

# Forestry Commission

## Introduction

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

Amount £

### Changes in resources

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

#### **Increases:**

##### Take up of End Year Flexibility

- |    |                 |  |           |
|----|-----------------|--|-----------|
| 1. | Programme Costs |  | 1,427,000 |
|    | Section A       |  |           |
|    |                 | To take up resource DEL end of year flexibility to meet costs associated with efficiency initiatives and the timing of VAT payments. |           |

##### Increases arising from budgetary transfers from other Government Departments

- |    |                 |   |           |
|----|-----------------|---|-----------|
| 1. | Programme Costs |   | 1,114,000 |
|    | Section A       |   |           |
|    |                 | Increase for the administration of the Farm Woodland Premium Scheme funded by a budgetary transfer from the Department of Environment Food and Rural Affairs. |           |

#### **Neutral Changes:**

##### Increased spending offset by income

- |    |                                 |  |  |
|----|---------------------------------|--|--|
| 1. | Operating Appropriations in Aid |  |  |
|    | Section A                       |  |  |
|    |                                 | £800,000 additional expenditure on community forests offset by £800,000 additional income. |  |

**Total change in resources for RfR1**      2,541,000

2. As a result of the above and non-cash adjustments, there is an increase in the net cash requirement of £4,541,000.
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>2,541,000</b>
Total additional net resource requirement	2,541,000
<b>Additional net cash requirement</b>	<b>4,541,000</b>

SUPPLEMENTARY amounts required in the year ending 31 March 2007 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.

### **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
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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)	63,158	3,341	800	2,541	65,699
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**Total RfR 1**

<b>3,341</b>	<b>800</b>	<b>2,541</b>
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**Total Changes to RfRs**

<b>3,341</b>	<b>800</b>	<b>2,541</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
Non-Operating A in A	-	-	-
<b>Net cash requirement</b>	<b>60,682</b>	<b>4,541</b>	<b>65,223</b>

**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>								
-	66,499	-	66,499	800	65,699	40	-	
<b>Spending in Departmental Expenditure Limits (DEL)</b>								
<i>Central Government spending</i>								
A Forestry Commission (England)								
-	66,499	-	66,499	800	65,699	40	-	
<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>								
-	82,856	1,100	83,956	800	83,156	790	-	

## Part II: Resource to cash reconciliation

	<u>Present</u>	Increase (+)/ Decrease (-)	£'000 <u>Revised</u>
<b>Net Resource Requirement</b>	<b>80,615</b>	<b>2,541</b>	<b>83,156</b>
<b>Voted capital items</b>			
Capital	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	2,000	3,162
Increase(-)/decrease (+) in creditors	-553	-	-553
Use of provisions	-	-	-
<b>Total accruals to cash adjustments</b>	<b>-20,723</b>	<b>2,000</b>	<b>-18,723</b>
<b>Excess cash to be CFERd</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Cash Requirement</b>	<b>60,682</b>	<b>4,541</b>	<b>65,223</b>

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

As in existing provision

## Forecast Operating Cost Statement

	£'000
	2006-07 provision
<b>Net Administration Costs</b>	
RfR1	-
RfR2	-
<b>Total Net Administration Costs</b>	-
<b>Net Programme Costs</b>	
RfR1	65,699
RfR2	17,457
<b>Total Net Programme costs</b>	<b>83,156</b>
<b>Total Net Operating Cost</b>	<b>83,156</b>
<i>of which:</i>	
<b>Net Resource Requirement</b>	<b>83,156</b>
Non-voted expenditure	-
Consolidated Fund Extra Receipts	-
<b>Resource Budget</b>	<b>85,809</b>

## Notes to the Estimate

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

	£'000
	2006-07 Provision
<b>Net Resource Requirement (Estimates)</b>	<b>83,156</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 in the OCS	-
Other adjustments	-
<b>Net Operating Costs (Accounts)</b>	<b>83,156</b>
<i>Adjustments to remove:</i>	
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
<b>Resource Budget (Budget)</b>	<b>85,809</b>
<i>of which:</i>	
Departmental Expenditure Limit (DEL)	85,809
Annually Managed Expenditure (AME)	-

### Reconciliation of capital expenditure between Estimates and Budgets

	£'000
	2006-07 Provision
<b>Net Voted Capital (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	-
European Union income related to capital grants	-
supported capital expenditure (revenue)	-
capital spending by levy funded bodies	-
unallocated capital provision	-
Other adjustments	-700
<b>Capital Budget (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.

**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 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 organisation's policies, aims and objectives and should regularly review the effectiveness of that system.

In accordance with Government Accounting 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*)

### Analysis of operating appropriations in aid (A in A)

	£'000
	2006-07 Provision
<b>RfR 1: To implement the programmes of the England Forestry Strategy</b>	
<b>Administration</b>	-
<i>of which:</i>	
<b>Programme</b>	<b>800</b>
<i>of which:</i>	
Income from Department of Environment, Food and Rural Affairs	800
	-
<hr/> <b>Total RfR1</b>	<hr/> <b>800 †</b>

† Amount that may be applied as operating appropriations in aid in addition to the net total arising from receipts from other government departments to cover expenditure on community forests.

## Notes to the Estimate (*continued*)

### Departmental Expenditure Limits and Administration Budgets

	Change		New DEL		£'000
	Voted	Non-voted	Voted	Non-voted	Total
Resource DEL	2,541	-	83,156	2,653	85,809
<i>of which:</i>					
Administration budget*	-	-	-	-	-
Near-cash in RDEL	2,541	-	61,500	2,653	64,153
Capital**	-	-	790	-700	90
Less Depreciation†	-	-	-1,070	-	-1,070
Total	2,541	-	82,876	1,953	84,829

\* 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.

### Cash which may be retained to offset expenditure

£'000

800

Cash which may be retained by the department to offset expenditure in the year due to its relationship with income (operating and non-operating) that has been or will be appropriated in aid