

OPERATIONAL EFFICIENCY PROGRAMME AND THE PUBLIC FOREST ESTATE – Q+A

1. OPERATIONAL EFFICIENCY PROGRAMME

Q1. What is the Operational Efficiency Programme?

- A.** The Operational Efficiency Programme is part of the Government's ongoing strategy to deliver better value for public money. It is the next step in a series of cross-public sector reforms which started with the Gershon Review in 2004.

The Operational Efficiency Programme has 5 strands of which one is looking at Asset Management. The other strands cover: back office and IT; collaborative purchasing; property (office based); and local incentives and empowerment. If you want to know more than look at this document on the Treasury website:

http://www.hm-treasury.gov.uk/d/oep_final_report_210409_pu728.pdf

The public forest estate is covered in the penultimate bullet point on page 50 of the report.

Q2. Does the Operational Efficiency Programme apply to the Forestry Commission in Scotland and Wales?

- A.** No, forestry is a devolved matter.

Q3. What sort of innovative opportunities might be considered?

- A.** The Commission has made a great progress in the last few years particularly through its partnerships with other organisations. These partnerships have enabled the Commission's expertise, resources and assets to be combined with those of others to achieve greater benefits than might have been otherwise attained. The 2006 Regulatory Reform Order, amended the Forestry Act to enable the Commission to enter into commercial partnerships and joint ventures. The Forest Holidays joint venture company, which the Commission formed with the Camping and Caravan Club is a good example. Here a Commission asset has been modernised and is being extended at new sites with the benefit of private capital. The study will consider whether there is scope for more of these kind of activities

Q4. What is meant by "greater commercial benefits"?

- A.** The public forest estate is a significant and diverse public asset. It is right to continuously examine opportunities to generate further returns for the taxpayer from existing and new business opportunities such as timber, leisure, minerals, investment, renewable energy and development.

Q5. What about social and environmental benefits – will these be put at risk?

A The Government remains committed to sustaining the key social and environmental benefits that the public forest estate delivers. The study will take account of these benefits as it completes its work

Q6. What does this mean for the Forestry Commission and for sales of forest land?

A The Government remains committed to a major public forest estate managed by the Forestry Commission in England. This is a key consideration and radical changes to this approach will not be considered. However some changes to the asset sale and re-investment programme will be investigated while remaining within this commitment.

Q7. How is work on the Operational Efficiency Programme going to be managed?

A. The work will be undertaken by a study team with representatives from the Forestry Commission, Defra, Treasury and the Shareholder Executive. Specialist independent advisors will be used where necessary.

Q8. Will the conclusions of this work be published?

A. Progress will be reported as part of the Operational Efficiency Programme in the Pre-Budget Report in autumn 2009.

Q9. How does the OEP work relate to the Public Forest Estate Study?

A. The PFE Study and the OEP study cover similar territory but have slightly different remits: the PFE study is examining the future strategic role for the Commission's estate while the OEP work will look at how the assets in the estate can be best managed to deliver the Government's objectives. We are currently considering how, in practice, the two studies can be best delivered given their overlap.

2. THE FORESTRY COMMISSION AND THE PUBLIC FOREST ESTATE

Q10. What is the size, operational cost and asset value of the Public Forest Estate?

A. The public forest estate in England extends to over 250,000 hectares (20% of woodland in England). It had a net operating budget of £12.7m in 2008/09 and a Capital asset value of £500m.

Q11. How much of the public forest estate has been sold since 1997?

A. The Forestry Commission's asset sales and reinvestment programme has resulted in only a small change in the composition of the public forest estate. Less than 6,000 hectares have been sold and some 3,000 hectares of land, including woodland, have been purchased.

Q12. How much of the public forest estate was sold prior to 1997?

- A. During the 1980's and 1990's some 37,000 hectares was sold with the money returned to the Exchequer.

Q13. Who is responsible for management of the Public Forest Estate in England?

- A. The National Committee for England is responsible for:

- Working with the Westminster parliament and Whitehall departments to develop and promote forestry policy which meets England's needs;
- Giving strategic direction to the Forestry Commission's activities in England to ensure delivery of the England Forestry Strategy.

The National Committee sets targets for, and manages the performance of Forest Enterprise England, the Agency responsible for the day to day management of the Public Forest Estate in England on behalf of the Forestry Commission.

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