



FOREST SERVICE

Business Plan

2010/2011



An Agency within the Department of

**Agriculture and
Rural Development**

www.dardni.gov.uk

AN RINN
Talmhaíochta agus
Forbartha Tuaithe

MAINNSTRÉ O
Fairms an
Kintra Forderin



INVESTOR IN PEOPLE

Cover photograph:
Lough Navar Forest, Co. Fermanagh

Business Plan

2010-11

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Hollymount Forest, County Down

Foreword

By the Chief Executive



This Business Plan sets out our key strategic objectives and associated targets for the 2010/11 business year. It includes targets specifically linked to the achievement of our Public Service Agreement (PSA) target for woodland expansion and our wider commitments under the DARD Business Plan. Resourcing pressures and the requirement to deliver further efficiencies are likely to continue and this will ensure a challenging business year.

The Plan identifies our business priorities for the 2010/11 year, and sets 5 key strategic objectives, along with associated targets, for the Agency, agreed by the Minister. These will set a challenging programme of work for us.

We will continue to manage timber production and timber sales to support the wood processing industry. Our aim will be to improve performance in the market place and support the timber industry and the important role it plays in supporting the local economy and rural jobs. The Forestry Bill proposes a range of important powers to help us manage our forests in a sustainable way and for timber production. The proposed new legislation will also enable us to deliver the wider environmental and recreation benefits that forests can deliver, and we will work with partners to maximise, as far as possible, the opportunities that exist. Our hope is that the new Forestry Act will become operational later this year.

The 2010/11 Business year will also be the third and final year of our PSA target to create 1,650 hectares of new woodland by 31 March 2011. Progress during years 1 and 2 of the PSA period has been difficult, with lower than expected levels of uptake of our forestry grant schemes. During 2010/11, we will be doing all we can to promote woodland creation to put us back on course to meet our PSA target.

During the year, we will also be continuing our work to optimise commercialisation opportunities within the forest estate. We believe there are significant opportunities in the areas of recreation, leisure and renewable energy, and we will be developing our plans and strategies to realise these.

Finally, 2010/11 will be another challenging year for the Agency, but one during which I hope real progress against a number of important areas will be made.

David Small
Chief Executive



Parkanaur Forest, County Tyrone

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.

The Forestry Bill, which was introduced to the Northern Ireland Assembly, proposes a new legislative framework. It is our hope to have new legislation in place this year that will set a new Strategic Framework and Vision for the future of forestry.

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, 3 Executive Directors and an Independent Non-Executive Director who joined the Board in March 2009 and provides 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 £8.4m in 2010/11 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 1 and 2.

We will have challenging targets in the year ahead to deliver further 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 2010/11, is to deliver additional resource receipts of £1m. We regularly review structures, staffing levels and business processes in order to deliver our business in the most efficient and effective way.

In line with wider NICS objectives, the Agency will seek to achieve a reduced level of non-industrial staff absenteeism at, or below, the agreed DARD target level. For the first time, Forest Service has also set absenteeism level targets for industrial staff. Last year the industrial staff absenteeism figure was 11.4 days per person. This year's target has been set at 11 days. Specific action to meet our absenteeism targets 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 2010/11 business year.

BUSINESS PRIORITIES FOR 2010/11

- Utilise forests for timber production and renewable energy products – re-afforest land following harvesting 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.
- Encourage further forest expansion – this will be the main contribution forestry can make towards mitigating climate change.
- 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;
- Complete our work to put in place a new legislative framework for forestry activities;
- Commercialisation – we will seek to optimise commercialisation opportunities available within the Forest Estate.

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.



Lough Navar Forest, County Fermanagh



Lough Navar Forest, County Fermanagh

Business Plan for 2010/2011

STRATEGIC CONTEXT

Our Business Plan is informed by the Department's key strategic goals and targets for 2010/11. The Department's targets to put a new Forestry Act in place, and to promote the further conversion of farmland to woodland and forest, are primarily delivered by the Forest Service.

CONTRIBUTION OF FORESTRY

Forestry contributes to a number of wider government objectives. It provides employment in rural areas; and it provides timber and wood products used by the wood processing industry, which makes an important contribution to the local economy. Forestry also contributes to a range of other wider societal benefits. It contributes significantly to biodiversity, habitat management, and conservation through sustainable forest management. Forests also deliver significantly in the areas of recreation, outdoor opportunities, tourism and health and well-being. We will continue to explore how these wider opportunities can be further developed.

TARGETS AND OBJECTIVES

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 woodland, achieving 289 hectares. In 09/10, we again missed our target of 550 hectares, achieving only 213 hectares. Our 10/11 target will now be 1148 hectares, and reflects our commitment to achieve the overall PSA target. In order to encourage more farmers and landowners to create their own woodland, increases in grant rates were announced in November 2009 and since then, there has been a significant rise in applications. This renewed interest, together with Forest Service's continued promotion of the forestry schemes, are aimed at putting us back on course for meeting the PSA woodland target. But, achieving the PSA target will be a significant challenge. We will also be starting the business year with Resource and Capital budget pressures which may influence how much new woodland creation we can support. We will, however, be exploring throughout the year, the possibilities for increasing our budget cover for new woodland creation.

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 2010/11. Table 2 lists the supporting objectives and targets. Table 3 shows the net resources allocated to the Agency under the 2010 budget to deliver the work programme. Appendix 4 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 2010/11

KEY STRATEGIC OBJECTIVES	10/11 TARGETS
To optimize 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 £6.5m from the sale of timber (including contribution from timber sales to overall EDP target).
To manage forests in a sustainable manner.	<ul style="list-style-type: none"> • Meet UK Woodland Assurance Standard certification requirements.
To extend the area of woodland in Northern Ireland.	<ul style="list-style-type: none"> • Increase new woodland area by at least 1148 hectares, including: <ul style="list-style-type: none"> - new woodland planting; - Short Rotation Coppice; - conversion of land with tree and shrub colonisation to forestry.
Optimise commercial opportunities identified in the Forest Service Commercialisation Plan.	<ul style="list-style-type: none"> • Enter into contract with preferred operator and commence operation of High Trees Adventure facilities on the Forest Estate. • Prepare and finalise Outline Business Cases and develop procurement strategies for prioritised projects within the renewable energy and leisure sectors.
To put in place an appropriate legislative framework to enable the delivery of Forestry policy.	<ul style="list-style-type: none"> • Support Bill through Assembly stages (Consideration Stage and Final Stage) leading to attainment of Royal Assent to a new Forestry Act. • Establish programme of supporting subordinate legislation and bring into law. • Develop and publish a Delivery Plan outlining proposals for implementation of the new Act.

Supporting Objectives and Targets

SUPPORTING OBJECTIVES	10/11 TARGETS
Implement Recreation & Social Use Strategy.	<ul style="list-style-type: none"> • Deliver 2010/11 commitments set out in the Recreation Strategy implementation plan.
Contribute to renewable energy objectives.	<ul style="list-style-type: none"> • Support the planting of at least 50 hectares of Short Rotation Coppice.
Monitor implementation and effectiveness of new Forest Planning System and supporting processes.	<ul style="list-style-type: none"> • Implement new forest planning system in respect of forest plans completed in 2010/11. • Implementation of Forest Service upgraded GIS to support new planning system and business objectives.
Establish baseline data of woodland cover and type in Northern Ireland.	<ul style="list-style-type: none"> • Deliver Report on current extent of woodland cover and type, from available existing data sources.
Meet Efficiency Delivery Plan targets.	<ul style="list-style-type: none"> • Achieve £6.5m resource receipts, in line with EDP commitments.
Engage positively and promptly with customers and stakeholders.	<ul style="list-style-type: none"> • Meet customer standards and present quarterly reports to the Board. • Agree strategic level co-operation arrangements with at least two partner organisations. • Maintain proactive engagement with CONFOR and individual timber customers through regular review meetings.

SUPPORTING OBJECTIVES	10/11 TARGETS
<p>To manage and report on the Agency's income and expenditure.</p>	<ul style="list-style-type: none"> • Maintain expenditure within resource limits and to approved budgets. • Present draft Accounts to DARD Finance by 30 April. • Produce unqualified accounts which are laid in the Assembly by the summer recess. • Meet expenditure and income requirements of the Memorandum Trading Account, in relation to Recreation and Plant Health.
<p>To develop and deploy staff to meet business delivery objectives.</p>	<ul style="list-style-type: none"> • Meet the Departmental non-industrial absenteeism target. • Achieve Average Annual industrial absenteeism level of less than or equal to 11 days per person per year. • Deliver 80% of high priority training against the Training Plan. • Review Service Delivery arrangements with CAFRE to meet Professional and Technical Industrial training needs.

Forest Service Budgets

PSA Budget	Category	Budget	Notes
	Resource DEL	£4.362m	£8.321m Resource Running Costs
			£2.610m Programme
			£0.292m Grants
			£(7.950)m Operating Receipts
			£1.089m Capital Charges
	Capital DEL	£0.300m	£0.689m Capital
			£(0.739)m Capital Receipts
			£0.350m Capital Grants
	Total DEL	£4.662m	
	Total AME	£(3.501)m	£(3.501)m Timber valuation movement

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 £4.362m excludes DARD Central Services costs

Monitoring and Reporting

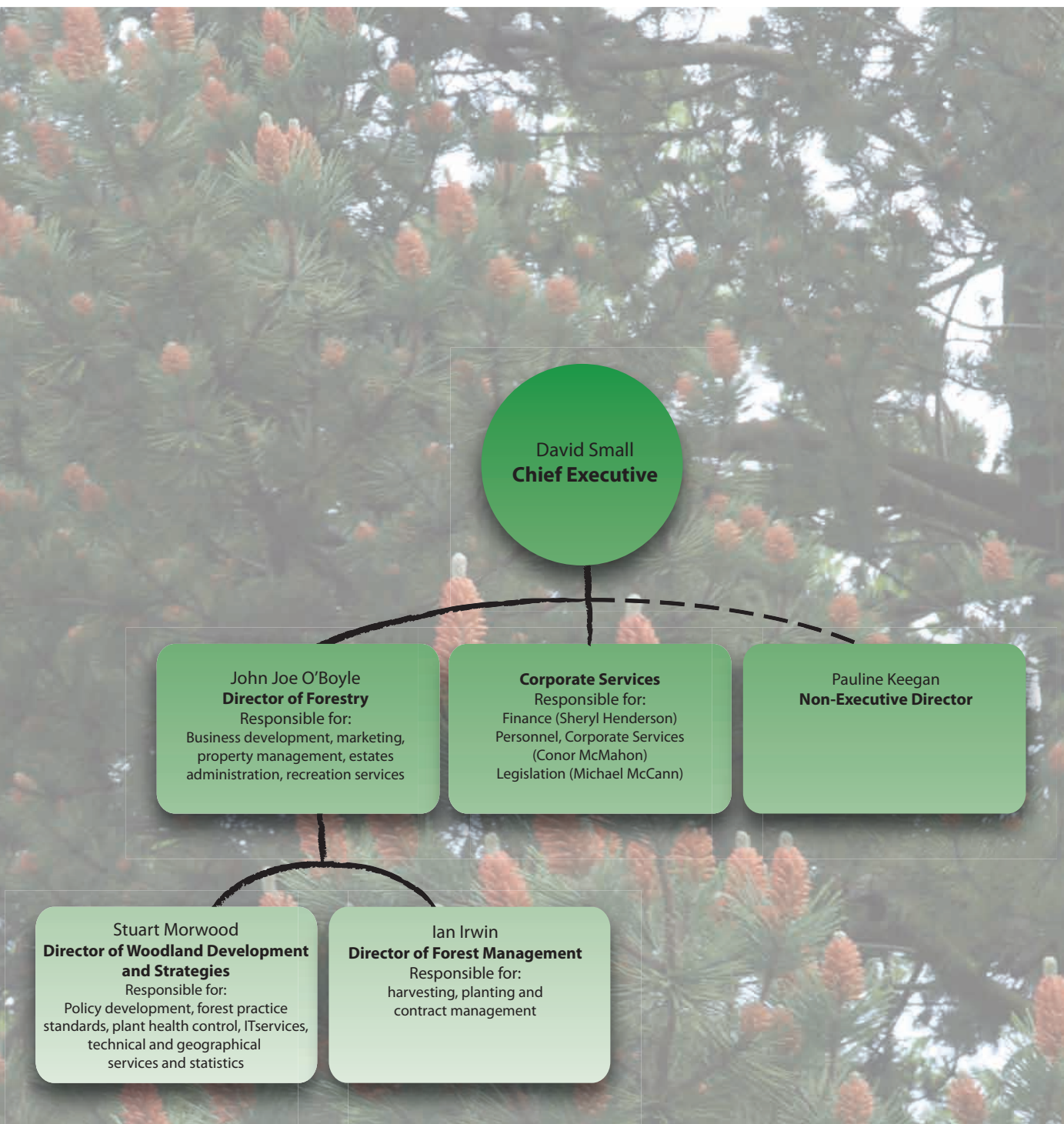
The Forest Service Management Board will monitor performance against the key strategic objectives and targets set for 2010/2011. If it appears that the achievement of key targets may be at risk, due to factors outside of the Agency's control, the Chief Executive will consult with the Department and the 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.



Forest Service mobile unit at BBC Springwatch event, Omagh, County Tyrone

Agency Organisational Structure



Agency Offices

Headquarters

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Killyhevlin

ENNISKILLEN

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GARVAGH

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Efficiency Delivery 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.

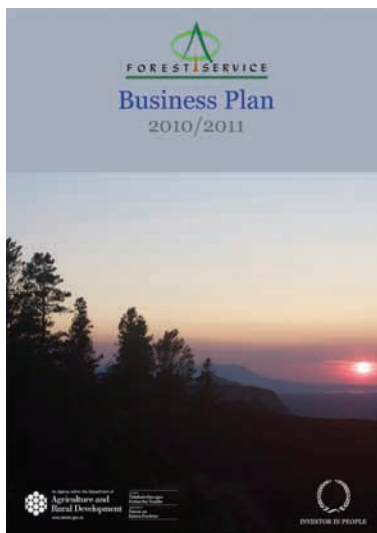
Forest Service's contribution to the Plan is shown in the Table below:

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



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



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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