABILITIES		2,681.6	2,422.1
 PROVISION FOR SUPERANNUATION			
	6	339.0	313.3
 CAPITAL AND RESERVES			
Capital at 31 March 1990		2,108.8	2,108.8
Movements in the first year of the current triennium			
Grant-in-aid	7	15.4	—
Revaluation Reserve	8	157.5	—
Retained Surplus	9	60.9	—
		233.8	—
		2,681.6	2,422.1

The statement of accounting policies and the notes form part of these accounts.

T R Cutler
Accounting Officer
27 August 1991

I certify that I have examined the financial statements on pages 42 to 55 in accordance with the provisions of Section 5 of the Exchequer and Audit Departments Act 1921 and the National Audit Office auditing standards.

In my opinion the financial statements give, under the principles embodied in the Statement of Accounting Policies, a true and fair view of the state of affairs of the Forestry Enterprise activities of the Forestry Commission at 31 March 1991 and of its results and source and application of funds for the year then ended and have been properly prepared in accordance with Section 5 of the Exchequer and Audit Departments Act 1921 and directions made thereunder.

I have no observations to make on these financial statements.

John Bourn
Comptroller and Auditor General

14 November 1991
National Audit Office

FORESTRY ENTERPRISE
STATEMENT OF SOURCE AND APPLICATION OF FUNDS
FOR THE YEAR ENDED 31 MARCH 1991

	<i>Notes</i>	£ million	<i>Previous year</i> £ million
SOURCE OF FUNDS			
Net operating surplus for the year		70.5	66.0
Adjustment for items not involving the movement of funds:-			
Depreciation	1(b)	8.7	8.5
Superannuation	6	10.4	9.9
Book value of land newly planted		1.5	1.7
Subsidies and grants	12 & 13	(12.9)	(13.6)
Growth in standard value of plantations	10(a)	(90.1)	(79.7)
Deficit on sale of properties	14	3.1	(0.7)
Other items		0.3	0.2
		<u>(79.0)</u>	<u>(72.3)</u>
Total funds absorbed by operations		(8.5)	(6.3)
Funds from other sources:-			
Grant-in-Aid	7	40.3	32.4
Proceeds from sale of properties	14	12.1	13.0
Other items		1.9	1.8
		<u>54.3</u>	<u>47.2</u>
		45.8	40.9
APPLICATION OF FUNDS			
Purchase of fixed assets etc	1(b)	12.2	10.0
Monies surrenderable to Consolidated Fund	7	12.0	15.7
Superannuation payments	6	19.9	18.2
		<u>44.1</u>	<u>43.9</u>
DECREASE IN WORKING CAPITAL		<u>1.7</u>	<u>(3.0)</u>
Components of increase/(decrease) in working capital			
Stocks	2	0.2	(2.0)
Debtors	3	(0.6)	0.3
Creditors	5	2.7	1.0
Cash at banks and in hand	4	(0.6)	(2.3)
		<u>1.7</u>	<u>(3.0)</u>

The statement of accounting policies and the notes form part of these accounts.

**FORESTRY ENTERPRISE
NOTES TO THE ACCOUNTS**

1. FIXED ASSETS

	£ million	<i>Previous year £ million</i>
<i>(a) Plantations (Land, Roads and Timber)</i>		
Valuation:		
At 1 April 1990 - 897, 903 hectares	2,271.2	1,955.4
Revaluation to current prices	176.3	126.5
	2,447.5	2,081.9
Acquisitions	0.2	—
Disposals (at book value)	(14.6)	(11.1)
Growth in value for year (Note 10a)	90.1	79.7
Revaluation adjustment	—	120.7
Revaluation at 31 March 1991 - 892,900 hectares	2,523.2	2,271.2

(b) Other Tangible Assets

	Land and Buildings £ million	Machinery Plant and Equipment £ million	Total £ million
Valuation:			
At 1 April 1990	108.4	66.5	174.9
Additions	4.2	7.9	12.1
Disposals and transfers	(4.6)	(7.7)	(12.3)
Revaluation to current prices	4.2	4.0	8.2
At 31 March 1991	112.2	70.7	182.9
Depreciation:			
At 1 April 1990	—	39.3	39.3
Provided during year	2.2	6.5	8.7
Disposals and transfers	—	(6.7)	(6.7)
Revaluation to current prices	(2.2)	2.4	0.2
At 31 March 1991	—	41.5	41.5
Net Book Value:			
At 31 March 1991	112.2	29.2	141.4
At 31 March 1990	108.4	27.2	135.6

(c) Analysis of Land and Buildings (Other Tangible Assets)

	£ million	<i>Previous year £ million</i>
Forest estate	76.0	70.3
Surplus estate	25.5	28.2
Forest Recreation and Amenity	3.7	3.1
Commercial recreation	7.0	6.8
	112.2	108.4

(d) The basis of valuation of plantations and other tangible fixed assets and the method used to update these valuations to current prices during each triennium is described in the statement of Accounting Policies.

Notes to the Accounts (continued)

2. STOCKS

	£ million	<i>Previous Year £ million</i>
Timber	4.5	4.5
Plants and seed	2.0	1.9
Consumable materials, supplies and livestock	2.2	2.1
	<u>8.7</u>	<u>8.5</u>

3. DEBTORS

	£ million	<i>Previous Year £ million</i>
Trade debtors	10.2	11.4
Other debtors	1.9	1.3
	<u>12.1</u>	<u>12.7</u>

Other debtors include amounts falling due after more than one year of £1.2 million (£1.1 million at 31 March 1990)

4. CASH AT BANKS AND IN HAND

	£ million	<i>Previous Year £ million</i>
Balance of Forestry Fund with Paymaster General	4.6	5.1
Cash at commercial banks and in hand	0.2	0.3
	<u>4.8</u>	<u>5.4</u>

5. CREDITORS: amounts falling due within one year

	£ million	<i>Previous Year £ million</i>
Payments received on account	0.3	0.2
Trade creditors	2.9	3.7
Other creditors including taxation and social security costs	1.7	2.5
Consolidated Fund surrender:-		
Balance of proceeds from disposal of properties and plantations in 1990-91	3.6	2.1
EC contributions to research projects	0.1	—
Excess working balance	—	2.8
	<u>3.7</u>	<u>4.9</u>
	<u>8.6</u>	<u>11.3</u>

6. PROVISION FOR SUPERANNUATION

	£ million	<i>Previous Year £ million</i>
Balance at 1 April 1990	313.3	283.0
Revaluation to current prices (Note 8)	24.4	18.4
	<u>337.7</u>	<u>301.4</u>
Contributions received from staff	1.2	1.0
Notional employers' contribution	10.4	9.9
Notional return on assets (Accounting Policy 14)	9.6	8.7
	<u>358.9</u>	<u>321.0</u>
Payments made during the year	19.9	18.2
	<u>339.0</u>	<u>302.8</u>
Increase in liability on Actuarial Valuation of the scheme at end of triennium	—	10.5
Balance at 31 March 1991	<u>339.0</u>	<u>313.3</u>

Notes to the Accounts (continued)

The Forestry Commission operates a defined benefit pension scheme under which the superannuation benefits and contributions payable are identical to those of the Principal Civil Service Pension Scheme.

The scheme's liabilities were revalued by the Government Actuary at 31 March 1990 using the aggregate method, the main assumptions being that the investment yield, represented by the rate of interest credited to the account (including revaluation adjustments), would exceed salary increases by 1.5 per cent and exceed price increases by 3 per cent.

The notional employer's contribution rates have been set at 19 per cent for industrials and 22 per cent for non-industrials.

7. GRANT-IN-AID

	£ million
Total Grant-in-Aid	74.4
less: Forestry Authority	34.1
	40.3
less: Excess cash balance to be surrendered	—
	40.3
Grant-in-Aid for Forestry Enterprise	40.3
less: Disposal Receipts	12.0
Subsidies and grants (Notes 12 & 13)	12.9
	24.9
Net Forestry Enterprise Grant in the first year of the current triennium	15.4

8. REVALUATION RESERVE

	£ million
<u>Revaluation surplus for the year</u>	
Plantations	176.3
Other tangible assets	8.0
	184.3
Adjustments arising from resurvey and reclassification of properties	(2.4)
	181.9
less: Provision for Superannuation (Note 6)	24.4
Revaluation reserve in the first year of the current triennium	157.5

9. RETAINED SURPLUS

	£ million
Year ended 31 March 1991	60.9

10. MEASUREMENT OF PERFORMANCE YEAR ENDING 31 MARCH 1991

(a) Plantations: Comparison of Actual Income and Expenditure Against Growth in Standard Values Year Ending 31 March 1991

	<i>Notes</i>	Growth in Standard Values £ million	Actual Income and Expenditure £ million	Net Operating Surplus £ million	<i>Net Operating Surplus Previous Year £ million</i>
Income					
Establishment and Maintenance		1.3	1.5	0.2	0.4
Harvesting and Marketing	(i)	75.9	74.1	(1.8)	(4.3)
		77.2	75.6	(1.6)	(3.9)
Forest costs and administrative expenses					
Establishment and Maintenance		49.0	49.2	(0.2)	5.1
Harvesting and Marketing		44.3	43.5	0.8	4.0
		93.3	92.7	0.6	9.1
less: Subsidies		0.9	0.9	—	—
		92.4	91.8	0.6	9.1
Surplus/(Deficit) of income over expenditure		(15.2)	(16.2)	(1.0)	5.2
Notional return on assets for the year	(ii)	(74.9)	—	74.9	62.5
Deficit on sale of properties	(iii)	—	(4.6)	(4.6)	(2.5)
Net Totals Plantations		(90.1)	(20.8)	69.3	65.2

Notes

(iv)

(v)

(i) Timber demand and prices were good in the first half of the year but declined very dramatically in the second half as the effects of economic recession spread throughout Britain. The overall result for the year was a decrease of 3 per cent in unit income.

(ii) The notional return on assets for the year represents the increase in the standard valuation of plantations which arises from the one year reduction in the period over which future cash flows are discounted at 3 per cent and is an unrealised surplus.

(iii) The deficit on sale of properties entry represents the shortfall from the book value and costs on the disposal of £15.2 million of plantations and associated forest estate properties (Note 14).

(iv) The 'standard' cash flow calculations are based on average unit costs and prices set at the start of the triennium and take account of improvements in productivity expected during the triennium. The underlying basis of these averages can vary because of changes in working methods or in programme mix. Although such changes to unit cost and prices will be reflected in the plantation revaluation at the end of each triennium, no adjustment is made to the standard values in the intervening years.

(v) The net operating surplus is the difference between actual income and expenditure and the estimated 'standard' cash flows (updated for inflation) which were built into the plantation revaluation at the start of the triennium.

(b) Other Activities: Operating Surplus by Activity Year Ending 31 March 1991

	Campsites and Cabins £ million	Agency £ million	Lake Vyrnwy £ million	Total £ million	<i>Previous Year £ million</i>
Income	3.3	3.1	0.1	6.5	5.6
Expenditure	2.3	3.0	—	5.3	4.8
Operating surplus/(Deficit) for year	1.0	0.1	0.1	1.2	0.8
<i>Notes</i>	(vi)		(vii)		
Operating Surplus for previous year	0.7	—	0.1	0.8	

(vi) The real rate of return on capital invested in cabin and campsites was 12.7 per cent compared with a target rate in real terms of 6 per cent.

(vii) This 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 Wales.

(c) Expenditure in the Operating Account for the year ending 31 March 1991 includes

	£ million	<i>Previous Year £ million</i>
Hire of Plant and Equipment	1.1	1.0
Research	3.0	4.4

11. MEASUREMENT OF PERFORMANCE AGAINST TARGET RATE OF RETURN

The Forestry Commission is set a target rate of return of 3 per cent in real terms on its plantations and any new investment therein. This is equivalent to the maximum that could be earned in northern Europe on good sites close to markets. The target is reviewed at each valuation.

The target rate of return on the Commission's commercial recreation assets is 6 per cent which is the required rate of return for public sector trading bodies

12. PLANTING AND RESTOCKING SUBSIDIES

	Planting				Restocking				Total Subsidies £000
	Area Planted (hectares)	Subsidy per hectare	Subsidy £000	Implied Real Rate of Return %	Area Planted (hectares)	Subsidy per hectare £	Subsidy £000	Implied Real Rate of Return %	
ENGLAND		£	£000	%		£	£000	%	£000
<i>Conservancy</i>									
North	28	196	5	2.9	955	466	445	2.6	450
East	—	—	—	—	1,192	1,081	1,288	2.4	1,288
West	6	416	3	2.8	339	1,291	438	2.3	441
	34	235	8		2,486	873	2,171		2,179
WALES									
<i>Conservancy</i>									
	15	(59)	(1)	3.1	1,472	284	418	3.2	(419)
SCOTLAND									
<i>Conservancy</i>									
North	1,647	294	484	2.7	1,434	(443)	(635)	3.4	(151)
Mid	903	19	17	3.0	1,250	(648)	(810)	3.5	(793)
South	916	(76)	(70)	3.0	980	167	163	2.8	93
	3,466	124	431		3,664	350	1,282		(851)
GREAT BRITAIN	3,515	125	438	2.9	7,622	62	471	2.9	909

(a) Planting and Restocking subsidies represent the capitalised extent to which new planting or restocking will not earn the target rate of return of 3 per cent, and they are brought into the accounts to maintain the Plantation valuation at a level which will earn the target rate. The subsidies are determined from individual models created in each Forest District for planned investments in the triennium 1990/91-1992/93 with the anticipated future expenditure and income being discounted at 3 per cent and the net sum expressed as the subsidy. The implied return on the investment is the interest rate at which the future expenditure and income when discounted nets to zero. The individual subsidies and implied rates of return are weighted to provide Conservancy averages for portrayal in the table above.

(b) The bracketed entries identify the capitalised surplus per hectare that is expected to be earned in excess of 3 per cent from investments in the Conservancies concerned. These surpluses are deducted from the subsidies claimed for investments which will fall below the target rate of return. The lower returns in England reflect the higher proportion of broadleaved planting there.

13. FOREST RECREATION AND AMENITY

This represents the net cost of the provision of £12.0 million (total expenditure of £13.6 million less income of £1.6 million) in respect of recreational facilities for the public such as visitor centres, forest walks, nature trails, together with the conservation of wildlife and small-scale amenity planting from which a rate of return is not expected.

14. SURPLUS/(DEFICIT) ON SALE OF PROPERTIES

	Plantations and associated properties £ million	<i>Previous Year £ million</i>
Proceeds	12.1	13.0
Less: Book value	15.2	13.7
	(3.1)	(0.7)
Less: Disposal costs		
External costs	0.6	0.8
Administrative expenses	0.9	1.0
	1.5	1.8
Surplus/(Deficit) on sale of properties	(4.6)	(2.5)

15. ADMINISTRATIVE EXPENSES

	£ million	<i>Previous Year £ million</i>
Salaries and national insurance	29.5	26.5
Travelling, subsistence and staff transfer expenses	5.9	5.1
Notional employers superannuation contributions	5.8	5.1
Accommodation and estate expenses	1.4	1.9
Office expenses	3.5	3.4
Other net expenses (including Auditors' remuneration of £83,000)	4.3	4.7
	50.4	46.7
Less: Attributed to Forestry Authority	11.6	9.8
Forestry Enterprise	38.8	36.9
Attributed to:		
Operating Account		
Plantations	27.0	26.1
Forest recreation and amenity	5.8	4.7
Other activities	1.1	1.0
Distributed activities included in forest costs	4.0	4.1
	37.9	35.9
Sale of properties (Note 14)	0.9	1.0
	38.8	36.9

Distributed activities consist of the internally-provided services of vehicles, machinery and equipment and plant supply, for which charges are made to forest operations throughout the year on the basis of utilisation. The charges made include the associated administrative expenses which are thus included in the Operating Account as forest costs. The administrative expenses element of these charges is identified here for notation and comparative purposes only.

The total administrative expenses of £50.4 million (£46.7 million in 1989-90) were incurred as follows:-

	£ million	<i>Previous Year £ million</i>
Forest Districts	23.6	22.3
Conservancy Offices	9.7	8.2
Headquarters	17.0	15.7
Net forest and surplus estate expenses	0.1	0.5
	50.4	46.7

The costs of non-industrial staff employed at Research institutions are not included in the above figures but form part of the net Research expenditure shown in the Forestry Authority Services Statement of Expenditure. An attribution of £2,974,000 which represents 32 per cent of Research expenditure is included in the Operating Account of the Forestry Enterprise as forest costs.

16. STAFF COSTS AND NUMBERS

As many of the Commission's staff divide their time between Forestry Enterprise and Forestry Authority duties, it is considered more appropriate to provide the statutory information on staff costs and numbers for the Commission as a whole.

(a) Total staff costs for the Forestry Enterprise and Forestry Authority comprise:-

	£ million	<i>Previous Year £ million</i>
Salaries	30.3	27.3
Wages	24.7	24.8
Social security costs	4.0	3.8
Superannuation costs	10.3	9.9
	<hr/>	<hr/>
	69.3	65.8
Travel and subsistence	3.4	3.6
	<hr/>	<hr/>
	72.7	69.4

Approximately 78 per cent (previous year 81 per cent) of this total relates to Forestry Enterprise operations.

(b) The average number of employees during the year was as follows:-

	Average Number	<i>Previous Year Average Number</i>
Industrial Staff	2,669	2,905
Non-Industrial Staff	2,071	2,072
	<hr/>	<hr/>
	4,740	4,977

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

	£ thousands	<i>Previous Year £ thousands</i>
Chairman	29	27
Highest paid Commissioner	58	50
Other Commissioners	164	150
	<hr/>	<hr/>
Total emoluments of Commissioners	251	227
Travel and subsistence of Commissioners	50	43

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

	Number	<i>Previous Year Number</i>
£ nil to £5,000	—	—
£5,001 to £10,000	6	6
£35,001 to £40,000	—	3
£40,001 to £45,000	3	—

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

17. CAPITAL COMMITMENTS

Future capital expenditure on Other Tangible Fixed Assets in 1991-92 authorised by the Commission amounts to £6.2 million (£12.1 million for 1990-91).

18. CONTINGENT LIABILITIES

Contingent liabilities exist at 31 March 1991 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 £0.7 million (£0.4 million at 31 March 1990).

Notes to the Accounts (continued)

19. FORESTRY SUBSIDY

The forestry subsidy represents the opportunity cost of providing timber and other non-marketable benefits of forestry. Since 1 April 1982 it has been presented as the capitalised sum on new investment, in a similar way to the planting and restocking subsidies. It 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 revised public sector discount rate of 6 per cent. Details are set out below.

	£ million
Planting and restocking subsidies to achieve the public sector discount rate of 6 per cent	21.6
Planting and restocking subsidies to achieve the target rate of return of 3 per cent (Note 12)	0.9
	20.7
Forestry subsidy on new investment in 1990-91	20.7

Work is in progress to identify ways of quantifying the non-marketable benefits of forestry.

**FORESTRY AUTHORITY SERVICES
STATEMENT OF EXPENDITURE
FOR THE YEAR ENDED 31 MARCH 1991**

	£000	<i>Previous Year £000</i>
Grants and Advisory Services to Private Woodland Owners		
Current Schemes		
Woodland Grant Scheme	10,700	8,151
Woodland Grant Scheme in association with the Farm Woodland Scheme	2,799	2,054
Schemes closed to new applications		
Forestry Grant Scheme	1,454	1,818
Broadleaved Woodland Grant Scheme	276	656
Dedication Schemes (including legal expenses)	1,220	1,336
Other Grants	9	10
Total Grants to private woodland owners	16,458	14,025
Survey of Private Sector Costs	120	153
Administrative Expenses: Consultation	977	1,034
Other management costs	4,491	3,586
	22,046	18,798
Less: EC Forestry Action Programme Refunds	341	—
Sundry Income	124	34
	465	34
	21,581	18,764
Special Services		
Licensing of Felling: Consultation	137	144
Other management costs	433	402
Illegal Felling (including legal and investigation expenses)	184	237
Information, Shows and Publications	2,006	1,674
General administration: Forestry training	91	87
Plant Health	840	663
Other management costs including EEC and other regulatory duties	2,468	1,915
	6,159	5,122
Research		
Silviculture	2,837	2,612
Arboreta	506	436
Tree Improvement	1,296	1,180
Physiology	344	325
Plant Production	165	174
Site Studies	1,018	1,068
Wildlife and Conservation	591	577
Pathology	659	680
Entomology	764	725
Mensuration	327	308
Forest Products	258	310
Statistics	193	107
Communications	295	258
Total	9,253	8,760
Less: Attribution to Forestry Enterprise Operating Account	2,974	4,380
	6,279	4,380
Change in assets		
Decrease — Current Assets	(42)	178
Increase — Fixed Assets	56	105
Net increase	14	283
Amount of Grant-in-Aid appropriated for the Forestry Authority	34,033	28,549

NOTES

1. The above statement includes £11.6 million (1989-90 £9.8 million) of the Commission's total administrative expenses attributed to Forestry Authority Services. Details of the expenditure are shown in Note 15 of the Forestry Enterprise Accounts.

Grants and Advisory Services to Private Woodland Owners

2. While planting under the old grant schemes has continued to decline sharply, the level of planting under the Woodland Grant Scheme (including that done in association with the Farm Woodland Scheme) has shown an encouraging increase over the previous year. The increase in the total grant expenditure in 1990-91, compared to 1989-90, was £2,433,000. This resulted from a slight increase in the total area of grant-aided planting, and also from the swing towards the Woodland Grant Scheme and an increased proportion of broadleaved planting. The rates of grant payable under the Woodland Grant Scheme are much higher than those payable under the old schemes, and broadleaves planting attracts a higher rate of grant than conifer planting.

3. Administrative expenses of £5,468,000, which cover consultation and other management costs, are £848,000 (18 per cent) higher than in 1989-90. This was mainly due to normal salary increases and preparations for the extension of the Woodland Grant Scheme in June 1991 to include management grants.

Special Services

4. The increased cost of Information, Shows and Publications reflects decisions to give additional promotional effort to the Government's forestry policies. A number of new publications were produced, we enhanced our presence at major agricultural shows and other exhibitions and a major campaign was mounted to promote the revised Woodland Grant Scheme.

Research

5. For the triennium 32 per cent of the net cost of Research is charged to the Forestry Enterprise. This element is included in the Operating Account under forest costs (Plantations).

6. Total expenditure on Research in 1990-91 increased by £493,000 (5.6 per cent) over 1989-90.



APPENDICES

Geoff, a Civil Engineer, is responsible for the maintenance and construction of over 2,400 bridges able to carry full highway traffic.

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APPENDIX I

Statutory and Other Committees Appointed by the Forestry Commission: Membership at 31 March 1991

National Committees

England

Mr I.D. Coutts (*Chairman*), Mr R.T. Bradley, Professor G.R. Dickson, Mr R.P. Hancock, Mr W.E. Lane, Mr T. Mallinson, Mrs R. Thomas. *Secretary to the Committee*: Miss M. O'Hare. The Committee had no meetings during the year.

Scotland

Mr F.M. Strang Steel (*Chairman*), Dr Jean Balfour, Mr R.T. Bradley, Mr F. Critchley, Mr J.D. Pollock, Mr H.A. Waterson. *Secretary to the Committee*: Mr B.D. Inglis. The Committee had no meetings during the year.

Wales

Mr C.R. Woosnam (*Chairman*), Mr R.T. Bradley, Mr M.A. McLaggan, Mr J.F. Morgan. *Secretary to the Committee*: Mr M. Wheeler. The Committee had no meetings during the year.

Regional Advisory Committees

ENGLAND

North Conservancy

Professor G.R. Dickson (*Chairman*), Mr R.N. Cartwright, Mr J. Derham, Mr N.C. Forbes Adam, Mr T.R. Fetherstonhaugh, Lady Elizabeth Kirk, Mr A.A. Macdonald, Mr R.J.S. Addison, Mr J.T. Todd. *Secretary to the Committee*: Mr J. McGough. The Committee met in May and September 1990 and January 1991.

East Conservancy

Mr W.E. Lane (*Chairman*), Mr N.A. Braden, Mr D.M. Clark, Mr T.R. Cook, Mr M. Craske, Mr N.G. Halsey, Mr A.R. Pelly, Mr C. Stratton, Mr L. Woodham. *Secretary to the Committee*: Mr R.C. Herbert. The Committee met in March 1991.

West Conservancy

Mrs Rachel Thomas (*Chairman*), Mr N.D. Anderson, The Lord Courteney, Mr C.A. Eade, Mr A. Fooks, Mr R. Jarman, Mr J. T. Perry, Mr G.E. Smith, Mr J.H.B. Workman. *Secretary to the Committee*: Mr R.B. Urquhart. The Committee met in May and October 1990.

SCOTLAND

North Conservancy

Mr F. Critchley (*Chairman*), Mr B.E. Crabtree, Mr A.D.M. Farquharson, Professor C.H. Gimingham, Councillor F.R.M. Keith, Mr A.N.G. Laing, Mr M. Leslie, Professor H.G. Miller, Mr M. Pottinger. *Secretary to the Committee*: Mr K. Roscoe. The Committee met in May and October 1990.

Mid Conservancy

Dr Jean Balfour (*Chairman*), Mr A.W. Barbour, Mr P.M. Fairweather, Mr J.A. Fell, Councillor G. McGrath, Mr J. McNaughton, Mr G. Morton, Mr P.S. Murray, Mr P. Wormell. *Secretary to the Committee*: Mr W.J. Anderson. The Committee met in May and October 1990 and January 1991.

South Conservancy

Mr H.A. Waterson (*Chairman*), Mr D.B. Crawford, Mr J.F.S. Gourlay, Mr D.I. Liddell-Grainger, Mr D. Minns, Captain J.W.N. Mitchell, Mr T.S. Smith, Councillor A.L. Tulley, Mr H. Wilson. *Secretary to the Committee*: Mr B.H. Atwell. The Committee met in May and November 1990 and February 1991.

WALES

Mr M.A. McLaggan (*Chairman*), Mrs S.A.G. Ballance, Mr J. Donovan, Dr G.K. Elliott, Mr J.R. Lloyd Jones, Mr M.J. Morgan, Mr S.K. Neale, Colonel P.C. Ormrod, Mr M. Oxnard. *Secretary to the Committee*: Mr M. Wheeler. The Committee met in September 1990 and March 1991.

Home Grown Timber Advisory Committee

Mr J.D.W. Janes (*Chairman*)
Mr A.F. Bloomfield
Mr W.S. Brack*
Dr J. Brazier
Mr A.J. Brownlie
The Hon James Bruce
Mr T.A. Bruce Jones
Mr A. Christie-Miller
Mr R.E. Duffield
Dr G.K. Elliott
Mr H.G. Fetherstonhaugh
Professor C.H. Gimingham*
Mr B. Leathwood*

Mr K. Lyden
Mr D.M. Macarthur
Mr G.M. McRobbie*
Mr. A.J. Murray
Mr A. Penrose*
Dr C.D. Pigott*
Sir Mark Russell*
Mr O.H. Russell
Mr J.W. Sutton
Mr J.T. Todd
Mr J.St.A. Warde
Mr G. Waugh

*Independent members

Secretary: Mr B.A. Robertson

With the exception of the independent members the membership was drawn from nominations received from the following bodies: Timber Growers United Kingdom, British Timber Merchants' Association (England and Wales), United Kingdom Softwood Sawmillers' Association, Timber Trade Federation, United Kingdom Wood Processors Association, Forestry Industry Committee of Great Britain, Timber Research and Development Association Ltd.

The Committee met in June, September and December 1990 and March 1991. The Annual Report of the Committee is at Appendix II.

Technical Sub-Committee of the Home Grown Timber Advisory Committee

Dr J.D. Brazier (*Chairman*)
Mr R.M. Fitter
Colonel P.C. Ormrod
Mr J.A. Kissock
Mr M.D. Oxnard
Mr A. East
Mr G.B. Little
Dr D.C. Wood
Dr G.K. Elliott
Mr S.K. Neale

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} Silviculture
Softwood sawmilling/harvesting
Hardwood sawmilling/harvesting
Wood pulping
Wood panel board manufacturing
Wood science
Health and safety

Secretary: Dr J. Webber

The Sub-Committee met in April and November 1990 and January 1991

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

Sir Mark Russell (*Chairman*)
Mr D.B. Crawford
Mr W.A. Willis
Mr G. Waugh
Mr P.S. Murray
Mr A.F. Bloomfield
Mr P.T.G. Beadle
Mr P.J. Lambert

}
}
}
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}
}
} Timber Growers United Kingdom
British Timber Merchants' Association (England and Wales)
United Kingdom Softwood Sawmillers' Association
United Kingdom Wood Processors' Association
British Coal

Secretary: Miss P.J. Clark

The Sub-Committee met in May and November 1990.

Advisory Committee on Forest Research

Dr J.P. Dempster (*Chairman*)
Professor E.C. Cocking
Professor R.M. Cormack
Dr M.P. Denne
Professor D. Henderson

Professor J.M. Hirst
Professor H.G. Miller
Dr W.E.S. Mutch
Dr M.B. Usher

Secretary: Mr T.C. Booth

The Committee met in November 1990.

Forestry Research Coordination Committee

Mr R.T. Bradley (<i>Chairman</i>)	}	Forestry Commission
Mr D.A. Burdekin		Agriculture Departments
Dr T.W. Hegarty		Department of the Environment
Dr D. White		Natural Environment Research Council
Mr J.M. Baker		Forestry Commission Research Advisory Committee
Mr J.C. Peters		Nature Conservancy Council
Dr O.W. Heal		Forestry Universities
Dr P.B. Tinker		Agricultural and Food Research Council
Dr J.P. Dempster		Institute of Wood Science
Dr M.W. Pienkowski		Horticulture Research International
Professor H.G. Miller		Economic and Social Research Council
Professor J.L. Stoddart		
Dr G.K. Elliott		
Dr H.G. Jones		
Dr C. McCulloch		

Secretary: Dr J. Evans

The Committee met in June, September and December 1990 and February 1991.

Forestry Training Council

Mr D.A. Mithen (*Chairman*)

Employer Members

Mr K. Ramsay	Timber Growers United Kingdom
Mr D.A. Bardy	Forestry Commission
Mr J.G. Machin	Association of Professional Foresters

Employee Members

Mr W. Brack	}	Transport and General Workers' Union
Mr S.K. Neale		National Union of Civil and Public Servants
Mr T.E. Radford		

Education and Training Members

Mr R. Shapland	Craft/Diploma Courses (England and Wales)
Mr W.J. Hedley	Craft/Diploma Courses (Scotland)
Dr J.C. Hetherington	Degree Level Courses

Forestry Society etc. Members

Mr G. Little	British Timber Merchants' Association (England and Wales)
Mr R. Callander	United Kingdom Softwood Sawmillers' Association
Mr W.H. Gregory	Institute of Chartered Foresters
Mr J. Brown	Royal Scottish Forestry Society
Mr E.H.M. Harris	Royal Forestry Society of England, Wales and Northern Ireland
Mr P. Collis	Arboricultural Association

Technical Secretary: Mr G. Robertson

The Council met in May and October 1990. The Annual Report of the Council is at Appendix III.

Forestry Safety Council

Mr J.W.L. Zehetmayr (<i>Chairman</i>)	}	Timber Growers United Kingdom
Mr M. Crichton Maitland		British Timber Merchants' Association (England and Wales)
Mr K.J. Ramsay		United Kingdom Softwood Sawmillers' Association
Mr G. Little		Transport and General Workers' Union
Mr R. Callander		General, Municipal, Boilermakers and Allied Trades Union
Mr W. Brack		Association of Professional Foresters
Mr B. Leathwood		Forestry Training Council
Mr P.B. Munn		Forestry Commission
Mr G. Machin		Forestry Commission Safety Officer
Mr G. Robertson		
Mr C.W. Simmonds		
Ms E. Ramsay		

Secretary: Mr A.G. Tregoning

The Council met in September 1990 and March 1991. The Annual Report of the Council is at Appendix IV.

APPENDIX II

Home Grown Timber Advisory Committee

Annual Report for the Year Ended 31 March 1991.

The Committee held four meetings during the year, in June, September and December 1990 and March 1991. The new three-year term of the Committee, from 1 August 1990, saw the appointment of thirteen new members out of a total membership of twenty-five. Changes in the representation of various sectors of the forestry industry, recommended by the Committee, were implemented, one change being that the Chairman of the Forestry Industry Committee of Great Britain became a member. Details of the membership at 31 March 1991 can be found at Appendix I of the Forestry Commission Annual Report of which this report forms a part. At their September meeting, the Committee expressed good wishes to Mr Gwyn Francis on his retirement as Director General of the Forestry Commission, paying tribute to the important contribution he had made to forestry during a difficult period.

During the year, Committee members continued to express their disappointment at the low level of new planting, reflecting the fact that applications under the Woodland Grant Scheme, although holding up in terms of numbers, were of much smaller average size. The Committee's calls for additional assistance for woodland owners in the form of management grants or increased planting grants were answered by the Government's announcement in July 1990 that management grants would be introduced under the Woodland Grant Scheme from 1 April 1992. The Committee welcomed the Government's recognition that the net costs of managing woodlands during their establishment phase would increase as a result of the phasing out of tax reliefs for management expenditure following the 1988 Budget. The Committee were also pleased that the additional costs of managing woodlands of special environmental interest had similarly been acknowledged in the new management grant arrangements. Some members were concerned, however, that the new grants would not be index-linked and would lose some of their real value before they were introduced in 1992. A further change welcomed by the Committee was the Government's announcement in December 1990, following a review of the Woodland Grant Scheme rates by the Forestry Commission, of significant increases to the Better Land Supplement payable for new planting on arable or improved grassland, with higher rates for broadleaved planting.

As reported last year, the Committee have been taking a close interest in the debate over the relationship between afforestation and surface water acidification, following a critical report by the Welsh Water Authority. The Committee were pleased to note that a workshop, organised jointly by the Forestry Commission and the Department of the Environment, had been convened in Darlington in June 1990 to bring together leading scientists from both the forestry and water industries to review the range of evidence. The Committee expressed satisfaction with the outcome and voiced the hope that it would lead to a better understanding of the complex factors involved and encourage additional new planting, especially in Wales where the potential problem had been given most publicity. The conclusion of this workshop was that the causal agent for acidification of freshwaters was air pollution, but trees under certain conditions (high incidence of mists) were effective in purifying the air by removing pollutants and that this could add to the general level of acidity from rainfall in these special circumstances. This led to a revision of the Forestry Commission Water Guidelines designed to minimise the extent of such effects on water quality and this was well under way by the end of the year under report.

The Committee welcomed the Government's decision to pay special planting grant supplements to owners of woodlands in southern England, the Midlands and Wales, to help repair the damage inflicted by the storms in late January and in February 1990, although they were disappointed that this had been restricted to restocking with broadleaves. The salvaging of storm-damaged timber had highlighted the potential dangers of windblow clearance. The Committee agreed that the health and safety aspect of such work needed to be stressed to ensure that untrained people were not employed on this work. At the request of the Committee, the Forestry Safety and Forestry Training Councils were approached to reinforce the dangers associated with the clearance of storm-damaged timber, and replies indicated that a voluntary system of certificates of competence for chain saw workers was being introduced from 1 January 1991. Guidance notes on training and certificates of competence being prepared by the Health and Safety Executive, while not mandatory, would give advice on the best practice amongst other things for dealing with windblown timber. The Committee saw these moves as a step in the direction of a requirement making the use of trained personnel for such work compulsory.

At their September meeting, the Committee considered the operation of the Environmental Assessment (Afforestation) Regulations 1988 since their introduction in July 1988. They were pleased to note that the number of requests for Environmental Statements from applicants for new planting was not far removed from that envisaged by Ministers. The Committee were pleased to accede to a request from the Forestry Commission to comment on draft guidelines for the preparation of Environmental Statements, including a model Statement, and several members submitted detailed suggestions.

The Committee considered the various means of plant health control, including kiln-drying and fumigation by methyl bromide, and sought assurances from the Forestry Commission that such procedures were being applied in a safe manner and were proving effective as an interim measure. They maintained a watching brief on developments in the field of plant health, especially in the context of the storm damage on the continent and the risk of the importation of peeled roundwood not wholly free from bark and of bark itself. Concern was expressed, however, that protective measures introduced by the European Community against the Pine Wood Nematode (PWN), involving the kiln-drying of wood, would create problems for the processing industry by forcing domestic firms to introduce their own kiln-drying equipment more quickly than had been planned. The alternative proposal that the UK might seek a temporary derogation for Canadian imports of green timber was of equal concern as this might lead to a flood of imports.

The Committee considered the status of research work on the kiln-drying of timber to be used in the construction industry. They accepted that further research on methods of conventional kiln-drying was unnecessary and noted that the Timber Research and Development Association would be publishing a summary of the recent work on high temperature kiln-drying which it had been decided would not be pursued further at this time.

At their March meeting, the Committee considered a report by the Forestry Commission's Director Research on the work currently being carried out by his Division. Much research effort had gone into determining the extent to which forestry could fix carbon dioxide, thus helping to keep down the level of greenhouse gases in the atmosphere, and also into the relationship between trees and surface water acidification. Among the many other areas of research outlined, the Committee expressed particular interest in the development of a hopper which would enable grey squirrels to be controlled without damaging other small mammals, including, hopefully, red squirrels, and birds. The Committee saw a successful outcome of this project as crucial in controlling the immense damage done to broadleaved trees by grey squirrels. The Committee urged the Forestry Commission to extend control measures into urban areas, where there were large populations of the pest, and sounded a warning on the need to include the proposed new community forests in any control programme. The Committee congratulated the Director Research on the excellent and highly relevant work being carried out by his staff.

The Committee paid special attention to the multi-purpose aspects of forestry. They considered the Government's White Paper on the Environment and, while expressing disappointment that forestry had received only a brief mention, accepted that the White Paper had nonetheless adopted a very positive attitude to the benefits of forestry.

Procedures for maintaining public access to Forestry Commission woodlands selected for sale were considered and endorsed by the Committee. The proposed system of access agreements, negotiated with individual local authorities before the sale of the land, was seen as a practical and satisfactory way to solve a difficult legal problem. It was recognised that leasehold or other title constraints could preclude this provision in some sales.

The compilation of accurate forecasts of future timber production was seen by the Committee as being of crucial importance to the wood-using industry in planning future programmes. The Forestry Commission was able to forecast its future production with reasonable accuracy, but difficulties arose in the private sector due to the large number and diverse nature of private woodlands. The Committee considered a report from the Supply and Demand Sub-Committee on this issue, following which an informal group comprising representatives of the Forestry Industry Committee of Great Britain, two of the forest management companies and the Forestry Commission was set up to explore possible solutions. This group had met on two occasions by the end of the year under report.

At their December meeting, the Committee discussed the serious situation in the softwood sawn timber market, with mills holding large and increasing stocks of sawnwood which were extremely difficult to market on suitable terms because of the general recession in trade; the possibility of mill closures seemed to be a real one. The indirect effects, such as the reduction in sawmill residues available for the pulp, paper and wood-based sectors of the industry, were also potentially serious. The Committee agreed that the airing of the difficulties had been beneficial in bringing the seriousness of the problem, and the implications for wood prices, to the attention of timber growers.

At their March meeting, the Committee considered the proposed internal reorganisation of the Forestry Commission, announced by the Secretary of State for Scotland earlier that month. The initiative was generally welcomed by the Committee, although fears were expressed that the proposed division of Forestry Authority and Forestry Enterprise functions might make privatisation of the Enterprise more likely. The Committee congratulated the Commission for its speedy and positive action in setting up the reorganisation and stressed the great importance of ensuring that the cross-fertilisation between staff of the Authority and Enterprise would still be possible.

Apart from its work on the production forecast described above, the Supply and Demand Sub-Committee gave its customary report to the main Committee on the wood supply and demand position in the various sectors of the industry over the previous year (1990). Although the first half of the year had seen a continuing highly competitive market for all products, both at home and overseas, the second half had witnessed a reduction in UK consumption due to high interest rates resulting in a marked cutback in consumer spending; to these recessionary factors was added the fall in confidence due to the threatening situation in the Gulf. The low level of house building in particular affected the wood market. Planned shut-downs of processing companies due to the recession did not augur well for industry prospects in 1991.

During the year, the Technical Sub-Committee considered a wide range of technical topics. Plant health was a subject much to the fore, especially aspects of the kiln-drying of timber to eliminate pests. Concern was expressed over the importation of bark, despite its having been fumigated, and over the proposal, arising from the introduction of the Single European Market in 1992, that the inspection of plants and plant products imported from other Member States would be transferred from the point of entry to the place of production. Other topics discussed included research on short-rotation forestry, using such species as poplar, willow and alder to produce biomass and possibly a timber crop, surface water acidification, and the implications for forestry of global warming. Recommendations were made for work on the harvesting of residues from the forest and on wood quality, particularly the causes and effects of shake in oak. Strong support was given to the work currently being undertaken to ensure acceptance of British timber in Eurocode 5.

Once again, the Committee would like to take the opportunity to thank the Sub-Committees for their support and advice throughout the year.

APPENDIX III

Forestry Training Council

Annual Report for the Year ended 31 March 1991

Meetings of the Council took place on 3 May and 24 October 1990 and of the Management Committee on 19 October and 18 December 1990. In addition, the Training and Education Sub-committee and Grant Award Committee met at various times during the year.

The Register of Approved Instructors continued to provide the industry with information about Instructors who have been assessed to the standards required by the Council. The Register has proved to be a very useful source of reference for the forest industry. By the end of the year over 200 Instructors were included and on a geographical basis allocated to Regional Verifiers whose function will be to solve local problems and to monitor training and assessment standards.

Work on defining the competences required at various levels within the framework laid down by the National Council for Vocational Qualifications (NCVQ) and the Scottish Vocational Education Council (SCOTVEC) has resulted in accreditation of Levels I (Foundation) and II by both organisations. The Level I award consists of 9 units, all of which are mandatory, whereas the Level II consists of 16 units, 6 of which are mandatory with two options selected from the remaining list enabling candidates to gain a recognised vocational qualification. Work on defining competences at the higher levels will be undertaken during 1991/92.

The creation of Training Enterprise Councils in England and Wales and Local Enterprise Companies in Scotland has resulted in difficulties in obtaining funding for the Youth Training Scheme. The Managing Agents who have provided youth training in forestry will be obliged to make changes in the light of these developments and it is expected that they will offer the Level I and II vocational qualifications described earlier.

The Council has worked closely with a number of organisations in order to make Certificates of Competence for Chain Saw Operators available for those who wish to comply with Health & Safety Executive Guidance Note GS48, published in December. Early indications are that this is a very welcome move within the land-based sector and over 300 chain saw operators have already obtained this new Certificate of Competence.

The Council continues to be represented on the Forestry Safety Council, the Scottish Vocational Education Council, the Arboricultural Safety Council, the National Examinations Board and the Forestry Advisory Committee of Inverness College and liaises with a number of other organisations and industry lead bodies. The Council greatly appreciates the help and co-operation it has received from many individuals and organisations from whom it has sought assistance.

Signed for the Forestry Training Council.

D. A. Mithen, *Chairman*
G. K. Robertson, *Technical Secretary*

APPENDIX IV

Forestry Safety Council

Annual Report for the Year Ended 31 March 1991

The full Council met twice during the year, at Stone on 26 September 1990 and at Forestry Commission Headquarters on 19 March 1991, while the events set out below necessitated two meetings of an ad hoc working group on 31 July and 5 December 1990. After the extensive reviews of the safety guides reported last year there was no call for the Guides Sub-Committee to meet, though some minor revisions were made and a folder designed and issued to hold a set of guides.

The pause in the routine work of the Council was most welcome given the repercussions stemming from the Second Report published early in 1990 by the House of Commons Agriculture Committee on 'Land Use and Forestry'. This recommended that "the Government investigate as a matter of urgency the effectiveness of health and safety regulations in the forestry sector", to which the response was that "the Government notes the concern of the Committee and in view of its industry-wide implications the Forestry Safety Council will be invited to consider the matter further".

As a result, a report has been under preparation since July 1990, progressed at the normal and special meetings. An outline was presented to the Director General of the Forestry Commission by August to propose that a survey should be mounted to establish the current position.

Once approved and financed, this was designed and a first trial made in January. The objective was to estimate by sampling both implementation and awareness of safety measures across the industry's workforce. It covered working methods, tools and machinery and protective clothing, using the safety guides as the standard, in addition to experience training and accident record. Anonymity for those taking part was assured, and the response to the main survey under way as the year ended had been excellent. Also at year's end, the final report was well in hand awaiting the survey results and was due for presentation by 1 July 1991.

Apart from this major task, the subjects considered by Council during the year included:

- *Code of Practice for the Safe Use of Pesticides on Farms and Holdings.* This Approved Code of Practice was issued by MAFF and HSE in May 1990.
- *Protective Clothing for Chain Saw Operators.* Members were made aware of and discussed progress in drafting a European Standard for both clothing specification and its testing.
- *HSE Guidance on Chain Saws.* HSE Guidance Note GS48 *Training and Standards of Competence for Chain Saws in Agriculture, Arboriculture and Forestry* was issued in December 1990. Members of the Council had been given the opportunity to make comments to HSE prior to issue.
- *Use of Lindane and Synthetic Pyrethroids.* Provisional approval for use of synthetic pyrethroids has been extended. Development of safe working methods has continued.
- *Publicity of Forestry Safety Guides.* Display stands have been designed and distributed for use at shows. A small folder to hold the guide series has also been made available.

The Constitution of the Council was amended to recognise the dual role of the Forestry Commission's Safety Officer as Technical Officer to the Council with a special responsibility for the safety guides under the overall view of the Guides Sub-Committee.

During the year the Safety Officer for the last five years, Mr J.B. Teasdale, retired and the Secretary for the last three years, Miss M. Lewis, moved on promotion. The Council thanks them for their work. Their places were taken by Ms E. Ramsay and Mr A. Tregoning respectively.

J. W. L. Zehetmayr, *Chairman*
Ms E. Ramsay, *Technical Officer*

APPENDIX V

Assistance for Storm Damaged Woodlands

Announcement made by the Minister of Agriculture, Fisheries and Food on 3 May 1990.

The Rt. Hon. John Gummer MP, Minister of Agriculture, Fisheries and Food, made the following announcement in a Written Answer to a Parliamentary Question about financial assistance for the restoration of storm damaged woodlands.

“Immediately after the initial storm on 25 January 1990, the Forestry Commission set up a forest windblow action committee based on the model of the successful committee it established following the storm in October 1987. The action committee were given the task of assessing the full scale of the damage to woodlands in those areas badly affected by the 25 January storm and those which followed, in southern England, Wales and the Midlands, and making recommendations to the Commission. Although storms occurred at this time in other parts of Britain, the damage to woodlands in these areas was not of the same exceptional nature.

In their recently published report, copies of which have been placed in the Library of the House, the action committee have estimated that the volume of timber blown down in woodlands in the areas concerned was of the order of 1.3 million cubic metres. This compares with nearly 4 million cubic metres blown down in the October 1987 storm. Most of the damage (some 82 per cent by volume) was sustained in conifer woodlands, 55 per cent of which were in private ownership. The damage to broadleaved woodlands, over 90 per cent of which were privately owned, mainly affected mature and over-mature trees, particularly beech. The action committee recommended that special assistance towards replanting should be made available to the owners of the storm-damaged woodlands in the form of supplements to the Forestry Commission’s normal planting grants.

In considering the action committee’s recommendations, I have had regard to the effect that the additional volumes of timber arising from the recent storms are likely to have on the market price of wood in the areas concerned. Following the storm in 1987, timber prices were severely depressed as a result of the glut of wood on the market. It is clear that the salvaging and sale of the broadleaved timber arising from this year’s storms will, in the majority of cases, again fail to provide a sufficient return to cover the necessary replanting, bearing in mind the extraordinary expenses that owners will face both in the difficult task of preparing the sites for planting and in the planting itself. Against this background, my Rt. Hon. Friend, the Secretary of State for Wales, and I have decided to provide a special supplement of £400 per hectare for broadleaved replanting in those woodland areas damaged by the storms, to be paid on top of the Forestry Commission’s normal planting grants, on the same basis as the effective arrangement we introduced after the 1987 storm. By contrast, the softwood market is not much affected on this occasion and the conifer woods can be expected to pay their own way with the help of the standard planting grants.

The supplement for broadleaved planting, which is at the same level as that paid after the 1987 storm, will be available over the next four years for all eligible replanting carried out by applicants under the Woodland Grant Scheme and by those who still qualify under the Forestry Commission’s dedication schemes. Applications will be considered for those woodlands in the Commission’s East England, West England and Wales Conservancies which were damaged in the succession of severe storms which occurred over the period from 25 January 1990 to the end of February 1990. The European Commission is being informed under the provisions of Article 93 of the Treaty of Rome.

Full details of the administrative arrangements for the new supplement will be set out in a Forestry Commission leaflet to be published shortly, copies of which will be placed in the Library. Any owners who have already taken steps to secure the replanting of their storm-damaged woods with broadleaves under the Commission’s grant schemes will not be placed at a disadvantage as we have agreed that the supplement may be applied to them retrospectively.

It is estimated that the total cost of the supplement will be £320,000 spread over the four-year period. This will be in addition to the estimated cost of the normal grants for replanting the damaged woodlands (including the conifer woodlands) of £1.68 million, also spread over four years. There will be no addition to the overall provision from public expenditure programmes set out in Cm.1003.

The storms have left a trail of devastation, and we hope that the supplement now on offer, taken with the Forestry Commission’s normal planting grants, will serve to encourage the restoration of well-loved woodland landscapes.”

APPENDIX VI

BROADLEAVES POLICY REVIEW

Announcement made by the Secretary of State for Scotland on 23 July 1990.

The Rt. Hon. Malcolm Rifkind QC MP, the then Secretary of State for Scotland, made the following announcement in a Written Answer to a Parliamentary Question about the outcome of the Government's review of its policy for broadleaved woodland.

"The Government's policy for broadleaved woodland was announced on 24 July 1985 in a statement to the House by my Rt. Hon. Friend, the Member for Ayr (Official Report, cols 557-562). The main objective of the policy was described in the statement as being 'to maintain and enhance the value of Britain's broadleaved woodland for timber production, landscape, recreation and nature conservation'. The statement also listed a number of complementary aims which would involve the planting of more broadleaved trees and the better management of broadleaved woodlands to serve a range of needs.

Several new measures designed to achieve the policy aims were introduced or foreshadowed by the 1985 statement, such as the preparation of Forestry Commission guidelines on the management appropriate to various types of broadleaved woodland; a substantial reduction in the volume of timber - both broadleaved and conifer - that could be felled without a licence, directed mainly at arresting the depletion of ancient woodlands; and the introduction of a Broadleaved Woodland Grant Scheme designed to assist in the rehabilitation of neglected woodland and to encourage the creation of new multi-purpose broadleaved woods. The main features of the Broadleaved Woodland Grant Scheme were incorporated in the Woodland Grant Scheme following our decision to remove forestry from the scope of income tax and corporation tax in 1988.

In the 1985 announcement we stated that the operation and effectiveness of the new measures would be reviewed after some three years. That review was put in hand in October 1988. As a first stage, information was assembled by the Forestry Commission on the progress achieved against the aims and measures set out in 1985 and presented in a report entitled *Broadleaved Policy - Progress 1985-1988*. Copies of the report were sent to over 600 individuals and organisations for comment. A great many helpful and constructive replies were received by the summer of 1989, and the Forestry Commission then held bilateral discussions with the Nature Conservancy Council, the Countryside Commission, Timber Growers UK, the Country Landowners Association, the Institute of Chartered Foresters, the National Farmers Union and Wildlife Link. We are also indebted to the Agriculture Committee of this House for the observations they made on this topic in their report issued earlier this year on 'Land Use and Forestry' (HC 16-1).

What became immediately clear from the review was the very considerable success that the policy has had in extending the area of broadleaves throughout the country. In 1984-85, some 9% of grant-aided planting by private owners was with broadleaves; by 1988-89 this had risen to around 17%. The policy has also been successful in arresting the loss of broadleaved woodland and in focusing attention on the irreplaceable contribution that the semi-natural woodlands make to our environment.

A number of bodies saw a need for further increases in the broadleaved planting grants. The Government has considered the case for this with care, but against the background of the considerable expansion in broadleaved planting that has taken place since 1985 and the substantial rise in grant rates which occurred with the introduction of the Woodland Grant Scheme in 1988, we have concluded that there is no evidence that the grants on offer have been inadequate. The Government will, however, keep the rates of grant under review.

The most important single issue to emerge from the broadleaves policy review, however, and one which was shared by the broad spectrum of forestry and environmental interests consulted, relates to the need to encourage good multi-purpose management of the various types of broadleaved woodland. Concern over this issue has been highlighted by the decision taken in the 1988 Budget to remove tax reliefs on woodland management expenditure, although transitional provisions were introduced for these reliefs to continue for existing woodland owners until April 1993.

The comments received on this issue have related not only to the costs of managing broadleaved woodlands over the very long period between establishment and the first returns from the sale of timber, and of bringing neglected woodlands back into production, but also to the lack of the necessary incentives to encourage owners to adopt practices that would have environmental benefit over and above normal maintenance work. Particular concern has been expressed by a number of bodies that owners are not receiving the special help required to enable them to meet the more exacting multi-purpose objectives and the associated higher costs of managing ancient semi-natural woodlands.

The Government accepts that more needs to be done to ensure the better management of our broadleaved woodlands in the future, to encourage owners to bring neglected woodlands into a healthy and productive state, and to provide owners with the necessary incentives to maintain and improve the environmental value of their woodlands. We have therefore decided to make woodland management grants available under the Forestry Commission's Woodland Grant Scheme. In the light of the changes to the forestry tax arrangements and the considerable scope which exists to improve the environmental value of all types of woodland, we have further decided that woodland management grants will be made available for conifer as well as broadleaved and mixed woodlands.

To qualify for the new grants, woodland owners will be required to agree to a five-year plan of operations with the Forestry Commission which will set out the management objectives for the woodland and prescribe operations which will advance those objectives during the period of the plan. The grants will be paid annually in arrears subject to satisfactory implementation of the plan. A lump sum payment of £100 will also be available from the Forestry Commission for owners who draw up management plans for the first time with the benefit of professional advice for areas eligible for the woodland management grants. This assistance will not be available, however, for planting plans.

There will be two types of woodland management grant:-

- a. standard management grants, which will be payable during the normal maintenance period following the initial establishment phase of the woodland - for conifer woodlands between 11 and 20 years of age and for broadleaved woodlands between 11 and 40 years. In return for these grants owners will be obliged not only to carry out normal silvicultural operations to a high standard but also to take such steps as may be agreed between them and the Forestry Commission to increase the environmental value of the woodlands;
- b. special management grants, which will be payable for woodlands of special environmental value of any age above 10 years. In return for these grants, the owner will be required to agree to take specified action which will maintain and enhance the woodland's special character. Woodlands in this category will be those which in the Forestry Commission's view are of special value for nature conservation, landscape, public recreation or a combination of these by virtue of their nature, location or use. There will be a presumption that conifer and broadleaved woodlands properly classified as ancient and semi-natural on the inventory being drawn up by the Nature Conservancy Council will qualify, as will those of special landscape value in National Parks, Areas of Outstanding Natural Beauty and National Scenic Areas or which are covered by woodland TPOs, but each case will, of course, have to be considered on its merits. Any woodland, whether or not in a nationally designated area, may qualify if the owner has proposals to establish, develop or improve free facilities for public access or for public recreation in the woodland, provided the proposals are in keeping with public demand for such facilities and are accepted by the Forestry Commission. Owners in receipt of this special management grant will not be eligible to claim the standard management grant in respect of the same area.

A supplementary grant will be paid for woodlands of less than 10 hectares in either of the above categories in recognition of the higher management costs involved.

Woodlands which are currently in receipt of grants from other public bodies will not be eligible for the woodland management grant, except for those established under the Farm Woodland Scheme. The annual payments to farmers under that scheme are compensation for agricultural income forgone, and are not provided for the purpose of defraying maintenance expenditure.

The rates of woodland management grant and their periods of eligibility are given in the table below.

Subject to clearance by the European Commission under the terms of Article 93 of the Treaty of Rome, this significant extension to the Woodland Grant Scheme will come into operation on 1 April 1992, with the first grants being paid in 1993-94. It is estimated that the annual cost of the new grants will be of the order of £5 million once the system has built up; this will be found by the Forestry Commission from within existing resources.

The Commission will be issuing detailed guidance on the management grants early next year, to enable woodland owners to put the preparation of management plans in hand. Some woodland owners are able to claim tax relief on the cost of managing their woodlands under the transitional taxation arrangements that will continue until April 1993, but tax relief for 1992-93 will not be available on woodlands for which management grants are received for that year.

Turning to other features of the review, it is clear that the guidelines for the management of broadleaved woodland prepared by the Forestry Commission in 1985 have generally served their purpose well. It was advanced, however, by a significant number of commentators that the guidelines were not being interpreted by all the parties concerned with sufficient sensitivity to regional or local variations. The Government is clear that the guidelines must not be treated as hard and fast rules but should be interpreted flexibly enough to enable appropriate local and regional factors which affect woodland management to be taken into account. We have asked the Forestry Commission to ensure that this is done.

Under the present provisions of the Woodland Grant Scheme, planting grants are paid for the initial establishment of new coppice stools but only on the basis of traditional coppice rotations. We have decided that this is unnecessarily restrictive and the Forestry Commission will be introducing an amendment to the Scheme so that the establishment of short rotation coppice will be eligible for planting grants, subject of course to the silvicultural and environmental conditions of the Scheme being met. Coppice woodland can have particularly high conservation value if managed in a traditional way and will be eligible for the woodland management grant provided that the other conditions are met.

A number of bodies thought that increased provision should be made for open spaces in determining the areas eligible for Forestry Commission planting grants. In administering the Woodland Grant Scheme the Commission is already fully aware of the value of open ground and the associated edge habitats for reasons of landscape, nature conservation, recreation and game management. There can be no question of planting grants being paid on large areas left unplanted. We have, however, asked the Commission to continue to adopt a flexible approach, particularly where a modest amount of open space over and above what is normally required for roads and rides would bring significant benefits to the woodland environment.

We are very conscious of the cost and difficulties of growing some species of broadleaves in those areas where populations of grey squirrel are high. The review has indicated that the setting up of grey squirrel control groups has met with only limited success. We have asked the Forestry Commission to persevere with these initiatives since co-operative effort is essential. In areas vulnerable to grey squirrels, prescriptions for their control will be an obligatory part of the approved management plan on which grant will be paid.

In our recent response to the Agriculture Committee's report on 'Land Use and Forestry', we agreed that Coed Cymru was a useful illustration of the effective integration of advisory services which had been successful in delivering advice to woodland owners. We have asked the Forestry Commission to consider encouraging parallel projects as one of the important means of providing an effective advisory service elsewhere in Britain. The Forestry Commission will also seek to increase the help which its own foresters can give, particularly in the co-ordination of advice, the training of advisers and the better marketing of the produce from broadleaved woods.

The Government is grateful to all those who contributed so constructively to this review of broadleaves policy, and we are sure that the decision to introduce woodland management grants will be particularly welcomed by both forestry and environmental interests. The policy we introduced in 1985 has proved to be soundly based and has already had a significant impact on British forestry. With the changes I have announced, we are well placed to continue with the important task of conserving and enhancing the value of our woodland heritage.

Woodland Management Grants: Grant Rates Effective from 1 April 1992

Type of Grant	Period of Eligibility (age of wood in years)	Rate of Grant (£ per ha per annum)
Standard Management Grant		
Conifer	11-20	10
Broadleaved	11-40	25
Special Management Grant	11 onwards	35
Supplement for small woods		
Standard: Conifer	(as for main grant)	5
Broadleaved	(" " " " ")	10
Special grant	(" " " " ")	10

Note: Mixed woodlands will be eligible for the broadleaved and conifer element of the grant in proportion to the area occupied by the two categories".

APPENDIX VII

Continued Public Access to Forestry Commission Woodlands after Sale

Announcement made by the Secretary of State for Scotland on 21 November 1990.

The Rt. Hon. Malcolm Rifkind QC MP, the then Secretary of State for Scotland, made the following announcement in a Written Answer to a Parliamentary Question about continued public access to woodlands disposed of by the Forestry Commission.

“The Forestry Commission welcomes the public on foot to all its woodlands, provided that this does not conflict with forestry operations and that there is no legal or other constraint on public access.

In answer to a question from my Hon. Friend on 16 June 1989 (Official Report, cols 544 and 545), I made a statement on the Forestry Commission’s disposal programme. In this I expressed the Government’s concern that the general public should continue to enjoy access to those forests to be disposed of by the Commission in a way which is compatible with management for forestry and other purposes.

My Right Hon. Friends and I have given careful consideration to ways of achieving this objective. In doing so, we have had regard to the nature of access enjoyed by the public at present and the need to ensure that any measures which we adopt are effective, avoid needless bureaucracy and achieve a proper balance between public enjoyment and the ability of the new owner to manage his woodland.

We have concluded that it would not be appropriate to proceed by way of new legislation, since this could not be framed in a sufficiently flexible way to cover the widely-differing circumstances affecting woodlands throughout Great Britain. The option of imposing access conditions on sale has also had to be ruled out on the basis of legal advice that these would be of doubtful effect against subsequent owners.

Instead, we have decided that the best way forward will be for the Government to ask the Forestry Commission to give advance notice to local authorities in England, Scotland and Wales of intended disposals of woodlands under its management, and to offer to enter into legal agreements with them which will provide for continued public access to the woodlands after sale. Such agreements will be compatible with the management of the woodlands for forestry and other purposes and will be binding on subsequent owners. These arrangements will apply to those woodlands where there are no existing legal or other constraints on public access to the land and it will, of course, be up to individual local authorities to decide whether they wish to enter into an agreement with the Forestry Commission for any particular woodland prior to sale.

We see a number of advantages in these procedures. They can be introduced quickly. They will be tailored to suit local circumstances. Most importantly, the elected representatives of local people will be fully involved in the process, so reflecting the value that we attach to continued public use of the woodlands concerned.

The Forestry Commission, with the co-operation of the Countryside Commission and the Countryside Commission for Scotland, will publish Guidelines setting out the details of these arrangements, after consulting with appropriate public and private bodies concerned with public access to the countryside, forestry and land management.

We intend that the new arrangements will be introduced as soon as possible. In the meantime, the Forestry Commission will defer the sale of woodlands which are particularly sensitive in relation to public access.

By taking this initiative, we are demonstrating the Government’s firm commitment to maintaining and improving public access to the countryside.”

APPENDIX VIII

Increased Better Land Supplement

Announcement made by the Secretary of State for Scotland on 12 December 1990.

The Rt. Hon. Ian Lang, Secretary of State for Scotland, made the following announcement in a Written Answer to a Parliamentary Question about the rates of grant for forestry planting.

“The Government considered the rates of grant for broadleaved planting as part of their recent review of broadleaves policy, the outcome of which was announced by my Right Hon. and Learned Friend the Member for Edinburgh, Pentlands (Mr Rifkind) on 23 July in reply to a question from my Hon. Friend, Official Report, columns 6-11.

We concluded that against the background of the considerable expansion in broadleaved planting that had taken place since we introduced our new broadleaves policy in 1985, and given the substantial rise in grant rates which accompanied the introduction of the Woodland Grant Scheme in 1988, there was no evidence that the planting grants on offer were inadequate. At the same time, however, we were able to announce that woodland management grants would be introduced under the Woodland Grant Scheme for both broadleaved and conifer woodlands from 1 April 1992, with enhanced rates of grant for woodlands of special environmental value. This move has been widely welcomed.

We have also reviewed the rates of grant for conifer planting and, as with broadleaves, we have concluded that there is no convincing case at present for general increases under the Forestry Commission's grant schemes. There has been a drop in conifer planting, but it is our view that this has been due not to any inadequacy in grant rates as such but to a combination of factors, including the price and availability of suitable land and the general economic situation.

Nevertheless, it remains an important part of our forestry policy that a higher proportion of planting should take place on low ground of better quality than hitherto. We have therefore decided to increase the better land supplement of £200 per hectare, which is available as a top-up grant under the Woodland Grant Scheme for planting on arable land or grassland which has been cultivated and improved within the previous ten years. The new rates will be £400 per hectare for conifer planting and £600 per hectare for planting with broadleaves, and will apply to any eligible planting done under the Scheme on or after 1 October 1990. The supplement is not available under the Farm Woodland Scheme, for which special annual payments are made by the Agriculture Departments.

The cost of the higher supplements will be in the region of £1 million per annum; this will be met from within existing resources.

I am sure that these increases in the better land supplement will lead to considerably more planting on better land 'down the hill' and that they will be welcomed by landowning and environment interests alike.”

APPENDIX IX

Reorganisation of the Forestry Commission

Announcement made by the Secretary of State for Scotland on 6 March 1991.

The Rt. Hon. Ian Lang MP, Secretary of State for Scotland, made the following announcement in a Written Answer to a Parliamentary Question about the Government's plans to improve the delivery of its forestry policies and to reorganise the Forestry Commission.

“The Government's forestry policies have been developed and refined over recent years. We are encouraging more planting on better quality land than hitherto and the creation of forests close to major centres of population. As noted in the Environment White Paper, the Government has also taken steps to build environmental objectives into forestry policy. A much greater emphasis is being placed, for instance, on the planting of broadleaves and on the conservation of existing forests and woodlands. At the same time, the value of forestry output is increasing in line with the steady rise in timber production and processing. We are committed to the concept of multi-purpose forests, with all that they can offer in economic, social and environmental terms.

Against this background, we have been concerned to ensure that the Forestry Commission is organised to take full advantage of the new opportunities now opening up for forestry. This will require a strong and flexible Commission, which can focus its resources to deliver our policies for the development of forestry as cost-effectively as possible. To this end, we see advantage in changes being made to the Commission's management structure to achieve a clearer administrative distinction between those staff concerned with its regulatory and advisory duties as a Government Department and those engaged in the management of its forests. We have therefore endorsed a proposal by the Forestry Commissioners that the Commission should be reorganised along these lines.

The Commission's staff will be given more precisely defined responsibilities and goals. This will improve the effectiveness of the Authority, which will have a responsibility to oversee the work of the Enterprise as well as the private sector. Enterprise managers will be free to concentrate on the efficient management of the Commission's forest estate, with clear commercial, environmental and social objectives.

I emphasise that this will be an internal reorganisation. Last year, in responding to their report on 'Land Use and Forestry', we rejected a recommendation by the Agriculture Committee that the Commission should be split up. This reorganisation fully accords with that decision.

The implementation of the reorganisation will now be put in hand by the Forestry Commissioners.”

APPENDIX X

New Publications

Report

70th Annual Report and Accounts of the Forestry Commission 1989-90 (£12.00)

Report on Forest Research 1990 (£15.00)

Bulletins

No. 89 Nitrogen Deficiency in Sitka Spruce Plantations, by C.M.A. Taylor and P.M. Tabbush (£3.00)

No. 90 Barn Owl Conservation in Forests, by G. Shaw and A. Dowell (£3.00)

No. 91 The Timbers of Farm Woodland Trees, by J.D. Brazier (£3.00)

No. 92 Poplars for Wood Production and Amenities, by J. Jobling (£6.00)

No. 93 Ash Dieback: A Survey of non-woodland Trees, by S.K. Hull and J.N. Gibbs (£4.80)

No. 94 Monitoring of Forest Condition in Great Britain 1989, by J.L. Innes and R.C. Boswell (£8.50)

Field Books

No. 10 Champion Trees in the British Isles, by A.F. Mitchell, V.E. Hallett and J.E.J. White (£3.80)

No. 11 Mid Diameter Volume Tables (£3.65)

No. 12 Assessment of Tree Condition, by J.L. Innes (£15.00)

Guidelines

Forest Nature Conservation Guidelines (£4.50)

Occasional Papers

No. 25 A New Series of Windthrow Monitoring Areas in Upland Britain, by C.P. Quine and B.R. Reynard (£1.50)

No. 26 Forest Bird Communities, by S.J. Petty and M.I. Avery (£5.00)

No. 27 Forest Employment Survey 1988-89, by Jean Thompson (£1.50)

No. 28 Edge Management in Woodlands, edited by R. Ferris-Kaan (£2.50)

Miscellaneous

Scotland's Forest Heritage (£5.00)

In addition, the following free publications were produced:

WGS Applicants Pack - Pack containing booklets and application forms for potential applicants to the Woodland Grant Scheme.

The Forest Environment - Full colour booklet which describes and highlights the environmental standards required by all applicants to the Woodland Grant Scheme when preparing forestry planting.

Grants and Procedures - Details the regulatory requirements of tree planting and felling in Great Britain.

Forestry Review (a popular version of the Annual Report)

Forest Research (an account of the work of the FC's Research Division)

Library and Information Service Leaflet

Forestry Facts and Figures 1989-90

APPENDIX XI

Statistical Tables

Forestry Authority

AREA OF LAND MANAGED UNDER FORESTRY COMMISSION GRANT SCHEMES POSITION AT 31 MARCH 1991

Table 1 Area in hectares

	England		Wales		Scotland		Great Britain	
	Number	Area	Number	Area	Number	Area	Number	Area
Basis I and II Dedication Schemes	1,410	127,999	307	20,542	787	163,138	2,504	311,679
Basis III Dedication Schemes	237	12,092	52	4,947	377	60,651	666	77,690
Forestry Grant Schemes	1,329	26,644	166	5,722	1,438	112,707	2,933	145,073
Broadleaved Woodland Grant Schemes	3,909	30,031	542	2,111	923	3,015	5,374	37,090
Woodland Grant Schemes	7,528	114,669	938	10,258	3,015	122,446	11,481	247,373
Woodland Grant Schemes associated with the Farm Woodland Scheme	1,328	7,837	47	322	337	3,199	1,712	11,358

Notes: 1. The areas shown are the gross areas managed under the schemes as at 31 March 1991 and include existing woodlands, areas awaiting planting and areas to be left unplanted.

2. The Basis I and II Dedication Schemes were closed to new applications in June 1972 and the Basis III Dedication Scheme in July 1981. The Forestry Grant Scheme and the Broadleaved Woodland Grant Scheme were closed to new applications from 15 March 1988 and have been superseded by the Woodland Grant Scheme which was opened to applications on 21 June 1988.

3. The Farm Woodland Scheme was introduced on 1 October 1988. It is administered by the Agriculture Departments, but eligibility for entry to the Scheme depends on planting proposals being approved by the Forestry Commission for grant-aid under the Woodland Grant Scheme. Such cases are distinguished from other Woodland Grant Schemes in this table.

AREA OF PLANTING BY PRIVATE WOODLAND OWNERS FOR WHICH GRANTS
WERE PAID IN THE YEAR ENDED 31 MARCH 1991

Table 2

Hectares

Country	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
In Dedication Schemes												
Conifer	23	336	359	0	25	25	64	307	371	87	668	755
Broadleaved	5	208	213	0	6	6	2	31	31	7	243	250
Total	28	544	572	0	31	31	66	336	402	94	911	1,005
In Forestry Grant Scheme												
Conifer	78	147	225	41	13	54	918	140	1,058	1,037	300	1,337
Broadleaved	74	131	205	1	7	8	90	13	103	165	151	316
Total	152	278	430	42	20	62	1,008	153	1,161	1,202	451	1,653
In Broadleaved Woodland Grant Scheme												
Conifer	—	—	—	—	—	—	—	—	—	—	—	—
Broadleaved	55	192	247	7	10	17	60	41	101	122	243	365
Total	55	192	247	7	10	17	60	41	101	122	243	365
In Woodland Grant Scheme												
Conifer	436	663	1,099	219	105	324	6,494	1,223	7,717	7,149	1,991	9,140
Broadleaved	1,255	2,293	3,548	132	130	262	1,905	1,087	2,992	3,292	3,510	6,802
Total	1,691	2,956	4,647	351	235	586	8,399	2,310	10,709	10,441	5,501	15,942
Total												
Conifer	537	1,146	1,683	260	143	403	7,476	1,670	9,146	8,273	2,959	11,232
Broadleaved	1,389	2,824	4,213	140	153	293	2,057	1,170	3,227	3,586	4,147	7,733
Total	1,926	3,970	5,896	400	296	696	9,533	2,840	12,373	11,859	7,106	18,965

In addition, the following areas of new planting were grant-aided under the Woodland Grant Scheme in association with the Farm Woodland Scheme.

Conifer	371	—	371	22	—	22	447	—	447	840	—	840
Broadleaved	2,066	—	2,066	88	—	88	583	—	583	2,737	—	2,737
Total	2,437	—	2,437	110	—	110	1,030	—	1,030	3,577	—	3,577

Notes: 1. Restocking includes new natural regeneration.

2. It is estimated that the following areas were planted without grant aid:

	<i>New Planting</i>	<i>Restocking</i>
England	134	65
Wales	3	0
Scotland	0	0
Great Britain	<u>137</u>	<u>65</u>

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 1981 TO 31 MARCH 1991

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
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
1986	984	2,346	3,330	743	434	1,177	17,292	1,559	18,851	19,019	4,339	23,358
1987	1,219	2,644	3,863	708	280	988	17,220	1,547	18,767	19,147	4,471	23,618
1988	1,679	2,718	4,397	945	476	1,421	21,197	1,660	22,857	23,821	4,854	28,675
1989	1,638	2,330	3,968	923	256	1,179	22,421	2,248	24,669	24,982	4,834	29,816
1990	1,613	3,871	5,484	459	270	729	10,695	1,984	12,679	12,767	6,125	18,892
1991	1,926	3,970	5,896	400	296	696	9,533	2,840	12,373	11,859	7,106	18,965

Note: This table does not include planting done without Forestry Commission grants or planting grant-aided in association with the Farm Woodland Scheme.

VOLUME OF TIMBER LICENSED FOR FELLING AND THINNING
ON PRIVATE LAND IN THE YEAR ENDED 31 MARCH 1991

Table 4

Volume in thousands of cubic metres

	England	Wales	Scotland	Great Britain
Conifer	100	39	195	334
Broadleaved	48	8	7	63
Total volume	148	47	202	397
Number of licences issued	734	208	394	1,336

Note: Excludes felling and thinning covered by an approved plan of operations under one of the Forestry Commission's grant schemes, for which no licence is required.

AREA LICENSED FOR CLEAR FELLING ON PRIVATE LAND
IN THE YEAR ENDED 31 MARCH 1991

Table 5

Hectares

	England	Wales	Scotland	Great Britain
Conditional licences	419	205	775	1,399
Unconditional licences	149	5	29	183
Total	568	210	804	1,582

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

Forestry Enterprise

LAND USE AT 31 MARCH 1991

Table 6

Hectares

	England	Wales	Scotland	Great Britain
Forest Land				
Under plantations	217,288	125,964	515,199	858,451
Other woodland	13,989	3,010	17,450	34,449
To be planted	262	374	9,140	9,776
Total	231,539	129,348	541,789	902,676
Other Land				
Agricultural and grazing	9,359	4,172	46,212	59,743
Unplantable and miscellaneous (includes nursery land)	31,259	6,779	132,466	170,504
Total	40,618	10,951	178,678	230,247
Total area	272,157	140,299	720,467	1,132,923

- Notes: 1. Other woodland is woodland managed chiefly for amenity purposes.
 2. Agricultural and grazing land includes forest workers' holdings and tenanted land against the Commission's long-term plantable reserve.

NET AREA OF LAND ACQUIRED/DISPOSED OF DURING THE YEAR ENDED 31 MARCH 1991

Table 7

Hectares

	England	Wales	Scotland	Great Britain
Plantations acquired	0	0	18	18
Plantations disposed of	1,328	873	1,072	3,273
Planting land acquired	0	0	2,601	2,601
Planting land disposed of	0	0	151	151
Other land acquired	0	0	351	351
Other land disposed of	228	245	3,531	4,004
Net area of land acquired/disposed of	(1,556)	(1,118)	(1,784)	(4,458)

FOREST LAND DISPOSED OF IN THE YEAR ENDED 31 MARCH 1991

Table 8

Conservancy	Forest Areas (hectares)		Plantable Land (hectares)	Total Area (hectares)	Receipts (£000)	Average £/hectare for Land Under Trees and Plantable Land
	Under Trees	Associated Land				
England						
North	1,026	119	0	1,145	1,471	1,434
East	257	2	0	259	1,089	4,237
West	45	3	0	48	257	5,711
Total	1,328	124	0	1,452	2,817	2,121
Wales	873	61	0	934	1,956	2,241
Scotland						
North	428	810	59	1,297	1,156	2,374
Mid	372	156	80	608	603	1,334
South	272	195	12	479	541	1,905
Total	1,072	1,161	151	2,384	2,300	1,884
Great Britain	3,273	1,346	151	4,770	7,073	2,066

PLANTING IN THE YEAR ENDED 31 MARCH 1991

Table 9

Hectares

	New Planting	Restocking*	Total
England			
Conifer	27	2,163	2,190
Broadleaved	7	323	330
Total	34	2,486	2,520
Wales			
Conifer	12	1,390	1,402
Broadleaved	3	82	85
Total	15	1,472	1,487
Scotland			
Conifer	3,275	3,453	6,728
Broadleaved	191	211	402
Total	3,466	3,664	7,130
Great Britain			
Conifer	3,314	7,006	10,320
Broadleaved	201	616	817
Total	3,515	7,622	11,137

* Restocking includes new natural regeneration.

AREA PLANTED ANNUALLY BY THE COMMISSION IN THE 10-YEAR PERIOD 1 APRIL 1981 TO 31 MARCH 1991

Table 10

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
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
1986	246	2,156	2,402	49	1,778	1,827	4,038	3,363	7,401	4,333	7,297	11,630
1987	138	2,784	2,922	138	1,935	2,073	5,066	3,319	8,385	5,342	8,038	13,380
1988	178	2,609	2,787	157	2,041	2,198	4,617	3,527	8,144	4,952	8,177	13,129
1989	130	2,895	3,025	61	1,736	1,797	3,914	3,844	7,758	4,105	8,475	12,580
1990	198	2,717	2,915	96	1,364	1,460	3,787	3,784	7,571	4,081	7,865	11,946
1991	34	2,486	2,520	15	1,472	1,487	3,466	3,664	7,130	3,515	7,622	11,137

AREAS OF PLANTATIONS AND VOLUMES OF TIMBER FELLED
AND THINNED IN THE YEAR ENDED 31 MARCH 1991

Table 11

Area in hectares
Standing volume in thousands of cubic metres overbark

	Felled		Thinned		Total Volume Felled and Thinned
	Area	Volume	Area	Volume	
England					
North	1,512	428	1,485	74	502
East	1,338	293	3,629	196	489
West	544	190	1,623	108	298
Total	3,394	911	6,737	378	1,289
Wales	1,713	421	3,213	205	626
Scotland					
North	1,675	450	2,330	170	620
Mid	1,077	378	1,512	77	455
South	1,318	384	690	45	429
Total	4,070	1,212	4,532	292	1,504
Great Britain	9,177	2,544	14,482	875	3,419

SALES OF TIMBER IN THE YEAR ENDED 31 MARCH 1991

Table 12

Standing volume in thousands of cubic metres overbark

Description	England	Wales	Scotland	Great Britain
Trees sold standing	606	235	529	1,370
Converted				
Round timber and saw logs	368	185	509	1,062
Telegraph and other selected poles	0	9	1	10
Mining timber	0	0	0	0
Posts and stakes	4	13	3	20
Pulpwood and boardmill material	290	187	447	924
Firewood	10	2	8	20
Miscellaneous	2	0	0	22
Total	683	387	968	2,038

**PROPERTIES MANAGED BY THE COMMISSION
AT 31 MARCH 1991**

Table 13 Number

Type of Property	England	Wales	Scotland	Great Britain
Forest properties				
Foresters' houses	24	7	44	75
Forest workers' houses	208	19	189	416
Forest workers' holdings	8	6	28	42
Miscellaneous*	486	245	439	1,270
Total	726	277	700	1,803
Other properties				
Farms and other agricultural subjects	390	153	343	886
Residential and other lettings	496	57	348	901
Other lettings	228	251	498	1,140
Total	1,114	461	1,189	2,927
Sporting lettings	449	90	976	1,515

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

**PUBLIC RECREATIONAL FACILITIES
AT 31 MARCH 1991**

Table 14 Number

	England	Wales	Scotland	Great Britain
Camping and caravan sites *	22	1	9	32
Picnic places	357	94	193	644
Forest walks and forest nature trails	296	77	274	647
Visitor centres	10	5	9	24
Arboreta and forest gardens	13	6	3	22
Forest drives	6	1	3	10
Forest cabins and holiday houses	107	0	67	174

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

- (i) 5 sites leased to the Caravan Club;
- (ii) 57 sites set aside for youth camping;
- (iii) facilities for caravan rallies.

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

Table 15

Conservancy	Land use at 31 March 1991 (hectares)					During Year 1990-91		
	Total Area of Forest	Under Plantations	Other Woodland	To be Planted	Other Land	Planting (hectares)		Production (000 cu m)
						New Planting	Re-stocking	
NORTH ENGLAND								
Cheshire	950	790	42	0	118	0	27	9
Durham	4,539	4,151	96	17	275	0	76	28
Kielder	61,363	48,698	776	39	11,850	5	617	275
North Lakes	8,316	5,574	149	3	2,590	0	29	42
North York Moors	21,980	18,540	483	0	2,957	1	68	66
Rothbury	10,715	9,134	108	157	1,316	22	22	20
South Lakes	7,900	6,524	601	0	775	0	113	54
York	3,589	3,360	132	0	97	0	3	8
TOTAL	119,352	96,771	2,387	216	19,978	28	955	502
EAST ENGLAND								
Chilterns	3,416	2,979	370	2	65	0	12	9
New	26,715	7,494	5,440	0	13,781	0	38	44
Northants	7,336	6,783	414	0	139	0	42	33
North Lincs	4,251	3,802	351	0	98	0	20	28
Sherwood	9,123	7,347	530	0	1,246	0	15	34
South Downs	7,988	7,305	434	0	249	0	79	29
Suffolk	4,271	3,889	274	0	108	0	292	35
Thetford	20,858	20,012	328	4	514	0	307	186
Weald	7,420	6,746	246	2	426	0	285	54
West Downs	5,897	5,166	285	0	446	0	102	37
TOTAL	97,275	71,523	8,672	8	17,072	0	1,192	489
WEST ENGLAND								
Cornwall and North Devon	7,668	7,144	265	1	258	0	61	52
Dean and Three Counties	12,416	10,683	424	0	1,309	0	36	52
Dorset	7,501	6,497	294	1	709	0	37	33
Marches	7,252	6,536	413	36	267	6	23	40
Midlands	5,472	4,943	386	0	143	0	39	33
Somerset and South Devon	9,673	8,335	624	0	714	0	114	75
Wiltshire and Avon	5,548	4,856	524	0	168	0	29	13
TOTAL	55,530	48,994	2,930	38	3,568	6	339	298

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

Table 16

Conservancy	Land use at 31 March 1991 (hectares)					During Year 1990-91		
	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	
WALES								
Ceredigion	18,594	16,412	129	240	1,813	0	109	55
Clwyd	9,888	9,233	60	0	595	0	80	62
Dolgellau	18,969	17,526	190	7	1,246	0	68	105
Llandoverly	22,229	20,842	602	0	785	0	253	134
Llanrwst	12,352	9,881	198	4	2,269	0	177	49
Morgannwg	29,843	25,574	908	107	3,254	15	374	81
Newtown	14,538	14,099	137	0	302	0	138	79
SE Wales	13,886	12,397	786	16	687	0	273	61
TOTAL	140,299	125,964	3,010	374	10,951	15	1,472	626

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

Table 17

Conservancy	Land use at 31 March 1991 (hectares)					During Year 1990-91		
	Total Area of Forest	Under Plantations	Other Woodland	To be Planted	Other Land	Planting (hectares)		Production (000 cu m)
						New Planting	Re-stocking	
NORTH SCOTLAND								
Buchan	24,623	21,183	211	260	2,969	32	163	118
Dornoch	57,290	36,863	244	2,431	17,752	600	129	21
Easter Ross	30,886	23,501	456	650	6,279	111	118	104
Fort Augustus	39,486	17,696	3,197	290	18,303	200	145	64
Inverness	20,148	15,546	1,043	159	3,400	95	14	36
Kincardine	14,615	13,361	223	8	1,023	0	149	62
Lochaber	50,708	25,192	2,161	642	22,713	210	172	62
Moray	23,382	22,048	290	71	973	74	151	89
Mull	21,895	15,991	254	405	5,245	21	293	23
Wester Ross	30,950	16,352	427	535	13,636	304	100	41
TOTAL	313,983	207,733	8,506	5,451	92,293	1,647	1,434	620
MID SCOTLAND								
Aberfoyle	30,404	22,763	1,129	176	6,336	0	236	75
Abertay	13,847	12,153	148	122	1,424	0	90	50
Cowal	39,386	24,719	1,490	44	13,133	152	284	86
Kintyre	33,597	26,112	1,187	413	5,885	340	266	66
Loch Awe	31,681	25,142	783	98	5,658	12	173	83
Lorne	30,669	19,911	1,119	93	9,546	91	94	37
Perthshire	31,731	24,441	1,305	895	5,090	308	107	58
TOTAL	211,315	155,241	7,161	1,841	47,072	903	1,250	455
SOUTH SCOTLAND								
Ayrshire & Arran	44,329	29,108	391	734	14,096	288	148	43
Borders	18,802	16,475	150	131	2,046	275	64	66
Castle Douglas	33,201	26,960	188	91	5,962	0	300	103
Lockerbie	17,174	15,310	113	0	1,751	0	153	71
Lothian & Tweed	14,217	13,228	102	73	814	0	58	32
Newton Stewart	49,154	34,918	491	650	13,095	255	82	36
Nithsdale	18,292	16,226	348	169	1,549	98	175	78
TOTAL	195,169	152,225	1,783	1,848	39,313	916	980	429

Notes: *North Scotland.* Lochaber Forest District comprises the whole of the former Lochaber Forest District and part of the former Strontian Forest District. Mull Forest District comprises the whole of the former Mull Forest District and part of the former Strontian Forest District.

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