

# Forestry Commission

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## Introduction

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

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

#### **Increases:**

#### Take up of near cash End Year Flexibility

1. Programme Costs  
£2,496,000.00  
Section A  
To take up resource DEL end of year flexibility to meet private woodland grant payments and costs associated with efficiency initiatives.

#### Transfers from other government departments

1. Programme Costs  
£838,000  
Section A  
To transfer £838,000 DEL from Department of Environment, Food and Rural Affairs to allow the Forestry Commission to administer the Farm Woodland Premium scheme.

#### **Neutral Changes:**

#### Increased spending offset by income

1. Operating Appropriations in Aid  
£1,100,000  
Section A  
To offset expenditure on community forests.
  2. Appropriations in Aid  
£2,012,000  
Sections A and C  
Capital grant to the Forest Enterprise Public Corporation (Section C Non budget) offset by the appropriation in aid of a receipt (Section A DEL) from hard charging the Office of the Deputy Prime Minister for the reimbursement of expenditure incurred on the acquisition of land at Jeskyn's Farm.
2. As a result of these changes there is an increase in the net cash requirement of £3,334,000.
  3. Symbols are explained in the Introduction to this booklet.

## Part I

£

<b>RfR 1: To implement the programmes of the England Forestry Strategy</b>	<b>3,334,000</b>
Total additional net resource requirement	3,334,000
<b>Additional net cash requirement</b>	<b>3,334,000</b>

SUPPLEMENTARY amounts required in the year ending 31 March 2006 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 the Commission's estate regulating planting and felling and offering incentives and associated non-cash items.

**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 and associated non-cash items.

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

#### Spending in Departmental Expenditure Limits (DEL)

RfR 1 - A Forestry Commission (England)	61,158	4,434	3,112	1,322	62,480
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#### Non budget

RfR 1 - C Forestry Commission (England)	-6,000	2,012	-	2,012	-3,988
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#### Total RfR 1

<b>6,446</b>	<b>3,112</b>	<b>3,334</b>
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£000

Present Provision	Change in Provision	New Provision
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#### Capital and Cash

Total Capital Expenditure	790	-	790
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Non-Operating A in A	-	-	-
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<b>Net cash requirement</b>	<b>58,682</b>	<b>3,334</b>	<b>62,016</b>
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## 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	
<b>RfR 1: To implement the programmes of the England Forestry Strategy</b>								
-	73,604	-6,000	67,604	3,112	64,492	40	-	
<b>Spending in Departmental Expenditure Limits (DEL)</b>								
<i>Central Government spending</i>								
A Forestry Commission (England)								
-	65,592	-	65,592	3,112	62,480	40	-	
<b>Spending in Annually Managed Expenditure (AME)</b>								
<i>Central government spending</i>								
B Forestry Commission (England)								
-	6,000	-	6,000	-	6,000	-	-	
<b>Non-budget</b>								
C Forestry Commission (England)								
-	2,012	-6,000	-3,988	-	-3,988	-	-	
<b>RfR 2: To take the lead in development and promotion of sustainable forest management and to support its achievement nationally</b>								
-	16,357	1,100	17,457	-	17,457	750	-	
<b>Spending in Departmental Expenditure Limits (DEL)</b>								
<i>Central Government spending</i>								
A Forestry Commission (GB Core)								
-	16,357	1,100	17,457	-	17,457	750	-	
<b>Total for Estimate:</b>								
-	89,961	-4,900	85,061	3,112	81,949	790	-	

## Part II: Resource to cash reconciliation

	<u>Present</u>	<u>Increase (+)/ Decrease (-)</u>	<u>£'000</u> <u>Revised</u>
<b>Net total Resources</b>	<b>78,615</b>	<b>3,334</b>	<b>81,949</b>
<b>Voted capital items</b>			
Capital expenditure	790	-	790
<i>Less:</i> non-operating A in A	-	-	-
<b>Total net voted capital</b>	<b>790</b>	<b>-</b>	<b>790</b>
<b>Accruals to cash adjustment</b>			
Adjustments to remove non-cash items:			
Cost of Capital charges	-20,586	-	-20,586
Depreciation	-1,070	-	-1,070
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	-	-	-
<b>Total accruals to cash adjustments</b>	<b>-20,723</b>	<b>-</b>	<b>-20,723</b>
<b>Excess cash to be CFERd</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net cash requirement</b>	<b>58,682</b>	<b>3,334</b>	<b>62,016</b>

## Part III: Extra receipts payable to the Consolidated Fund

As in existing provision

## Forecast Operating Cost Statement

	£'000
	2005-06 provision
<b>Net Administration Costs</b>	
RfR 1	-
RfR 2	-
<b>Total Net Administration Costs</b>	-
<b>Net Programme Costs</b>	
RfR 1	64,492
RfR 2	17,457
<b>Total Net Programme costs</b>	<b>81,949</b>
<b>Total Net Operating Cost</b>	<b>81,949</b>
<i>of which:</i>	
<b>Net Resource Outturn</b>	<b>81,949</b>
CFERs	-
Non-voted expenditure	-
<b>Resource Budget Outturn</b>	<b>88,590</b>

## Notes to the Estimate

### Reconciliation of resource expenditure between Estimates, Accounts and Budgets

	£'000
	2005-06 Provision
<b>Net Resource Outturn (Estimates)</b>	<b>81,949</b>
<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 (CFERS) in the OCS	-
Other adjustments	-
<b>Net Operating Costs (Accounts)</b>	<b>81,949</b>
<i>Adjustments to remove:</i>	
capital grants to local authorities	-
capital grants financed from the Capital Modernisation Fund	-
European Union income and related adjustments	-
voted expenditure outside the budget	3,988
<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
<b>Resource Budget Outturn (Budget)</b>	<b>88,590</b>
<i>of which:</i>	
Departmental Expenditure Limit (DEL)	82,590
Annually Managed Expenditure (AME)	6,000

### Reconciliation of capital expenditure between Estimates and Budgets

	£'000
	2005-06 Provision
<b>Net Voted Capital Outturn (Estimates)</b>	<b>790</b>
<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
<b>Capital Budget Outturn (Budget)</b>	<b>90</b>
<i>of which:</i>	
Departmental Expenditure Limits (DEL)	90
Annually Managed Expenditure (AME)	-

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## 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.

<b>Request for Resources 1</b>	Mr Paul Hill-Tout, Director England
<b>Request for Resources 2</b>	Mr Tim Rollinson, Director General of the Forestry Commission

Tim Rollinson, as the Principal Accounting Officer (PAO) of the Forestry Commission has personal responsibility for the proper presentation of the Forestry Commission'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 Annex 4.1 of Government Accounting. 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 Forestry Commission's policies, aims, and objectives; and should regularly review the effectiveness of that system.

In accordance with Government Accounting requirements the relationship between the Principal Accounting Officer and the additional Accounting Officer and with their Ministers, together with their respective responsibilities, is set out in writing.

**Notes to the Estimate (continued)****Analysis of appropriations in aid (A in A)**

	£'000	
	2005-06 Provision	
	Operating	Non
	A in A	operating
	<u>A in A</u>	<u>A in A</u>
<b>RfR 1: To implement the programmes of the England Forestry Strategy</b>		
Income from Department of Environment, Food and Rural Affairs	1,100	
Income from Office of Deputy Prime Minister	2,012	-
<b>Total RfR 1</b>	<b>3,112 *</b>	-
<i>of which: Administration budgets</i>	-	-

\*Amount that may be applied as appropriations in aid in addition to the net total arising from receipts from other government departments to cover an acquisition of land and the administration of the Farm Woodland Premium Scheme.

## Notes to the Estimate (*continued*)

### Departmental Expenditure Limits and Administration Budgets

As announced to the House of Commons, the Forestry Commission Departmental Expenditure Limit will change as follows:

	Change	New DEL		£'000
		Voted	Non-voted	Total
Resource	1,322	79,937	2,653	82,590
<i>of which :Administration Budget</i>	-	-	-	-
Capital	-	790	-700	90
Depreciation*	-	-1,070	-	-1,070
Total	1,322	79,657	1,953	81,610

\*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.