



FOREST SERVICE

BUSINESS PLAN

2007 - 2008



INVESTOR IN PEOPLE



An Agency within the Department of

**Agriculture and
Rural Development**

www.dardni.gov.uk

AN IRISH
Talmhaíochta agus
Forbartha Tuaithe

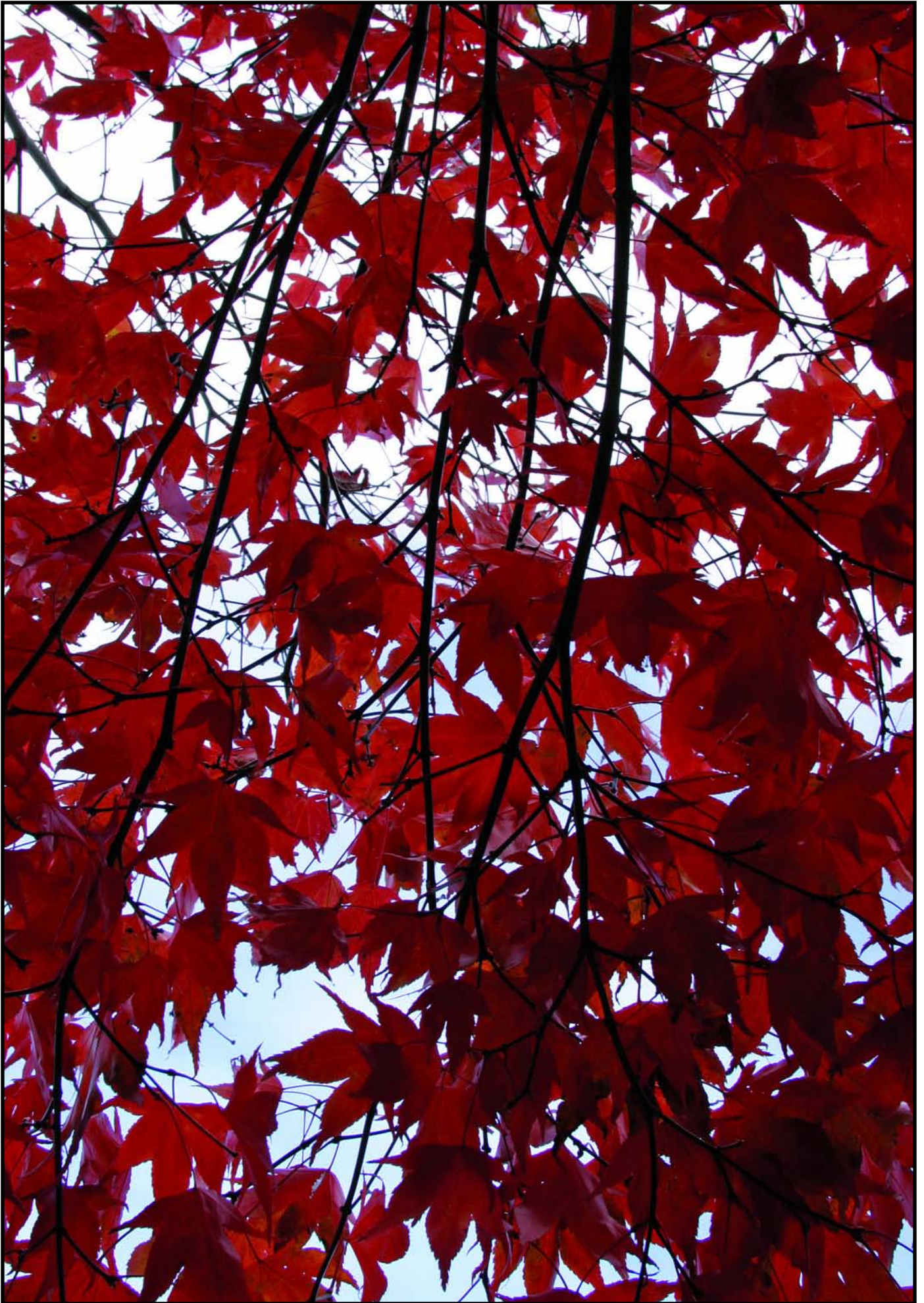
MINISTRE O
Fairs an
Kintra Forderin

BUSINESS PLAN

2007 - 2008

CONTENTS

Foreword	3
Introduction	5
Status	5
Management and accountability	5
Functions	5
Policy	5
Corporate governance	6
Organisation and human resources	6
Business Plan 2007/2008 and planning assumptions	7
Key targets	7
Other supporting targets	8
Forest Service budgets	8
Monitoring and reporting	9
Appendix 1	10
Forest Service standards	11
Appendix 2	12
Organisational structure	12
Appendix 3	13
Agency Offices	13
Appendix 4	14
Efficiency plan	14
Delivery plan	15



FOREWORD

By the Chief Executive

The incoming business year will be my first as Chief Executive. This plan sets out the important issues we will take forward in what will be a very demanding year, in terms of advancing the work to meet the Public Service Agreement (PSA) targets, and what we are required to deliver through the DARD strategic plan (2006 – 2011) and our own forestry Strategy for Sustainability and Growth.

The twin themes of the strategy for forestry in Northern Ireland - A Strategy for Sustainability and Growth – published in March 2006, are forest expansion, with an aim to double the area of forest over the long term, and sustainable forest management. Within this context, the role of the Forest Service is to encourage private landowners to consider conversion of their land to forest and to directly manage the public forest estate with the aim of obtaining better value from it. This will include pursuing inward investment opportunities under the Wider Markets Initiative. Forest Service is adopting a greater commercial approach to the management of Forests and this business plan continues the work started last year to progressively improve the profitability of forestry in Northern Ireland.

We will encourage and support expansion of a wide range of forest types which will improve the environment, sustain rural development and support renewable energy policy.

In partnership with the Strategic Investment Board, we have commissioned a feasibility study to identify options for recreational development in a number of forests. This work has identified a range of opportunities which we will explore further. This will include the possibility of partnership agreements whereby facilities can be developed and used exclusively for specific activities. We intend to secure better value from our forests through marketing a wide range of forest products and resources and, at the same time, create opportunities to further reduce costs in the supply chain. We also intend to implement changes to our organisational structure to provide for a greater focus on key strategic issues and to deliver our services more efficiently.

We will build further on our existing good partnership with the wood processing industry and work closely with them to ensure that we both secure value for money. We will seek to replicate that relationship with other partners with whom we may engage in the year ahead.

David Small
Chief Executive



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.

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

Forest policy aims:

- To ensure the sustainable management of existing woods and forests; and
- To secure a steady expansion of tree cover to increase the many diverse benefits that forests provide.

Within the context of implementing the forest strategy, key tasks for the Forest Service are:

- 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; and
- To promote forest expansion.

The business priorities for 2007/2008 are:

- 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 by at least 550 hectares;
- To review the existing restoration strategy for plantations on ancient woodland sites;
- To implement a programme of social and environmental improvements that will encourage increased use of forests;
- To maintain the number of paying visitors to forests;
- To identify research needs and opportunities;
- To prepare for the introduction of International Accounting Standard 41 in 2008;
- To implement changes to organisational structure;
- To ensure that business continuity plans are reviewed and updated, as appropriate, in line with our civil contingency responsibilities; 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, who is also the Accounting Officer. It is managed by a Board comprising the Chief Executive, three Executive Directors and an Independent Non-Executive Director. There is a 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 Corporate Governance and Audit Committee provides objective advice to the Chief Executive about business risks, internal control and governance of the Agency.

Organisation and human resources

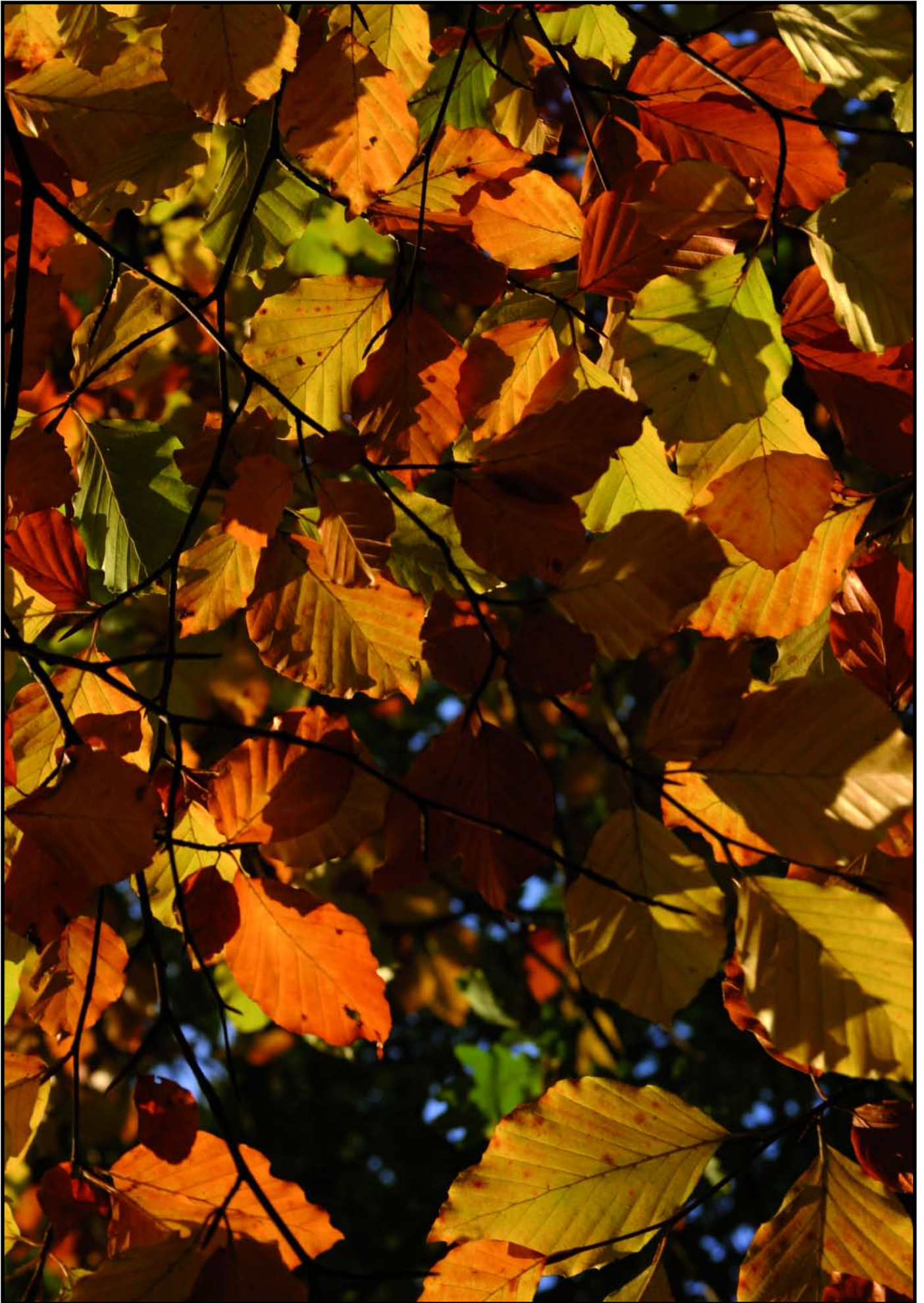
The Department has set the Agency a complement of 279 full time equivalent staff for 2007-08 including administrative, professional, technical and industrial grades. Staff are located at the Agency's headquarters in Belfast and in three Forest Districts with main offices at Enniskillen, Castlewellan 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 60% of our variable costs and 35% of total costs and this remains a major area in which we will continue to seek improvement in our performance. We regularly review structures, staffing levels and business processes to achieve the organisational structure geared to the most efficient and effective conduct of business. Departmental and NICS initiatives will affect our industrial wages unit and finance branch within the next 12-15 months. We will begin implementing changes to our organisational structure in the current year and this will be critical to the successful implementation of the forestry strategy.

In line with the NICS-wide reform target to progressively reduce the level and cost of absenteeism, the Agency will seek to maintain a reduced level of non-industrial staff absenteeism at, or below, the NICS target of 9 days per person. Specific action will include the strict application of the absenteeism management procedures, action on the prevention and investigation of industrial accidents and management reviews of District and Branch absenteeism.

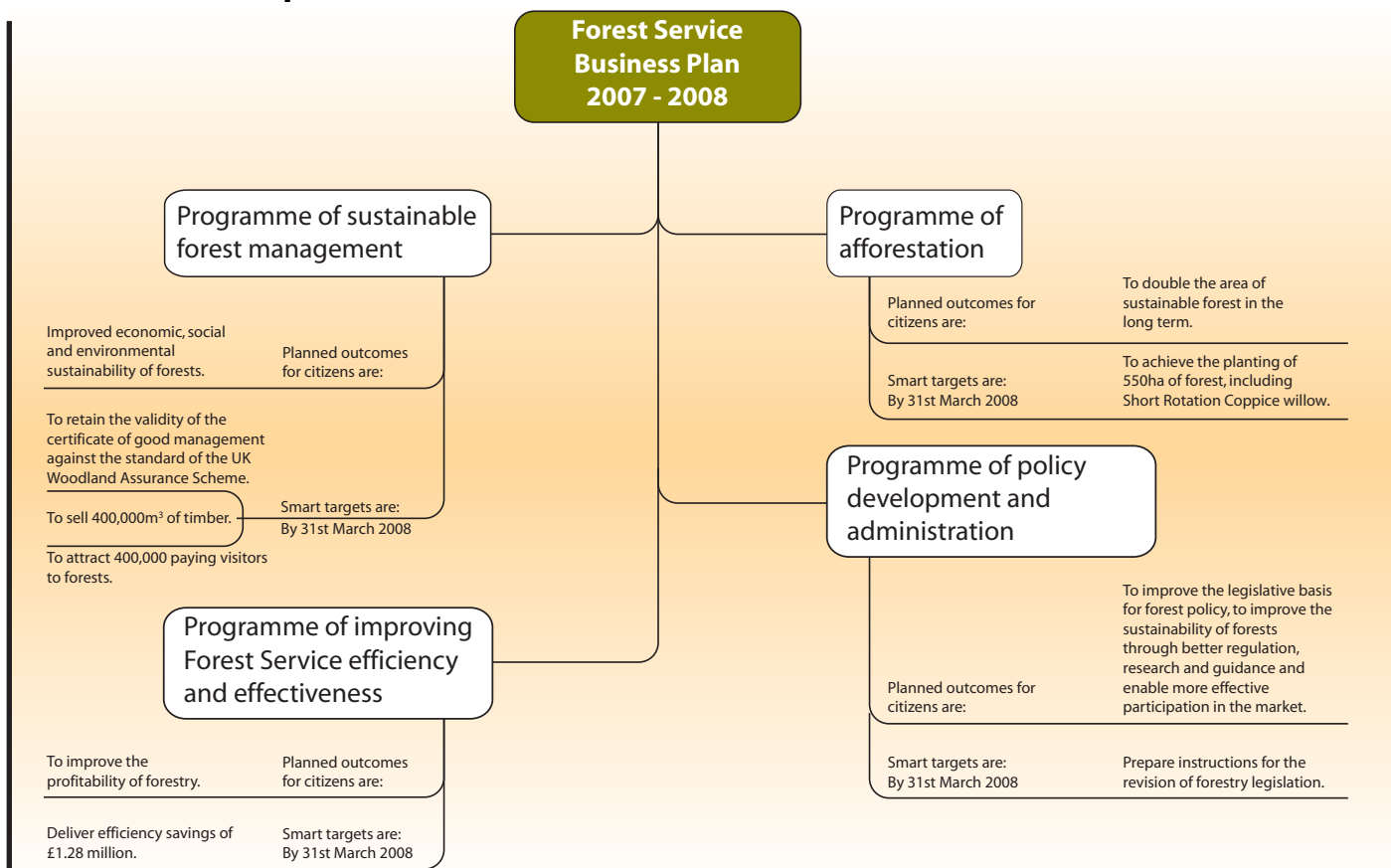
We have a responsibility to ensure that robust procedures are in place to provide for continuity of service in the event of a civil emergency. Our business continuity plan sets out the controls in place and we will review the plan to ensure that it provides the necessary assurance that the controls remain effective.



BUSINESS PLAN 2007 - 2008 AND PLANNING ASSUMPTIONS

This Business Plan supports the Department's 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. Goal 2 of the DARD strategy is to strengthen the social and economic infrastructure of rural areas. Forest Service contributes to the achievement of this Goal by providing timber, which is the raw material used by wood processors who provide employment in rural areas, which is important to the local economy. We also contribute to the achievement of Goal 3 by maintaining a low incidence of forest plant diseases of significant economic and environmental consequence. In support of this work, and the delivery of 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 **related targets** and **performance** standards have been set to complement the key targets. These provide greater focus for staff within the Agency and are detailed later in Table 2 and Appendix 1.

Table 3 shows the net resources allocated to the Agency for 2007/2008 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 2008 the agency will:
<p>More sustainable forests</p>	<p>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.</p>	<p>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.</p> <p>Extend the area of woodland in NI</p> <p>Improved economic, social and environmental sustainability of forests.</p> <p>To improve the profitability of forests</p>	<p>Establish A Bill Team and prepare instructions for Legislative Counsel.</p> <p>Achieve the planting of 550 hectares of new plantations including 100ha of Short Rotation Coppice willow (SRC).</p> <p>Sell at least 400,000m³ of timber.</p> <p>Retain the Certificate of good forest management under the UK Woodland Assurance Standard.</p> <p>Achieve at least 400,000 paying visitors to forests.</p> <p>Deliver efficiency savings of £1.28 million.</p>

**Table 2
OTHER SUPPORTING TARGETS**

Programme Area	Planned outcome for citizen	SMART Targets By 31st March 2008 the Agency will:
<p>Policy development and administration</p>	<p>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>	<p>Establish a Bill Team and prepare instructions for the Legislative Counsel on a Forestry Act</p> <p>Produce guidance for avoiding disturbance of Hen Harriers and other raptors in forests</p> <p>Review Plantation on Ancient Woodland Sites (PAWS) strategy</p> <p>Publish a strategy for the social use of state forests.</p> <p>Produce plant health regulations in respect of wood packaging material</p>
<p>Afforestation</p>	<p>To double the area of forest in the long term.</p>	<p>Achieve planting of 550 hectares of new plantation, including 100 hectares of Short Rotation Coppice (SRC)</p> <p>Publish indicative maps for afforestation</p>
<p>Sustainable forest management</p>	<p>Improved economic, social and environmental sustainability of forests.</p>	<p>Review timber inventory and forest valuation</p> <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 £5.1 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.

Implement organisational changes

Maintain absenteeism rates at, or below, an annual
average of 9 days per person.

Implement the Forest Service elements of the NI Civil
Service reform programme

Table 3

FOREST SERVICE BUDGETS

PSA Budget	Category	Budget	Notes
	Resource DEL	£16.714m	£8.529m Departmental Running Costs (DRCs) £2.200m programme £1.250m programme- Technical Timber Adjustment £0.139m grants £(5.323) m operating receipts £9.919m 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	£16.737m	
	Total AME	£0	

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 £16.714m excludes DARD Central Services costs.

Monitoring and reporting

The Forest Service Management Board will monitor performance against the targets and standards set for 2007/2008. If it appears that the achievement of key targets may be at risk due to factors outside of 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, it may be necessary to review the Business Plan during the year and make changes in policies, resources or priorities.

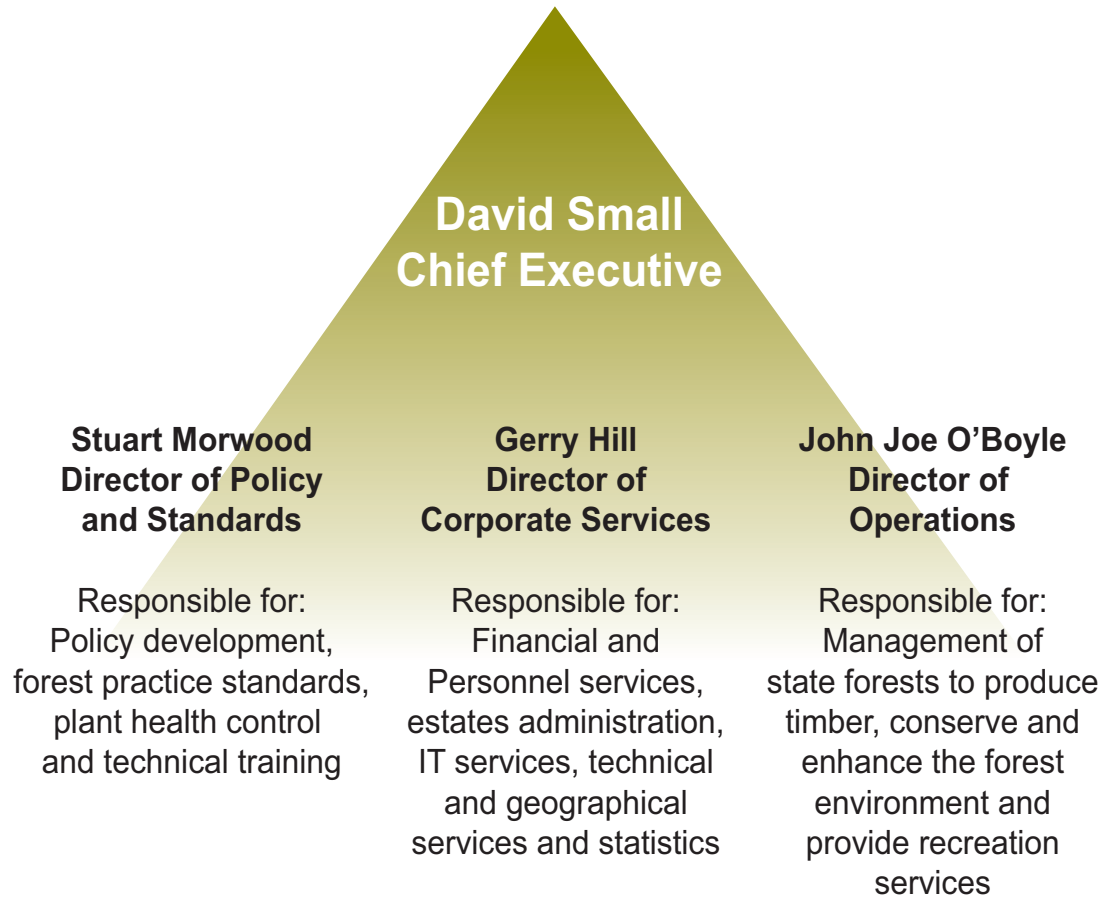
Following the end of the financial year the Chief Executive will publish an Annual Report and Accounts. The Report will review the Agency's activities during the year and will comment specifically on its performance against the key targets set by the Minister.

APPENDIX 1

FOREST SERVICE STANDARDS

Area	Performance Standards
Customer Service standards	Respond to written correspondence within 10 working days.
Financial control standards	Achieve a financial outturn that is within resource limits.

AGENCY ORGANISATIONAL STRUCTURE



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@daer.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

APPENDIX 4

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.



Should accessible formats such as large type, audio cassette or a language other than English be required, please contact the Customer Services Manager at Forest Service Headquarters and appropriate arrangements will be made as soon as possible.

Forest Service Headquarters
Dundonald House
Upper Newtownards Road
Belfast
BT4 3SB

Tel: 028 9052 4480

Fax: 028 9052 4570

e-mail: customer.forestserviceni@dardni.gov.uk

web site: www.forestserviceni.gov.uk

