

Forestry Commission

Introduction

1. This Supplementary Estimate is required for the following purposes:

		Amount (£)	
		<u>Increases</u>	<u>Reductions</u>
<u>Changes in resources</u>			
RfR 1: To implement the programmes of the England Forestry Strategy			
<u>Section</u>	<u>Reason for change</u>		
<u>Changes related to movements in budgets</u>			
	<u>Take up of DEL End-Year Flexibility</u>		
A	Programme Costs To take up resource DEL end of year flexibility to cover the payment of private woodland grants and associated costs, expenditure on adjusting IT systems to meet revised EU requirements, and other non cash items. This consists of £600,000 near cash and £1,000,000 non cash.	1,600,000	
	<u>Transfers of budgetary cover from other government departments</u>		
A	Programme Costs Increase to cover the payment of Farm Woodland Schemes grants plus costs associated with the administration of the scheme funded in budgetary terms by a transfer from the Department for Environment, Food and Rural Affairs.	7,994,000	
	<u>Transfers from resource spending to capital spending (not capital grants)</u>		
A	Programme Costs Transfer from near cash resource to capital spending to cover the costs of software development previously recorded as resource but now classified as capital expenditure.		-600,000
		<u>Total</u>	
Total change in resources for RfR1		9,594,000	-600,000
			8,994,000

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

<u>Section</u>	<u>Reason for change</u>	<u>Increases</u>	<u>Reductions</u>
<u>Changes related to movements in budgets</u>			
	<u>Take up of DEL End-Year Flexibility</u>		
A	To take up resource DEL end of year flexibility to meet costs associated with efficiency initiatives including non cash items. This consists of £510,000 near cash and £1,500,000 non cash.	2,010,000	
		<u>Total</u>	
Total change in resources for RfR2		2,010,000	-1,200,000
			810,000
Total change in resources for Estimate			9,804,000

Changes in Capital

<u>Section</u>	<u>Reason for change</u>	<u>Increases</u>	<u>Reductions</u>
----------------	--------------------------	------------------	-------------------

Other changes**RfR 1: To implement the programmes of the England Forestry Strategy**

		<u>Transfers from resources to capital</u>	
A	Transfer from resource to capital spending to cover the costs of software development previously recorded as resource but now classified as capital expenditure.	600,000	

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

		<u>Transfers from resources to capital</u>	
A	Transfer from resource to capital spending to cover the costs of software development previously recorded as resource but now classified as capital expenditure.	1,200,000	

Total	1,800,000	-
Total change in capital for Estimate	1,800,000	

2. As a result of the above and non-cash adjustments, there is an increase in the net cash requirement of £9,104,000.
3. Symbols are explained in the Introduction to this booklet.

Forestry Commission

Part I

£

RfR 1: To implement the programmes of the England Forestry Strategy	8,994,000
RfR 2: To take the lead in development and promotion of sustainable forest management and to support its achievement nationally	810,000
Total additional net resource requirement	9,804,000
Additional net cash requirement	9,104,000

SUPPLEMENTARY amounts required in the year ending 31 March 2008 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 Forest Strategy, connected to the distinctive needs of the Regions, through the promotion of forestry: and by managing 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.

Part II: Changes proposed

£'000

Resources	Present Net Provision	Change in Gross Provision	Change in A in A	Change in Net Provision	New Net Provision
-----------	-----------------------	---------------------------	------------------	-------------------------	-------------------

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

Spending in Departmental Expenditure Limits (DEL)

Central Government spending

RfR 1 - A Forestry Commission (England)	63,158	8,994	-	8,994	72,152
---	--------	-------	---	-------	--------

Total RfR 1

8,994	-	8,994
--------------	----------	--------------

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

Spending in Departmental Expenditure Limits (DEL)

Central Government spending

RfR 2 - A Forestry Commission (GB Core)	17,407	810	-	810	18,217
---	--------	-----	---	-----	--------

Total RfR 2

810	-	810
------------	----------	------------

Total Changes to RfRs

9,804	-	9,804
--------------	----------	--------------

	Present Provision	Change in Provision	£000 New Provision
Capital and Cash			
Total Capital Expenditure	840	1,800	2,640
Non-Operating A in A	-	-	-
Net cash requirement	60,682	9,104	69,786

Part II: Revised subhead detail including additional provision

Resources						Capital		£'000
1	2	3	4	5	6	7	8	
Admin	Other current	Grants	Gross Total	A in A	Net Total	Capital	Non-operating A in A	
RfR 1: To implement the programmes of the England Forestry Strategy								
-	72,152	-	72,152	-	72,152	640	-	
Spending in Departmental Expenditure Limits (DEL)								
<i>Central Government spending</i>								
A Forestry Commission (England)								
-	72,152	-	72,152	-	72,152	640	-	
Non-Budget								
<i>Forestry commission (England)</i>								
-	-	-	-	-	-	-	-	
RfR 2: To take the lead in development and promotion of sustainable forest management and to support its achievement nationally								
-	17,117	1,100	18,217	-	18,217	2,000	-	
Spending in Departmental Expenditure Limits								
<i>Central Government spending</i>								
A Forestry Commission (GB Core)								
-	17,117	1,100	18,217	-	18,217	2,000	-	
Total for Estimate:								
-	89,269	1,100	90,369	-	90,369	2,640	-	

Part II: Resource to cash reconciliation

	<u>Present</u>	<u>Increase (+)/ Decrease (-)</u>	<u>£'000</u> <u>Revised</u>
Net Resource Requirement	80,565	9,804	90,369
Voted capital items			
Capital	840	1,800	2,640
<i>Less:</i> Non-operating A in A	-	-	-
Total net voted capital	840	1,800	2,640
Accruals to cash adjustment			
Adjustments to remove non-cash items:			
Cost of Capital charges	-20,586	-1,000	-21,586
Depreciation	-1,070	-1,500	-2,570
New provisions and adjustments to previous provisions	-	-	-
Profit/loss on sale of assets	-	-	-
Prior period adjustments	-	-	-
Other non-cash items	-	-	-
Increase(+)/decrease (-) in stock	324	-	324
Increase(+)/decrease (-) in debtors	1,162	-	1,162
Increase(-)/decrease (+) in creditors	-553	-	-553
Use of provisions	-	-	-
Total accruals to cash adjustments	-20,723	-2,500	-23,223
Excess cash to be CFERd	-	-	-
Net Cash Requirement	60,682	9,104	69,786

Part III: Extra receipts payable to the Consolidated Fund

' As in existing provision'

Forecast Operating Cost Statement

	£'000
	2007-08 provision
Net Programme Costs	
RfR1	72,152
RfR2	18,217
Non-voted	-
Total Net Programme costs	90,369
Total Net Operating Cost	90,369
<i>of which:</i>	
Net Resource Requirement	90,369
Non-voted expenditure	-
Consolidated Fund Extra Receipts	-
Resource Budget	93,022

Notes to the Estimate

Reconciliation of resource expenditure between Estimates, Accounts and Budgets

	£'000
	2007-08 Provision
Net Resource Requirement (Estimates)	90,369
<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 Costs (Accounts)	90,369
<i>Adjustments to remove:</i>	
Gains/losses from sale of capital assets	-
Capital grants	-
European Union income related to capital grants	-
voted expenditure outside the budget	-
<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
Resource Budget (Budget)	93,022
<i>of which:</i>	
Departmental Expenditure Limit (DEL)	93,022
Annually Managed Expenditure (AME)	-

Reconciliation of capital expenditure between Estimates and Budgets

	£'000
	2007-08 Provision
Net Voted Capital (Estimates)	2,640
<i>Adjustments to additionally include:</i>	
other Consolidated Fund Extra Receipts	-
capital spending by non departmental public bodies	-
capital grants	-
European Union income related to capital grants	-
supported capital expenditure (revenue)	-
capital spending by levy funded bodies	-
unallocated capital provision	-
Other adjustments	-700
Capital Budget (Budget)	1,940
<i>of which:</i>	
Departmental Expenditure Limits (DEL)	1,940
Annually Managed Expenditure (AME)	-

Notes to the Estimate (*continued*)

Explanation of Accounting Officer responsibilities

In accordance with the Government Resources and Accounts Act 2000 the Treasury has made the following Accounting Officer appointments for the Requests for Resources within this Estimate.

Request for Resources 1 Paul Hill-Tout, Director England

Request for Resources 2 Tim Rollinson, Director General of the Forestry Commission

Tim Rollinson as the Principal Accounting Officer of the Forestry Commission has personal responsibility for the proper presentation of the department's resource accounts as prescribed in legislation, or by the Treasury, and their transmission to the Comptroller and Auditor General. The PAO as the permanent head, remains in general overall charge of the Forestry Commission.

The responsibilities of an Accounting Officer are set out in chapter 3 of Managing Public Money. In essence these responsibilities include a personal responsibility for the propriety and regularity of the public finances for which they are answerable; for keeping of proper accounts; for prudent and economical administration; for the avoidance of waste and extravagance; and for the efficient and effective use of all the available resources. In addition, the Accounting Officer must ensure that there is a sound system of internal control to support the achievement of the organisation's policies, aims, and objectives and should regularly review the effectiveness of that system.

In accordance with the Managing Public Money requirement the relationship between the Principal Accounting Officer and the Additional Accounting Officer(s) and with their Ministers, together with their respective responsibilities, is set out in writing.

Notes to the Estimate (*continued*)

Departmental Expenditure Limits and Administration Budgets

	Change		New DEL		£'000
	Voted	Non-voted	Voted	Non-voted	Total
Resource DEL	9,804	-	90,369	2,653	93,022
<i>of which:</i>					
<i>Administration budget †</i>	-	-	-	-	-
<i>Near-cash in RDEL</i>	7,304	-	66,213	2,653	68,866
Capital DEL ††	1,800	-	2,640	-700	1,940
Less Depreciation †††	-1,500	-	-2,570	-	-2,570
Total DEL	10,104	-	90,439	1,953	92,392

† The total of 'Administration budget' and 'Near-cash in Resource DEL' figures may well be greater than total resource DEL, due to the definitions overlapping.

†† Capital DEL includes items treated as resource in Estimates and accounts but which are treated as Capital DEL in budgets.

††† Depreciation, which forms part of resource DEL, is excluded from total DEL since capital DEL includes capital spending and to include depreciation of those assets would lead to double counting.

Notes to the Estimate (*continued*)

Changes to Accounting Policies

The Supplementary Estimate includes some £1,800,000 of capital expenditure to cover the development of e-business systems aimed at improving efficiency and effectiveness of delivery of services to customers. This expenditure was included under resources in the Main Estimate, but will now be capitalised in line with generally accepted accounting practice for software developments.

