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**To:** All FR staff

## **FR Reorganisation**

When I sent out my last e-mail to you, in July, regarding the Agency-wide Efficiency and Delivery Review, I highlighted my desire to keep you all fully informed about how things are developing.

As you already know FR is facing challenging times and still has a budget deficit this financial year of at least £653,000. You may also be aware that the credit crunch has led to difficult trading conditions across the whole of the FC. This will make resolving our deficit more difficult, but not impossible with FC support and I do appreciate the effort many of you are putting in to reducing expenditure and helping our situation. I am particularly grateful for the efforts some people are making to develop new business for the agency.

Whilst working together to resolve our present difficulties, you will also know that I was asked by the DG to devise a blueprint for FR that will rejuvenate its image and ensure its future vitality and sustainability. To this end I have come up with a proposal to disband the current divisional structure and its associated internal market and create instead three linked centres:

The Centre for Forestry and Climate Change  
The Centre for Forest Resource Management  
The Centre for Ecology and Human Sciences.

I have attached a diagram that illustrates this proposal and how the work of these Centres may link to jointly address the DG's 6 key themes dealing with Climate Change. I would reiterate that these three Centres will replace FR's current divisional structure and all research and technical staff will therefore move to one of the three Centres. Core administrative staff such as HR, finance, communications and business development will remain outside this structure as a core service function and report to a new Operations Director.

Whilst for science and technical staff these Centres will become your professional "home" you are unlikely, in the future, to work exclusively on projects developed by your own Centre, but on any project which requires your expertise and these could be led by

colleagues in another Centre. Overall, I would hope to implement the transition to the new structure over the coming months and launch the new Centres at the start of the next financial year in April 2009.

In dropping the internal market it is my intention to place the responsibility for the development, management, delivery and financial control of programmes and their associated projects into the hands of the programme / project managers. This will of course be dependent on everyone working with the new financial information systems we are developing. I also want this change to remove internal barriers to co-operation and encourage staff to work in multi-disciplinary teams in, and across, the three new Centres. Such a new structure and way of working will need considerable flexibility from us all and will be essential to achieve a robust and dynamic organisation. I realise that this proposal represents a major cultural change in the way I expect us all to work in future. Therefore I will be working with Union and HR colleagues to ensure we develop a robust and effective training and support programme to help people adapt to this new approach.

I understand that this proposal will raise many questions, not least of which will be, "Where do I fit into all of this?" I have to admit that, as yet, we do not have all the answers, or detail, to underpin these proposed changes in terms of who might go where, but I am informing you about the headline proposal now so that we can get your views on the idea. I have already held an initial meeting with Union representatives to discuss the proposals and they are engaged with us on how to make it work. Clearly, these changes will also affect the size and nature of the FR Executive Board and I will be writing to you shortly about these associated changes. However, I am determined that the Executive Board's future role will be about taking corporate responsibility for the development, management and leadership of the Agency.

Obviously, you may wonder why now and how does this fit in with the Agency wide Efficiency & Delivery Review? From my perspective the answer is simple, I need the Efficiency & Delivery Review to take account of this new structure as well as our ongoing financial situation in providing me with recommendations.

In the meantime I accept much further discussion is necessary, and if you have any questions, please speak to your Head of Division or, if you prefer, me. These proposed changes are supported by the DG and FC Executive Board and are intended as a positive move to re-profile our expertise with key partners such as Defra and to take us forward without losing the benefits of the existing FR brand.

To enable more engagement and debate on the proposals Hugh Williams is organising three open meetings at NRS, Alice Holt and Aberystwyth where staff can discuss this with me directly. We will notify you about the dates for these as soon as we have them.

*via email*

**James Pendlebury**  
Chief Executive