



Business Plan 2006/2007

FOREWORD

By the Chief Executive

The target set for the Forest Service in the Department's Public Service Agreement is to sustain the annual supply of timber, recreation and environmental services from existing forests at 2002/03 levels and secure a modest increase in combined public and private forest area by 1,500 ha by 2008 at a rate of 500 ha per year.

The Minister Jeff Rooker published the outcome of the review of forest policy on 23rd March 2006 as NI Forestry, a Strategy for Sustainability and Growth. The strategy sets in progress a programme of legislative change, business improvement and service delivery that the Forest Service will take forward through successive business plans. The twin themes of the strategy are forest expansion with a view to doubling the area of forest over the long term, and sustainable forest management. The role of the Forest Service is to facilitate and advise private landowners as they contemplate investment in forests, and to directly manage the public forest estate. The strategy places greater emphasis on a commercial approach to management of the Forest Service, with the majority of decisions being reached on commercial criteria. This business plan therefore marks the start of a process intended to progressively improve the profitability of forestry in Northern Ireland.

We intend to achieve this through work on reducing costs in the timber supply chain from seedling to sawmill, by marketing our timber and other forest resources, and by seeking operational partners willing to invest in and share the costs of delivering benefits from forests.

We already have a partnership with the wood processing industry that places great value on the nature of the business relationships and in which the focus on value for money is paramount. We will seek to replicate that relationship with other sectors.

The year ahead will be a challenging one as we move into the implementation phase of the new Forest Strategy and it is one that Forest Service is looking forward to.

Malcolm Beatty
Chief Executive

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INTRODUCTION

STATUS

The Forest Service is an Executive Agency within the Department of Agriculture and Rural Development and is subject to the overall direction of the Minister with responsibility for the Department, Lord Rooker, Minister of State at the Northern Ireland Office. The status of the Agency is subject to the outcome of a review of environmental governance announced by the Minister on 28th February.

MANAGEMENT AND ACCOUNTABILITY

The Chief Executive is responsible to the Minister for the Agency's operations and performance. The Minister determines the policy framework within which the Agency operates, the level of resources made available each year and the scope of its activities. The Minister approves the Business Plan, sets the key performance targets and monitors the Agency's performance.

The Forest Service Framework Document sets out the context and parameters within which it operates. This includes its role, business objectives, performance measures, relationship with the Department and delegated authorities, and its accountability to the Minister and Parliament.

FUNCTIONS

The Forestry Act (Northern Ireland) 1953 provides that the Department should be responsible for promoting the interests of forestry in Northern Ireland, the development of afforestation, the production and supply of timber, and the maintenance of adequate reserves of growing trees.

POLICY

The Minister published a Strategy for Sustainability and Growth for Forestry on 23rd March 2006, which can be seen at www.forestserviceni.gov.uk. The Minister said that forestry policy would continue to be stated as

- The sustainable management of existing woods and forests, and
- A steady expansion of tree cover to increase the many diverse benefits that forests

provide.

The Strategy identified the key tasks for the Forest Service as:

- To verify the sustainable management of forests.
- To maintain the supply of timber from forests.
- To restore the area of forest exploited for timber subject to addressing wider environmental objectives and exploiting development opportunities where this is in the public interest.
- To promote the use of forests for informal public recreation.
- To promote forest expansion.

This business plan sets out how the Strategy will be delivered this year. The business priorities for 2006/07 are:

- To begin implementation of the new forest strategy
- To produce timber, re – afforest land following harvesting, and improve the sustainability of our forests through careful management;
- To improve forestry performance in the marketplace by promoting the use of wood, and by reducing costs and improving productivity in core activities consistent with the Government’s “Fit for Purpose” initiative;
- To secure operational partners and external funding under the government’s “wider markets” initiative to improve the quality of services and visitor experiences;
- To increase afforestation,
- To maintain the number of paying visitors to forests; and
- To have regard to our equality obligations under Section 75 of the Northern Ireland Act.

To achieve this the business plan sets a number of key targets and other supporting targets.

CORPORATE GOVERNANCE

The Agency is headed by a Chief Executive and is managed by a Board comprising

the Chief Executive, three Executive Directors and an Independent Non-Executive Director and is supported by the Corporate Governance and Audit Committee established as a sub-Committee of the Board. The Committee is chaired by the Independent Non-Executive Director and has two members, one of whom is a member of the Agency's Board. The Audit Committee offers the Chief Executive and Agency Accounting Officer objective advice about business risks, internal control and governance of the Agency.

ORGANISATION AND HUMAN RESOURCES

The Department has set the Agency a complement of 316.9 full time equivalent staff for 2006-07 including administrative, professional, technical and industrial grades. Staff are located at the Agency's headquarters in Belfast and in three Forest Districts with main offices at Enniskillen, Castlewellan and Garvagh.

Details of the current organisational structure and main office locations can be found in Appendices 2 and 3.

The government's efficiency programme under "Fit for Purpose" will continue to set us challenging targets in the year ahead for delivery of cash releasing and other efficiency gains. Staff costs represent 64% of our variable costs and 39% of total costs and this remains a major area in which we will continue to seek improvement in our performance. Our policy is to regularly review structures, staffing levels and business processes to achieve the organisational structure geared to the efficient and effective conduct of business. Work in progress includes reviews of how we deliver skills training, plant supply from our nursery, and harvesting. Departmental and NICS initiatives will affect our industrial wages unit and finance branch. The Department's Business Development Branch is reviewing our top management and organisational structure to determine the optimum structure to implement the forestry strategy and the Agency intends to implement necessary changes as soon as possible in the current year.

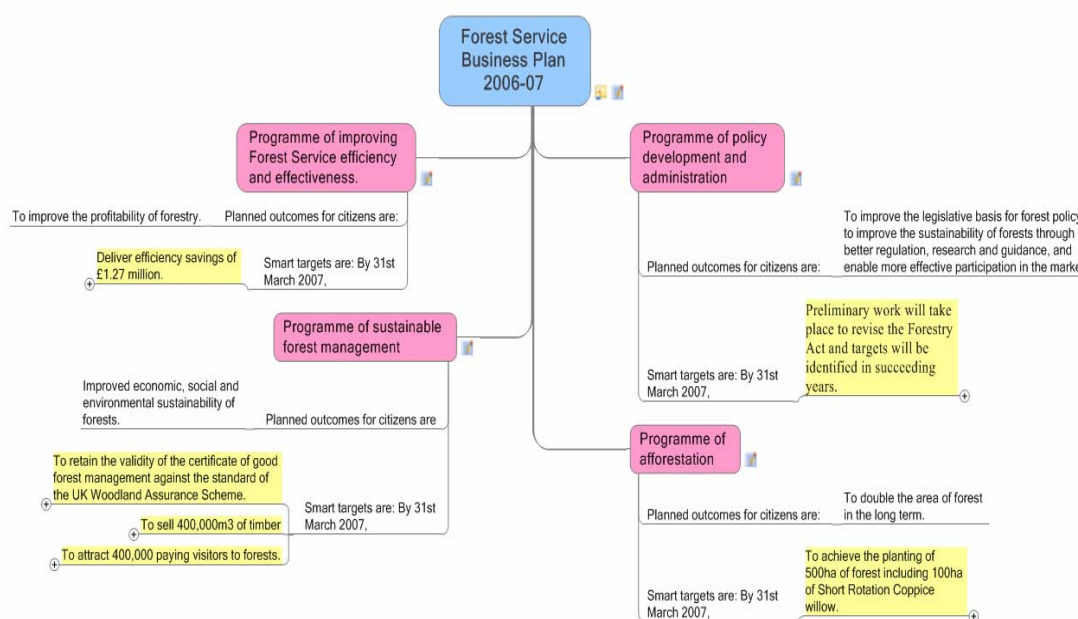
In line with the NICS wide reform target to progressively reduce the level and cost of absenteeism, the Agency will seek to reduce staff absenteeism from an annual average of 11.1 days per person to 10 days per person. Specific action will include consolidation of management training and strict application of the absenteeism

management procedures, action on the prevention and investigation of industrial accidents, and management reviews of District and Branch absenteeism.

BUSINESS PLAN 2006/2007 AND PLANNING ASSUMPTIONS

This Business Plan fits within the Department's new Strategic Plan (2006-2011). The Department's strategic objectives to have a more competitive forestry industry (Goal 1) and further conversion of farmland to woodland and forest (Goal 4) are primarily delivered by the Forest Service. The Service contributes to the achievement of Goal 2 by providing timber, which is the raw material for several important rural businesses, and maintains a low incidence of forest plant diseases of significant economic and environmental consequence (Goal 3). In support of this and to deliver the forestry strategy, the Minister has set **key performance targets** for the Agency. These are shown in Figure 1 and in Table 1 below. They reflect the main operational outputs of the Forest Service.

Figure 1



A number of **other targets** (Table 2) and **performance standards** (Appendix 1) have been set to complement the key targets. These provide greater focus for staff within the Agency and are included below.

Table 3 shows the net resources allocated to the Agency for 2006/2007 to deliver the work programme after allowing for planned efficiencies shown in Appendix 4.

The plan assumes that the Department will continue to provide support services, accommodation and IT as set out in the Agency's Framework document and that

these will continue to be charged on a notional basis.

Table 1

KEY TARGETS

Planned Citizen Outcome	PSA Targets	Planned Outcomes for citizens	SMART Targets By 31st March 2007 the agency will:
More sustainable forests	Sustain the annual supply of timber, recreation and environmental services from existing forests at 2002/03 levels and secure a modest increase in combined public and private forest area by 1,500 ha by 2008 at a rate of 500 ha per year.	Improve the legislative basis for forest policy, improve the sustainability of forests through better regulation, research and guidance, and enable more effective participation in the market.	Preliminary work will take place to revise the Forestry Act and targets will be identified in succeeding years.
		Extend the area of woodland in N I.	Achieve the planting of 500 hectares of new plantations including 100ha of Short Rotation Coppice willow (SRC).
		Improved economic, social and environmental sustainability of forests.	Sell 400,000m ³ of timber. Retain the Certificate of good forest management under the UK Woodland Assurance Standard.
		To improve the profitability of forests	Attract at least 400,000 paying visitors to forests. Deliver efficiency savings of £1.27 million.

Table 2

OTHER SUPPORTING TARGETS

Programme Area	Planned outcome for citizen	SMART Targets By 31st March 2007 the Agency will:
Policy development and administration	To improve the legislative basis for forest policy, to improve the sustainability of forests through better regulation, research and guidance, and enable more effective participation in the market.	<p>Publish operational guidelines for cycling in forests as part of a process of revising strategies for the use, protection and enhancement of forests.</p> <p>Review the Plant Health (Import Inspection Fees)(Wood and Bark) Regulations (Northern Ireland) 2005</p> <p>Make the Environmental Impact Assessment (Forestry) Regulations (Northern Ireland) 2006</p> <p>Contribute to the review of environmental governance.</p>
Afforestation.	To double the area of forest in the long term.	<p>By 1 January 2007, prepare the forestry component of the NI Rural Development Regulation Plan</p> <p>Revise the Woodland Grant Scheme.</p>
Sustainable forest management	Improved economic, social and environmental sustainability of forests.	<p>Improve arrangements for consulting the community about the impacts of our management of local forests to comply with the requirements of the UK Woodland Assurance Standard</p> <p>Monitor the success of forest regeneration to ensure that the area of forest waiting replanting does not exceed 1.5 times the area harvested in any year.</p>

Improving Forest Service efficiency and effectiveness	To improve the profitability of forests.	Earn at least £5 million from sales of forest products.
		Earn at least £0.5 million from forest recreation.
		Revise the forecast of timber production
		Assess the market for attracting private sector businesses to major forest parks.
		Review business organisation and effectiveness
		Reduce absenteeism rates to an annual average of 10 days per person.
		Review the Human Resources Strategy.
Implement the Forest Service elements of the NI Civil Service reform programme		

Table 3

FOREST SERVICE BUDGETS

PSA Budget	Category	Budget	Notes
	Resource DEL	£17.095m	£9.156m Departmental Running Costs (DRCs) £2.200m programme £1.250m programme- Technical Timber Adjustment £0.139m grants £(5.323) m operating receipts £9.673m capital charges
	Capital DEL	£0.023m	£0.789m capital £(1.439) m capital receipts £2.690m capital- Technical Timber Adjustment £(2.340) m capital receipts- Technical Adjustment £0.323 Capital Grants
	Total DEL	£17.118m	
	Total AME	£0.878m	

DEL = 3 year Departmental Expenditure Limits. The DEL has been set taking account of the savings required in the efficiency plan at Appendix 4.

AME = Annually Managed Expenditure.

The Resource DEL budget of £17.095m excludes DARD Central Services costs.

MONITORING AND REPORTING

A departure from the normal format of this plan this year is that individual Directorates and Branches will maintain supporting business plans mapped to the corporate plan. We will monitor our performance against the targets and standards set for 2006/07. If it appears that the achievement of key targets may be at risk due to factors outside the Agency's control, the Chief Executive will consult with the Department and the Minister about options for remedial action. In these or other circumstances, the Minister or Chief Executive may seek to review the Business Plan during the year and make changes in policies, resources and priorities.

Following the end of the financial year the Chief Executive will publish an Annual Report and Accounts. The Report will review the Agency's activities during the year and will comment specifically on its performance against the key targets set by the Minister.

FOREST SERVICE STANDARDS

Area	Performance Standards
Customer Service standards	Pay 90% of Woodland Grant and Farm Woodland Premium Scheme claims within 8 weeks of receipt of a properly completed claim form Respond to written correspondence within 10 working days.
Financial control standards	Achieve a financial outturn that is within resource limits.

APPENDIX 2

AGENCY ORGANISATIONAL STRUCTURE

	Malcolm Beatty Chief Executive	
Stuart Morwood <i>Director of Policy and Standards</i>	Gerry Hill <i>Director of Corporate Services</i>	John Joe O'Boyle <i>Director of Operations</i>
Responsible for:	Responsible for:	Responsible for:
Policy development, forest practice standards, woodland grants, plant health controls and technical training.	Providing financial and personnel services, estates administration, IT services, technical and geographical services and statistics.	Management of state forests to produce timber, conserve and enhance the forest environment and provide recreation services

APPENDIX 3

AGENCY OFFICES

Headquarters
(Customer Services Manager)
Dundonald House
Upper Newtownards Road
BELFAST
BT4 3SB
Phone : 028 90524480
Fax : 028 90524570
e-mail to : customer.forests@ardni.gov.uk

East District
The Grange
Castlewellan Forest Park
CASTLEWELLAN
BT31 9BU
Phone : 028 43772240
Fax : 028 43771762

West District
Inishkeen House
Killyhevlin
ENNISKILLEN
BT74 4EJ
Phone : 028 66343032
Fax : 028 66324753

North District
District Forest Office
Forest Road
GARVAGH
BT51 5EF
Phone : 028 29556003
Fax : 028 29557162

EFFICIENCY PLAN

As part of the Budget 2004 process, the Department has a target to realise total annual efficiencies of at least £21 million over the 3 year period from 2005/06 to 2007/08, of which at least £10.5 million will be released as resources to be reinvested in priority front-line services.

Forest Service's contribution to the Plan is shown in the Table below:

	2005-06	2006-07	2007-08	Total
	£ million	£ million	£ million	£ million
Resource releasing efficiencies	£0.51	£0.81	£0.81	£2.13
Non-resource releasing efficiencies	£0.06	£0.46	£0.47	£0.99
TOTAL	£0.57	£1.27	£1.28	£3.12

DELIVERY PLAN

The resource releasing efficiencies identified relate to reform of the system for rewarding and paying Forest Service's industrial staff within a context of maintained outputs, and continue to undertake activities through private sector contracts where these are the more efficient option. Forest Service is also absorbing cost increases in the procurement of goods and services in 2006/07 and 2007/08.

The non-resource releasing efficiencies relate to redeployment of resources to be gained through more efficient processing and review of service delivery associated with re-structuring of the Agency.