

Forestry Commission

Introduction

1. This Estimate provides net funding for the Forestry Commission's activities in England and those functions which it carries out on a GB-wide basis.
2. The Forestry Commission is responsible for forestry throughout Great Britain with statutory duties and powers which it exercises separately in England, Scotland and Wales. It represents the United Kingdom's forestry interests within the European Union and in the wider world. The Commission advises Ministers and implements each country's separate and distinct forestry policy. The financing of its GB-wide functions cover sustainable forestry policy, forestry standards, international relations, plant health and forestry research. Its activities in relation to England cover the promotion of forestry and supporting the planting, management and conservation of forests and woodlands, including the operation of the Commission's estate by its Forest Enterprise agency. Further information on the scale and scope of its activities can be found in the 2004 Defra Departmental Report, Chapter 5 (Cm 6219).
3. Contributions from the European Union to grant for woodlands in the private sector are received through the UK Co-ordinating Body. In 2004-05 this is expected to be £5,500,000.
4. Symbols are explained in the Introduction to this booklet.

Part I

	£
RfR 1: To implement the programmes of the England Forestry Strategy	60,113,000
RfR 2: To take the lead in development and promotion of sustainable forest management and to support its achievement nationally	16,605,000
Total Net Resource Requirement	76,718,000
Net Cash Requirement	56,785,000

Amounts required in the year ending 31 March 2005 for expenditure by the **Forestry Commission** on:

RfR 1: To implement the programmes of the England Forestry Strategy

deliver the social, environmental and economic programmes of the England Forestry Strategy, connected to the distinctive needs of the Regions, through the promotion of forestry: and by managing of the Commission's estate regulating planting and felling and offering incentives.

RfR 2: To take the lead in development and promotion of sustainable forest management and to support its achievement nationally

provide advice and support to the UK government and to the devolved administrations in Scotland and Wales, represent the United Kingdom's forestry interests within the European Union and internationally, set standards for sustainable forest management and encourage good forestry practice, conduct forest research and protect forests from pests and disease.

The **Forestry Commission** will account for this Estimate.

	Net total	Allocated in Vote on Account	Balance to complete
	£	£	£
RfR 1	60,113,000	29,246,000	30,867,000
RfR 2	16,605,000	7,310,000	9,295,000
Total net resource requirement	76,718,000	36,556,000	40,162,000
Net cash requirement	56,785,000	27,600,000	29,185,000

Part II: Subhead detail

£'000

2004-05						2003-04 Provision	2002-03 Outturn		
Resources						Capital		Net Total Resources	Net Total Resources
Admin	Other Current	Grants	Gross Total	A in A	Net Total	Capital	Non- operating A in A		
1	2	3	4	5	6	7	8	9	10
RfR 1: To implement the programmes of the England Forestry Strategy									
-	65,613	-5,500	60,113	-	60,113	40	-	62,153	83,612
Spending in Departmental Expenditure Limits (DEL)									
<i>Central Government spending</i>									
A Forestry Commission (England)									
-	60,113	-	60,113	-	60,113	40	-	58,796	73,364
Spending in Annually Managed Expenditure (AME)									
<i>Central Government spending</i>									
B Forestry Commission (England)									
-	5,500	-	5,500	-	5,500	-	-	5,500	6,161
Non-budget									
C Forestry commission (England)									
-	-	-5,500	-5,500	-	-5,500	-	-	-2,143	4,087
RfR 2: To take the lead in development and promotion of sustainable forest management and to support its achievements nationally									
-	15,505	1,100	16,605	-	16,605	750	-	19,301	17,817
Spending in Departmental Expenditure Limits (DEL)									
<i>Central Government spending</i>									
A Forestry Commission (GB Core)									
-	15,505	1,100	16,605	-	16,605	750	-	19,301	17,817
Total for Estimate:									
-	81,118	-4,400	76,718	-	76,718	790	-	81,454	101,429

Part II: Resource to cash reconciliation

	£'000		
	2004-05 Provision	2003-04 Provision	2002-03 Outturn
Net Total Resources	76,718	81,454	101,429
Voted capital items			
Capital	790	833	944
Less Non-operating A-in-A	-	-	-
Total net voted capital	<u>790</u>	<u>833</u>	<u>944</u>
Accruals to cash adjustment			
Adjustments to remove non-cash items:			
Cost of Capital charges	-20,586	-20,586	-27,431
Depreciation	-1,070	-1,070	-5,292
New provisions and adjustments to previous provisions	-	-	-
Profit/loss on sale of assets	-	-	-
Prior period adjustments	-	-	-
Other non-cash items	-	-	-52
Increase (+) / Decrease (-) in stock	324	324	-434
Increase (+) / Decrease (-) in debtors	1,162	1,162	-2,254
Increase (-) / Decrease (+) in creditors	-553	-553	-5,278
Use of provisions	-	-	-
Total accruals to cash adjustments	<u>-20,723</u>	<u>-20,723</u>	<u>-40,741</u>
Excess cash to be CFERd	-	-	-
Net Cash Requirement	<u>56,785</u>	<u>61,564</u>	<u>61,632</u>

Part III: Extra receipts payable to the Consolidated Fund

No CFER income or receipts are expected in 2004-05. None were received in 2003-04 or 2002-03.

Forecast Operating Cost Statement

	2004-05 Provision	2003-04 Provision	2002-03 Outturn	£'000
Net Administration Costs				
RfR 1	-	-	-	
RfR 2	-	-	-	
Total Net Administration costs	-	-	-	-
Net Programme Costs				
RfR 1	60,113	62,153	83,612	
RfR 2	16,605	19,301	17,817	
Total Net Programme costs	76,718	81,454	101,429	
Total Net Operating Cost	76,718	81,454	101,429	
<i>of which:</i>				
Net Resource Outturn	76,718	81,454	101,429	
CFERs	-	-	-	
Non-voted expenditure	-	-	-	
Resource Budget Outturn	84,871	86,250	98,288	

Notes to the Main Estimate

Reconciliation of resource expenditure between Estimates, Accounts and Budgets

	£'000		
	2004-05 Provision	2003-04 Provision	2002-03 Outturn
Net Resource Outturn (Estimates)	76,718	81,454	101,429
<i>Adjustments to remove:</i>			
provision voted for earlier years	-	-	-
<i>Adjustments to additionally include:</i>			
non-voted expenditure in the OCS	-	-	-
Consolidated Fund Extra Receipts in the OCS	-	-	-
Other adjustments	-	-	-
Net Operating Cost (Accounts)	76,718	81,454	101,429
<i>Adjustments to remove:</i>			
capital grants to local authorities	-	-	-
capital grants financed from the Capital Modernisation Fund	-	-3,357	-10,248
European Union income and related adjustments	-	-	-
voted expenditure outside the budget	5,500	5,500	6,161
<i>Adjustments to additionally include:</i>			
other Consolidated Fund Extra Receipts	-	-	-
resource consumption of non departmental public bodies	-	-	-
unallocated resource provision	-	-	-
Other adjustments	2,653	2,653	946
Resource Budget Outturn (Budget)	84,871	86,250	98,288
<i>of which:</i>			
Departmental Expenditure Limits (DEL)	79,371	80,750	92,127
Annually Managed Expenditure (AME)	5,500	5,500	6,161

Reconciliation of capital expenditure between Estimates and Budgets

	£'000		
	2004-05 Provision	2003-04 Provision	2002-03 Outturn
Net Voted Capital Outturn (Estimates)	790	833	944
<i>Adjustments to remove:</i>			
gains / losses from sale of capital assets	-	-	-
<i>Adjustments to additionally include:</i>			
other Consolidated Fund Extra Receipts	-	-	-
capital spending by non-departmental public bodies	-	-	-
capital grants to local authorities	-	-	-
capital grants financed by the Capital Modernisation Fund	-	-	-
local authority credit approvals	-	-	-
capital spending by levy funded bodies	-	-	-
unallocated capital provision	-	-	-
Other adjustments	-700	2,657	12,884
Capital Budget Outturn (Budget)	90	3,490	13,828
<i>of which:</i>			
Departmental Expenditure Limits (DEL)	90	3,490	13,828
Annually Managed Expenditure (AME)	-	-	-

Notes to the Main Estimate (*continued*)

Explanation of Accounting Officer responsibilities

The Treasury has appointed the Director General of the Forestry Commission, Mr Tim Rollinson, as Accounting Officer of the Department with responsibility for preparing the Department's Estimate.

The Treasury will also appoint an Additional Accounting Officer to be accountable for that part of the Department's accounts relating to a specified request for resources and the associated assets, liabilities and cash flows. This appointment does not detract from the Director General's overall responsibility as Accounting Officer for the Department's Estimate and overall net cash requirement.

The allocation of Accounting Officer responsibilities in the Forestry Commission is as follows:

Request for Resources 1: Mr Tim Rollinson, Director General of the Forestry Commission

Request for Resources 2: Mr Paul Hill-Tout, Director England

The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which an Accounting Officer is answerable, for keeping proper records and for safeguarding the Department's assets, are set out in the Accounting Officers' Memorandum, issued by the Treasury and published in *Government Accounting*. Under the terms of the Accounting Officers' Memorandum the relationship between the Forestry Commission's Principal and Additional Accounting Officers, together with their respective responsibilities, will be set out in writing.

Notes to the Main Estimate (*continued*)

Administration costs limits and Departmental Expenditure Limits

Departmental Expenditure Limits (DEL)	£'000		
	Voted*	Non-voted	Total
Resource DEL	76,718	2,653	79,371
Capital DEL	790	-700	90
Less depreciation	-1,070	—	-1,070
Total DEL	76,438	1,953	78,391

- * i. *Capital DEL includes items treated as resource in Estimates and Accounts, but which are treated as part of Capital DEL, under stage 2 of Resource Accounting and Budgeting, as implemented in the 2002 Spending Review*
- ii. *Excludes EU receipts included in Estimates, but excluded in Budgets*

Comparisons of provision sought with final provision and forecast outturn for the previous year

The total net resource sought for 2004-05 of £76,718,00 is 5.8% lower than the final net provision for 2003-04 of £81,454,000 and 6% lower than the forecast outturn for 2003-04 of £81,579,000.