

---

# 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 internationally within the European Union and beyond. 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. This includes the operation of the Commission's estate by its agency, Forest Enterprise.
3. Further information on the scale and scope of its activities can be found in the 2006 Defra Departmental Report, Chapter 6, (Cm 6827).
4. Contributions from the European Union to grants for woodlands in the private sector are received through the UK Co-ordinating Body. In 2006-07 this is expected to be £6,000,000.
5. Symbols are explained in the introduction to this booklet.

## Part I

	£
<b>Request for Resources 1: To implement the programmes of the England Forestry Strategy</b>	<b>63,158,000</b>
<b>Request for Resources 2: To take the lead in development and promotion of sustainable forest management and to support its achievement nationally</b>	<b>17,457,000</b>
<b>Total net resource requirement</b>	<b>80,615,000</b>
<b>Net cash requirement</b>	<b>60,682,000</b>

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.

	Net total	Allocated in Vote on Account	Balance to complete
<b>RfR 1</b>	<b>63,158,000</b>	<b>27,521,000</b>	<b>35,637,000</b>
<b>RfR 2</b>	<b>17,457,000</b>	<b>7,856,000</b>	<b>9,601,000</b>
<b>Total net resource requirement</b>	<b>80,615,000</b>	<b>35,377,000</b>	<b>45,238,000</b>
<b>Net cash requirement</b>	<b>60,682,000</b>	<b>26,407,000</b>	<b>34,275,000</b>

## Part II: Subhead detail

										£'000	
2006-07 Provision										2005-06 Provision	2004-05 Outturn
Resources						Capital Non- operating A in A		Net Total Resources	Net Total Resources		
Admin	Other Current	Grants	Gross Total	A in A	Net Total	Capital	8	9	10		
1	2	3	4	5	6	7	8	9	10		
<b>RfR 1: To implement the programmes of the England Forestry Strategy</b>											
-	63,158	-	63,158	-	63,158	40	-	64,492	55,575		
<b>Spending in Departmental Expenditure Limits (DEL)</b>											
<i>Central Government spending</i>											
A Forestry Commission (England)											
-	63,158	-	63,158	-	63,158	40	-	62,480	55,575		
<b>Non-Budget</b>											
<i>Forestry commission (England)</i>											
-	-	-	-	-	-	-	-	2,012	-		
<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	-	17,457	12,890		
<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	-	17,457	12,890		
<b>Total for Estimate:</b>											
-	79,515	1,100	80,615	-	80,615	790	-	81,949	68,465		

## Part II: Resource to cash reconciliation

	£'000		
	2006-07 Provision	2005-06 Provision	2004-05 Outturn
<b>Net Resource Requirement</b>	<b>80,615</b>	<b>81,949</b>	<b>68,465</b>
Voted capital items			
Capital	790	790	2,797
Less Non-operating A-in-A	-	-	-
<b>Total net voted capital</b>	<b>790</b>	<b>790</b>	<b>2,797</b>
<b>Accruals to cash adjustment</b>			
Adjustments to remove non-cash items:			
Cost of Capital charges	-20,586	-20,586	-15,474
Depreciation	-1,070	-1,070	-734
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	1,000
Increase (+) / Decrease (-) in debtors	1,162	1,162	5,674
Increase (-) / Decrease (+) in creditors	-553	-553	-1,400
Use of provisions	-	-	-
<b>Total accruals to cash adjustments</b>	<b>-20,723</b>	<b>-20,723</b>	<b>-10,934</b>
<b>Excess cash to be CFERd</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Cash Requirement</b>	<b>60,682</b>	<b>62,016</b>	<b>60,328</b>

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

No CFER income or receipts are expected in 2006-07 or 2005-06. None were received in 2004-05.

---

## Forecast Operating Cost Statement

	£'000		
	2006-07 Provision	2005-06 Provision	2004-05 Outturn
<b>Net Programme Costs</b>			
RfR 1	63,158	64,492	55,575
RfR 2	17,457	17,457	12,890
<b>Total Net Programme costs</b>	<b>80,615</b>	<b>81,949</b>	<b>68,465</b>
<b>Total Net Operating Cost</b>	<b>80,615</b>	<b>81,949</b>	<b>68,465</b>
<i>of which:</i>			
<b>Net Resource Requirement</b>	<b>80,615</b>	<b>81,949</b>	<b>68,465</b>
Non-voted expenditure	-	-	-
Consolidated Fund Extra Receipts	-	-	-
<b>Resource Budget</b>	<b>83,268</b>	<b>82,590</b>	<b>69,244</b>

## Notes to the Main Estimate

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

	£'000		
	2006-07 Provision	2005-06 Provision	2004-05 Outturn
<b>Net Resource Requirement (Estimates)</b>	<b>80,615</b>	<b>81,949</b>	<b>68,465</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 Cost (Accounts)</b>	<b>80,615</b>	<b>81,949</b>	<b>68,465</b>
<i>Adjustments to remove:</i>			
Capital grants	-	-	-
European Union income related to capital grants	-	-	-
Voted expenditure outside the budget	-	-2,012	-
<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	779
<b>Resource Budget (Budget)</b>	<b>83,268</b>	<b>82,590</b>	<b>69,244</b>
<i>of which:</i>			
Departmental Expenditure Limits (DEL)	83,268	82,590	69,244
Annually Managed Expenditure (AME)	-	-	-

### Reconciliation of capital expenditure between Estimates and Budgets

	£'000		
	2006-07 Provision	2005-06 Provision	2004-05 Outturn
<b>Net Voted Capital (Estimates)</b>	<b>790</b>	<b>790</b>	<b>2,797</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	-700	-2,251
<b>Capital Budget (Budget)</b>	<b>90</b>	<b>90</b>	<b>546</b>
<i>of which:</i>			
Departmental Expenditure Limits (DEL)	90	90	546
Annually Managed Expenditure (AME)	-	-	-

## Notes to the Main 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 Main Estimate (*continued*)

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

	£'000		
	2006-07 Provision	2005-06 Provision	2004-05 Outturn
<b>RfR 1: To implement the programmes of the England Forestry Strategy</b>			
<b>Programme</b>	-	3,112	-
<i>of which:</i>			
Sale of goods and services	-	3,112	-
<b>Total RfR 1</b>	-	3,112	-
<b>Total Operating A in A</b>	-	3,112	-

## Notes to the Main Estimate (*continued*)

### Departmental Expenditure Limits and Administration budgets

	£'000		
	Voted	Non-voted	Total
Resource DEL	80,615	2,653	83,268
<i>of which:</i> *			
Administration budget	-	-	-
Near-cash in RDEL	58,959	2,653	61,612
Capital DEL**	790	-700	90
Less Depreciation†	-1,070	-	-1,070
Total DEL	80,335	1,953	82,288

\* The total of the '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.

### Comparison of provision sought with final provision for the previous year

The total net resource sought for 2006-07 of £80,615,000 is 1.6 per cent lower than the final net provision for 2005-06 of £81,949,000.

### Cash which may be retained to offset expenditure

	£'000		
	2006-07 Provision	2005-06 Provision	2004-05 Outturn
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.	-	3,112	-