

# FR Refresh Business Case

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## Purpose

This paper sets out a proposal to refresh the Forest Research (FR) Agency by introducing a refreshed vision and set of objectives for the agency in order that FR can continue to meet the long-term research needs of the devolved administrations. It proposes incorporating additional functions, currently undertaken by Corporate and Forestry Support (CFS) and Inventory, Forecasting and Operational Support (IFOS), into the Agency.

## Introduction

### Background

As part of the Devolution settlements in the late 1990’s, the responsibility for forestry policy and delivery in Scotland and Wales was transferred to the respective devolved administration, with responsibility for England remaining with the Westminster

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Government. However, in the 13-years since the current arrangements were implemented each of the administrations has continued to evolve in response to its own requirements, pressures and opportunities. Consequently for England, on 16th May 2013 Ian Gambles (Director FCE) instigated the Woodland Policy Enabling Programme (WPEP) – a joint programme of work between FCE and Defra – to consider how best to deliver the Westminster Government's forestry policy as set out in the [Forestry and Woodlands Policy Statement](#) published on 31st January 2013.

In respect of the cross-border functions the WPEP programme board agreed that a project should:

- Review and where possible validate the current arrangements for cross-border working within the FC with a view to establishing a refreshed basis for working with the devolved administrations.
- Make recommendations on the future of collaborative cross border activities to be undertaken in partnership with Scotland and Wales.
- Consider impacts of any changes on shared services and corporate functions.

Although CBF project was instigated at the behest of FC England the project board includes representatives from all three administrations and any recommendations made will be agreed by Forestry Commissioners and Ministers from all three Countries. Phase 1 of the project, which ran during 2013, determined the range of cross-border functions that all three GB Administrations wish to continue to deliver on a collaborative basis for the foreseeable future. The first stage of Phase 2 of the project then considered the most appropriate model for delivering those functions and its conclusions were endorsed by the Forestry Commissioners in December 2014. Full reports of both Phase 1 and Phase 2 (Stage 1) are available on the [intranet](#).

The Phase 2 (Stage 1) report identified a shortlist of six alternative models (including the status quo) for the ongoing delivery of FC's cross-border functions. Four of the alternative models (company limited by guarantee, company limited by shares, government / research establishment merger and university institute) will be further explored as the next stage of the WPEP process. Alongside this the Commissioners asked Director Central Services to initiate a separate project – The FR Refresh Project – to take forward the fifth alternative model: Non-Ministerial Department with a Refreshed Executive Agency. The refreshed Agency could incorporate specific cross border functions currently undertaken by Corporate and Forestry Support and which fitted well with FR's existing full cost recovery model as well as the longer-term research requirements of the Administrations.

## The FR Refresh Project

In order to deliver this project a project board was formed consisting of representatives from England, Scotland, FR, CFS and the FCTU. The terms of reference for the project are to:

- Agree a refreshed purpose and mandate for Forest Research.
- Make recommendations on which of the existing cross-border functions might best be brigaded within a refreshed Agency and identify any immediate consequential changes that are required for the remainder.
- Implement any agreed changes.

The project has considered those cross-border functions currently undertaken by CFS and IFOS as well as the shared service activities undertaken by IFOS<sup>1</sup>. In undertaking its work the project board identified the following constraints and dependencies:

- Forest Research is the UK, Scottish and Welsh governments' supplier of choice for forestry specific science, evidence and technical advice.
- In April 2015 the WPEP CBF project agreed *that whilst FC remains a single organisation the preferred model for delivering research will be the non-Ministerial department and refreshed executive agency.*
- If required at a later stage the refreshed agency must have the capacity to further evolve to one of the alternative models.
- Within the next 4 years (or thereabouts) all FC cross-border functions and shared services will either be; devolved to country-level delivery, divested through changes in forestry legislation or incorporated in a future forestry research body.
- Any changes arising out of the project will constitute an internal reorganisation within the FC and are therefore constrained to any proposals which the FC has authority to implement - any recommendations for change must be deliverable from within the statutory authority of the Forestry Commissioners.

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<sup>1</sup> The original scope of the project only included those parts of the IFOS branch which are funded through the Westminster cross-border budget. However at an early stage the project board identified the importance of the close interaction between the CBF and shared service funded components of IFOS and agreed that the scope of the project should include the whole of the IFOS branch.

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- The refreshed agency must be capable of operating and competing within the wider research market.
- Forest Research will continue to be funded by each of the devolved administrations (within the context of the Science and Innovation Strategy) but must be resilient to ongoing reductions in core funding in line with anticipated wider public sector funding constraints.
- The refreshed agency must be responsive to wider programmes of change within the three administrations.

## Options

The Project Board considered the following three options, with option 2 now being the recommended Option.

### Option 1 – Status Quo

The current arrangements remain with the CFS cross-border functions continuing to provide a centrally managed service for the Countries and FR<sup>2</sup>.

### Option 2

FR is refreshed through a revised vision and objectives as well as the addition of other specific cross-border functions and shared service activities from CFS.

### Option 3

Under this option all the cross-border functions would be transferred to the countries.

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<sup>2</sup> During the period that this project has been operating a wider consultation (Establishing new Corporate Service Arrangements in the Countries and FR – change to published approach and rationale for change) has concluded that FC will *move away from the hybrid Shared Services model and establish new corporate service arrangements in the Countries and FR*. Consequently retaining the status-quo is no longer a viable long-term solution. The consultation also confirmed that *[t]he cross-border functions of CFS and IFOS, if not within the remit of the new Refreshed FR Agency, will ... be managed through the BSG ... [and] will fall within the scope of [the Temporary Corporate Services] Staff Council*.

## Option 2 – the recommended option

This option comprises:

- Introducing a revised Vision and set of Objectives for FR.
- Transferring specific cross-border functions and shared service activities (including existing staff and budgetary provision) from CFS to FR.

## Proposed Vision and Objectives

### Vision

It is proposed that the refreshed agency will be recognised as one of Europe's leading providers of applied forest and tree-related science, forestry data services, policy evidence, technical development, specialist extension services and professional training.

### Objectives

FR's high level objectives are proposed to be:

- To provide evidence and expertise to inform the development and delivery of UK, Welsh, Scottish and European forestry related policies.
- To provide innovative applied research, development, monitoring, scientific services, forestry data services and professional training to UK, European and international forestry stakeholders.
- To facilitate knowledge exchange directly, and/or in partnership with others, to UK, European and international audiences.
- To be the preferred supplier to the UK, Scottish and Welsh governments for forestry science as a result of its quality of service, value for money and reputation with the sector.
- To work in partnership with others to promote the development of the wider UK, Scottish and Welsh forest science and research capacity and capability in particular through staff recruitment, training and development.

## Changes to Functions and Services

It is proposed that the following functions are transferred into the refreshed FR Agency:

- All the IFOS cross border and shared service functions.

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- Publications.
- Statistics.
- Those parts of the CFS Corporate Services which support the transferring functions.

The following functions will remain in CFS and be reviewed along with the shared services as part of the Business Strategy Group's deliberations<sup>3</sup>:

- Economics.
- Research commissioning.
- International and support for UKFS.
- Plant health.
- The remaining parts of CFS Corporate Services.

A detailed explanation of all of these functions/services as well as the rationale behind the proposal for each of them is given at annex A.

## Rationale

This proposal does NOT require any changes in overall staff numbers, nor the relocation of any existing posts, although there will be some changes to structures and management reporting lines for some staff.

The proposal is cost neutral and has the support of the FC Executive Board and Forestry Commissioners.

A key strategic benefit of this proposed change is that it will retain integrated specialist teams and enable business critical science, inventory and forecasting to continue without interruption. This option therefore will allow for a sustainable long-term structure to be developed that will be more responsive to the changing needs of the Countries/FR and one capable of continuing to develop FR's external income generating capacity.

It is also worth highlighting that the group sought an external perspective on the proposals from Ian Ross OBE, Chair of SNH. He reviewed the proposals, along with the background information from the WPEP process, and his comments are attached as

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<sup>3</sup> Where necessary this will involve representatives from the Wales and Northern Ireland Governments.

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Annex B. Overall, he was positive regarding the proposals and in particular it is worth highlighting his opening comments that:

*[t]here is currently perhaps a greater need for a coherent and robust Forest Research capacity within the UK than at any time in my almost 40 year experience of forestry in Britain. It is important that this capacity has a well-coordinated / joined up presence across the borders of the UK "home countries" – with the ability to respond and deliver in terms of challenges and needs.*

## Future Organisation and Transition Planning

The revised organograms for FR and CFS under option 2 are given in Annex C. This shows that:

- The CFS publications team will become part of FR's existing communications team.
- The CFS statistics team will become part of the social and economics research group.
- IFOS will become a new Centre in FR with the PB1 joining FR's Executive Board.
- The admin support for each transferring function will be integrated into the relevant Centre teams.

If Option 2 is adopted then FR will work on developing a transition plan with the staff involved to make the transfer as seamless as possible with the intention that the refreshed agency would be fully operational from 1st April 2016.

## Timescale

The proposal is to have these new arrangements in place by 1 April 2016.

# Staffing & Stakeholder Impact

## Existing CFS Cross Border Functions Staff

The main group of staff to be impacted by this proposal are the current CFS staff who will either be incorporated into the refreshed agency or remain in CFS. This proposal means that the whole of IFOS (38.94 FTE's including the admin support) will transfer, as well as from the Analysts team, statistics (3 FTE's) and publications (2.25 FTE's). CFS (less IFOS) is currently 33.02 FTE of which it is proposed that 6.99 FTE will transfer to the refreshed FR and 26.03 FTE will remain within CFS and be reviewed as part of the service transition process.

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There will also be specific implications for the Corporate Services team (CS) which is part of CFS but also provides a number of support and admin services for IFOS, the Analysts and Publications teams. The CS team currently numbers 9.49 FTE<sup>4</sup>. The consequence of the proposed change is that 1.74 FTE will be amalgamated into the refreshed FR (0.56 PB4, 0.68 PB5 and 0.5 PB6b). As it is proposed that Corporate Governance, Specialist Advice, Economics, Plant Health and Research Commissioning will not be included in the refreshed Agency, 7.75 FTE will remain as part of the Corporate Services team.

This proposal will not result in any change in overall staff numbers and no staff will be asked to relocate. FR is already a geographically dispersed organisation and used to working with staff based all over the country<sup>5</sup>.

It is not anticipated that there will be any major impact on the content of any of those posts being transferred to FR. The research commissioning done by IFOS will remain in CFS to be reviewed as part of the service transition process. (The only changes will relate to the need for transferred staff to use FR's time recording system and management systems). The reporting lines for Branch Heads will change to report into the FR senior management team.

As the aim is to keep the teams and their associated work programmes intact as they transfer into the refreshed agency then there should be no impact on the quality of service provided to the country stakeholders. A brief dialogue has been held for example with the chair of the IFOS service board about these potential changes and he is reassured that the service they require as customers will be maintained.

## Specific Benefits

### Option 1

#### Short-term benefits

- Retains the status quo and avoids any change in current arrangements.

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<sup>4</sup> In addition 0.64 PB5 and 0.5 PB6b IFOS staff are managed within the Corporate Services team but for the purposes of this business case are included in the IFOS 38.9 FTE. The team also includes the 5 Forestry Commissioners.

<sup>5</sup> FR senior managers have indicated that they would be happy to consider individual requests to voluntary transfer at an individual's own expense, to be based at any of FR's existing operational sites.

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- Maintains existing knowledge, expertise and integrated provision of inventory, forecasting and geographic information support, publications production and statistical analysis.
- Gives a message to staff that immediate change isn't going to be implemented and should reduce turnover in the short-term.

## Long-term benefits

- *None, as it has been agreed that the status-quo is no longer a long-term option.*

## Option 2

### Short-term benefits

- Maintains existing knowledge, expertise and integrated provision of inventory and forecasting support, publications production and statistical analysis.
- Outward as well as inward facing roles defined in new proposed structure which should broaden experience and developmental opportunities for staff.
- Creates the right environment for future direction of travel for the business, i.e. dedicated specialists supporting the development of distinct forestry operations in all three (and in some instances, four) countries.

### Long-term benefits

- Enables the provision of agreed cross border functions to be 'settled' and established ahead of any wider organisational changes.
- Credibility and service provision maintained within the current operating model of the wider FC.
- Costs of service provision are known and understood.

## Option 3

### Short-term benefits

- Could retain the provision of key cross border functions within a part of the devolved governmental forestry operations.

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## Long-term benefits

- Services contracts could be established between the countries which hold certain functions to ensure provision to other countries.
- Any further changes or shifts required in the provision of these functions services will be for the individual countries to handle.

## Budget Implications

According to the 2015/16 FR Corporate Plan and CFS and IFOS Business Plans, the current funding arrangements for FR and those CFS Cross Border functions suggested for inclusion in the refresh are as follows:

Table 1: Budgets (£000's)

	Before		After	
	CFS	FR	CFS	FR
<b>Forest Research</b>				
Cross-Border funding for SIS <sup>1</sup>		7199		7199
Defra funding for Plant Health		230		230
Other FR Income		4571		4571
<b>CFS</b>				
IFOS Cross-Border funding for SIS (NFI)	743			743
Other IFOS Income <sup>2</sup>	1924			1924
Statistics	215			215
Publications	240			240
Other Analysts	565		565	
Corporate Services	612		478	134
Plant Health	1325		1325	
Commissioned Research	733		733	
Other	318		318	
<b>Totals</b>	<b>6675</b>	<b>12000</b>	<b>3419</b>	<b>15256</b>
<b>TOTAL</b>	<b>18675</b>		<b>18675</b>	

### Notes to Table 1

1. Science and Innovation Strategy

2. 'Before' figure does not include £120K of country funded research which IFOS spends with FR

## Option 1

Under this option there would be no change to the existing arrangements.

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## Option 2

Under this option the CFS funding described in Table 1 would transfer to FR and become part of FR's overall budget. However there is no change in the overall budgets and function/service costs.

## Option 3

Under this option the three countries would negotiate to trisecting the core funding from the Defra vote and then determine how and where to spend it.

## Set-up or additional costs

### Option 1

There are no set-up or additional costs required to maintain the status quo.

### Option 2

Under this option all of the IFOS, publications and statistics staff from CFS will transfer into FR along with their current associated budgets (either via the Defra vote or existing SLAs). As no staff losses, redundancies or location moves are planned then the primary set-up costs involved are likely to be minimal and related to ensuring all the staff are transferred onto FR's systems.

### Option 3

Trisection of the cross-border functions related funding would have a range of associated costs depending on the extent of change and the transition process that would be required. It is not possible to specify how significant this change would be as this would depend on the subsequent spending decisions taken by each of the countries. However it is expected that all options would involve increased costs to the countries arising from managing research provision to possible redundancy costs if cross-border functions were to be disbanded.

## Risks

### Option 1

The risk of not proceeding with change in the longer term is that the status quo is simply not tenable as an option for providing the sustainable long-term home for cross border functions required by devolution and the strategic organisational change already

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underway in the FC. In addition the provision of the specific cross border functions involved is likely to become untenable through staff losses or uneven division by the countries. Where the service is well integrated such as in IFOS the risk of breaking up such a team is considerable and this would have a severe impact on the quality of service provision.

In the short to medium term, the risk of not proceeding relates to the operational difficulties resulting from a possible increase in staff turnover. Corporate reputations could also be negatively affected if the country operations could not deliver their objectives due to inadequate provision of key functions such as mapping and geodata or production forecasting.

## Option 2

The key risk is that the integration of the different functions is more difficult than anticipated and the business may see a dip in service provision whilst the service is set up and transitioned given the learning curve that may be required

FR will need to ensure that the work can be effectively transitioned and managed. The interdependency between the existing services and the transitioned services will need to be carefully planned and handled to ensure a smooth transition and most importantly, knowledge and expertise integrated across the agency over time.

## Option 3

The main issue would be the potential loss of key services or reduction in quality of service the FC or devolved forestry operations receive. The services currently provided by the cross border functions are integrated, applied and directly targeted at supporting government policy implementation.

Most other public sector research establishments or research council bodies in the UK provide only a very limited amount of expertise in relation to forestry and none cover the whole supply chain like FR. The problem with diverse suppliers many of whom (e.g. academia) have limited experience in providing policy relevant or practical advice in a timely or time constrained manner is the costs of procurement will be higher. It is possible that all of the functions could be devolved to the countries and they could then choose to collaborate to source the necessary delivery capacity through a shared contractual arrangement. However this was considered to be overly complicated and risky where the need for collaboration is already apparent and FR is well placed to deliver. It is likely any variation under Option 3 could involve the loss of a number of posts and site/facility closures.

## Equality Considerations

The staff impacted by the proposals outlined in this Business Case are the current CFS staff who will either be incorporated into the refreshed agency or remain in CFS.

The incorporation of large teams such as IFOS into FR will require careful transition and implementation planning. However, the proposals do not include the following:

- Reduction of any roles/staff;
- Major changes to individual's FJPs/job content;
- Relocation of any staff;
- Changes to supporting HR policies and procedures, including E&D policy. These will continue to apply to all staff, in exactly the same way

Although this option will not result in any change in overall staff numbers and no staff will be asked to relocate, FR would be happy to consider individual requests to voluntarily transfer at the individual's own expense to be based at NRS or Alice Holt if this suited individuals and their managers.

There is minimal impact on the content of any of those roles which are transferred to the refreshed agency. For those functions that will not transfer into the agency these will be considered by the Countries/FR via the BSG process. Given the information outlined above, the Head of the Diversity Team has confirmed that a full Equality Analysis is not necessary.

## Recommendations and Timescales

Considering the options, benefits, costs and risks, it is proposed that FR is refreshed through the introduction of a new Vision and set of Objectives as well as the inclusion of specific cross border and shared service functions from CFS (Option 2). It is anticipated that six months lead-in time of preparatory work is required from October 2015 in order to successfully transition the functions to the new structure by 31<sup>st</sup> March 2016.

Those functions not transferring to FR will be considered as part of the wider change programme to develop new corporate service arrangements and in the meantime will remain part of CFS.

## Annex A: Proposals for Individual Functions

The proposed vision and objectives for the refreshed FR have provided a framework to determine which functions should go into the Agency, particularly to support the agreement that it would be the UK, Scottish and Welsh governments' supplier of choice for forestry specific science, evidence and technical advice and that it must be financially viable.

The analysis below uses the framework to consider whether each function should be included in the refreshed Agency, highlights where there are immediate consequential changes to be addressed, and by implication, those functions which will remain in CFS to be reviewed as part of the service transition process.

### Inventory, Forecasting and Operational Support

IFOS carries out a mix of cross border and shared service functions and is organised as three interdependent teams:

- Inventory and Forecasting
- Operational Support
- Mapping and Geodata

The consolidated analysis shows that the overarching preference of the countries and FR is for the bulk of the Inventory and Forecasting team (including FE support) and its associated activities to be transferred into the refreshed Agency. As FR is also keen to take on this function then it is recommended that this function should go into the refreshed Agency.

The consolidated analysis showed that England was content for the IFOS functions of Operational Support and Mapping and Geodata to go into the FR refresh but Scotland had not yet reached a position on these functions. However subsequent discussion with Scotland has indicated that they too are happy for these functions to go into the FR refresh on the proviso that certain elements such as the work on the Operational Guidance Booklets, where there is already an agreed trajectory of travel will continue to migrate to the countries and the supporting resource adjusted accordingly.

**Therefore on the basis of the analysis and subsequent discussions it is recommended that all of IFOS goes into the refreshed Agency.**

## Publications

The consolidated analysis showed a very mixed requirement from the countries with some activities being proposed to go into the countries and some shared with the FR refresh. However the publication team have a clear role in supporting the communication of evidence which is a key commitment of the Science and Innovation Strategy and the proposed future role of Forest Research. Of the current work of the team, all the publications are related to research outputs except a proposal for some “z-cards” for all FC staff on Health and Safety issues which could continue to be provided as a service or devolved.

FR is keen to take on board the function as it would give FR control of the full lifecycle of its research programmes including the transfer of knowledge. FR would propose that if it did take on this function it would continue to serve the countries in a bespoke way. For example any publications produced from research programmes could continue, as now, to be published under country specific banners depending on what the countries require.

**It is recommended that the publications function should be included in the refreshed FR and that processes for continuing to provide bespoke support to the countries are developed as part of the implementation phase.**

## Statistics

The consolidated analysis showed that the overarching preference of the countries is for the bulk of the statistics function and its associated activities to be transferred into the refreshed Agency.

**As FR is also keen to deliver this function then it is recommended that the statistics function should go into the refreshed Agency.**

## Economics

The consolidated analysis showed that the country preference is largely for the economic research planning and professional representation activities to be handled by the countries. However at the request of the Commissioners the project board examined the future requirement for devolved economics capability. This re-examination confirmed that the “fit” between the cross border economics functions and the proposed purpose of the agency was not good, with the devolved focus being on supporting policy development and delivery. This requires a different skill set and background to the research economics carried out by FR’s economists.

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**Therefore it is recommended the cross border economics function should not go into the FR refresh but remain in Central Services to be reviewed as part of the service transition process.**

## Corporate Services

The consolidated analysis shows that England, Scotland and FR agree that the corporate services function should ultimately go into the countries. There is a small element of statutory and governance functions carried out by that team which needs to continue whilst the FC remains. Consideration of how to deal with these functions will be covered by the Legal and Corporate Project.

The Corporate Services team provides general support to Corporate and Forestry Support (CFS) and IFOS, including financial management particularly the management of contracts for research, publications storage for CFS and the NFI survey and ESRI contracts for IFOS. The consequence of the proposed change is that 1.74 FTE will be amalgamated into the refreshed FR (0.56 PB4, 0.68 PB5 and 0.5 PB6b). As it is proposed that Corporate Governance, Specialist Advice, Economics, Plant Health and Research Commissioning will not be included in the refreshed Agency, 7.75 FTE will remain as part of the Corporate Services team.

**Therefore it is recommended that the CFS corporate services function should not go into the refreshed FR, although some individual posts will transfer as outlined above.**

## Research Commissioning

It has been accepted throughout the analysis of cross border functions and the future role of Forest Research that there must be a clear separation between the research commissioning function and the research provider.

**Therefore it is recommended that research commissioning should not go into FR refresh but remain in Central Services to be reviewed as part of the service transition process.**

## International

The consolidated analysis shows that the countries largely agree that the International function should go into the countries.

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**Therefore it is recommended that the International function should not go into FR refresh but remain in Central Services to be reviewed as part of the service transition process.**

## UK Forestry Standard

Discussions are already underway with the 4 countries on the immediate future needs for the UKFS. There is a general consensus for a light-touch review with a target publication date of November 2016 and a proposal accepted for the policy leads in each country to form the steering group to take this forward. It is also envisaged that this be coordinated by the analyst in the International team and delivered through the Publications team. This is considered as a "task and finish" project necessary to ensure compliance with various national and international agreements and capable of being discharged over the timescale irrespective of wider changes. Longer term, countries need to develop their positions on how the various commitments which the UKFS currently fulfils will be met in future.

**Therefore it is recommended that coordination of the UKFS should not go into FR refresh but remain in Central Services to be reviewed as part of the service transition process.**

## Plant Health

The consolidated analysis although mixed is clear that the Plant Health function should go to the countries. This move would also match where the Welsh and Scottish Governments and Defra see things going albeit the exact structures for this have yet to be finalised. Some proposals may require changes to legislation.

**It is therefore recommended that the Plant Health cross border function should not go into the refreshed FR Agency but remain in Central Services to be reviewed as part of the service transition process.**

## Specialist Advice

The provision of CFS specialist advice is dependent on the skills and background of the people and their engagement with particular current issues and networks. The consolidated analysis showed that the countries largely agree that most elements of specialist advice should go into the countries especially where it is closely related to activities like research planning and commissioning.

However subsequent analysis at the behest of the Commissioners has concluded that the existing provision of specialist advice is most closely linked to the development of policy

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advice which is a country led function, and as such it has been confirmed that the specialist advice function should not transfer into FR, but remain in CFS to be reviewed as part of the service transition process.

**Therefore it is recommended that the specialist advice function should not transfer into FR, but remain in CFS to be reviewed as part of the service transition process.**

## Summary

- All the IFOS cross border and shared service functions should go into the refreshed FR Agency.
- The publications function should be included in the refreshed FR and processes for continuing to provide bespoke support to the countries are developed as part of the implementation phase.
- The Statistics function should go into the refreshed FR Agency.
- The Economics function should not go into the refreshed FR Agency but remain in CS to be reviewed as part of the service transition process.
- The CFS corporate services function should not go into the refreshed FR, although some individual posts will transfer as outlined in this proposal.
- Research commissioning should not go into the refreshed FR Agency but remain in CS to be reviewed as part of the service transition process.
- The International function and support for UKFS should not go into the refreshed FR Agency but remain in CS to be reviewed as part of the service transition process.
- The coordination of the UKFS should not go into the refreshed FR agency but remain in CS to be reviewed as part of the service transition process.
- The Plant Health function should not go into the refreshed FR Agency but remain in CS to be reviewed as part of the service transition process.
- The specialist advice function should not transfer into FR, but remain in CFS to be reviewed as part of the service transition process.

# Annex B: Ian Ross's comments on the recommended option

Thank you for your letter of 16<sup>th</sup> July 2015 and the attached reports. I have read the Cross-Border Functions Project reports with interest. I would like to make a few observations before I respond to the specific points you requested a response on.

### General Observations / Context

There is currently perhaps a greater need for a coherent and robust Forest Research capacity within the UK than at any time in my almost 40 year experience of forestry in Britain. It is important that this capacity has a well-coordinated / joined up presence across the borders of the UK "home countries" – with the ability to respond and deliver in terms of challenges and needs. The devolved UK Forestry sector does have differences of emphasis, but it is still a relatively small industry and it is important the devolution of functions should not compromise the quality and effectiveness of forest research work and avoid any fragmentation of expertise. It is also important this is based on strong and effective national and international links. There is a strong record of such working within the UK.

The current devolution context clearly favours a greater emphasis on control sitting within the devolved administrations. There have been clear, recent statements about the full devolution of forestry and we see the development of a fuller understanding of the Smith Commission report as a consequence of the Scottish Independence Referendum result. It is important to ensure that the "spirit" of a strong commitment to devolved control is reflected in future decisions and developments. It is apparent there has been some divergence of national policy on devolved matters since 1999 and this can be expected to continue into the future, with the need for sufficient country-based capacity to support the development and delivery of such policy.

There is much that can be anticipated and falls into the "known-unknown" category, but there is still much which remains fully unknown and as much as it is desirable to future proof structures, it is important to recognise that there are limits and there will undoubtedly be the need for flexibility and future changes.

In terms of the specific questions raised:

### 1. Whether the revised vision and objectives form a sensible basis for the refreshed Agency?

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A refreshed Agency model builds on existing good practice and capacity. I am fully supportive of both the vision and the five high level objectives. They reflect the necessary ambition and demonstrate the breadth of work areas to be covered – particularly the three strands associated with sustainable development. I am also pleased to note both the emphasis on staff development and also European and international links. In terms of the reference to economic policies, it would be worth demonstrating how this relates to the functional proposal for economics. I note the appropriate reference to policy evidence – my only additional observation is that this will have to be balanced with an appropriate policy capacity within the country structures.

## 2. Whether the set of functions which it is proposed to brigade into the FR seems sensible in the light of the suggested revised vision and the objectives for the agency?

I am content to support the proposals. A key observation is that matters should be open to review and the maintenance of effective communications with Central Services and the wider Country Bodies. There is an important need to retain capacity and a critical mass within FR and the proposals will contribute to this and also contribute to constructive overlap and linkages. The transfer of functions should not dilute FR's prime role as a research agency. As a specific observation, it may be that future changes may have require greater country-based capacity around Operational Support and Mapping and Geodata. Also as I understand it the International and Plant Health functions will not transfer – I can see the reason for a devolved presence, but what steps will be taken to permit the necessary plant health science and international funding dimension within FR? Please note my Q 1 comment on Economics.

## 3. Whether you think the proposals will provide FR and forestry research with a viable future within the wider land-based research and evidence institutions?

The proposals build on an established and effective structure. There is limited potential within other possible models. There is a need to have a scale and capacity which will provide a quality assured and appropriately integrated ability to deliver. The proposals need to reflect both the similarities and differences which exist across the UK. The proposals need to be able to realise the ambition presented in the Vision. My assessment is that the proposals do provide a reasonable degree of confidence in a viable future within the wider research sector and linked institutions – my one caveat is that there will be future changes and there will be a need to closely follow and reflect such changes and developments.

## 4. Whether there are any wider opportunities which FC or FR might be able to capitalise on through this review process?

# FR Refresh Business Case

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There can be expected to be a greater emphasis on ecosystem services and Natural Capital, particularly linked to social needs and challenges. Forestry is particularly well placed to deliver on this – it is important that a significant focus and capacity are maintained here.

## 5. Whether there are any particular external pressures which it would be sensible to test the proposals against?

It is not unreasonable to expect the public funding pressures to become even more challenging – a current example will be the reviews taking place across the “unprotected departments” within the wider Westminster funding pool and in particular DEFRA. Any additional work on funding scenarios might prove very useful.

I hope you find the above comments helpful, I am very happy to provide any clarification or additional information.

Yours sincerely,

W.J. (Ian) Ross

## Annex C: Organograms

Please see the separate document