

Annual Report and Accounts

Forestry Commission 1998-1999

HC799

GA Forestry Commission PROTECTING FORESTS **ENHANCING ECONOMIC VALUE CONSERVING BIODIVERSITY DEVELOPING RECREATION** INCREASING PARTICIPATION

Forestry Commission Annual Report and Accounts 1998-99

Together with the Comptroller and Auditor General's Report on the Accounts

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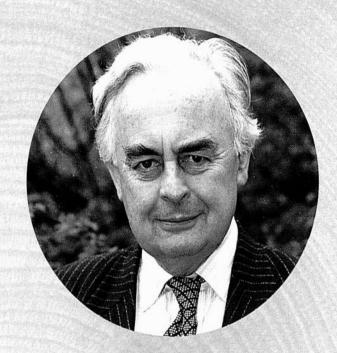
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Foreword



by Sir Peter Hutchison, Chairman

For me, 1998-99 was the year we got to grips with the implications of devolution. The Director General, in his introduction, describes the preparations we have made to ensure that we are responsive to the needs of Scotland, Wales and, indeed, England. We are determined to be in a position to make the most of the very real opportunity which devolution will open up for forestry.

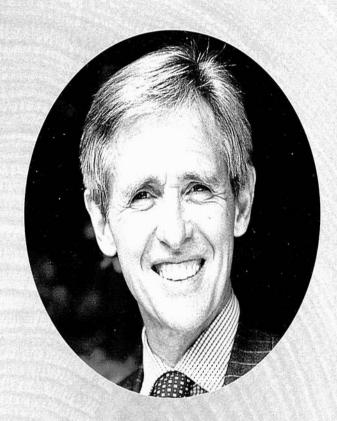
Ministers decided that, post-devolution, the Forestry Commission should continue to deliver forestry policies and programmes throughout Britain. This decision flowed partly from a desire for economies of scale. It also reflected the realities of the market place. But, above all, Ministers acknowledged that the Commission, whose Commissioners have powers in all three countries of Britain, genuinely adds value. It is able to bring to bear in one country experiences learnt in another, draw on an internationally renowned research base, speak with authority and credibility in international forums, manage the nation's forests to the highest standards and, crucially, apply expertise gleaned over many years to the long-term business which is forestry.

This long-term nature of forestry gives a special dimension to the role of the Commissioners. They have a statutory duty to balance the current demands that are made on our woods and forests. They also have to balance the enthusiasms of today against the requirements of future generations to whom they may not be accountable but to whom they owe a profound responsibility. Devolution offers a great opportunity to give a sensitive response in forestry terms to the rich variety of landscape, climate and culture of our relatively small island. It may be that in retrospect quality and appropriateness will be seen as the most important measures of our activities today.

Our effectiveness as a GB organisation has, of course, always depended critically on the quality of our delivery on the ground. In that sense, there is nothing new in devolution: it gives fresh impetus to our longstanding efforts to engage constructively with our partners the length and breadth of England, Scotland and Wales, listening, responding and working together to promote the interests of people and their forests.

I pay tribute once again to the efforts of Commission staff at all levels. I know that they share with the Commissioners a common regard for high standards, a flexible approach to our work and a determination to rise to the challenges that lie ahead. In closing, I would also like to thank former Commissioner David Foot for his wise contributions over many years to the Board's affairs.

Introduction



by David Bills, Director General

This Annual Report is a milestone in the history of the Forestry Commission. It is the report for the last full year that the Commission reports on all its activities to Westminster, as it has done for every year since 1919.

Next year our annual reporting will reflect the devolution of forestry powers to the new Scottish Parliament and the National Assembly for Wales. We shall prepare separate reports on forestry programmes and expenditure for each of the two new legislatures. We shall report to Westminster on our activities in England, as well as on core and GB functions such as plant health, forestry research and international forest issues.

Some Highlights of the Year

What have been the highlights of this final pre-devolution year? Some would argue that we should talk not of highlights, but of one low point: timber prices fell during 1998-99 to levels not experienced before, at least in living memory. All links in the industry's chain have suffered.

Whilst there were welcome signs in the latter half of the year that the fall had been arrested and that volumes were holding up, this was little consolation to those who had to close businesses or shed labour during the year. The Forestry Commission's own timber sales were, of course, affected: it is to the credit of people in Forest Enterprise that they came so close to meeting their income target in such trying circumstances.

I believe that one of the most significant highlights was on forestry certification, where after much debate all sides of the forestry sector agreed to a standard for the UK Woodland Assurance Scheme. In years to come we shall look back on this as a crucial development, affording woodland owners access to an important and growing market.

I was also delighted to see the progress we have made with our challenge funds, encouraging woodland owners and others to bid for funds to support activity in target areas. Those launched in previous years - for example in the Grampian area - are already bearing fruit; the new scheme launched in the South West Forest represents exciting potential for the future.

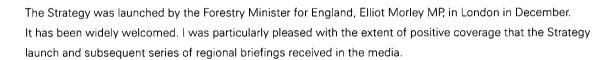
However, the one event which stands out from all others was the launch, in December, of the Government's forestry strategy for England: *A New Focus for England's Woodlands*. The Strategy provides a forward looking agenda to take forestry in England into the next millennium. It is based on four core programmes:

Forestry for Rural Development;

Forestry for Economic Regeneration;

Forestry for Recreation, Access, and Tourism; and

Forestry for the Environment and Conservation.



A New Focus for England's Woodlands

Our Corporate Plan for England describes the actions that the Forestry Commission, including Forest Enterprise, will be taking to help deliver the Strategy. Through our ongoing work with other Government Departments and Agencies, we will be seeking to ensure that they also play their parts. The England Forestry Forum will enable us to ensure that strategic links are maintained with non-governmental interests in the context of the Strategy.

Similar processes are now in hand in Scotland and Wales, as we define, with our partners, the appropriate strategies for each country.

None of this would have been achieved without the expertise, energy and enthusiasm of Forestry Commission people. We are determined to be an organisation which treats its employees well, bringing out the best in staff at all levels and enabling them to fulfil their potential. Considerable progress was made this year on a wide range of human resource initiatives, including the implementation of a new performance management system, an initiative to combat bullying and harassment and, crucially, our project of unifying the FC workforce, removing the anachronistic division between industrial and non-industrial staff. We are working closely with the Health and Safety Executive to improve safety standards for everyone involved in forestry. We are making significant strides in the well-being of our employees and will soon be seeking Investors in People status as an assurance we are using best practice in the management of our most important asset - our people.

Preparing for Devolution

We have taken a number of steps this year to ensure that we are well equipped to deliver forestry in a post-devolution environment. The overall thrust has been to devolve more responsibilities for country policy development and FC representation to the Chief Conservators' offices based in Aberystwyth, Cambridge and Edinburgh. Headquarters will provide a service in specialist areas to support the Chief Conservators' needs.

In practice this means the senior officers in each country will take the lead in preparing country strategies, business plans, budgets and annual reports (the first corporate plans produced on this basis were published in March). Information on forestry related issues in each country - whether for Parliament, Ministers or the general public - will also be sourced from these offices albeit with significant input from HQ specialist services where appropriate.

There will remain a number of GB functions which will continue to be funded by Westminster and centred at HQ. These will include our international policy work, GB-wide initiatives such as the Forestry Standard, and plant health and reproductive materials responsibilities. HQ will also have an important role in helping Commissioners ensure the coherence and, where appropriate, consistency of our different policies. Core administrative services such as human resource management, information technology and finance will remain in Edinburgh, but with a very clear focus on meeting the needs of the organisation throughout GB.

The work of our Forest Research Agency is strategically important at a GB level so it will remain a Westminster funded GB agency. Forest Enterprise will also remain a GB body but will report on its accounts, including its balance sheets, within each of the three countries, reflecting the transfer of ownership to each of the three countries. Finally the Commissioners have decided to replace the HGTAC with the Forestry Commission's Advisory Panel, a smaller committee, able to provide authoritative advice on the full range of forestry-related issues.

What will the changes mean to the general public or to our customers? I do not think the changes in structure will be very noticeable other than our decision to drop the Forestry Authority name in favour of the name "Forestry Commission" for all our non-agency activities. This allows the Forestry Commission to have an identifiable presence in each country whilst still delivering "business as usual" from its local offices.

In the longer term, I believe there will be a noticeable difference in outputs as we develop country forest strategies and grants and other instruments to deliver forestry specifically targeted to the needs of each country. The England strategy exemplifies this, showing what can be achieved when we work alongside the key players in each country.

I like to describe the new Commission as a robust structure of three columns - each representing a country - firmly anchored in a strong foundation of support and specialist services, covered by a light but visible roof representing the GB functions. I believe there will be a release of energy and opportunity which will prove the integrity of the structure which none of the three countries will want to change. Of course, no-one can guarantee that future legislatures will not want to move away from this model. But to a large extent our future is in our own hands. If we are able to deliver forestry compatible with the expectations of the Scottish Parliament, the National Assembly for Wales and Westminster then there will be no reason for a change of course and we shall see forestry increasingly playing its part in the well-being of each country.



Forestry Commission Review of the Year

Mission and Objectives

The Mission of the Forestry Commission is to:

Protect and expand Britain's forests and woodlands and increase their value to society and the environment.

Our Objectives are to:

PROTECT Britain's Forests and Woodlands

EXPAND Britain's Forest Area

ENHANCE the Economic Value of Our Forest Resources

CONSERVE and Improve the Biodiversity, Landscape and Cultural Heritage of our Forests and Woodlands

DEVELOP Opportunities for Woodland Recreation

INCREASE Public Understanding and Community Participation in Forestry

In reviewing the past year, this report groups together what we have done to meet each of our objectives. This allows us to be clear about the progress we are making. Forestry is, of course, multiple purpose. Much of what we do contributes to several objectives. For example, in protecting our forests, we seek to improve biodiversity. In some cases, therefore, we have reported on activities against the objective to which they make the biggest contribution.

PROTECT Britain's Forests and Woodlands

UK Woodland Assurance Scheme negotiated with and supported by forestry and environmental communities

New regulations introduced requiring an environmental assessment of all forestry projects likely to have a significant environmental impact

Successful pilot of Forest Plans Initiative

Action taken to counter new plant health threats

Commission plays a vital role in ensuring CAP reform takes account of forestry

Forest Certification

There is a growing market in the UK for products from forests which are independently certified as sustainably managed. UK forestry and environmental organisations agreed in 1998 to develop a national certification scheme which would provide woodland owners with access to that market. Woodland owner, woodland manager, wood processing, wood products, trade and environmental and social interests have all participated in the working group which was set up to draft a scheme. In November the working group published a consultation draft of the UK Woodland Assurance Scheme. Seminars were arranged around the UK on behalf of the working group to explain and clarify the proposals to woodland owners and managers. Some 600 people attended and 200 submitted written comments. The working group met in March to review the proposals in the light of the comments and after making a number of changes agreed that the scheme was ready for implementation. Completion of the scheme has been a remarkable model of consensus building. Forest certification can now proceed in the UK on the basis of a standard that has the support of the UK forestry and environmental communities, takes careful account of the needs of growers, satisfies the demands of customers and has international credibility.

Forest Plans

Our Forest Plans Initiative has advanced considerably during the year. It aims to extend the principles of Forest Design Plans as used by Forest Enterprise to the private sector thereby encouraging a long-term, holistic approach to forest management. It will provide a Plan Preparation Grant to private owners to prepare a coherent 20-year management plan. The Forestry Commission will then be able to approve felling and restocking operations for the first 10 years of the approved Forest Plan and reduce the administrative burden associated with the current mechanisms of regular licensing and five year grant approvals.

A Steering Group was established comprising forest industry representatives and Forestry Commission staff. In May 1998, over 40 interested parties attended a forum which provided guidance to the Steering Group's work. A pilot process was initiated in 16 varied locations throughout GB. The Forestry Commission has paid the costs incurred by the pilot sites, which were designed to provide real cost information to help set the Plan Preparation Grant rate.

A feature of the Forest Plans process is an initial scoping exercise where applicants are required to seek the views of other interested parties before a Plan is prepared. All those involved in preparing a Forest Plan place a very high value on this exercise. Invaluable experience has been gained and reported back to the Steering Group.

The Steering Group made its recommendations to the Forestry Commission in March 1999, preparing the way for the operational details of Forest Plans to be developed and the initiative to be fomally launched.

Environmental Assessment Regulations

On 1 September 1998 we introduced new regulations requiring an environmental assessment of all forestry projects which are likely to have a significant environmental impact. Previously, only projects receiving grant aid from the Commission needed to be considered. Projects affected by the new Environmental Assessment (Forestry) Regulations 1998 include:



creating new woods and forests, including the planting of Christmas trees, planting short rotation coppice, and creating woodland by natural regeneration;



constructing forestry roads; and



quarrying to obtain material for forestry roads.

Anyone who wishes to carry out a forestry project which may have a significant effect on the environment must apply for Forestry Commission consent before carrying out the work. Those who apply for consent will need to provide an environmental statement.

Felling And Restocking

We continue to exercise strict controls on felling. 4,994 Woodland Grant Scheme (WGS) plans were approved during the year of which 2,880 contained licensable thinning and felling work. Under the arrangements introduced on 1 April 1998, for each such approval we now issue a statutory Felling Licence. 1,315 of these had restocking conditions attached. Through WGS, we licensed thinning operations on over 39,100 hectares (ha) of woodland. We also licensed a further 4,790 ha of clear felling, 1,710 ha of selective felling and 1,590 ha of coppicing.

Over 5,400 ha of restocking grant was paid during the year whilst we approved grant on a further 8,500 ha. Conifers represented 60 per cent of the areas grant aided.

We also issued 1,867 felling licences outwith the Woodland Grant Scheme. In comparison to the 2,100 issued last year this represents 89 per cent. These licences covered some 917,000 m³ with 47 per cent of this being unconditional thinning operations.

337 reports of alleged illegal felling were received from the public and others. After checking our records of approved felling, we investigated 112 of these in more detail. This year we sought 17 prosecutions and have 15 serious cases still being resolved. In 23 less serious cases, our National Offices issued formal warnings to those involved. The general decline in the need to use these sanctions is welcome.

Plant Health

The year was another busy one in the Plant Health sector with two new threats and a heavy volume of imports.

(i) Import Inspections

Imports of sawn softwood, particularly from Latvia, again remained at high levels with landings of 2.6 million m³ (1997-98: 2.7 million) of wood subject to import control involving some 6,900 inspections (1997-98: 6,400).

During the year, we focused more heavily than before on wooden packing material. There was an increase in cases where our intervention was necessary from 15 in 1997-98 to 53 this year. However, of these, some 16 were of a minor nature while a further 33 dealt with wooden packing material. The number of incidents involving consignments of timber remained relatively low at three and we are pleased with this continued improvement.

(ii) Ips typographus

We maintained the measures introduced following the detection of a number of *l. typographus* at the Shotton Paper mill in north Wales in August 1997. In 1998, we again sited traps at the 110 forest locations which had supplied Shotton in the weeks before the find and at 20 major spruce processing plants. No beetles were caught at any of the forest locations, but six *l. typographus* were recovered from traps at one processing plant. A check of its records showed that it still had some logs in its yard which had arrived from Shotton in July 1997. These were quickly processed and, despite doubling the intensity of traps, no more insects were caught at the plant. Precautionary surveys were carried out in forests close to the mill but no evidence of the pest was detected.

We will again place traps at the spruce processing plants throughout the 1999 flight season but we see no need for continued monitoring at the 110 forest locations.

(iii) Termites

We were alerted to the presence of a colony of subterranean termites (*Reticulitermes lucifugus*) in two adjacent properties in Saunton, North Devon. We have put in place controls to prevent the unauthorised removal of trees, plants, wood or soil from a designated 500 metre radius control zone around the centre of the outbreak. An eradication programme, using a chemical growth inhibitor, is under way and early evidence is encouraging. We hope that the colony will be destroyed within the next two to three years and a further ten-year period of monitoring will follow before the "all-clear" is given. We have trained all of our team of plant health inspectors in termite biology and detection and are maintaining an alert at ports around the country.

A Pest Risk Assessment concluded that three species of termites could successfully establish in this country and have the potential to cause damage, in particular, to older buildings. Modern building standards, using treated timbers, should eliminate any risk of attack.

(iv) Asian Longhorn Beetle

We were alerted in September to the presence in the UK of an Asian Longhorn Beetle, *Anoplophora glabripennis*, a pest of many deciduous and fruit trees. A specimen was sent to us by the recipient of a crate of floor tiles shipped from China. The crate had been imported in May and the beetle had emerged in September proving that the pest could be imported into this country and complete its development through the larval stages to emerge as an adult.

With the assistance of HM Customs & Excise, we identified and visited all importers of similar materials within the last year. At almost all of the sites we either found evidence of longhorn activity, or spoke to people who recalled seeing such evidence in the past. In view of these findings we decided to invoke, for the first time, the EU emergency procedures and added the beetle to the list of pests which are prohibited entry into the country. We also extended the controls on coniferous wooden packing material to all wooden packing material originating in China (excluding Hong Kong).



A series of surveys of possible host trees growing around the 20 or so locations where packing material had been found will be carried out in 1999. This will enable us to establish whether the beetle has successfully attacked trees here and possibly bred. At the end of the year, no such evidence had been found.

(v) Dendroctonus micans

We are continuing our survey and sanitation felling programme of spruce infested by Dendroctonus micans in the outbreak, first reported in 1997, in woodlands in Kent. Surveys, completed in March 1999, showed a lower population density than in the previous two surveys and only four new sites were identified, all close to existing known infestations. A total of 558 trees showing signs of attack are being felled. Many of these are old or abortive attacks.

There are encouraging signs that this strategy might successfully eradicate the pest from this area in the next few years.

In the main area of infestation, we continue to control the movements of conifer wood and prohibit the removal of spruce logs with bark. We also undertake an annual survey of all spruce in a 10 kilometre-wide band inside the boundary and selective surveys outside it, felling all infested trees.

(vi) Import Inspection Fees

The trend for more frequent but smaller shipments has meant that the unit cost of carrying out inspections has risen. This will be reflected in an increase in import inspection fees for 1999-2000. The minimum fee for an inspection will rise from £10 to £12 and the rate per cubic metre will rise from 12 pence to 14 pence. These will be the first increases since fees were introduced on 1 April 1997. We have also introduced powers enabling us to recover our costs when supervising the treatment of wooden packing material found to present a risk to plant health.

New Research on Oak Dieback

The period 1989-1994 saw significant dieback of pedunculate oak in the woods of eastern and central England and, although the situation has stabilised in recent years, new damage is occurring in some places. New work on oak dieback has been initiated under the auspices of the European Union involving Forest Research, France, Germany and Italy.

The project will bring together long-term ecological studies and short-term physiology to provide an understanding of the role of particular damage agents. It will include examination of decline and dieback processes and of the influence of drought and imbalance in nitrogen nutrition on the susceptibility of oaks to root pathogens. Forest Research is principally involved in a study of the root pathogens associated with dieback in different areas.

Phytophthora Disease of Alder

This is a lethal disease of alder first recognised in the United Kingdom but now known to be present in a number of other European countries. Damage is most serious in alders subject to flooding from adjacent streams and rivers. Surveys of riparian plots across some 70,000 km² of southern England and east Wales have now been conducted for five years. During this period the disease has shown annual fluctuations in severity but its cumulative impact has increased so that now some 10 per cent of the population is showing visible crown symptoms or has been killed.

Research is underway on factors affecting disease severity and on approaches to management and control. Forest Research is now co-ordinating a three-year EU Concerted Action involving 14 partner organisations in 11 countries.

Forest Condition Survey

The Commission carries out an annual survey of forest health in Britain. In 1998 a total of 8,735 trees of five species oak, beech, Scots pine, Norway spruce and Sitka spruce - were assessed. The year was relatively wet and generally favourable for tree growth. Condition of oak and beech improved markedly compared with 1997, due largely to reduced insect damage compared to previous years but also, in the case of beech, to reduced masting. *Elatobium* continued to affect Sitka spruce in various parts of the country so that overall there was no improvement in crown condition. Scots pine deteriorated slightly but no major factor appeared to be responsible for this and the change was within the range of minor fluctuations that have characterised both this species and Norway spruce since 1991.

The Impacts of Climate Change on Forests

We are working with EU partners on a project to determine the impacts of higher levels of carbon dioxide on the growth and physiology of oak. This phase of the project has allowed the development and calibration of a growth model which can simulate the impacts of the most recent climate change predictions on UK forest growth in the 21st century. We shall now validate the model through an analysis of both short-term carbon and water balance and long-term growth.

International Discussions on Sustainable Forestry

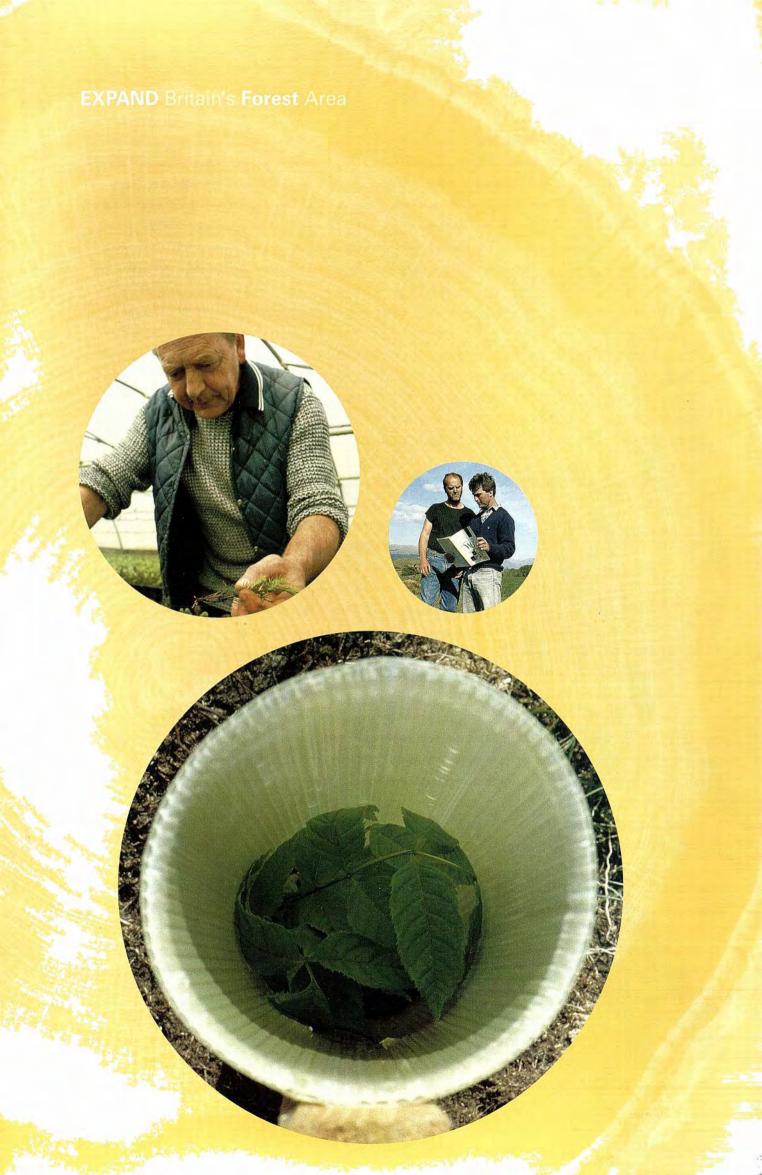
The socio-economic functions of forests provided the main focus for the third *Ministerial Conference on the Protection of Forests in Europe*, held in Lisbon in June 1998. For the UK, Lord Sewel emphasised the value of community involvement in forests through openness, communication and partnerships.

G8 Foreign and Finance Ministers launched in May 1998 the G8 *Action Programme on Forests* which addresses monitoring and assessment, protected areas, support to the private sector, national forest programmes and illegal logging. It focuses on domestic actions in member countries, bilateral assistance programmes and intergovernmental processes. A report on implementation will be made to the G8 Summit in 2000.

The Food and Agriculture Organisation of the United Nations convened a meeting of Forestry Ministers in March 1999. Lord Sewel reiterated the UK's commitment to sustainable forestry and the need for a clear way forward to support and promote sustainable forest management at the international level. The meeting adopted a Rome Declaration on Forestry which underlines the critical importance of forests, the progress made since Rio and FAO's role.

The United Nations Intergovernmental Forum on Forests continued its important work during the year: it will report to the Commission on Sustainable Development in 2000, where a decision will be taken on what arrangements are required to support sustainable forest management at the international level.

In a busy year for forestry in the European Union, the UK played an influential role in the conclusion of a Resolution on a forestry strategy for the EU and in the inclusion of forestry support measures in the reform of the Common Agricultural Policy. We now face the challenge of implementing these initiatives in a way which will complement and help deliver our domestic forestry objectives.



- Challenge funds continue to be successful over 3,000 hectares approved to create new, well-designed and productive forests
- Confirmation of end to large scale sales of our public forests
- £39.5 million in woodland grants provided to the private sector, leading to the planting of nearly 16,000 hectares of new woodland over 60 per cent of which was broadleaved
- Tir Coed launched to develop projects for woodland expansion throughout Wales in order to help sustain
 Welsh communities in the future

Challenge Funds

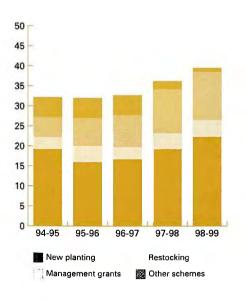
Challenge Funds, where landowners bid for funding for special initiatives, again proved very successful during the year. In Scotland, Challenge Funds in the *Grampian Forest* and *Central Scotland Forest* were aimed at creating new areas of well designed productive forests. In Grampian, we accepted bids totalling 1,200 hectares (ha) and in the Central Scotland Forest we accepted bids totalling 700 ha. In addition, we continued to run the Challenge Fund for expanding native woodlands in the Cairngorms and this produced successful bids covering 572 ha. Total WGS expenditure on these three Challenge Funds will amount to around £5 million. Under our Challenge Fund for *New Native Woodlands in National Parks* in England and Wales we accepted bids totalling 340 ha. In Wales, the Bracken Challenge Fund has now led to approval for almost 650 ha.

We introduced a challenge fund and locational supplement in the South West Forest area in north Devon and Cornwall, worth £1.5 million over three years. Under these measures we shall encourage the creation of predominantly mixed commercial woodlands, favouring larger sized woodlands. Interest has been exceptionally strong.

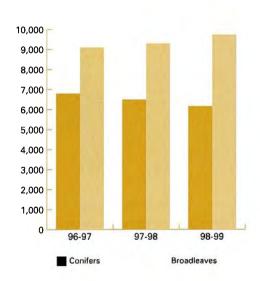
New Planting

The total of woodland grants payments to the private sector was £39.5 million, a new record for the second year in succession.

Expenditure on Grant Schemes 1998-99



Private Sector New Planting 1996-97, 97-98 & 98-99

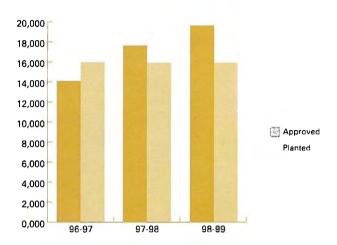


Private landowners planted nearly 16,000 ha of new woodland in 1998-99 - a similar level to the last two years. More than 60 per cent of the area was new broadleaved woodland, which included an increasing proportion of new native woodland. Whilst it is encouraging to see overall planting levels being maintained, especially given continuing high agricultural land values, there is continued scope to encourage more productive conifer planting. The new challenge funds in the Central Scotland and South West forests will help in this respect, as will the extension for a fourth year of the highly successful Grampian Forest challenge fund.

A Further Locational Supplement was introduced to support the work of Project Arbre in North East England. This project aims to encourage farmers and landowners to establish areas of short rotation coppice as a fuel supply for power generation.

There were further encouraging signs with the approved area for future new planting up significantly for a second year at 19,624 ha. This increase is in part a response to the increasing number of Challenge Funds and Locational Supplements, and further evidence that targeted grants are encouraging greater woodland establishment.

Private Sector New Planting, Approved and Planted



National Forest Locational Supplement

The National Forest Locational Supplement, introduced on a trial basis, provides an additional incentive to plant new woodlands in the National Forest. Applicants can claim the supplement in addition to the standard new planting grants. Planting must be carried out and grant claimed by 31 March 2000. The supplement is not available for areas that have been entered into the National Forest Tender Scheme.

The rates for the supplement are:

AREA IN HECTARES	RATE PER HECTARE
1.0 - 2.9	£600
3.0 - 4.9	£1,500
5.0 - 9.9	£2,000
between 10 and 20	£2,500

Applicants who intend to plant more than three hectares must provide informal recreational access for the public, the design of which must meet the standards set out in Forest Recreation Guidelines. The areas will be included in publicity literature published by the National Forest and the Forestry Commission.

Our Public Forests

Ministers confirmed in May that there would be no further large scale sales of forest land. Whilst we have continued to sell relatively small isolated blocks of forest land which are surplus to requirements, we have also made progress on a number of opportunities to buy new landholdings and freeholds. In particular, we launched an initiative in the Thames Chase Community Forest aimed at assembling around 1,200 ha of forest land around east London.

Land Regeneration Unit

The newly established Land Regeneration Unit has made good progress, concentrating its resources in the Mersey and Red Rose Community Forests. One area of 29 ha was acquired at Bickershaw Farm, by an innovative partnership with the freehold being bought by the Woodland Trust and the land leased to the Forestry Commission for planting and management. There is considerable potential for similar initiatives in the years ahead.



Tir Coed

The Tir Coed initiative has been a good example of partnership in practice. A Steering Group, led by the Forestry Commission and Countryside Council for Wales (CCW), has formulated a coherent strategy for woodland expansion in Wales. Contributions, both financial and in kind, have been welcomed from CCW, the Environment Agency, Woodland Trust, Country Landowners Association, Timber Growers Association, Wildlife Link, the National Trust, Farming Unions and the National Parks. The Steering Group has appointed a Director, Alec Dauncey, one of our most experienced Forest District Managers. Projects are being developed throughout Wales, focusing on sensitive woodland expansion which respects landscape character, creates habitat networks and involves local people. An early example will be a "whole landscape approach" to the Ystwyth Valley, from Cardigan Bay to the heart of the Cambrian Mountains. We believe that stimulating woodland creation and management provides a valuable component in sustaining communities and culture in a Welsh countryside affected by agricultural change.

National Parks in Scotland

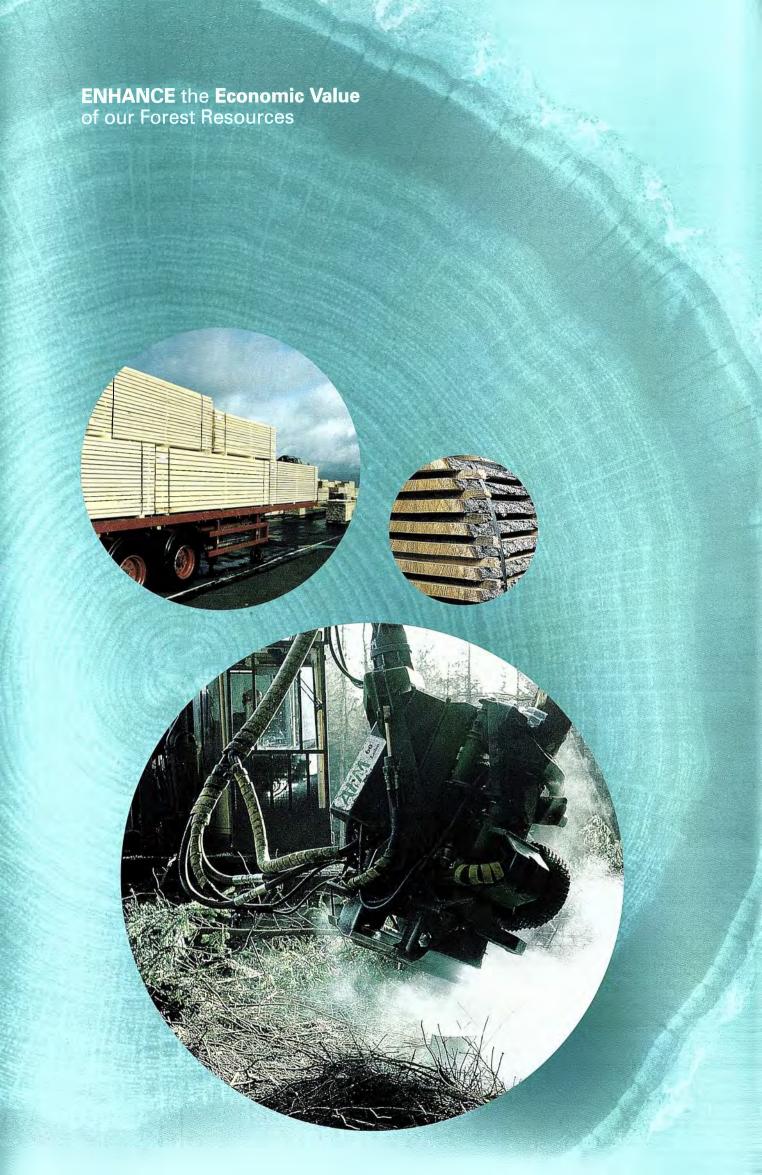
We welcomed the Government support for creating National Parks in Scotland. We look forward to close involvement with the first National Park, proposed for Loch Lomond and the Trossachs, where we hope to make a major contribution through the assets and expertise we have developed over the years in the Queen Elizabeth Forest Park.

Scottish Forestry Strategy

In March 1999, Lord Sewel launched *Forests for Scotland - consultation towards a Scottish Forestry Strategy.*This consultation paper was prepared by the Forestry Commission and colleagues in The Scottish Office,
Scottish Natural Heritage, the Scottish Environmental Protection Agency, Highlands and Islands Enterprise
and Scottish Enterprise. The intention is that the results from this consultation exercise should form the basis
for development of a Scottish Forestry Strategy by the Scottish Executive. The opportunity for the public
to contribute to such a strategy has been warmly welcomed.

Local Forestry Frameworks

As a pilot exercise, we have worked with Dumfries and Galloway Council and Scottish Natural Heritage to test the use of Local Forestry Frameworks. The intention is that these Frameworks should provide detailed guidance to applicants about the suitability of land for different types of forestry in order to achieve a reasonable balance between forestry and other land uses. The two trial areas are to the north of Newton Stewart and to the south of Eskdalemuir. These Local Forestry Frameworks are much more detailed than Indicative Forestry Strategies. The process of drawing them up involves extensive local consultation and their preparation is very resource-intensive. If this pilot proves to be successful, further Local Forestry Frameworks are only likely to be developed where there are particular sensitivities about forestry expansion.



- Strong pound leads to very difficult market conditions for the whole sector
- Forest Enterprise harvests 5.3 million m³, resulting in an income of £86 million
- Steps taken to take forward the Jaakko Pöyry report on softwood market development which forecast an increase in annual production of 6 million m³
- Local and regional marketing initiatives provide new market outlets for small-diameter roundwood

Timber Market Review

1998 was another very difficult year for the whole industry. The continued strength of the pound, combined with other factors such as the decline in Asian markets, meant that round timber prices fell to their lowest level in real terms since records were first kept. There was some evidence of round timber prices stabilising during the early part of 1999, but insufficient to be certain that the bottom of the current economic cycle had been reached.

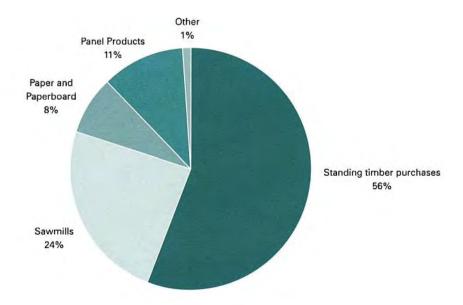
All links in the chain were affected. UK sawmillers had to fight hard to maintain their position against high volumes of imports. Several small and medium-sized mills were forced to close. It was, however, encouraging to note the continued high level of investment by many companies which should improve their marketplace competitiveness, and also lead to significant increases in demand for sawlogs.

The picture in the pulp and panelboard industries was similar. Sales levels and margins both suffered as a result of the strength of the pound; however, there was continuing heavy capital investment for the future. Demand for small roundwood strengthened progressively over the year as new capacity came on stream in both the chipboard and MDF sectors. However, the price paid by processors failed to rise because increased market place competition meant that they themselves could not improve the price they obtain for their products.

Forest Enterprise Timber Production

A total of 5.3 million m³ was harvested from Forestry Commission forests, achieving the target volume. The volume sold as standing trees amounted to 3.0 million m³ with the balance coming from direct working from Forest Enterprise. Clear felling produced 78 per cent of the volume, the remainder coming from thinnings. Efficiency improvements led to a 1.5 per cent reduction in the cost per cubic metre harvested. Total timber income was £86 million. This was a creditable performance given the extremely difficult trading conditions which applied throughout the year. We took a number of steps during the year, including enrolling as eligible recipients of landfill tax credits, to enhance our non-timber income.

Main Market Sectors for Forest Enterprise Timber, 1998-99 (by volume)



Softwood Market Development

Jaakko Pöyry Consulting (UK) Ltd completed the first major UK market development study for over 15 years on behalf of the Forestry Commission, Scottish Enterprise and Highlands and Islands Enterprise. It showed that, over the next 20 years, softwood supply will rise by 6 million m³, of which 5 million will be suitable for sawmilling. The incremental volume is predominantly in Scotland. Crucially, about 67% will come from the relatively fragmented private sector resource. The consultants estimate that an additional supply of between 2 and 3 million m³ of recycled wood and processing residues will be taken up over the same period.

The study identified some key issues for softwood growers and the wood processing industry, including some formidable and urgent challenges. These include the need to reduce production and transport costs, co-ordinate better

marketing efforts, improve estimates of the future quality of sawlogs and develop markets for increasing volumes of lower quality logs. However, it is clear that there are significant opportunities for investment and new markets if all parts of the industry can pull together to address the issues raised.

The Forestry Commission and development agencies have a key part to play in making this increasing resource attractive to large multi-national companies and reducing the time horizon for the initiation of new projects.

The Forestry Commission convened a meeting of a wide range of industry sectors to discuss the implications of the report in November. The meeting established that a strong sense of common purpose had been aroused by the report and identified a number of particular priorities for action. A co-operative industry-wide framework was agreed for co-ordinating the activities of existing and yet to be formed specialist task groups.

Market Promotion of Wood

In common with other European countries, the UK market for wood in recent years has not been expanding in spite of the increasing availability of European supplies. This is due partly to the level of building construction activity, and partly to the success of competing materials such as concrete, steel and plastic in winning market share. Commercial interests in this country and abroad have been discussing the potential for co-operation in a promotional campaign for timber in the UK market. The Forestry Commission has been playing an important role in facilitating the discussions between UK based companies and associations representing companies in exporting countries. While few doubt the need for a promotional campaign, the success of this particular initiative depends on reaching agreement on the priority of a number of different targets and, of course, on finding the cash during a period when the industry is hard pressed by historically low prices.

South-East England Hardwood Marketing Study

There have been long-standing difficulties in marketing low-value hardwoods in the south of England. The reasons for this include the low value of the wood, the lack of interest by many owners in marketing wood, and the lack of regional assistance to attract investment in new processing capacity. With the support of private-sector growers and local contractors, we invited consultants John Clegg & Co and Firn Crichton Roberts Ltd to explore the potential for new market outlets for broadleaved timber grown in the area. The main focus was the potential for securing a viable bulk industrial outlet for small-diameter roundwood.



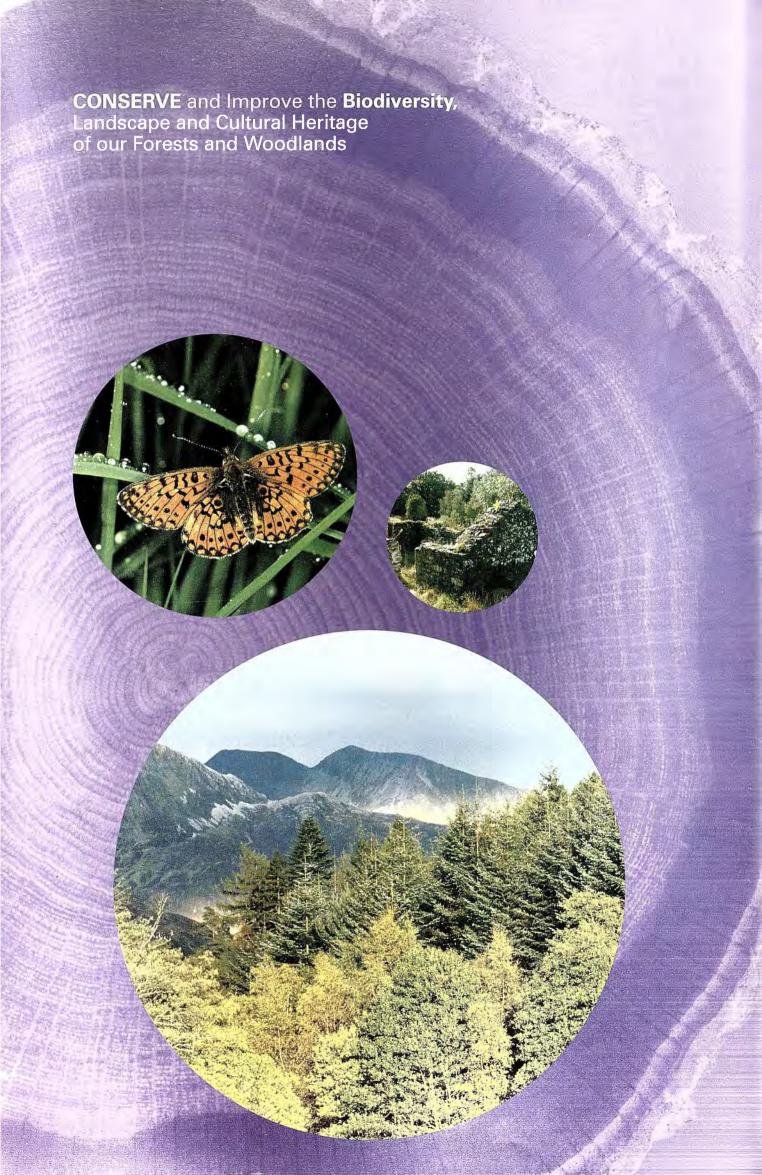
The consultants confirmed that a larger-scale bulk outlet would not be viable and that small-scale solutions would be more realistic. This fits in well with the support given in recent years to a range of local and regional marketing initiatives. A number of opportunities are being pursued.

The Boxing Day Storm 1998

The Boxing Day storm was particularly severe in the western parts of Scotland and northern England but, compared to previous major storms, the overall damage was not catastrophic. Nevertheless, a few private owners in south west Scotland were badly affected, as were Forest Enterprise forests in south Kintyre, Mabie and Arran. The damage is estimated at 550,000 m³ for FE and 300,000 m³ for private growers. Much of the blown Forest Enterprise volume could be substituted for existing or proposed contract commitments. To ease the difficulties experienced by some private growers, agreement was secured for harvesting to proceed without the customary 28 day consultation period.

Establishment

The cost of establishing young trees is a major burden on the profitability of a forestry investment. Although research results have helped managers to understand the relative importance of individual factors, the outcome of establishment on a given site is the result of a complex set of interactions which is difficult to evaluate. As a consequence, both the success of establishment and the associated costs can vary considerably. In New Zealand, a prototype model of early growth of radiata pine has been developed to predict the response to different management inputs in the establishment phase. During the year, work has been done by Dr Euan Mason to adapt this model to Sitka spruce growing in Britain. Early results are promising and it seems possible that we shall be able to provide managers with a technique for predicting growth and costs in the establishment phase.



- Forest Enterprise acts as a key deliverer of biodiversity conservation, co-operating with partners on a number of projects throughout GB. For example:
 - 60 kilometres of deer fences removed to aid the conservation of the capercaillie species action plan for butterflies being developed to protect endangered species
- FC Biodiversity Group established to co-ordinate programmes and policies
- Ecological Site Classification Scheme launched
- Guidance issued on soil conservation and forest design planning

Biodiversity

The Forestry Commission continues to make a major contribution to biodiversity conservation throughout Britain.

Forest Enterprise, collaborating closely with a range of partners, is delivering improvements on the ground. For example:

- we have made rapid progress at Sunart to restore Lochaber's largest and most complex upland oakwood site.

 A number of imaginative partnerships have been created which strengthen practical delivery, particularly on grazing management. Our aim is to provide favourable habitat conditions and sustainable management which best integrates these fabulous Atlantic oakwoods into the local economy;
- we have made substantial progress towards the conservation of capercaillie through the removal of 60,000 metres of deer fences from key sites with the help of EU funding. Poor weather during the summer of 1998, however, meant that breeding productivity was very low. In order to reduce disturbance to remaining populations, Forest Enterprise has involved RSPB in a survey of lek sites in forests throughout the North Scotland territory;
- we are preparing a species action plan for butterflies. Butterflies such as Pearl-bordered, Heath and High Brown Fritillaries are amongst Britain's most endangered species, and our public forests have some 90 sites holding colonies of priority species;
- we have restored Scots pine bog woodland at two of our sites in Inverness Forest District as part of a three year EU-funded project;
- we have entered into partnership with a local farmer to manage 1,500 hectares (ha) of the Merrick Kells Site of Special Scientific Interest in south Scotland under the terms of a Farming Contract Agreement. Our aim is to improve habitat conditions for moorland wildlife like grouse, blackgame, golden plover, mountain hare and golden eagle and to reduce grazing pressure on marginal upland oakwoods while helping to sustain traditional farming practices in the Galloway Hills; and
- we launched the Border Mires rehabilitation programme for active blanket bog in and around Kielder Forest in February. The project is led by Forest Enterprise and Northumberland Wildlife Trust in collaboration with Northumberland National Park, English Nature, Newcastle University and RAF Spadeadam.

The development of the UK Biodiversity Action Plan has led to a rapidly increasing series of plans containing targets for increasing the diversity of UK wildlife,

especially for the species and habitats which have been defined as national priorities. Many of these plans affect forestry and, on several, the FC takes the lead. For example, we are now the formal lead partner for five native woodland habitat action plans and have developed integrated structures for implementing these at both UK and country level. Following a review of our policy objectives an FC Biodiversity Group was established with the purpose of co-ordinating the development of FC programmes and policies, including the promotion of best practice, programmes of research and monitoring, and incentive

schemes. The issues on which the Group will focus include:

assessing resource requirements and seeking external funding;

developing data systems and recording and reporting procedures;

biodiversity communications;

integrating biodiversity into planning and incentive mechanisms;

the continuing development and monitoring of the UK Forestry Standard; and

research, advice and training needs.

During the year we employed a biodiversity action co-ordinator to undertake much of the rapidly increasing programme of work and, especially, the co-ordination of work on native woodland habitat action plans.

The 1998 Forestry Research Co-ordination Committee workshop addressed *Biodiversity and Conservation-Related Research*. Results are now becoming available from the Biodiversity Research Programme. These will form the basis for evaluation and monitoring of biodiversity in productive forests. The Forestry Commission's new Ecological Site Classification System was launched during the year. This package provides a comprehensive system for site classification based on climatic zone, soil moisture and soil nutrient regime. It will guide our choice of species, the establishment of new native woodlands, management decisions and biodiversity and other research programmes.

Environmental Guidelines and Guides

Two important new publications were issued to support the UK Forestry Standard:

- (i) The Forests and Soils Conservation Guidelines describes the main risks to woodland soils. They outline the measures required to prevent physical, chemical or biological changes which have the potential to reduce the future ability of the soil to supply economic, environmental and social benefits. The guidelines deal mainly with the effects of forest operations on the soil itself. However, the effects on plant and animal communities supported by the soil or the closely related aguatic environment have also been taken into account.
- (ii) The Forestry Practice Guide: Forest Design Planning a Guide to Good Practice brings together a wide range of advice particularly aimed at people managing existing productive forests and woodlands of a size which may require felling and regeneration over more than one phase of felling. The guide is especially relevant to owners intending to draw up long-term forest plans and has been well received.

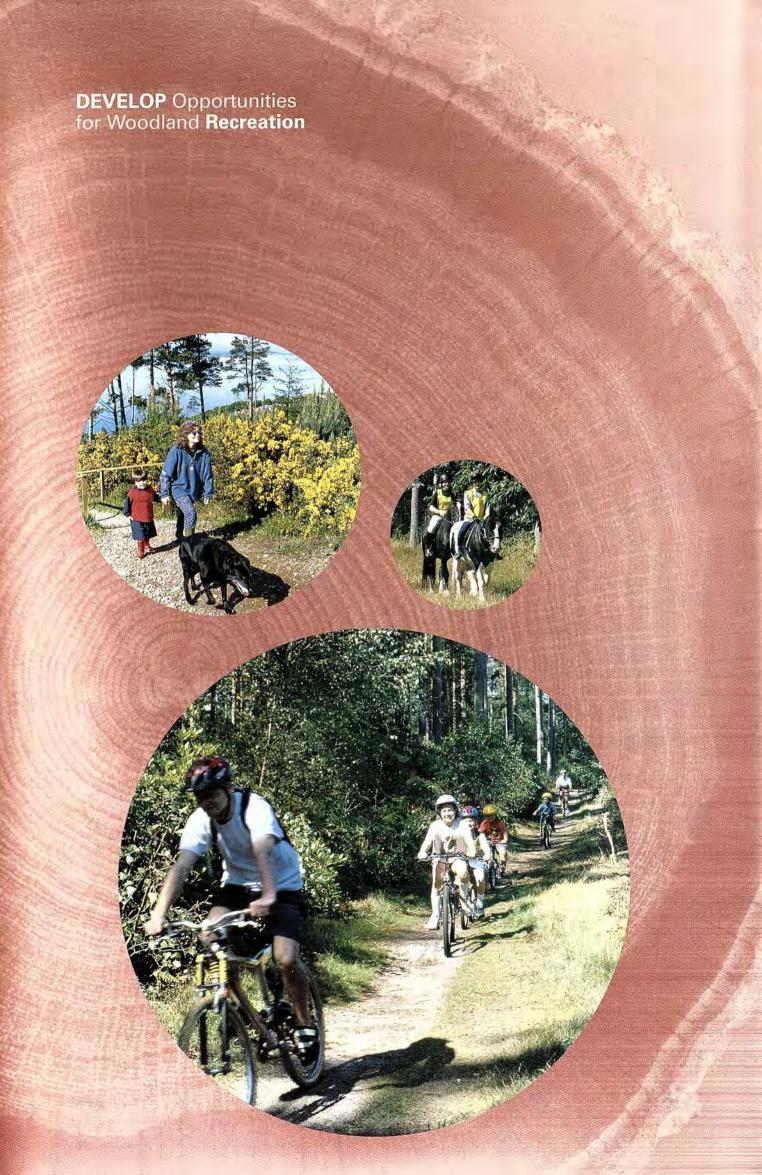
Native Woodlands

The final report of the Native Woodland Advisory Panel for Scotland was submitted to Commissioners and contains a number of important recommendations that we will be taking forward. We are very grateful to the Panel for their hard work over the past three years. Reports from the work of the Panel and its sub-groups

will also be published. Some of the Panel's work was also presented at two regional

seminars on the contribution of native woodlands to land management which we ran in association with the Native Woodland Policy Forum last September. The Panel also produced a very successful brochure on the Native Woodlands of Scotland.





- Forest Enterprise developing a new recreation strategy in consultation with partners and stakeholders and pursuing negotiations with a private partner to develop Forest Holidays
- Concordat signed between Forest Enterprise and the British Horse Society, improving access for horse riders
- Community Woodland Supplement continuing to encourage the development of new woodlands to meet the needs of local communities
- Around 50 million visits every year to our public forests

Developing Recreation in our Public Forests

Forest Enterprise remains the single largest provider of outdoor recreation in Britain, playing host to around 50 million visits every year. In December a conference involving a large number of our recreation staff reviewed the strategic options for recreation in our public forests. We shall follow this up with a consultation exercise with our partners and stakeholders which should lead to the launch of our strategy in the latter part of 1999.

Forest Holidays

Forest Holidays, a business unit within Forest Enterprise, offers four self-catering log cabin sites and 25 touring caravan and camping sites throughout Britain. The setting of our cabin sites in the forest makes them unique in the self-catering holiday market. We benefit from high occupancy levels, a loyal customer base and the goodwill deriving from the Forest Enterprise and Forestry Commission brand names. Our network of touring caravan and camping sites ranges from small, basic, natural sites to large sites with modern shower and toilet blocks, shops

environment in common. Modernisation of our sites and development of the cabins and campsite businesses represent two major development opportunities. We are in final negotiations with a private sector partner for the development, management and

and take-away food outlets. All have the peace and tranquillity of the forest

operation of the cabin site business, under the Government's Private Finance Initiative. We have initiated a similar process for the 15 campsites north of the New Forest and anticipate

concluding this in 2000-01.

Horse Riding

Bob McIntosh, on behalf of Forest Enterprise, and Hywel Davies, Chief Executive of the British Horse Society, signed a Concordat in

November. The Concordat will strengthen the partnership between the British

Horse Society and the Forestry Commission at all levels as well as improving access for riders to public forests across Britain. Over 60 per cent of Forestry Commission woodland will offer open access to roads and tracks for all horse riders and in other areas we will work with local riders to set up associations to improve and manage the riding facilities in their woods. The Concordat will be reviewed by April 2001.

Support for Access to Woodlands

The Community Woodland Supplement is intended to encourage the creation of new woodlands which will provide access and recreational facilities close to towns and cities in order to meet the needs of the community. A total of 872 hectares (ha) was established in 1998-99. Although very slightly down on last year's total, this is still an encouraging figure and brings the total area of new community woodlands to over 9,000 ha since the scheme was launched.

Our *Walkers Welcome* initiative aims to encourage woodland owners to advertise that access to their woodlands is available, and to welcome people walking in their woods. The Forestry Commission provides support in the form of advice and a range of signage for footpaths. This year, just over 17,000 ha of woodland were approved as *Walkers Welcome* under the Woodland Grant Scheme. This represents an increase of over 1,000 ha from last year and brings the total area of *Walkers Welcome* since its launch in 1992 to over 68,500 ha.

The Woodland Improvement Grant Project supports work which helps to encourage informal public recreation in existing woodlands. It can be paid to open up woods for recreation or to improve and enhance areas of woodland already used by the public. During the year over 3,400 ha was approved while grant was paid for another 1,974 ha of woodlands. Management grant is also paid as a contribution towards work designed to encourage public access. Some 78,500 ha of woodland benefited through schemes where recreation was a high priority.

Access to the Open Countryside

In February 1998 the Government issued a consultation paper *Access to the Open Countryside* covering England and Wales. The consultation paper noted that the Forestry Commission had been asked to report before the year 2000 on the extent of access to woodlands. A similar report covering other types of open country is to be prepared by the Countryside Agency. Following the receipt of over 2,500 responses, the Environment Minister, Michael Meacher MP, announced the Government's conclusions in March 1999. These included the intention to introduce a statutory right of access to mountain, moor, heath, down and registered common land. The announcement also noted that the Government would consider extending the right to woodland in the light of our report. We shall submit that report to Ministers in the autumn of 1999.



Access to our Public Forests

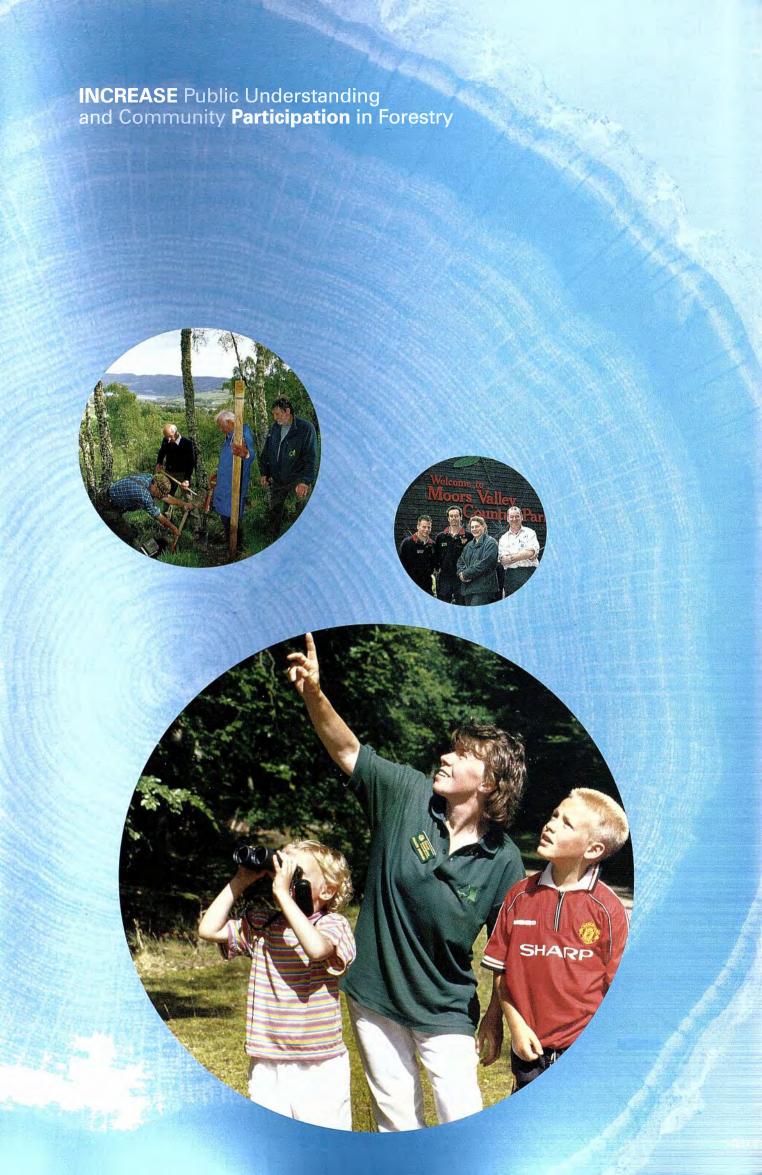
We continue to encourage public access to the forests we manage. We undertook, this year, a major review of our responsibilities under Occupiers Liability legislation, and revised our systems for managing, recreation, access and safety. All our relevant front-line staff were trained in the new procedures.

Hunting

A revised licensing system for fox hunting was introduced during the year after a Master Agreement was concluded with the Masters of Foxhounds Association. All hunts operating in our public forests agreed the new licences. During the course of the season there were several minor breaches of the licence reported and this led to two hunts being suspended.

As reported last year, licences were not issued for any deer hunts on our public land. An agreement has been reached with the Masters of the Draghounds and Bloodhounds to allow this relatively new activity to take place.





- New emphasis on partnerships, with training and Forestry Partnership Programme designed to ensure that our input to shared initiatives is fully effective
- Increased efforts by Forest Enterprise to encourage community involvement, a trend to be taken further forward in response to the report of the Scottish Land Reform Group
- FC's external communications systems independently reviewed and a subsequent report adopted with training seminars for staff
- Forest Education Initiative continuing to develop local groups to encourage the use of forest resources in education and forestry

Partnership Working

Over the last few years, forestry policy has evolved to embrace the role that woods and forests can play in meeting society's wider needs, for example helping to overcome rural disadvantage and social exclusion, and helping to protect and enhance habitats. One consequence has been an increase in the number and range of different interests who have come together to work on achieving a common goal. These partnerships have demonstrated how different expertise, skills, knowledge and resources can be combined to deliver a common objective or goal. Working though partnership is one of the Government's underlying principles for implementing its policies and this approach is at the heart of its Forestry Strategy for England.

A wide range of partnership based initiatives have already been established including, for example, the 12 Community Forests in England, the Forest Education Initiative, Highland Birchwoods and the Deer Initiative. Forest Enterprise is involved in a myriad of partnerships the length and breadth of the country. Often these partnerships are able to increase the total resources available to implement their objectives, by unlocking new resources such as lottery and European funding and through sponsorship from public and private bodies.

In order to strengthen our ability to support partnership working we are ensuring that our staff are trained in best practice in this area and we are adjusting our funding mechanisms. We have established a Forestry Partnership Programme to ensure that our input to shared projects and initiatives is fully effective and to target our resources more effectively. The Partnership Programme is complementary to our funding through the Woodland Grant Scheme.

Community Involvement in Forest Enterprise Forests

Forest Enterprise is responding to the increasing importance of, and demand for, community involvement in publicly-owned forests. We have drawn up, in Scotland, a comprehensive strategy, having prepared the ground with workshops for stakeholders and staff to explore the issues involved, as well as a number of targeted training courses. We are also continuing to involve and inform local communities, e.g. sending 83,000 leaflets to households in the New Forest area explaining the aims of the LIFE Partnership.

Scottish Land Reform Policy Group

The need for public bodies with rural landholdings to involve communities was a key recommendation of the Scottish Land Reform Policy Group which reported in January 1999. Other relevant recommendations included legislation to give the rights for secure tenants to plant trees, to cut and sell timber, and so to derive income from farm woodlands integrated with agricultural business; and end Woodland Grant Scheme payments for land taken back from tenants by way of contested notices to quit. This last recommendation was implemented on 4 March.

Survey of Public Attitudes

A study was carried out under the auspices of the European Forestry
Institute to improve our understanding of how public attitudes to
forests and woodlands are influenced by their culture. The study
explored the links between forestry culture, policy, and practice
in four contrasting European countries - Finland, Austria, Italy
and Britain. The first three countries were chosen as examples
from different regions of Europe with long-standing traditions
of multiple-use of forests, as compared to one with a new
forestry culture. The provision of forest recreation in the
different countries was used as a method of testing the links
between culture, policy and practice. Differences were found
between all countries in the importance assigned to recreation
within forest policy, and in consequent adaptations of management
practice to provide social benefits. These differences appeared to be primarily
a function of local or regional forestry culture. This variation needs to be considered

by managers if they are to implement multiple-purpose management successfully.

Communications

The Commission asked the Dragon Consultancy to advise on steps which could be taken to ensure that the multiple benefits of modern forestry were better understood by the general public. Following the consultant's report a strategy for external communications has been adopted. This sets out the key messages, gives pointers as to preferred style and says that, in communicating with the public, we shall aim to be accessible, honest, responsive and responsible. The strategy will be taken forward with seminars for all staff and local implementation plans.

www.forestry.gov.uk

Our internet site once again proved its value as a powerful communications medium. The number of people visiting the site continued to rise, but of more importance was the way in which these visitors used the site and, in particular, the new developments within the site. The new pages for Forest Research, Westonbirt Arboretum and the Commission's news releases proved extremely popular, and not just with British visitors. While the vast majority of visits came from Britain and America, there were also visits from another 75 countries. Couple this fact with the wide variety of information requested - from recreation requests through grants to the wider forest industry - and the picture is one of the site being a valuable source of information to a wide range of user groups. This wide-ranging customer base will continue to be used as a basis for future developments on the net.

Forest Education Initiative (FEI)

with a particular focus on literacy and numeracy.

The focus for FEI this year has been to strengthen the development of the national network of local FEI cluster groups. There are now 25 groups throughout Britain connecting the education and forestry sectors to facilitate the use of local wood and forest resources by those in education. Three groups were launched this year including the Ayrshire cluster group launched by Craig Brown, the Scottish football team coach. A networking day for cluster representatives was held at Beacon Fell Country Park in Lancashire. This provided an ideal site to discuss and explore the use of forest and woodland sites for education,

Shows

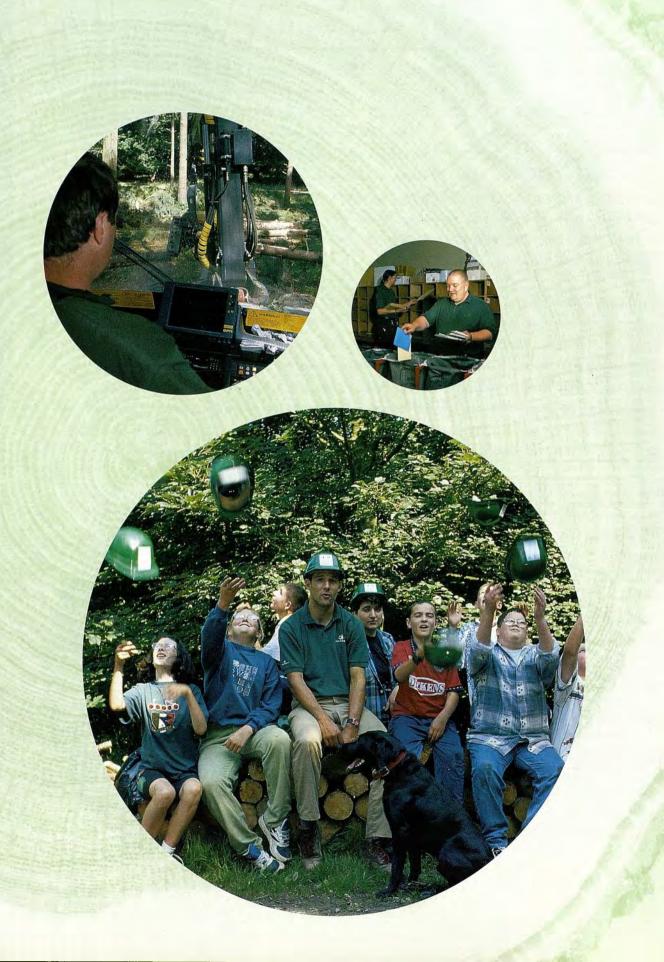
The arts were employed to good effect by the Commission at this year's agricultural shows. A mix of visual, performing and interactive arts including galleries, local theatre groups and puppetry combined to deliver messages about the multiple benefits of forestry in Britain. The most powerful of these was, undoubtedly, the puppet theatre at the Royal Highland Show which drew in huge crowds to hear about the importance of forests to wildlife. This form of "storytelling" will be more widely used by the Commission at future events.

New Publications

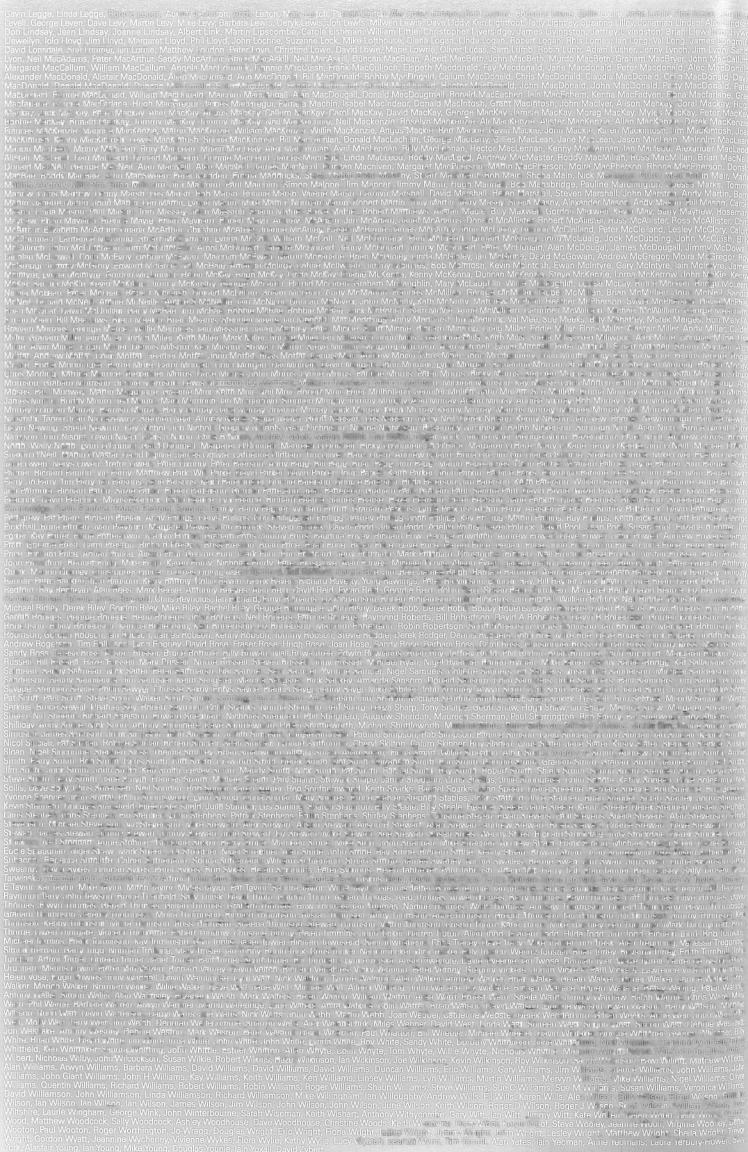
Several new publications were published during the year. One of the most significant is the new book *The Living Forest: Non-Market Benefits of Forestry,* which represents the proceedings of a symposium hosted by the Forestry Commission and details how to measure and evaluate the non-market benefits of the forest environment. The book considers how to use such economic appraisals in the development and implementation of forestry policy. We have also produced a range of publications preparing for devolution. A catalogue of the full range of forestry publications is available from our Public Enquiry Team on 0131 314 6322.



Human Resources



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A New pay and grading and staff performance management schemes introduced

New induction material introduced for the benefit of staff and managers

New awareness campaign launched to combat Harassment and Bullying

Significant progress on merging industrial and non-industrial staff

The Forestry Commission's greatest asset is its people. Our aim, as set out in our new personnel strategy issued in August, is to have people of the right quality with the required skills and motivation in the right job at the right time. Those people will be developed and supported to meet the changing needs of the individual, the job and the longer term needs of the organisation. To achieve this, the Commission will invest in every member of staff, be a fair and caring employer and adopt in its policies high standards of honesty, integrity and public accountability.

A number of significant initiatives have been taken in this area. In particular:

we introduced new pay and grading systems from 1 October 1998. The new grading structure comprises 7 non-operational pay bands and 3 operational pay bands, the latter being for posts directly concerned with managing activities in the forest, which typically involve longer operational working hours and on-call duties. Each pay band contains jobs of approximately similar levels of responsibility and staff in each pay band enjoy common terms and conditions of service. The system includes new procedures for filling vacant posts which match the requirements of the job to the skills of individuals, thus enabling staff with the relevant ability to apply, regardless of their pay band;

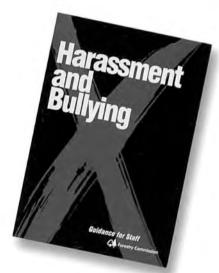
we introduced a new Performance Management System on 1 April 1998. The new system has improved the format of forward job plans, introduced personal development plans for non-industrial staff and improved the system of in-year progress reviews;

work has continued on improving our training and development practices, and training needs analyses have been carried out in various parts of the Commission;

we introduced new booklets to welcome new recruits to the Commission and help managers improve the induction of new staff and people who change job; and

we launched a new policy to combat harassment and bullying which highlights a range of issues surrounding bullying at work and the unacceptability of certain types of behaviour.

We believe these developments all make an important contribution to the well-being of our staff. We shall shortly be asking Investors in People to make an independent assessment of whether we are indeed implementing best practice.



Commission Staffing

The Commission employed 1,579.5 non-industrial staff at 31 March 1999 compared with 1,612 at 31 March 1998. The number of industrial staff employed during the same period fell from 1,659 to 1,597.5. This reduction has been achieved through restructuring in Forest Enterprise and continuing efficiency measures elsewhere.

Senior staff changes included:

- David Foot retired as Commissioner and Head of Forestry Authority;
- Duncan Macniven, from the Scottish Office, was appointed Head of Corporate Services and took on the role of Principal Establishment and Finance Officer; and
- Paul Hill-Tout was appointed Head of Policy and Practice Division and was replaced as Forest Enterprise Director South Scotland by Mike Lofthouse. Ian Forshaw took over from Mr Lofthouse as Director Forest Operations.

Recruitment

Permanent appointments to the Forestry Commission are made on the basis of fair and open competition with selection on merit. Our procedures are in accordance with the guidance laid down by the Civil Service Commissioners and are subject to internal checks. During the year a total of 81 non-industrial staff and 50 industrial staff were recruited to the Forestry Commission across a wide range of grades (See Table 4).

Staff Unification

Work continued throughout the year on merging non-industrial and industrial staff into one group. A series of road shows was organised aimed at informing all staff of progress to date and providing an opportunity for staff to feed ideas and concerns to members of the Staff Unification Working Group.

A job audit gave us job titles for the Forestry Commission's 1,600 industrial employees for the first time. These showed the complexities of roles often masked by grade titles such as forest craftsman. Job descriptions were also established for all employees. The audit also enabled us to identify a range of job titles in locations throughout Britain for a job evaluation exercise.

The evaluation exercise used the Job Evaluation and Grading Scheme system employed earlier for non-industrial staff but recognising additional factors for physical demands and working environment. With the completion of the job evaluation stage we can align non-industrial and industrial staff jobs next year and develop proposals for a unified pay structure and a single staff group throughout the Forestry Commission.

Awards

The work of the Commission and its people was once again recognised through a number of awards this year:

- Sir Michael Strang Steel, Forestry Commissioner, was awarded the CBE;
- Howard Embleton, former West Argyll forest district manager and Graham Pyatt, former principal scientific officer were awarded OBEs:
- Jim Brown Chairman, FASTCo Health and Safety Committee, Andy Phillips, Forest Craftsman and Nerys Owen, administration officer in Coed y Cymoedd forest district were awarded MBEs:
- Paul Hibberd, New Forest recreation and education ranger, received a commendation for his Woodland on Wheels education project in the Interpret Britain Awards;
- The Balfour-Browne Deer Trophy was awarded jointly to Donald Hendry and Colin Lavin, chief rangers, North Scotland Region;
- Aberfoyle Forest District received two awards during the year, the
 John Kennedy Trophy in the Scottish Woods and Forests Awards and the
 Premier Award at the Business Commitment to the Environment Awards, both
 awards being for the East Loch Lomond Forest Design Plan;
- Kincardine Forest District in conjunction with the Dunnottar Woodland Park Association won a "Highly Commended" award for Dunnottar Woodland Park, Stonehaven in the Small Woods category of the Scottish Woods and Forests Awards;
- Tim Rollinson was elected as Vice-President of the Institute of Chartered Foresters; and
- Fort Augustus Forest District won the Price, Waterhouse Cooper Award for Achievement and Innovation from an Agency in a Partnership Project. This recognised the work done in the Glen Affric Project in partnership with Millennium Forest for Scotland Trust and LIFE 94.

Organisational Matters

Financial Performance

The Commission and its Agencies are financed by the Grant-in-Aid voted by Parliament, European Union reimbursements of eligible expenditure and the cash surpluses achieved by the Forest Enterprise and Forest Research Agencies.

Key aspects of financial performance compared to 1997-98 were:

- The original Grant-in-Aid requirement of £47.4 million had to be increased by a Supplementary Estimate of £3.9 million because of the continuing decline in timber prices. The increased total Grant-in-Aid requirement was £2 million more than in 1997-98;
- EU reimbursements increased by £1.5 million;
- The Forest Enterprise Agency's cash surplus fell by £0.2 million to £25.8 million and failed to achieve the target set by Commissioners by £4.0 million. This was largely due to the effect of falling prices on total timber income which fell by £9.4 million. Other operating income increased by £2.7 million whilst income from the sale of properties fell by £10.8 million as a result of the decision to halt large-scale forest sales. However, the overall position was improved by a one-off receipt of £21 million from the surrender of a lease;
- The Forest Research cash surplus of £1.3 million was £0.6 million higher than in 1997-98 and, including superannuation contributions, the Agency contributed a total of £2.2 million to Commission funds; and
- In applying the funds received, private woodland grants increased by £7.0 million, pension payments net of staff contributions increased by £0.3 million and other departmental net payments were reduced by £0.6 million.

All Forestry Commission payments and receipts, including those of the Forest Enterprise and Forest Research Agencies, and the Grant-in-Aid, are recorded in the Forestry Fund for which accounts are prepared and presented to Parliament. The Forest Enterprise and Forest Research accounts are published separately in each agency's Annual Report and Accounts. The Forestry Commission's Financial Statements and Accounts are on pages 46 to 61 of this report.

Forestry Training Services

Forestry Training Services (FTS) has a strategic role within the Forestry Commission to work with others to deliver best practice through training. Best practice is generated and spread within the forestry world by FTS working with others to achieve this goal.

FTS is now well established at its Headquarters in the Management Training Centre at Ae Village, near Dumfries. We have training centres in Scotland, England and Wales (seven in all) and offer training at the centres or where our customers want it.

The Forestry Commission and its Agencies have all conducted Training Needs Analyses during the year and are working with FTS on developing strategies for the implementation of the findings of these reports.

In 1998-99 FTS:

- trained all current FC personnel in the use of the new Performance Management System;
- devised and commissioned the training event Feedback and Coaching to help managers support staff;
- in partnership with Newton Rigg College, Cumbria, won the contract to train the assessors to support the machine operator certification scheme;
- has been commissioned by FASTCo to develop training guidance for centres, trainers and candidates which will equip trainees to gain National/Scottish Vocational Qualifications (N/SVQs);
- introduced a Development Advisory support unit. The Development Advisors offer support to staff at induction, job change time and generally support the Personal Development Plan (PDP) system; and
- tested, introduced and trained staff in the use of the new PC version of the tariff checking and calculation package.

Forestry and Arboriculture Safety and Training Council (FASTCo)

The Council's Chairman, Geoff Machin, stood down after guiding FASTCo from its inception, and was succeeded by Trevor Preston who has served on the Council and its Management Committee. FASTCo was delighted that the work of Jim Brown, Chairman of its Health & Safety Committee, was recognised by the award of an OBE.

FASTCo remained pre-occupied by the issue of recognition as a National Training Organisation (NTO). In partnerships with organisations representing sawmilling, wood processing and distribution, the Council expended considerable effort on securing NTO recognition so that it could continue to represent the education and training interests of the forestry and arboriculture industry. NTO recognition is essential to be able to speak with authority to relevant government departments and new statutory bodies regulating curricula and qualifications. FASTCo and its partners are actively pursuing production of a submission seeking NTO recognition which will be presented in June 1999.

FASTCo achieved valuable objectives during the year. Of particular importance were:

- development of Forest Machine Operator Certification and the publication of machine operation safety guides;
- production of revised Forestry Level 1 National Occupational Standards;
- initiation of work to develop National Occupational Standards for the Greenwood Trades and Allied Crafts;
- rationalisation of training guidance to promote take up of N/SVQs; and
- development of a Guide to Good Climbing Practice for Arboriculture.

Health & Safety

During the year the Forestry Commission worked with the Health & Safety Executive (HSE) when they launched their initiative aimed at improving the management of health and safety in commercial forestry and woodland operations. As part of this initiative HSE ran a number of Forestry Safety Seminars. The first series of seminars was aimed at landowners and managers of forestry contractors, and the second at forestry contractors. In total there were 29 seminars attended by approximately 2,400 people.

The Forestry Commission Health & Safety Officers supported the HSE at these seminars. Representatives from all Forest Districts and Conservancies attended the management seminars and the Forestry Commission encouraged all contractors to attend the contractor seminars. It is hoped that this initiative will lead to an improvement in the systems for management of the health and safety of contractors.

Accidents at Work

The incidence of reportable accidents (those causing incapacity for more than 3 days) fell to 2.7 per 100 employees. This compares with figures of 4.5 (1996-97), 3.8 (1995-96), 4.7 (1994-95) and 4.7 (1993-94).

Year 2000 Programme

Business critical IT systems have been amended, where necessary, and tested to ensure they will not malfunction at the start of the year 2000. Local managers have also checked office equipment for year 2000 compliance. No significant problems have been identified.

The FC is now planning the action which should be taken before, during and immediately after the rollover to year 2000, to ensure the FC provides continuity of service. The Forestry Commission is confident it will maintain service during the rollover to year 2000 and beyond.

Information Technology

We have initiated a review of our strategy for information technology and continue to take steps to improve our existing systems. For example:

we replaced our aged wide area network with a managed service procured through the Government Telecommunication Service agreement. Full interconnectivity between all offices is now provided; and

development of Geographic Information Systems (GIS) continues. A system which provides a range of spatial information to field staff was awarded the ESRI (UK) best GIS project of the year, for innovation and creativity. ERSI is a world leading GIS software supplier.

Sir Peter Hutchison, Chairman
David Bills, Deputy Chairman and Director General
Bridget Bloom
Tom Bruce Jones
John Edmonds
Harry Fetherstonhaugh
John James
Duncan Macniven
Dr Bob McIntosh
Sir Michael Strang Steel

Frank Strang, Secretary, Forestry Commission 231 Corstorphine Road, Edinburgh, EH12 7AT

Financial Statements and Accounts

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Foreword

1. Status

The Forestry Commission is the Government department responsible for forestry throughout Britain. It implements the Government's forestry policy within the framework of legislation (principally the Forestry Acts 1967 and 1979, the Plant Health Act 1967, the Countryside (Scotland) Act 1967 and the Countryside Act 1968), and subject to the direction of Forestry Ministers.

The Forestry Commission's public forests are managed by its executive agency, Forest Enterprise and the major part of its forest research programmes, as well as technical development and surveys work, is undertaken by its Forest Research executive agency.

The Forestry Commission's activities are financed through the Forestry Fund which receives Grant-in-Aid drawn down from Class XIII, Vote 10. The Forest Enterprise and Forest Research Agencies' cash surpluses are paid into the Forestry Fund. The Forestry Commissioners present an annual Account to Parliament of the transactions of the Forestry Fund. The activities and transactions of Forest Enterprise and Forest Research are reported in their respective Annual Reports and Accounts which are published separately.

The accounts of the Forestry Commission are prepared in accordance with a direction given by the Treasury in pursuance of section 5(1) of the Exchequer and Audit Departments Act 1921. They are audited by the Comptroller and Auditor General.

2. Functions and Aims

The aims of the Forestry Commission are, through its powers and duties set out in the Acts, to protect Britain's forests and woodlands and to encourage their management and expansion in a way that increases their value to society and the environment in accordance with Government policy.

It is responsible for providing support and advice to Ministers, policy development and European and international liaison.

It is also responsible for implementing the Government's forestry policy, including the control of tree felling, providing advice to private woodland owners, administering the payment of grants for approved planting, restocking and management schemes, liaising with public bodies and non-government organisations concerned with forestry and the countryside and commissioning forestry research from the Forest Research agency and other bodies. The Forestry Commission sets standards for the forest industry as a whole, and monitors the performance of Forest Enterprise in the same areas of operation as those which apply to the private sector.

3. Review of Activities

Total net operating expenditure in 1998-99 increased by £1,200,000 compared to the previous year.

Grants to private woodland owners increased by £6,981,000 due to an increase in new planting under the Woodland Grant Scheme and the continued take-up of the new challenge funds which target grant aid on new planting projects providing a high level of environmental and social benefits. This was offset to some extent by a resulting increase of £5,003,000 in EU co-financing receipts. Increased sundry income, from recoveries of grants on failed private woodland planting, was partly offset by a corresponding increase in repayments to the EU of the co-financing element.

Management and administrative costs were lower than the previous year when unusually high computer operating costs had been incurred because of the Commission-wide upgrading of systems and networks.

After allowing for transactions not involving movements of cash, the share of Grant-in-Aid attributable to departmental expenditure was £57,527,000, £1,865,000 greater than the previous year.

Future commitments and applications awaiting approval for planting and management grants at 31 March 1999 totalled £204 million, an decrease of £9 million from the previous year's figure of £213 million.

4. Employment Policies

The Forestry Commission's policies in relation to the employment of disabled persons, the provision of information to, and consultation with, employees, and the promotion of equal opportunities, are stated elsewhere in the Annual Report. The names of Commissioners are also shown elsewhere in the Annual Report.

5. Year 2000

The Forestry Commission has reveiwed all its IT systems to ensure that each is capable of operating after the year 2000.

D J Bills Accounting Officer 8 October 1999

Statement of Income and Expenditure For the Year Ended 31 March 1999

			Previous Year
	Notes	£000	£000
INCOME			
Planting grant co-financing from EU	2	14,069	9,066
Sundry income		1,363	915
		15,432	9,981
EXPENDITURE			
Grants to private woodland owners	3		
Woodland Grant Scheme		41,603	34,252
Other schemes (now closed to new applications)		872	1,242
Repayments of EU co-financing	2	432	289
		42,907	35,783
Management and administrative expenses	4		
Private Woodland Grant Schemes		5,654	5,507
Licensing, regulatory and plant health services		1,530	1,574
Information and advisory services		7,716	7,460
Forestry policy and departmental administration		5,994	6,958
		20,894	21,499
Research		10,526	10,394
Net Expenditure for year		58,895	57,695

The notes attached form part of these accounts.

Cash Flow Statement and Reconciliation to Grant-in-Aid For the Year Ended 31 March 1999

	Notes	£000	Previous Year £000
	Notes	1000	£000
Net expenditure for the year per Income and			
Expenditure Account		58,895	57,695
less items not involving cash in the year			
Depreciation and loss on sale of office machinery		(987)	(809)
Notional employer's superannuation contributions		(1,799)	(2,082)
Movements in net current assets		1,267	(655)
		(1,519)	(3,546)
Add Capital Expenditure		151	1,533
less income from sales		101	(20)
less modifie from sales		(1,368)	(2,033)
		(1,722)	(-//
		57,527	55,662
Forestry Commission Pension Scheme	10		
Pensions to retired staff		27,889	27,587
Contributions from staff		(1,057)	(1,043)
Employer's contribution from Forest Enterprise and Forest Research	h	(6,382)	(6,357)
		20,450	20,187
Forest Enterprise Net Cash Surplus	11	(25,772)	(25,872)
Forest Research Net Cash Surplus		(1,262)	(655)
Total Forestry Commission Grant-in-Aid		50,943	49,322

Statement of Assets and Liabilities as at 31 March 1999

	Notes	£000	Previous Year £000
FIXED ASSETS			
Tangible Fixed Assets	7	3,274	4,838
CURRENT ASSETS			
Stocks		225	-
Debtors - due within one year		4,489	1,625
- due after more than one year		352	279
Cash in hand	12	18	2,416
		5,084	4,320
LESS CURRENT LIABILITIES			
Creditors due within one year	12	3,058	3,561
		, m *	
NET CURRENT ASSETS		2,026	759
TOTAL NET ASSETS		5,300	5,597

The notes attached form part of these accounts.

D J Bills

Accounting Officer

8 October 1999

Notes to the Accounts

1. Accounting Policies

- These accounts are drawn up on an accruals basis in a form directed and approved by Treasury.

 They are audited by the Comptroller and Auditor General;
- Every three years buildings and office machinery and equipment are revalued by Forestry Commission staff.

 The latest revaluation was carried out at 31 March 1996. Between revaluations the asset values are updated annually using a general price index;
- Depreciation is provided on office machinery and equipment over its expected useful life of 2 to 20 years, freehold buildings over 20 to 80 years and leasehold buildings over the lease term;
- Operating lease rentals are charged on a straight line basis over the term of the lease; and
- Superannuation Contributions -

Forestry Commission expenditure includes employer's contributions as determined by the Government Actuary. These have been set at 15 per cent for industrials and from 15 per cent to 22 per cent for non-industrials, depending upon grade.

These rates are also applied in assessing the Forest Enterprise and Forest Research Agency employer's contributions, the total value of which is treated as a cash transfer to the Forestry Commission Pension Scheme.

2. Planting Grant Co-financing from EU

Contributions are received from the European Agricultural Guidance and Guarantee Fund toward eligible grants for woodlands in the private sector under the Forestry Action Programme.

If grants are subsequently recovered because of failure to fulfil the conditions of the Woodland Grant Scheme, the amount of co-financing that was received is repaid to the EU.

3. Commitments to Pay Planting and Management Grants

Following approval of a management plan for planting proposals, the Forestry Commission undertakes to pay planting grants in three instalments. At 31 March 1999, the Forestry Commission was committed under signed plans to the payment of future instalments of planting and replanting grants amounting to £112 million (1998; £120 million).

Grants for the management of existing woodlands are payable annually in arrears during the five-year currency of an approved plan, so long as specific objectives and age criteria are met. Commitments to future payments in respect of approved plans amounted to £32 million at 31 March 1999 (1998, £29 million).

Applications for planting and replanting grants, awaiting approval at 31 March 1999, amounted to £60 million (1998, £64 million).

4. Management and Administrative Expenses (including total staff costs and numbers of employees)

		£000	Previous Year £000
i.	Total Staff costs		
	Salaries	11,230	10,529
	Wages	15	50
	Social Security costs	830	778
	Employer's superannuation costs	1,799	2,082
		13,874	13,439
	Travel and subsistence	1,874	2,162
	Other expenses (including auditors' remuneration of £27,500)	8,978	8,789
	Charges to Forest Enterprise and Forest Research - Note ii.	(3,832)	(2,891)
		20,894	21,499

- ii. These charges cover the Forest Enterprise and Forest Research share of personnel, business systems, training and other support services at Forestry Commission Headquarters, less the cost of finance services and vehicles provided by Forest Enterprise to other departments of the Forestry Commission.
- iii. The average number of employees during the year was as follows:

	. Average Number	Previous Year Average Number
Industrial staff	-	3
Non-Industrial staff	506	485
	506	488

5. Forestry Commissioners' Remuneration

The remuneration of Forestry Commissioners, excluding the Forest Enterprise Chief Executive whose remuneration is in the Enterprise accounts, is included in these accounts. The total remuneration of the Commissioners excluding pension contributions, including the FE Chief Executive comprises:

	£000	Previous Year £000
Chairman	40	39
Highest paid Commissioner	100	97
Other Commissioners	176	187
Total emoluments of Commissioners	316	323
		•
Travel and subsistence of Commissioners	20	18

The Director General received total remuneration of £99,978 in 1998-99, including a bonus of £8,996. The Director General is on a fixed term contract which expires December 1999, with the option to renew for another four years. He is an ordinary member of the Forestry Commission Pension Scheme.

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

·	Number	Previous Year Number
£5,001 to £10,000	6	6
£55,001 to £60,000	-	1
£60,001 to £65,000	1	-
£65,001 to £70,000	1	1

The Commissioners' remuneration is in accordance with Civil Service pay rates. The names of Commissioners are stated elsewhere in the Annual Report.

6. Senior Staff Numbers and Remuneration

The number of senior staff whose remuneration exceeded £40,000 was:

,	Number
	<u></u>
£40,000 - £44,999	8
£45,000 - £49,999	4
£50,000 - £54,999	2
£55,000 - £59,999	2

7. Tangible Fixed Assets

8.

	Land and Buildings £000	Machinery, Plant and Equipment £000	Total £000
VALUATION:			
At 1 April 1998	1,910	6,311	8,221
Additions	-	136	136
Disposals and transfers	(190)	(425)	(615)
Revaluation to current prices	(671)	(281)	(952)
At 31 March 1999	1,049	5,741	6,790
DEPRECIATION:			
At 1 April 1998	131	3,252	3,383
Provided during year	62	857	919
Disposals and transfers	(5)	(372)	(377)
Revaluation to current prices	(188)	(221)	(409)
At 31 March 1999	-	3,516	3,516
NET BOOK VALUE:			
At 31 March 1999	1,049	2,225	3,274
At 31 March 1998	1,779	3,059	4,838
Operating Leases			
Commitments on operating leases for the next year are as follows	:		
		1999 £000	1998 £000
BUILDING LEASES EXPIRING WITHIN:			
One year		10	10
Two to five years		71	57
More than five years		952	953
		1,033	1,020

9. Related Party Transactions

The Forestry Commission's executive agencies, Forest Enterprise and Forest Research are regarded as related parties. During the year, the Forestry Commission has had a significant number of material transactions with Forest Enterprise and Forest Research.

In addition, the Forestry Commission has had various material transactions with other Government Departments and other central Government bodies. Most of these transactions have been with The Intervention Board and Paymaster General's Office.

In the year to 31 March 1999, Forest Enterprise and Forest Research entered into the following material transactions involving the following non-executive Commissioners of the Forestry Commission:

Mr Tom Bruce Jones is a director of James Jones & Sons Ltd which purchased approximately 287,000 m³ of timber at £4,652,000 from Forest Enterprise; and

Sir Michael Strang Steel is non-executive chairman of Alba Trees plc which purchased seed and plants at £17,700 from Forest Enterprise and sold seed and plants at £44,000 to Forest Enterprise and at £500 to Forest Research.

10. Forestry Commission Pension Scheme

The Forestry Commission operates a defined benefit pension scheme. Legislation relating to the superannuation of the Forestry Commissioners and Commission staff is to be found in Part II of Schedule 1 to the Forestry Act 1967, as amended by the Superannuation Act 1972.

Superannuation benefits are met on a pay-as-you-go basis and benefits paid in the year are met from Grant-in-Aid. 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 Superannuation Vote. The liabilities of the Forestry Commission Pension Scheme are revalued by the Government Actuary every three years.

There were 3,144 active serving members at 31 March 1999. The number of current pensioners and the value of pensions paid in the year ended 31 March 1999, excluding lump sums and transfer values, were as follows:

	Number	£000
Officers	4,569	22,609
Dependants	1,753	3,129
	6,322	25,738

In addition there were 1,675 former staff with preserved pensions.

The capital value of the unfunded past service superannuation liabilities was revalued at 31 March 1999 and amounted to £481.1 million, made up as follows:

	£ million
Serving members and their dependants	143.5
Current beneficiaries and their dependants	311.4
Deferred beneficiaries and their dependants	26.2
Total future liabilities	481.1

These future liabilities are charged against the Forestry Fund and will be next revalued at 31 March 2002.

11. Forest Enterprise & Forest Research Agencies' Net Cash Surplus

The Forest Enterprise and Forest Research Agencies' cash surpluses are paid into the Forestry Fund and counted in the Forestry Commission Grant-in-Aid. The accounts of Forest Enterprise and Forest Research are published separately in their Annual Report and Accounts.

12. Cash and Creditors

The balance of cash in hand includes any excess working balance held in the Forestry Fund. It is surrenderable to the Consolidated Fund in the following year and is therefore also included in creditors. There was no excess working balance as at 31 March 1999. The excess working balance surrenderable at the end of the previous year was £3,103,000.

Statement of Commission's and Accounting Officer's Responsibilities

Under Section 5 of the Exchequer and Audit Departments Act 1921 the Treasury has directed the Forestry Commission to prepare a statement of accounts for each financial year in the form and on the basis set out in the accounts direction. The accounts are prepared on an accruals basis and must present fairly the Forestry Commission's state of affairs at the year end and of its income and expenditure and cash flows for the financial year.

In preparing the accounts the Forestry Commission is required to:

- observe the accounts direction issued by the Treasury, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards have been followed, and disclose and explain any material departures in the financial statements; and
- prepare the financial statements on the going concern basis, unless it is inappropriate to assume that the Forestry Commission will continue in operation.

The Treasury has appointed the Director General of the Forestry Commission as the Accounting Officer. His relevant responsibilities as Accounting Officer, including his responsibility for the propriety and regularity of the public finances and for the keeping of proper records, are set out in the Accounting Officers' Memorandum, issued by the Treasury and published in *Government Accounting* (The Stationery Office).

Statement on the System of Internal Financial Control

As Accounting Officer, I acknowledge my responsibility for ensuring that an effective system of internal financial control is maintained and operated by the Forestry Commission.

The system can provide only reasonable and not absolute assurance that assets are safeguarded, transactions authorised and properly recorded, and that material errors or irregularities are either prevented or would be detected within a timely period.

The system of internal financial control is based on a framework of regular management information, administrative procedures including the segregation of duties, and a system of delegation and accountability. In particular, it includes:

comprehensive budgeting systems with an annual budget which is reviewed and agreed by the Management Board;

regular reviews by the Management Board of periodic and annual financial reports which indicate financial performance against the forecasts;

setting targets to measure financial and other performance;

clearly defined capital investment control guidelines;

as appropriate, formal project management disciplines; and

a programme of accounting inspections.

The Forestry Commission has an internal audit unit, which operates to standards defined in the Government Internal Audit Manual. The work of the internal audit unit is informed by an analysis of the risk to which the body is exposed, and annual internal audit plans are based on this analysis. The analysis of risk and the internal audit plans are endorsed by the Forestry Commission Audit Committee and approved by me. At least annually, the Head of Internal Audit (HIA) provides me with a report on internal audit activity in the Forestry Commission. The report includes the HIA's independent opinion on the adequacy and effectiveness of the body's system of internal financial control.

My review of the effectiveness of the system of internal financial control is informed by the work of the internal auditors, the Audit Committee which oversees the work of the internal auditors, the executive managers within the body who have responsibility for the development and maintenance of the financial control framework, and comments made by the external auditors in their management letter and other reports.

D J Bills Accounting Officer 8 October 1999

The Certificate and Report of the Comptroller and Auditor General to the Houses of Parliament

I certify that I have audited the financial statements on pages 49 to 57 under the Exchequer and Audit Departments Act 1921. These financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out on page 52.

Respective Responsibilities of the Commission, Accounting Officer and Auditor

As described on page 58 the Commission and Accounting Officer are responsible for the preparation of the financial statements and for ensuring the regularity of financial transactions. The Commission and Accounting Officer are also responsible for the preparation of the other contents of the Annual Report. My responsibilities, as independent auditor, are established by statute and guided by the Auditing Practices Board and the auditing profession's ethical guidance.

I report my opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Exchequer and Audit Departments Act 1921 and Treasury directions made thereunder, and whether in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them. I also report if, in my opinion, the Foreword is not consistent with the financial statements, if the Agency has not kept proper accounting records, or if I have not received all the information and explanations I require for my audit.

I read the other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. I consider the implications for my certificate if I become aware of any apparent misstatements or material inconsistencies with the financial statements.

I review whether the statement on page 59 reflects the Commission's compliance with Treasury's guidance 'Corporate governance: statement on the system of internal financial control'. I report if it does not meet the requirements specified by the Treasury, or if the statement is misleading or inconsistent with other information I am aware of from my audit of the financial statements.

Basis of Opinion

I conducted my audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts, disclosures and regularity of financial

transactions included in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Commission and Accounting Officer in the preparation of the financial statements,

and of whether the accounting policies are appropriate to the Commission's circumstances, consistently applied

and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary

in order to provide me with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by error, or by fraud, or other irregularity and that, in all material

respects, the expenditure and income have been applied to the purposes intended by Parliament and the financial

transactions conform to the authorities which govern them. In forming my opinion I have also evaluated the overall

adequacy of the presentation of information in the financial statements.

Opinion

In my opinion:

the financial statements present fairly the net assets of the Forestry Commission at 31 March 1999 and its net

expenditure and its cash flows for the year then ended and have been properly prepared in accordance with

the Exchequer and Audit Departments Act 1921 and directions made thereunder by the Treasury; and

in all material respects the expenditure and income have been applied to the purposes intended by

Parliament and the financial transactions conform to the authorities which govern them.

I have no observations to make on these financial statements.

John Bourn

Comptroller and Auditor General

15 October 1999

National Audit Office

22 Melville Street

Edinburgh EH3 7NS

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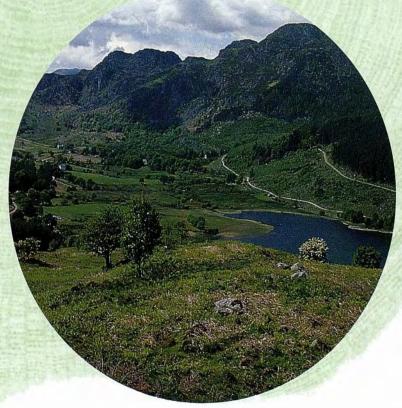
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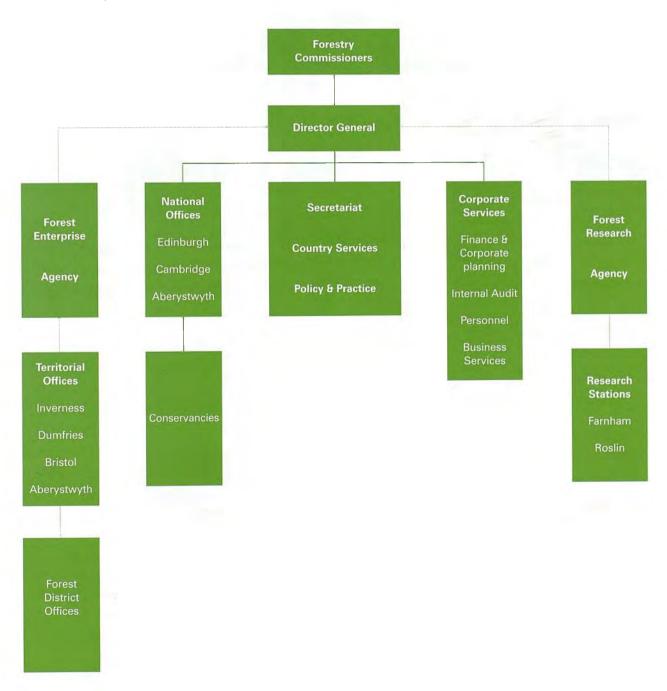


The Role and Structure of the Forestry Commission

The Forestry Commission's Role

As the Government Department for forestry in Britain we have a statutory duty to promote the interests of forestry, balancing the needs of timber production with those of landscape and conservation. We are responsible for effective implementation of forestry policies and can only do this by working with others. We aim to be an effective, open and responsive organisation, committed to providing a first class service and striving to achieve continuous improvement. We have a structure designed to deliver Government policy in England, Scotland and Wales.

The Forestry Commission's Structure



Forestry Commissioners and Senior Staff

Board of Commissioners

Sir Peter Hutchison Bt CBE

David Bills

Bridget Bloom OBE Tom Bruce Jones John Edmonds

Harry Fetherstonhaugh John James OBE Duncan Macniven TD Dr Bob McIntosh

Sir Michael Strang Steel Bt CBE

Frank Strang

FORESTRY COMMISSION

Duncan Macniven TD

Eddie Arthurs

Jim Anderson Alan Mitchell

Liz Holmes

Frank Strang Paul Hill-Tout

Tim Rollinson David Henderson-Howat Simon Hewitt

Roger Herbert

FOREST ENTERPRISE AGENCY

Dr Bob McIntosh

Keith Gliddon Peter Ranken

Alan Stevenson lain Miller

lan Forshaw

Geoff Hatfield Dr Hugh Insley

Mike Lofthouse Dr Bob Farmer

FOREST RESEARCH AGENCY

Jim Dewar Dr Peter Freer-Smith Chairman

Deputy Chairman and Director General

Secretary

Head of Corporate Services

Director, Finance and Corporate Planning

Director, Personnel

Head of Business Services Head of Internal Audit

Secretary and Head of Secretariat Head of Policy and Practice Division

Chief Conservator, England Chief Conservator, Scotland Chief Conservator, Wales Head of Country Services

Chief Executive

Director, Corporate Services Director, Estate Management

Head of Environment and Communications Head of Forest Enterprise Personnel

Head of Forest Operations

Director, FE England

Director, FE Scotland (North) Director, FE Scotland (South)

Director, FE Wales

Chief Executive

Chief Research Officer

Statutory and Other Committees Appointed by the Forestry Commission Membership as at 31 March 1999

NATIONAL COMMITTEES

England

Miss B.M. Bloom (Chairman), Mr T.A. Bruce Jones, Professor C. Swanwick, Mr J.W. Edmonds, Mr J.D. James, Mr C. Stratton, Mrs R.Thomas. Secretary to the Committee: Mr B.R. Sidaway. The Committee had no meetings during the year.

Scotland

Sir Michael Strang Steel (Chairman), Dr J. Balfour, Mr T.A. Bruce Jones, Mr J.W. Edmonds, Mr J.D. James, Prof. H.G. Miller, Mr J. Wightman. Secretary to the Committee: Mrs A. Alexander. The Committee had no meetings during the year.

Wales

Mr H.G. Fetherstonhaugh (Chairman), Mr T.A. Bruce Jones, Mr J.W. Edmonds, Mr S.E. Hewitt, Mr J.D. James, Mr J.R. Lloyd Jones. Secretary to the Committee: Mr P.D. Finch. The Committee had no meetings during the year.

REGIONAL ADVISORY COMMITTEES

England

North West England and Northumbria & Yorkshire Conservancies

Professor C. Swanwick (Chairman), Mr C.H. Bagot, Mr I. Brodie, Mr G.H. Hammersley, Mr A. Hampton, Mr J. Macdonald, Mr J. McRobert Harris, Mr D. Stewart, Mr D.J. Taylor, Mr J. Tubby, Mr W.R. Worsley. Secretary to the Committee: Mr B.R. Sidaway. The Committee met in October 1998 and February 1999.

Midlands and East England Conservancies

Mr C.H. Stratton (Chairman), Mr D. Hooten, Mr M. Jones, Mr J.A. Kay, Dr K. Kirby, Mr J. Major, Mr C. Mason, Mr T.E. Ruggles-Brise, Mr A. Thompson, Mr J.J.I. Whitaker, Ms V. Whitworth, Mr A.J.K. Wordie. Secretary to the Committee: Mr B.R. Sidaway. The Committee met in June and October 1998 and February 1999.

Severn, Wye & Avon, The West Country and South East England Conservancies

Mrs R. Thomas (Chairman), Mr N.D. Anderson, Dr N. Atkinson, Professor D.J. Cassidy, Mr P. Green, Mr M.R. Henderson, Mr J.B.J. Howell, Mr D. Jordan, Mr R.D. Stratton, Mr D.W.G. Taylor, Mr W.D. Trehearne, Mr T. Whitbread. Secretary to the Committee: Mr B.R. Sidaway. The Committee met in June and October 1998 and February 1999.

Scotland

Highland and Grampian Conservancies

Professor H.G. Miller (Chairman), Mr M.J. Chapman, Councillor B. Dunlop, Ms J. Harden, Mr T. Inglis, Mr M.F.B. Leslie, Mr A. Maciver, Mr I. Morris, Mr P. Ramsay, Mr R.T. Sidgwick, Dr P.J. Tilbrook, Dr J. Williamson. Secretary to the Committee: Mrs A. Alexander. The Committee met in May and November 1998.

Strathclyde and Perth Conservancies

Dr J. Balfour (Chairman), Mr A. Barbour, Mr R. Beaney, Mr B. Brookes, Ms S. Chambers, Mr A.G. Christison, Councillor J. Coyle, Mr C. James, Dr A.J. Low, Mr J. McCarthy, Dr S. Petty, Mr J.D. Stormonth-Darling. Secretary to the Committee: Mrs A. Alexander. The Committee met in October 1998.

South Scotland and Lothian & Borders Conservancies

Mr J. Wightman (Chairman), Mr G. Booth, Mr J. Dunbar, Mr J. Farries, Mr R.H. Gladstone, Dr P. Hopkins, Mr R.E.T. Kay, Councillor D.C. Kirkpatrick, Mr D.W. Minns, Mr C.J. Piper, Mr A.H. Smith, Dr D. Tervet. Secretary to the Committee: Mrs A. Alexander. The Committee met in April and October 1998.

Wales

North Wales and South Wales Conservancies

Mr J.R. Lloyd Jones (Chairman), Mr A. Bosanquet, Dr G.K. Elliott, Mr D.G. Evans, Professor J.E. Good, Mr E.K. Harris, Mr R. Lovegrove, Mr I. Monckton, Mr C. Musson, Colonel PC. Ormrod, Mr R. Price, Mr G. Roberts. Secretary to the Committee: Mr P.D. Finch. The Committee met in June and September 1998 and January 1999.

FORESTRY COMMISSION'S ADVISORY PANEL (HGTAC)

Sir Michael Strang Steel (Chairman), Professor W.B. Banks, Mr A.F. Bloomfield, Mr C. Davies, Mr M.F. Gale, Mr R.M. Hay, Mr P. Higginbotham, Mr D.M. Hughes, Mr A. Phillips, Mr M. Thomasin-Foster, Mr M.J. Townsend, Mr R.M. Turner, Mr R.G. Venables, Professor R.J. Wheater, Mr W.R. Worsley, Mr L.L. Yull. Secretary to the Committee: Mr A. Barlow. The Committee met in June, September and December 1998 and March 1999. The Annual Report of the Committee is at Appendix 4.

ENVIRONMENT SUB-COMMITTEE OF THE HOME GROWN TIMBER ADVISORY COMMITTEE

Mr R.A.C. Byatt (Chairman), Mr P.T.G. Beadle, Mr R. Browne, Dr A.S. Gee, Mr J.H. Holt, Mr R.Leslie, Mr A. Mattingly, Mr M. Mathers, Professor H.G. Miller, Dr R. Sidaway, Mr R.M. Turner. Secretary to the Committee: Mr J.S. Simpson. The Sub-Committee met in February, April, July and December 1998.

SUPPLY AND DEMAND SUB-COMMITTEE OF THE HOME GROWN TIMBER ADVISORY COMMITTEE

Mr J.R. Fletcher (Chairman), Mr R.H. Adam, Miss M. Baptie, Mr P.T.G. Beadle, Mr H. Macleod, Mr A. Corson, Mr A. Smith, Mr G. Webb, Mr W.A. Willis. Secretary to the Committee: Mr R.E. Selmes. The Sub-Committee met in February, May, August and November 1998.

TECHNICAL SUB-COMMITTEE OF THE HOME GROWN TIMBER ADVISORY COMMITTEE

Dr J.D. Brazier (Chairman), Mr R.H. Adam, Mr D. Balfour, Professor W.B. Banks, Mr W.S. Brack, Dr A.F. Bravery, Mr A. East, Mr R.M. Fitter, Mr J.A. Kissock, Mr G. Little, Mr M. Lofthouse, Mr J. McEwan (Observer), Dr D.C. Wood. Secretary to the Committee: Mr J.S. Simpson. The Sub-Committee met in January, March, May and October 1998.

ADVISORY COMMITTEE ON FOREST RESEARCH

Professor H.G. Miller (Chairman), Professor J.P. Blakeman, Professor R.M. Cormack, Dr A.R. Griffin, Professor B.R. Kerry, Dr P.S. Savill, Professor M.B. Usher. Secretary to the Committee: Dr P.H. Freer-Smith. The Committee met in June and November 1998.

FORESTRY RESEARCH CO-ORDINATION COMMITTEE

Mr D.L. Foot (Chairman), Dr J.H. Baker, Mr N. Barker, Dr M.G.R. Cannell, Dr P.A. Costigan, Mr J. Dewar, Dr A.S. Gee, Mr P. Hill-Tout, Mr J. Hudson, Dr K. Kirby, Dr C. McMurray, Professor H.G. Miller, Dr S. Riley, Dr A.J. Rushworth, Dr P.J. Saunders, Mr R.E. Selmes, Dr S. Webster, Ms P. Wynne. Secretary to the Committee: Dr P.H. Freer-Smith. The Committee met in October 1998 and March 1999.

FORESTRY AND ARBORICULTURE SAFETY AND TRAINING COUNCIL

Mr J.G. Machin (Chairman), Mr G. Bonner, Mr P. Breathnach, Mr J. Brown, Mr P. Bullimore, Mr J. Dewar, Mr J. Dymond, Mr R.J. Evans, Mr V.A. Hammond, Mr M. Henderson, Mr P.R. Higginbotham, Mr T. Howard, Mr B. Hudson, Mr J. Kenyon, Mr W. MacLachlan, Mr I. Millward, Dr A. Petty, Mr T. Preston, Dr J. Price, Ms E. Ramsay, Mr E. Rowlands, Mr F. Scott, Mr R.E. Shapland, Ms C. Turton. Secretary to the Council: Mr T.E. Radford. The Council met in April and October 1998.

Home Grown Timber Advisory Committee

ANNUAL REPORT YEAR ENDED 31 MARCH 1999

The Committee met on four occasions during the year, in June, September and December 1998 and March 1999. In June, the Committee welcomed Andy Neustein and Len Yull to their first meeting. At the December meeting, the Committee thanked John Brazier, John Fletcher and Robin Byatt warmly for the very valuable contributions each had made as Chairmen of the sub-committees. The Committee also extended its thanks to David Foot for all that he had done to support the main Committee and the sub-committees and for his contribution to forestry over many years.

The Committee was pleased to note the award of an MBE to Andy Phillips in the Birthday Honours List.

In May, the Committee formally presented its paper *The Future of Forestry* to the Commission. In this study, to which all the key players in forestry - growers, processors and environmentalists - had contributed, the Committee sought to pull together the most important factors underlying a policy of sustainable forestry in the UK with the aim of assisting the development of long-term forestry policies in England, Scotland and Wales. The Committee believed that the principles outlined in the paper, coupled with the *UK Forestry Standard*, would provide the basis on which Government and all those involved in the countryside could carry forestry forward into the 21st century. The paper was subsequently presented by the Commission to forestry Ministers and was circulated very widely throughout the sector and beyond.

During the year, the Committee discussed on a number of occasions the serious situation facing the forestry industry. At the end of the year they expressed particular concern over the effects of increased vehicle and fuel taxes on an industry heavily reliant on road transport and facing severe foreign competition. Members agreed that the Committee could best assist by advising on ways of making the domestic share of the cake as big as possible - and, indeed, on increasing the market share enjoyed by wood products as a whole. Members could assist in getting across good news stories, and countering any suggestions that forestry represented a problem, rather than opportunities. HGTAC needed to be the forum for the whole sector to work together to resolve the challenges it faced.

At its September meeting, the Committee considered the Jaakko Pöyry Report on the opportunities for the development of the softwood processing industry in Britain. The Committee welcomed the publication of the study and agreed that it would provide the impetus for the necessary restructuring of the industry.

The Committee continued to take a close interest in timber certification. Given the continuing concern on some aspects of the certification standard, it welcomed the extension of the consultation period and the opportunities for further discussion provided by the seminars planned for January and February. At their March meeting, members acknowledged that whilst difficulties still existed a great deal of progress had been made and that agreement was close. The Committee agreed that while a lot of work still needed to be done the UKWAS route should be the way forward.

The Committee expressed concern that the EC was seeking to tighten the definition of waste so that all sawmill residues would fall into the definition of waste irrespective of their downstream use. They also noted the suggestions emanating from Europe which could lead to materials other than core products being classified as waste. The DETR consultation paper on waste policy gave the industry the opportunity to lobby on the vexed question of definitions. Members were encouraged to respond.

In June, members were invited to submit views on the Commission's consultation paper on sustainable forestry and expressed support for the Commission's efforts to ensure that the European Commission's proposed reform of the Common Agricultural Policy took full account of the interests of forestry.

During the course of the year the Committee was regularly informed of the steps that the Commission was taking in preparation for devolution including reviewing the role and function of the HGTAC. The Commissioners had confirmed that they valued the advice received from the HGTAC and wished to retain the Committee as their principal advisory body, but it might require some reform to meet the new circumstances.

In March, members were advised that following a period of consultation Commissioners did indeed wish to restructure and reduce the size of the Committee in order to give it a sharper focus. The Commissioners put forward a series of proposals with which members were happy to agree. Sir Mark Russell thanked everyone for their support and hard work during his time as Chairman of the Committee and wished the new Committee, to be known as the Forestry Commission's Advisory Panel, and its Chairman, Sir Michael Strang Steel, every success in the future.

SUB-COMMITTEES

During the course of the year the Committee had reviewed its own sub-committee structure. The main conclusions reached by the Review Team were that whilst there were some common interests between sub-committees there was little overlap and no requirement for their amalgamation. The Review Team did however conclude that there was room for a more structured and focused agenda for the HGTAC as a whole.

The Environment Sub-Committee met on four occasions during the year. Two main themes occupied the Sub-Committee; the achievement of a balance of multiple use in forests and woodlands, and the development of a framework of research priorities for the investigation of social benefits from forestry.

The first topic was considered at first hand in the New Forest, followed by discussion of the role of indicative forestry strategies, the question of reasonable balance between forestry and other land uses at a regional scale, and the monitoring of the impact of sustainable forest management in the UK. Specific advice was provided on indicative forestry strategies and on a programme of monitoring studies relating to the UK Forestry Standard.

The second topic was addressed initially with the assistance of a small working group led by Robin Grove-White. The outcome has allowed the FC to commission a detailed programme of research relating to the social benefits of forestry.

The Supply and Demand Sub-Committee met four times producing quarterly market updates and the annual market report and outlook. These reports were also published on the Forestry Commission Internet site along with the annual statistics of supply and demand.

The committee advised the Forestry Commission on known activity within the industry to deal with the Millennium Bug. It highlighted the need to get the message through to the smaller contracting businesses.

The committee continued to monitor progress of the Woodland Inventory. A working group of the committee was formed to develop a new softwood production forecast based on the new inventory data. The committee also considered the Forest Research programmes on mensurational sample plots and growth models and in particular the new yield models now becoming available for use in the production forecast.

The sub-committee was particularly pleased to see the publication of the Softwood Market Development Study. Members had had a major input to the study and the committee will be monitoring progress by the industry in dealing with the important issues raised. The committee considered new work on prediction of future demand, and authorised the issue of a revised and re-based Standing Sales Price Index.

The Technical Sub-Committee met four times, devoting much of its time to the review of research programmes delivered by Forest Research. These ranged from the potential for using genetic modification techniques in the breeding of forest trees, to the ongoing screening of new forest herbicide products and the potential for using natural regeneration in upland conifer forests. Throughout the year the Sub-Committee took particular interest in research concerning conifer stand management and the relationship with, and assessment of, quality in terms of sawn timber yield. The advice provided has been used by the FC's Policy and Practice Division when reviewing research programmes so that the planned outputs are more closely aligned with the requirements of the forest industries.

The Sub-Committee was active in providing advice in a number of other areas such as the impact of the Waste Management Directives on the practice of silviculture; the transport of timber processing co-products; and forest health and exotic pest outbreaks.

The Committee is indebted to the Sub-Committees for their high standard of advice and would like to express its thanks for their continuing valuable support.

Sir Mark Russell, Chairman Alan Dungavel, Secretary

Table 1 Area of Planting by Private Woodland Owners for which Grants were paid in the year ended 31 March 1999

Hectares

		ENGLAND			WALES			SCOTLAND			GREAT BRITAIN	N
WOODLAND GRANT SCHEME												
Conifer	728	199	1,389	133	549	682	5,309	2,065	7,374	6,170	3,275	9,445
Broadleaved	4,147	1,065	5,212	496	253	749	5,099	878	5,977	9,742	2,196	11,938
TOTAL	4,875	1,726	6,601	629	802	1,431	10,408	2,943	13,351	15,912	5,471	21,383
OLD GRANT SCHEMES (now closed to new applications)	d to new appl	lications)										
Conifer	0	0	0	0	0	0	0	13	13	0	13	13
Broadleaved	0	0	0	0	0	0	2	2	4	2	2	4
TOTAL	0	0	0	0	0	0	2	15	17	2	15	17
TOTAL												
Conifer	728	199	1,389	133	549	682	5,309	2,078	7,387	6,170	3,288	9,458
Broadleaved	4,147	1,065	5,212	496	253	749	5,101	880	5,981	9,744	2,198	11,942
TOTAL	4,875	1,726	6,601	629	802	1.431	10,410	2.958	13,368	15,914	5,486	21,400

Notes: 1. The Woodland Grant Scheme figures in the above table include new planting grant-aided in association with the Farm Woodland and Farm Woodland Premium Schemes administered by the Agriculture Departments.

^{2.} The areas of new planting and restocking include those areas where the second instalment of grant for natural regeneration has been paid.

3. It is estimated that 275 hectares were planted in GB without grant-aid.

 Table 2
 Area of Planting by Private Woodland Owners for which Grants were paid in the 20 year period 1 April 1979 to 31 March 1999

Hectares

		ENGLAND			WALES			SCOTLAND			GREAT BRITAIN	N. C.
YEAR ENDED 31 MARCH	NEW PLANTING	RESTOCKING	TOTAL	NEW PLANTING	RESTOCIONG	TOTAL	NEW PLANTING	RESTOCIONG	TOTAL	NEW	RESTOCKING	TOTAL
086	814	1,731	2,545	556	112	899	6,932	1,022	7,954	8,302	2,865	11,167
1981	902	1,930	2,835	561	142	703	6,934	927	7,861	8,400	2,999	11,399
982	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	896	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	926	1,767	2,743	918	122	1,040	14,135	1,177	15,312	16,029	3,066	19,005
986	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	886	17,220	1,547	18,767	19,147	4,471	23,618
886	1,679	2,718	4,397	945	476	1,421	21,197	1,660	22,857	23,821	4,854	28,675
686	1,752	2,330	4,082	923	256	1,179	22,433	2,248	24,681	25,108	4,834	29,942
0661	3,366	3,871	7,237	552	270	822	11,488	1,984	13,472	15,406	6,125	21,531
1991	4,363	3,970	8,333	510	596	908	10,563	2,840	13,403	15,436	7,106	22,542
1992	3,968	4,042	8,008	356	629	935	9,825	3,210	13,035	14,147	7,831	21,978
1993	5,052	3,811	8,863	429	654	1,083	9,814	3,609	13,423	15,295	8,074	23,369
1994	6,091	3,700	9,791	626	441	1,067	9,180	4,314	13,494	15,897	8,455	24,352
1995	4,997	2,475	7,472	554	979	1,180	12,577	3,068	15,645	18,128	6,169	24,297
9661	4,338	1,972	6,310	442	620	1,062	10,195	3,169	13,364	14,975	5,761	20,736
1997	4,348	2,027	6,375	411	814	1,225	11,212	3,692	14,904	15,971	6,533	22,504
1998	4,123	1,984	6,107	485	804	1,289	11,304	2,737	14,041	15,912	5,525	21,437
1000	4 875	1726	E Ent	000	000	4 4 34	40.440	9 000	00000	45 044	E 400	21 400

Notes: This table includes planting grant-aided under the Woodland Grant Scheme in association with the Farm Woodland and the Farm Woodland Premium Schemes administered by the Agriculture Departments

Table 3 Area Approved for Management Grant under the Woodland Grant Scheme

Hectares

	ENGLAND	WALES	SCOTLAND	GREAT BRITAIN
1992-93				
Conifer	11,096	1,222	10,985	23,303
Broadleaved	36,578	1,834	2,549	40,96
Total	47,674	3,056	13,534	64,264
1993-94				
Conifer	18,246	3,911	41,983	64,140
Broadleaved	39,302	1,879	5,762	46,943
Total	57,548	5,790	47,745	111,08
1994-95				
Conifer	7,620	1,750	31,293	40,663
Broadleaved	21,749	1,037	8,088	30,874
Total	29,369	2,787	39,381	71,53
1995-96				
Conifer	4,478	1,164	9,136	14,778
Broadleaved	15,545	1,353	4,322	21,220
Total	20,023	2,517	13,458	35,998
1996-97				
Conifer	3,257	458	5,103	8,818
Broadleaved	12,679	1,295	4,946	18,920
Total	15,936	1,753	10,049	27,738
1997-98				
Conifer	5,900	885	5,808	12,593
Broadleaved	18,474	1,189	3,890	23,553
Total	24,374	2,074	9,698	36,146
1998-99				
Conifer	6,205	820	6,594	13,619
Broadleaved	24,556	1,523	3,552	29,63
Total	30,761	2,343	10,146	43,250

Table 4 Recruitment

	NUMBER APPOINTED	NUMBER OF WOMEN
Industrial		
Foreperson	9	2
Ranger	20	g
Visitor Centre Manager	1	1
Project Supervisor	1	
Shop Assistant	4	3
Forest Worker	3	1
Cleaner	1	1
Sign Unit Manager	1	
Mechanic	4	1
Storeperson	2	
Visitor Services Manager	1	1
Research Worker	3	
Non-Industrial		
Forest Officer III	16	4
Mapping & Charting	1	
Senior Scientific Officer	1	
Higher Scientific Officer	2	
Scientific Officer	2	1
Assistant Scientific Officer	3	2
Landscape Architect	1	
Higher Executive Officer	1	1
Executive Officer	3	3
Administrative Officer	40	36
Administrative Assistant	5	4
Support Grade	3	
Typist	3	3

Note: There were no ethnic minorities or disabled people recruited during the year.

The following permitted exceptions were used:

	NUMBER APPOINTED	NUMBER OF WOMEN
Secondments		
Senior Staff Group	1	
Grade 7	1	
Reappointment of		
former Civil Servants		
(inc both re-employment		
and reinstatement)		
Administrative Officer	1	1
Ranger	1	
Forest Officer III	1	
Recurrent short-term appointments		
Support Grade B2	3	3

Forestry Commission National and Conservancy Boundaries



Forest Enterprise Territorial and District Boundaries



Addresses of the Main Offices of the Forestry Commission

HEADQUARTERS OF THE FORESTRY COMMISSION

231 Corstorphine Road, Edinburgh, EH12 7AT 0131 334 0303 Fax 0131 334 3047 e-mail: enquiries@forestry.gov.uk www.forestry.gov.uk

THE FORESTRY COMMISSION NATIONAL OFFICES

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