



FOREST SERVICE

Business Plan

2009/2010



An Agency within the Department of
**Agriculture and
Rural Development**
www.dardni.gov.uk

AN RCHINN
Talmhaíochta agus
Forbartha Tuaithe
MIONISTRE O
Fáirns an
Kintre Forderin



INVESTOR IN PEOPLE

Cover photograph:
Davagh Forest, Co. Tyrone

Business Plan

2009-10

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Randalstown Forest

Foreword



By the Chief Executive

This business plan sets out the important work that we intend to do during the 2009/2010 business year, in order to meet our commitments through the DARD Business Plan (2009-2010), achieve our Public Service Agreement target and continue to implement our own forestry Strategy for Sustainability and Growth. Whilst we expect the resource position to remain difficult throughout the year, we nevertheless have an exciting and challenging programme of work to manage.

We have reorganised our business and will be delivering our services on a functional basis from April 2009. This will result in greater efficiency and a greater strategic capacity to deal with the significant challenges that we face. It will also bring benefits to all our stakeholders and customers. Reorganisation, however, can be stressful for everyone involved and I should like to take this opportunity of thanking staff for their support and cooperation in taking this forward.

We will continue to implement the key strands of forestry policy: sustainable forest management and forest expansion. Promoting the development and expansion of a wide range of forest types will bring benefits to both rural and city-based communities, while also supporting renewable energy policy and improving the overall environment.

We will continue to encourage private landowners to convert their land to forestry. To this end, we recently carried out a review of the incentives, and opportunities available, for promoting woodland creation. We will engage with stakeholders and develop proposals which will aim to generate a significant increase in the rate of planting. We will also continue to manage the existing public forest estate, so as to ensure best value for money.

This year we intend to build upon the work of developing our commercial approach to managing forests, through the pursuit of investment opportunities and the establishment of partnership agreements to develop recreational facilities in several forests. Our aim, in this business year, will be to work with the Strategic Investment Board to secure a private sector partner to establish a High Trees Adventure facility, by spring 2010, and to explore a range of other commercial partnership opportunities. These will include opportunities in relation to the delivery of caravanning and camping facilities and other holiday accommodation possibilities within the forest estate. These examples reflect the fruition of work undertaken over the past 12-18 months and our aim now is to continue seeking out and exploiting similar investment opportunities, to increase the profitability of our forests and improve the range and quality of activities available to visitors.

Over recent years, we have noted the increasing and changing demand for recreational use of forests. We want our forests to be key venues for outdoor recreation, supporting Government objectives for tourism, where visitors can enjoy the forest environment and a wide range of recreational activities. The forestry strategy commits us to address recreational issues and we will, therefore, finalise and publish our Recreation and Social Use strategy, on which we consulted recently, and begin the process of implementation. This will commit us to a number of key actions which, we hope, will benefit visitors. These include: a revision of our Forest Management Planning, giving greater focus on recreation and social use issues; improved consultation at local level and the establishment of partnerships with voluntary and public bodies and private businesses, to develop and manage recreational and social use facilities.

A further, key piece of work this year will be to complete our revision of the Forestry Act (NI) 1953 and finalise proposals for a draft Bill that will reflect the role of a modern Forest Service over a wide range of contemporary environmental, economic and social functions. We will also ask the Minister to seek Executive Committee agreement to introduce a Bill to the Assembly before the summer recess.

Our focus on the supply of timber to the wood processing industry will continue. The current economic climate has obvious implications for timber sales and income. We will, however, continue to work positively and cooperatively with timber customers, in order to manage this situation and will liaise closely with them in relation to the harvesting of sale lots. The economic recession also makes it all the more important that we continue to investigate means of reducing supply chain costs and obtaining best value for money from our forests during the 2009/2010 business year.

A handwritten signature in black ink, appearing to read 'David Small', with a stylized, cursive script.

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.

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, four Executive Directors and an Independent Non-Executive Director who joined the Board in March 2009 and will offer a constructive challenge across all of the Board's business. There is a Corporate Governance and Audit Committee, established as a sub-Committee of the Board. The Committee is chaired by an Independent member of the Senior Civil Service from the Department for Regional Development 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 allocated the Agency £8.2m in 2009/10 for running costs and to meet the salaries and wages of 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 2 and 3.

We will have challenging targets in the year ahead to deliver efficiency savings. Appendix 4 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 2009/10, is to deliver additional resource receipts of £1m. Staff costs represent 55% of our variable costs and 32% of total costs and this remains an area in which we will continue to seek further improvement in our performance. We regularly review structures, staffing levels and business processes in order to deliver our business in the most efficient and effective way. Departmental and NICS initiatives will affect our industrial wages unit and administrative support function during 2009-10.

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, per year. 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 review the plan regularly 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 2009/10 business year.

BUSINESS PRIORITIES FOR 2009/10

- Utilise forests for timber production and renewable energy products – re-afforest land following harvesting subject to wider environmental objectives, and maintain 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 and social provision, whilst ensuring economic viability. Prepare for new certification arrangements for future years;

- Encourage further forest expansion;
- Develop partnerships with operational providers to improve the quality and range of services and visitor experiences, consistent with our Recreation and Social Use Strategy and our aim to improve forestry performance in the marketplace;
- Review and update forest planning processes to reflect and meet current needs, including the development of recreation and social use opportunities;
- Complete our work to put in place a new legislative framework for forestry activities;
- Ensure that the requirements of International Accounting Standard 41 and Account NI are fully embedded within our accounting and financial management systems.

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.



Portglenone Forest



Glenariff Forest Park

Business Plan for 2009/2010

Our Business Plan is informed by the Department's key business objectives for 09/10. 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 employment in rural areas, and by providing timber and wood products used by the wood processing industry, which makes an important contribution to the local economy.

Our PSA target is to create an area of new woodland of 1,650 hectares by 2011. This has been an area where progress has been difficult, due to low levels of uptake of the forestry grant schemes. Unfortunately, despite our best efforts, we missed our 08/09 target to plant 550 hectares of new plantation, achieving 289 hectares. Our 09/10 target will again be 550 hectares, as this is the annual milestone target within the PSA target, and reflects our continued commitment to achieve the overall PSA target. We recognise that, during 2010/11, we will have to aim for some 800 hectares of new plantation to ensure achievement of the three-year PSA target. During 2009/10, we intend to prepare for this by implementing the findings of our recent review of the incentives, and opportunities available, for promoting planting on private woodland and by engaging extensively with landowners.

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 2009/10. Table 2 lists the supporting objectives and targets. Table 3 shows the net resources allocated to the Agency under the 2009 budget to deliver the work programme. Appendix 1 shows our performance standards.

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 Strategic Objectives and Targets for 2009/10

KEY STRATEGIC OBJECTIVES	09/10 TARGETS
To optimise the return from timber sales	<ul style="list-style-type: none"> • Sell at least 400,000 cubic metres of timber. • Generate receipts of at least £5.5 m from the sale of timber, against a total receipts target of £7.8 m
To manage forests in a sustainable manner	<ul style="list-style-type: none"> • Maintain UK Woodland Assurance Standard certification
To extend the area of woodland in Northern Ireland	<ul style="list-style-type: none"> • Increase new woodland cover by at least 550 hectares • Prepare plans to deliver balance of three-year PSA target during 2010/11 • Consider the recommendations of the review of the opportunities for promoting grant-aided woodland expansion; engage with stakeholders and present proposals to the Minister
Implement the Government's Wider Markets Initiative	<ul style="list-style-type: none"> • Appoint High Trees Adventure operator • Complete tender process for caravan and camping provision • Establish level of private sector interest in Wind Farm and other commercial opportunities
To put in place an appropriate legislative framework to enable the delivery of Forestry policy	<ul style="list-style-type: none"> • Secure Executive agreement to proposals for a new Forestry Act • Introduce Bill before summer recess • Support its passage to secure Royal Assent
To review and update the forest planning system and processes to include mechanisms to enable delivery of the Recreation and Social Use strategy	<ul style="list-style-type: none"> • New documented planning process in place

Table 2

Supporting Objectives and Targets

SUPPORTING OBJECTIVES	09/10 TARGETS
Engage positively and promptly with customers and stakeholders.	<ul style="list-style-type: none"> • Put in place a comprehensive electronic correspondence and complaints management system by July 2009. • Monitor and report on performance against customer standards and present quarterly reports to the Board
To establish new certification and audit arrangements to support our sustainable forest management obligations	<ul style="list-style-type: none"> • Procurement of independent audit services secured
To manage and report on the Agency's income and expenditure	<ul style="list-style-type: none"> • Maintain expenditure within resource limits and to approved budgets • Produce unqualified accounts which are laid in the Assembly by the summer recess • Meet recreation expenditure and income requirements of the Memorandum Trading Account • Meet requirements of International Accounting Standard 41
Review opportunities to rationalise and better utilise Forest Service properties in line with DARD Asset Management Review process	<ul style="list-style-type: none"> • Provide timely input to wider DARD review, in accordance with associated timetable
Meet Efficiency Delivery Plan targets	<ul style="list-style-type: none"> • Achieve £6.5m resource receipts, in line with EDP commitments
To develop and deploy staff to meet business delivery objectives	<ul style="list-style-type: none"> • Annual absenteeism level of less than or equal to 8.5 days per year • Deliver 80% of high priority training against the Training Plan
Publish and implement new Recreation Strategy	<ul style="list-style-type: none"> • Deliver 09/10 commitments set out in the strategy implementation plan
Complete work based on benchmarking baseline data	<ul style="list-style-type: none"> • Select two areas of service delivery for benchmark assessment and management action
Contribute to renewable energy objectives	<ul style="list-style-type: none"> • Plant at least 50 hectares of Short Rotation Coppice

Table 3

Forest Service Budgets

Category	Budget	Notes	Notes
Resource DEL	£14.861m	£6.743m	Resource Running Costs (excluding capitalised wages)
		£2.610m	Programme
		£1.250m	Programme- Technical Timber Adjustment
		£0.474m	Grants
		£(6.533)m	Operating receipts
		£10.317m	Capital charges
Capital DEL	£1.359m	£1.030m	Capital
		£(0.239)m	Capital receipts
		£2.490m	Capital- Technical Timber Adjustment
		£(2.340)m	Capital receipts- Technical Adjustment
		£0.418	Capital Grants
Total DEL	£16.220m		
Total AME	£0.0		

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 £14.861m excludes DARD Central Services costs.

The Forest Service Management Board will monitor performance against the key strategic objectives and targets set for 2009/2010. 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 Paark

Forest Service Standards

Area	Performance Standards
Customer Service standards	Respond to 90% of written correspondence within 10 working days Acknowledge all written complaints within 3 working days of receipt and provide a full response to 90% of written and verbal complaints within 15 working days of receipt
Financial control standards	Achieve a financial outturn that is within resource limits

Agency Organisational Structure

David Small
Chief Executive

Gerry Hill
Director of
Corporate
Services

Responsible for:
finance, personnel
corporate services, legislation.

John Joe O'Boyle
Director of
Forestry

Responsible for:
Forestry development, marketing,
property management, delivery of services

Stuart Morwood
Director of
Woodland
Development
& Strategies

Responsible for:
Forest planning and strategies. IT services,
afforestation and plant health

Ian Irwin
Director of
Forest Management

Responsible for:
Management of State forests
and forestry operations

Pauline Keegan
Non-Executive
Director

Agency Offices

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Inishkeen House

Killyhevlin

ENNISKILLEN

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BT51 5EF

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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



Parkanaur 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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