



# Business Plan

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## 2008-09



An Agency within the Department of  
**Agriculture and  
Rural Development**

[www.dardni.gov.uk](http://www.dardni.gov.uk)

AN tRINN  
Talmhaíochta agus  
Forbartha Tuaithe

MINISTRE O  
Fairs an  
Kintra Fòrdèrin



INVESTOR IN PEOPLE





# Business Plan

2008-09

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Belvoir Park Forest



# Foreword

By the Chief Executive



This plan sets out the important issues we will address, during the business year, to meet our Public Service Agreement (PSA) target and our commitments through the DARD Business Plan (2008 – 2009) and our own forestry Strategy for Sustainability and Growth.

Our overarching aim will be to continue to implement the twin themes of the strategy for forestry in Northern Ireland. These 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. We will encourage and support the development and expansion of a wide range of forest types which will improve the environment, sustain rural development, enhance the urban landscape and support renewable energy policy.

Increasing the rate of woodland expansion will be a major challenge and, during the business year, we intend to take forward a fundamental review of how we create the incentive for, and promote, woodland planting. This will inform future decisions relating to how we can achieve a significant increase in the creation of new woodland. We will also directly manage the public forest estate, with the aim of obtaining better value from it.

Over the past year, we have been adopting a greater commercial approach to the management of forests, including pursuing inward investment opportunities under the Wider Markets Initiative. We engaged with the Strategic Investment Board to identify opportunities for establishing partnership arrangements to develop facilities in a number of forests. This work will continue and we expect some of the opportunities identified to come to fruition within the coming year. We will continue to develop our commercial approach and this business plan builds on the work we have started to progressively improve the profitability of forestry in Northern Ireland.

Acknowledging the growing demand for the recreational use of forests, we intend to publish a social use and recreation strategy that will set out a clear framework for recreational activity within forests. We intend to replace the Forestry Act (NI) 1953 to provide sufficient flexibility to meet more contemporary and evolving commercial, environmental and social objectives. We will draw up new legislation and request the Minister to introduce a Bill to the Assembly.

We will aim to secure the optimum 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.

In our dealings with the wood processing industry, we will strive to maintain our existing good partnerships and work to ensure that we both secure value for money. We will seek to replicate that partnership approach with other stakeholders with whom we may engage in the year ahead.

The Business Plan for the year includes a number of very significant challenges and key targets which have been agreed by the Minister. We intend to complete changes to our organisational structure to provide a greater focus on key strategic issues and to develop our ability to deliver business priorities. This will involve change for some staff but is necessary if the Agency is to meet its strategic objectives. The valuable contribution that staff make towards business delivery is recognised by the Management Board and will be especially important in the coming year.

**David Small**  
Chief Executive





Harvesting - Glenshane Forest



# 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.

## **FUNCTIONS**

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

## **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.

## **CORPORATE GOVERNANCE**

The Chief Executive is the Accounting Officer. The Agency is managed by a Board comprising the Chief Executive, three Executive Directors and an Independent Non-Executive Director. Following reorganisation, the intention is to appoint an Executive Director of Forest Operations. 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 265 full time equivalent staff for 2008-09, including administrative, professional, technical and industrial grades. Staff are located at the Agency's headquarters in Belfast and in three main offices at Enniskillen, Castlewellan and Garvagh.

Details of the current organisational structure and main office locations can be found in Appendices 1 and 2.

We will have challenging targets in the year ahead to deliver efficiency savings. Appendix 3 provides detail of our Efficiency Delivery Plan and our commitment to deliver additional resource receipts, which will contribute to the Department's efficiency targets. Our target for 2008/09, is to deliver additional receipts of £1.09m. Staff costs represent 58% of our variable costs and 34% 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 during 2008-09. We will conclude changes to our organisational structure in the current year and this will be crucial to the successful implementation of the forestry strategy.

In line with the NICS-wide reform target, the Agency will seek to maintain a reduced level of non-industrial staff absenteeism at, or below, the NICS target of 8.5 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 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.



## **VISION**

Our vision is to have more extensive sustainable forest cover across Northern Ireland, that meets the diverse needs of present and future generations.

## **AIMS**

Our key strategic aims are:

- To manage existing woods and forests to promote economic and environmental benefits and provide recreational opportunities for the people of Northern Ireland; and
- To secure a steady expansion of tree cover to increase these benefits and opportunities.

Within the context of implementing our strategic aims, we have agreed a number of key business priorities for the 2008/09 business year.

## **BUSINESS PRIORITIES FOR 2008/09**

- Produce timber, re – afforest land following harvesting and maintain the sustainability of our forests through careful management of the environmental, social and economic aspects of our work;
- Retain certification of good forest management under the UK Woodland Assurance Standard. This requires a programme of conservation, environmental enhancement and social provision, whilst ensuring economic viability
- Encourage further forest expansion;
- Create a clear framework for the delivery of recreation provision within our forests;
- Secure operational partners to improve the quality and range of services and visitor experiences;
- Bring forward proposals for a new legislative framework for forestry activities;
- Improve forestry performance in the marketplace; and
- Prepare for implementation of International Accounting Standard 41 in 09/10 to comply with the accounting treatment, financial statement presentation and disclosures relating to biological assets (trees).

To achieve this, the business plan sets a number of key strategic objectives and associated key performance indicators. These are outlined in the next section.





Gortin Glen Forest Park



# Business Plan for 2008/2009

This Business Plan is informed by the Department's key business objectives for 08/09. The Department's strategic objectives, to have a more competitive forestry industry and further conversion of farmland to woodland and forest, are primarily delivered by the Forest Service. The DARD plan also aims to strengthen the social and economic infrastructure of rural areas. Forest Service contributes to the achievement of this by providing timber, which is the raw material used by the wood processing industry, thus contributing to employment in rural areas, which is important to the local economy. Our PSA target is to create an area of new woodland of 1,650 hectares by 2011 at the rate of 550 hectares per year.

In support of this, and the delivery of the forestry strategy, the Minister has set key performance targets for the Agency. These are shown in Table 1 below, which outlines our key strategic objectives and targets for 2008/09. Table 2 lists the supporting objectives and targets. Table 3 shows the net resources allocated to the Agency under the 2008 budget to deliver the work programme.

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.



Glenariff Forest Park



Table 1

## Key Strategic Objectives and Targets for 2008/09

KEY STRATEGIC OBJECTIVES	08/09 TARGETS
To optimise the return from timber sales	<ul style="list-style-type: none"> <li>• Sell at least 400,000 cubic metres of timber.</li> <li>• Earn at least £6.5m from the sale of timber including efficiency delivery additional receipts of £1.09m</li> </ul>
To manage forests in a sustainable manner	<ul style="list-style-type: none"> <li>• Maintain UK Woodland Assurance Standard certification</li> </ul>
To extend the area of new woodland in Northern Ireland	<ul style="list-style-type: none"> <li>• Increase new woodland cover by at least 550 hectares</li> <li>• Complete a review of the opportunities for promoting grant-aided woodland expansion</li> </ul>
To engage positively and promptly with customers and stakeholders	<ul style="list-style-type: none"> <li>• Meet customer service standards (respond to 90% of written correspondence within 10 working days; acknowledge all written complaints within 3 days of receipt and provide a full response to 90% of written and verbal complaints within 15 working days of receipt)</li> </ul>
To prepare for valuation of woodland in accordance with International Accounting Standards 41 and 16.	<ul style="list-style-type: none"> <li>• NIAO/Internal Audit satisfied with approach/methodology</li> </ul>
To publish a strategy on social use and recreation within forests	<ul style="list-style-type: none"> <li>• Ministerial agreement and publication of strategy</li> </ul>
To put in place an appropriate legislative framework to enable the delivery of Forestry policy	<ul style="list-style-type: none"> <li>• Introduce draft Bill during 08/09 legislative session</li> </ul>



## Supporting Objectives and Targets

SUPPORTING OBJECTIVES	08/09 TARGETS
To implement the Government's Wider Markets Initiative	<ul style="list-style-type: none"> <li>• Secure operational partner for high ropes adventure activity</li> <li>• Establish level of private sector interest in delivering camping and caravanning services</li> </ul>
To manage recreation services in an affordable way	<ul style="list-style-type: none"> <li>• Meet the expenditure and income requirements of the Memorandum Trading Account</li> </ul>
To manage and report on the Agency's income and expenditure	<ul style="list-style-type: none"> <li>• Maintain expenditure within resource limits and to approved budgets</li> <li>• Produce unqualified accounts which are laid in the Assembly by the summer recess</li> </ul>
To meet Efficiency Delivery Plan targets (Appendix 3)	<ul style="list-style-type: none"> <li>• Deliver an additional £1.09m resource receipts from timber sales</li> </ul>
To develop and deploy staff to meet business delivery objectives	<ul style="list-style-type: none"> <li>• Deliver Business Plan objectives</li> <li>• Annual absenteeism level of less than or equal to 8.5 days</li> <li>• Deliver 80% of high priority training against the Training Plan</li> </ul>
To establish baseline efficiency data	<ul style="list-style-type: none"> <li>• Benchmarking work complete and baseline data established</li> </ul>
To evaluate the economics of utilising poor quality forest crops	<ul style="list-style-type: none"> <li>• Undertake a pilot study and prepare a report</li> </ul>
To improve Forest Service effectiveness	<ul style="list-style-type: none"> <li>• New functional structure in place</li> </ul>

Table 3

## Forest Service Budgets

PSA Budget	Category	Budget	Notes
	Resource DEL	£14.336m	£6.850m Resource Running Costs (excluding capitalised wages)
			£2.410m programme
			£1.250m programme- Technical Timber Adjustment
			£0.429m grants
			£(6.626)m operating receipts
			£10.023m capital charges
	Capital DEL	£1.155m	£1.104m capital
			£(0.739)m capital receipts
			£2.690m capital- Technical Timber Adjustment
			£(2.340) m capital receipts- Technical Adjustment
			£0.440 Capital Grants
	Total DEL	£15.491m	
	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 £15.491m excludes DARD Central Services costs.



## Monitoring and Reporting

The Forest Service Management Board will monitor performance against the key strategic objectives and targets set for 2008/2009. 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. The Business Plan is subject to formal in-year and year-end reviews by the Permanent Secretary and the Department's Fraser Figure, in discussion with the Agency's Board.

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.



Castlewellan Forest Park & Castle

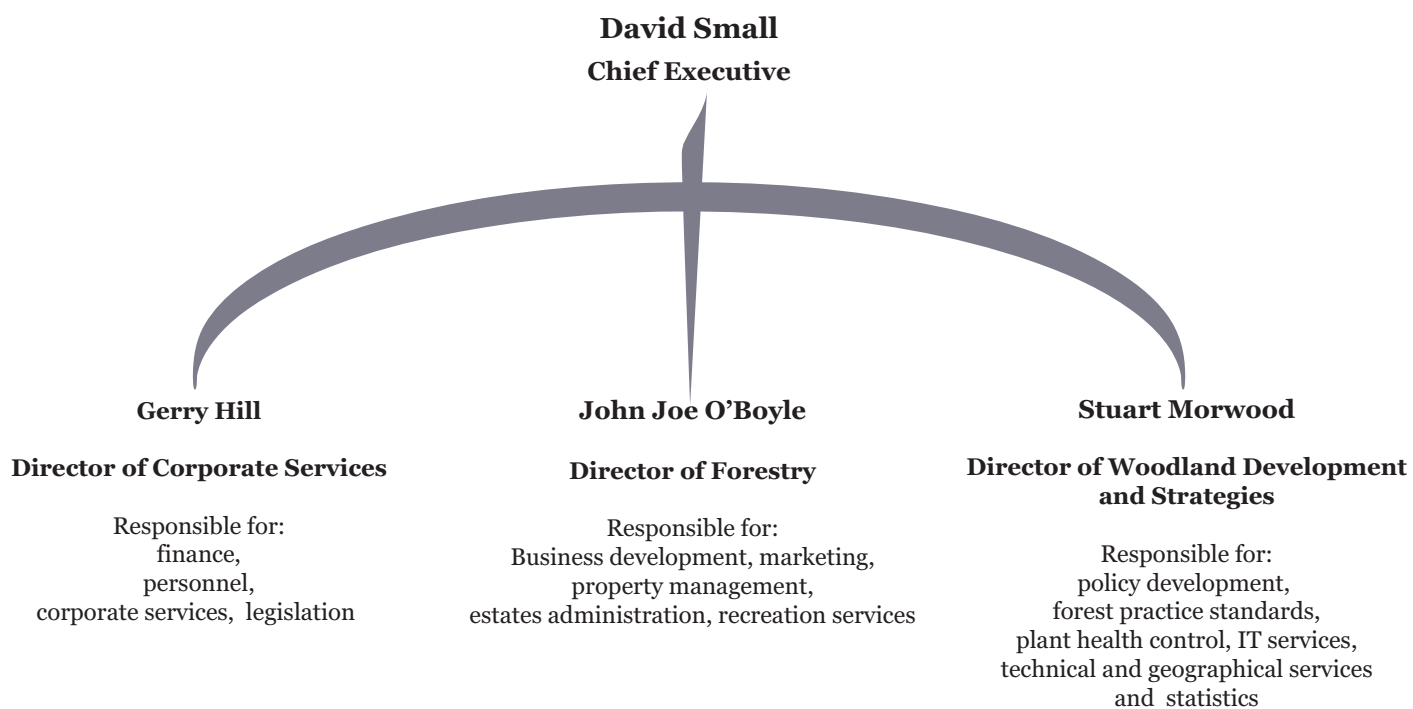




Parkanaur Forest



# Agency Organisational Structure



During the year, the Agency will complete reorganisation to a functional structure. This will result in the creation of the Director of Forest Operations post.

## Agency Offices

### **Headquarters**

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## Efficiency Plan

As part of the Budget 2007 process, the Department has a target to deliver cash realising efficiencies of at least £36.5 million over the 3 year period from 2008/09 to 2010/11.

Forest Service has committed to deliver additional operating receipts over the 3 year Plan period. This is on the basis of continuing evidence of high demand for the volume of timber available for sale and the experience of Forest Service in negotiating long-term contracts to maximise the value of receipts.

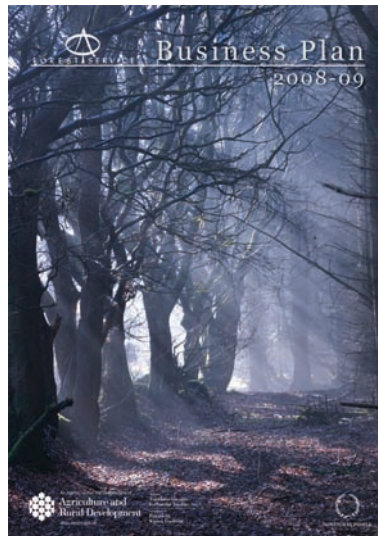
Forest Service's contribution to the Plan is shown in the Table below:

	2008-09 £ million	2009-10 £ million	2010-11 £ million	Total £ million
Generate additional operating receipts	£1.09	£1.0	£1.0	£3.09



Drum Manor Forest





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.

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